Banco Davivienda S.A. BVC: PFDAVVNDA, BCS: DAVIVIENCL

Second Quarter Results 2022 / 2Q22

Bogotá, Colombia. August 23d, 2022 – Banco Davivienda S.A. (BVC: PFDAVVNDA, BCS: DAVIVIENCL) announces its Second Quarter 2022 Consolidated Results. Financial Statements have been prepared according to International Financial Reporting Standards (IFRS) in Colombian Pesos (COP).

HIGHLIGHTS

- Accumulated profits amounted to $1.17 trillion COP, growing 119.0% compared to the second quarter of 2021, primarily due to higher loan income, lower provision expenses and an increase in non-financial income.
- ROAE for the quarter closed at 18.25%, while the 12-month ROAE closed at 13.44%.
- Gross loans closed at 130.6 trillion COP, growing 7.2% over the quarter and 17.7% over the year, mainly driven by the performance of retail banking.
- The total capital adequacy ratio closed at 16.44%, and the CET1 ratio at 11.06%.
- The NIM for the quarter including foreign exchange and derivatives closed at 6.73%, growing 33 bps over the previous quarter and 8 bps over the second quarter of 2021; the 12-month NIM closed at 6.39%, increasing 1 bp relative to 1Q22 and 9 bps relative to 2Q21.
- The Cost of Risk for the quarter closed at 2.03%, a 26 bps decrease over the quarter and 49 bps over the year. Meanwhile, the 12-month Cost of Risk closed at 2.16%, decreasing 19 bps over the previous quarter and 160 bps over the second quarter of 2021.
- Davivienda was recognized as the Most Sustainable Bank in Colombia by the Global Finance Sustainable Awards. The Sustainable portfolio reached 12.4 trillion COP, increasing 13.4% compared to the second quarter of the previous year, accounting for 9.5% of the consolidated gross loans portfolio.
- RappiPay obtained authorization to operate as a financial institution in Colombia.
- Davivienda issued a blockchain bond in Colombia, the first of its kind in the region.
- DaviPlata reached 14.8 million customers, adding 2.1 million new customers throughout the year.
- Current risk ratings: Fitch BB+/ S&P BB+/ Moody's Baa3. All ratings with stable outlook.
- As of June 2022, Davivienda operated across 6 countries, served 20.9 million customers, employed more than 17,500 people, with 665 branches and nearly 2,700 ATMs.

ECONOMIC ENVIRONMENT COLOMBIA

The U.S. economy contracted by 0.9% year-on-year in the second quarter of 2022, primarily reflecting a drop in private inventories, a decline in residential construction investment, and reduced government spending. The Chinese economy recorded a 0.4% GDP growth for the quarter, the lowest figure in two years and below the 4.8% registered in the first quarter of 2022. Finally, the Euro Zone grew by 4%, down from the 5.5% figure seen in the first quarter of 2022, reflecting higher fuel prices, particularly gas prices.

U.S. accumulated inflation reached 9.06% by the end of the second quarter of 2022. Meanwhile, inflation in the Euro Zone reached 8.6%, above from the 7.4% figure recorded in March. The U.S. 10-year Treasury bonds rose from 2.34% at the end of the first quarter to 3.02% at the end of the second quarter. In Germany these securities rose from 0.55% to 1.33% over the same period.

The Brent benchmark recorded an average price of USD 97.63 during the first quarter of the year, and USD 111.81 in the second quarter of 2022. This behavior is mainly attributable to the impact of the Russia-Ukraine war, especially after Russia greatly reduced its oil and gas supply to the West. However, the lower demand limited these price increases.

During the second quarter of 2022, Colombia's economy grew 12.6% annually, this figure shows an acceleration compared to the 8.6% registered during the previous quarter. Commerce and the manufacturing industry continued being the top contributors to the dynamics seen in economic activity during the second quarter of the year, with growths of 23.3% and 20.3% respectively. It is worth mentioning that no economic activity registered negative variations.

Annual inflation hit 9.67% in the second quarter of 2022, the highest figure in over two decades. Food and non-alcoholic beverages, along with lodging and utilities, were the main contributors, accounting for nearly two-thirds of total annual inflation in June. Increased agricultural input prices and a severe ‘La Niña’ weather phenomenon have reduced food supplies across the country's main markets. In this sense, annual inflation continued to increase during July, closing at 10.21%.

Inflation and improved economic growth led Colombia’s Central Bank to further increase the monetary policy rate, raising it by 1% at the end of April, and by 1.5% at the end of June. During its most recent meeting held on July 29th, the Central Bank made a further hike, setting the monetary policy rate at 9.0%.

Gross tax revenues totaled 60.5 trillion COP in the second quarter of 2022, registering a 38.4% growth compared to 2Q21. Year-to-date tax revenues amounted to $113.8 trillion COP, posting a 33.8% growth compared to the same period of the previous year.

The COP/USD average exchange rate during the second quarter of 2022 was COP 3,915. On the other hand, the exchange rate went from COP 3,756 at the end of March to COP 4,151 on the last day of June. The appreciation of the US dollar globally, coupled with moderation in oil prices were among the factors that contributed to this trend.

