



# DAVIVIENDA

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## Earnings Presentation

1Q14 Consolidated Results

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These balance statements have been prepared in accordance with the accountability principles generally accepted in Colombia, and they are presented in nominal terms. The P&L statement corresponding to the quarter which ended on March 31, 2014 will not necessarily constitute an indication of the expected P&L for any other period.



# Content

- > **First Quarter Highlights**
- > **First Quarter 2014 Results**



# First Quarter Highlights



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# Main Results

- > Accumulated Net Income<sup>1</sup>: **\$268** billion, growth of **12.0%** compared to 2013.
- > ROAE<sup>2</sup> rose from 13.2% (1Q13) to **15.0%**
- > Allowances expenses for the quarter dropped **27.3%** compared to 1Q13, with a notable performance in the consumer allowances with a **20.9%** decrease
- > Equity growth of **11.3%** compared to March 2013.

1. Accumulated Net Income as of March 2014 (Consolidated)  
2. ROAE (12 months) = Net income 12 months/ Average Equity.



# Main Results

- > Consumer portfolio accelerated its performance and rose **8.5%** (7.2% as of 4Q13), improving quality<sup>1</sup> from 2.08% to **1.99%**
- > Deposits<sup>2</sup> rose **26.3%**, of which, personal banking rose **14.6%**
- > Mortgage disbursements totaled **\$859 billion**, **45.4%** more compared to 1Q13
- > During the quarter subordinated bonds<sup>3</sup> issued for the acquisition of Granbanco matured

1. Asset Quality: Loans >90 days.

2. Deposits: Demand deposits and term deposits

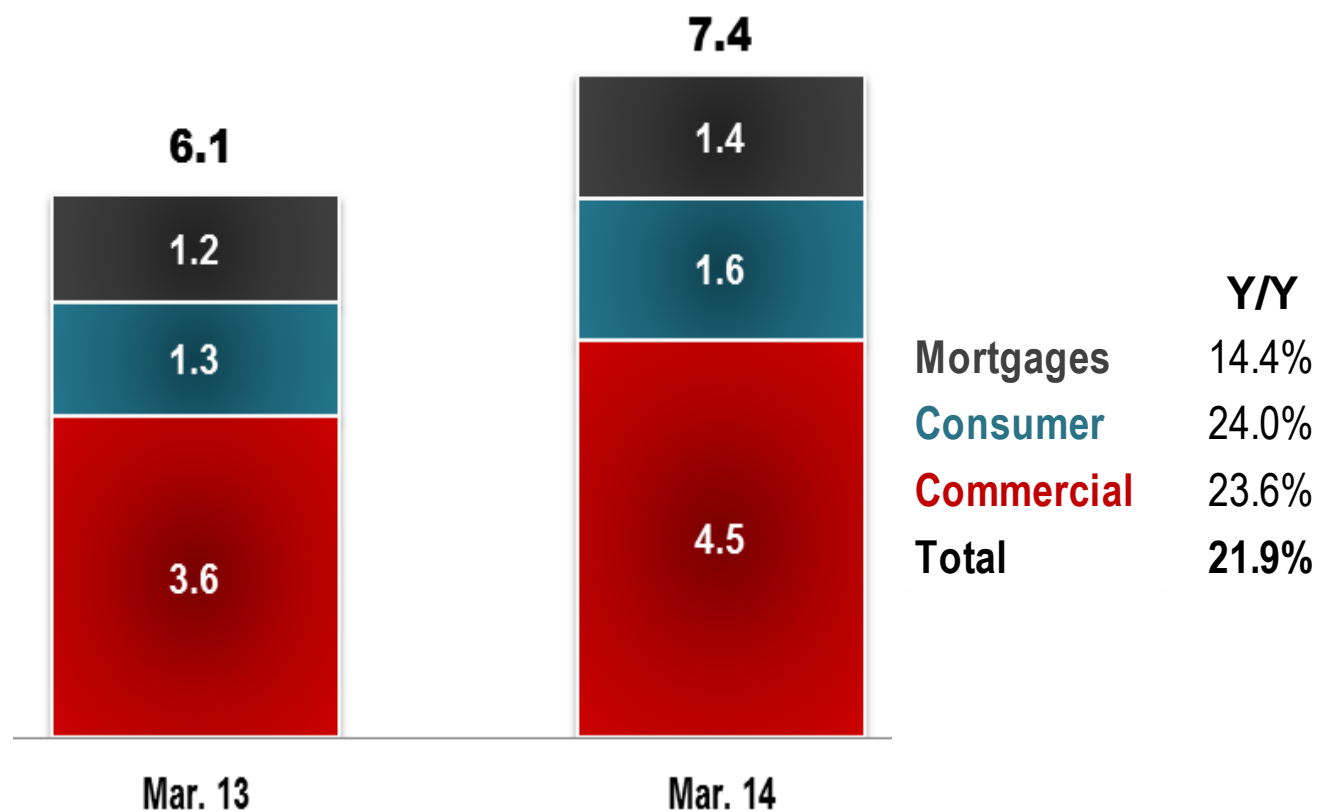
3. Amount: US\$175 million



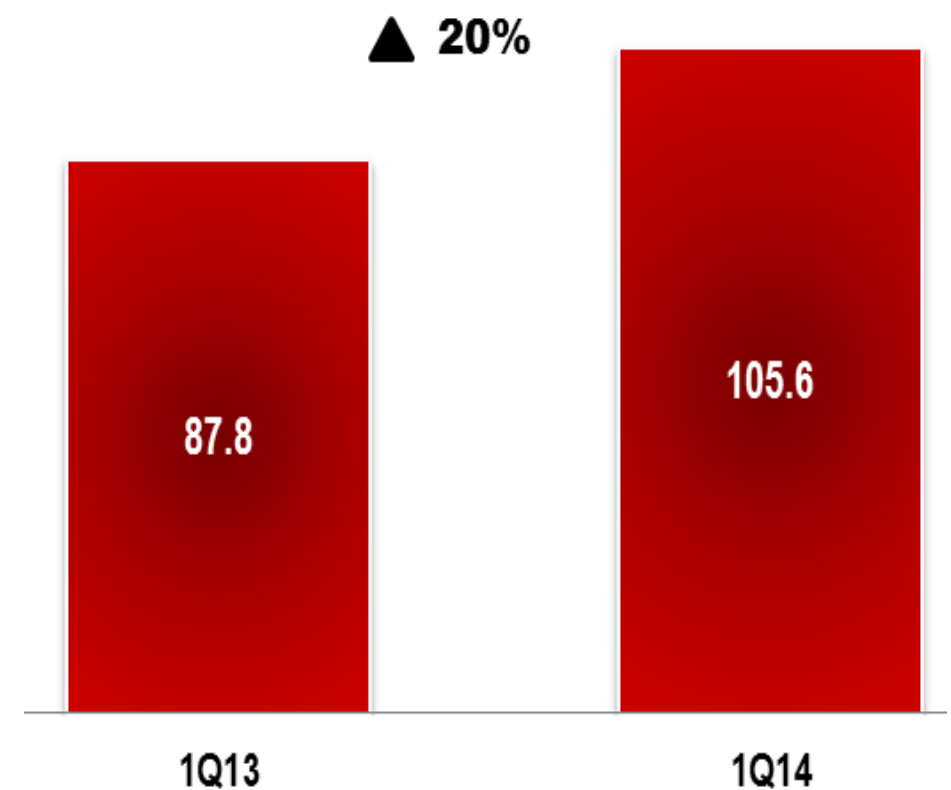
# Growth and Results of International Subsidiaries

