

# DAVIVIENDA

## Earnings Presentation 3Q15 Consolidated Results

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The financial information has been prepared under International Financial Reporting Standards (IFRS) applicable in Colombia and instructions of the Financial Superintendence of Colombia, and are presented in nominal terms. The financial statements in the quarter ended September 30 2015 will not necessarily indicative of expected results for any other period. For comparison purposes it was built the pro forma financial statements under IFRS for the third quarter 2014.

# Content

- > Third Quarter Highlights
- > Third Quarter 2015 Financial Results



# THIRD QUARTER HIGHLIGHTS



# Main Results

## Net Income & ROAE

> Net income grew by **24.3%** totaling **COP\$1.1 trillion**. ROAE **18.6%**.<sup>1</sup>

## Gross Loans

> Gross loans portfolio reached **COP\$61.4 trillion**, grew by **28,8%**.

## Portfolio Income

> Portfolio income 9M15 reached **COP\$ 4.8 trillion**, grew by **24%**.

## Gross F. Margin

> Gross financial margin 9M15 reached **COP\$3.1trillion**, grew by **18,2%**.

## Allowances

> Allowances / Net Loans Portfolio <sup>2</sup> closed in **1.75%**

## Efficiency

> Efficiency ratio improve **176 b.p.** closed in **48.6%**.



1. ROAE (9 months) = Net income 9 months/ Average Equity.

2. Allowance Expense 12 months / Net loans portfolio.

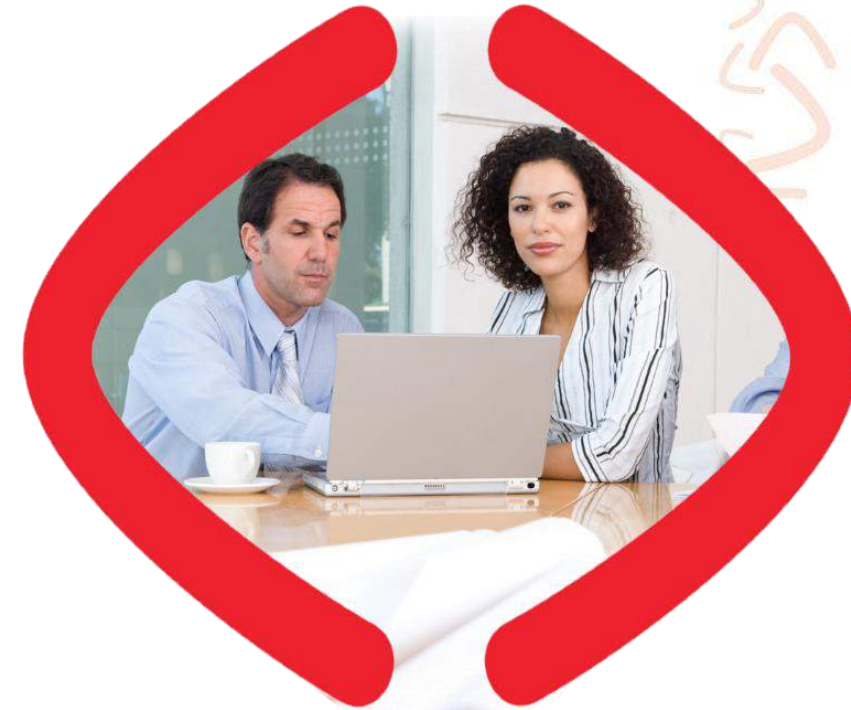
3. Efficiency = ((Operation Expenses - Goodwill) / (Gross Financial Margin + Operation Income + Other Income and Expenses, net)).



# Retail Loans

- > Consolidated retail<sup>1</sup> loans reached **COP\$28.7** trillion increasing **21.7%**
  - > Consolidated mortgage loans portfolio grew **21.1%** compared to the same period last year.
  - > Consolidated consumer portfolio reached **COP\$15.7** trillion, an increase of **22.3%** compared to 3Q14.
    - > Payroll loans portfolio grew significantly reached **COP\$ 6.6** trillion, an increase of **31.2%** compared to 3Q14.
- > Retail loans portfolio of international subsidiaries grew in USD by **15.0%** compared to 3Q14, highlighting the growth in Costa Rica (**28.7%**) and Honduras (**14.8%**).

