



DAVIVIENDA





# Earnings Presentation

## *3Q16 Consolidated Results*



The information presented here is exclusively for informative and illustrative purposes. It is not, nor does it pretend to be a source of legal or financial consultation regarding any issue.

The financial information and projections presented are based on information and calculations carried out internally by **DAVIVIENDA** and may be subjected to changes and adjustments. Any change in the current circumstances may affect the validity of the information or of the conclusions presented herein.

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.

**DAVIVIENDA** expressly states that it does not accept any responsibility regarding actions or decisions taken or not taken based on the information presented herein. **DAVIVIENDA** does not accept any type of responsibility for losses that may result from performing the proposals or recommendations presented in this document. **DAVIVIENDA** is not responsible for any contents provided by a third party. **DAVIVIENDA** may have communicated, and may communicate in the future, information which is inconsistent with the one presented here.

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 2016 will not necessarily indicative of expected results for any other period.



# Content

- > **Third Quarter Highlights**
- > **Third Quarter 2016 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.

# **THIRD** *QUARTER* **HIGHLIGHTS**



## Third Quarter Highlights

# Main Results

- > Accumulated net income reached **\$1,190** billion. Growing **29.7%** compared to the same period of last year.
- > Accumulated net financial margin reached **\$2,785** billion. Growing **22.7%** compared to the same period last year.
- > ROAE<sup>1</sup> at September 2016 reaches **16.8%**, shows an improvement of **433 b.p.** Compared to 3Q15.
- > Efficiency<sup>2</sup> ratio shows an improvement of **391 b.p.** Compared with last year, reached **44.6%**.
- > Gross loan portfolio increased **15.2%** compared with September 2015. In Colombia our portfolio grew **19.7%** while the system rose **9.0%** annually.

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

2. Efficiency: ((Operating expenses) / (Gross financial margin + Operating income + Others)).





## Third Quarter Highlights

# Retail Loans

- > Retail loans<sup>1</sup> reached **\$33.0** trillion increasing **14.9%** compared to 3Q15.
- > Mortgages loans portfolio reached **\$15.1** trillion, growing **16.2%** compared with the same period 2015.
- > Consumer loan portfolio reached **\$17.9** trillion increasing **13.8%** on 3Q16 compared with 3Q15.
  - > Growth in unsecured loans is highlighted in Colombia growing at **23.8%** compared with 3Q15, totalizing **\$3.9** trillion.
  - > Balance of credit card portfolio in Colombia reached **\$3.1** trillion, **27.6%** more compared with the same period of 2015.
- > Retail loans portfolio of international subsidiaries grew in USD **10.7%** compared to 3Q15, highlighting the growth in Costa Rica **23.8%**

1. Retail loans includes Consumer loans and Mortgages loans





## Third Quarter Highlights

# Commercial Loans

- > Commercial loans portfolio<sup>1</sup> reached **\$37.7** trillion, increasing **15.5%** compared to 3Q15. While Colombia grew by **21.4%** compared to 3Q15.
- > The growth in corporate loans in Colombia is highlighted with an annual growth of **13.0%**, totalizing **\$18.5** trillion.
- > SME loans in Colombia closed in **\$5.5** trillion, a growth<sup>2</sup> of **20.7%** compared to 3Q15.
- > The construction loans portfolio reached **\$3.4** trillion, a growth of **21.5%** compared to the same period of 2015.
- > Regarding our International subsidiaries, commercial loans grew **5.9%** in US dollars compared to the same quarter of 2015. In particular for Costa Rica growth was **27.2%** in US dollars.

1. Commercial loans portfolio includes Microcredit.

2. Figures include effect of the merger with Leasing Bolívar for comparative purposes.





## Third Quarter Highlights

# Other Highlights



> On September 14<sup>th</sup>, 2016 Banco Davivienda securitized a mortgage portfolio for **COP\$220** billion.



> On September 28<sup>th</sup>, 2016 Banco Davivienda issued subordinated bonds for **COP\$359** billion with maturity of 10 years.



> On October 28<sup>th</sup>, 2016 Fiduciaria Davivienda acquired Seguridad Compañía Administradora de Fondos de Inversión S.A<sup>1</sup>. (S.A.I) for **COP\$6,2** billion.

1. Subsidiary Company of Grupo Bolívar





# Dow Jones Sustainability Index

- > Davivienda was ratified for the **third** consecutive year in the Dow Jones Sustainability Index (DJSI).
- > The biggest growth was in the **environmental** dimension, with emphasis on strengthening risk mitigation and financing for sustainable businesses, with a score of 97/100.
- > In the **economic** dimension, we surpassed the industry average at risk and crisis management by achieving 95 points and obtained a score of 100 on financial stability and systemic risk.
- > In the **social** dimension we surpassed the sector by 22 points in controversial issues and dilemmas of lending and investment. In social report, we obtained 93 points.





The background of the slide is a dark red color with a faint, semi-transparent image of two hands. One hand is holding a pen, and the other is resting on a document, suggesting a business or financial context.