> During the quarter, **\$97.1** billion in dividends were received from subsidiaries

## Gross Loans<sup>1</sup>



## Financial Margin, Net<sup>2</sup>



1. COP Trillions. Commercial includes microcredit; mortgages includes leasing
2. COP Billions



# Daviplata Continues its Expansion

> Daviplata totaled 2.1 million clients and 5,300 banking correspondents in 823 municipalities

## Transactions<sup>1</sup>



## Amount<sup>2</sup>

5.7

▲ 125%

12.7

1Q13

1Q14

159.7

▲ 346%

712.2

1Q13

1Q14

1. Transactions in millions

2. Amount (\$) of transactions in COP billions



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SU FAMILIA, AQUÍ LO TIENE TODO



# Cultivarte

- > Davivienda inaugurated **3 new Cultivarte locations** in the municipalities of Risaralda, Manzanares and Obando
- > Total coverage of **11 locations** in 4 departments
- > During the quarter, the average of users increased, reaching **1,690** per day
- > Davivienda participated in the celebration of the **International Education and Financial Inclusion Week** lead by Asobancaria, through several Cultivate locations



# First Quarter 2014 Results



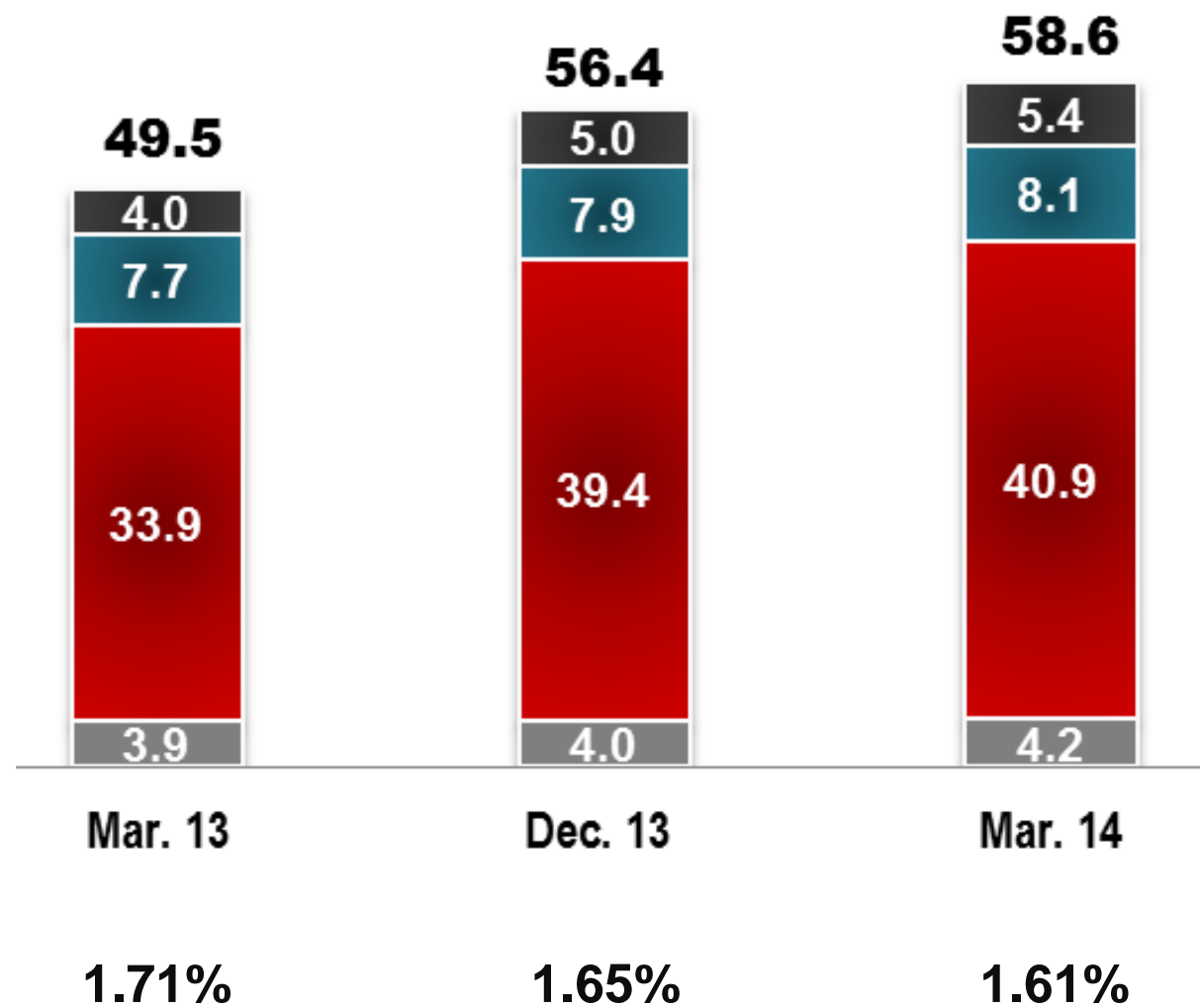
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# Consolidated Assets

(COP Trillions)

	<b>Consolidated</b>	
	Q/Q (%)	Y/Y (%)
Cash	8.5	34.3
Investments, net	1.7	5.3
Loans, net	3.7	20.6
Other assets	4.1	6.8
<b>Assets</b>	<b>3.9</b>	<b>18.2</b>



<b>Assets</b>	Mar. 13	Dec. 13	Mar. 14	Q/Q (%)	Y/Y (%)
Colombia	41.6	46.6	48.4	3.8	16.4
International (2)	9.2	11.1	11.5	3.2	24.8

1. ROAA : Net Income (12 months) / Average assets
2. Davivienda International corresponds to: El Salvador, Costa Rica, Honduras and Panama