1. Includes Consumer and Mortgages.



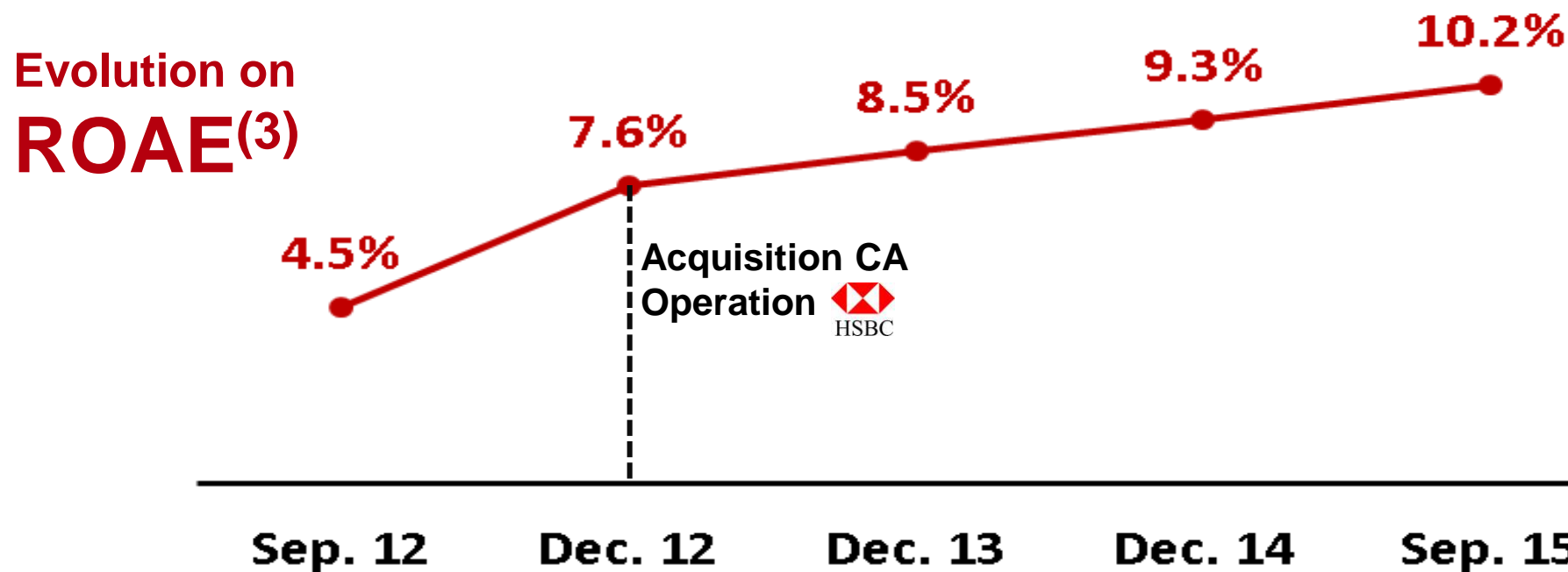
# Commercial Loans

- > Commercial loans<sup>(1)</sup> reached **COP\$32.7** trillion, increasing **35.7%** compared with 3Q14. While Colombia grew by **26.2%** compared with the same period.
  - > The growth in corporate loans in Colombia is highlighted with an annual growth of **25.2%**.
  - > The Constructor loans portfolio in Colombia closed in **COP\$2.8** trillion, a growth of **37.3%** compared to 3Q14.
  - > SME loans in Colombia closed in **COP\$3.8** trillion, a growth of **25.6%** compared to similar period last year.
- > In International subsidiaries, commercial loans grew in USD **12.7%** compared to 3Q14, highlighting the growth in Costa Rica (**35.6%**) and Panamá (**16.9%**).



## International Subsidiaries Results<sup>(1)</sup>

- > Accumulated Net Income in International Subsidiaries grew in USD **20%** compared to the same period of last year, totaling **US\$56 million**<sup>2</sup>.
- > Return on equity (ROAE) of international subsidiaries was **10.2%**.



1. International Subsidiaries: Costa Rica, Honduras, El Salvador y Panamá.

2. Data in local accounting accumulated as of 3T15 Include Insurance Companies

3. ROAE = Net income (12 months) / Average Equity.



## Other Highlights

### Debt:

- In July Costa Rica Bank issued ordinary bonds for **US\$25<sup>1</sup>** million.
- In July the Bank in El Salvador acquired a financial obligation of **US\$175** million for seven years.
- In October, we securitized **COP\$123** billion worth of mortgages loans.
- In November were issued ordinary bonds for **COP\$600** billion in Colombia.

### Acquisition:

- In September the regulator<sup>2</sup> in Costa Rica authorized the acquisition of 51% of Sociedades Bolivar insurance company through Davivienda Corporation Costa Rica for **US\$ 6** million.

### Exchange rate:

- The exchange rate closed at **\$3.087**, \$488 more than 2Q15 and \$1,065 additional compared to 3Q14.

1.Davivienda Costa Rica issued ordinary bonds \$20 million in dollars and \$10 million in Colones

2.CONASSIF: El Consejo Nacional de Supervisión del Sistema Financiero

## Other Highlights

### Merger with Leasing Bolívar:

- > The merger with Leasing Bolívar was approved at the Extraordinary Assembly on September 23.
- > The terms of trade was:

	Davivienda Bank Shares	Leasing Bolivar Shares
Davivienda Bank Shares	One Share	3.22163
Leasing Bolivar Shares	0.3104	One Share

- > It is expected to begin operations on January 1<sup>st</sup> , 2016.

### Cultivarte:

- > We have **33** branches of Cultivarte in **13** departments.
- > A total population of **57,000** children were attended since the creation of Cultivarte.
- > On average **104** children attend the Cultivarte's every day.



