



1Q18 Consolidated Results **Earnings Presentation**

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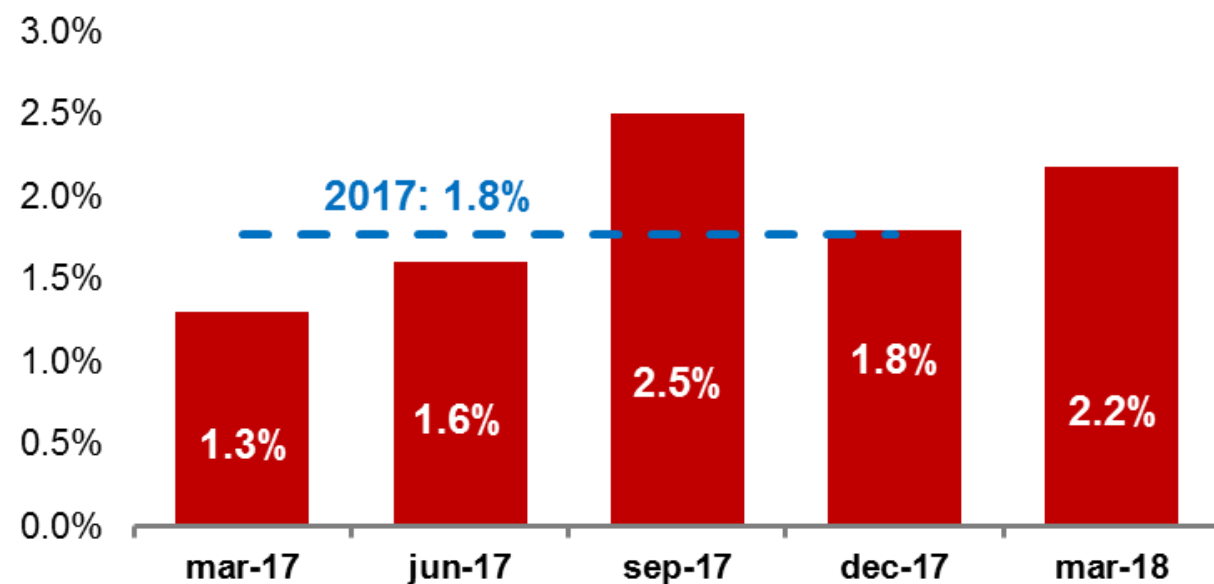
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The financial information has been prepared under International Financial Reporting Standards (IFRS) applicable in Colombia and instructions of the Financial Superintendence of Colombia, and are presented in nominal terms. The financial statements in the quarter ended on March 31st 2018 will not be necessarily indicative of expected results for any other period.

Colombia Macroeconomic Aspects

GDP (Y/Y)

