



DAVIVIENDA



The background is a photograph of a modern interior space, possibly a lobby or hallway, with a strong red color overlay. On the left wall, there is a faint, stylized line drawing of a house with a chimney. In the center, the word "DAILY" is partially visible in large, red, block letters. The overall atmosphere is contemporary and artistic.

# Earnings Presentation

## *1Q17 Consolidated Results*

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The examples given shouldn't be taken as a guarantee for future projections and it is not expressly or implicitly assumed or obliged in relation with the reserves expected in the future.

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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 March 31 2017 will not necessarily indicative of expected results for any other period.

# Content

- > **First Quarter Highlights**
- > **First Quarter 2017 Financial Results**



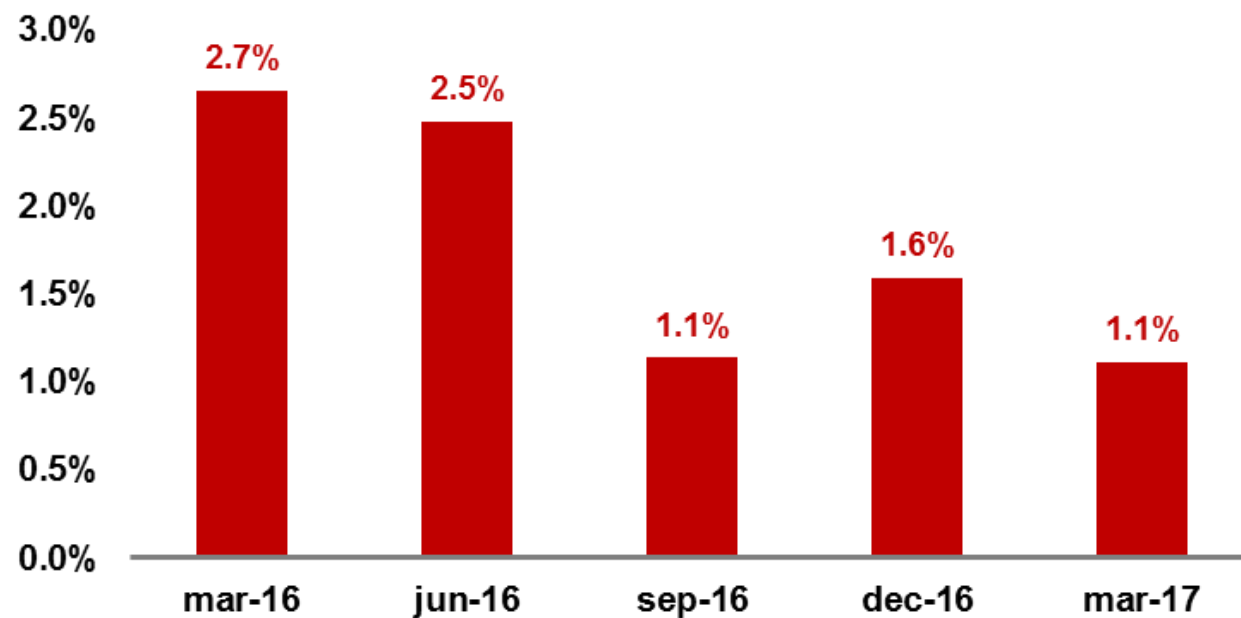
The background of the slide is a blurred photograph of a person sitting at a desk, working on a laptop. A white coffee cup sits on the desk in the foreground. The entire image is overlaid with a semi-transparent dark red filter.

# **FIRST** *QUARTER* **HIGHLIGHTS**



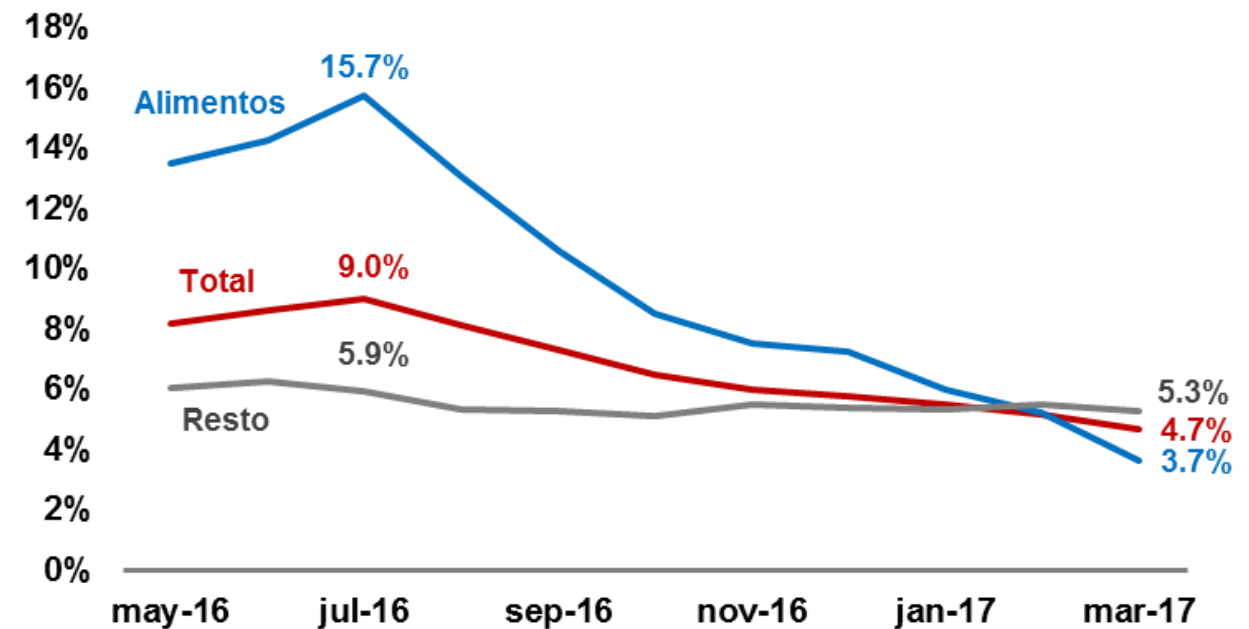
# First Quarter Highlights Macroeconomics

