

# Banco de Bogotá

## Investor Presentation

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**J.P. Morgan**  
**11th Annual J.P. Morgan Global Emerging Markets Corporate Conference**  
**February 24<sup>th</sup> – February 26<sup>th</sup>, 2020**

Banco de Bogotá is an issuer of securities in Colombia and, as such, it is required to comply with periodic reporting requirements and corporate governance practices. As a financial institution, the Bank is subject to inspection and surveillance from Colombia's Superintendency of Finance.

The financial information of Banco de Bogota included in this presentation was prepared with unaudited unconsolidated financial information, in accordance with ColGAAP standards in order to comply with reporting purposes of Colombian Superintendency of Finance. Details of the calculations of Non GAAP measures such as ROAA and ROAE, among others, are explained when necessary in this report. Banco de Bogota consolidated figures and BAC International Bank figures are prepared under unaudited financial information following IFRS by IASB.

The Colombian peso/dollar end-of-period annually and quarterly performance as of December 31, 2019 was an annual devaluation of 0.8% and a quarterly revaluation of 5.3%. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of December 31, 2019 (COP 3,277.14).

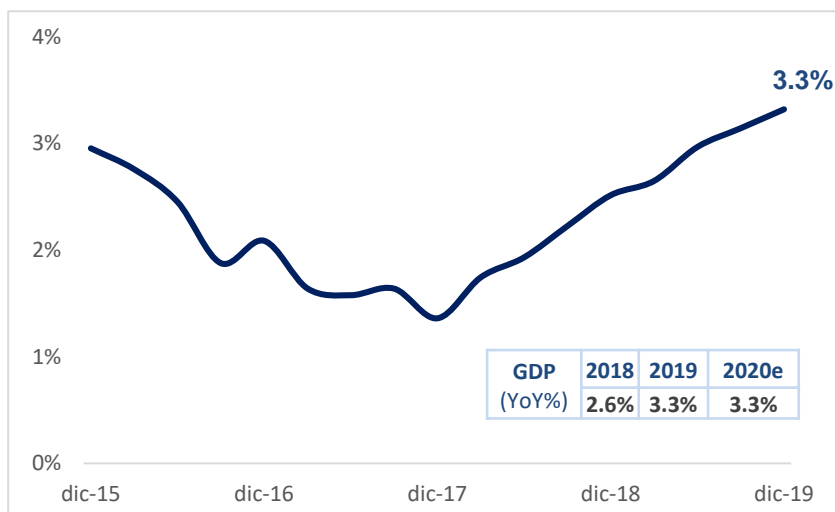
Banco de Bogotá has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening Condensed Consolidated Statement of Financial Position on January 1, 2019. Consequently, quarterly results for 2019 are not fully comparable to previous periods.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, Banco de Bogotá, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

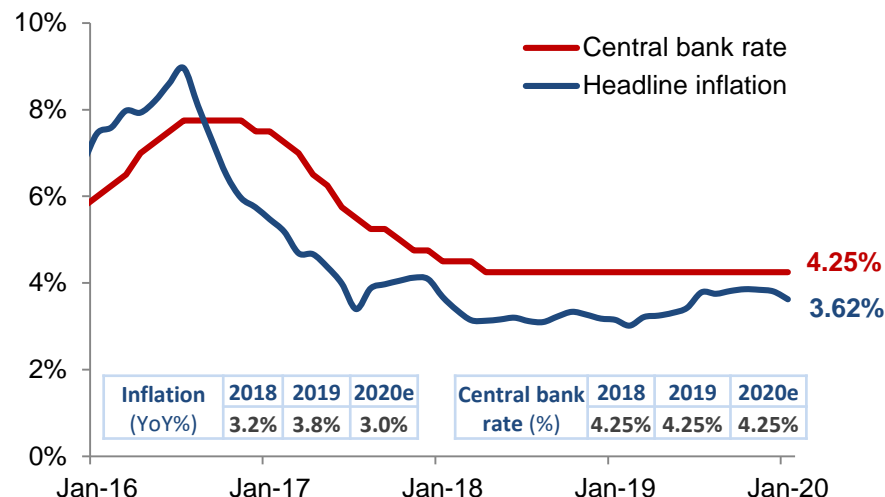
This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time but we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward looking statements, and do not intend to provide any update for such material developments prior to our next earnings report. The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

In this document we refer to trillions as millions of millions and to billions as thousands of millions. "Excluding FX" refers to the impact of the exchange rate on our Central American operation.

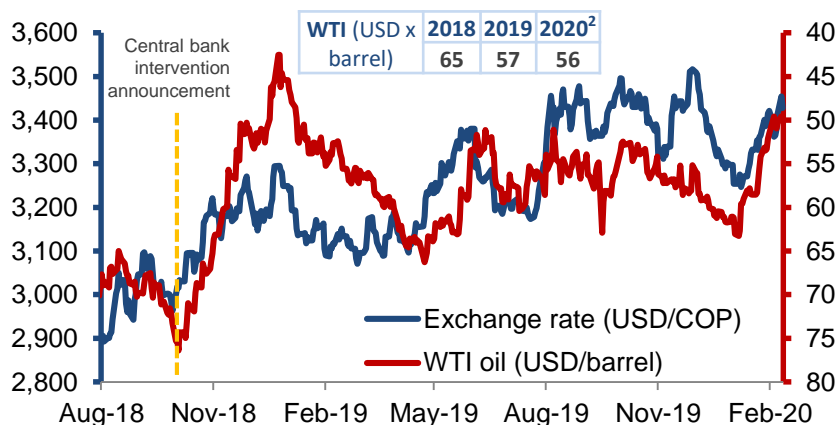
### GDP<sup>1</sup> (YoY %, 12-month)