# THIRD QUARTER 2015

FINANCIAL RESULTS

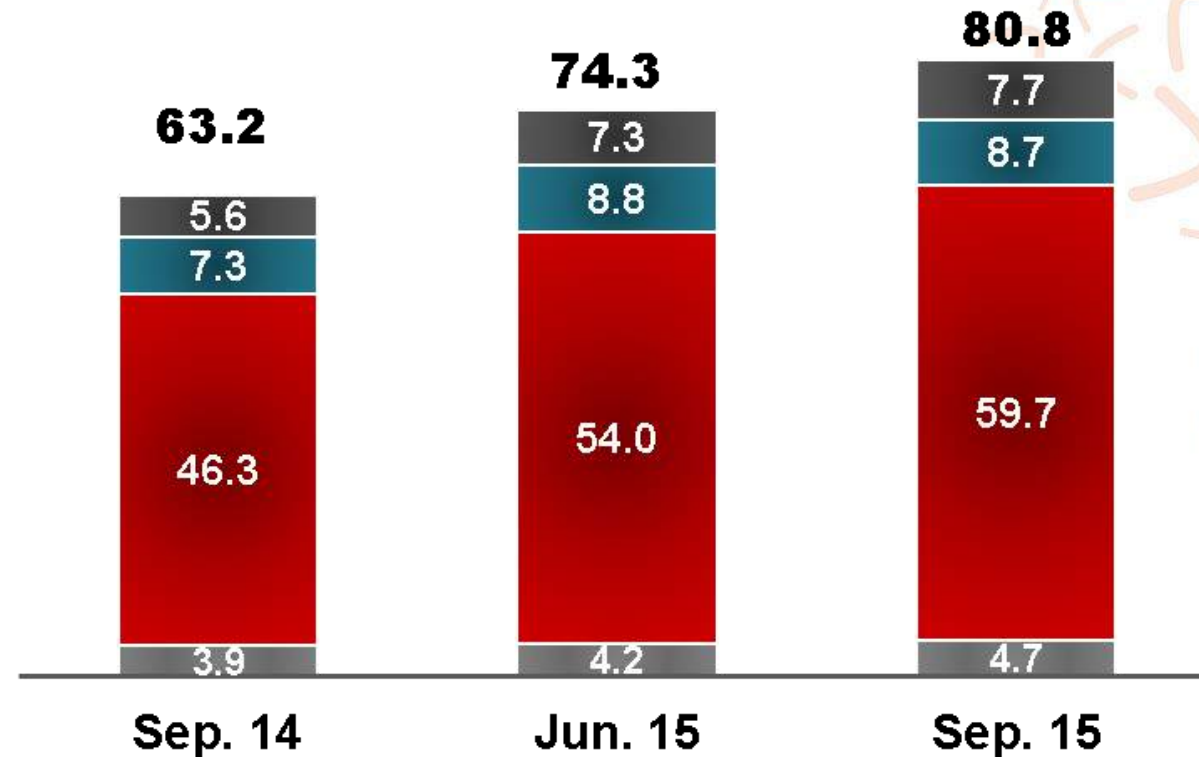


Consolidated

# Assets

(COP trillion)

	3Q15 / 2Q15	3Q15 / 3Q14
Cash	6.1%	37.0%
Investments, net	-0.6%	19.4%
Loans, net	10.4%	28.8%
Other assets	11.8%	21.4%
<b>Assets</b>	<b>8.8%</b>	<b>28.0%</b>



Assets	Sep. 14	Jun. 15	Sep. 15	3Q15 / 2Q15	3Q15 / 3Q14
Colombia	51.7	57.6	60.6	5.2%	17.1%
International COP\$	12.4	17.8	21.4	20.0%	71.6%
International USD\$ <sup>(1)</sup>	6.0	6.6	6.7	2.6%	12.5%

1. Local homologated figures. Do not include deletions of Colombia under the international subsidiaries by COP 1,1 trillion.

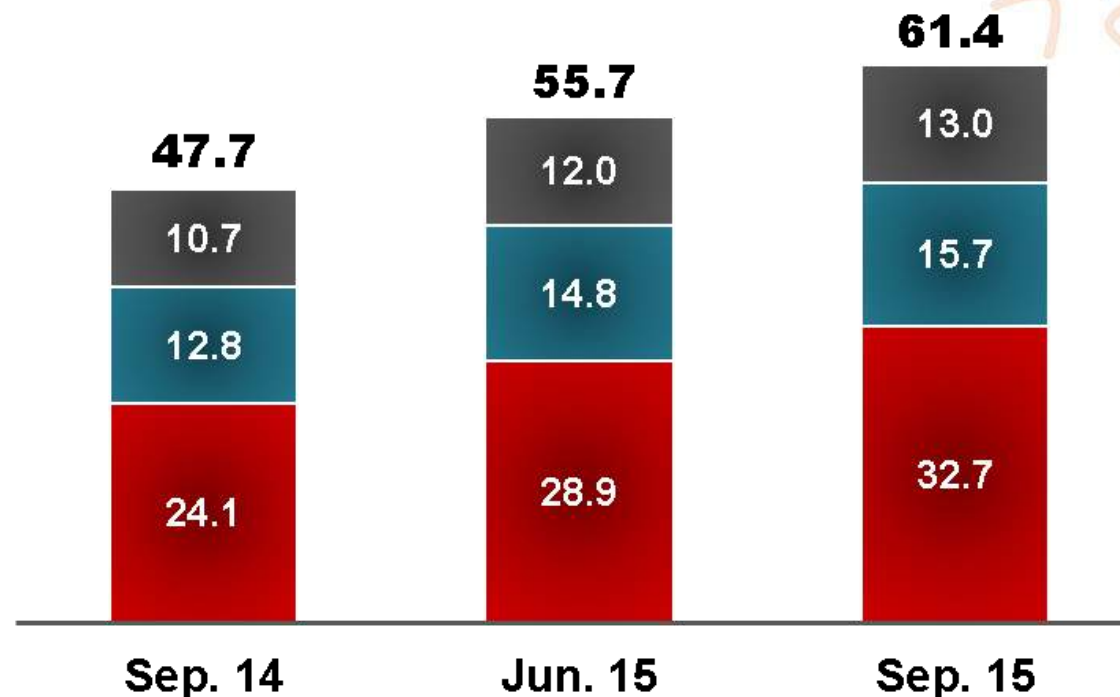
Devaluation of COP 3Q15 was 52.7% Y/Y and 18.8% Q/Q.

Consolidated

# Gross Loans

(COP trillion)

	3Q15 / 2Q15	3Q15 / 3Q14
Mortgage	8.7%	21.1%
Consumer	6.1%	22.3%
Commercial (1)	13.1%	35.7%
<b>Gross Loans</b>	<b>10.3%</b>	<b>28.8%</b>



Gross Loans	Sep. 14	Jun. 15	Sep. 15	3Q15 / 2Q15	3Q15 / 3Q14
Colombia	39.3	44.0	47.0	6.8%	19.4%
International COP\$	8.3	11.7	14.4	23.4%	73.2%
International USD\$	4.1	4.5	4.6	4.0%	13.6%