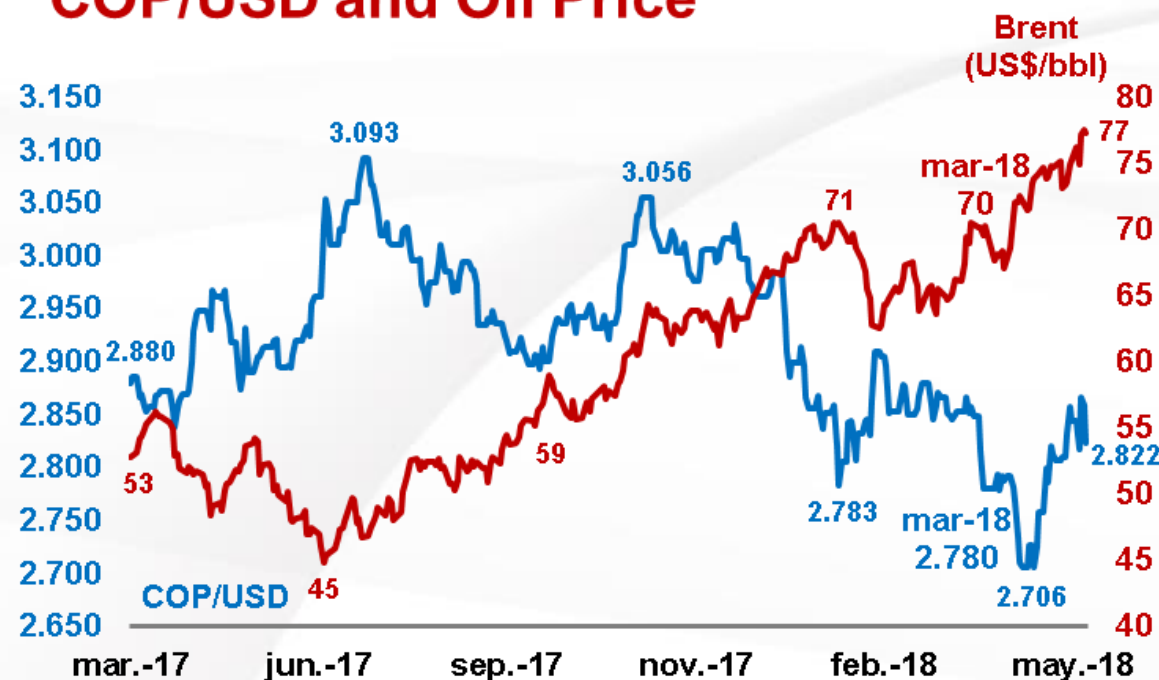


Source: DANE

Davivienda PMI

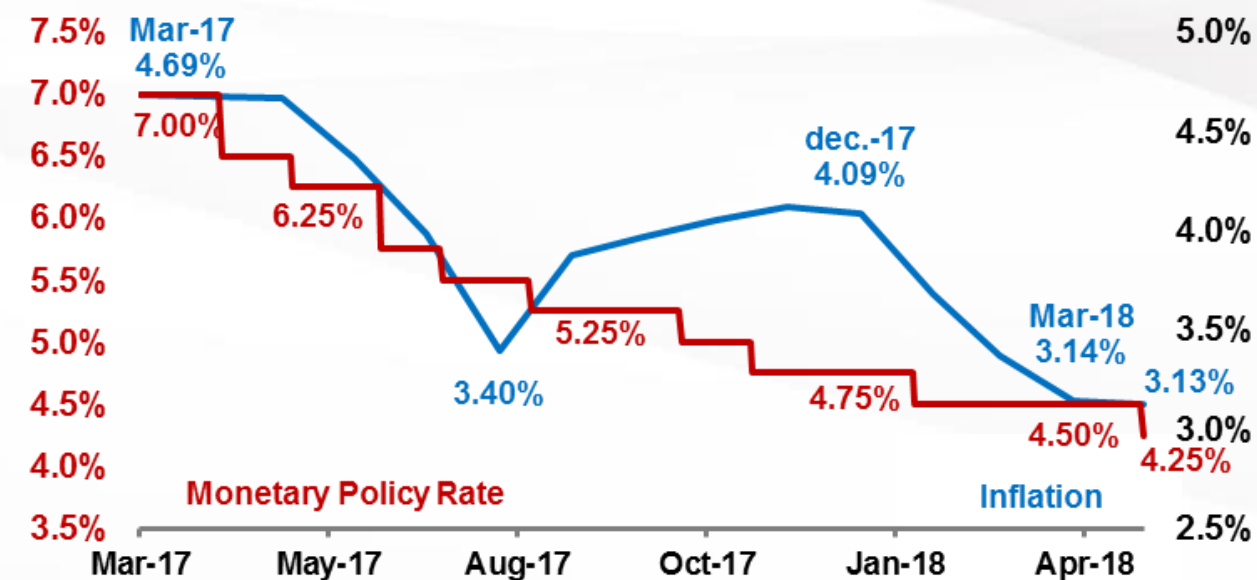
Indicators	Weigh %	Nov-17	Apr-18	May-18
Output	25	47.95	51.19	50.46
New orders	30	47.74	53.60	51.43
Employment	20	48.05	51.19	50.69
Raw material stock	10	45.52	51.95	49.05
Suppliers' delivery time	15	48.83	48.31	46.92
Davivienda PMI	100	48.15	52.06	51.05