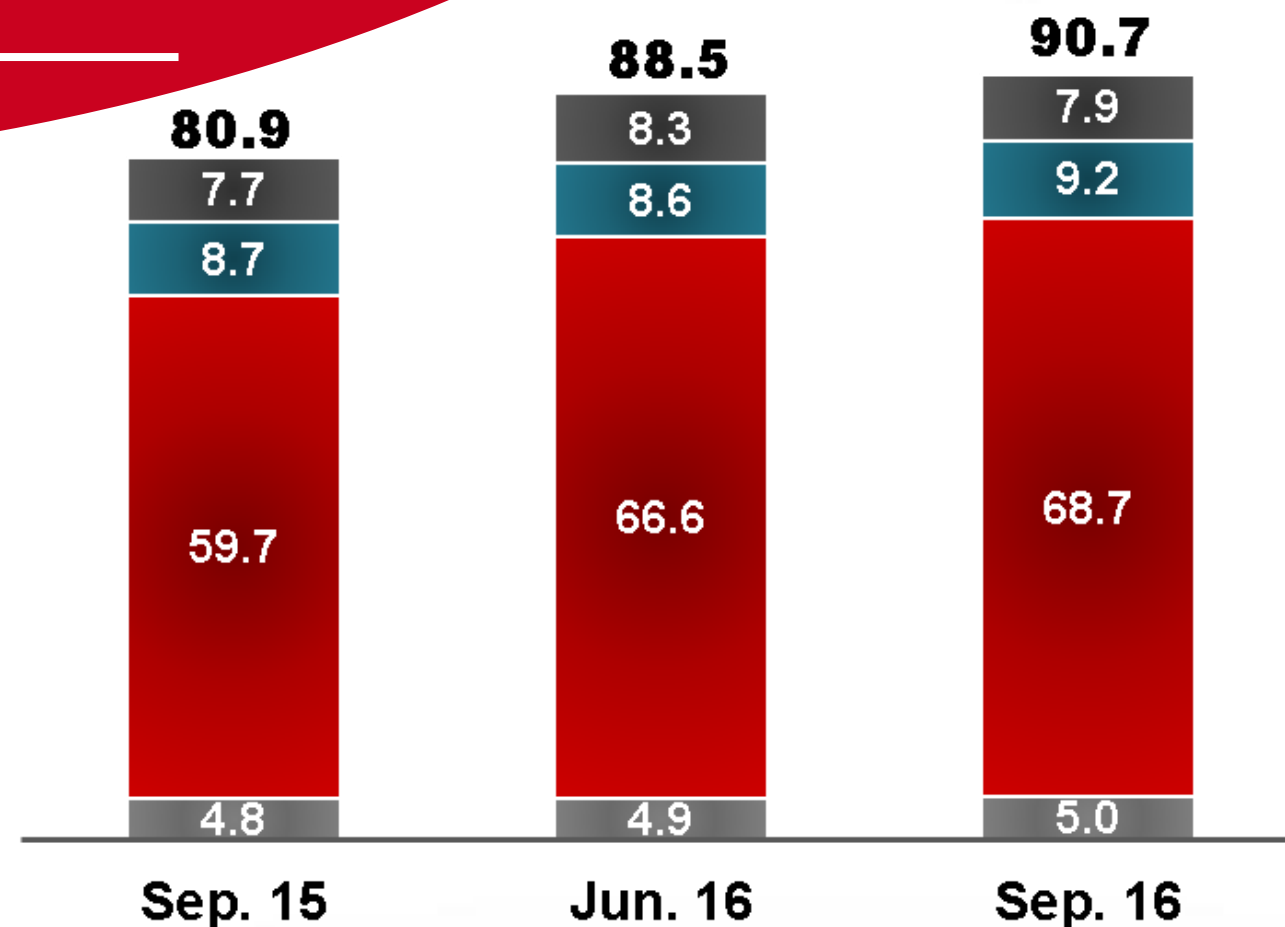
# **THIRD QUARTER** *Financial Results* **2016**



# Consolidated Assets

(COP Trillion)

	3Q16/2Q16	3Q16/3Q15
Cash	-5.7%	1.9%
Investments, net	6.3%	5.3%
Loans, net	3.2%	15.1%
Other assets	1.5%	5.0%
<b>Assets <sup>(1)</sup></b>	<b>2.6%</b>	<b>12.2%</b>



Assets	Sep. 15	Jun. 16	Sep. 16	3Q16/2Q16	3Q16/3Q15
Colombia	60.6	67.6	70.0	3.6%	15.5%
International	21.4	22.0	21.9	-0.5%	2.4%
International USD\$	6.9	7.5	7.6	0.8%	9.8%

1. Includes deletions of Colombia under the international subsidiaries by COP 1,1 trillion.  
Revaluation of COP 3Q16 was 1.3% Q/Q and 6.7% Y/Y.

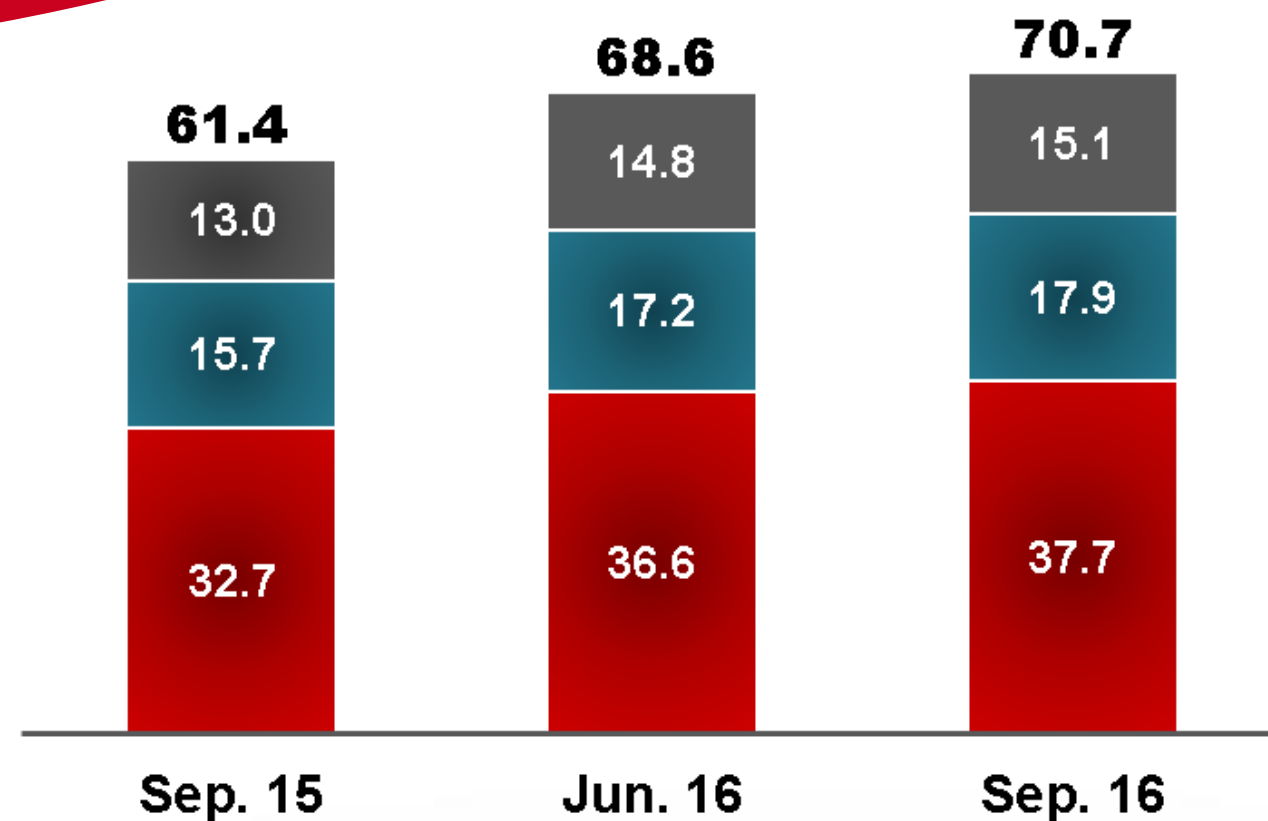




# Consolidated Gross Loans

(COP Trillion)