### Inflation vs. Central bank rate (YoY%, %)

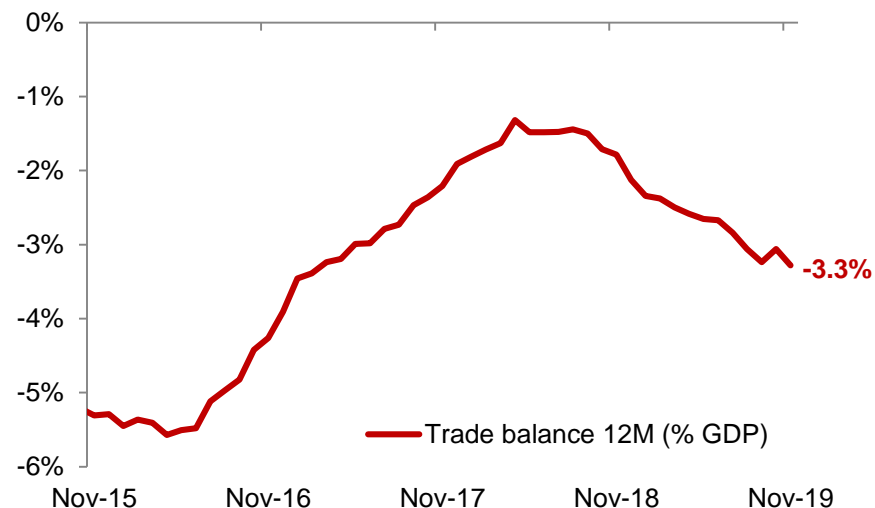


### Exchange rate vs. WTI oil (USD/COP, USD x barrel)



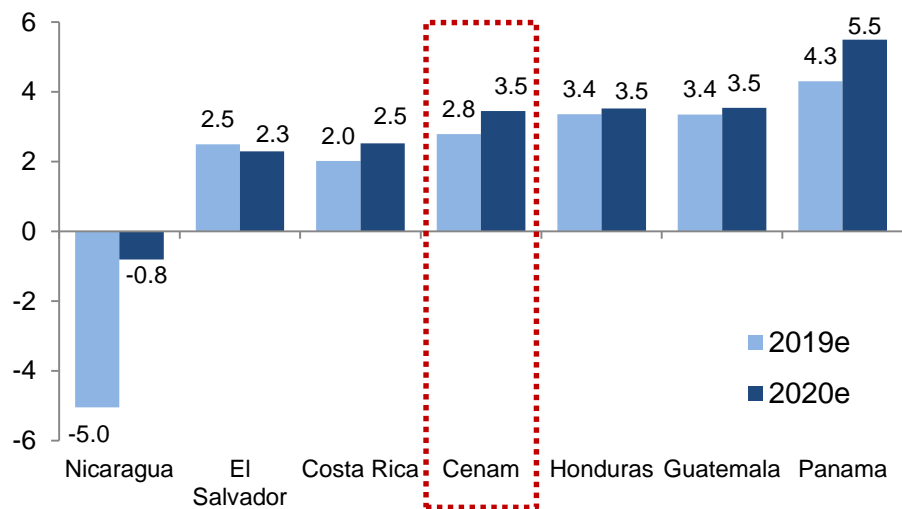
Exchange rate (USD/COP)	4Q			Year		
	2017	2018	2019	2018	2019	2020e
End of period	2,972	3,250	3,277	3,250	3,277	3,250
Average	2,986	3,161	3,411	2,956	3,283	3,325

### Trade balance (% GDP, 12-month)

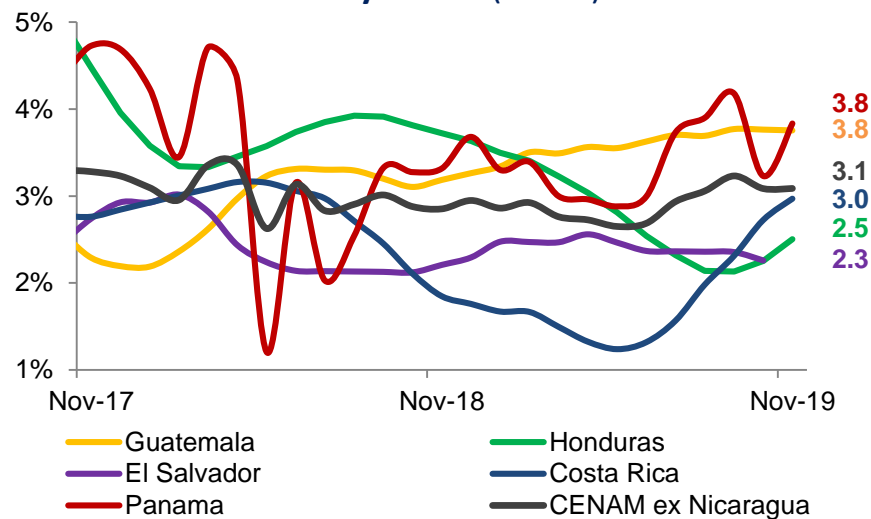


Source: DANE, Banco de la República, Bloomberg, Economic Research Banco de Bogotá. 1. Original series. 2. Average year-to-date. (R) Under review.

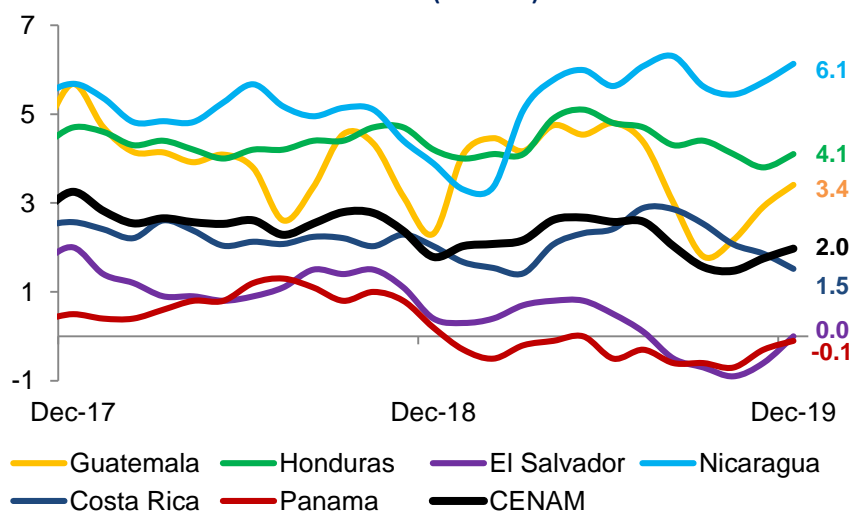
### GDP<sup>1</sup> (YoY %)



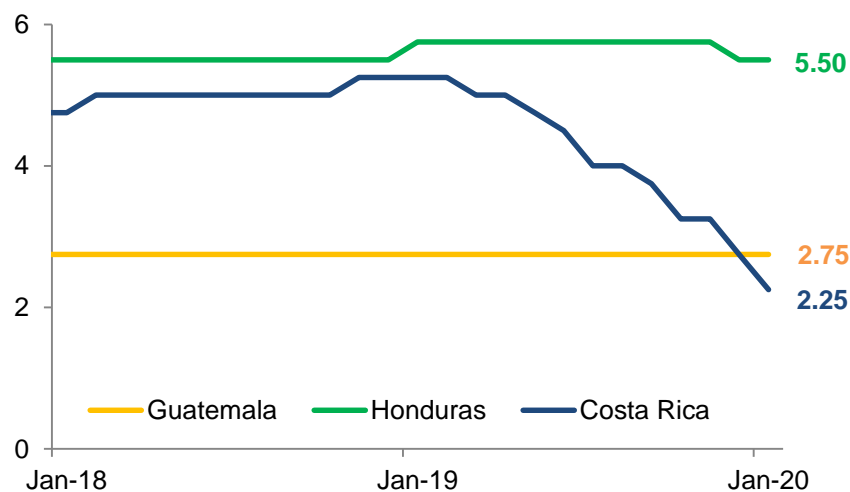
### Activity Index<sup>2</sup> (YoY %)