## Gross Domestic Product (Y/Y)



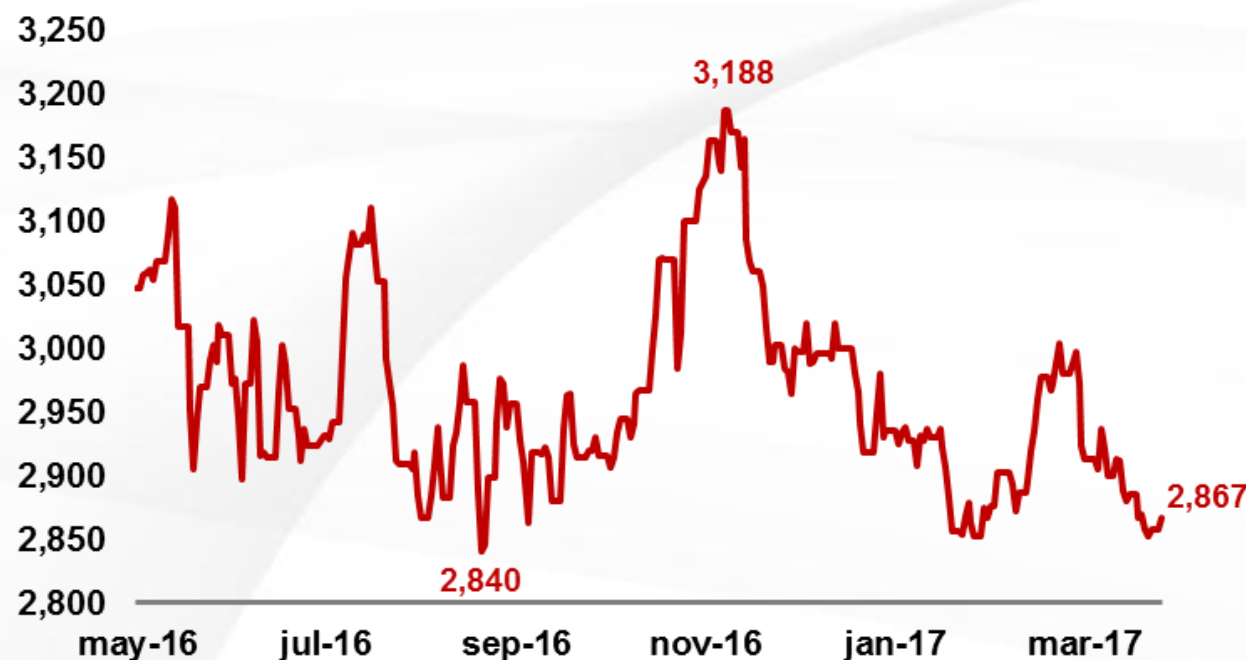
Source: DANE

## Inflation (Y/Y)



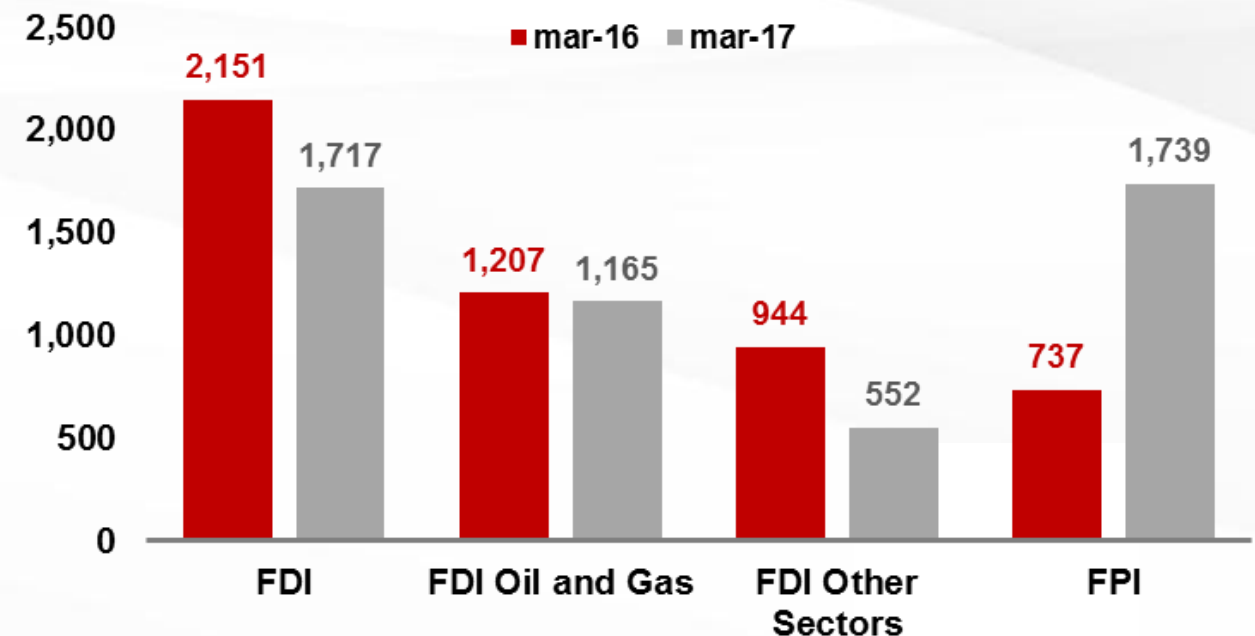
Source: DANE

## COP/USD Rate



Source: Superintendencia Financiera de Colombia

## Foreign Investment Flows (U\$ Million - Accumulated Year To Date\*)



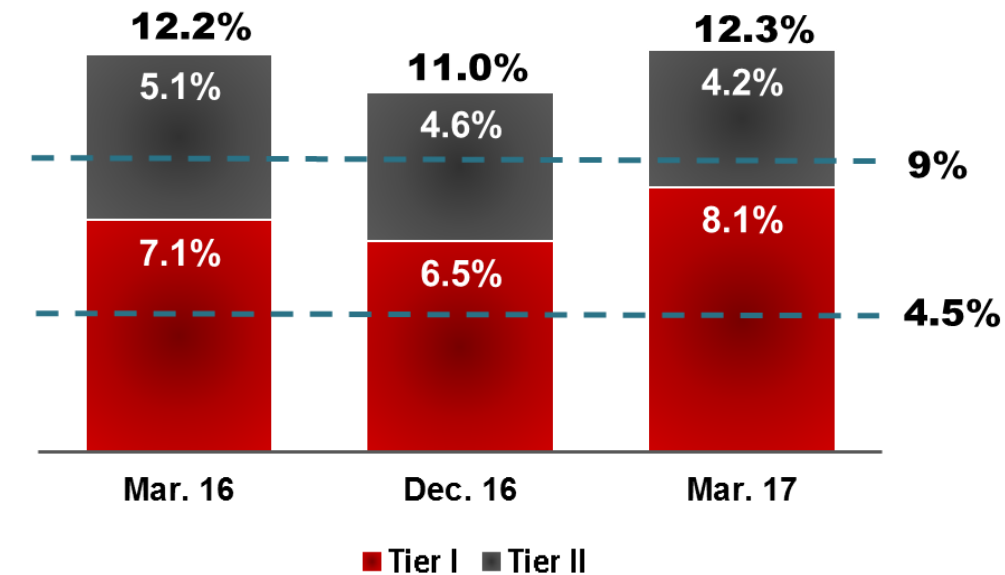
Source: Banco de la República \*Data as of March 31