	3Q16/2Q16	3Q16/3Q15
Mortgage	2.4%	16.2%
Consumer	3.9%	13.8%
Commercial <sup>(1)</sup>	3.1%	15.5%
<b>Gross Loans</b>	<b>3.2%</b>	<b>15.2%</b>



Gross Loans	Sep. 15	Jun. 16	Sep. 16	3Q16/2Q16	3Q16/3Q15
Colombia	46.9	54.0	56.2	4.1%	19.7%
International	14.4	14.6	14.5	-0.1%	0.7%
International USD\$	4.7	5.0	5.0	1.2%	7.9%

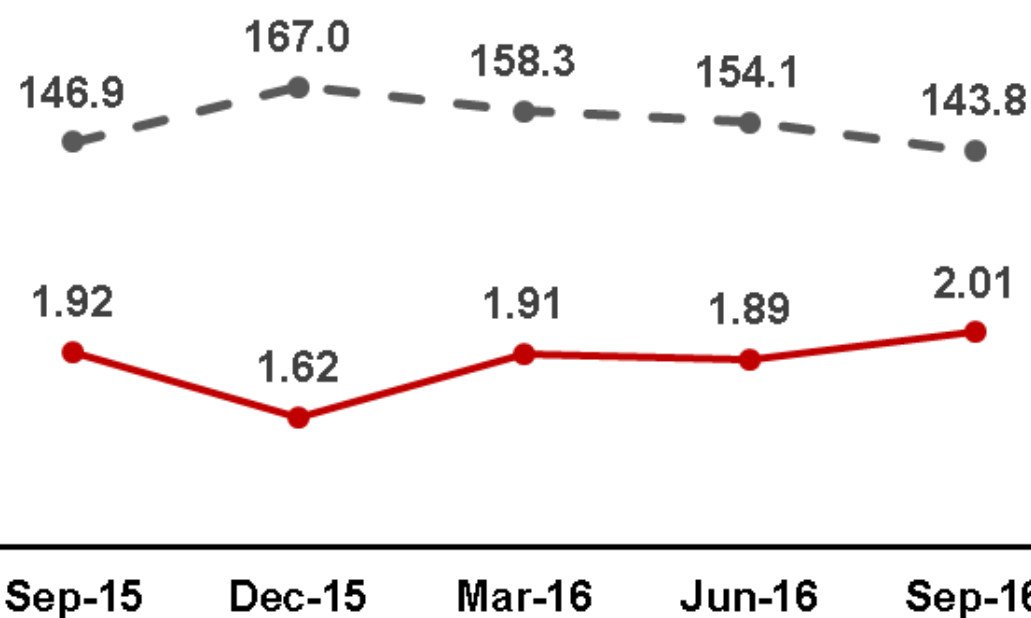
1. Commercial Includes Microcredit.  
Revaluation of COP 3Q16 was 1.3% Q/Q and 6.7% Y/Y.