COP/USD and Oil Price



Source: Superintendencia Financiera de Colombia and Bloomberg

Monetary Policy Rate and Inflation

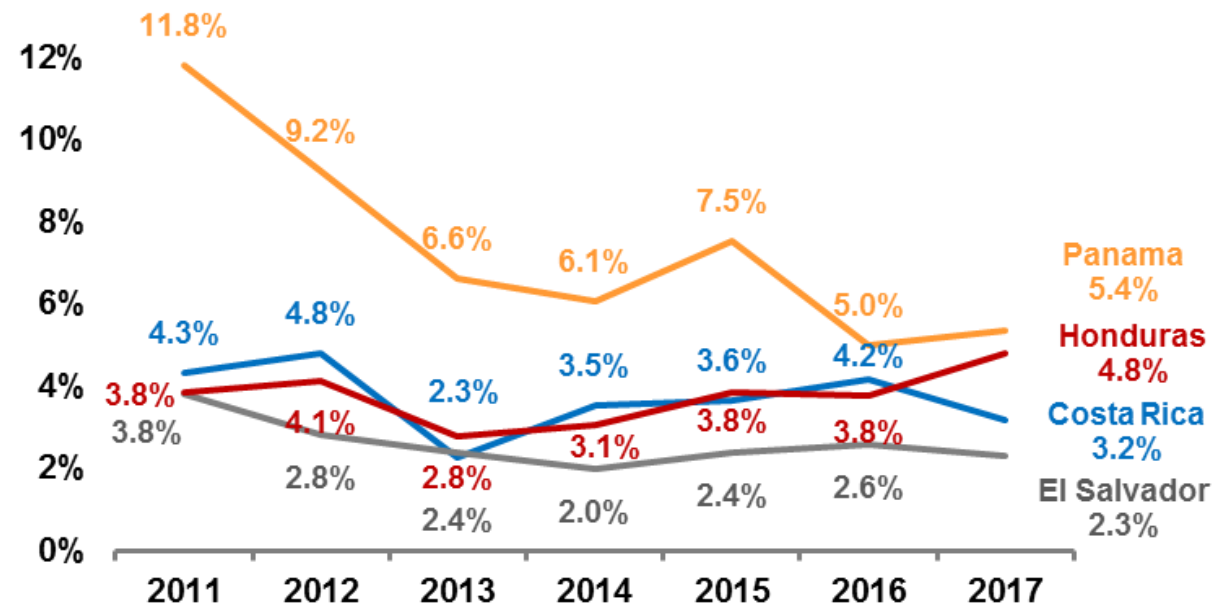


Source: DANE and Banco de la República

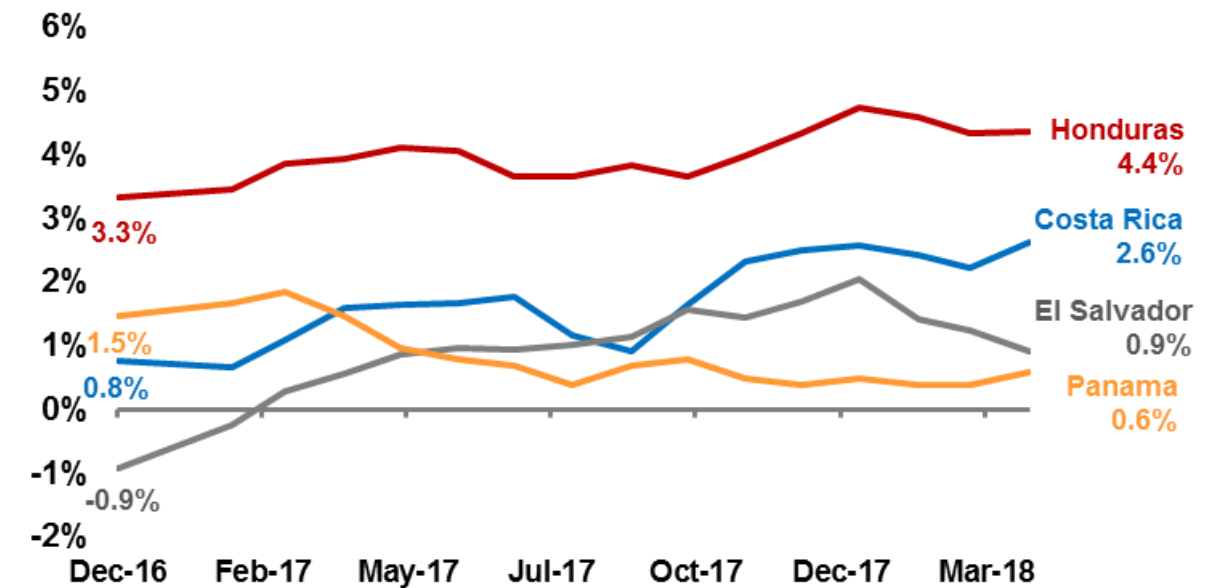
Central America

Macroeconomic Aspects

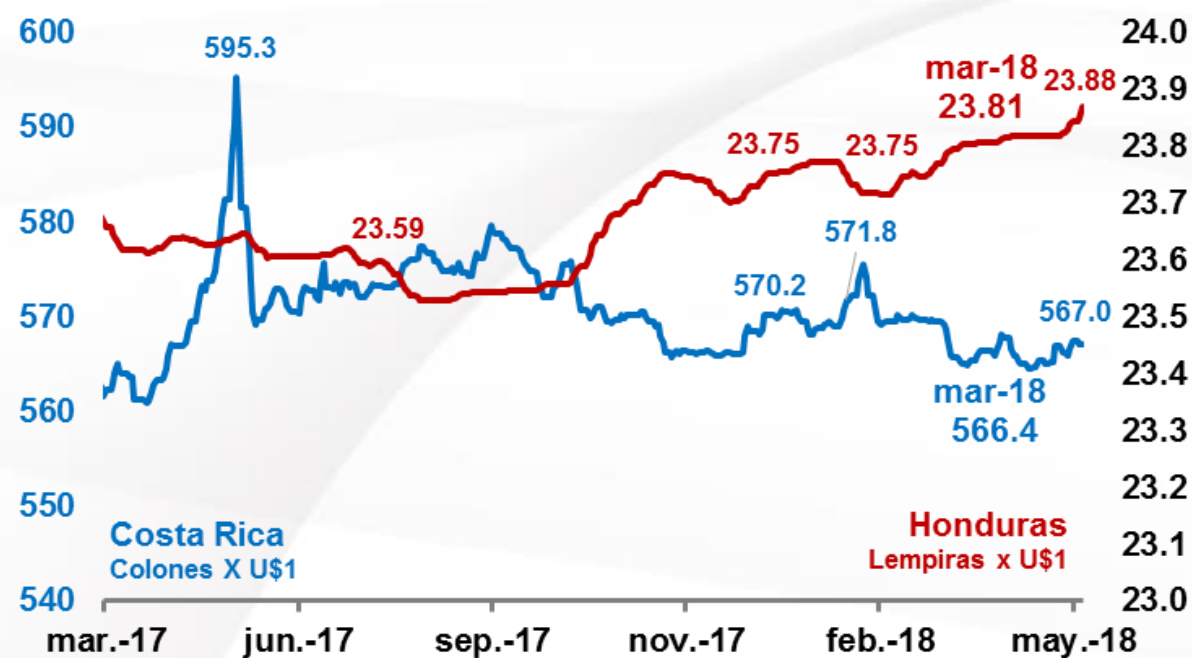
GDP (Y/Y)



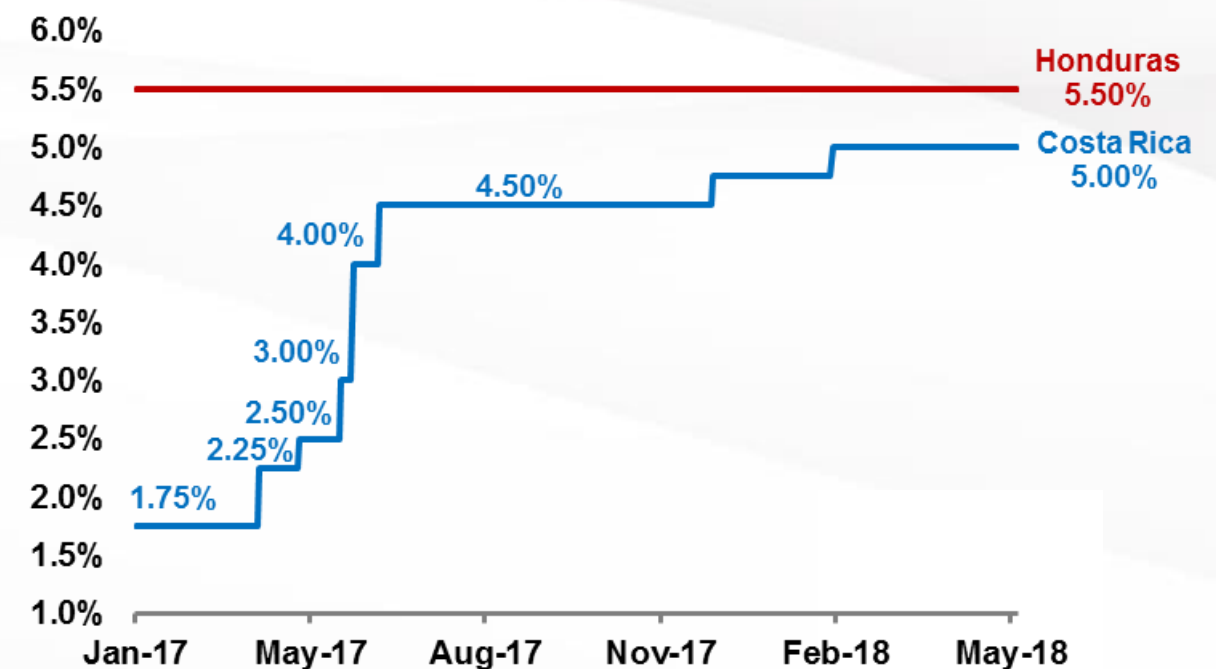
Inflation (Y/Y)



Exchange Rate



Monetary Policy Rate



- > Net Income as of March 2018 closed at COP **\$454 billion**, **39.4%** higher than the one registered on the same period of 2017.
- > Consolidated gross loans presented an annual growth of **6.7%**.
- > NPL ratio closed at **3.25%**, **118 bps** higher than the one reported on March 2017.
- > NIM reached a level of **6.51%**, expanding **13 bps** compared to 4Q17.