# First Quarter Highlights

## Main Results

- > Tier I improved **100 b.p** compared to 1Q16 and **165 b.p** when compared to 4Q16.
- > Total NPL<sup>4</sup> ratio closed at **2.38%**, **47 b.p.** above the close of 2016.
- > Cost of Risk decreased **30 p.b.** when compared to the same quarter last year, closing at **1,74%**.

### Solvency



### Profitability

- > Net Income: COP \$326 billion.
- > ROAE<sup>1</sup>: 17.0% vs 15.4%
- > ROAA<sup>2</sup>: 1.77% vs 1.58%
- > Dividend: COP \$950 ▲ 10%
- > NIM<sup>3</sup>: 6.4%. Stable vs 4T16

### Balance Sheet

- > Gross Loan Portfolio: 10.9%
- > Colombia: 13.4%
- > International subsidiaries  
US: 6.0%
- > Funding Sources: 8.6%
- > Equity: 13.1%

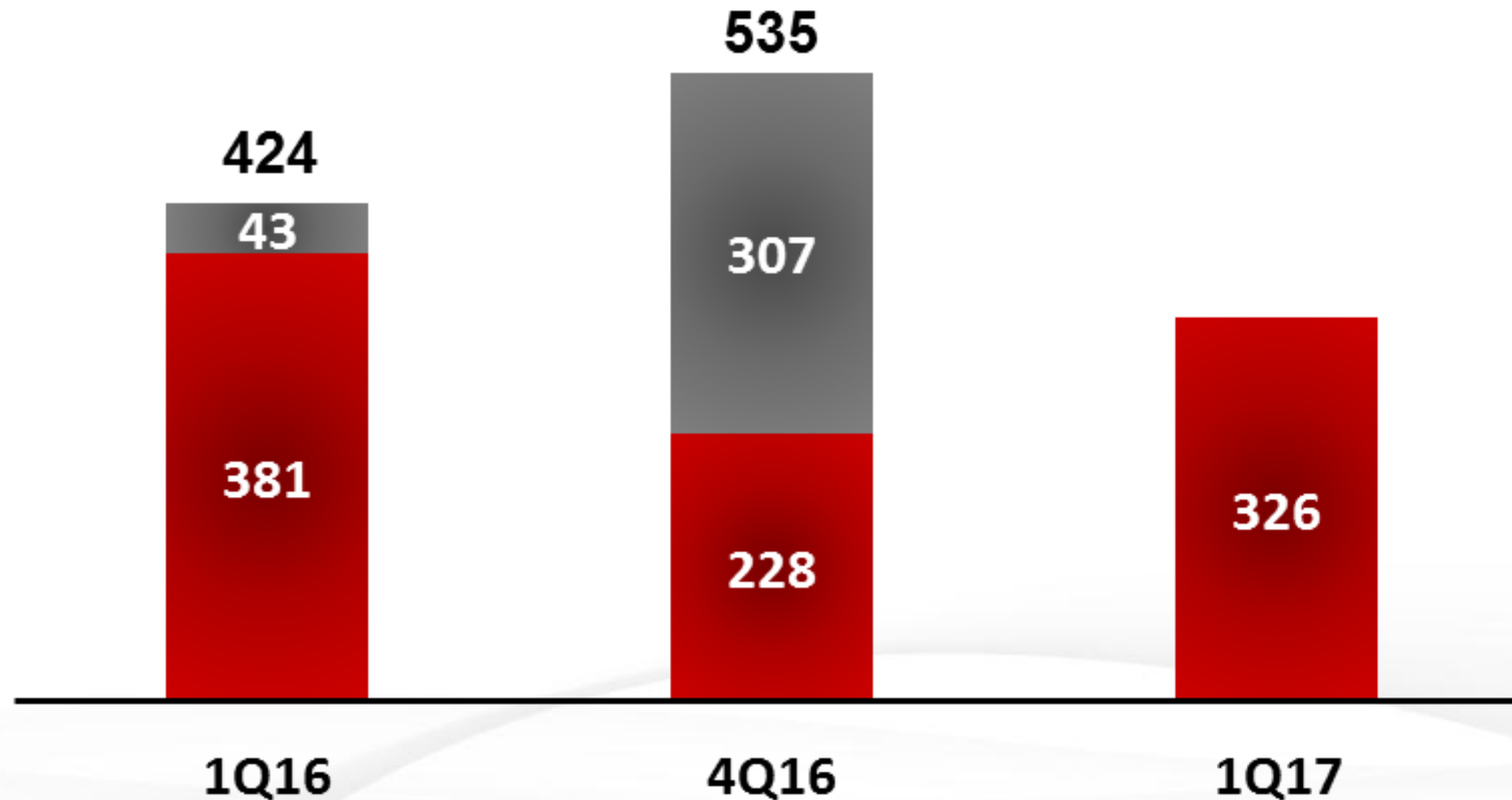
### Indicators

- > NPL<sup>4</sup>: 2.38%
- > Coverage<sup>5</sup>: 171.5%
- > Cost of Risk: 1.74%
- > Solvency Ratio: 12.3%
- > Tier 1: 8.1%

1. ROAE = Net Income (12 months) / Average Equity.  
 2. ROAA = Net Income (12 months) / Average Assets.  
 3. NIM: Gross Financial Margin (12 months) / Average Productive Assets.  
 4. NPL: Loans >90 days/ Gross loans portfolio.  
 5. Coverage: (P&L Allowances + Equity Allowances) / Loans > 90 days.

