



# DAVIVIENDA

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## Earnings Presentation

Q2-13 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 June 30, 2013 will not necessarily constitute an indication of the expected P&L for any other period.

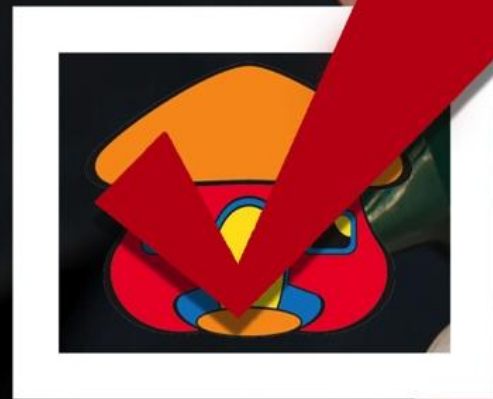


# Content

- > **Second Quarter Highlights**
- > **Second Quarter 2013 Results**



# Second Quarter Highlights



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# Second Quarter Highlights

## Main Results

Davivienda continues it's Strategy

- > Assets Growth<sup>1</sup>: **39.1%**
- > Assets and profits diversification:  
International Subsidiaries share **19.8%**  
and **20.0%** respectively.
- > Better performance in the consumer  
portfolio<sup>2</sup>: **-12%** in allowances expenses
- > Accumulated Investments Income<sup>3</sup>: **-29**  
billion
- > Controlled growth of operating  
expenses<sup>4</sup>: **6.1%**



1. Growth Jun 13/ Jun 12
2. Consumer allowances expenses Growth (accumulated June 13 / accumulated June 12)
3. Investments portfolio + interbank accumulated June 13
4. Growth in Colombia(accumulated June 13 / accumulated June 12), excluding non-recurring expenses Daviplata, Regional and bond issuances



## Second Quarter Highlights

# Davivienda expands its presence in Colombia

> **2,391** DaviPlata service points<sup>1</sup>, operating in **537 municipalities**.

> **1.7 million** customers of which nearly **920 thousand** correspond to “Mas Familias en Acción” beneficiaries.

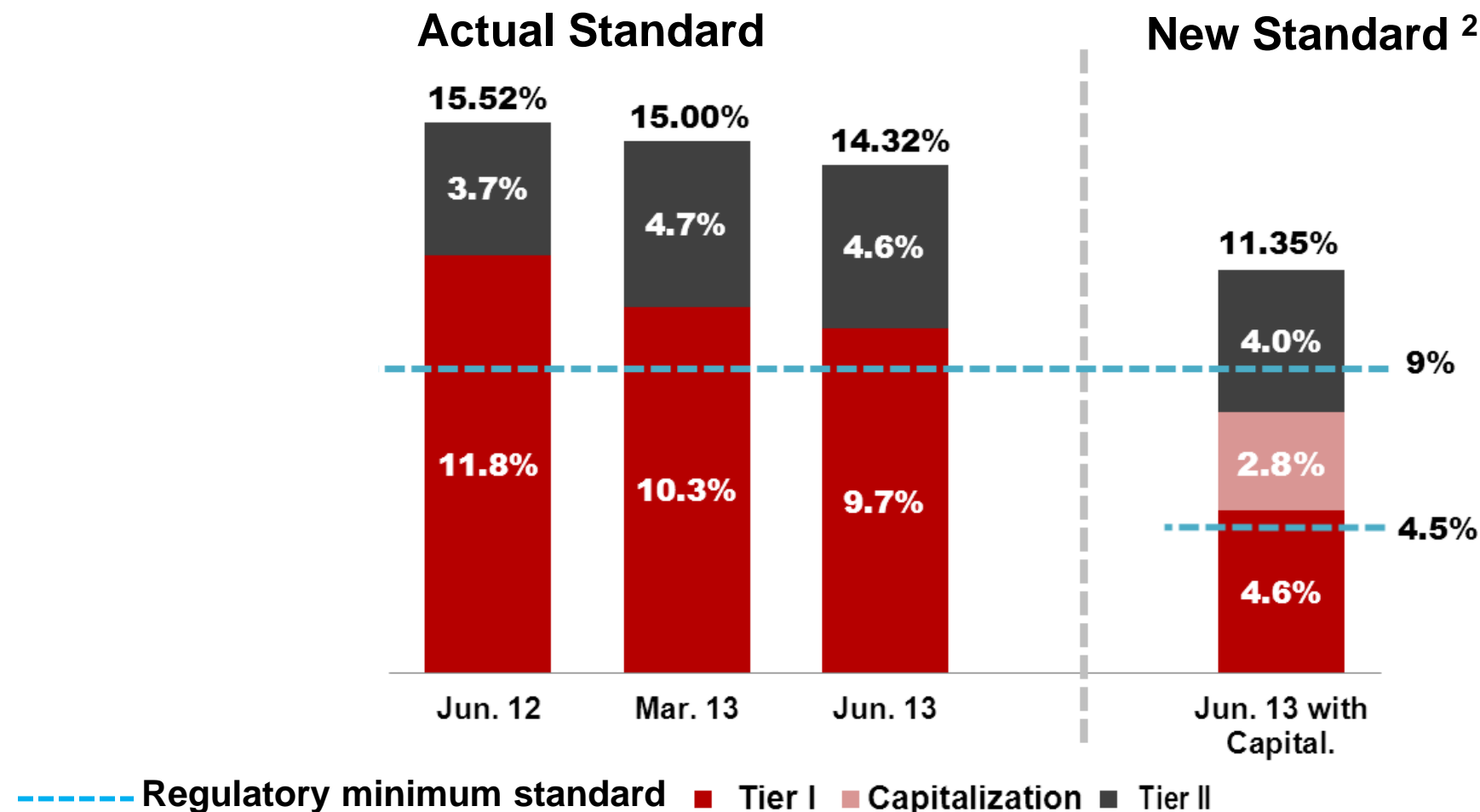
> Tripled the number of transactions to **\$420 billion**



1. 2 ATM's, 2,179 shopkeeper and 210 Celucompra locations.