1. Includes Microcredit.

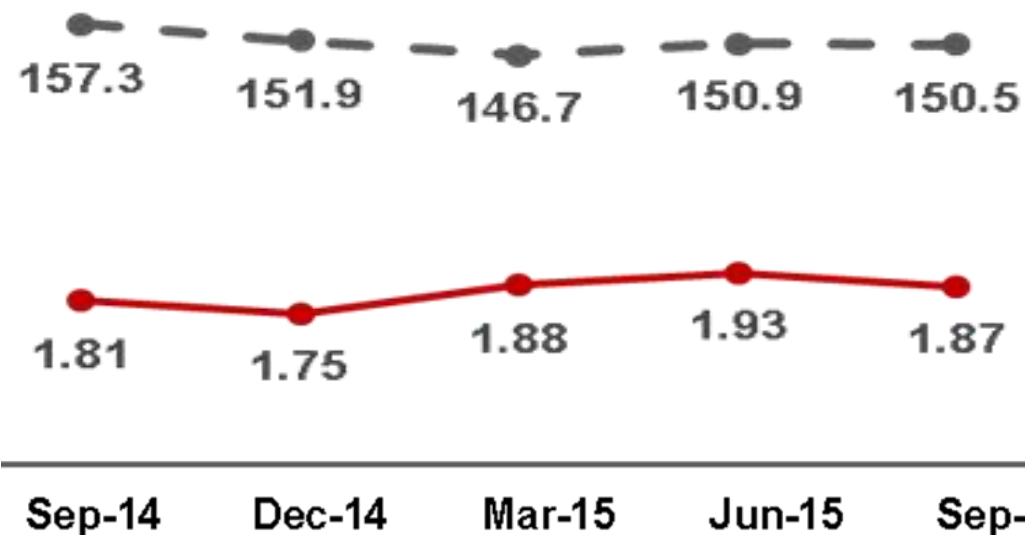
2. Figures in local homologated accounting.

Devaluation of COP 3Q15 was 52.7% Y/Y and 18.8% Q/Q.

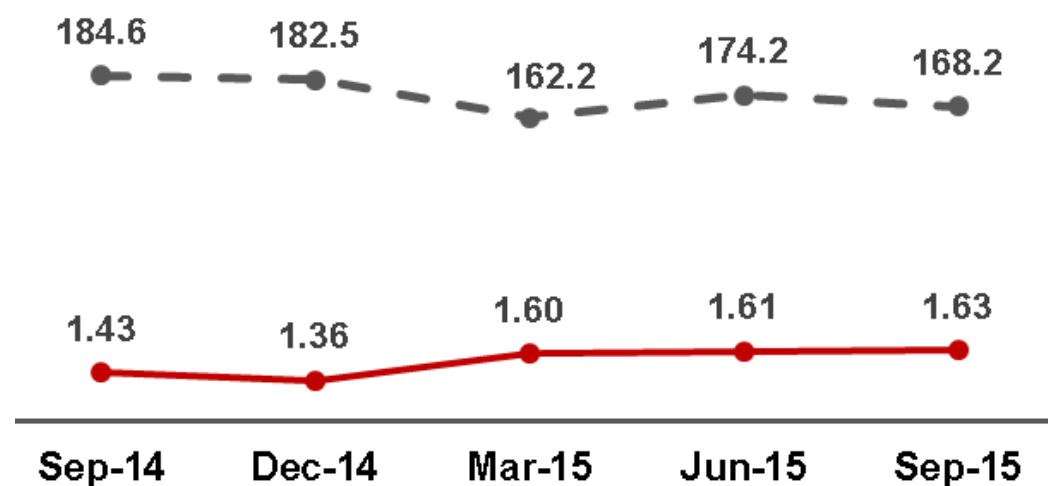


# Quality and Coverage (%)

## Total



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



—●— Coverage Consolidated

—●— Quality Consolidated

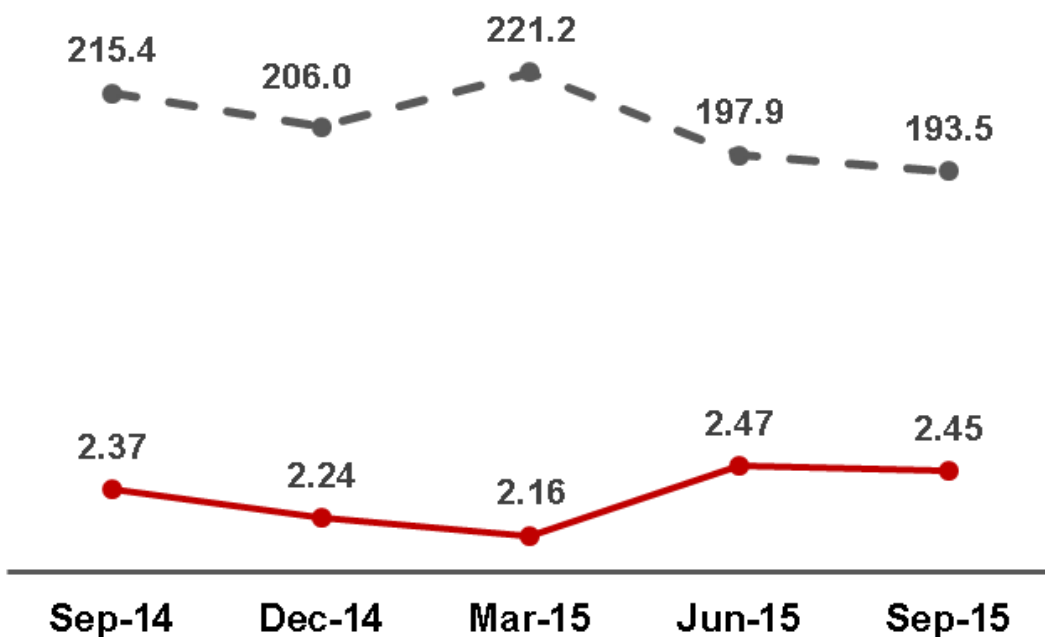
Quality: Loans >90 days.

Coverage: Allowances / Loans >90 days.