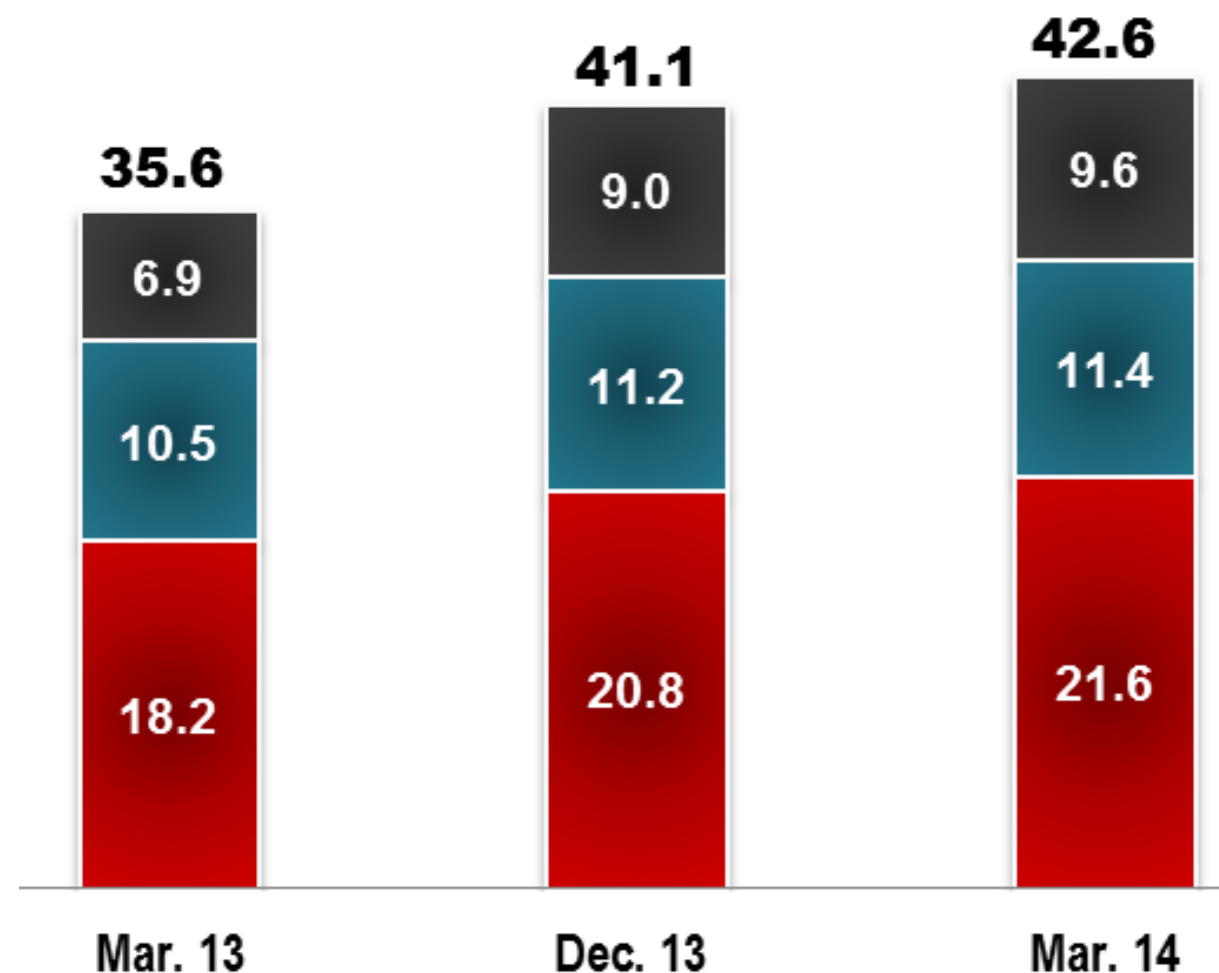


Consolidated

# Gross Loans

(COP Trillions)

	Consolidated	
	Q/Q (%)	Y/Y (%)
Mortgages (1)	6.6	40.4
Cosumer	1.5	8.5
Commercial (2)	3.5	18.6
<b>Gross Loans</b>	<b>3.6</b>	<b>19.8</b>



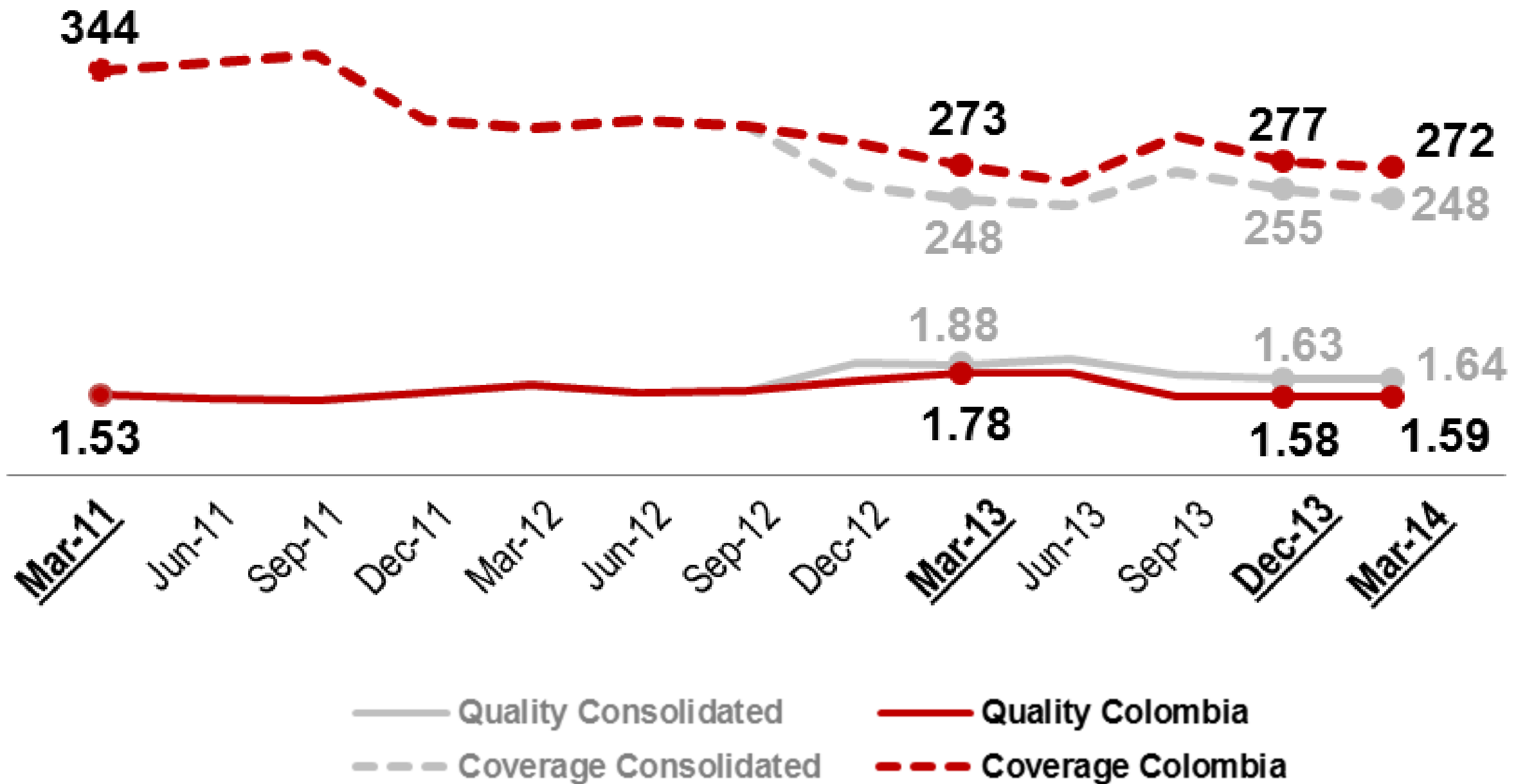
Gross Loans	Mar. 13	Dec. 13	Mar. 14	Q/Q (%)	Y/Y (%)
Colombia	29.5	34.1	35.2	3.4	19.4
International (3)	6.1	7.1	7.4	4.6	21.9