# Extraordinary Shareholders' Meeting



- > Equity was restructured, by transferring **\$1.3** billion<sup>1</sup> from occasional reserves accounts to capital accounts, increasing Tier 1 capital
- > Accounting period changed from semi-annual to annual

1. Became effective July 18, 2013  
2. Pro forma



# Key Commercial Results

- Payroll disbursements totaled **\$561** billion, **49.9%** higher than 1Q13 and **13.2%** higher than 2Q12
- Disbursements in the **construction** portfolio totaled **\$603** billion, a **55.7%** increase compared with 1Q13 and **77.6%** compared to 2Q12. As of June, Davivienda has financed the construction of **22,400 homes** of the 100,000 homes that are part of the Colombian government program.
- In **SME** portfolio the disbursements totaled **\$736** billion, an increase of **36.1 %** compared to 1Q13 and **23.1 %** compared to 2Q12
- ROE for international operations reached **8.7%**.





# Mortgages

- > Disbursements totaled **\$697** billion. A **18.1%** increase compared with 1Q13 and **40.6%** for the same quarter of 2012. Davivienda leads the social housing segment with a market share of **34.3%**<sup>1</sup>

## Housing Fair

- > Coverage in 24 cities
- > Including:
  - > **486** construction companies
  - > **913** projects
  - > **692** showrooms
- > Pre-approval of **53,000** loans worth **\$4.3** trillion



1. Source: Asobancaria, May 2013. Market share for balance



# Other Relevant Events

- > In May, Davivienda was authorized by the Colombian Financial Regulation Authority and the Colombian Stock Exchange to acquire **Corredores Asociados**. The transaction has not yet finalized and is pending approval from local Panamanian Authorities.



- > On July 12<sup>th</sup>, Moody's international rating agency **reviewed the outlook of Banco Davivienda SA** from negative to stable<sup>1</sup>
- > On July 18<sup>th</sup>, Fitch Ratings the international rating agency **affirmed the rating and reviewed the outlook** for Banco Davivienda Salvadoreño S.A<sup>2</sup>

1. Rating BBB-, outlook stable  
2. Rating BB +, outlook negative





# Second Quarter 2013 Results

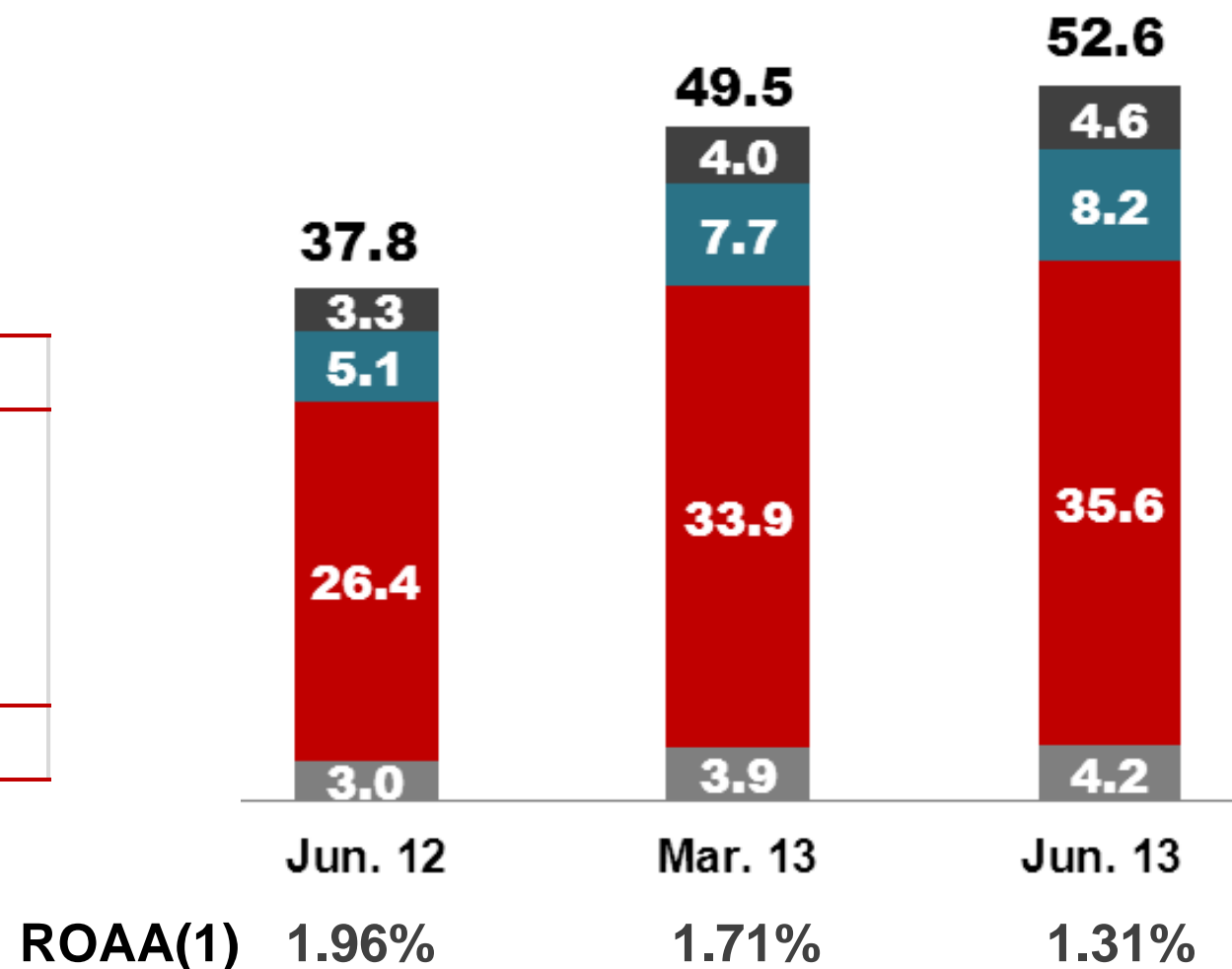


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# Consolidated Assets

(COP trillions)

	Q/Q	Y/Y
Cash	13.8%	40.7%
Investments, net	6.7%	60.3%
Loans, net	5.1%	34.8%
Other assets	6.1%	38.3%
<b>Assets</b>	<b>6.1%</b>	<b>39.1%</b>



Assets	Jun. 12	Mar. 13	Jun. 13	Q/Q	Y/Y
Colombia	36.5	41.6	43.2	3.9%	18.5%
International (2)	1.5	9.2	10.7	16.0%	611.4%