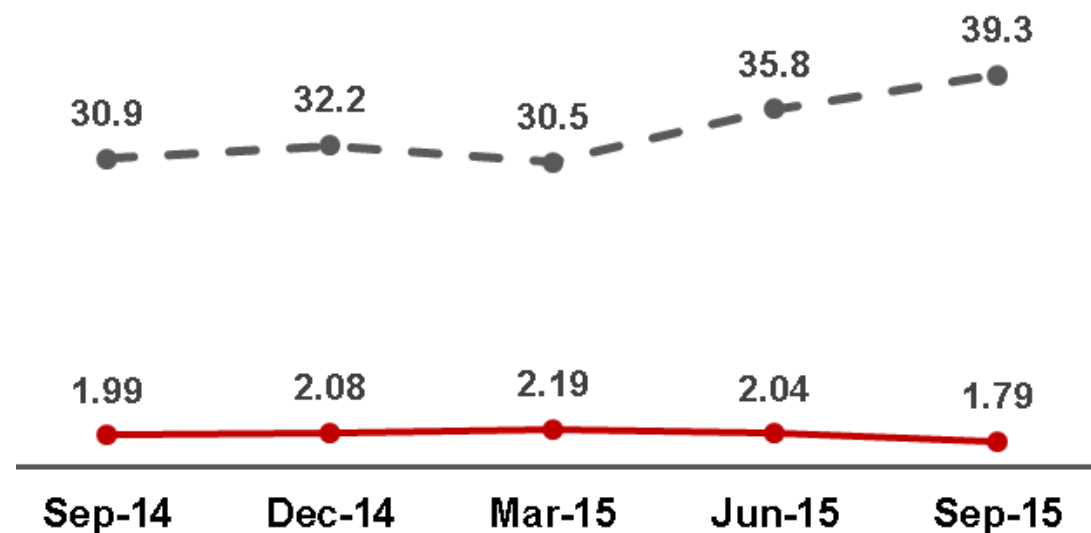
<sup>1</sup> Commercial includes microcredit.

# Quality and Coverage (%)

## Consumer



## Mortgage



Quality: Loans >90 days.  
Coverage: Allowances / Loans >90 days.

—●— Coverage Consolidated

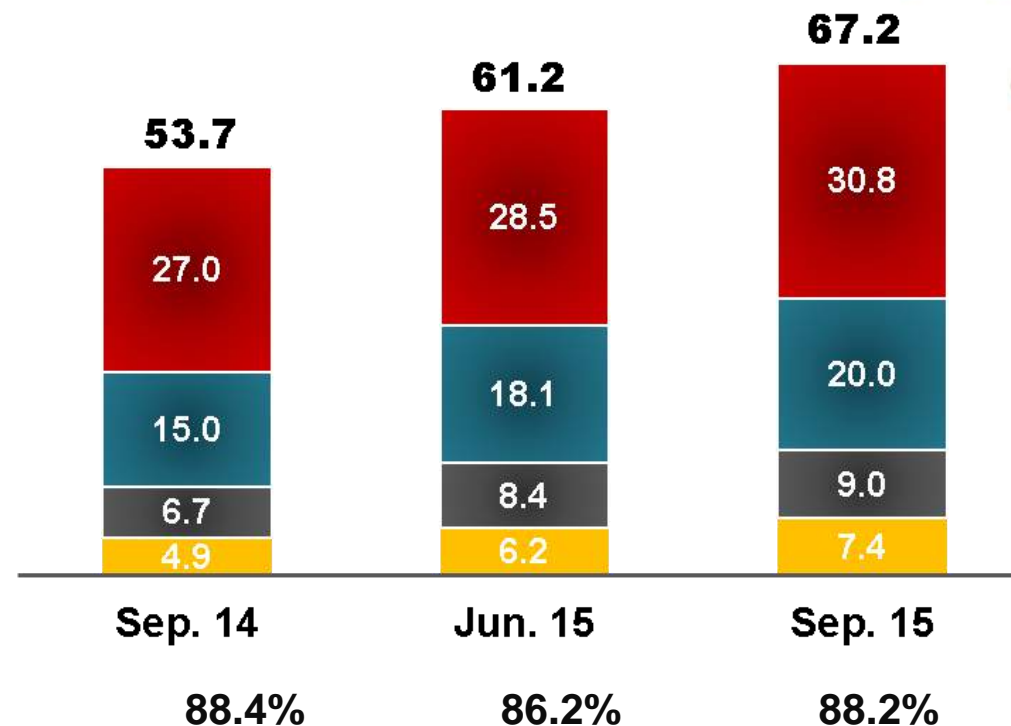
—●— Quality Consolidated

Consolidated

# Funding Sources

(COP trillion)

	3Q15 / 2Q15	3Q15 / 3Q14
<b>Demand Deposits</b>	8.0%	14.0%
<b>Term Deposits</b>	10.4%	33.0%
<b>Bonds</b>	6.5%	34.0%
<b>Credits</b>	19.2%	50.0%
<b>Funding Sources</b>	<b>9.7%</b>	<b>25.2%</b>