Other Relevant Facts



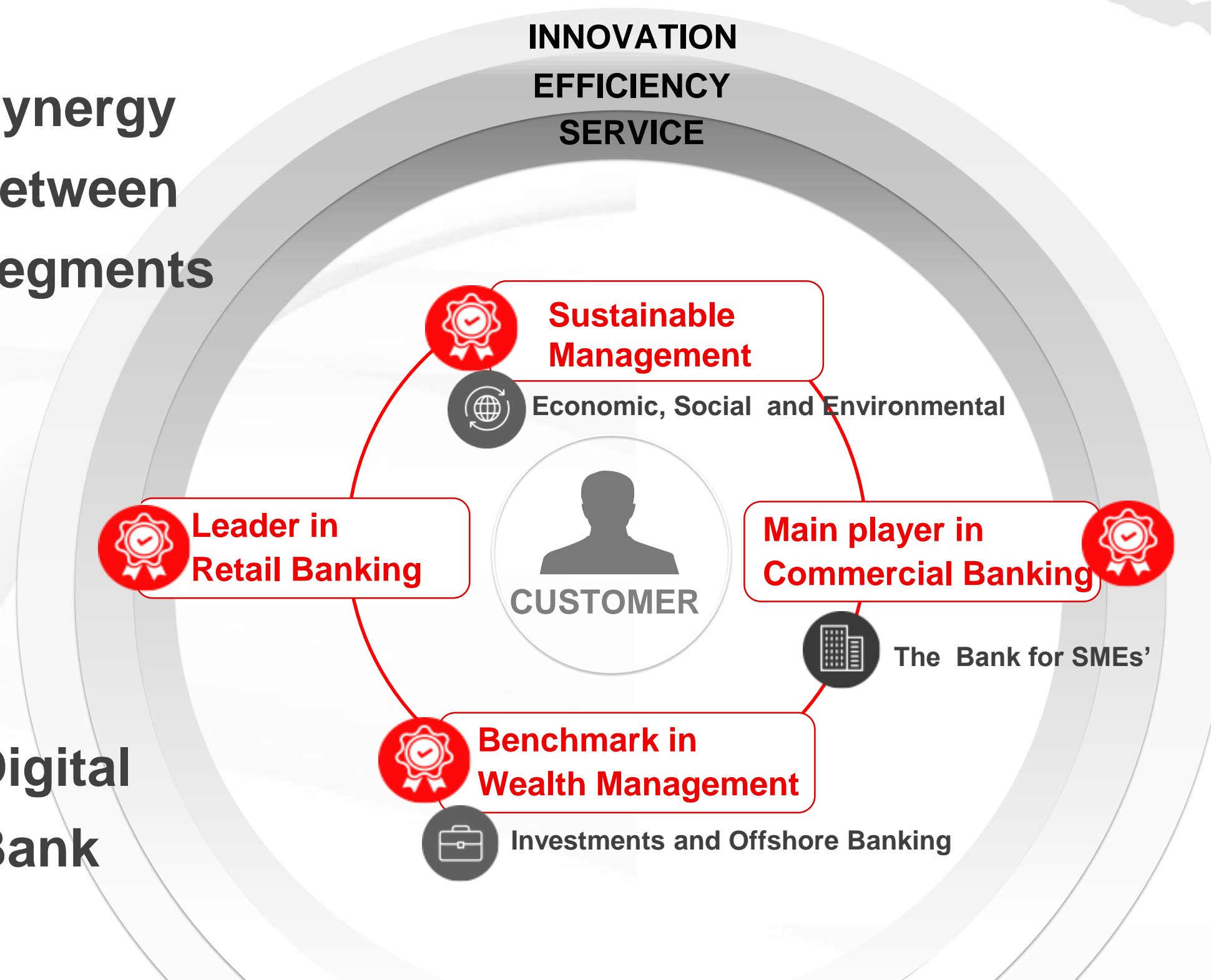
- > In February, we securitized mortgage loans for COP **\$158 billion**.
- > COP **\$1 trillion** were capitalized as a result of the General Shareholders' Meeting, allowing us to reach a Tier I of **8.96%**.
- > **IFRS 9** implementation.

Our Business Strategy

What we want in our businesses...

Synergy
between
segments

Digital
Bank



IFRS 9 Implementation

- > On January 1st of 2018, Banco Davivienda implemented IFRS 9, moving from an Incurred Loss model to an **Expected Loss model**.
- > As a result of the financial estimations, we reallocated Loan Loss Reserves for COP **\$768 billion**.

Impacts on the Balance Sheet on January 1st:

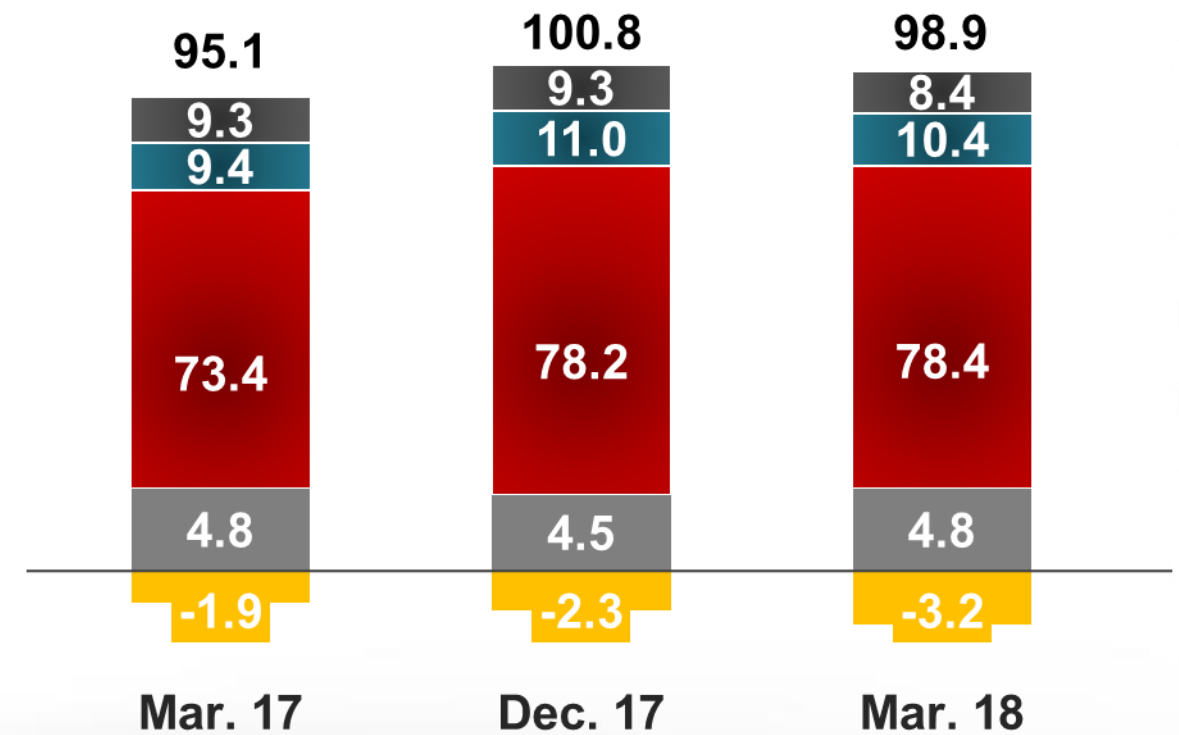
- > **Assets ↓**
Increase Loan Loss Reserves by COP **\$768 billion**.
- > **Equity ↓**
Reduction of Other Comprehensive Income (OCI) by COP **\$768 billion**.
- > Increase of the *Coverage ratio*. *Total Reserves Coverage* remain unchanged.
- > Changes in OCI do not impact *solvency ratios*.



