

# BBVA Colombia

“Working for a better future for people”

BBVA COLOMBIA



The IR Recognition granted by Bolsa de Valores de Colombia S.A. (the Colombian Stock Exchange) is not a certification of the registered securities or the solvency of the issuer.

## *Disclaimer*

This document is only provided for information purposes and does not constitute, nor must it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. Nobody who becomes aware of the information contained in this report must regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to miscellaneous aspects, including projections about the future earnings of the business. The statements contained herein are based on our current projections, although the said earnings may be substantially modified in the future by certain risks, uncertainty and other factors relevant that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could condition and result in actual events differing from the information and intentions stated, projected or forecast in this document and other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not exactly as described herein, or if such events lead to changes in the information of this document.

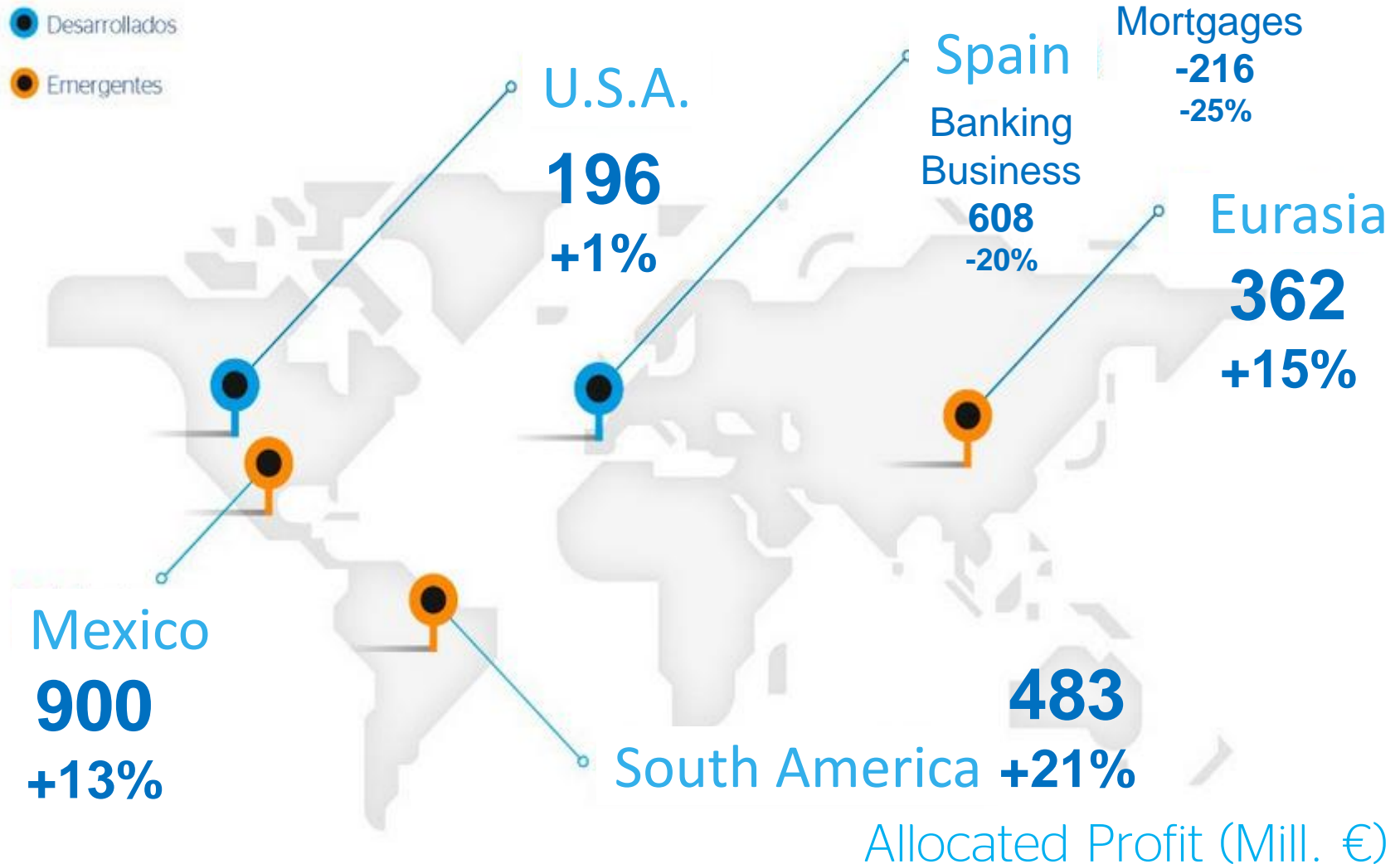
This document may contain summarised information or information that has not been audited, as well as information relative to solvency produced with criteria that are still subject to definitive CRR regulatory interpretation, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on form 20-F and information on form 6-K that are disclosed to the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing Restrictions.