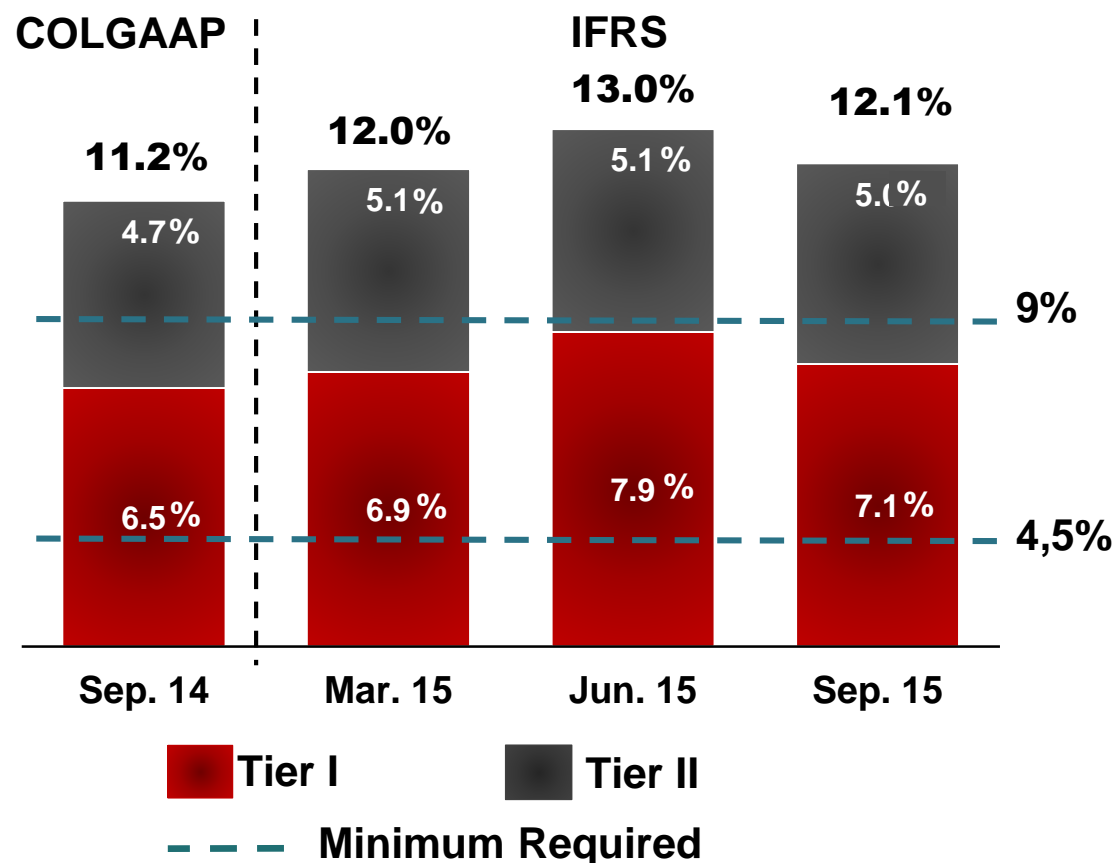
Net Loans / Funding Sources

Funding Sources	Sep. 14	Jun. 15	Sep. 15	3Q15 / 2Q15	3Q15 / 3Q14
Colombia	43.2	46.3	48.9	5.6%	13.3%
International COP\$	10.5	14.9	18.2	22.2%	73.8%
International USD\$	5.1	5.7	5.8	3.1%	13.9%