1. Mortgages includes leasing. Growth of mortgages including securitizations was 26.2%. Securitizations as of march 31, 2014 totaled \$1.42 trillion
2. Commercial includes microcredit
3. Davivienda International: El Salvador, Costa Rica, Honduras and Panama





# Quality and Coverage (%)



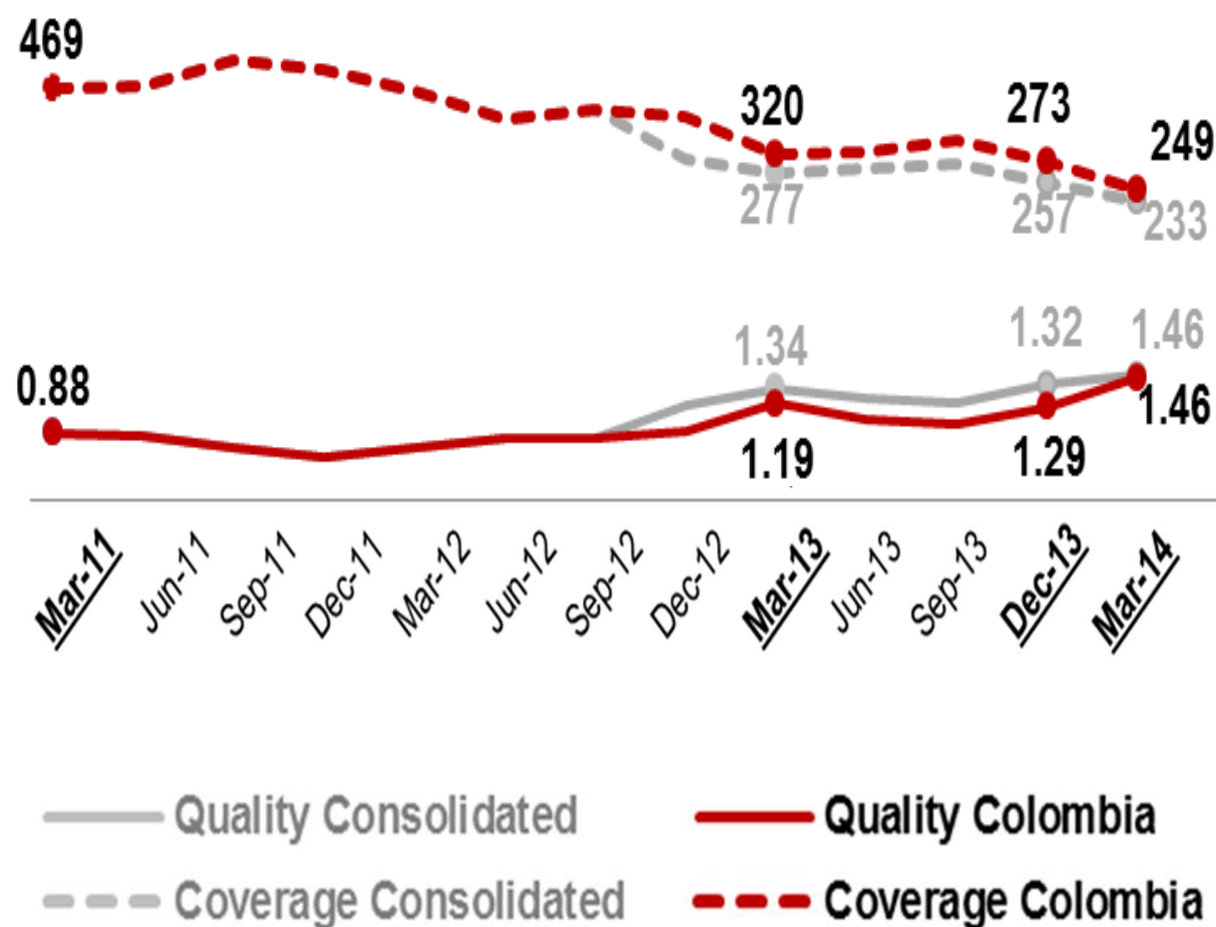
Quality: Loans>90 days

Coverage: Allowances/ Loans>90 days



# Quality and Coverage (%)

## Commercial <sup>1</sup>



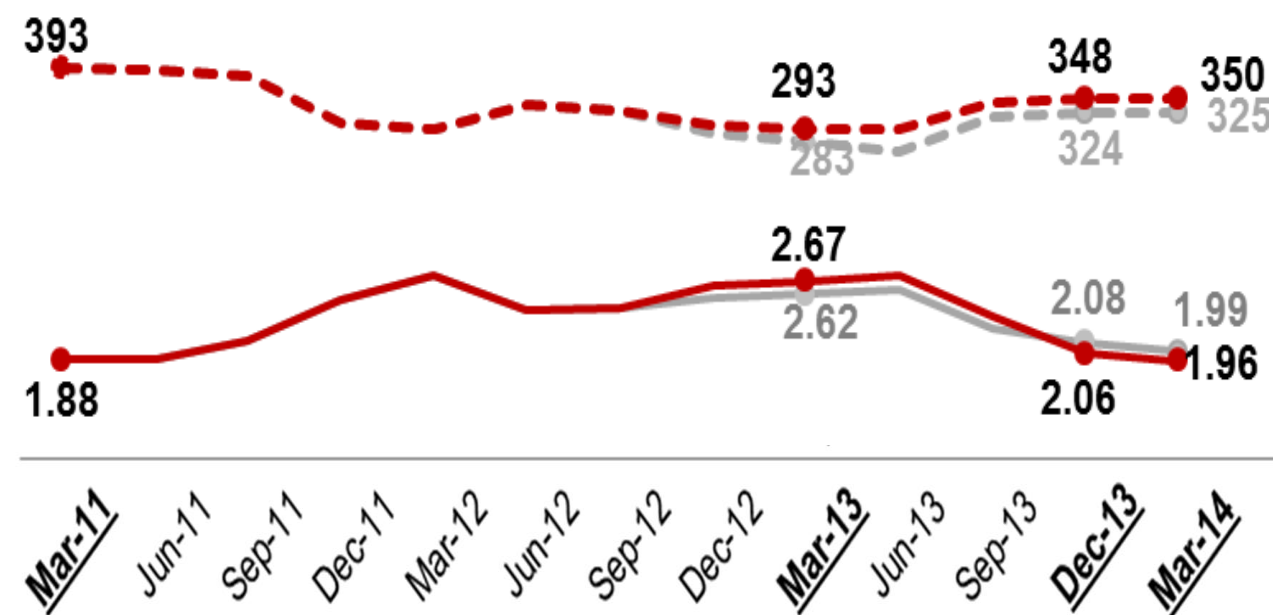
Quality: Loans > 90 days

Coverage: Allowances / Loans > 90 days

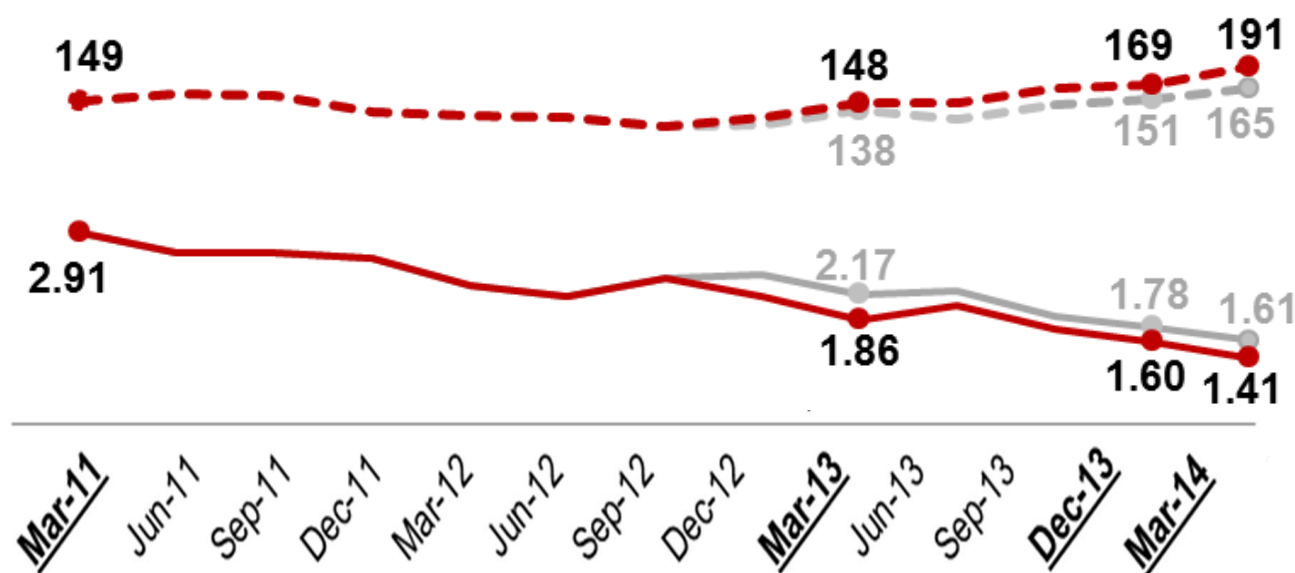