Consolidated Assets

(COP Trillion)

	1Q18 / 4Q17	1Q18 / 1Q17
Cash	(9.9%)	(9.7%)
Investments, net	(5.4%)	11.2%
Gross Loans	0.2%	6.7%
Loan Loss Reserves	37.5%	68.2%
Other assets	7.3%	(0.3%)
Assets	(1.9%)	4.0%



Assets		Mar. 17	Dec. 17	Mar. 18	1Q18 / 4Q17	1Q18 / 1Q17
Colombia		73.3	77.8	77.3	(0.6%)	5.4%
International	COP	22.6	23.9	22.5	(6.2%)	(0.7%)
	USD ¹	7.8	8.0	8.1	0.7%	3.0%

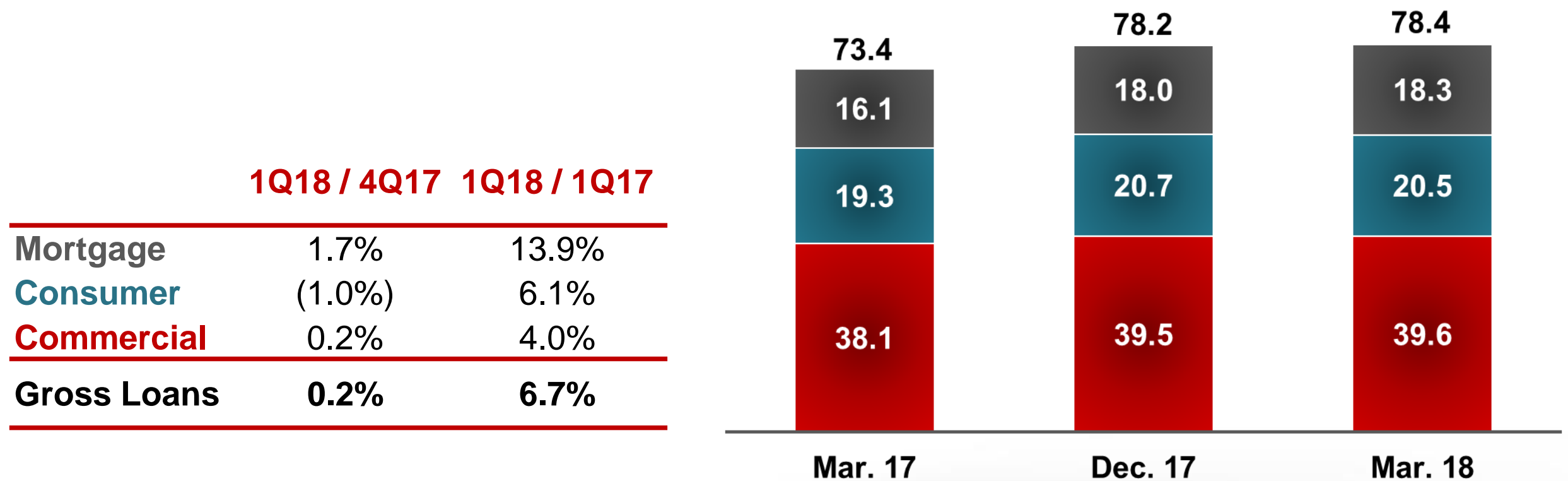
Includes deletions of Colombia under international subsidiaries.

1. Figures under USD Billions. COP revaluated 6.8% during 1Q18 and revaluated 3.6% on a yearly basis.



Consolidated Gross Loans

(COP Trillion)



Gross Loans		Mar. 17	Dec. 17	Mar. 18	1Q18 / 4Q17	1Q18 / 1Q17
Colombia		58.4	62.5	63.4	1.5%	8.5%
International	COP	15.0	15.7	15.0	(4.9%)	(0.3%)
	USD ¹	5.2	5.3	5.4	2.1%	3.5%

1. Figures under USD Billions. COP revaluated 6.8% during 1Q18 and revaluated 3.6% on a yearly basis.



Consolidated NPL and Coverage (%)

	NPL ¹ > 90 days		
	1Q17	4Q17	1Q18
Commercial	1.58%	2.55%	3.34%
Consumer	2.61%	2.63%	2.76%
Mortgage	2.55%	3.35%	3.59%
Total (90)	2.07%	2.76%	3.25%
Mortgage ² (120)	1.93%	2.52%	2.70%
Total³ (120)	1.93%	2.57%	3.04%

	Coverage ⁴		
	1Q17	4Q17	1Q18
Commercial	147.6%	121.0%	117.2%
Consumer	184.0%	181.7%	247.4%
Mortgage	17.6%	16.4%	34.2%
Total	124.5%	107.1%	124.7%

	Total Reserves Coverage ⁵		
	1Q17	4Q17	1Q18
Commercial	218.1%	156.8%	129.6%
Consumer	261.5%	273.5%	281.9%
Mortgage	88.9%	71.3%	70.1%
Total	197.5%	162.3%	148.1%