ECONOMIC ENVIRONMENT CENTRAL AMERICA

The Gross Domestic Product (GDP) of the region grew at a moderate annual rate during the first quarter of the year. In El Salvador, Honduras and Panama the annual growth rates for the first quarter of the year were 2.4%, 6.1% and 13.6%, respectively, which varied compared to the 3.5%, 11.4% and 16.4% growth rates recorded in the last quarter of 2021. This trend was also evident in Costa Rica's preliminary GDP report for the second quarter of the year, where the country reported a 7.6% and 5.6% annual growth for the first and second quarters, respectively.

This economic downturn was broadly felt in the region's main productive sectors (manufacturing, commerce, financial intermediation), combined with a GDP contraction of the region's main trading partners, including the United States.

Monthly economic activity indicators (IMAE-IVAE) in Honduras exhibited an average 4.99% moderation between April and May, while in El Salvador and Panama these indicators showed an average 3.11% and 16.25% acceleration, respectively.

Rising inflation has emerged as one of the major macroeconomic concerns throughout the world during the year. This is particularly true in Central America, where the figures peaked at levels not seen in the last 13 or 14 years. Annual inflation in Costa Rica reached 10.1% during June, while in El Salvador, Honduras and Panama it reached 7.8%, 10.2% and 5.2% respectively, mainly boosted by food and fuel products. These figures were recorded despite price controls, subsidies, and other policies implemented across these countries to ease fuel prices.

In response to rising inflation and high inflation expectations, the Central Bank of Costa Rica increased its monetary policy rate to 7.50% from 2.50% (March 2022 rate). On the other hand, the Central Bank of Honduras continues to maintain its monetary policy rate at a historic 3.0% floor.

Currencies of emerging countries depreciated against the US dollar in the second quarter of the year. The Costa Rican Colon was no exception, depreciating year to date by 7.72% as of June 30, although by the end of July 2022 its depreciation had dropped to 4.6%. The Honduran Lempira recorded a 0.28% year to date depreciation as of June 30 and 0.47% as of July 29.

Finally, El Salvador's credit rating was downgraded by Moody's from Caa1 to Caa3 and by Standard & Poor's from B- to CCC+ in the second quarter of 2022. These decisions responded to fiscal vulnerabilities and uncertainty regarding the financing plan for future external bond maturities. On the other hand, Standard & Poor's revised Honduras' credit rating in July, changing its outlook from stable to negative.

MAIN CONSOLIDATED FIGURES:

Statement of Financial Condition (COP billion)				% Chg.	
Assets	**2Q21**	**1Q22**	**2Q22**	**Q/Q**	**Y/Y**
Cash and Interbank Funds	11,257	15,685	13,983	-10.9	24.2
Investments	16,079	16,763	17,195	2.6	6.9
Gross Loan Portfolio	110,976	121,897	130,619	7.2	17.7
Loan Loss Reserves	-5,689	-5,490	-5,685	3.6	-0.1
Other Assets	7,430	8,807	10,285	16.8	38.4
Total Assets	**140,055**	**157,663**	**166,397**	**5.5**	**18.8**
Liabilities					
Repos and Interbank Liabilities	1,966	5,513	3,284	-40.4	67.0
Demand Deposits	56,380	68,820	72,048	4.7	27.8
Term Deposits	33,164	31,087	34,846	12.1	5.1
Bonds	15,595	16,406	16,961	3.4	8.8
Credits	13,359	14,136	15,687	11.0	17.4
Other Liabilities	6,113	7,770	8,699	12.0	42.3
Total Liabilities	**126,577**	**143,731**	**151,524**	**5.4**	**19.7**
Equity					
Non-controlling Interest	138	141	151	6.9	9.0
Equity	13,339	13,790	14,722	6.8	10.4
Total Equity	13,478	13,931	14,872	6.8	10.3
Total Liabilities and Equity	**140,055**	**157,663**	**166,397**	**5.5**	**18.8**

Income Statement	**Quarterly Figures**			**% Chg.**		**Accumulated Figures**		**% Chg.**
(COP billion)	**2Q21**	**1Q22**	**2Q22**	**Q/Q**	**Y/Y**	**2Q21**	**2Q22**	**Y/Y**
Interest Income	2,698	3,100	3,563	14.9	32.1	5,135	6,663	29.8
Loans	2,527	3,048	3,473	13.9	37.4	4,974	6,521	31.1
Investments	155	32	58	80.9	-62.6	133	90	-32.1
Other Income	15	20	32	62.2	105.7	28	51	83.2
Financial Expenses	717	1,030	1,372	33.2	91.4	1,447	2,401	66.0
Gross Financial Margin	1,981	2,070	2,191	5.9	10.6	3,688	4,261	15.5
Net Provision Expenses	700	699	663	-5.1	-5.2	1,835	1,361	-25.8
Net Interest Margin	1,281	1,372	1,528	11.4	19.3	1,853	2,900	56.5
Exchange and Derivatives	74	90	181	101.6	145.0	286	271	-5.3
Non Financial Income	359	467	500	7.1	39.3	718	967	34.6
Operating Expenses	1,117	1,203	1,247	3.7	11.6	2,126	2,450	15.2
Income Before Taxes	597	725	962	32.7	61.1	731	1,688	130.9
Income Tax	165	214	305	42.7	85.0	197	519	163.2
Net Profit	**432**	**511**	**657**	**28.5**	**52.0**	**534**	**1,168**	**119.0**
Non Controlling Interest	6	6	6	8.9	13.3	7	12	70.2