# 1 BBVA GROUP



**BBVA:** A business model based on: **Diversification, customer centre, prudence and principles.**



# Strong fundamentals





# Strong fundamentals

**Net income excluding  
corporate operations**

**+11.7%**

(1H14 vs 1H13)



**Earnings**

**Net entries to NPAs**

**-75.5%**

**Risk premium**

**-17 bp**

(YoY)



**Risk**



**Liquidity**

**> 100%**  
compliance with LCR



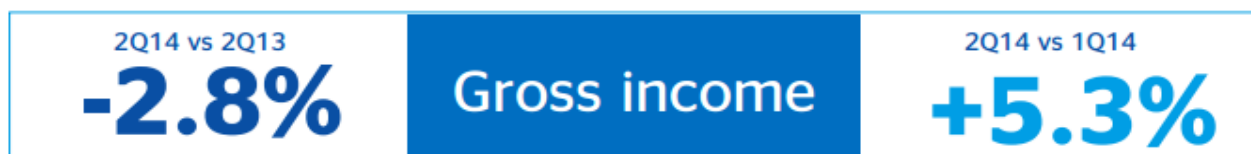
**Solvency**

**Core capital**

**CRD IV 11.6%**

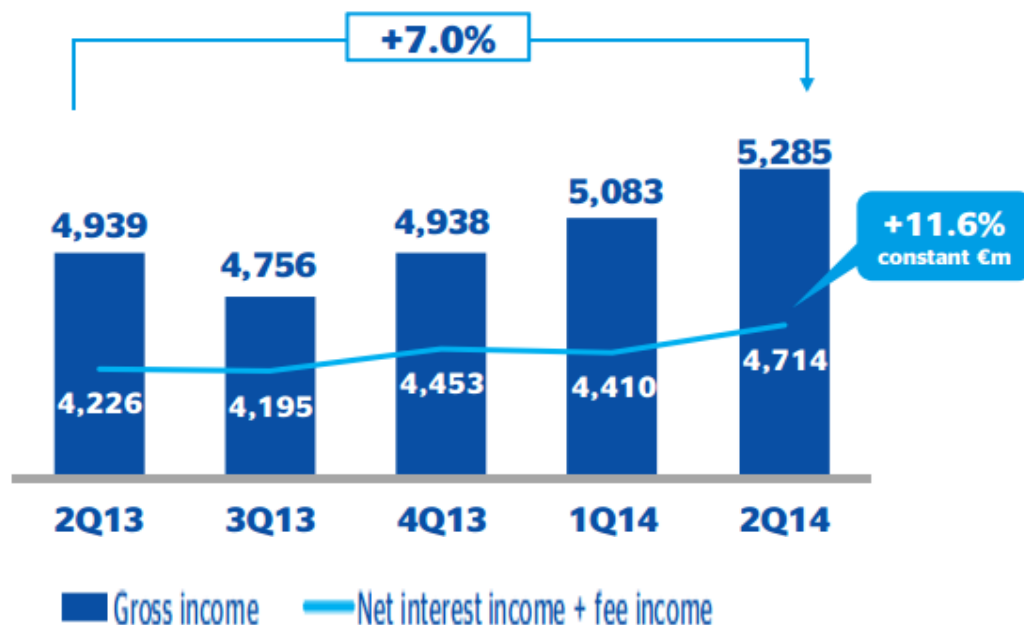
(Phased-in) (+4 bp vs 1Q14)

## Earnings: positive trend in recurring revenue ...



Excluding FX effect

Constant €m



### 2Q14 Highlights

▽ Net trading income

Higher dividends

Hyperinflation in VZ

... rising faster than costs ...

Costs

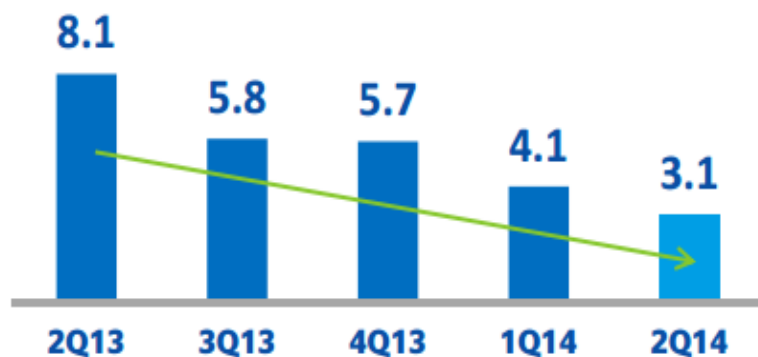
**-5.4%**

2Q14 vs 2Q13

Excluding FX effect

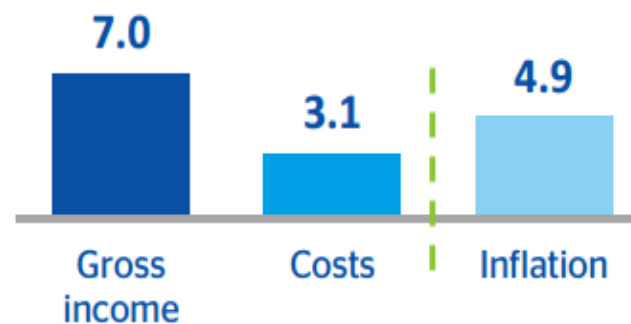
Costs

YoY change, constant €m  
(%)