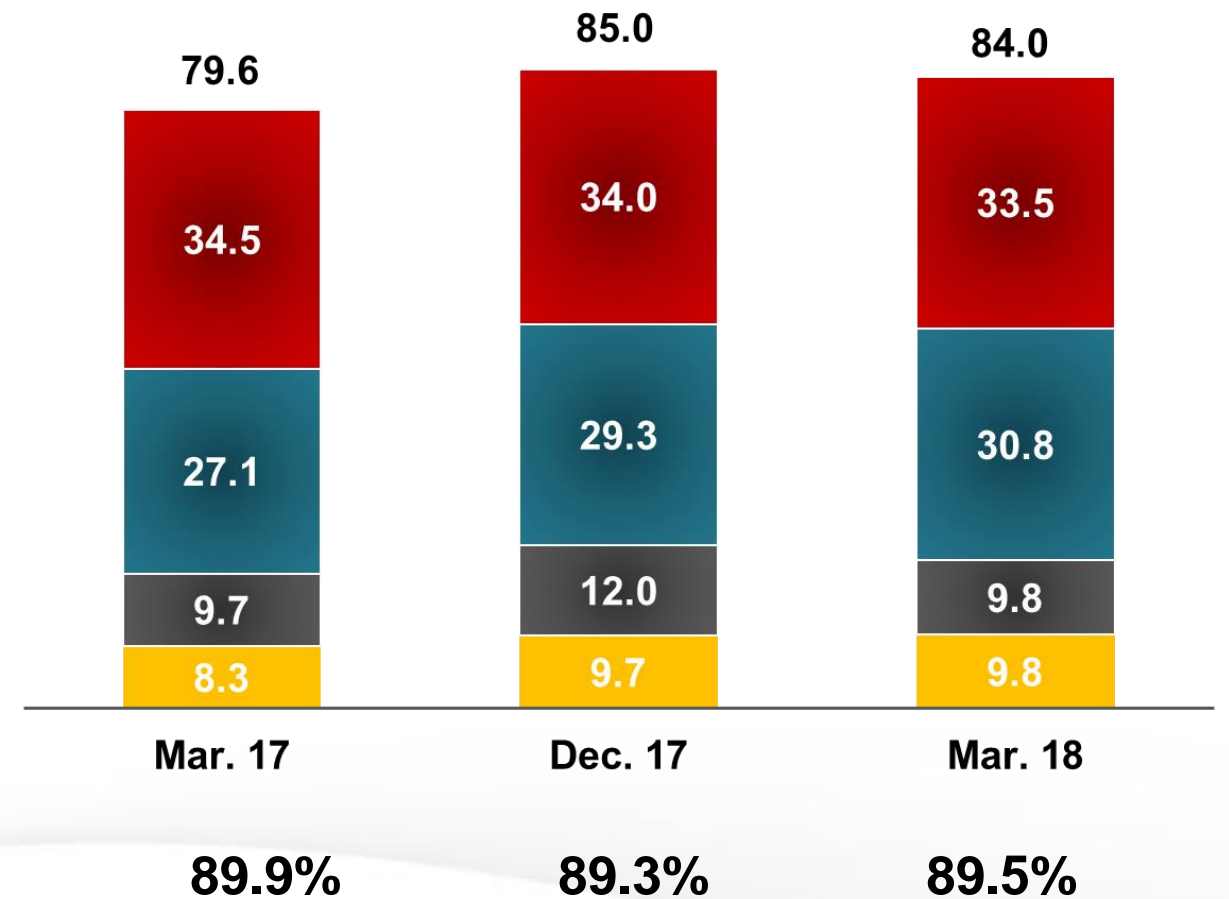
1. NPL: Loans > 90 days / Gross Loans Portfolio
2. Mortgage >120 days / Gross Loans Portfolio
3. Total (120) includes: (Mortgage > 120 days + Commercial > 90 days + Consumer >90 days) / Gross Loans Portfolio
4. Coverage: Asset Allowances / Loans >90 days
5. Total Reserves Coverage: (Asset Allowances + Equity Allowances) / Loans > 90 days



Consolidated Funding Sources

(COP Trillion)

	1Q18 / 4Q17	1Q18 / 1Q17
Demand Deposits	(1.3%)	(2.7%)
Term Deposits	5.0%	13.5%
Bonds	(18.0%)	1.7%
Credits	1.5%	18.8%
Funding Sources	(1.2%)	5.6%



Net Loans / Funding Sources

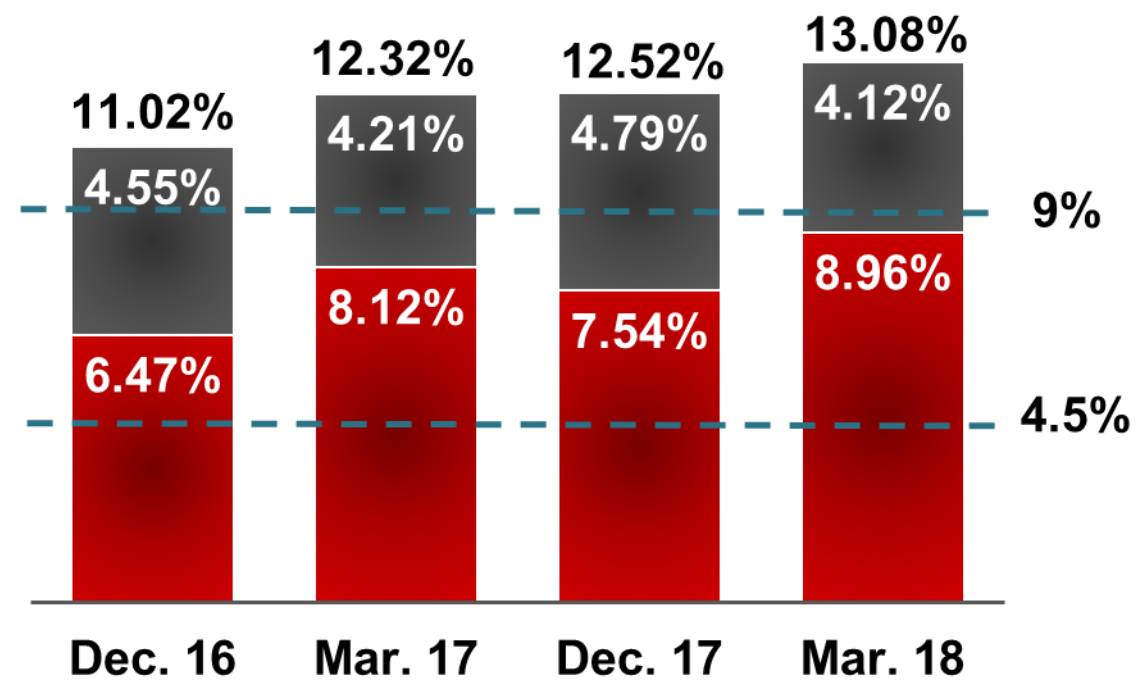
Funding Sources		Mar. 17	Dec. 17	Mar. 18	1Q18 / 4Q17	1Q18 / 1Q17
Colombia		60.3	64.6	65.0	0.5%	7.8%
International	COP	19.3	20.4	19.0	(6.6%)	(1.3%)
	USD ¹	6.7	6.9	6.8	(1.1%)	2.2%