# Net Income

(COP billion)



■ Organic Net Income

■ Non recurrent income

Q/Q

Y/Y

Reported Net Income

(39%)

(23%)

Excluding non recurrent income

43%

(14%)

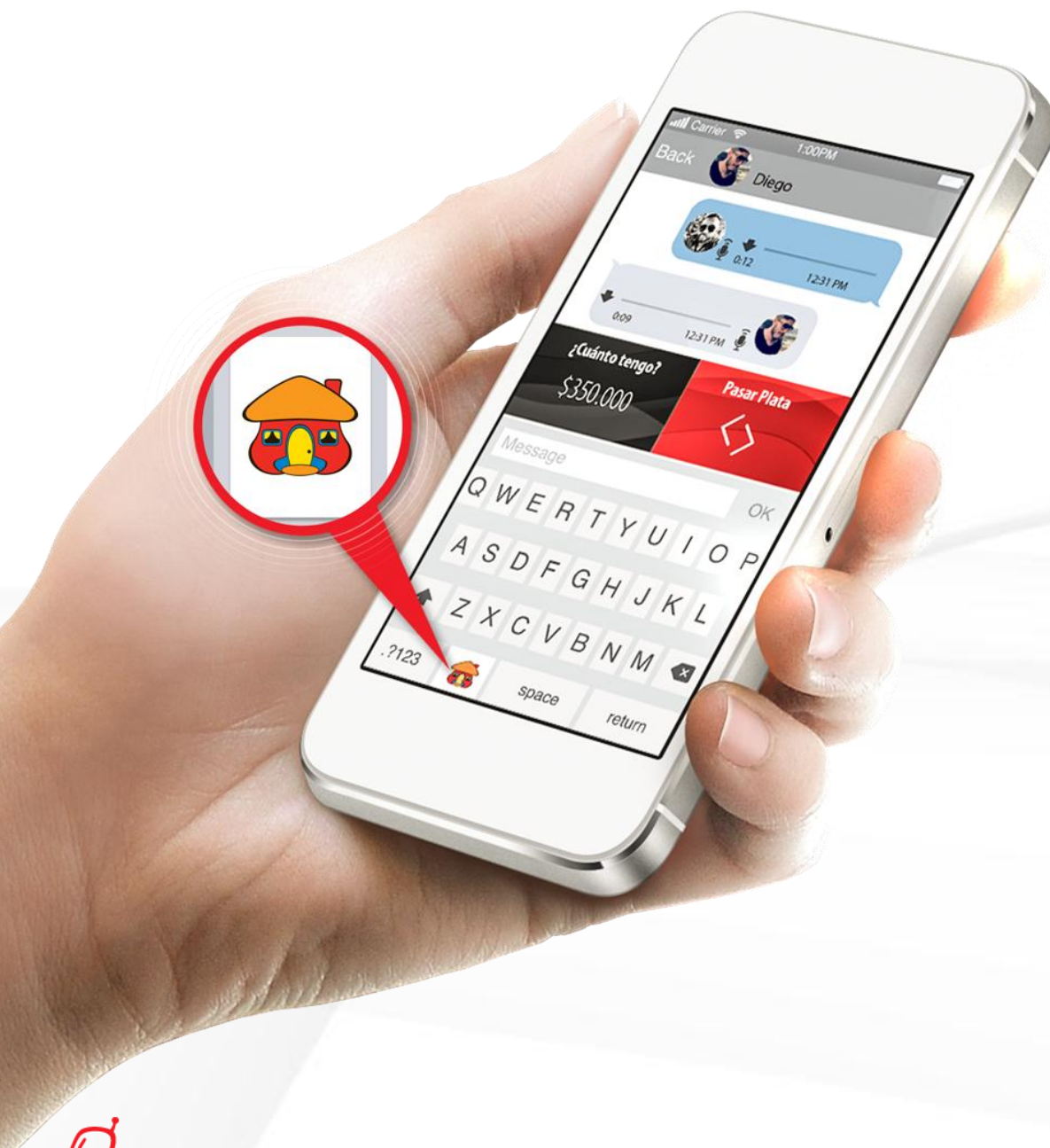




# First Quarter Highlights

## Daviplata Key

- > Davivienda, the **first** bank around the world to launch a keyboard that enables transactions on social networks.



- > Clients in DaviPlata:  
**3,3 millions**
- > App Downloads:  
**605 thousand**
- > Keyboard + App:  
**184 thousand**

## First Quarter Highlights

# Other Highlights



- > On January 2017 a *Diversified Payment Rights* (DPR) was issued for **USD \$150** million.



- > On March, the Bank securitized mortgage loans by **COP \$206** billion.



- > In the same month the Bank issued subordinated bonds by **COP \$399** billion.



- > On April 2017 we issued Green Bonds for the first time for **COP \$433** billion, being the largest issuance by a Financial Institution in Latin America.