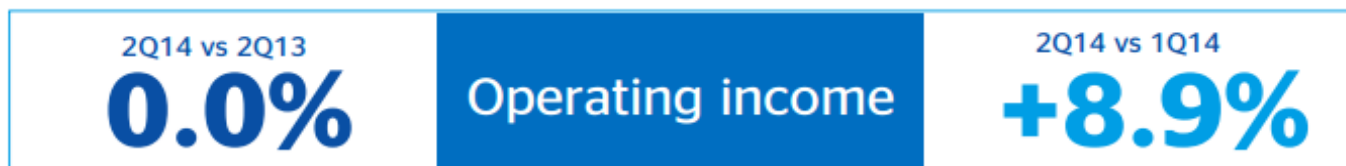
Gross income vs costs

2Q14 vs 2Q13, constant €m  
(%)



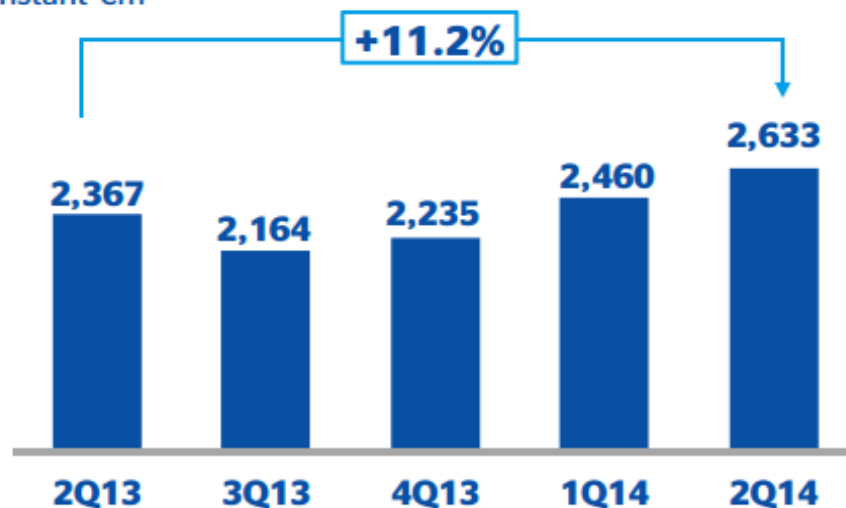


... and boosting operating income ...



Excluding FX effect

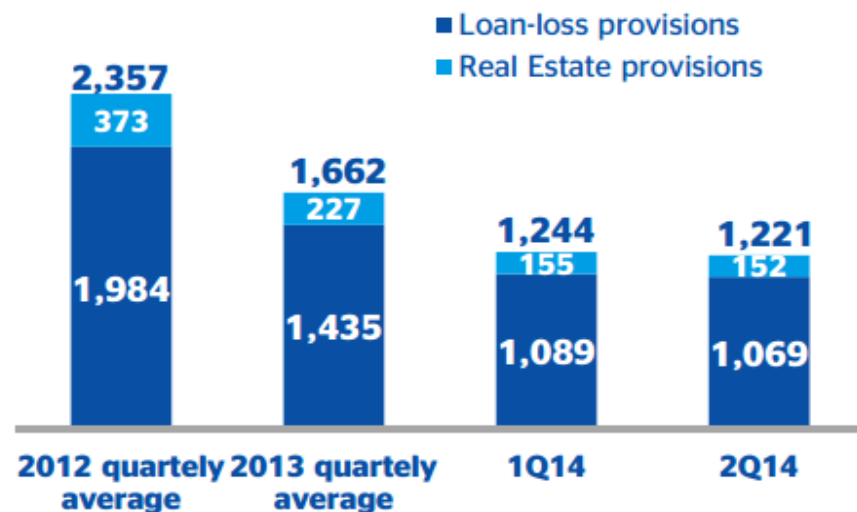
Constant €m



Maintaining leadership position in terms of profitability

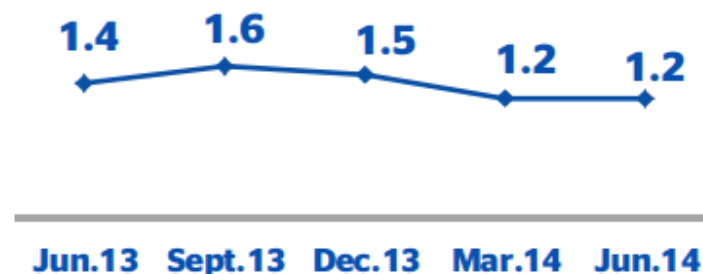
# Lower loan-loss and real estate provisions

Loan-loss + real estate provisions  
€m



Cost of risk YTD

Group excluding real estate activities  
(%)



Consolidating the improvement in cost of risk

## In summary, maintaining growth trend

€m

BBVA Group	1H14	Growth			Growth
		1H14/1H13			2Q14/1Q13
		Abs.	%	% constant	%
Net interest Income	7,038	- 264	-3.6	10.3	7.6
Gross Income	10,368	- 521	-4.8	6.0	5.3
Operating income	5,093	- 224	-4.2	8.7	8.9
Income Before Tax	2,109	+ 261	14.1	50.5	7.4
<b>NI ex corporate operations</b>	<b>1,544</b>	<b>161</b>	<b>11.7</b>	<b>47.2</b>	<b>7.6</b>
Corporate Operations Income	0	- 1,908	n.s.	n.s.	n.s.
Net Attributable Profit	1,328	- 1,553	-53.9	-49.2	12.9

### 1H14 Highlights

- 1 Positive trend in recurrent revenue
- 2 FX impact
- 3 Cost control
- 4 ▼ Provisions: driving short-term growth

Note: Earnings are presented this way to show the performance of recurring business. The reconciliation with the earnings statement is shown on page 47 of the financial information filed today with the CNMV.