1. Commercial includes microcredit

2. Mortgages includes leasing

## Consumer



## Mortgages<sup>2</sup>

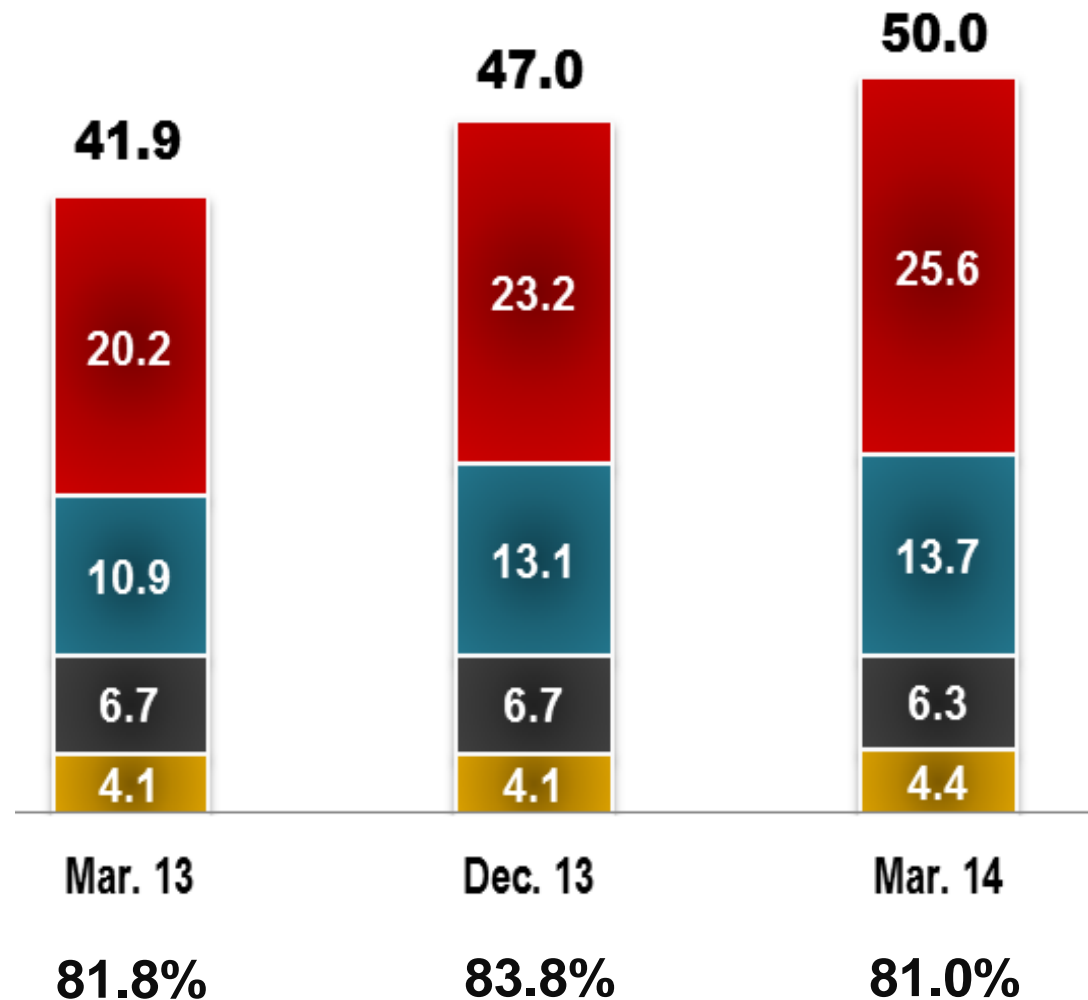


# Funding Sources

(COP Trillions)

	<b>Consolidated</b>	
	Q/Q (%)	Y/Y (%)
<b>Demand Deposits</b>	10.2	26.5
<b>Term Deposits</b>	5.1	25.8
<b>Bonds</b>	-5.8	-6.0
<b>Credits</b>	7.4	8.3
<b>Funding Sources</b>	<b>6.3</b>	<b>19.4</b>

Loans, Net/  
Funding  
Sources(1)



<b>Funding Sources</b>	<b>Mar. 13</b>	<b>Dec. 13</b>	<b>Mar. 14</b>	<b>Q/Q</b>	<b>Y/Y</b>
<b>Colombia</b>	34.3	37.9	40.4	6.7	17.9
<b>International (1)</b>	7.6	9.1	9.5	4.5	26.2