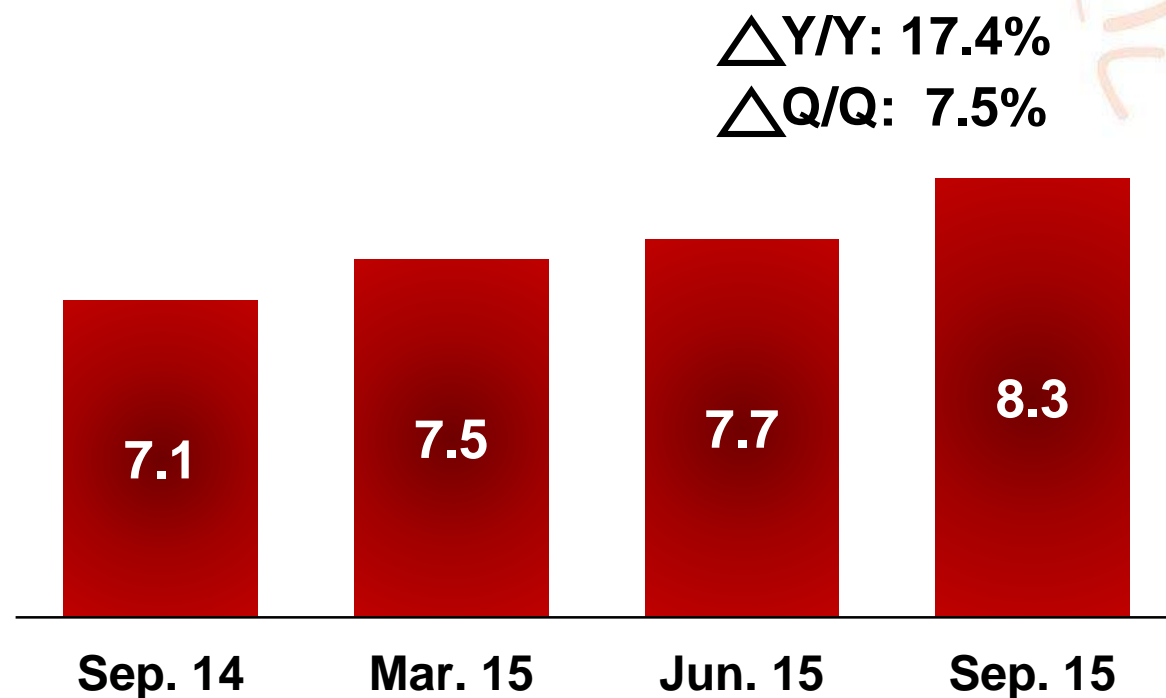
Consolidated

# Capital Structure

## Solvency



## Equity (COP billion)

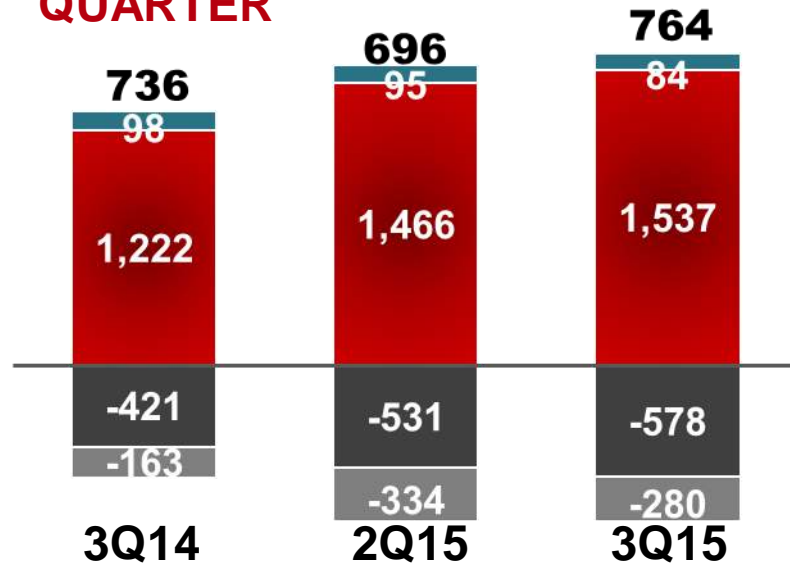


# Consolidated

## Financial Margin, Net

(COP billion)

### QUARTER

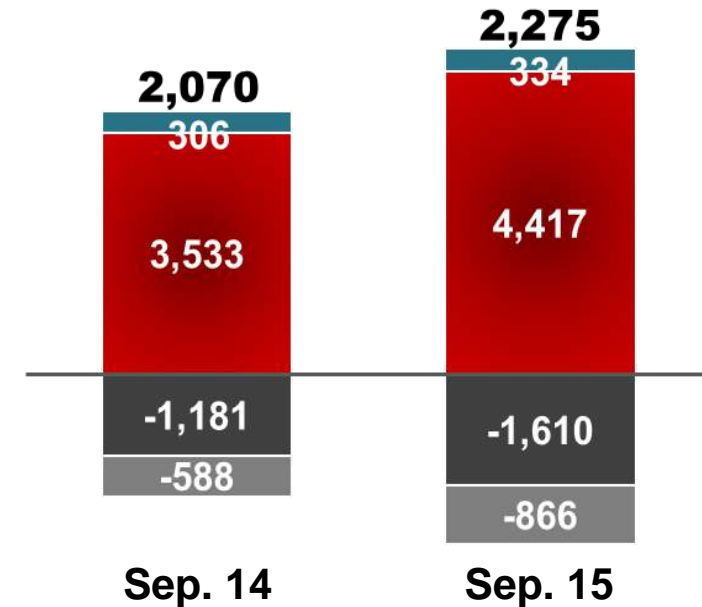


### NIM<sup>(2)</sup>

Jun 15  
6.7%

Sep 15  
6.5%

### ACCUMULATED



3Q15	3Q15 / 2Q15	3Q15 / 3Q14		Sep. 15	Sep 15 / Sep 14
\$	(%)	(%)		\$	(%)
1,537	4.8	25.8	Loan Income	4,417	25.0
84	-11.7	-14.8	Investment Income, Overnight	334	9.2
1,621	3.8	22.8	Financial Income	4,751	23.8
-578	8.8	37.2	Financial Expenses	-1,610	36.2
-280	-16.4	71.5	Allowances	-866	47.4
764	9.7	3.8	Financial Margin, net	2,275	9.9

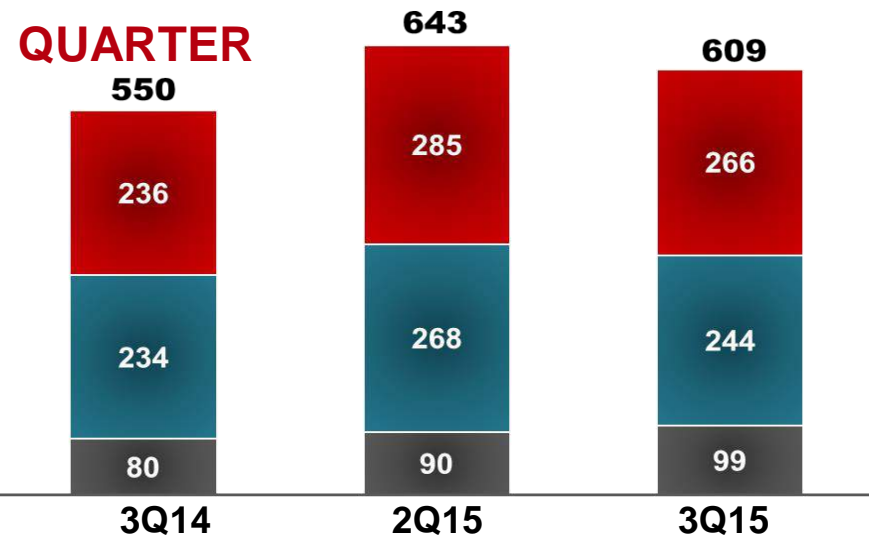
1. Figures in local homologated accounting.