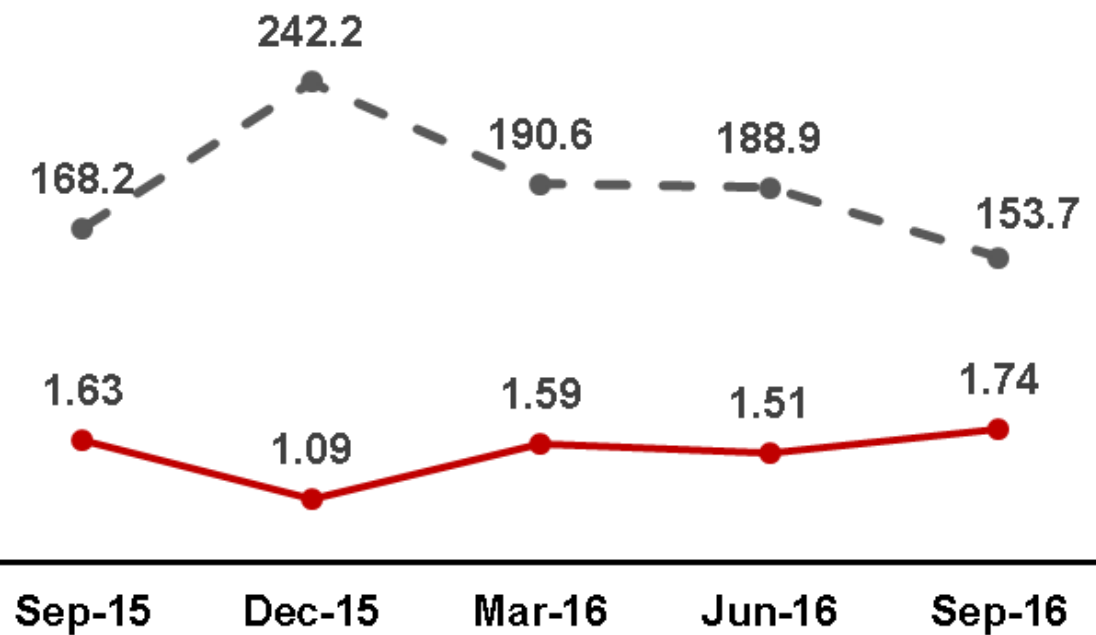


# Consolidated Quality and Coverage (%)

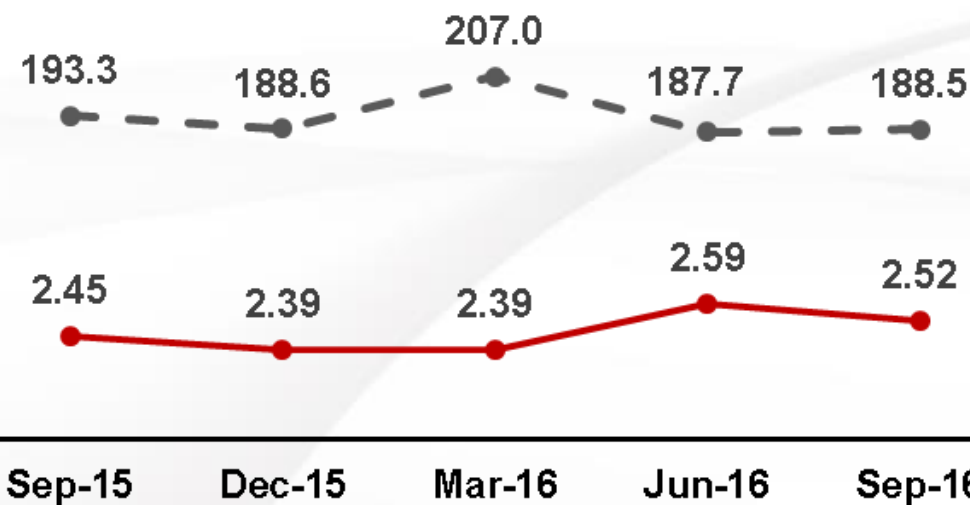
## Total



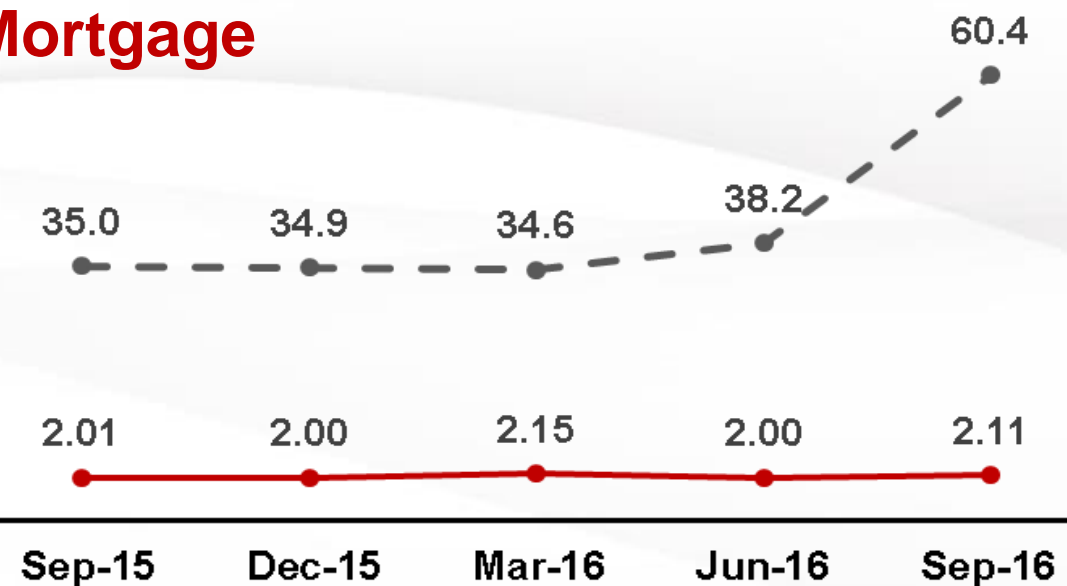
## Commercial<sup>(1)</sup>



## Consumer



## Mortgage



1. Commercial Includes Microcredit.  
Quality: Loans >90 days / Gross loans portfolio  
Coverage: Allowances / Loans >90 days

—●— Coverage Consolidated

—●— Quality Consolidated

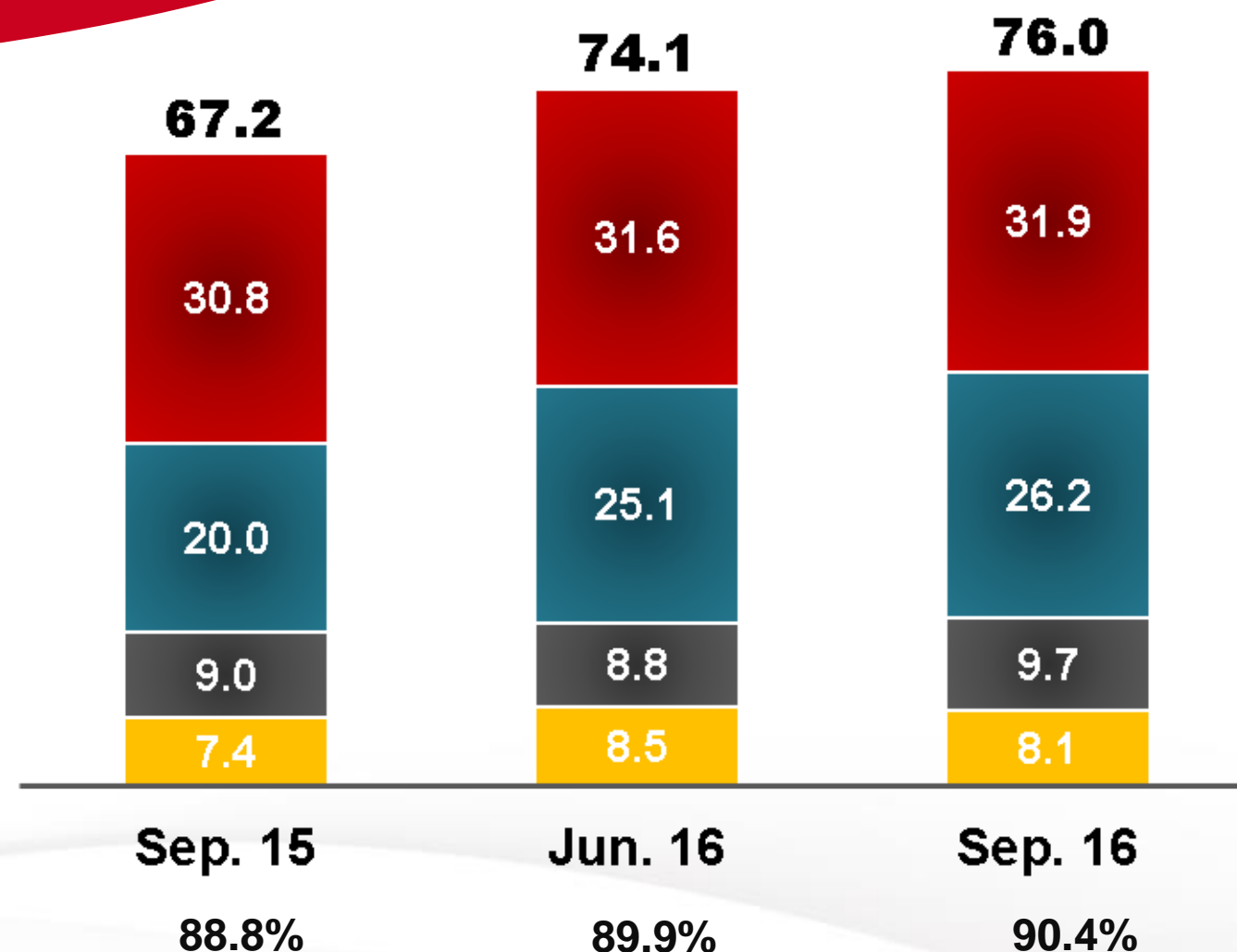




# Consolidated Funding Sources

(COP Trillion)