1 ROAA : Net Income (12 months) / Average assets

2. Davivienda international: El Salvador, Costa Rica, Honduras, Panama

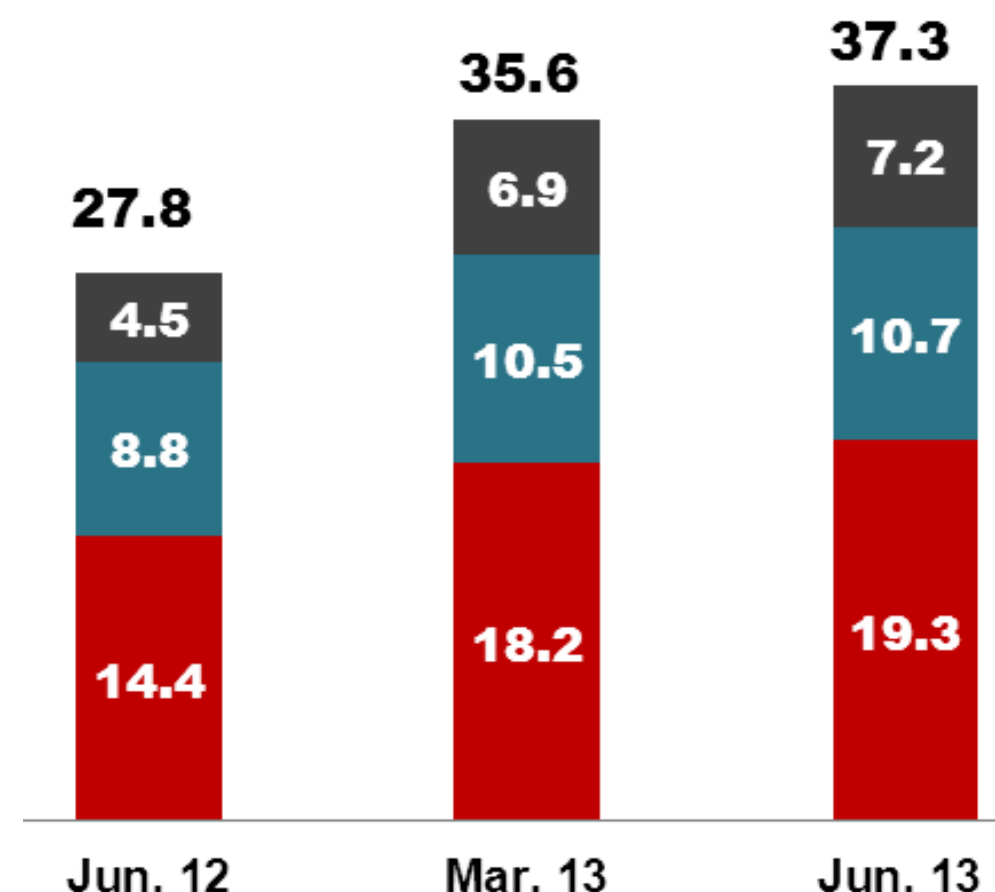




# Consolidated Gross Loans

(COP trillions)

	Consolidated		Colombia		International
	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q
Mortgages (1)	5.3%	61.2%	5.0%	32.8%	6.4%
Consumer	2.2%	21.4%	1.0%	5.9%	10.3%
Commercial (2)	6.3%	34.1%	5.6%	13.9%	9.1%
Total	4.9%	34.4%	4.1%	14.4%	8.8%

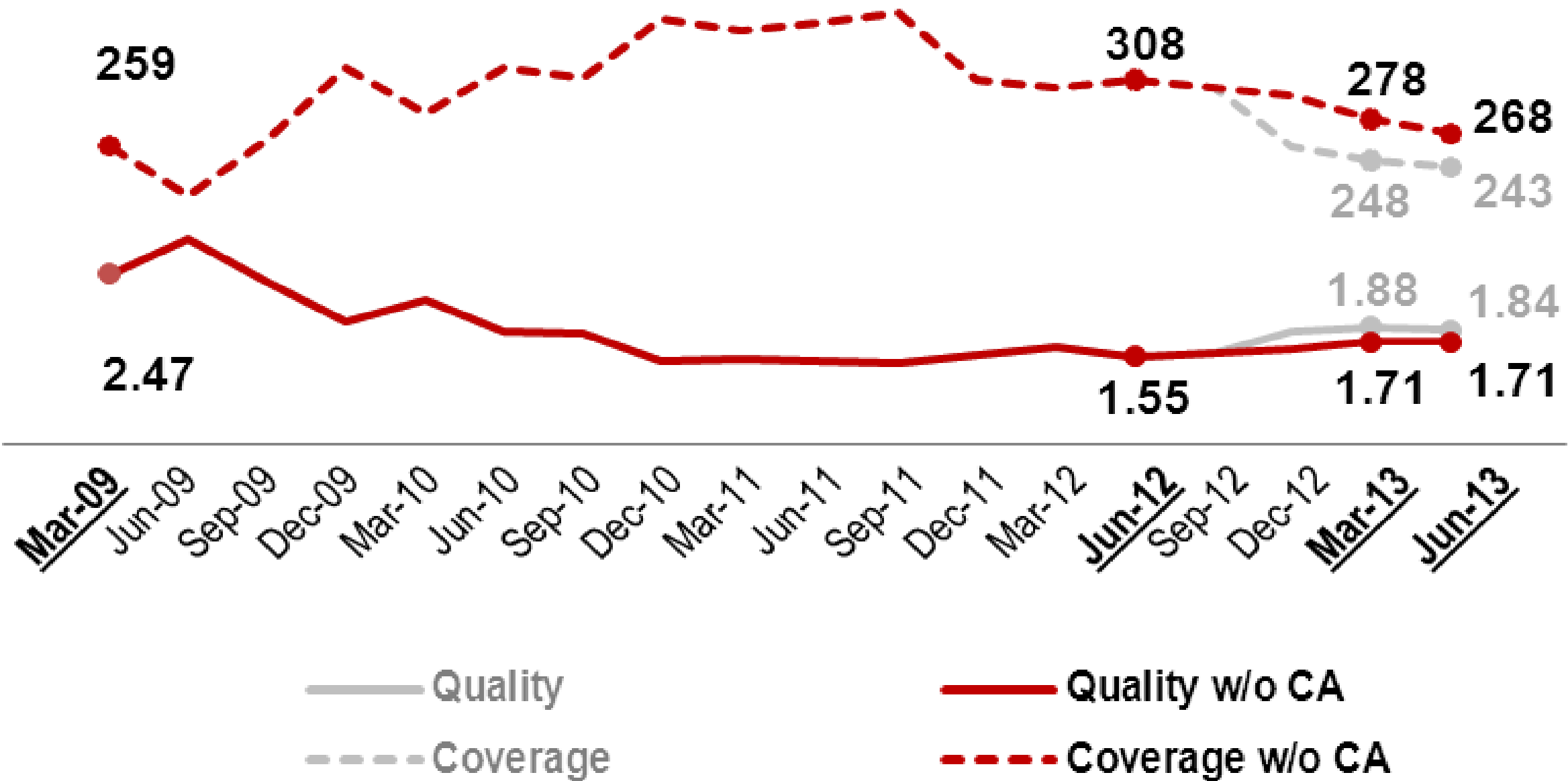


Gross Loans	Jun. 12	Mar. 13	Jun. 13	Q/Q	Y/Y
Colombia	26.8	29.5	30.7	4.1%	14.4%
International (3)	0.9	6.1	6.6	8.8%	615.7%