# Content

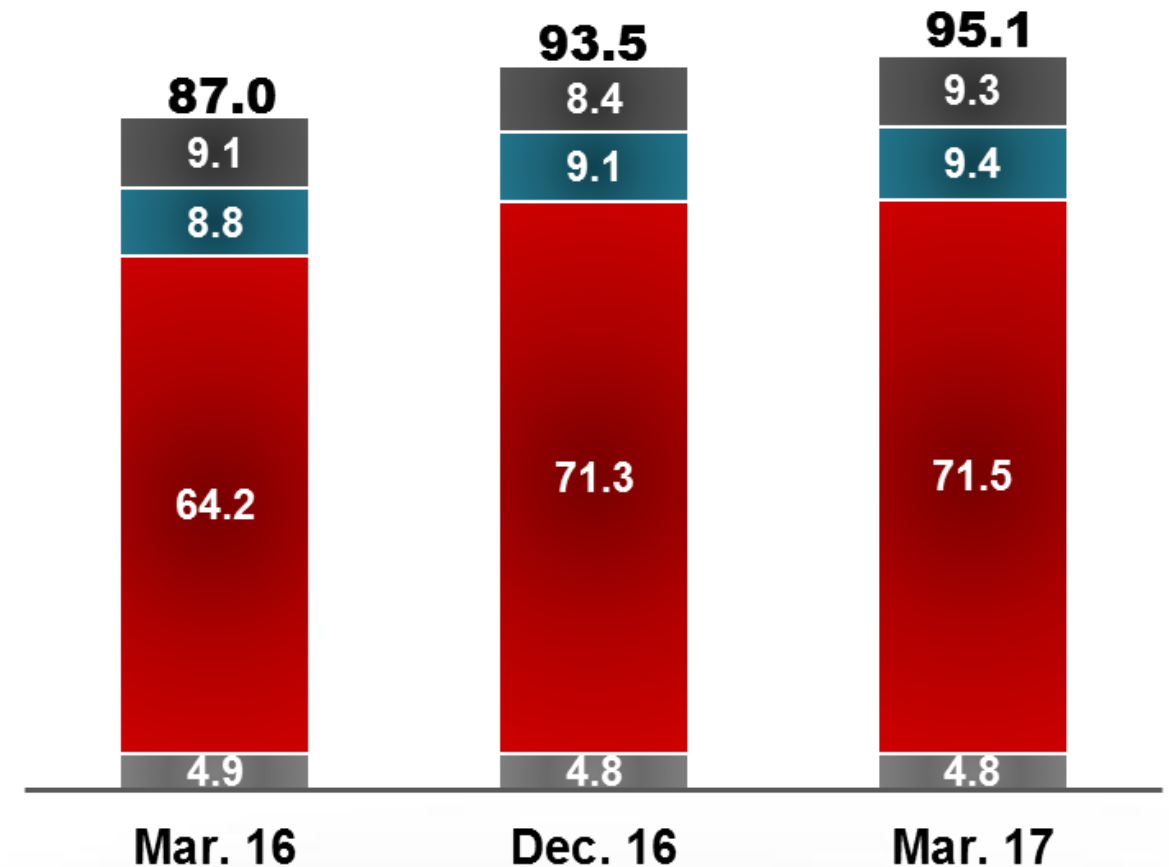
- > First Quarter Highlights
- > **First Quarter 2017 Financial Results**





# Consolidated Assets (COP Trillion)

	1Q17 / 4Q16	1Q17 / 1Q16
Cash	11.0%	2.3%
Investments, net	3.1%	7.0%
Loans, net	0.4%	11.4%
Other assets	0.4%	(0.6%)
<b>Assets <sup>(1)</sup></b>	<b>1.6%</b>	<b>9.3%</b>



Assets	Mar. 16	Dec. 16	Mar. 17	1Q17 / 4Q16	1Q17 / 1Q16
Colombia	65.5	72.0	73.3	1.8%	12.0%
Internacional COP	22.6	22.7	22.6	(0.2%)	0.1%
Internacional USD	7.5	7,6	7.8	3.8%	4.1%

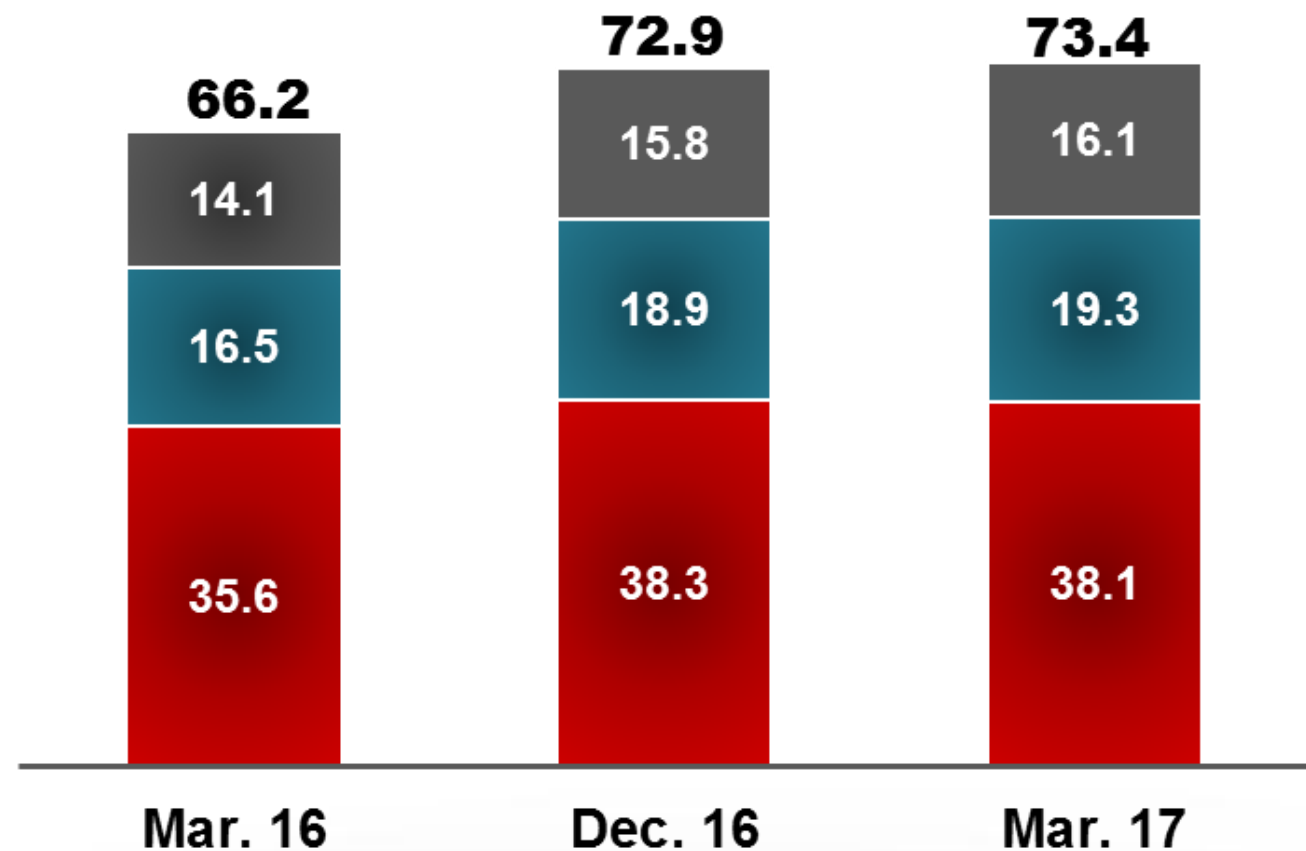
1. Includes deletions of Colombia under the international subsidiaries by COP 0.87 trillion.  
Revaluation of COP during 1Q17 was 3.84% Q/Q and 3.83% on a yearly basis.