	3Q16/2Q16	3Q16/3Q15
<b>Demand Deposits</b>	0.9%	3.7%
<b>Term Deposits</b>	4.4%	31.1%
<b>Bonds</b>	10.0%	8.3%
<b>Credits</b>	-4.1%	9.7%
<b>Funding Sources</b>	<b>2.6%</b>	<b>13.1%</b>



Funding Sources	Sep. 15	Jun. 16	Sep. 16	3Q16/2Q16	3Q16/3Q15
Colombia	48.9	55.3	57.3	3.5%	17.1%
International	18.2	18.7	18.7	-0.2%	2.5%
International USD\$	5.9	6.4	6.5	1.1	9.8

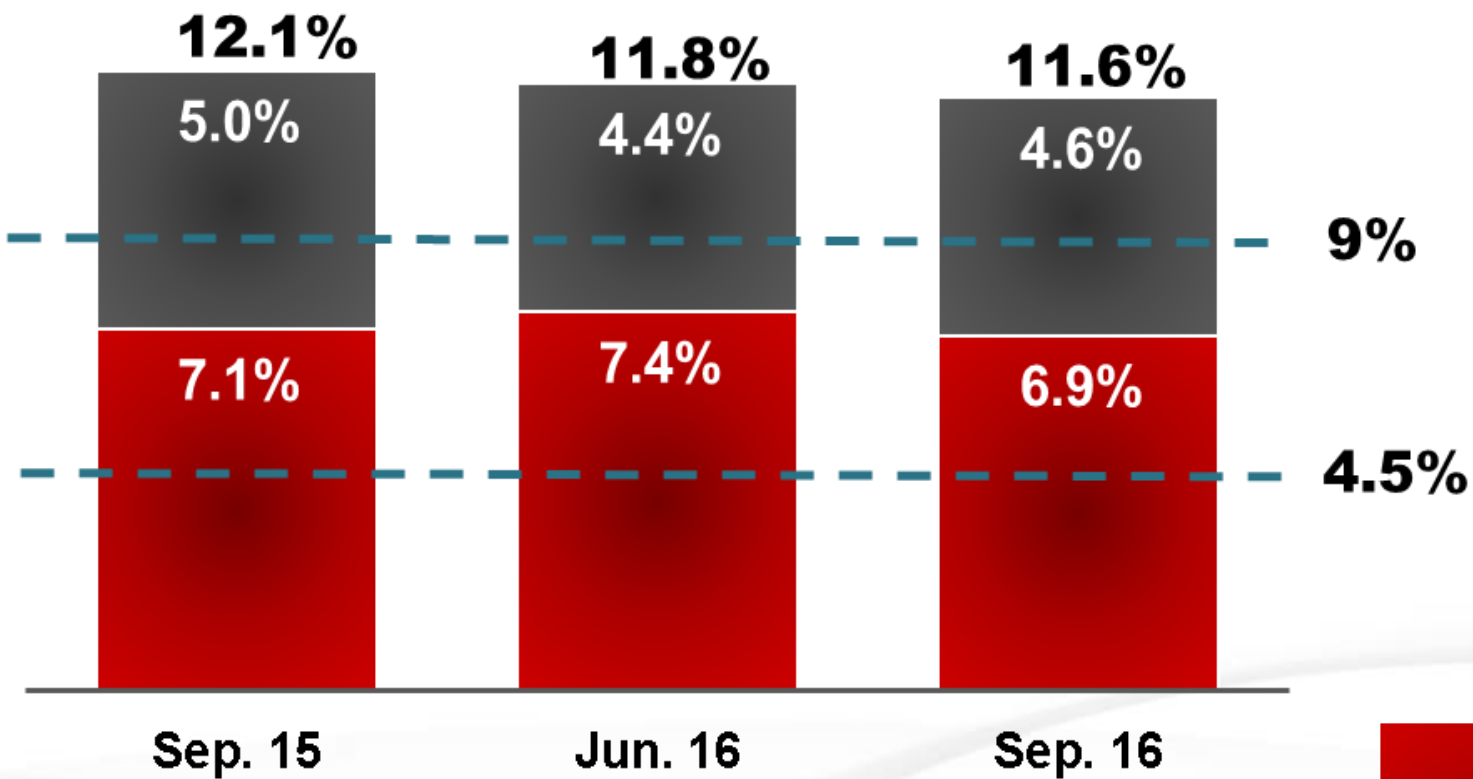
Revaluation of COP 3Q16 was 1.3% Q/Q and 6.7% Y/Y.