### Inflation (YoY %)

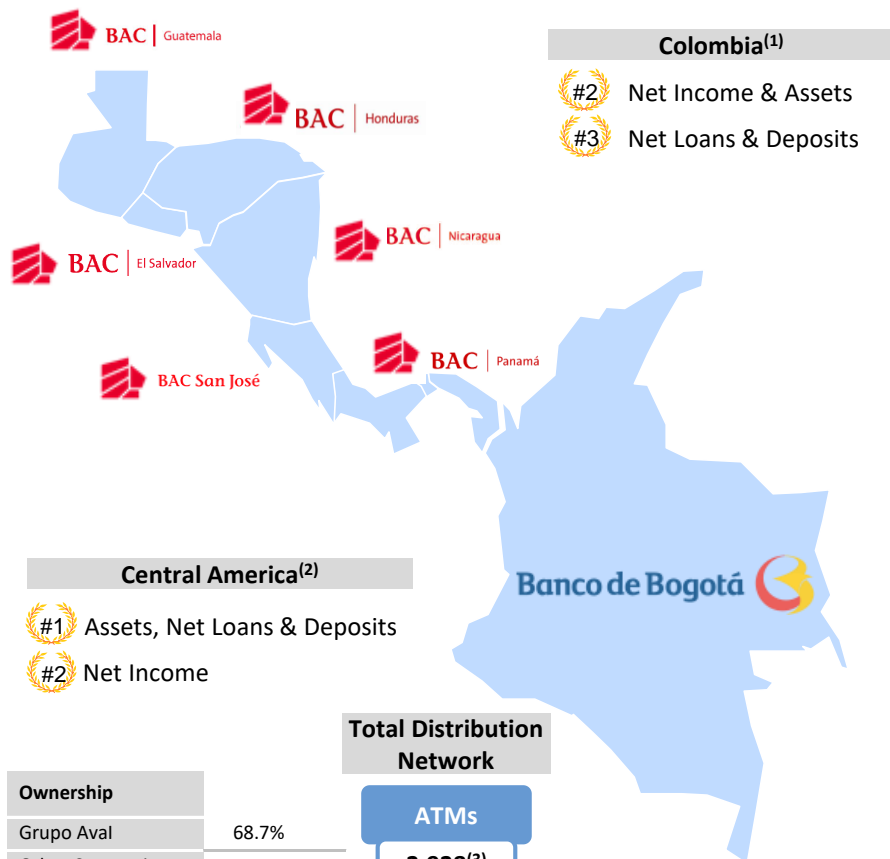


### Central bank interest rate (%)



Source: IMF, Bloomberg, SECMCA, Economic Research Banco de Bogotá. CENAM: Central America. 1. IMF estimates and forecasts. 2. Monthly activity trend indicator (IMAE-TC). CENAM information is shown excluding Nicaragua because activity information is only available up to February for this country.

## Regional Franchise

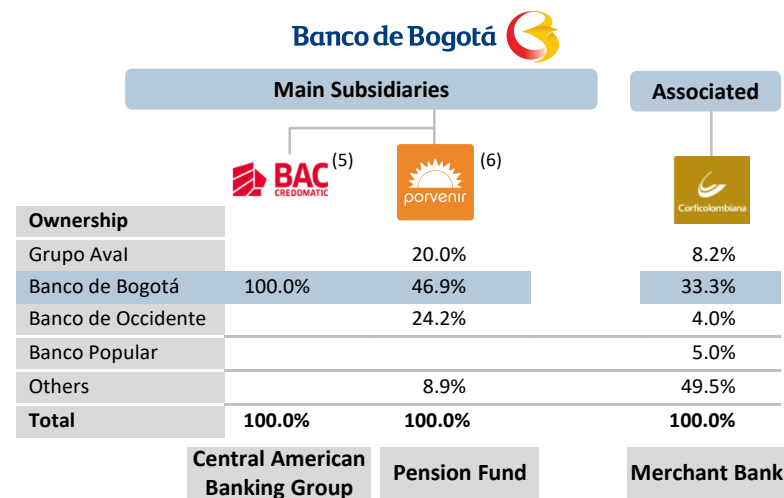


### Total Distribution Network

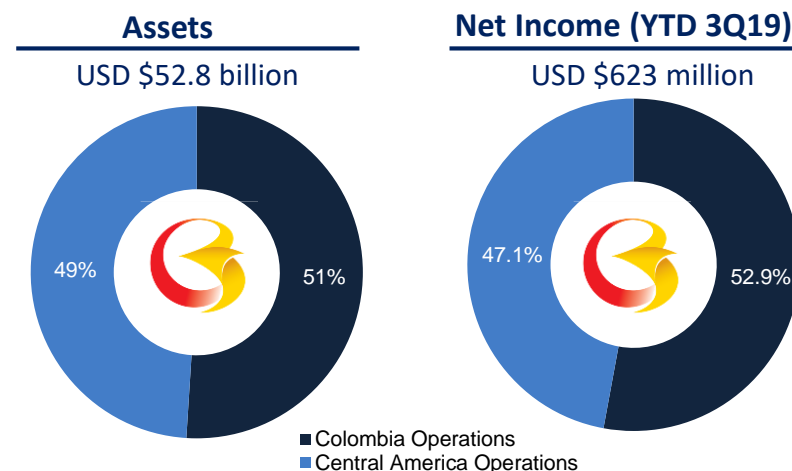
Ownership	
Grupo Aval	68.7%
Other Companies owned by Mr. Sarmiento Angulo	8.3%
Others	23.0%
<b>Total</b>	<b>100.0%</b>

<b>ATMs</b>	<b>3,938<sup>(3)</sup></b>
<b>Branches</b>	<b>1,555<sup>(4)</sup></b>

## Banco de Bogotá's Structure



## Breakdown by Geography<sup>(7)</sup>

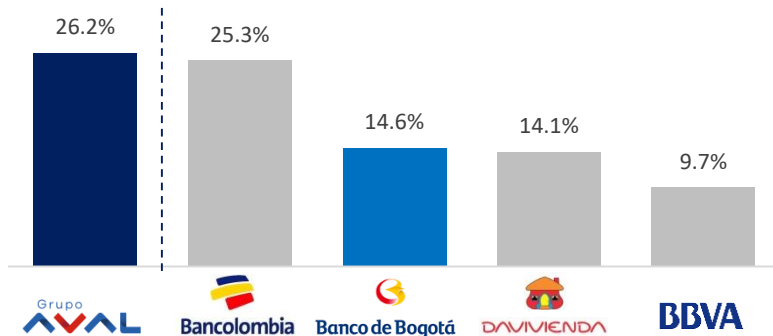


Sources: Company information. (1) Rankings as of December 31, 2019. Net Income rankings based on unconsolidated figures. (2) Rankings as of September 30, 2019. Calculated based on data aggregated from the local bank superintendencies of Costa Rica, El Salvador, Guatemala, Honduras, Panama and Nicaragua. (3) Reflects aggregate number of ATMs of Banco de Bogotá and BAC Credomatic as of December 31, 2019. (4) Reflects aggregate number of branches of Banco de Bogotá, Porvenir, Banco de Bogotá Panamá, Almaviva, Fiduciaria Bogotá and BAC as of December 31, 2019. Banco de Bogotá and BAC Credomatic jointly account for 1,427 branches. (5) Banco de Bogotá owns BAC Credomatic through Leasing Bogotá Panamá. (6) Banco de Bogotá controls Porvenir through shareholders agreements with Grupo Aval and Banco de Occidente. (7) As of September 30, 2019. Exchange rate as of December 31, 2019: \$3,277.14