## Risk: asset quality continues to improve

NPA ratio

**4.5%**

(-9 bp vs 1Q14)

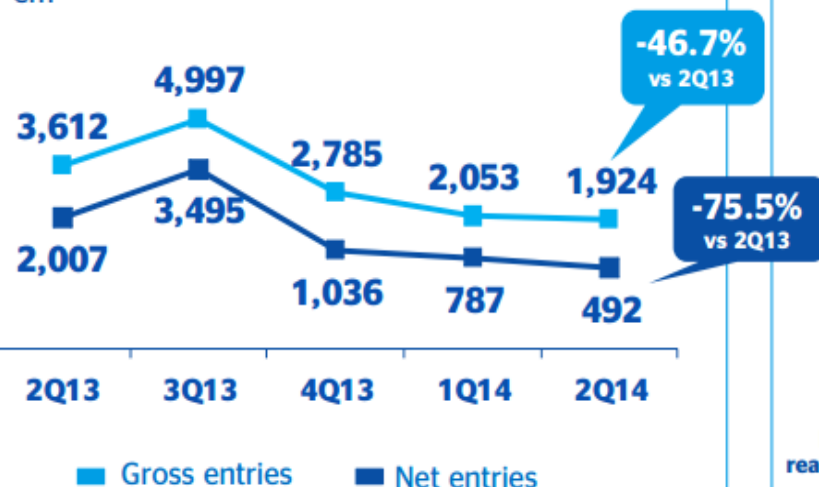
Coverage ratio

**63%**

(+3 p.p vs 1Q14)

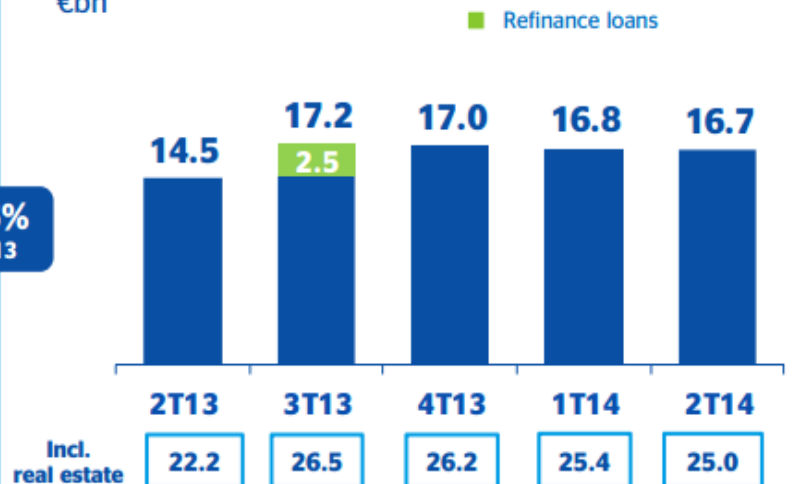
### Entries

€m



### NPAs

€bn



Note: risk figures exclude real estate activities. NPA ratio for real estate activity in Spain: 54.8%, 61% coverage and NPAs €8.3bn

## Capital: active capital management

### Strong and resilient regulatory ratios

#### Core Capital CRD IV

*(Phased-in)*

**11.6%**

(+4 bp vs 1Q14)

*(Fully-loaded)*

**10.0%**

(+11 bp vs 1Q14)

#### Ratio Leverage

*(Fully-loaded)*

**5.8%**

### Issuance activity

**1.5 bn€** Tier II issue



Strengthen and optimize  
the Group's capital base  
under CRD IV.



# 2 BBVA COLOMBIA



The IR Recognition granted by Bolsa de Valores de Colombia S.A. (the Colombian Stock Exchange) is not a certification of the registered securities or the solvency of the issuer.



## For BBVA Research, the outlook is positive

Manufacturing Industry and exports will be the main support for growth in the second half of 2014.