1. Mortgages includes leasing
2. Commercial includes microcredit
3. Davivienda International: El Salvador, Costa Rica, Honduras, Panama



# Quality and Coverage (%)



Quality: Loans > 90 days

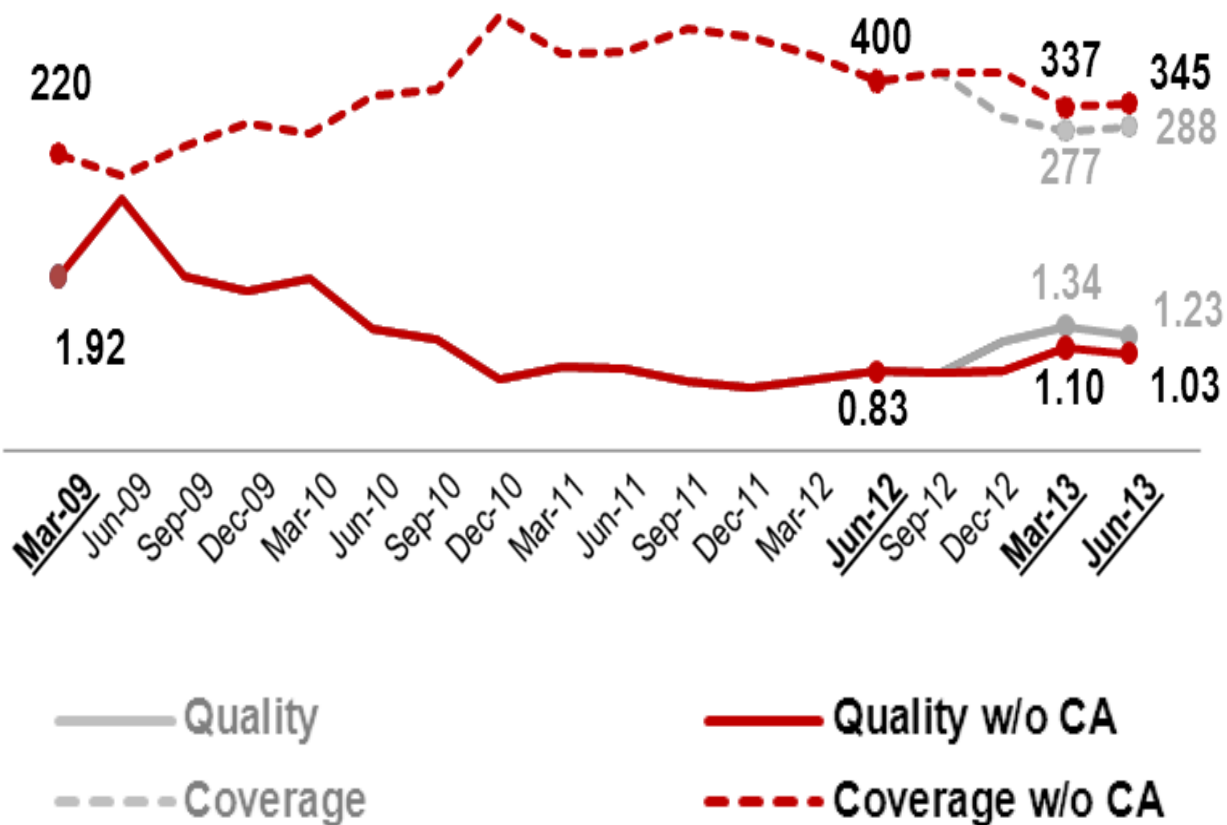
Coverage: Allowances / Loans > 90 days

CA includes El Salvador, Costa Rica and Honduras

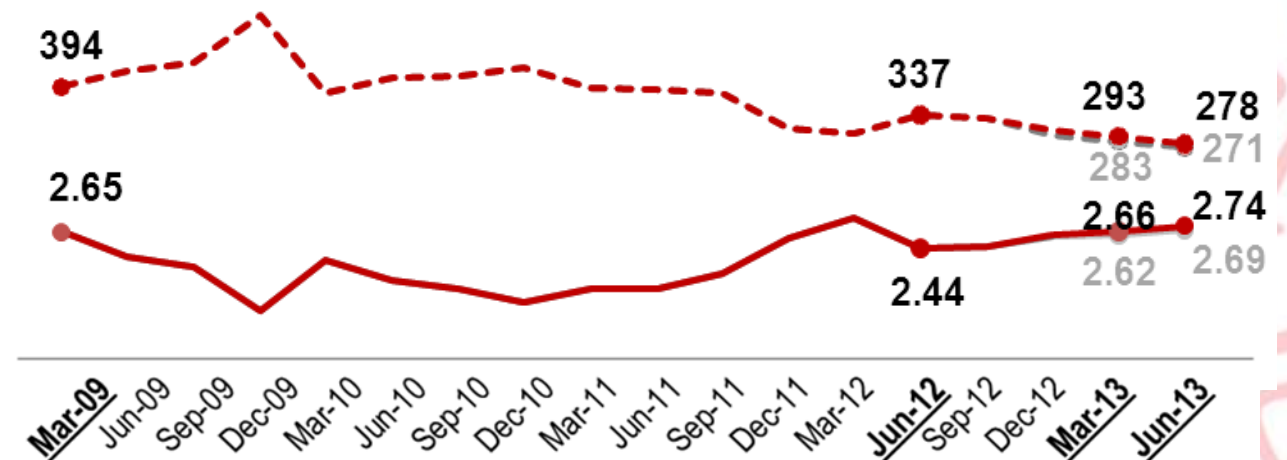


# Quality and Coverage (%)

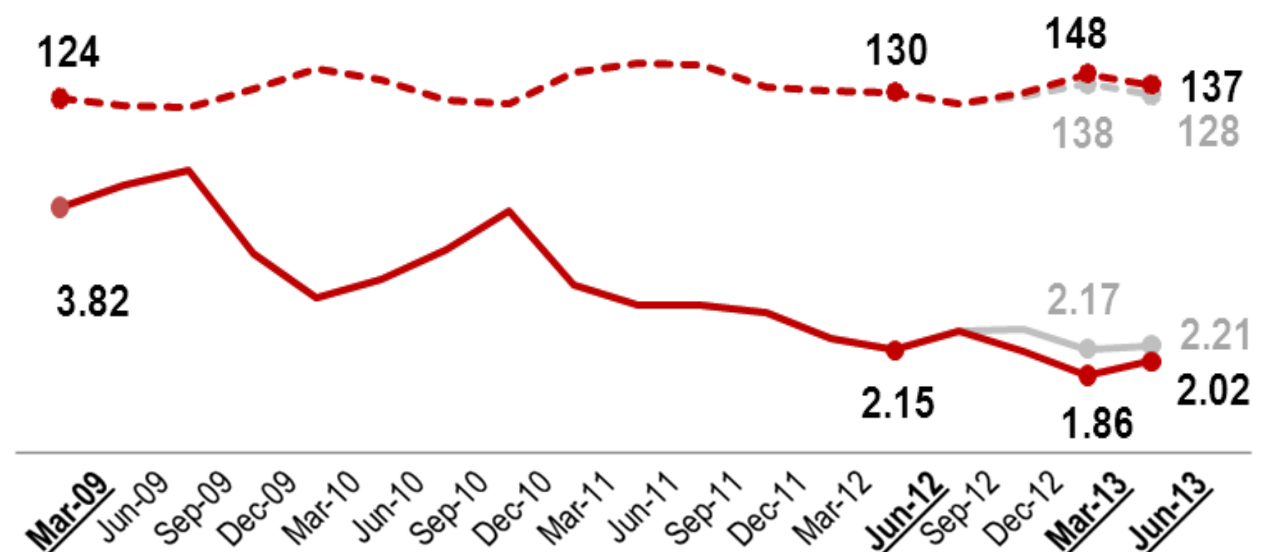