## Total Assets

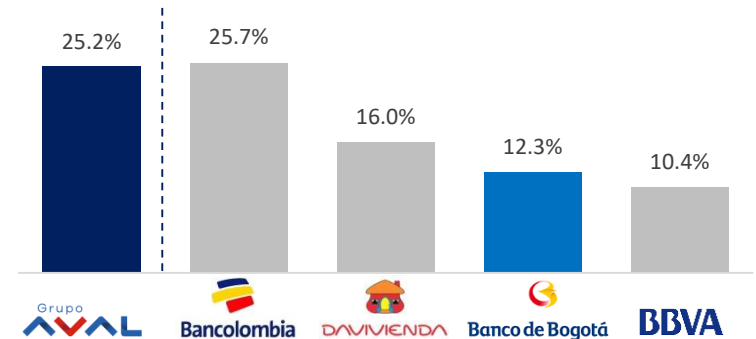
As of December 2019

System: US\$206.0 billion



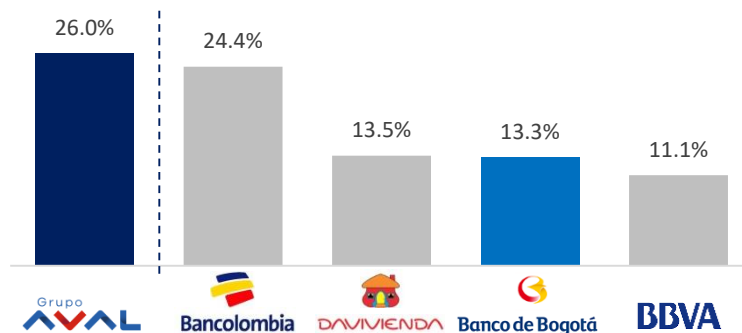
## Net Loans (1)

System: US\$137.2 billion



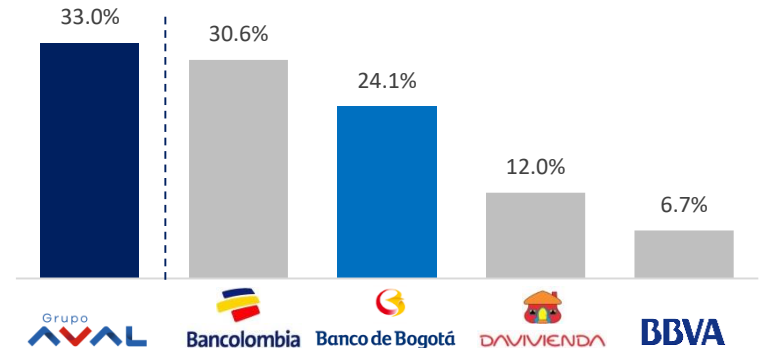
## Deposits

System: US\$128.8 billion



## Net Income (twelve months)

System: US\$3.3 billion



Source: Unconsolidated information under IFRS based on Asobancaria data as of December 31, 2019. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.

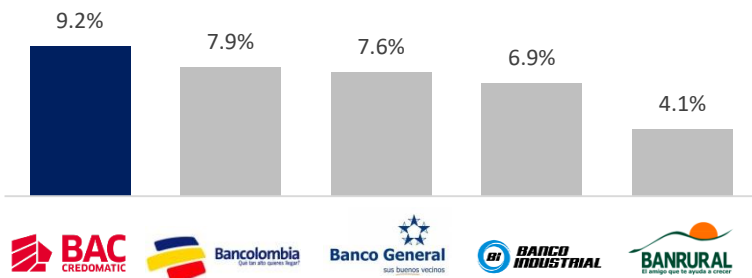
Exchange rate: 3,277.14 COP/USD as of December, 2019.

(1) Figures excluding interbank & overnight funds for comparative purposes. Deposits are calculated as checking accounts, saving accounts and time deposits.

## Total Assets <sup>(1)</sup>

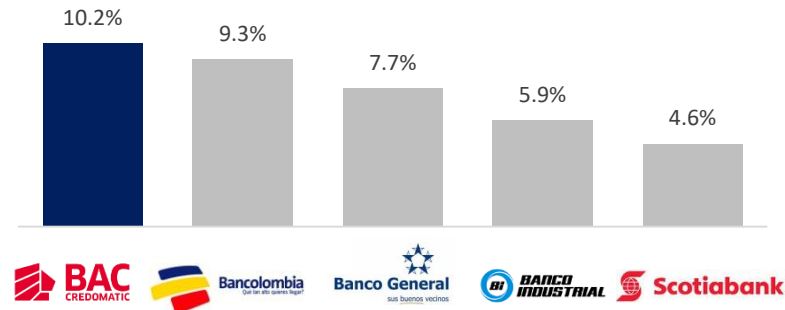
As of September 2019

System: US\$251.6 billion



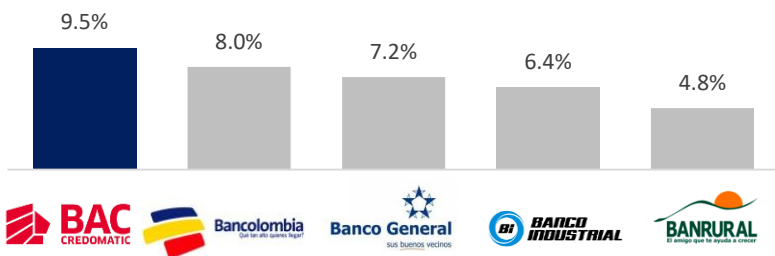
## Net Loans <sup>(1)</sup>

System: US\$155.0 billion



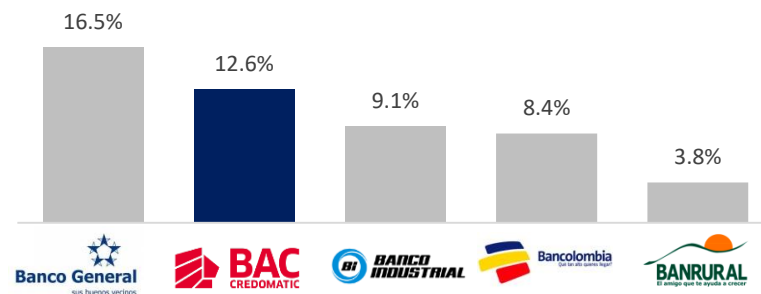
## Deposits <sup>(1)</sup>

System: US\$170.8 billion



## Net Income (nine months)

System: US\$2.3 billion



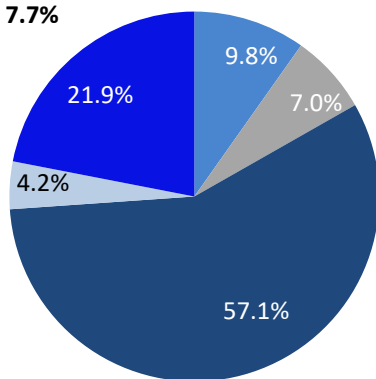
Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panamá  
 (1) Market share is determined based on the consolidated operations in the aforementioned countries. Bancolombia includes Banistmo (Panamá), Bancolombia (Panamá), Grupo Agromercantil (Guatemala) and Banco Agrícola (El Salvador)

## Banco de Bogotá Unconsolidated <sup>(1)</sup>

Figures in USD. Billions

**Assets: \$30.1 Bn.**

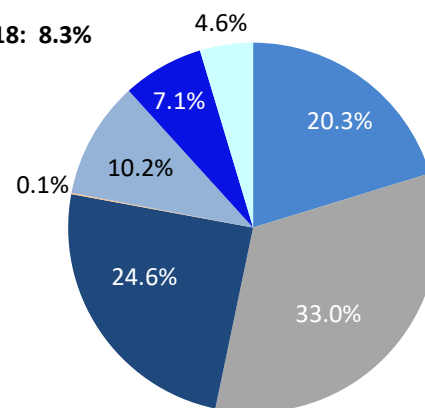
**Growth  
Dec 19/Dec 18: 7.7%**



- Cash
- Fixed Income Investments
- Loans, net
- Other assets
- Equity Investments <sup>(2)</sup>