MAIN RATIOS

12 Months[1]	2Q21	1Q22	2Q22	Bps. Chg Q/Q	Bps. Chg Y/Y
NIM	6.08%	6.09%	6.03%	-6	-5
NIM FX+D	6.30%	6.38%	6.39%	1	9
Cost of Risk	3.76%	2.35%	2.16%	-19	-160
Cost-to-Income	46.3%	47.4%	46.6%	-78	25
ROAE	4.57%	12.17%	13.44%	127	887
ROAA	0.43%	1.14%	1.24%	10	81

Annualized Quarter	2Q21	1Q22	2Q22	Bps. Chg Q/Q	Bps. Chg Y/Y
NIM	6.41%	6.13%	6.22%	9	-19
NIM FX+D	6.65%	6.40%	6.73%	33	8
Cost of Risk	2.52%	2.29%	2.03%	-26	-49
Cost-to-Income	46.5%	45.8%	43.8%	-201	-272
ROAE	13.07%	14.50%	18.25%	375	518
ROAA	1.25%	1.32%	1.62%	30	37

Stock Information	2Q21	1Q22	2Q22	% Chg. Q/Q	% Chg. Y/Y
Total Shares	451,670,413	451,670,413	451,670,413	-	-
Total Common Shares	343,676,929	343,676,929	343,676,929	-	-
Total Preferred Shares	107,993,484	107,993,484	107,993,484	-	-
Preferred Share Closing Price COP	27,540	32,950	33,700	2.3%	22.4%
Preferred Share Closing Price USD	6.6	7.9	8.1	2.3%	22.4%
Market Capitalization (Bn COP)	12,439	14,883	15,221	2.3%	22.4%
Market Capitalization (Bn USD)	3.0	3.6	3.7	2.3%	22.4%
Earnings Per Share (EPS) COP	1,318	3,700	4,198	13.5%	218.5%
Earnings Per Share (EPS) USD	0.32	0.89	1.01	13.5%	218.5%
Price to Earnings Ratio (P/E) (x)	20.9	8.9	8.0	-9.9%	-61.6%
Dividends Per Share COP	321	1,072	1,072	0.0%	234.0%
Book Value Per Share COP	29,533	30,532	32,594	6.8%	10.4%
Price to Book Value (P/BV) (x)	0.93	1.08	1.03	-4.2%	10.9%

[1] To review the methodology to estimate these and other ratios presented in this report, please refer to the Glossary section at the end of this document.

ESG RESULTS

Our sustainable loan portfolio closed at COP 12.4 trillion, increasing 4.0% over the previous quarter and 13.4% over the previous year. The portfolio is composed by green loans, which account for 24% (COP 3.0 trillion) of this portfolio, and social loans, which account for 76% (COP 9.4 trillion).

Among other strategies to increase our green loan portfolio, we recently financed 111 contracts of energy efficiency and renewable energy, thereby supporting energy transition in the country.

Sustainable funding reached 7.4 trillion COP, growing by 8.8% over the quarter and 7.1% over the year. This result is mainly attributable to a loan acquired with JICA (Japan International Cooperation Agency) for USD 150 million, to support SMEs and women-owned SMEs financing.

Davivienda was recognized in the Global Finance Sustainable Awards as the Most Sustainable Bank in Colombia and for its outstanding leadership in transition/sustainability-linked bonds.

Additionally, Davivienda is supporting Colombia's government agenda on Green Taxonomy, by developing a pilot for the successful implementation and deployment in the country, thereby contributing to global environmental goals.

On the social side, together with other Grupo Bolívar companies we formed an alliance with the National Federation of Cocoa Producers, aiming to protect cocoa producers by offering them an innovative insurance which covers them in case weather conditions affect their production, financial literacy programs, credit through the agricultural credit card and guaranteed loans with the Fondo Agropecuario de Garantías Finagro, and digital payments through Daviplata.

DIGITAL TRANSFORMATION

Regarding the Bank's digital transformation process, as of 2Q22, 89% of Davivienda's consolidated customers were considered digital. In the Colombian operation, this figure stands at 91%, and in Central America at 69%.

In Colombia, the outstanding amount of digital loan products[2] increased 162% over the previous year, reaching 13.5 trillion COP. On the other hand, digital deposits[3] amounted to 3.7 trillion COP balance, growing by 51% over the year. Finally, digital investment products[4] contracted by 9% compared to the previous year, totaling 480 billion COP.

62% of product sales during the quarter were performed through digital channels. This figure represents a 9 bps increase compared to the previous year. As for transactions, 57% of monetary transactions were made through digital channels compared to 55% in 2Q21. In line with this trend, transactions made through physical channels decreased from 12% in 2Q21 to 10% in 2Q22.