## Commercial <sup>1</sup>



## Consumer



## Mortgage<sup>2</sup>



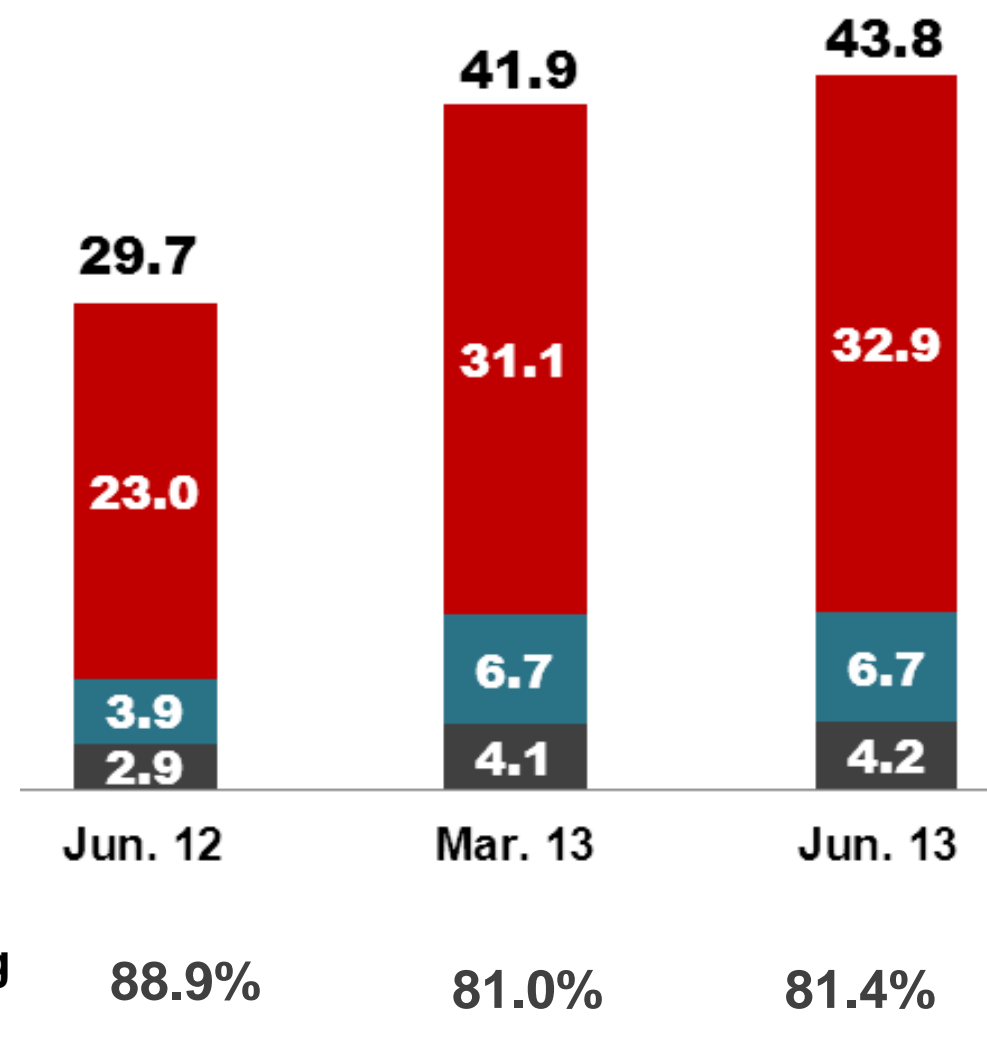
CA includes El Salvador, Costa Rica and Honduras  
 Quality: Loans > 90 days  
 Coverage: Allowances / Loans > 90 days  
 1 Commercial includes microcredits  
 2 Mortgages includes leasing



# Funding Sources

(COP trillions)

	Q/Q	Y/Y
<b>Deposits</b>	5.6%	43.3%
<b>Bonds</b>	-0.1%	70.6%
<b>Credits</b>	3.5%	45.7%
<b>Sources of Funding</b>	4.5%	47.1%