**Funding: \$22.0 Bn**

**Growth  
Dec 19/Dec 18: 8.3%**

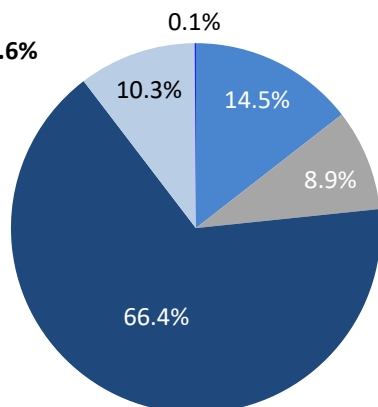


- Checking Accounts
- Savings Accounts
- Time Deposits
- Bonds
- Borrowings
- Interbank Funds & Overnight

## Central America <sup>(3)</sup>

**Assets: \$25.3 Bn.**

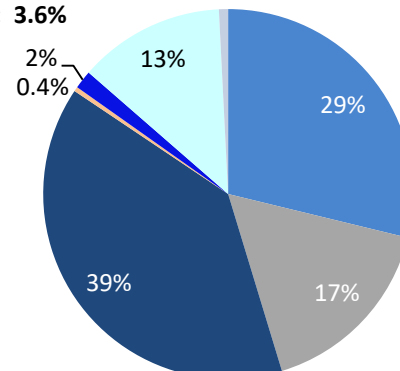
**Growth  
Dec 19/Dec 18: 5.6%**



- Cash
- Fixed Income Investments
- Loans, net
- Other assets
- Equity Investments

**Funding: \$20.3 Bn.**

**Growth  
Dec 19/Dec 18: 3.6%**



- Checking Accounts
- Savings Accounts
- Time Deposits
- Other Deposits
- Bonds
- Borrowings
- Interbank Funds & Overnight

Note: Other assets includes Accounts receivable, PP&E, Goodwill and Intangible Assets, OREOs Net and Other  
Exchange rate: 3,277.14 COP/USD as of December, 2019.

(1) IFRS as applicable under Colombian regulations

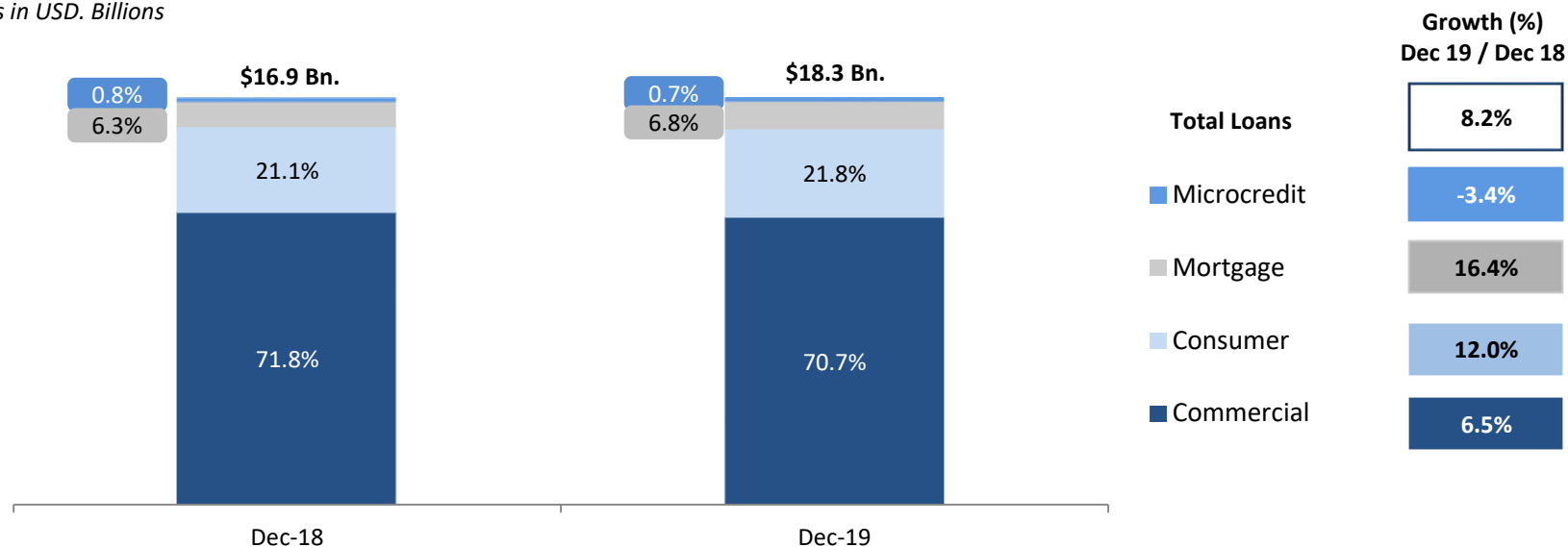
(2) Equity Investments: Includes participations in our associates (Coricolombiana and Casa de Bolsa), and subsidiaries as Leasing Bogotá Panamá and Porvenir, among others.

(3) Company filings. Central American operation corresponds to BAC Credomatic Inc, and under IFRS by IASB.