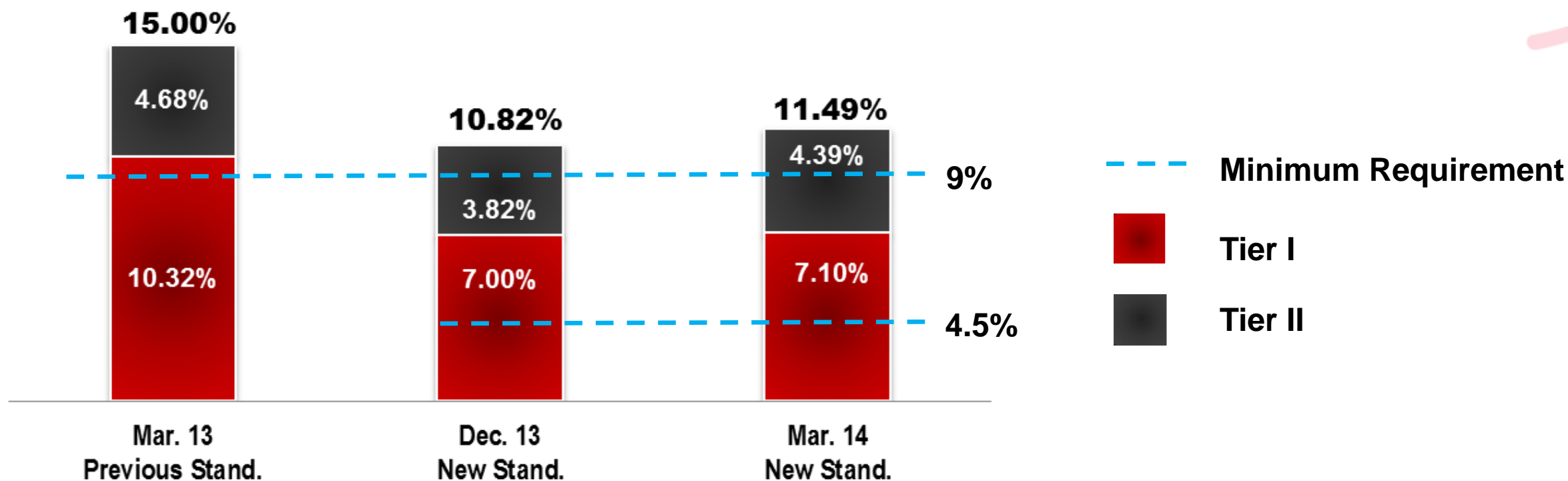
Davivienda International: El Salvador, Costa Rica, Honduras and Panama

1. Funding Sources = Deposits + Bonds + Credits with entities



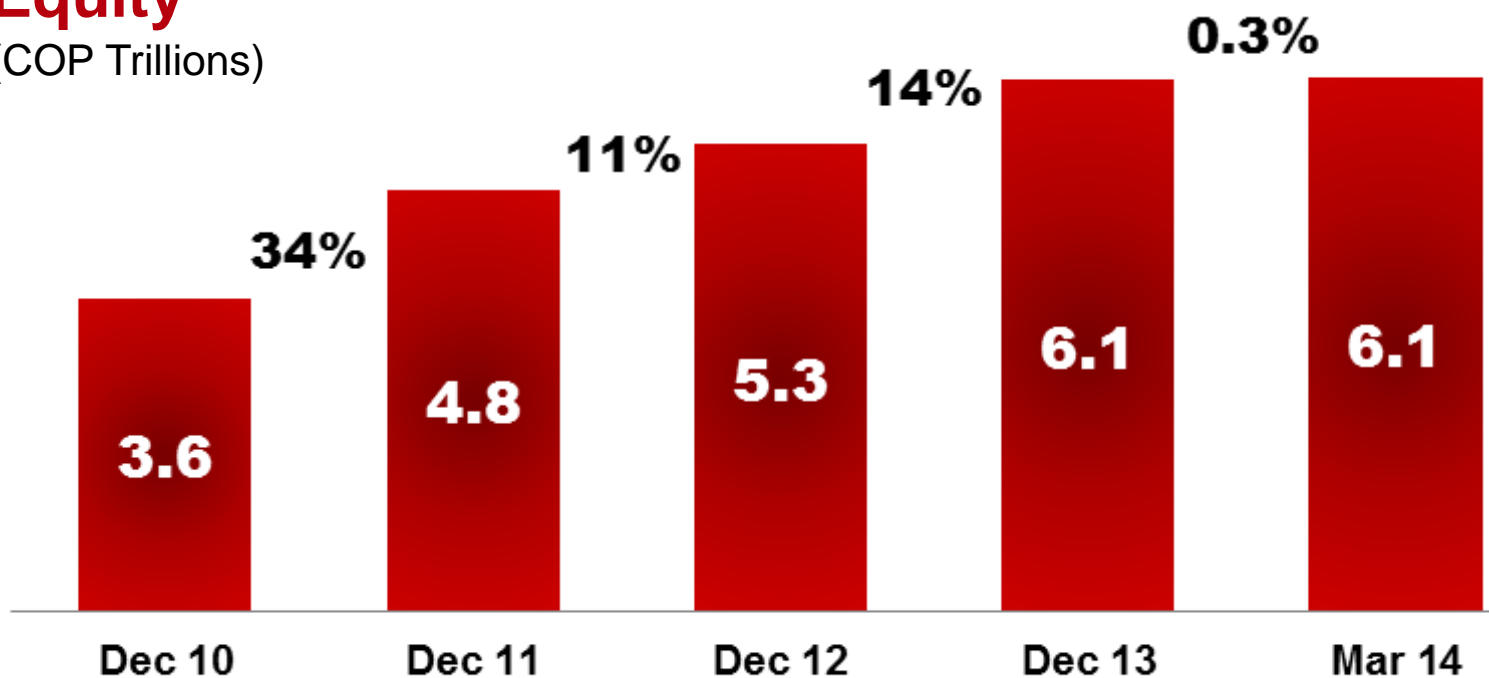
# Capital Structure

## Solvency



## Equity

(COP Trillions)