Sources of Funding	Jun. 12	Mar. 13	Jun. 13	Q/Q	Y/Y
<b>Colombia</b>	28.4	34.3	35.0	2.0%	23.1%
<b>International</b>	1.3	7.6	8.8	15.8%	562.7%

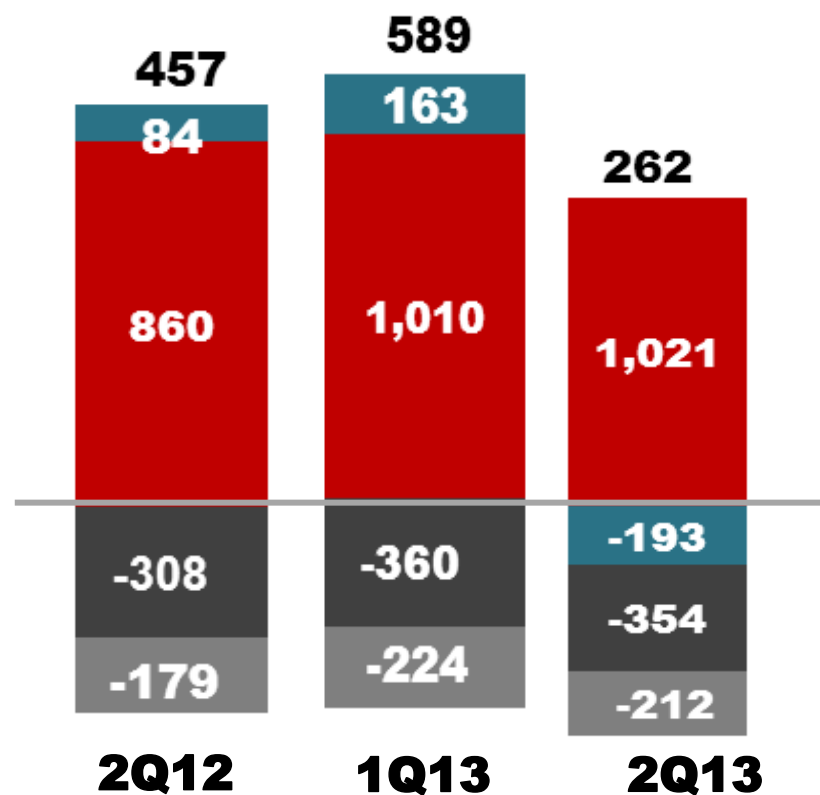




# Financial Margin, net

(COP billions)

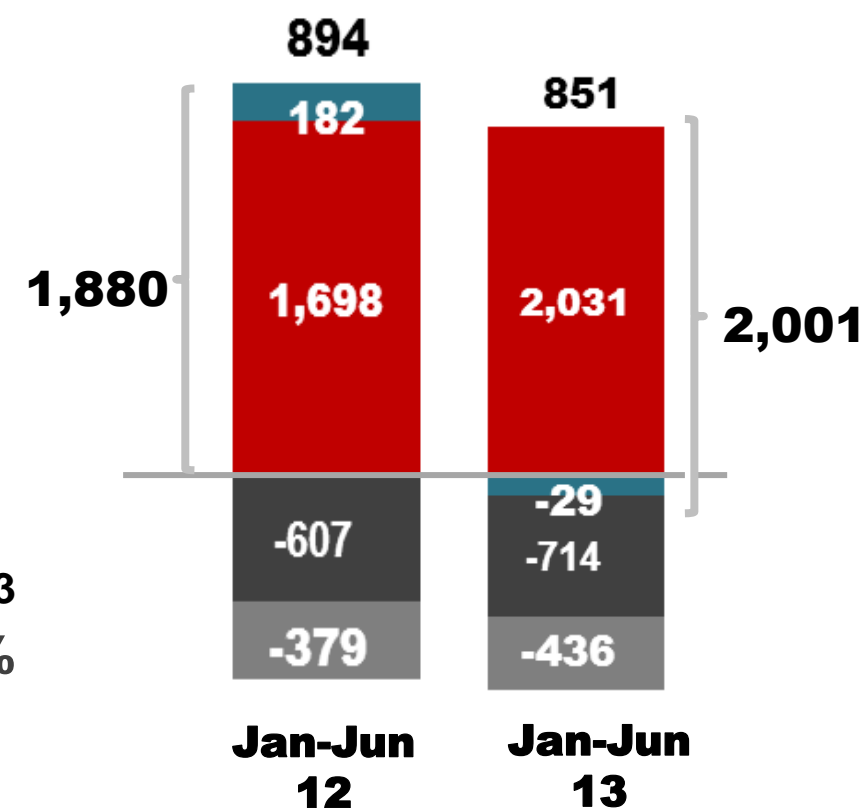
## QUARTERLY



NIM(1)

Jun. 12	Mar. 13	Jun. 13
7.8%	8.1%	7.1%

## ACCUMULATED



Consolidated		Consolidated	Colombia
2Q13/1Q13	%	Accum 13/Accum 12	Accum 13/Accum 12
1.1	Loan Income	19.6	5.2
-218.0	Investment Income	-116.1	-137.1
-29.4	Subtotal Financial Income	6.4	-8.3
-1.5	Financial Expenses	17.6	3.3
-5.6	Allowances	15.0	8.9
-55.5	Financial Margin, Net	-4.8	-23.2