Our digital native bank, Daviplata, reached 14.8 million customers at the end of the second quarter of 2022. Among these customers, 6.0 million hold other financial products, while 4.1 million count on

[2] Digital Loans include: Consumer and mortgage mobile credit products.
[3] Digital Deposits include: Mobile Savings Account, Mobile Payroll Account, Term Deposits, and DaviPlata.
[4] Digital Investments includes: Dafuturo, Superior, and DaviPlus.

DaviPlata as their only active financial product, and 4.7 million are common Davivienda customers. The balance in low amount deposits increased by 46% compared to the previous year, reaching 822 billion.

COVID-19 RESPONSE

As part of our comprehensive strategy to support our clients, launched in March 2020, there is still a percentage of our loan portfolio that remains classified under relief programs implemented in the countries we operate.

In Colombia, after implementing the PAD program (Debtors' Relief Program), which expired in August 2021, 4% of the loan portfolio is covered by debt relief programs, decreasing 1 pp over the percentage recorded in the previous quarter. Out of this 4% loan portfolio, 66,7 % are consumer loans, 22,8% are commercial loans and 10,6% are mortgage loans. In terms of payment performance, 88,5% are up to date, 5,7% are between 30 and 90 days past due, and the remaining 5,7% are over 90 days past due.

In Central America, 6% of the loan portfolio is classified under some type of relief, a 1 pp reduction compared to the previous quarter. This relieved portfolio is mainly concentrated in the commercial segment (59.5%), followed by consumer loans (29.5%) and lastly, mortgage loans (11.0%). A total of 89.1% of the portfolio is up to date, while 5.8% is between 30 and 90 days past due and the remaining 5.1% is over 90 days past due.

The information described above regarding the payment performance of this portfolio is already included in PDL ratios presented in the report.

STATEMENT OF FINANCIAL CONDITION

Assets

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Assets	**Jun. 21**	**Mar. 22**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**
Cash and Interbank Funds	11,257	15,685	13,983	-10.9	24.2	7,245	-23.3	35.9	1,623	-2.3	2.7
Investments	16,079	16,763	17,195	2.6	6.9	11,812	-1.6	2.5	1,499	0.7	-1.6
Gross Loans Portfolio	110,976	121,897	130,619	7.2	17.7	103,415	5.3	17.9	6,553	3.9	5.7
Loan Loss Reserves	-5,689	-5,490	-5,685	3.6	-0.1	-4,806	2.0	-0.9	-212	2.3	-5.6
Other Assets	7,430	8,807	10,285	16.8	38.4	8,033	19.1	45.2	428	1.3	12.9
Total Assets	140,055	157,663	166,397	5.5	18.8	125,699	3.3	19.4	9,891	2.3	4.6

Q/Q Performance:

Assets totaled 166.4 trillion COP, growing 5.5% over the quarter. Excluding the effect of the COP depreciation during the quarter (+10.5%), assets increased by 2.8%.

Cash and interbank funds totaled 14.0 trillion, a 10.9% reduction compared to the previous quarter. This performance is mainly explained by the decrease of available funds in the current account with Banco de la Republica (Colombia's Central Bank). The investment portfolio reached a 17.2 trillion COP balance, a 2.6% increase over the quarter, mainly due to the increase in the debt securities portfolio.

Gross loans amounted to 130.6 trillion COP, growing by 7.2% from the previous quarter. Loan loss provisions increased by 3.6% compared to the previous quarter, closing at 5.7 trillion COP, in line with the risk profile and portfolio growth. Loan loss provisions as a percentage of gross loans were 4.4%, similar to 2018 and 2019 pre-pandemic levels.

Finally, other assets increased by 16.8% over the quarter, mainly due to a higher volume of derivative contracts, as a result of the effect of exchange rate and high interest rates on the value of derivative contracts, coupled with an increase in accounts receivable, due to tax and supplier prepayments.

Y/Y Performance:

Total assets grew by 18.8% over the year. Excluding the effect of the COP depreciation during the year (+10.7%), assets increased by 14.5%.

Cash and interbank funds grew by 24.2% due to an increase in the balance available with institutional accounts abroad and an increment in the legal reserve, aligned with the behavior seen in deposits throughout the year. The investment balance increased by 6.9%, following the growth in the debt securities portfolio as previously mentioned.

Gross loans increased by 17.7%, mainly driven by the consumer and mortgage portfolios. Loan-loss provisions were slightly lower by 0.1%, as a result of the current behavior of the loan portfolio and write-offs made over the past year.

Finally, other assets grew by 38.4%, mainly due to an increase in the balance of derivative contracts, and a rise in accounts receivable, as mentioned above.

Gross Loans

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Gross Loans	**Jun. 21**	**Mar. 22**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**
Commercial	52,358	53,387	57,020	6.8	8.9	42,904	3.9	6.0	3,400	5.7	7.2
Consumer	30,736	37,350	40,781	9.2	32.7	33,626	8.2	36.6	1,723	3.0	5.6
Mortgage	27,883	31,160	32,818	5.3	17.7	26,885	4.1	18.6	1,429	0.8	2.7
Total	110,976	121,897	130,619	7.2	17.7	103,415	5.3	17.9	6,553	3.9	5.7

Q/Q Performance:

Gross loans closed at $130.6 trillion, registering a 7.2% growth compared to the previous quarter. Excluding the effect of the COP depreciation during the quarter (+10.5%), gross loans increased by 4.7%.