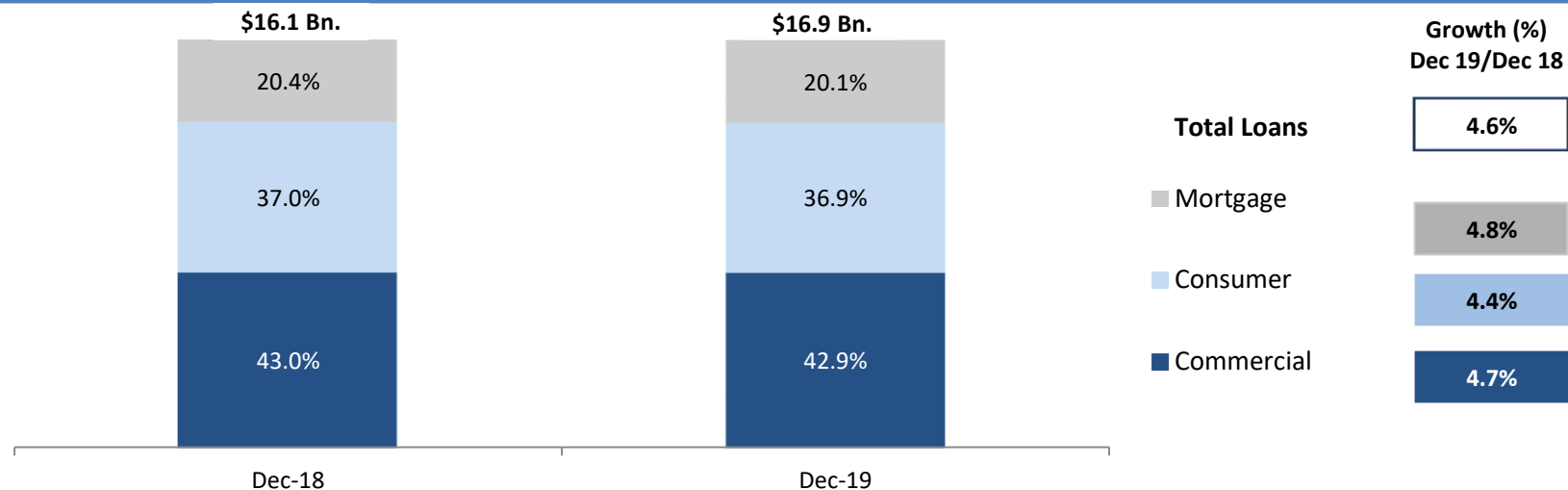


## Gross Loan Portfolio, Banco de Bogotá Unconsolidated <sup>(1)</sup>

Figures in USD. Billions



## Gross Loan Portfolio, Central America <sup>(2)</sup>



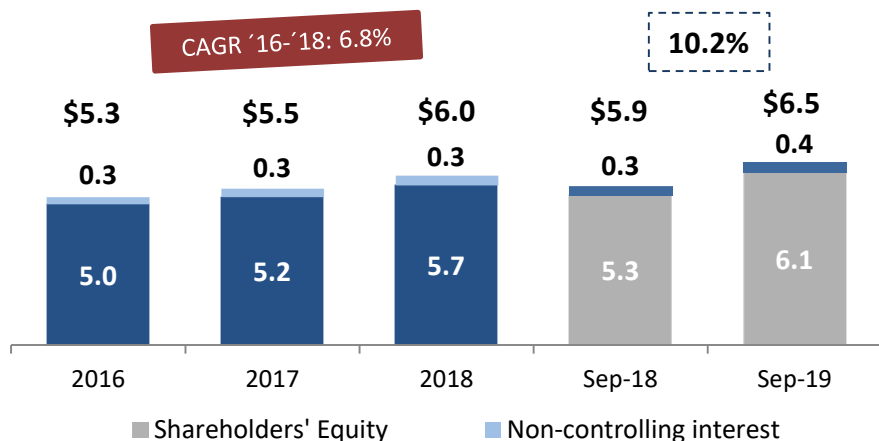
Exchange rate: 3,277.14 COP/USD Dec 31<sup>st</sup> 2019

(1) IFRS as applicable under Colombian regulations. includes accounts receivable from portfolio interests.

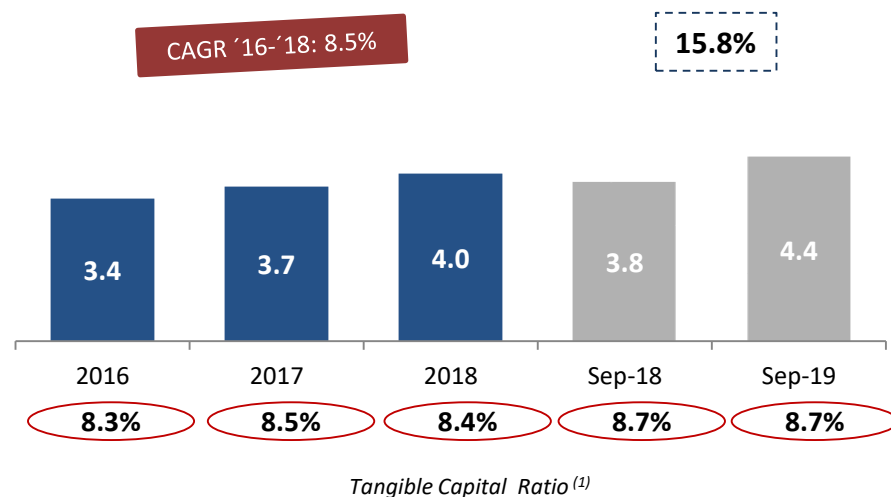
(2) Company filings. Central American operation corresponds to BAC Credomatic Inc, and under IFRS by IASB.

## Attributable Equity + Minority Interest

Figures in USD. Billions



## Consolidated Tangible Equity

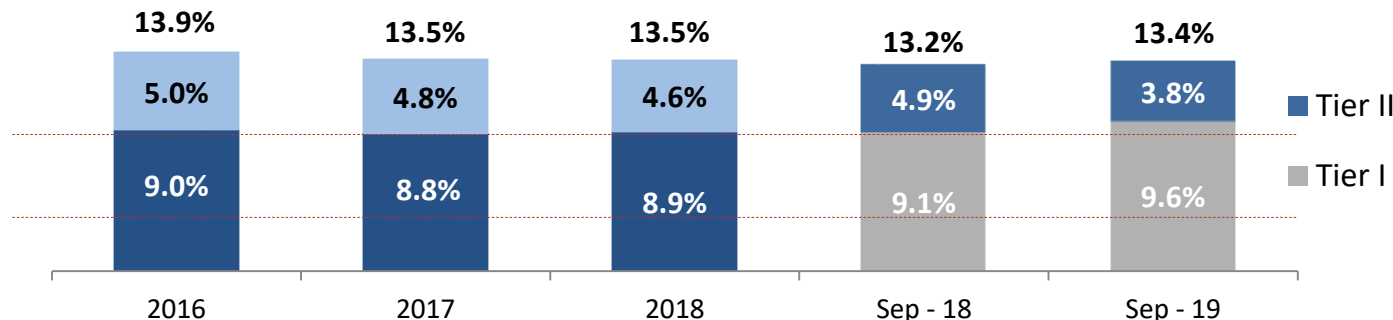


## Consolidated Capital Adequacy <sup>(2)</sup>

Regulatory Minimum:

Total: 9.0%

Tier I: 4.5%



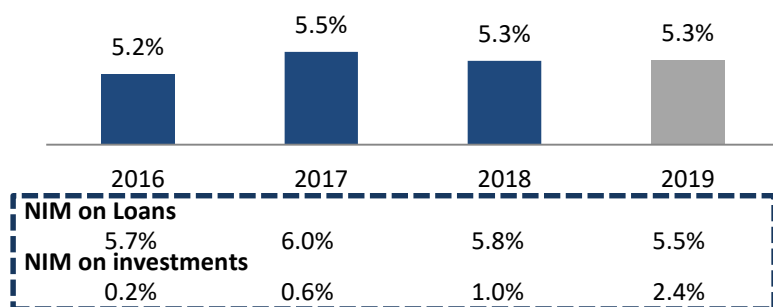
Exchange rate: 3,277.14 COP/USD as of December 31<sup>st</sup> 2019.

(1) Tangible Capital ratio is calculated as Total Equity minus Goodwill and other Intangible Assets / Total Assets minus Goodwill and other Intangible Assets.

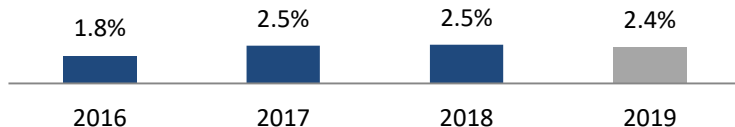
(2) Capital Ratios are calculated under the methodology of the Colombian Superintendency of Finance      Last twelve months growth.