# Consolidated Gross Loans

(COP Trillion)

	1Q17 / 4Q16	1Q17 / 1Q16
Mortgage	1.8%	13.6%
Consumer	2.3%	16.8%
Commercial <sup>(1)</sup>	(0.5%)	7.0%
<b>Gross Loans</b>	<b>0.7%</b>	<b>10.9%</b>



Gross Loans	Mar. 16	Dec. 16	Mar. 17	1Q17 / 4Q16	1Q17 / 1Q16
Colombia	51.5	57.4	58.4	1.8%	13.4%
International COP	14.7	15.5	15.0	-3.3%	1.9%
International USD	4.9	5.2	5.2	0.6%	6.0%

1. Commercial includes Microcredit loans.  
Revaluation of COP during 1Q17 was 3.84% Q/Q and 3.83% on a yearly basis.



# Quality and Coverage (%)

	NPL <sup>1</sup> > 90 days		
	1Q16	4Q16	1Q17
Commercial <sup>2</sup>	1.59%	1.36%	2.22%
Consumer	2.39%	2.58%	2.60%
Mortgage	2.15%	2.51%	2.50%
<b>Total</b>	<b>1.91%</b>	<b>1.93%</b>	<b>2.38%</b>

	Coverage <sup>3</sup>				Total Reserves <sup>4</sup> Coverage		
	1Q16	4Q16	1Q17		1Q16	4Q16	1Q17
Commercial <sup>2</sup>	190.6%	137.5%	105.5%	Commercial <sup>2</sup>	238.7%	237.5%	155.9%
Consumer	207.0%	182.8%	184.6%	Consumer	259.6%	255.4%	262.4%
Mortgage	34.6%	18.0%	18.0%	Mortgage	107.2%	97.3%	91.0%
<b>Total</b>	<b>158.3%</b>	<b>119.5%</b>	<b>108.1%</b>	<b>Total</b>	<b>213.7%</b>	<b>204.2%</b>	<b>171.5%</b>

1. NPL: Loans >90 days / Gross loans portfolio

2. Commercial Includes Microcredit.

3. Coverage: P&L Allowances / Loans >90 days

4. Reserves: (P&L Allowances + Equity Allowances)/ Loans >90 days

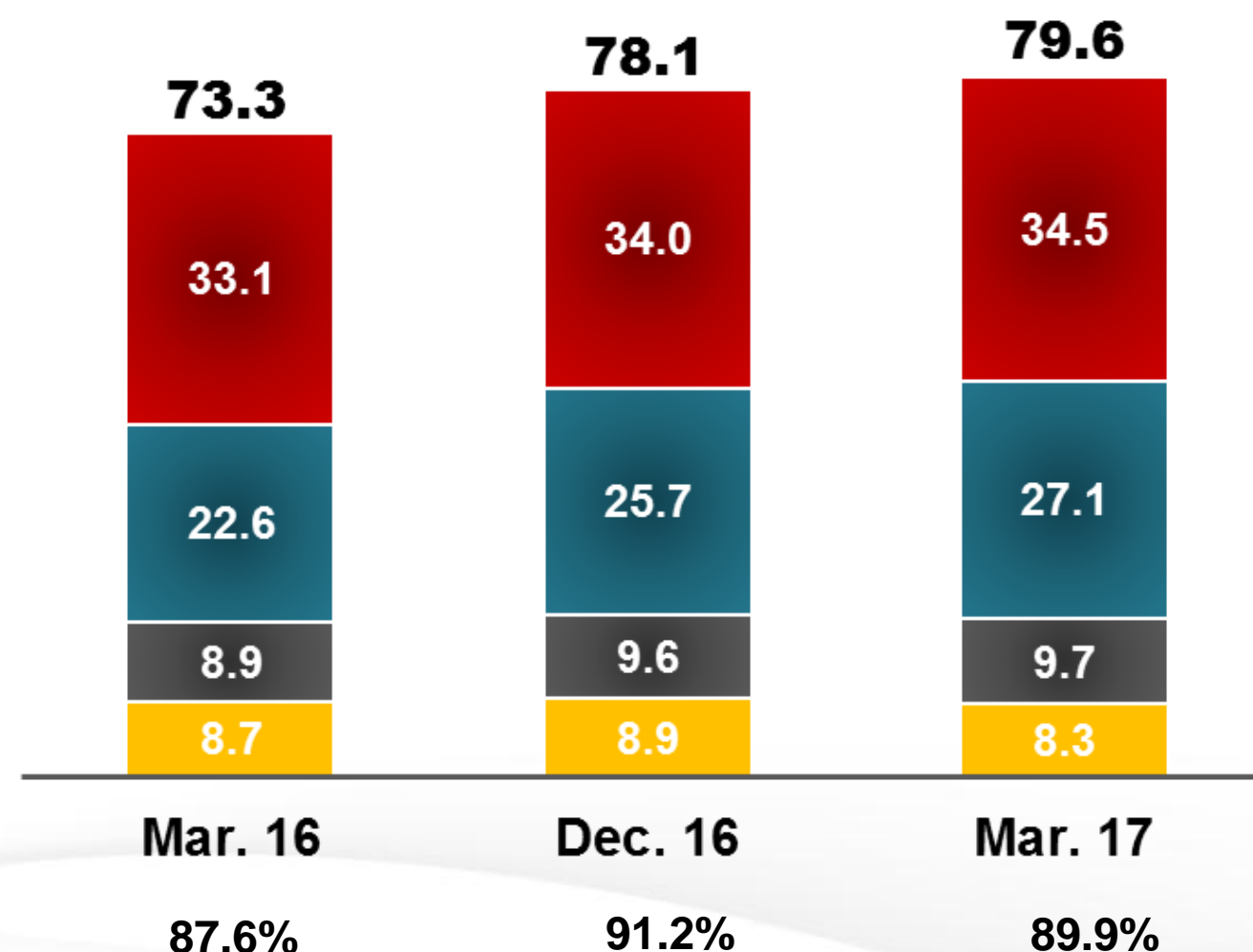




# Consolidated Funding Sources

(COP Trillion)