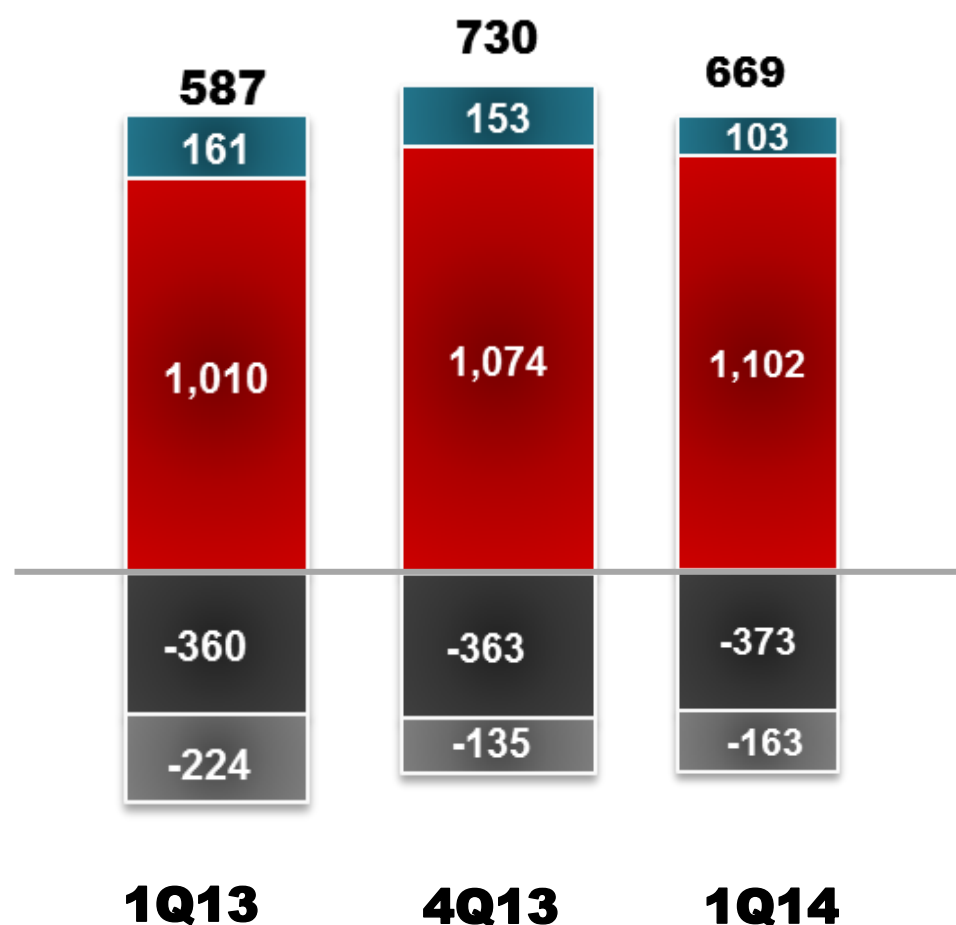




# Financial Margin, Net

(COP Billions)

## QUARTERLY



	Consolidated	
	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Loan Income	2.6	9.2
Investment Income, Overn.	-32.7	-36.2
Subtotal Financial Income	-1.8	2.9
Financial Expenses Allowances	2.9	3.8
	20.8	-27.3
<b>Financial Margin, Net</b>	<b>-8.3</b>	<b>13.9</b>

## NIM(1)

Mar. 13	Dec. 13	Mar. 14
8.1%	7.0%	6.6%

Financial Margin, Net	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	499.2	610.0	563.2	-7.7	12.8
International	87.8	119.6	105.6	-11.7	20.3

Davivienda International: El Salvador, Costa Rica, Honduras and Panama

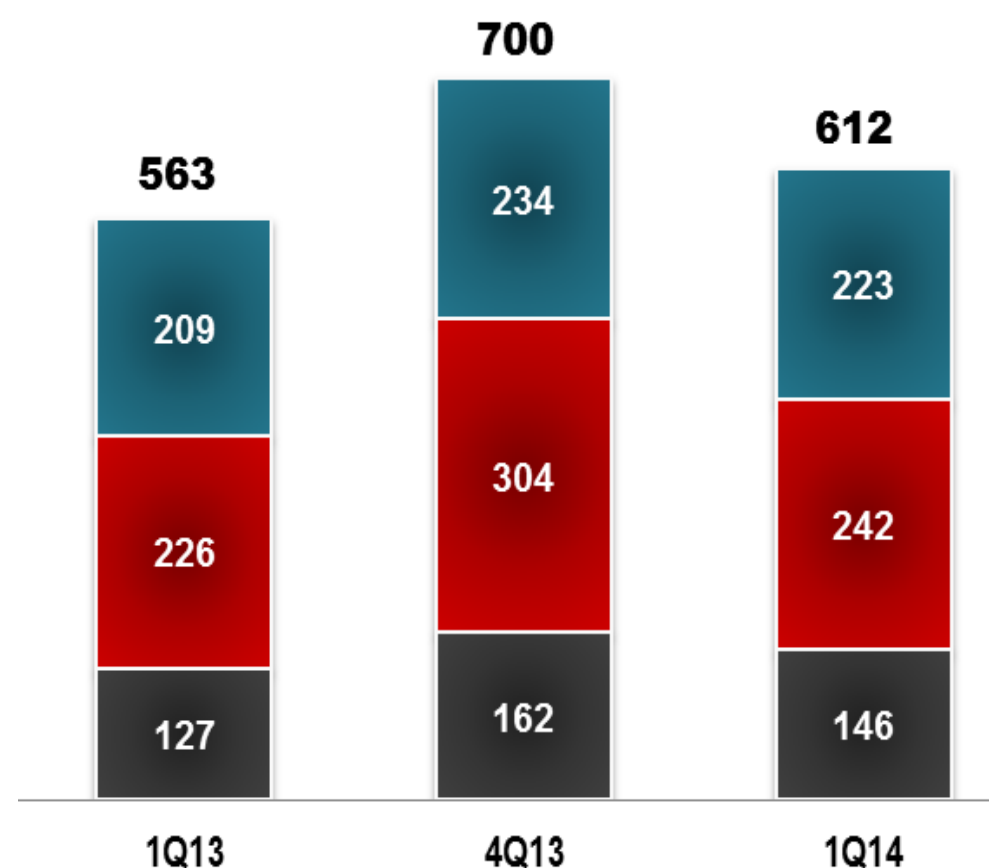
1. NIM: 12 months Gross Financial Margin / Average Interest Earning Assets



# Consolidated Expenses

(COP Billions)

## QUARTERLY



	Consolidated	
	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Personnel Expenses	-4.5	6.8
Operating Expenses	-20.3	7.2
Other Expenses (2)	-9.6	14.8
<b>Total Expenses</b>	<b>-12.6</b>	<b>8.8</b>

### Efficiency(1)

Mar. 13	Dec. 13	Mar. 14
51.2%	53.8%	54.5%

Expenses	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	446.2	548.8	465.3	-15.2	4.3
International	116.5	151.0	146.7	-2.9	25.9

Davivienda International: El Salvador, Costa Rica, Honduras and Panama

1. Efficiency (12 months) =  $\frac{\text{Operation expenses} - \text{Good Will}}{\text{Gross Financial Margin} + \text{operating income} + \text{other income and expenses}}$