The commercial portfolio grew by 6.8% during the quarter, mainly driven by the corporate and construction portfolios throughout the quarter.

Consumer loans had a 9.2% growth, largely attributable to increased disbursements of unsecured personal loans and credit cards, consistent with economic performance during the quarter.

Mortgage loans grew by 5.3%, driven by the different segments (traditional housing, low-income housing (VIS) and leasing), boosted by subsidy programs in Colombia.

Gross loans in the international operation reached 6.6 billion USD, a 3.9% increase, mainly as a result of growth in the commercial portfolio (+5.7%), followed by the consumer portfolio (+3.0%). Panama had a portfolio growth of 19.8%, followed by Honduras with 4.1%, El Salvador with 2.0% and Costa Rica with 0.7%.

Y/Y Performance:

Gross loans increased by 17.7% over the past year. Excluding the effect of the COP depreciation during the year (+10.7%), gross loans grew by 13.9%.

The commercial portfolio grew by 8.9%, mainly related to the performance of the corporate and SME segments.

Consumer loans increased by 32.7%, driven by higher disbursement rates of unsecured personal loans, payroll loans, and credit cards, in line with demand reactivation and economic performance, as mentioned above.

The mortgage portfolio expanded 17.7%, reflecting higher growth in traditional housing, residential leasing and low-income housing segments, especially in Colombia, in line with industry performance and supported by Government subsidies.

Gross loans in the international operation denominated in USD increased by 5.7%. This growth was mainly driven by the commercial portfolio, which added 227.4 million USD (+7.2%) in the year, followed by consumer loans 90.7 million USD (+5.6%) and mortgage loans $37.1 million USD (+2.7%). We highlight the bank's performance in Honduras and Panama, where gross loans grew by nearly 14.2% and 13.4% respectively.

Asset Quality and Coverage

	Consolidated			Colombia			International		
PDL	**2Q21**	**1Q22**	**2Q22**	**2Q21**	**1Q22**	**2Q22**	**2Q21**	**1Q22**	**2Q22**
Commercial	3.92%	3.04%	3.04%	4.60%	3.54%	3.62%	1.58%	1.35%	1.26%
Consumer	2.90%	1.93%	2.20%	2.66%	1.85%	2.17%	3.85%	2.36%	2.33%
Mortgage	4.96%	3.95%	3.75%	5.25%	4.07%	3.85%	3.72%	3.35%	3.32%
Total (90)[1]	3.90%	2.93%	2.96%	4.22%	3.14%	3.21%	2.66%	2.07%	1.99%
Mortgage (120)	4.17%	3.27%	3.06%	4.39%	3.34%	3.13%	3.22%	2.90%	2.78%
Total (120)[2]	3.70%	2.76%	2.78%	4.00%	2.95%	3.02%	2.54%	1.97%	1.88%

Portfolio	Stage 1	Stage 2	Stage 3	Total
Commercial	88.43%	6.78%	4.79%	57,020
Consumer	89.13%	8.71%	2.16%	40,781
Mortgage	93.12%	4.45%	2.43%	32,818
Total	**89.83%**	**6.79%**	**3.38%**	**130,619**

Q/Q Performance:

The Consolidated 90-days PDL closed at 2.96%, slightly increasing during the quarter (+3 bps), primarily due to the performance in the consumer portfolio.

The 90-days PDL for the commercial portfolio remained stable during the quarter, although there was an increase in Colombia as a result of certain projects in the construction segment.

The 90-days PDL for the consolidated consumer loans increased by 27 bps over the previous quarter, which is an expected behavior given portfolio growth.

The 90-days PDL and 120-days PDL for mortgage loans decreased by 20 bps and 21 bps, respectively, due to a better performance of recent vintages, and portfolio growth.

In Colombia, 90-days PDL increased by 7 bps over the quarter, while in Central America 90-days PDL decreased by 8 bps.

Write-offs for 2Q22 totaled 784 billion COP, increasing by 16.2% over the previous quarter, mainly concentrated in the consumer portfolio.

Write-offs	Quarterly Figures			% Chg.	
(COP billion)	2Q21	1Q22	2Q22	Q/Q	Y/Y
Total write-offs	1,165	675	784	16.2	-32.7

Y/Y Performance:

Consolidated 90-days PDL decreased by 94 bps year-on-year, explained by improvements across all segments. This behavior was mainly explained by portfolio growth, better customer payment performance and write-offs made during the year.

Write-offs decreased by 32.7% compared to 2Q21, explained by a return to normality in write-off dynamics and by improvements in client payment performance.

Accumulated write-offs decreased by 49.4% when compared to last year's result, this behavior is explained by the normalization in write-off dynamics and improvement in payment performance as previously mentioned.