## Banco de Bogotá Unconsolidated <sup>(1)</sup>

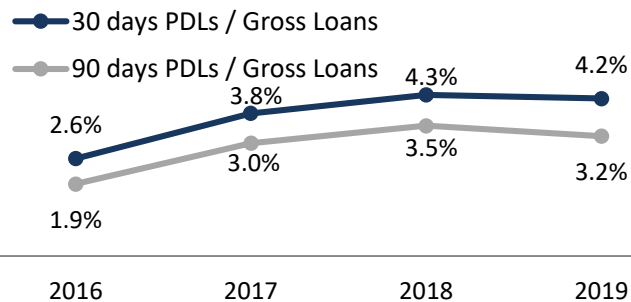
### Net Interest Margin <sup>(3)</sup>



### Cost of Risk <sup>(4)</sup>

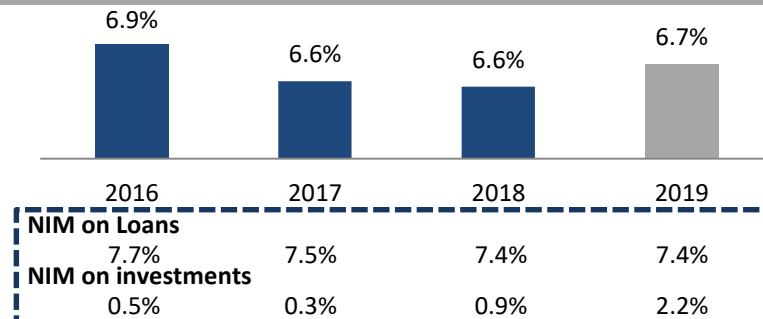


### 30 days PDLs , +90 days PDLs

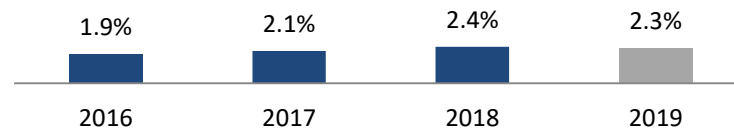


## Central America <sup>(2)</sup>

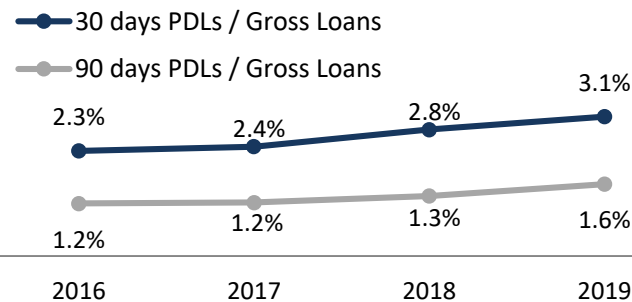
### Net Interest Margin <sup>(3)</sup>



### Cost of Risk <sup>(4)</sup>



### 30 days PDLs , +90 days PDLs



(1) IFRS as applicable under Colombian regulations

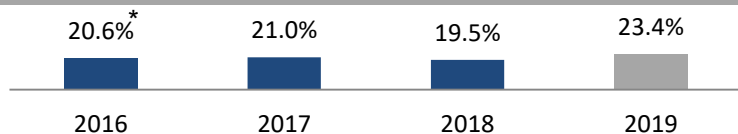
(2) Company filings. Central American operation corresponds to BAC Credomatic Inc , and under IFRS by IASB.

(3) NIM: Net Interest Income + Net trading income from investment securities held for trading / Average interest earning assets (13 months average for years)

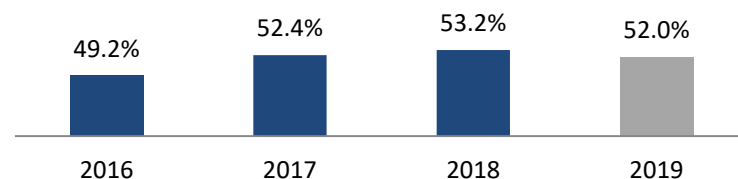
(4) Cost of risk: Impairment loss net of recoveries of charged-off assets divided by Average gross loans excluding interbank and overnight funds. (13 months average for years)

## Banco de Bogotá Unconsolidated <sup>(1)</sup>

### Fee Income Ratio <sup>(3)</sup>



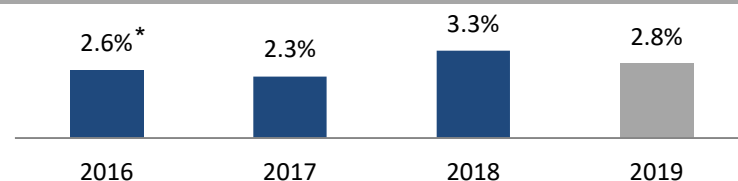
### Efficiency and Cost to Assets <sup>(4)</sup>



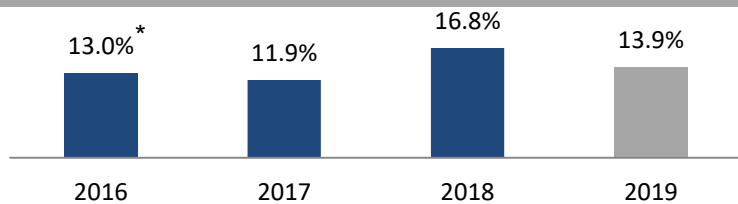
### Cost to Assets <sup>(5)</sup>



### ROAA <sup>(6)</sup>

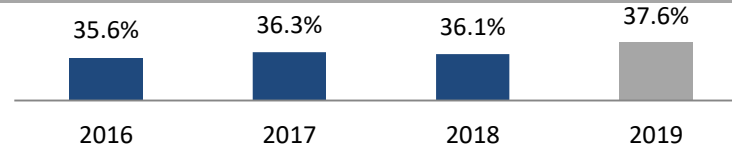


### ROAE <sup>(7)</sup>

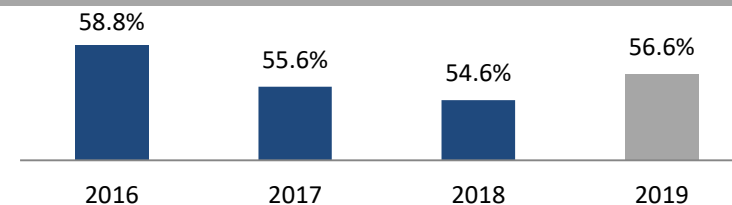


## Central America <sup>(2)</sup>

### Fee Income Ratio <sup>(3)</sup>



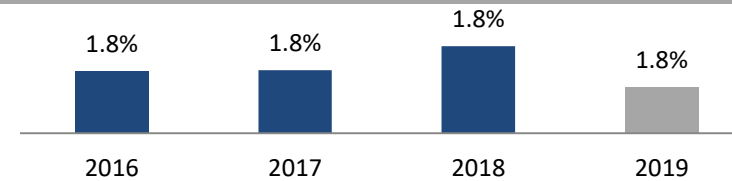
### Efficiency and Cost to Assets <sup>(4)</sup>



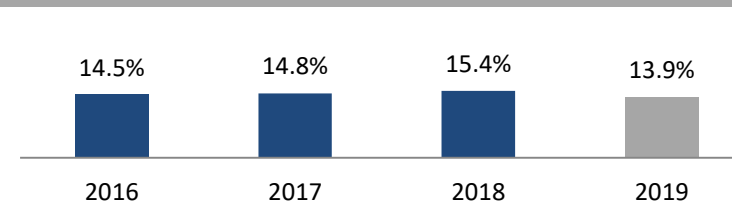
### Cost to Assets <sup>(5)</sup>



### ROAA <sup>(6)</sup>



### ROAE <sup>(7)</sup>



(1) IFRS as applicable under Colombian regulations \* Figures for 2016 do not include non-recurrent income from the deconsolidation of Corficolombiana (USD 672 million)

(2) Company filings. Central American operation corresponds to BAC Credomatic Inc, and under IFRS by IASB.