Employment creation remains positive. The employment data encourage the consumption behavior

The monetary policy will be less expansionary in 2014 and neutral at the end of 2015

Inflation maintains a growth tendency in 2014 and 2015 but within the long term objective range

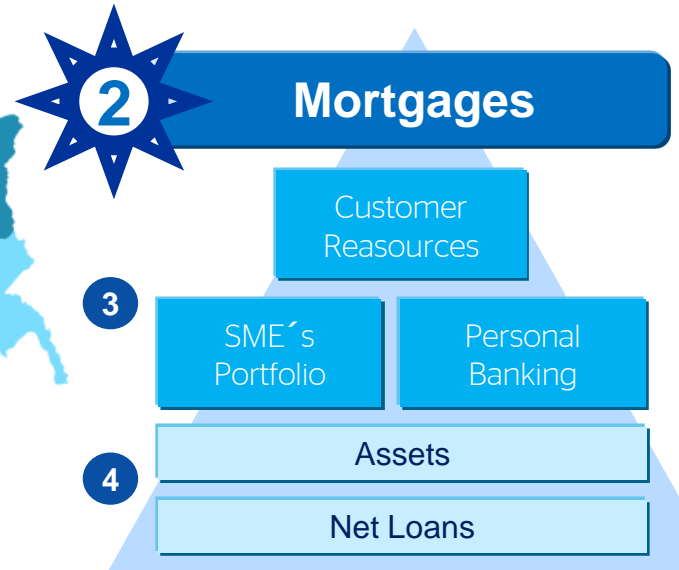
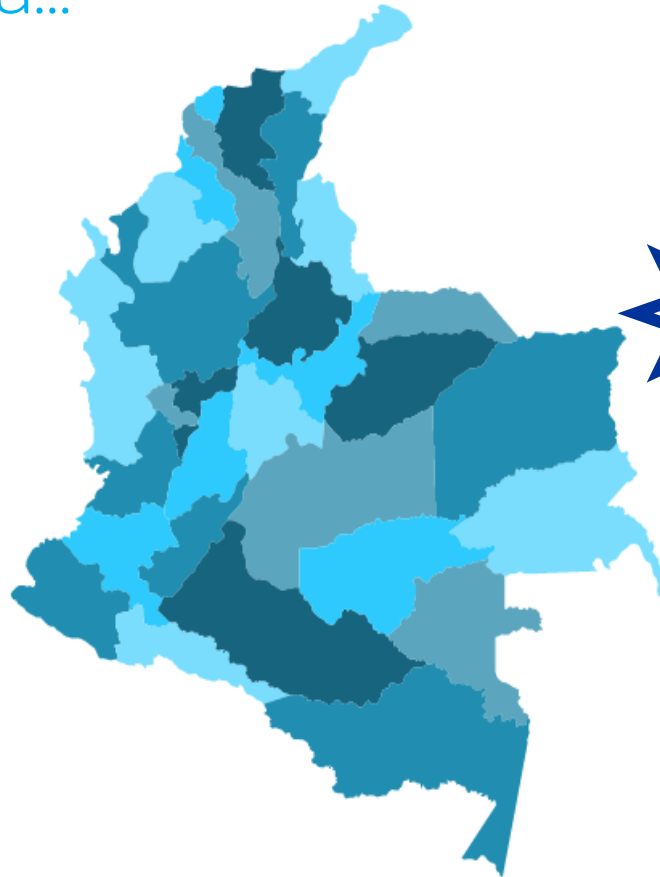
The Colombian economy will grow 4.7% and 4.8% in 2014 and 2015 through a sustained domestic demand and the US recovery

## BBVA Colombia...

**1996:** Acquisition of the Banco Ganadero

**2006:** Acquisition of the Banco Granahorrar

**2010:** Fusion with bank leasing



**37.7**  
Billion Assets

**4,5**  
Million customers

**477**  
Oficinas

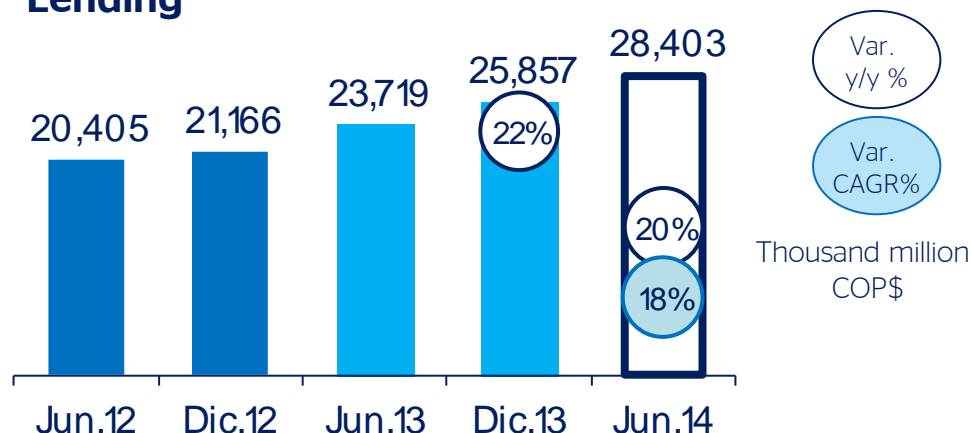
**1.261**  
ATMs

**5.263**  
Empleados

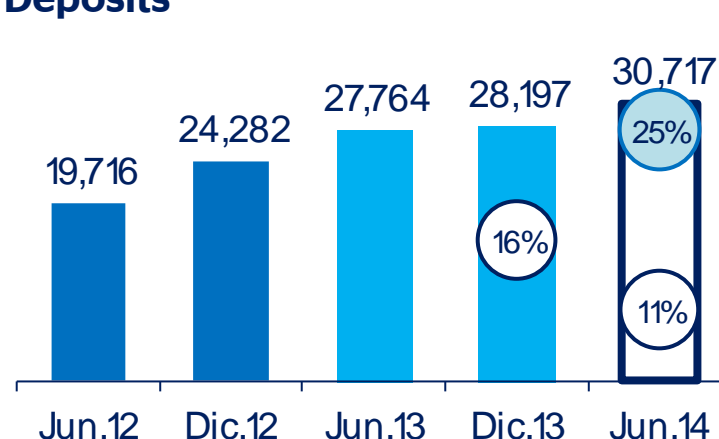
... Committed with the development of the Country.