Write-offs	Accumulated Figures		% Chg.
(COP billion)	2Q21	2Q22	Y/Y
Total write-offs	2,885	1,459	-49.4

Coverage

	Coverage		
Coverage	2Q21	1Q22	2Q22
Commercial	143.5%	157.8%	148.3%
Consumer	234.7%	336.1%	290.9%
Mortgage	47.5%	40.6%	40.9%
Total	131.5%	153.5%	147.2%

Q/Q Performance:

The Coverage ratio closed 2Q22 at 147.2%, a decrease of 630 bps compared to 1Q22, which is mainly attributable to the increase in loans over 90 days past due during the quarter.

Y/Y Performance:

The Coverage ratio increased by 1,570 bps on an annual basis, mainly due to lower levels of past due loans over 90 days for 2Q22 when compared to 2Q21; and write-offs made during the last twelve months

Funding Sources

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Funding Sources	**Jun. 21**	**Mar. 22**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**	**Jun.22**	**Q/Q**	**Y/Y**
Demand deposits	56,380	68,820	72,048	4.7	27.8	55,067	0.9	27.0	4,091	7.9	17.7
Term deposits	33,164	31,087	34,846	12.1	5.1	24,177	13.7	5.2	2,570	-1.7	-5.4
Bonds	15,595	16,406	16,961	3.4	8.8	14,177	1.9	3.5	671	0.9	32.5
Credits	13,359	14,136	15,687	11.0	17.4	11,115	15.4	32.1	1,101	-8.1	-16.5
Total	118,498	130,449	139,542	7.0	17.8	104,535	5.2	18.2	8,433	2.0	5.2

Q/Q Performance:

Funding sources totaled $139.5 trillion, a 7.0% increase over the previous quarter, mainly explained by growth in term deposits, credits with entities and demand deposits. Excluding the effect of the COP depreciation during the quarter (+10.5%), funding sources increased by 4.1%.

Demand deposits reached a 72.0 trillion COP balance, growing 4.7% over the quarter, mainly due to the increase in interest rates.

Term deposits amounted to 34.8 trillion COP, a 12.1% increase over the quarter, mainly explained by higher term deposits of individuals.

Bonds closed the first quarter with a 17.0 trillion balance, increasing by 3.4% compared to 1Q22, primarily due to the effect of the depreciation of the Colombian peso on international bonds.

Credits with entities reached a 15.7 trillion COP balance, growing by 11.0% over the quarter, primarily due to an increase in loans with foreign entities, where we highlight the loan acquired with JICA (Japan International Cooperation Agency) in April, 2022 for USD 150 million.

Gross loans to funding sources ratio was 93.6%, a 20 bps increase in relation to the previous quarter.

Y/Y Performance:

During the year, funding sources increased by 17.8%, following an increase in demand deposits, credits with entities and bonds. Excluding the effect of the depreciation of the Colombian peso during the year (+10.7%), funding sources increased by 13.6%.

The growth of traditional deposits resulted mainly from demand deposits, which grew by 27.0% in Colombia and 17.7% in Central America. Term deposits grew by 5.1% during the year, mainly in Colombia (+5.2%).

Bonds increased by 8.8% year-on-year compared to 2Q21, due to the issuance of local bonds in Central America and Colombia throughout the previous year, in addition to the effect caused by foreign currency bonds restatement (foreign exchange effect).

Credits with entities grew by 17.4% over the year. This outcome is explained to a great extent by the growth in financial obligations with entities abroad, as mentioned above.

Gross loans to funding sources ratio stood at 93.6%, decreasing 10 bps compared to the first quarter of 2021 (93.7%), mainly explained by the fact that gross loans have grown at a slower rate than total funding sources (19.6 trillion COP vs. 21.0 trillion COP).

Equity and Regulatory Capital

Total Regulatory Capital and Risk Weighted Assets (COP Billion)	Consolidated				
	New Regulation (Basel III)			% Chg.	
	2Q21	1Q22	2Q22	Q/Q	Y/Y
Equity	**13,478**	**13,931**	**14,872**	**6.8%**	**10.3%**
Common Equity Tier I Capital (CET1)	12,001	12,562	13,495	7.4%	12.4%
Additional Tier I Capital (AT1)	1,875	1,915	2,084	8.8%	11.2%
Tier II Capital	4,699	4,236	4,469	5.5%	-4.9%
Total Regulatory Capital	**18,574**	**18,713**	**20,048**	**7.1%**	**7.9%**
Credit RWAs	89,695	98,414	108,308	10.1%	20.8%
Market Value at Risk	4,213	4,807	4,301	-10.5%	2.1%
Operational Value at Risk	5,743	9,018	9,367	3.9%	63.1%
Risk Weighted Assets	**99,651**	**112,239**	**121,977**	**8.7%**	**22.4%**
CET1 Ratio	12.04%	11.19%	11.06%	-13 bps	-98 bps
Tier I Ratio	13.93%	12.90%	12.77%	-13 bps	-116 bps
Total Capital Adequacy Ratio	18.64%	16.67%	16.44%	-23 bps	-220 bps
Leverage Ratio	8.97%	8.39%	8.52%	13 bps	-45 bps

Q/Q Performance:

Consolidated equity totaled 14.9 trillion COP as of June 2022, a 6.8% increase over the previous quarter, mainly explained by the growth in profits for the quarter.