1. Figures under USD Billions. COP revaluated 6.8% during 1Q18 and revaluated 3.6% on a yearly basis.



Consolidated Capital Structure

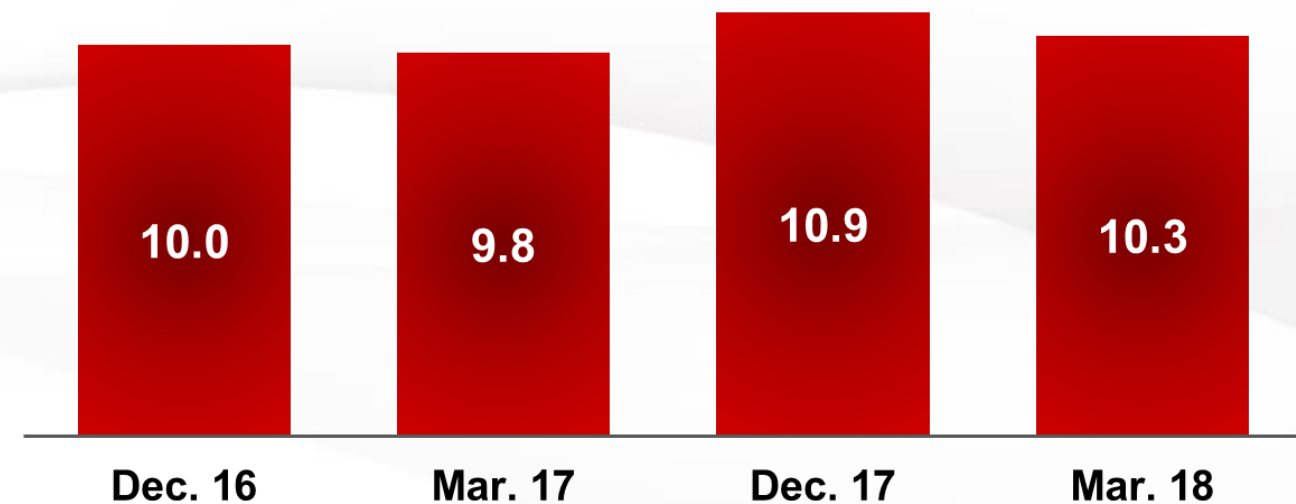
Solvency ratios



■ Tier I ■ Tier II
- - - Minimum Requirement

Equity (COP Trillion)

△ Mar. 18 / Mar. 17: 4.7%
△ Mar. 18 / Dec. 17: -5.3%

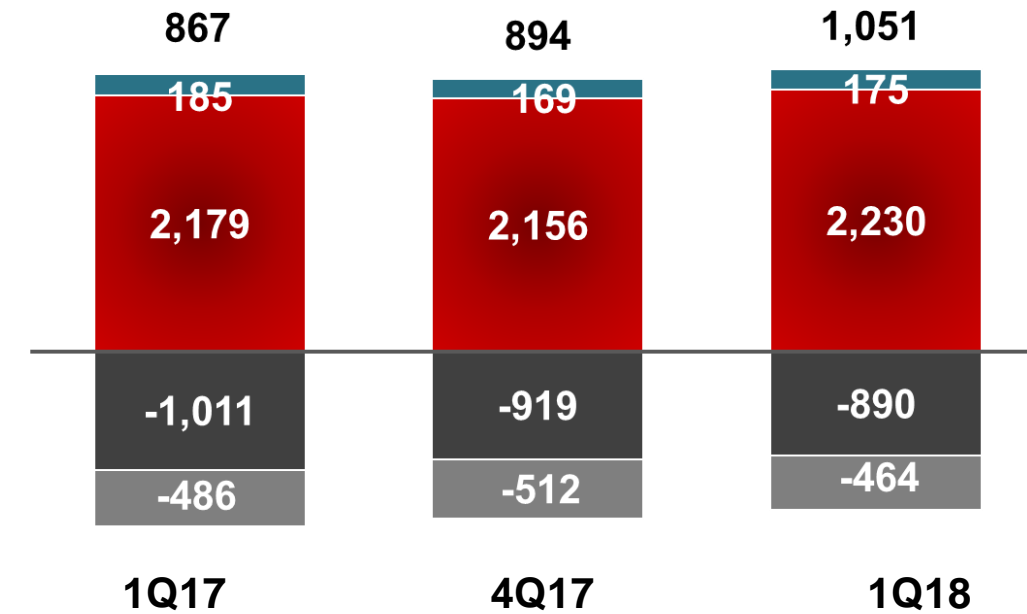


Consolidated Financial Margin, Net

(COP Billion)

QUARTER

	1Q18	1Q18 / 4Q17	1Q18 / 1Q17
	\$	(%)	(%)
Loan Income	2,230	3.5	2.3
Investment Income, Interbank	175	3.6	(5.3)
Financial Income	2,405	3.5	1.7
Financial Expenses	(890)	(3.2)	(12.0)
Financial Margin, Gross	1,515	7.8	12.0
Provision Expenses	(464)	(9.4)	(4.5)
Financial Margin, net	1,051	17.6	21.2