## High growth in activities and results on BBVA Colombia.

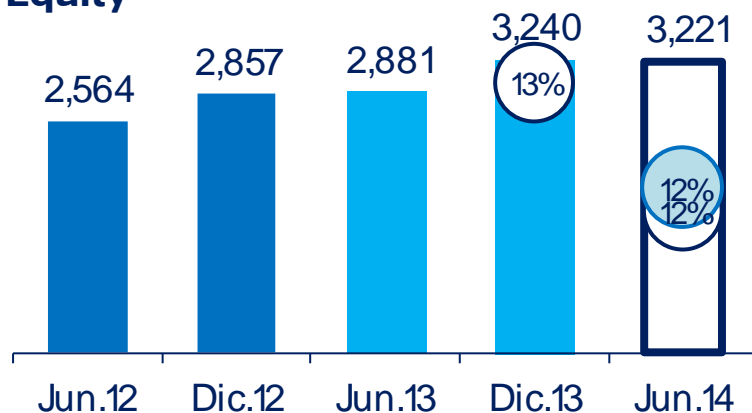
### Lending



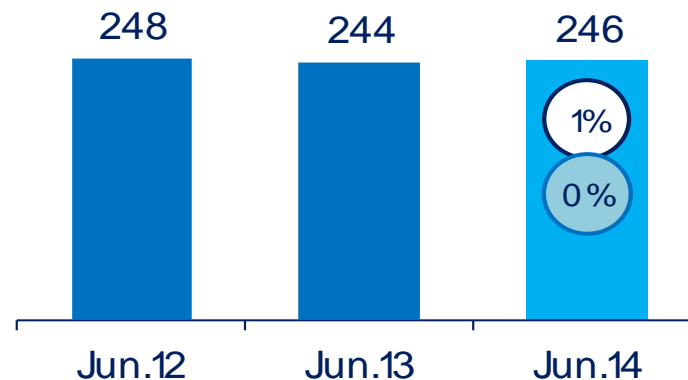
### Deposits



### Equity



### Net Benefit



# Strength in retail activity

## Lending

Thousand million COP\$	Jun.14	Jun.13	Var. 14/13
Consumption	8.086	7.088	14%
Credit Cards	1,176	950	24%
Mortgages	6,935	5,528	25%
Commercial	12.206	10.154	20%
<b>Total lending</b>	<b>28.403</b>	<b>23,719</b>	<b>20%</b>

## Clients Deposits

Thousand million COP\$	Jun.14	Jun.13	Var. 14/13
Checking accounts	4,731	3,977	19%
Savings	15,755	15,863	-1%
Term Deposits	9,934	7,678	29%
Others	297	246	21%
<b>Total Deposits</b>	<b>30,717</b>	<b>27,764</b>	<b>11%</b>

Source: BBVA Colombia

## Market share - Lending (%)

Cuota	May-14	Var. TAM (pb)
Consumption	13.33	+39
Credit Cards	7.23	+42
Mortgages	18.28	+28
Commercial	6.79	+42
<b>Total lending</b>	<b>10.01</b>	<b>+45</b>

Individuals	14.60	+33
Consumption + CC	11.99	+44

## Market share - Deposits (%)

Cuota	May-14	Var. TAM (pb)
Checking accounts	10.47	+55
Savings	12.17	-45
Term Deposits	12.53	+187
<b>Total Deposits</b>	<b>11.77</b>	<b>+42</b>

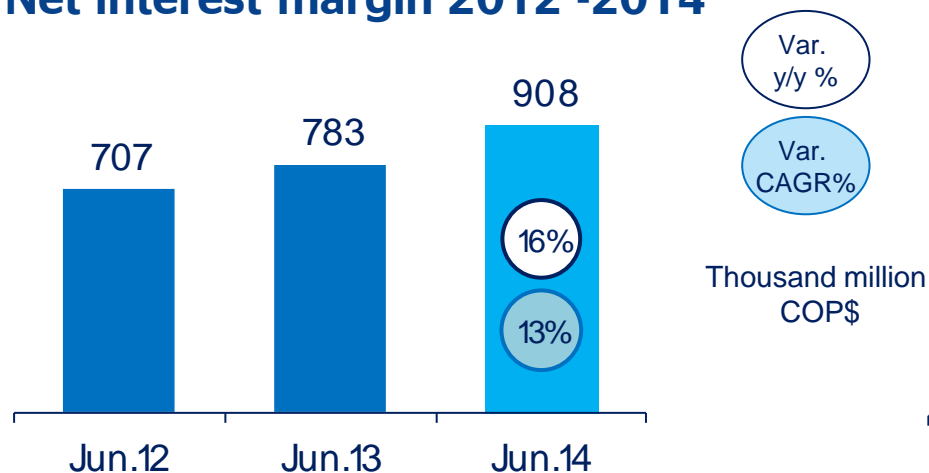
Source: Superintendencia Financiera de Colombia