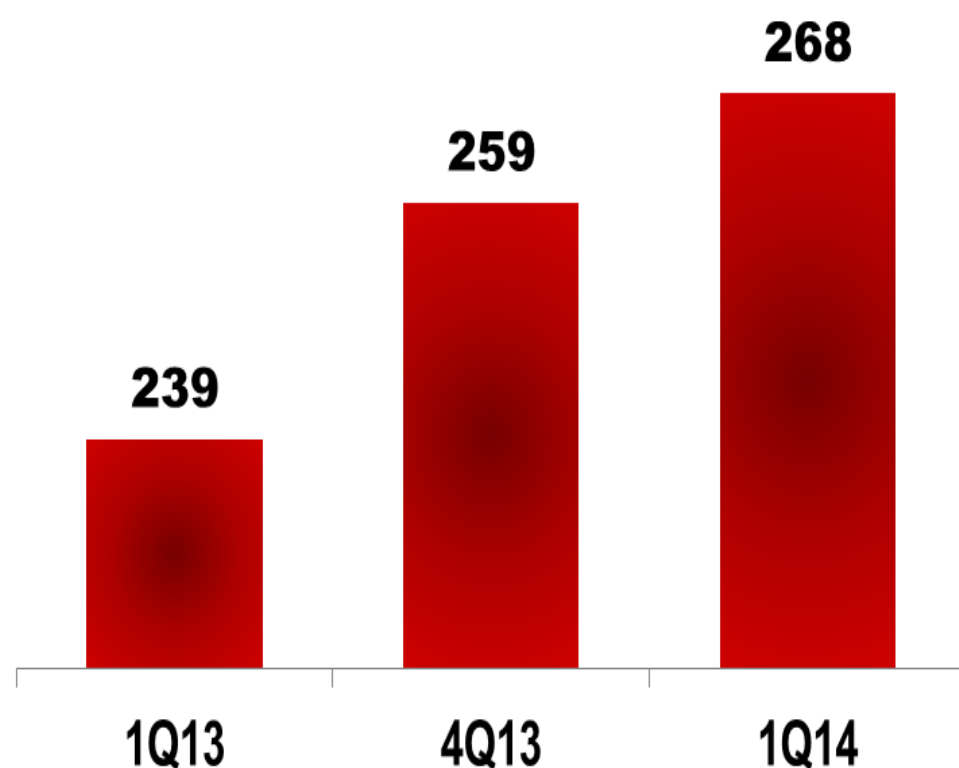
2. Other expenses includes fees, goodwill, depreciation, taxes and deposit insurance



# Consolidated Net Income

(COP Billions)

## QUARTERLY



	1Q14	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Financial Margin, net	669	-8.3	13.9
Fees & Commissions	314	2.3	13.0
Total Expenses	-612	-12.6	8.8
Other (2)	-13	-158.7	-15518.4
Taxes	-90	-11.0	41.8
<b>Net Income</b>	<b>268</b>	<b>3.5</b>	<b>12.0</b>

## ROAE(1)

Mar. 13	Dec. 13	Mar. 14
13.2%	15.1%	15.0%

Net Income (3)	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	207.4	206.0	245.5	19.2	18.4
International	31.7	52.7	22.4	-57.6	-29.3

Davivienda International: El Salvador, Costa Rica, Honduras and Panama

1. ROAE (12 months) = Net income 12 months/ Average Equity
2. Other includes: other income and expenses, other provisions, non-operating net and minority interest
3. Net income after deletions, homologations and homogeneizations



Consolidated

# Net Income International Subsidiaries

(COP Billions)

## Consolidation Detail

Subsidiaries	Local Accounting 1Q13	Local Accounting 1Q14	%Var	Homogenizations to Colombian accounting	Results in Colombian accounting
<b>Banks</b>	<b>29.6</b>	<b>26.2</b>	<b>-11%</b>	<b>-4.9</b>	<b>21.3</b>
El Salvador	10.8	11.2	4%	2.6	13.7
Costa Rica	10.4	5.8	-44%	-2.3	3.5
Panama	7.6	6.9	-9%	-5.9	1.1
Honduras	0.8	2.3	180%	0.7	3.0
<b>Other</b>	<b>3.7</b>	<b>2.0</b>	<b>-48%</b>	<b>-0.8</b>	<b>1.1</b>
<b>Total</b>	<b>33.3</b>	<b>28.2</b>	<b>-15%</b>	<b>-5.8</b>	<b>22.4</b>

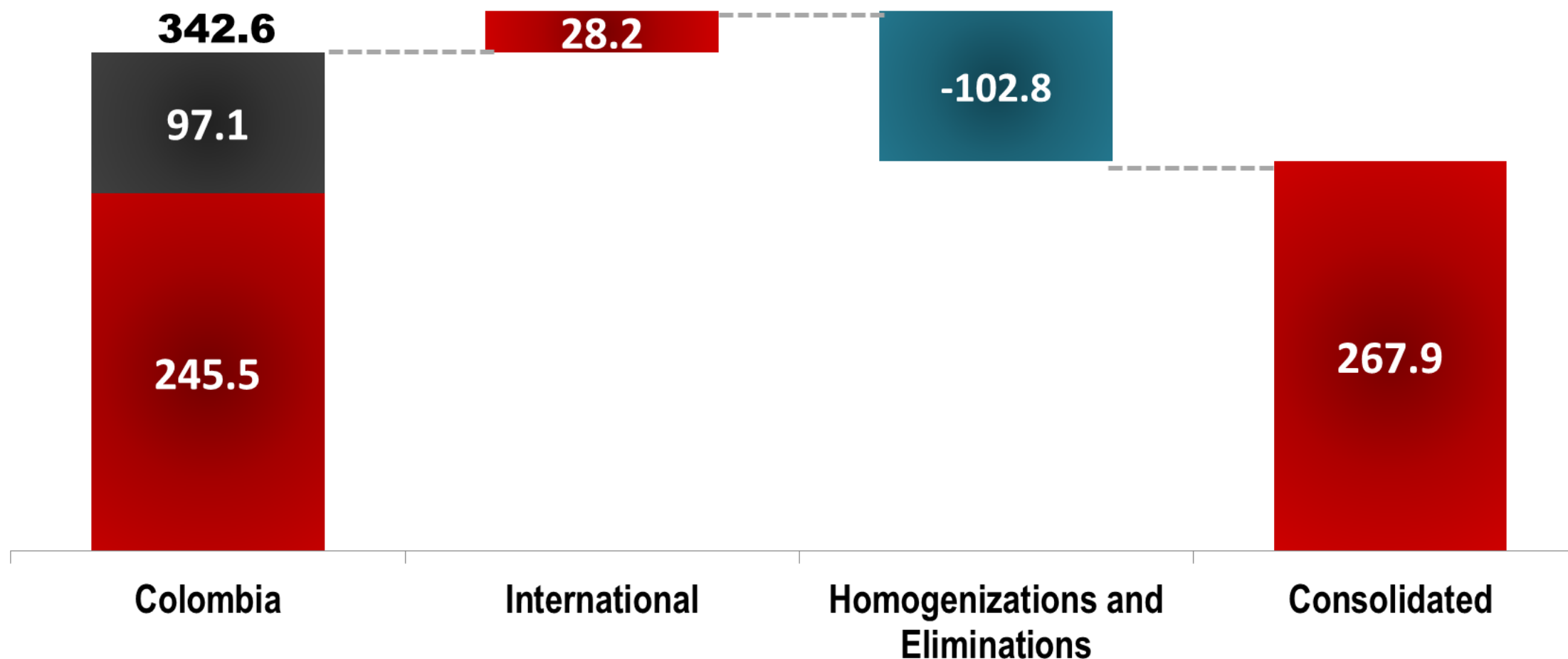




Consolidated

# Accumulated Net Income

(COP Billions)



## ■ Dividends received from subsidiaries

Colombia includes Davivienda's individual net income, local subsidiaries, dividends received from subsidiaries and deletions; International includes Panama, El Salvador, Costa Rica and Honduras before standardizations. Homogeneizations correspond to homogeneizations to Colombian accounting from the international subsidiaries and dividends received from subsidiaries.



# DAVIVIENDA

## Thank You!

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