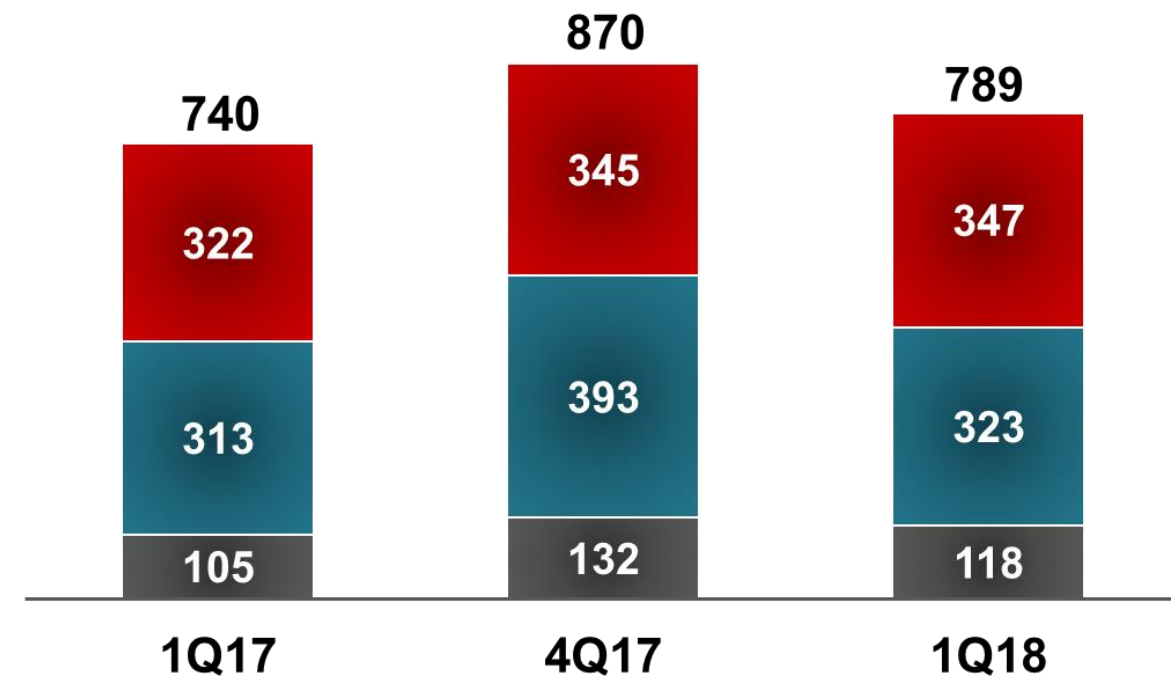
Financial Margin, net		1Q17	4Q17	1Q18	1Q18 / 4Q17	1Q18 / 1Q17		Mar. 17	Dec. 17	Mar. 18
Colombia		690	722	873	21.0%	26.5%	NIM²	6.26%	6.38%	6.51%
International	COP	177	172	178	3.5%	0.6%	Cost of Risk³	1.74%	2.53%	2.49%
	USD ¹	61	58	62	8.3%	2.9%				

- Figures under USD Billion. Average exchange rate revaluated 2.2% Y/Y and 3.2% Q/Q
- NIM (12 months): Gross Financial Margin (12 months) / Average Performing Assets
- Cost of risk (12 months) = Provision Expenses (12 months) / Gross Loans

Consolidated Expenses

(COP Billion)

QUARTER



1Q18 1Q18 / 4Q17 1Q18 / 1Q17

\$ (%) (%)

Personnel Expenses	347	0.7	7.9
Operational Expenses	323	(17.7)	3.5
Other Expenses ¹	118	(10.1)	12.7
Total Expenses	789	(9.3)	6.7

Expenses		1Q17	4Q17	1Q18	1Q18 / 4Q17	1Q18 / 1Q17	Efficiency ³		
Colombia		561	670	609	(9.0%)	8.7%	Mar. 17	Dec. 17	Mar. 18
International	COP	179	200	180	(10.1%)	0.5%	46.4%	46.6%	46.3%
	USD ²	61	67	63	(6.1%)	2.8%			

1. Other Expenses includes Amortization and Depreciation, Intangibles Amortization, Taxes and Deposits Insurance

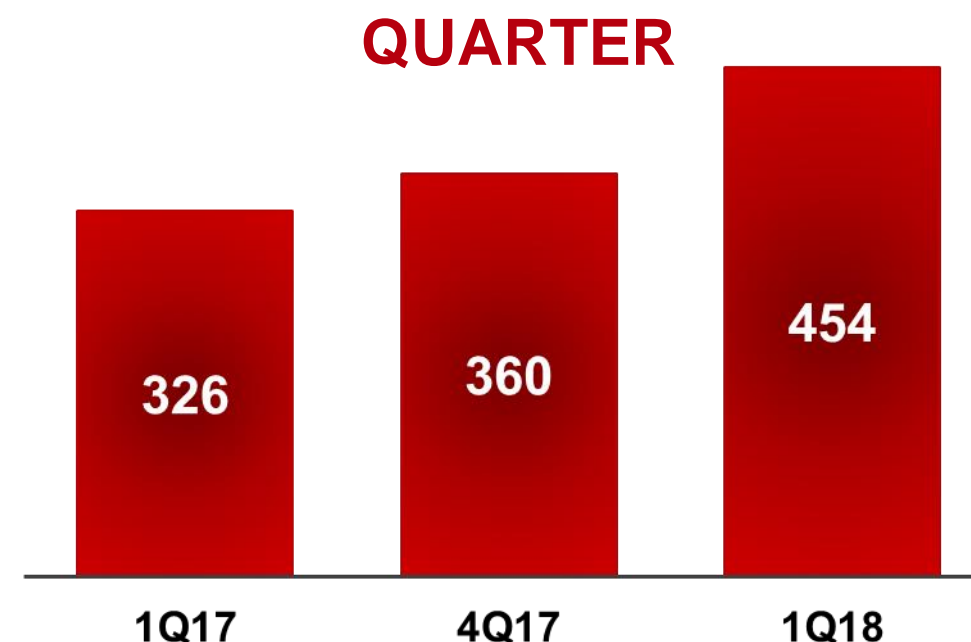
2. Figures under USD Billion. Average exchange rate revaluated 2.2% Y/Y and 3.2% Q/Q

3. Efficiency (12 months) = Operational Expenses (12 months) / (Gross Financial Margin + Operational Income + Other income and expenses, net)

Consolidated Net Income

(COP Billion)

	Mar. 17	Dec. 17	Mar. 18
ROAE¹	17.0%	12.4%	13.5%
ROAA²	1.77%	1.30%	1.42%



	1Q18 \$	1Q18 / 4Q17 %	1Q18 / 1Q17 %
Financial Margin, net	1,051	17.6	21.2
Operating Income	317	(2.5)	9.8
Operating Expenses	(789)	(9.3)	6.7
FX changes, Derivates and Others	26	239.9	3.0
Income before tax	579	40.7	30.8
Taxes	(125)	141.8	6.9
Net Income³	454	26.2	39.4

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

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

3. Net Income after deletions, homologations and homogenizations



Average exchange rate revaluated 2.2% Y/Y and 3.2% Q/Q



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¡Thank You!

Investor Relations and Capital Management

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