# Consolidated Capital Structure

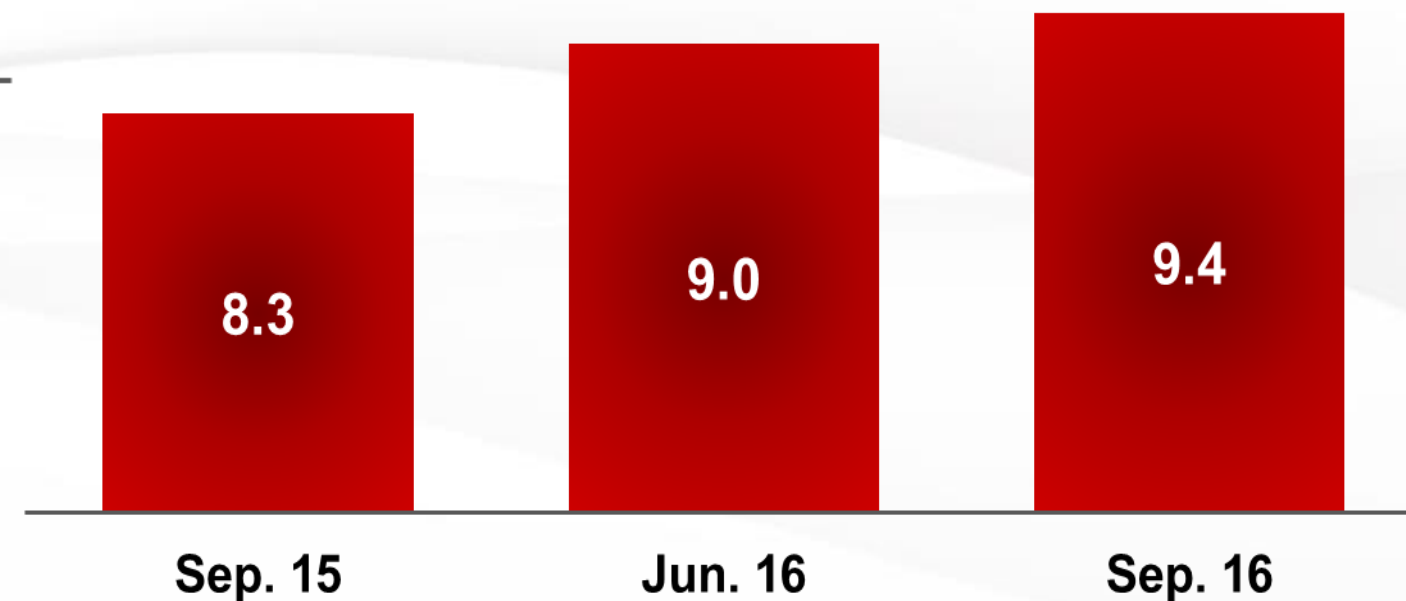
## Solvency



 Tier I  Tier II  
-- -- Minimum Required

## Equity (COP trillion)

△ Y/Y: 13.0%  
△ Q/Q: 3.7%

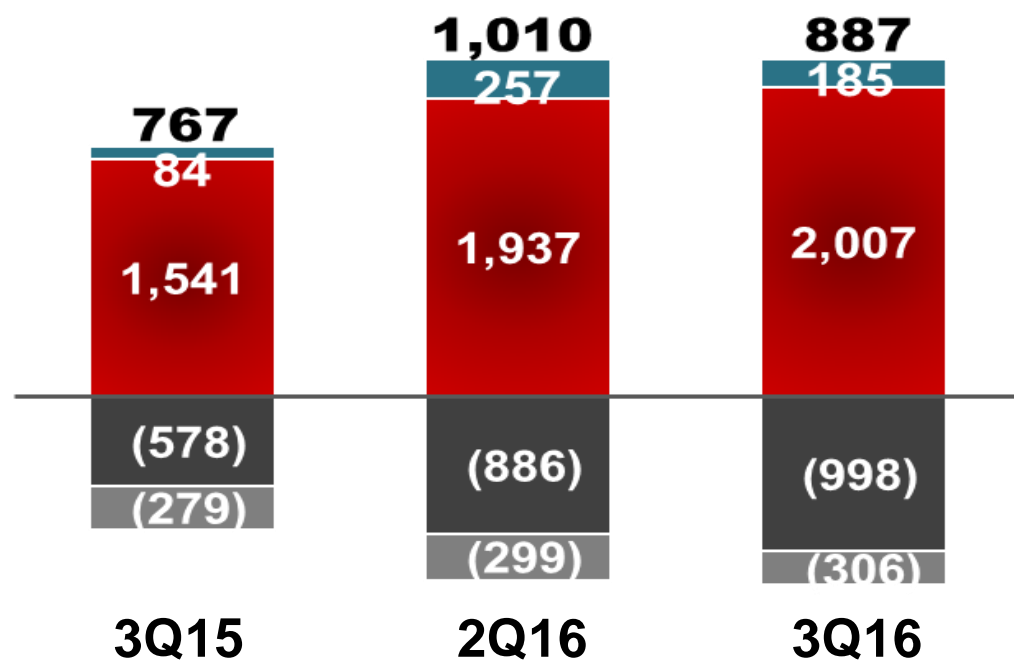




# Consolidated Financial Margin, Net

(COP Billion)