	1Q17 / 4Q16	1Q17 / 1Q16
<b>Demand Deposits</b>	1.4%	4.0%
<b>Term Deposits</b>	5.7%	20.0%
<b>Bonds</b>	1.0%	9.0%
<b>Credits</b>	(7.1%)	(4.3%)
<b>Funding Sources</b>	<b>1.8%</b>	<b>8.6%</b>



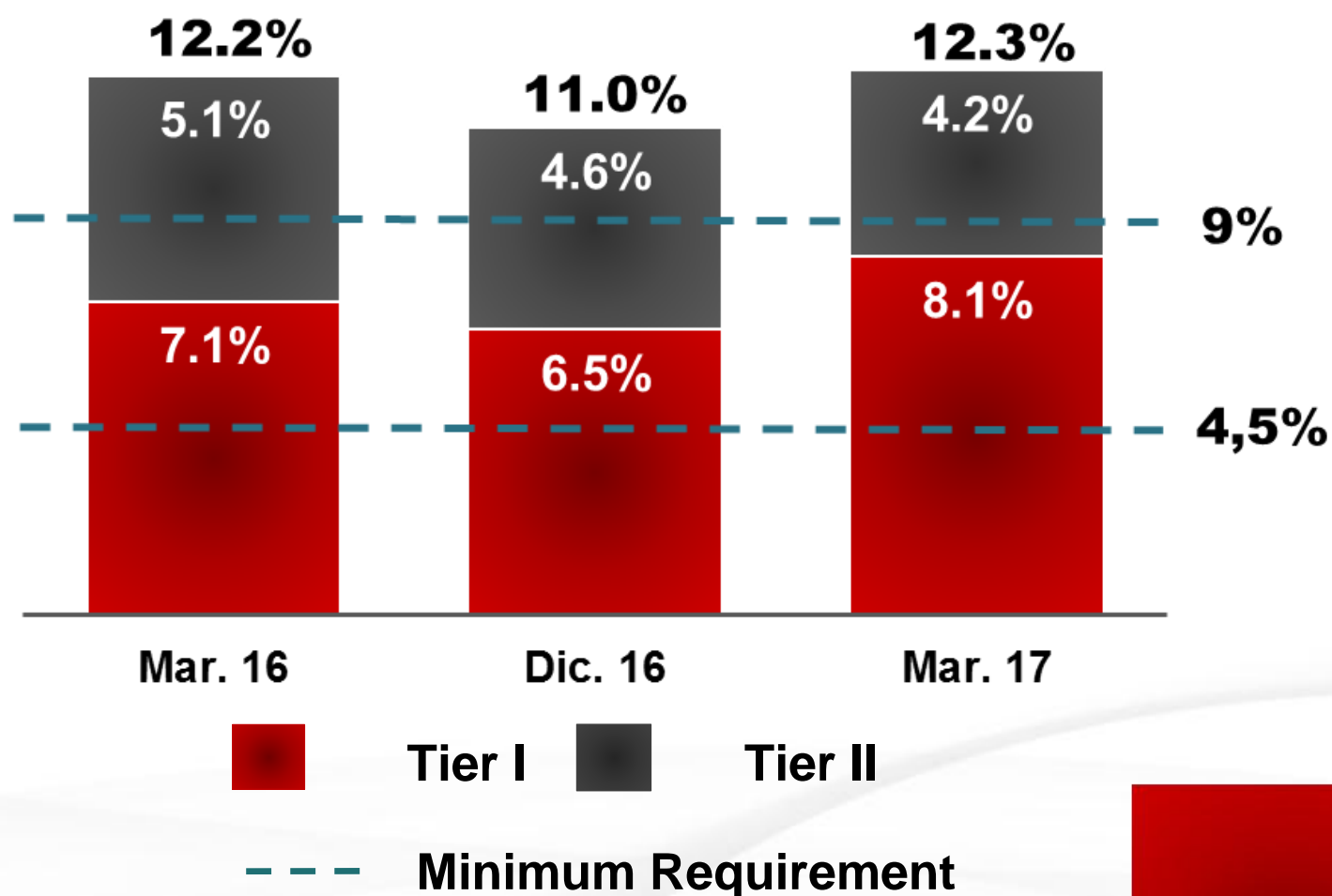
Funding Sources	Mar. 16	Dec. 16	Mar. 17	1Q17 / 4Q16	1Q17 / 1Q16
Colombia	54.0	59.0	60.3	2.3%	11.6%
International COP\$	19.3	19.2	19.3	0.5%	(0.0%)
International USD\$	6.4	6.4	6.7	4.5%	4.0%

1. Commercial includes microcredit.  
Revaluation of COP during 1Q16 was 3.84% Q/Q and 3.83% on a yearly basis.



# Consolidated Capital Structure

## Solvency



## Equity (COP trillion)

△ Y/Y: 15.2%  
△ Q/Q: 7.2%



Period	EBIT (red)	EBITDA (dark grey)	EBITDA excluding depreciation and amortization (light grey)	Total (top)
1Q16	1,903	-785	-445	887
4Q16	2,022	-1,036	-185	951
1Q17	2,179	-1,011	-486	867

A bar chart with a light gray background and a white diagonal line. The title 'NIM(1)' is at the top center in red. The x-axis has three categories: 'Mar. 16', 'Dec. 16', and 'Mar. 17'. The y-axis is on the left, ranging from 0 to 10 in increments of 2. The bars are black. The values for each bar are displayed below them: 6.5% for Mar. 16, 6.4% for Dec. 16, and 6.4% for Mar. 17.

Period	NIM(1)
Mar. 16	6.5%
Dec. 16	6.4%
Mar. 17	6.4%



# Consolidated Expenses

(COP Billion)

## QUARTER

1Q17 1Q17/4Q16 1Q17/1Q16

\$ (%) (%)