2. NIM: Gross Financial Margin (12 months) / Average Productive Assets.



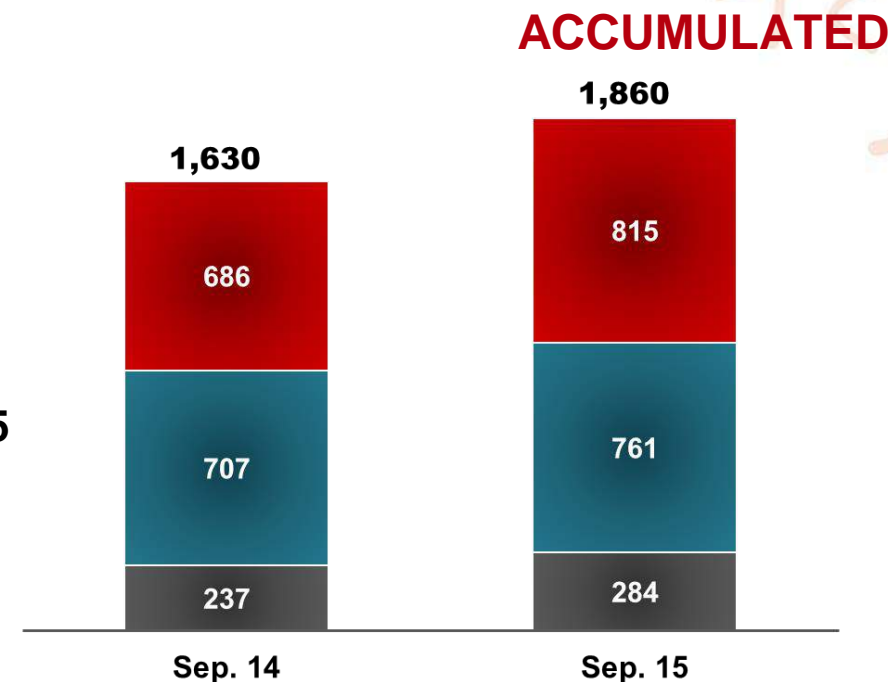
# Expenses

(COP billion)



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

Jun 14	Sep. 15
50.3%	48.6%



3Q15	3Q15 / 2Q15	3Q15 / 3Q14		Sep. 15	Sep. 15 / Sep. 14
\$	(%)	(%)		\$	(%)
266	-6.6	12.9	Personnel Expenses	815	18.8
244	-9.0	4.3	Operating Expenses	761	7.5
99	9.4	23.7	Other Expenses <sup>(2)</sup>	284	20.0
<b>608.8</b>	<b>-5.3</b>	<b>10.8</b>	<b>Total Expenses</b>	<b>1,860</b>	<b>14.1</b>

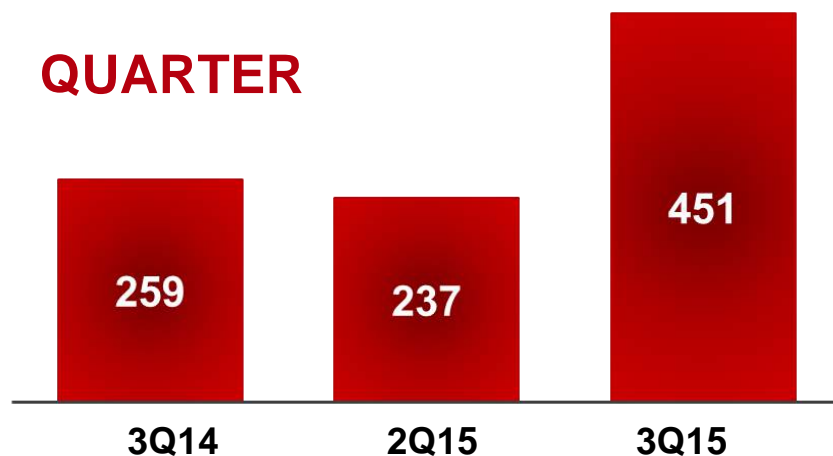
1. Efficiency (12 months) = Operative Expenses w/o Goodwill / (Gross Financial Margin + Operational Income + Other incomes and Expenses net).

2. Other expenses includes amortization and depreciation, intangibles amortization, taxes and deposits insurance.

# Net Income

(COP billion)

## QUARTER

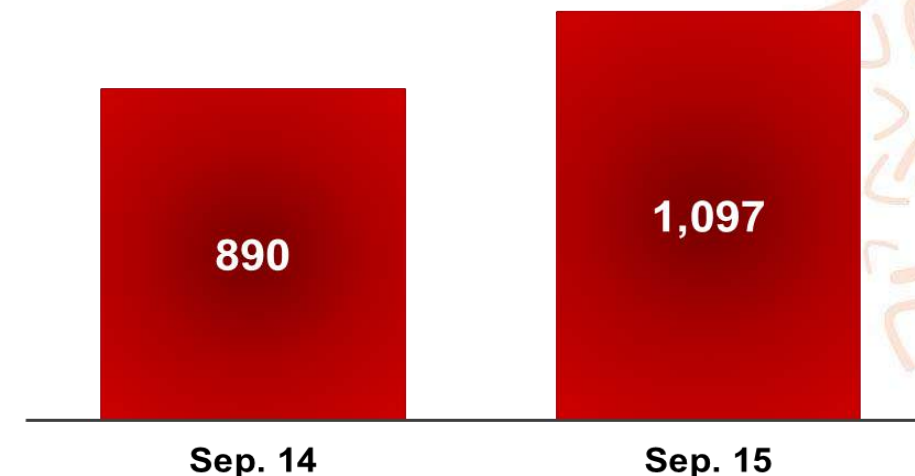


Jun. 14  
(Accm)      Jun. 15  
(Accm)

ROAE<sup>(2)</sup>    17.5%      18.6%

ROAA<sup>(3)</sup>    1.95%      1.92%

## ACCUMULATED



3Q15	3Q15 / 2Q15	3Q15 / 3Q14		Accum. 2015	9M15/9M14
\$	%	%		\$	%
764	9.7	3.8	Financial Margin, net	2,275	9.9
238	0.4	9.7	Fees & Commissions	720	5.6
-609	-5.3	10.8	Operating Expenses	-1,860	14.1
61	785.4	-205.9	FX changes, Derivates and Others	135	858.3
<b>453</b>	<b>52.7</b>	<b>31.1</b>	<b>Operating Income</b>	<b>1,271</b>	<b>11.9</b>
-2	-96.7	-97.7	Taxes	-174	-29.1
<b>451</b>	<b>90.5</b>	<b>74.5</b>	<b>Net Income</b>	<b>1,097</b>	<b>23.2</b>

1. Net income after eliminations, homologations and homogenizations.

2. ROAE = Net income (6 months) / Average Equity.

3. ROAA: Net Income (6 months) / Average assets.



DAVIVIENDA

**Thank You!**

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