## QUARTER

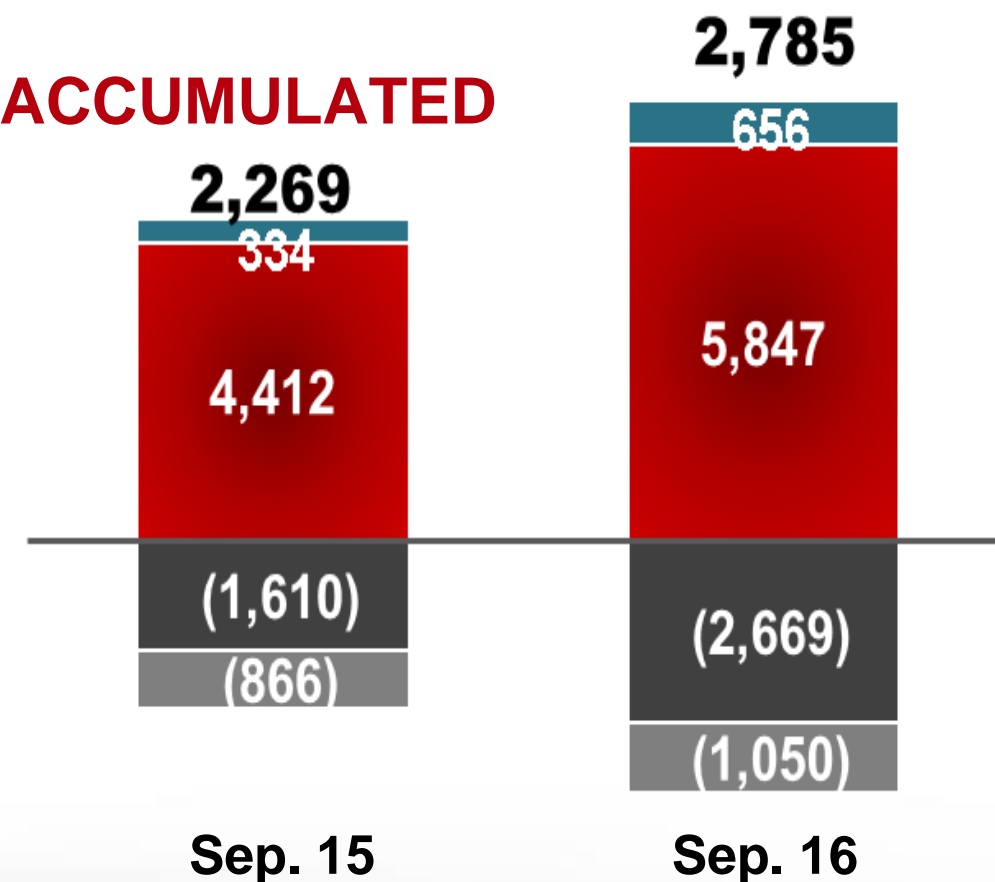


## NIM<sup>(1)</sup>

Sep. 15  
6.5%

Sep. 16  
6.6%

## ACCUMULATED



3Q16 / 2Q16 (%)	3Q16 / 3Q15 (%)		Sep. 16 / Sep. 15 (%)
3.6	30.2	Loan Income	32.5
-28.1	121.0	Investment Income, Overnight	96.4
-0.1	34.9	Financial Income	37.0
12.7	72.8	Financial Expenses	65.8
2.4	9.5	Allowances	21.2
-12.1	15.7	Financial Margin, net	22.7

1. NIM: Gross Financial Margin (12 months) / Average Productive Assets.  
Devaluation on quarter average exchange rate was 16.0% Y/Y and 1.8% Q/Q.

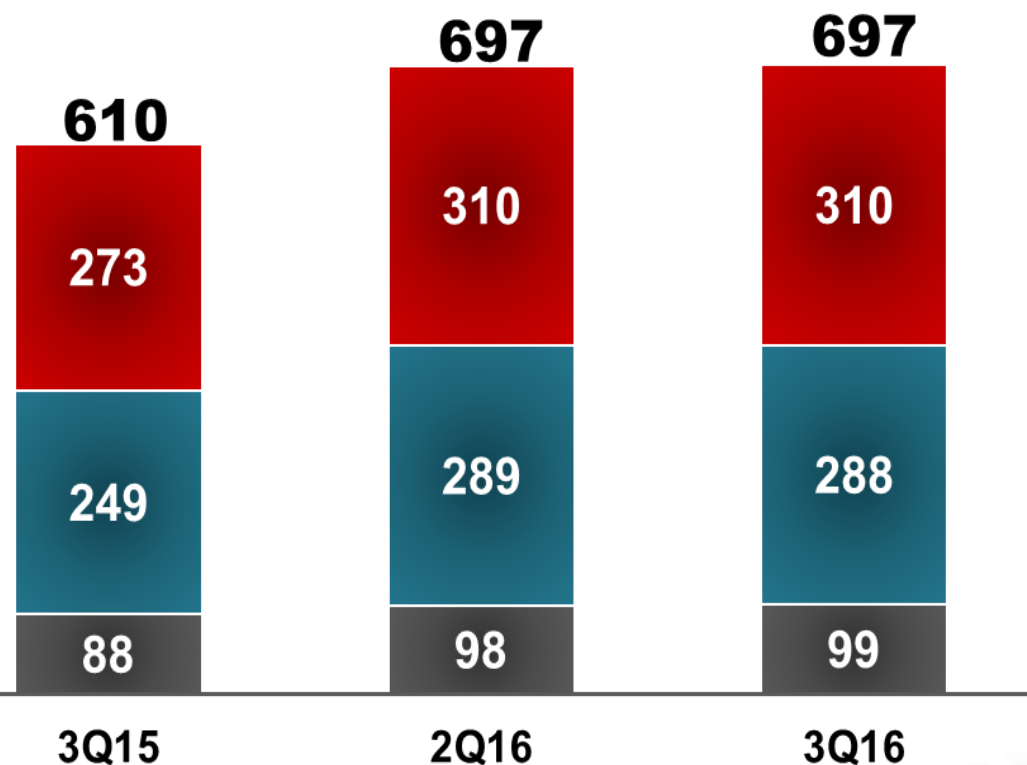




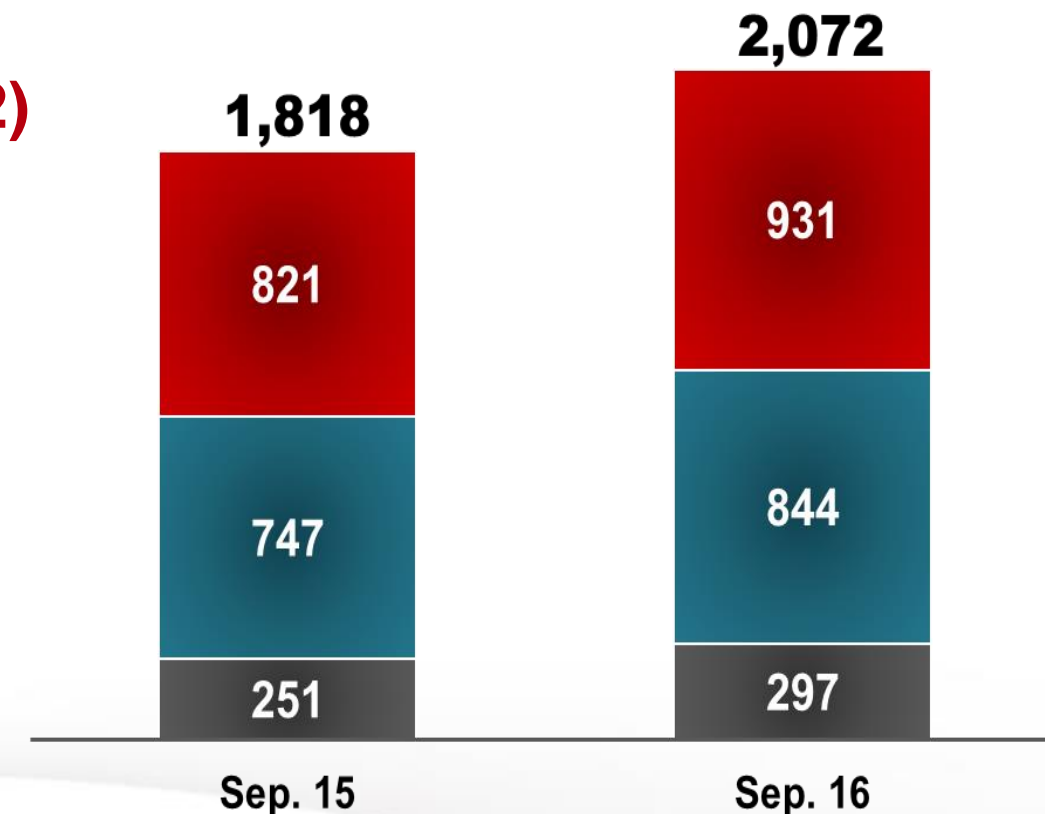
# Consolidated Expenses

(COP Billion)