The Common Equity Tier 1 ratio (CET1) closed at 11.06%, decreasing 13 bps over the quarter. This is explained by an increase in Risk Weighted Assets, mainly related to the consumer and commercial portfolio growth.

The Additional Tier 1 capital increased by 8.8% over the quarter, as a result of the exchange rate effect.

Tier II Capital increased 5.5% over the quarter, mainly explained by the depreciation of the peso, despite the changes in subordinated debt weight.

The Total Capital Adequacy ratio decreased by 23 bps, closing at 16.44% at the end of June 2022.

On the other hand, the leverage ratio stood at 8.52%, 13 bps higher than in the previous quarter, mainly explained by growth in equity levels during the quarter.

Risk-Weighted Assets Density[5] stood at 73.3%, 210 bps higher than in 1Q22 (71.2%).

Y/Y Performance:

Consolidated equity increased by 10.3% compared to 2Q21, due to higher profits for the year.

The Common Equity Tier 1 ratio (CET1) decreased by 98 bps over the year, as a result of dividends distribution and an increase in Risk-Weighted Assets, mainly due to the commercial and consumer portfolios.

The total capital adequacy ratio decreased by 220 bps compared to the figure reported in 2Q21. Mainly explained by an increase in total Risk-Weighted Assets and a lower weight of subordinated debt.

The leverage ratio decreased by 45 bps compared to 2Q21, mainly explained by asset growth.

Risk-Weighted Assets Density grew by 210 bps compared to 2Q21 (71.2%).

[5] Risk-Weighted Assets' Density: (RWAs by Credit, Market and Operational Risk) / Total Assets.

INCOME STATEMENT

Income Statement	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	2Q21	1Q22	2Q22	Q/Q	Y/Y	2Q21	2Q22	Y/Y
Interest Income	2,698	3,100	3,563	14.9	32.1	5,135	6,663	29.8
Loan Income	**2,527**	**3,048**	**3,473**	**13.9**	**37.4**	**4,974**	**6,521**	**31.1**
Commercial	766	890	1,078	21.1	40.7	1,568	1,968	25.5
Consumer	1,014	1,283	1,483	15.6	46.3	1,974	2,766	40.1
Mortgage	747	876	912	4.2	22.1	1,432	1,788	24.8
Investment Income	**155**	**32**	**58**	**80.9**	**-62.6**	**133**	**90**	**-32.1**
Other Income	**15**	**20**	**32**	**62.2**	**105.7**	**28**	**51**	**83.2**
Financial Expenses	717	1,030	1,372	33.2	91.4	1,447	2,401	66.0
Demand Deposits	139	257	378	47.2	171.5	281	635	125.7
Term Deposits	260	320	439	37.4	69.1	532	759	42.6
Credits	85	102	138	36.0	62.0	187	240	28.4
Bonds	198	306	338	10.6	70.5	383	643	67.9
Other Expenses	34	46	78	69.2	129.3	63	124	97.4
Gross Financial Margin	1,981	2,070	2,191	5.9	10.6	3,688	4,261	15.5
Net Provision Expenses	700	699	663	-5.1	-5.2	1,835	1,361	-25.8
Net Interest Margin	1,281	1,372	1,528	11.4	19.3	1,853	2,900	56.5
Exchange and Derivatives	74	90	181	101.6	145.0	286	271	-5.3
Non Financial Income	**359**	**467**	**500**	**7.1**	**39.3**	**718**	**967**	**34.6**
Fee Income	320	404	419	3.9	30.9	647	823	27.2
Other Net Income and Expenses	39	63	81	28.3	109.1	71	143	101.2
Operating Expenses	**1,117**	**1,203**	**1,247**	**3.7**	**11.6**	**2,126**	**2,450**	**15.2**
Personnel Expenses	464	479	486	1.4	4.7	873	966	10.7
Operation Expenses	443	498	530	6.5	19.8	848	1,028	21.2
Other Expenses	210	225	230	2.1	9.6	405	455	12.4
Income before Taxes	597	725	962	32.7	61.1	731	1,688	130.9
Income Tax	165	214	305	42.7	85.0	197	519	163.2
Net Profit	**432**	**511**	**657**	**28.5**	**52.0**	**534**	**1,168**	**119.0**

Net Profit

Quarterly figures

Q/Q Performance:

Net profit reached 657.2 billion for the 2Q22, growing 28.5% over the quarter, mainly due to an increase in loan, investment and non-financial income, as well as a reduction in provision expenses. Consequently, the annualized quarterly return on average equity (ROAE) grew 375 bps from 14.50% to 18.25%.

Net income in Colombia totaled 506.5 billion, a 34.8% growth over the previous quarter. This performance is due to higher loan portfolio income (+16.6%) and other income (+69.1%) recorded for the quarter, in addition to lower provision expenses (-8.1%).

Profits in Central America totaled nearly 38.4 million USD, a 10.9% increase over the quarter, supported by higher investment income (+34.9%) and non-financial income (+20.3%). This profit increase is explained to a greater extent by the performance in El Salvador and Panama.

Y/Y Performance:

Consolidated profits increased by 224.9 billion over 2Q21's figure, mainly due to higher loan portfolio and non-financial income, coupled with lower provision expenses.