# The bank maintains a comfortable situation regarding bond maturity

	TYPE	DATE	TERM	NOMINAL VALUE	EXPIRATION DATE	Int. Rates of
IPC / 1	Ordinary Bonds - 2008 - 04 Aug-09	26-Aug-08	6 years	43,110	26/08/2014	IPC+ 4.58%
	Ordinary Bonds - 2008 - 04 Aug-09	26-Aug-08	11 years	155,000	26/08/2019	IPC + 5.69%
	Ordinary Bonds - 2009 - 29 Sept - 10	29-Sep-10	5 years	33,600	29/09/2015	IPC + 3.05%
	Ordinary Bonds - 2009 - 29 Sept - 10	29-Sep-10	7 years	134,050	29/09/2017	IPC + 3.70%
	Subordinated Bonds - 2011 - 19 Sep - 18	19-Sep-11	7 years	102,000	19/09/2018	IPC + 4.28%
	Subordinated Bonds - 2011 - 19 Sep - 21	19-Sep-11	10 years	106,000	19/09/2021	IPC + 4.45%
	Subordinated Bonds - 2011 - 19 Sep - 26	19-Sep-11	15 years	156,000	19/09/2026	IPC + 4.70%
	Subordinated Bonds 2013 - 19 Feb 2013	19-Sep-11	10 years	200,000	19/02/2023	IPC + 3.60%
	Subordinated Bonds 2013 - 19 Feb 2014	19-Sep-11	15 years	165,000	19/02/2028	IPC + 3.89%
	Total Bonds (IPC)			1,094,760		