## QUARTER



## ACCUMULATED



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

Sep. 15	Sep. 16
48.5%	44.6%

3Q16/2Q16	3Q16/3Q15
-----------	-----------

(%)

(%)

0.0

13.7

-0.3

15.7

1.5

12.7

0.1

14.4

Sep. 16 / Sep. 15
-------------------

(%)

13.5

13.1

18.2

13.9

**Personnel Expenses**

**Operational Expenses**

**Other Expenses<sup>(1)</sup>**

**Total Expenses**

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

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

Devaluation on quarter average exchange rate was 16.0% Y/Y and 1.8% Q/Q.

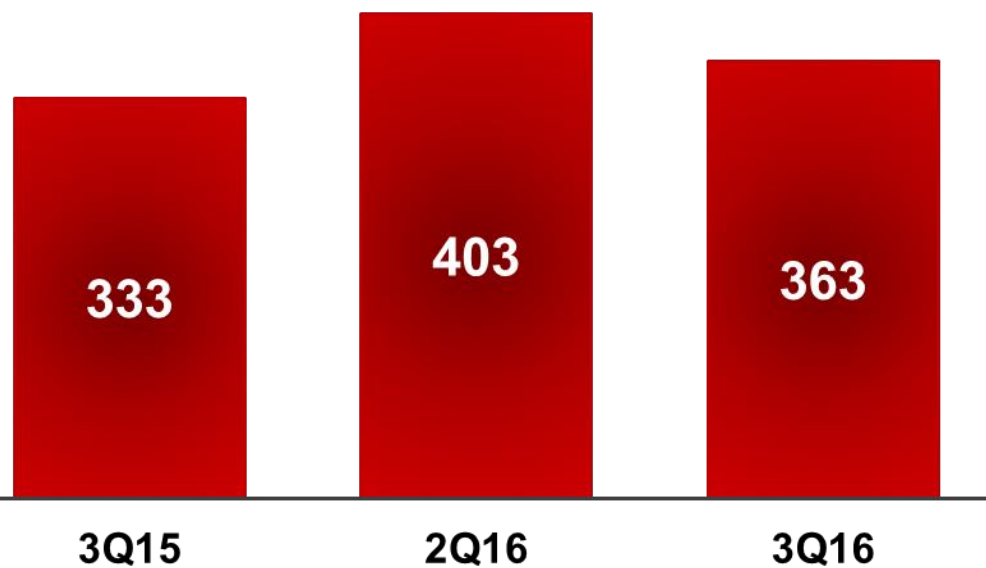




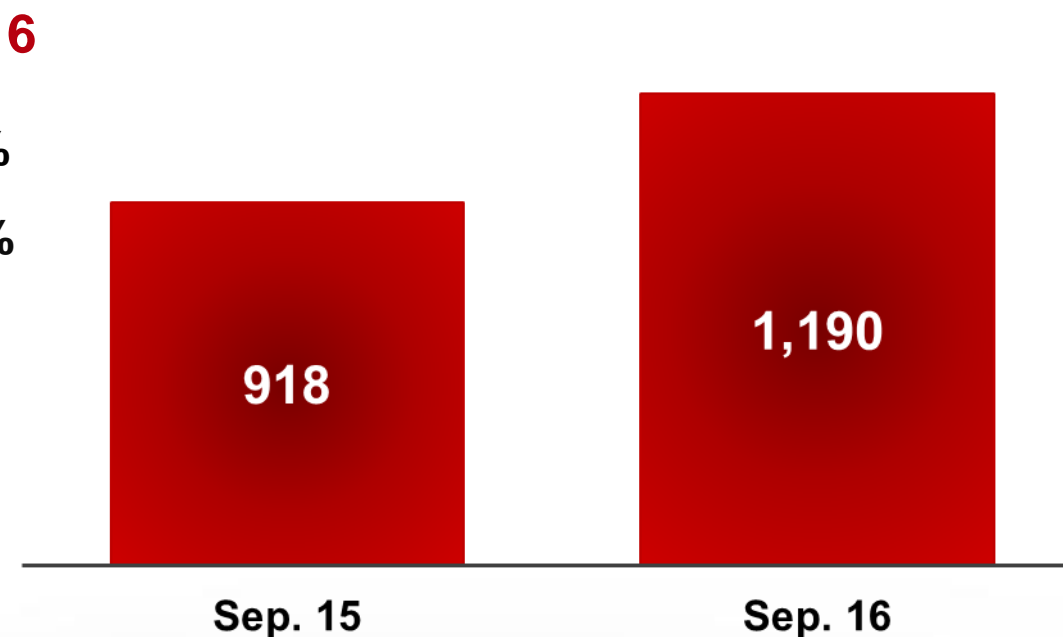
# Consolidated Net Income

(COP Billion)

## QUARTER



## ACCUMULATED



Sep. 15 Sep. 16

ROAE<sup>(1)</sup> 12.5% 16.8%  
ROAA<sup>(2)</sup> 1.31% 1.73%

3Q16/2Q16	3Q16/3Q15		Sep. 16 / Sep. 15
%	%		%
-12.1	15.7	Financial Margin, Net	22.7
0.6	16.4	Operative Income	22.7
0.1	14.4	Operative Expenses	13.9
100	-16.2	FX Changes, Derivates and Others	-13.7
<b>-12.7</b>	<b>13.7</b>	<b>Income before Tax</b>	<b>31.1</b>
-18.6	25.9	Taxes	34.3
<b>-9.8</b>	<b>9.0</b>	<b>Net Income(3)</b>	<b>29.7</b>

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

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

3. Net income after eliminations, homologations and homogenizations.







**DAVIVIENDA**  
DAVIVIENDA

**Thank You!**

***atencionainversionistas@davivienda.com***

**+57 1 2203495**