Personnel Expenses

322 (8.2) 3.9

Operating Expenses

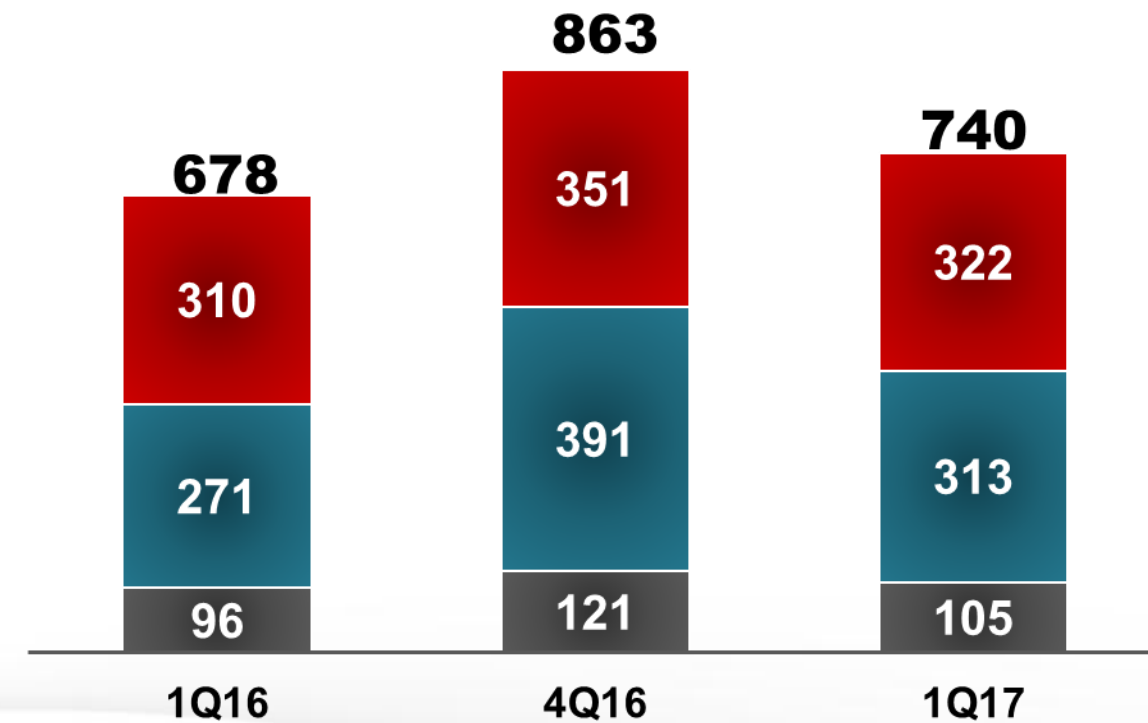
313 (20.1) 15.1

Other Expenses<sup>(2)</sup>

105 (13.1) 9.0

Total Expenses

740 (14.3) 9.1



Expenses 1Q16 4Q16 1Q17 1Q17 / 4Q16 1Q17 / 1Q16

Colombia 487 663 561 (15.4%) 15.1%

International 191 200 179 (10.8%) (6.2%)

International USD\$ 59 66 61 (7.8%) 4.3%

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

Mar. 16

45.7%

Dec. 16

45.1%

Mar. 17

46.4%

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

2. Other expenses includes amortization and depreciation, intangibles amortization, taxes and security deposit. Revaluation on average exchange rate was 10.0% Y/Y and 4.24% Q/Q.

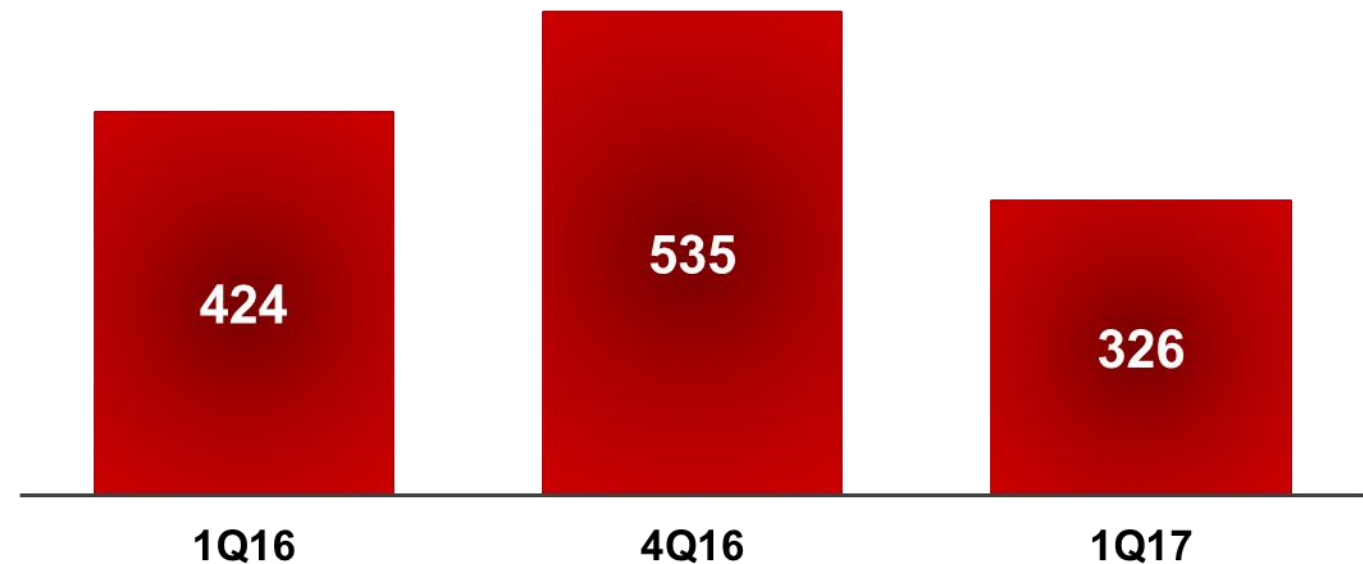


# Consolidated Net Income

(COP Billion)

## QUARTER

	Dec. 16	Mar. 17
<b>ROAE<sup>(1)</sup></b>	<b>15.4%</b>	<b>17.0%</b>
<b>ROAA<sup>(2)</sup></b>	<b>1.58%</b>	<b>1.77%</b>



	1Q17 \$	1Q17/4Q16 %	1Q17/1Q16 %
Financial Margin, net	867	(8,8)	(2,3)
Operative Income	289	15,2	(8,0)
Operating Expenses	(740)	(14,3)	9,1
FX changes, Derivates and Others	26	(91,0)	(59,7)
<b>Income before tax</b>	<b>443</b>	<b>(29,8)</b>	<b>(24,8)</b>
Taxes	(117)	21,1	(29,1)
<b>Net Income<sup>(3)</sup></b>	<b>326</b>	<b>(39,0)</b>	<b>(23,2)</b>

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

2. ROAA: Net Income (12 months) / Average Assets.

3. Net income after deletions, homologations and homogenizations.





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**Thank You!**

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