# Recurrent benefit generation

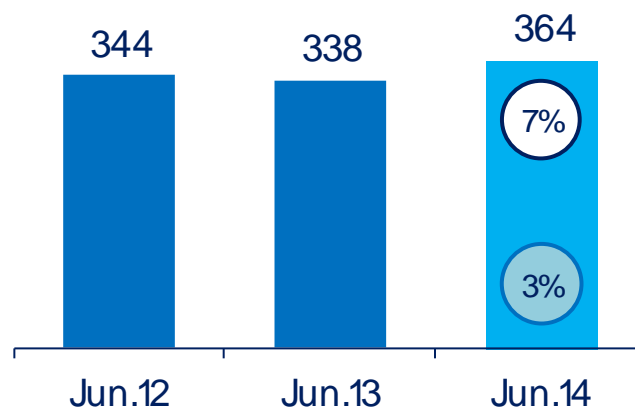
**Net interest margin 2012 -2014**



**Gross margin 2012 -2014**



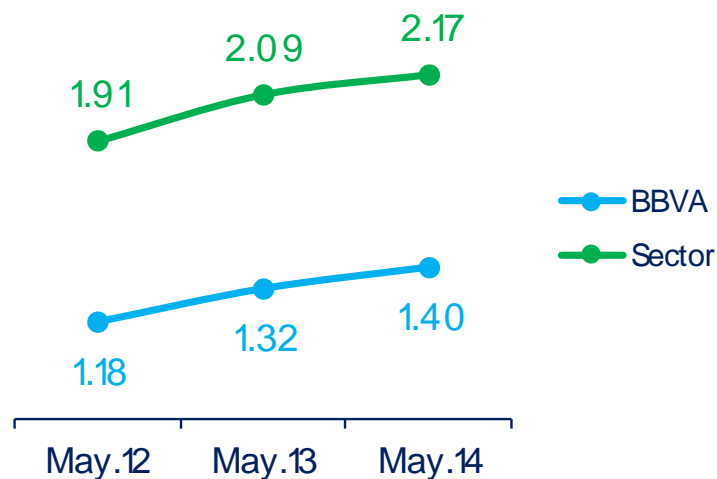
**Net margin 2011 -2013**



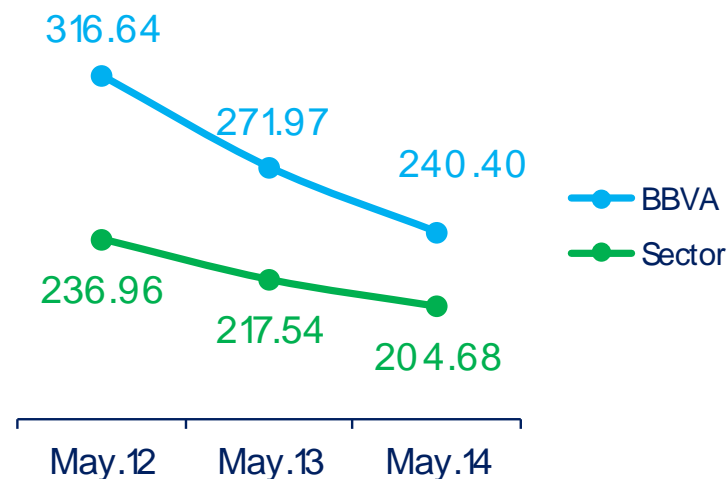


# Outstanding growth with the best quality ratios...

**NPL ratio**  
**2012 -2014**  
(%)



**Coverage NPL ratio**  
**2012 -2014**  
(%)

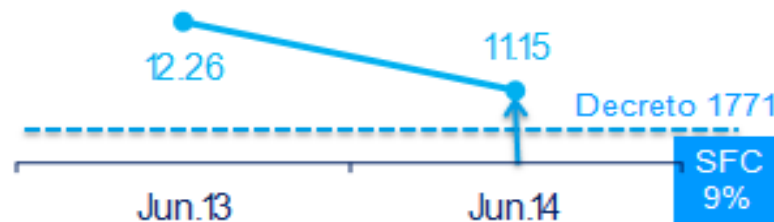


Comfortable levels in solvency while focused on profitability

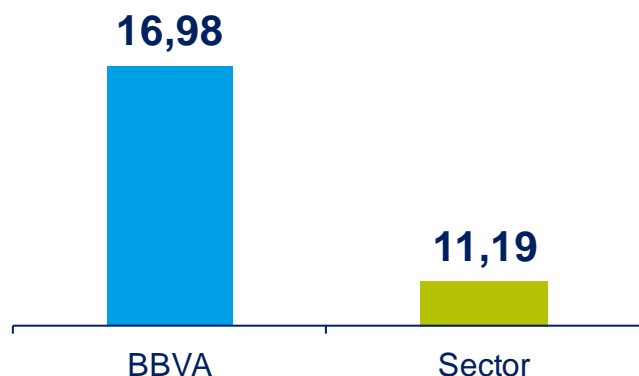
Solvency ratio  
June 2014 (%)

Source: BBVA Colombia

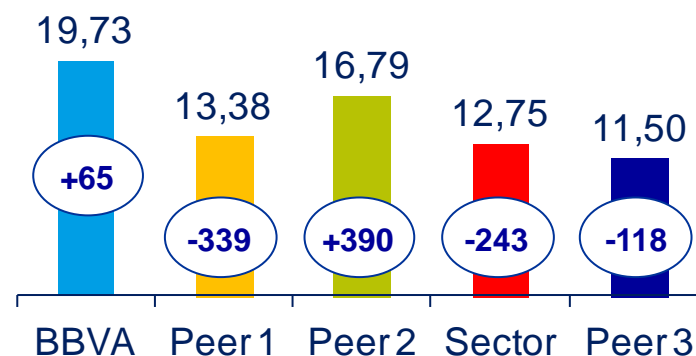
## Solvency



## ROE BBVA vs. System May.14 (%)



## ROE Ex - Goodwill Peer Group May.14 (%)



Source: Superintendencia Financiera de Colombia

# Ratings – BBVA Colombia

## Internationals

	Fitch	Moody's
Long term FX	BBB+	Baa2
Short term FX	F2	P3
Long term ML	BBB+	Baa2
Short term ML	F2	P3



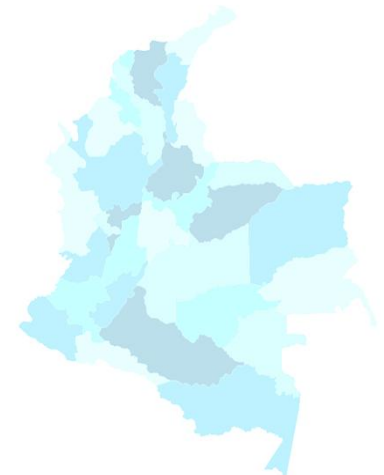
## Outstanding...

- The International rating for the long-term debt securities in foreign currency analyzed by Moody's, increased from Baa3 to Baa2, confirming its excellent quality.
- Similarly, Fitch increased its credit rating for the long-term debt securities, going from BBB to BBB+.
- Increasing importance of the BBVA Colombia's strategy on the global BBVA Group, because the good performance
- BBVA Colombia's much improved asset quality, ample liquidity and stable profitability reflect its conservative risk management and diversified operations, all of which have positioned the bank well relative to its larger peers in the Colombian banking system

BBVA Colombia has the highest qualification on grade investment

## Domestic

Fitch Ratings Colombia S.A.	Calification
Long term ML	AAA
Short term ML	F1+ col



## In Summary

Business Model based on sustained and recurrent revenues generation

Healthy growth, with credit quality

Strong solvency level while focused on profitability

Improved international rating for BBVA Colombia



Contact us.

## Investors Relation Team

E-mail: [bbvacolombia-ir@bbva.com](mailto:bbvacolombia-ir@bbva.com)

Luz Stella Landinez Calderón

Tel 3471600 ext 11111

[luz.landinez@bbva.com](mailto:luz.landinez@bbva.com)

Shareholders' office

Bogotá, Colombia.

BBVA Colombia S.A.



El Reconocimiento Emisores – IR otorgado por la bolsa de Valores de Colombia S.A. no es una certificación sobre la bondad de los valores inscritos ni sobre la solvencia del emisor.

# BBVA Colombia

“Working for a better future for people”

2Q2014