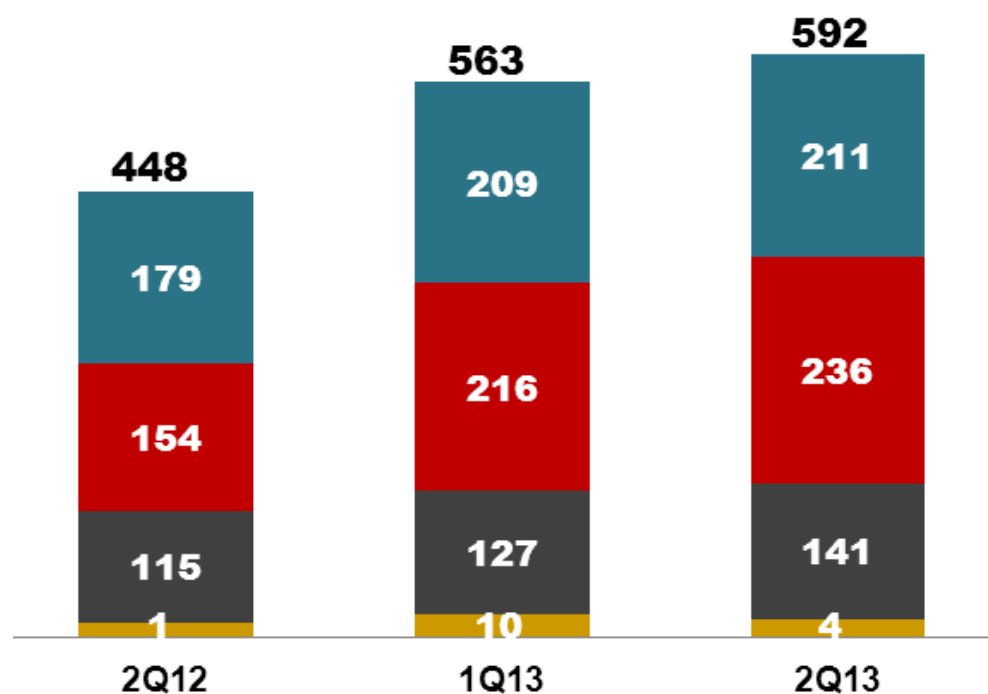
1. NIM: 12 months Gross Financial Margin / Average Interest Earning Assets



# Consolidated Expenses

(COP billions)

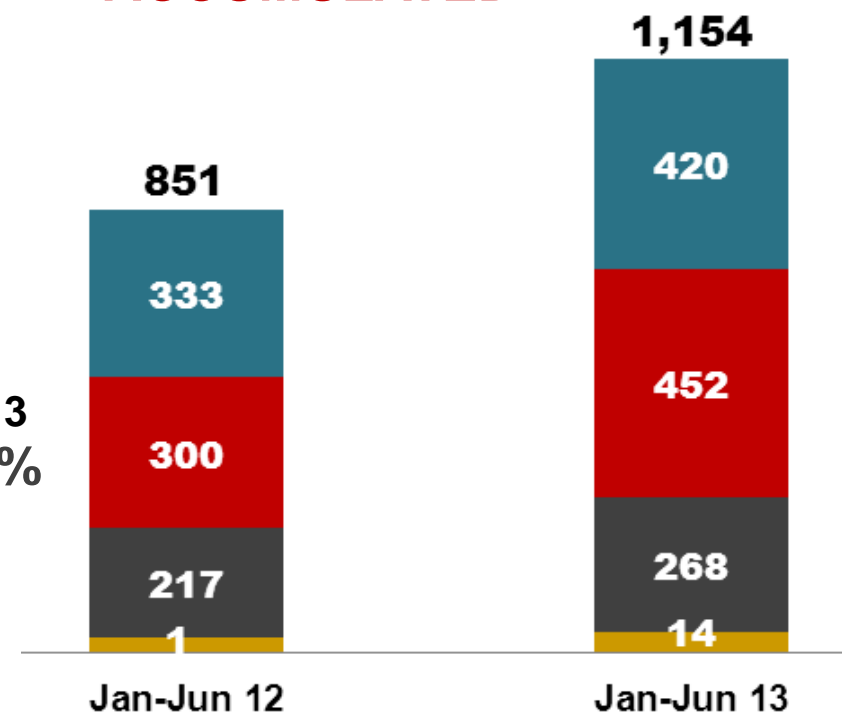
**QUARTERLY**



**Efficiency(1)**

Jun. 12	Mar. 13	Jun. 13
48.1%	51.2%	55.7%

**ACCUMULATED**



Consolidated		Consolidated		Colombia
2Q13/1Q13		Accum 13/Accum 12		Accum 13/Accum 12
	%			
0.7	Personnel Expenses	25.9		2.2
8.9	Operating Expenses	50.6		10.0
10.7	Other expenses (2)	23.8		6.5
6.2	Subtotal expenses (3)	34.1		6.1
-	- Non-recurring expenses (4)	-		-
5.1	Total Expenses	35.6		7.6

1. Efficiency (12 months) = Operation expenses Good Will /(Gross Financial Margin + operating income + other income and expenses)

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

3. Personnel, operating and other expenses do not include non recurring expenses

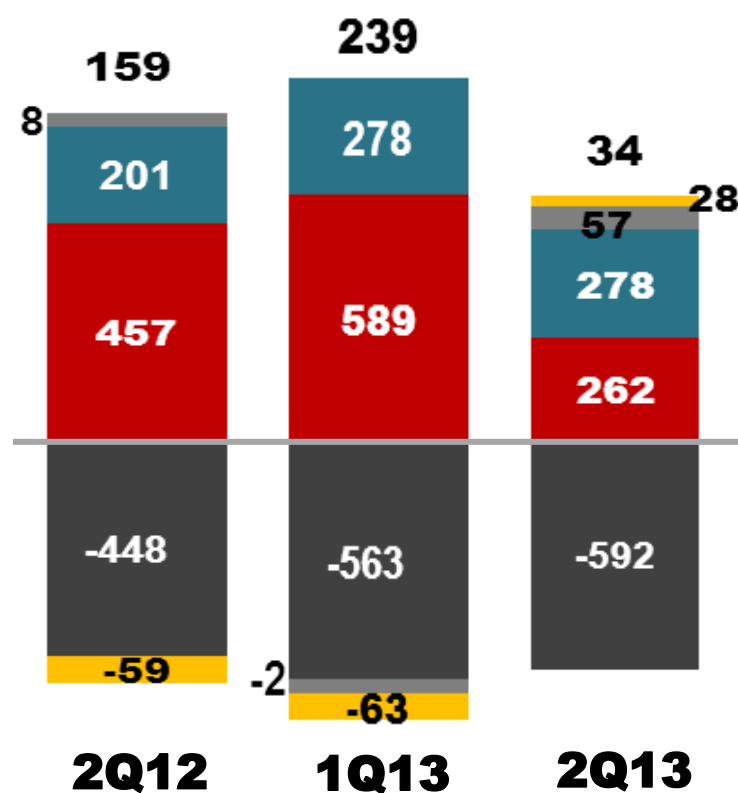
4. Non recurring expenses correspond to Daviplata, Regional and bond issuances



# Consolidated Net Income

(COP billions)