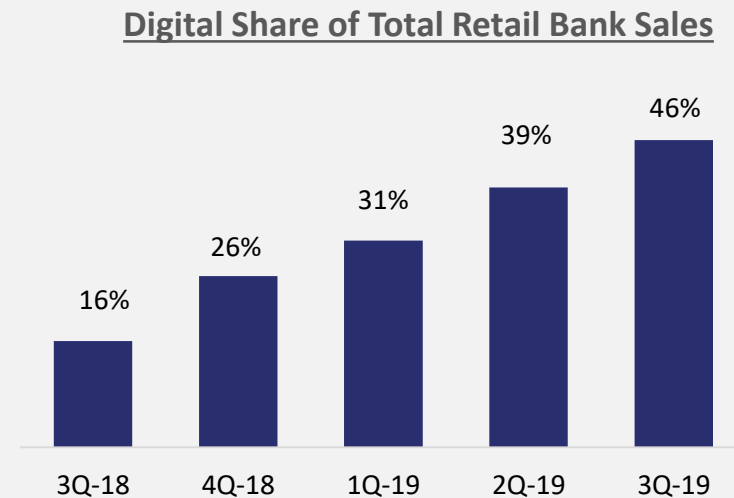
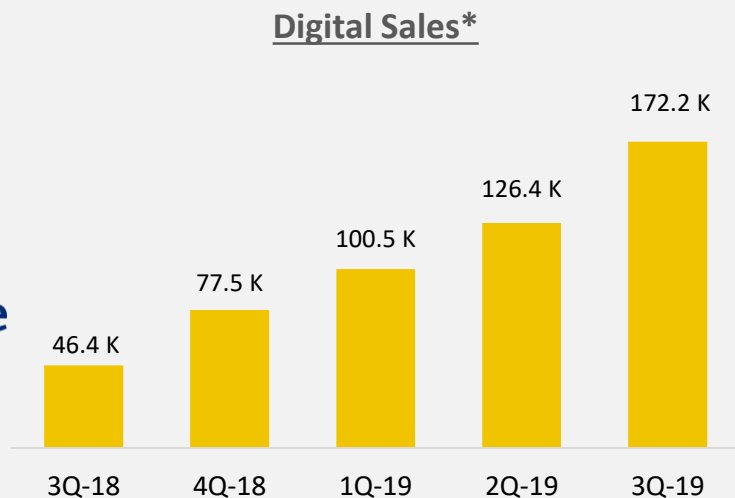
(3) Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Total Other Operating Income

(4) Efficiency calculated as: Personnel expenses plus administrative expenses / net interest income plus net trading income, income on sale of investment and held for sale assets and fees and other services income, net (excluding other income)

(5) Cost to Assets calculated as: Personnel expenses plus administrative expenses / Average Assets (13 months average for years)

(6) ROAA is calculated as Net Income divided by average of total assets (13 months average for years)

(7) ROAE is calculated as Net Income attributable to shareholders divided by average attributable shareholders' equity (13 months average for years)



2 New concept Branches implemented 3Q 2019



Targeting 75 New Concept Branches by end of 2020

**269%**

increase in digital products\*, Y-o-Y



Digital cross-sell of insurance products



New solutions to increase product CVR



**1,29MM** Digital Banking Users

**748k** Digital banking users with value transactions

**195k** Digital Sales Transactions

**1 out of 3 of our clients is digital**

3 out of 4 transactions are performed on digital platforms

3 out of 4 digital customers use the mobile platform

<b>Acquired Entity</b>	Multi Financial Group Inc. (MFG)
<b>Buyer</b>	Leasing Bogotá Panamá – Banco de Bogotá’s subsidiary.
<b>Transaction</b>	Offering for 100% of ordinary shares; to date there is a 99.1% confirmed.
<b>Closing conditions</b>	Usual for this type of transactions and spin-off of Multibank Colombia.
<b>Transaction Cost</b>	~USD\$ 730.0 MM, subject to minor adjustments at closing.
<b>Expected Closing Date</b>	April 2020.
<b>Corporate Governance Model</b>	Share-Bank Agreement (Agreement 006-2017).
<b>Regulatory Entities</b>	Panama’s Banking Superintendence and Colombia’s Superintendence of Finance.

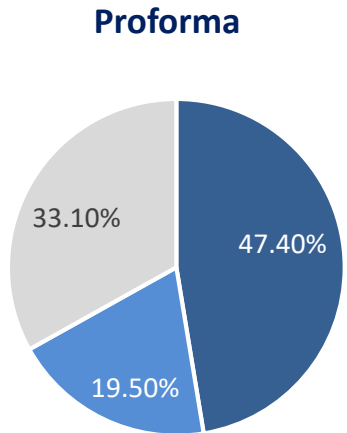
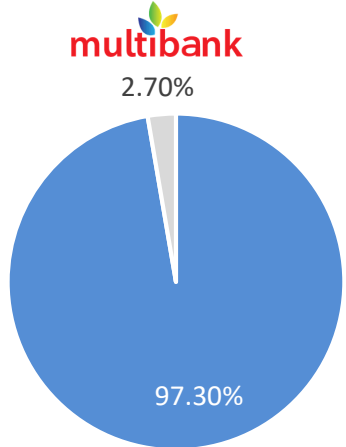
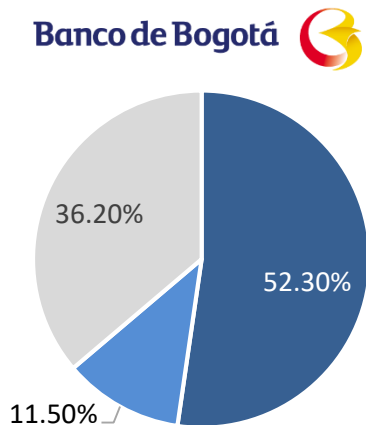
## Strategic Rationale

- Solidifies our position as the leading financial services group in the Central American market, with a market share of loans above 12%.
- Increases our scale in Panama, which is amongst the highest growth and most stable economies in Latin America, by transforming us into the second largest bank in the country as measured by assets.
- Complements BAC’s franchise, which is particularly strong in consumer lending, with a well-run commercial lending platform.
- Attractive opportunity to capture cost synergies, particularly from middle and back office, without compromising MFGs client relationships
- Multibank is rated investment grade by S&P and Fitch Ratings, illustrating it’s robust business model
- Banco de Bogotá has successfully demonstrated its ability to generate value via bolt-ons in the region (Reformador in Guatemala and BBVA in Panama)
- As a bank that generated LTM net income of USD \$58MM, the acquisition is expected to be accretive to Banco de Bogota’s earnings from Day 1, given ability to fund the purchase with internal resources.

## Consolidated Banco de Bogotá’s Geographic Distribution

Proforma Net Loans as of June 2019

*With this acquisition, almost 70% of our loan book is located in investment grade countries*



■ Colombia   ■ Panama   ■ Other countries