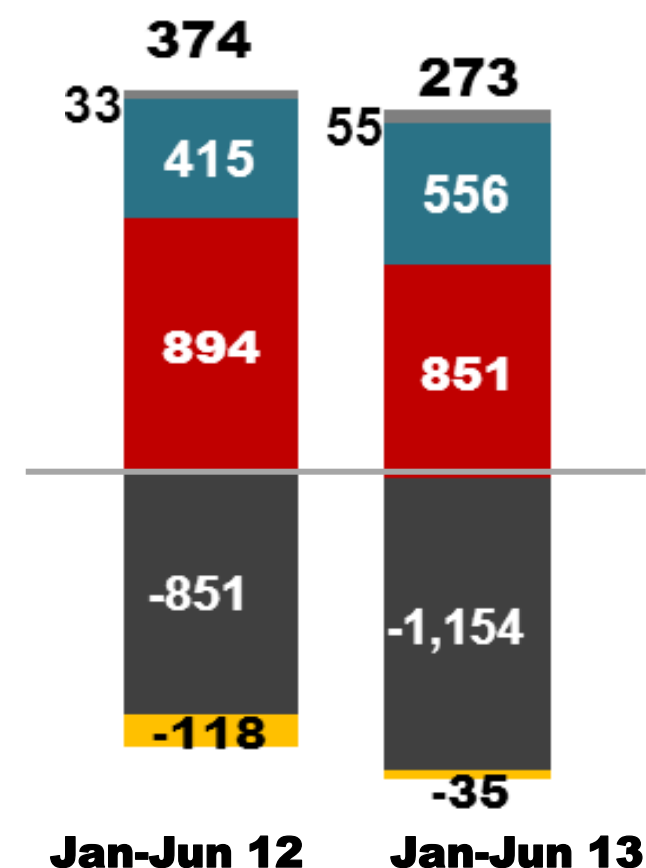
## QUARTERLY



## ROAE(1)

Jun. 12	Mar. 13	Jun. 13
15.7%	13.2%	10.7%

## ACCUMULATED



Consolidated		Consolidated		Colombia
2Q13/1Q13	%	Accum 13/Accum 12		Accum 13/Accum 12
-55.5	Financial Margin, net	-4.8		-23.2
0.1	Fees & Commissions	33.9		3.7
5.1	Operating Expenses	35.6		7.6
-	Non operational, net	64.4		59.5
-	Taxes	-69.9		-86.1
-85.9	Net Income	-27.1		-39.5

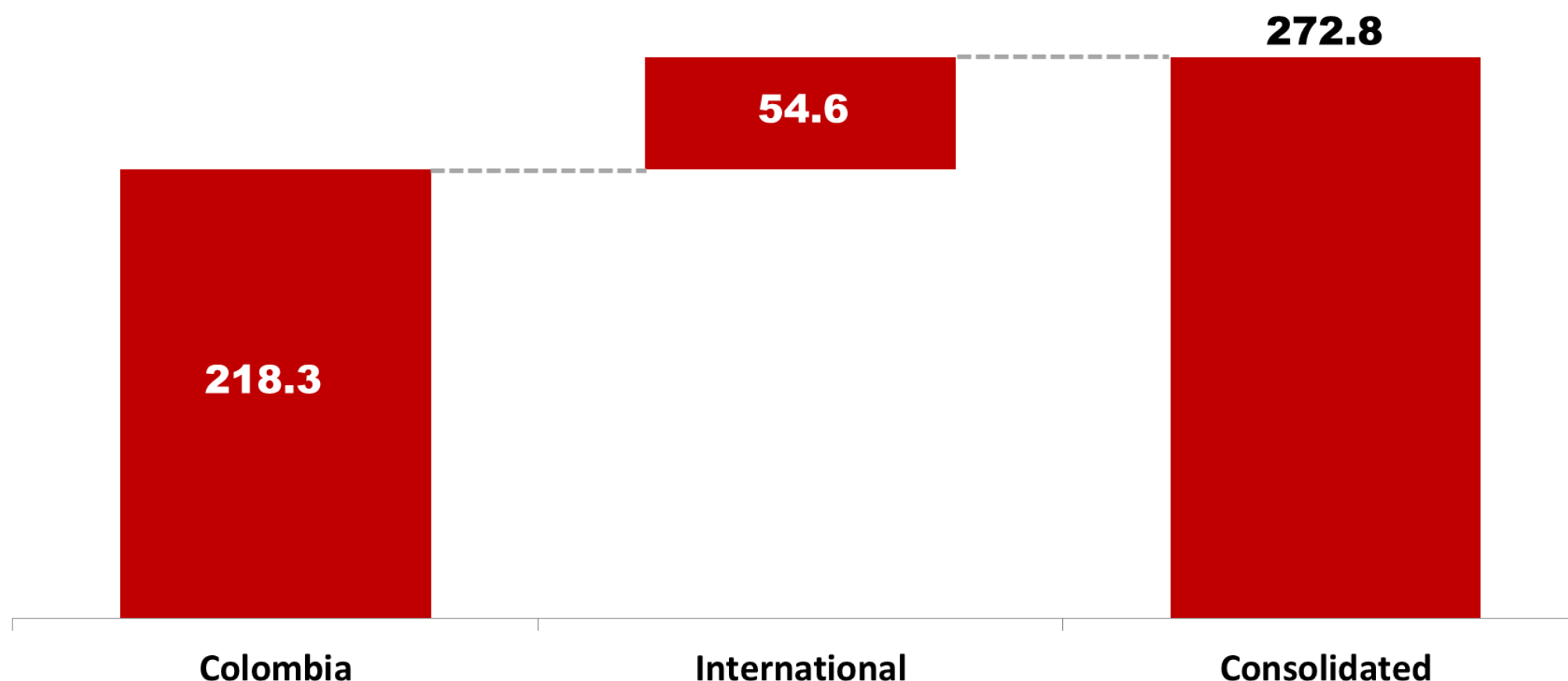
1 ROAE (12 months) = Net income 12 months/ Average Equity



Consolidated

# Accumulated Net Income

(COP billions)



Accum. Net Income	Jun 13	Jun 13/Jun 12
Colombia	218.3	-39.5%
International	54.6	307.3%
Accum. Net Income	272.8	-27.1%

Colombia includes individual net income, local subsidiaries and elimination for \$30.4 billions for dividends effect from local subsidiaries. International includes Panamá and Central America subsidiaries after standardization.

Accumulated Net Income of the System rose 11%, while ROE reached 15%







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**Thank you!**



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