Net profits in Colombia grew by 189.7 billion COP. This performance is mainly explained by a 44.7% increase in loan portfolio income and a 41.5% increase in fee income, combined with a 7.8% reduction in provision expenses.

Net profits in the international operation in USD increased by 6.7 million compared to 2Q21. This is mainly due to an increase in foreign exchange and derivative income (160.1%) and higher loan income (+1.7%).

Accumulated figures

Y/Y Performance:

Consolidated profits closed at 1,17 trillion, a 119.0% increase compared to the figure accumulated as of June 2021. This is mainly explained by an increase in loan income, a reduction in provision expenses and higher non-financial income.

The 12-month return on average equity (ROAE) ended 2Q22 at 13.44%, 887 bps higher than the figure reported in the second quarter of the previous year.

In Colombia, net profits totaled 882.1 billion, a 129.5% increase compared to June 2021, in line with the performance of the consolidated figures.

In the international operation, accumulated profits in USD closed at 73.1 million USD, a 77.7% increase, mainly due to lower expenses in loan loss provisions, lower financial expenses and an increase in non-financial income and foreign exchange and derivative income.

Gross Financial Margin

Gross Financial Margin	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	2Q21	1Q22	2Q22	Q/Q	Y/Y	2Q21	2Q22	Y/Y
Loan Income	2,527	3,048	3,473	13.9	37.4	4,974	6,521	31.1
Investments and Interbank Income	171	52	90	73.8	-47.3	161	142	-12.0
Financial Income	2,698	3,100	3,563	14.9	32.1	5,135	6,663	29.8
Financial Expenses	717	1,030	1,372	33.2	91.4	1,447	2,401	66.0
Gross Financial Margin	1,981	2,070	2,191	5.9	10.6	3,688	4,261	15.5

Quarterly figures

Q/Q Performance:

The consolidated gross financial margin for the quarter reached 2.2 trillion COP, a 5.9% increase, mainly explained by growth in loan income by 424.6 billion pesos (+13.9%), and an increase in investment income worth 25.9 billion pesos (+80.9%).

Loan income increased in line with asset repricing due to increases in the monetary policy interest rate, portfolio growth and changes in the portfolio mix.

Investment income increased as a result of high interest rates throughout the market, which led to higher interest income.

During the quarter, financial expenses increased in line with the liabilities' repricing, in line with higher interest rates in Colombia and Central America.

The annualized quarterly NIM reached 6.22%, a 9 bps increase versus 1Q22, as a result of a higher gross financial margin. When including foreign exchange and derivative income to reflect the result of our hedging strategy, the NIM closed at 6.73%, increasing by 33 bps over the quarter.

NIM				Bps. Chg	
Annualized Quarter	2Q21	1Q22	2Q22	Q/Q	Y/Y
Total NIM	6.41%	6.13%	6.22%	9	-19
Total NIM FX+D	6.65%	6.40%	6.73%	33	8

Y/Y Performance:

The gross financial margin for the second quarter of the year increased by 10.6% compared to the same quarter of last year. This variation is mainly explained by an increase in loan income (+37.4%), as explained above.

In Colombia, the gross financial margin grew by 10.6%. This performance is attributable to loan income, which increased by 44.7% mainly due to higher income from consumer and commercial loans. On the other hand, financial expenses increased by 126.3% during the year, as a result of high interest rates which affects funding costs.

In the international operation, the gross financial margin in USD grew by 4.1% over the year, as a result of the increase in loan income. Also, investment income presented a 4.0% growth. Financial expenses decreased, mainly due to the performance in Costa Rica and Panama, in line with the reduced balance of term deposits.

Accumulated figures

Y/Y Performance:

The accumulated gross financial margin as of June 2022, reached nearly 4.3 trillion COP, increasing by 15.5% compared to the same period of 2021, due to higher financial income (+29.8%), which compensated the increase in financial expenses (+66.0%).

In Colombia, the accumulated gross financial margin closed at 3.4 trillion COP, a 16.6% increase, consistent with higher loan income following hikes to the monetary policy rate in Colombia, which rose from 1.75% in June 2021 to 6.00% in June 2022. On the other hand, investment income was still impacted throughout the year, due to the high interest rates which affected the portfolio's valuation.

In the Central American operation, the accumulated gross financial margin reached 207.8 million USD, a 2.9% increase, as a result of lower financial expenses in deposits (mainly in Honduras and Costa Rica) and in credits with entities.

The 12-month NIM stood at 6.03%, decreasing by 5 bps relative to the figure reported in 2Q21, mainly as a result of higher interest earning assets, even considering the growth seen in the gross financial margin. However, when including foreign exchange and derivative income to reflect the result of our hedging strategy, the NIM stands at 6.39%, increasing by 9 bps in the period.

NIM				Bps. Chg	
12 Months	2Q21	1Q22	2Q22	Q/Q	Y/Y
Total NIM	6.08%	6.09%	6.03%	-6	-5
Total NIM FX+D	6.30%	6.38%	6.39%	1	9

Provision Expenses

Provision Expenses	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	2Q21	1Q22	2Q22	Q/Q	Y/Y	2Q21	2Q22	Y/Y
Provision for credit losses	968	920	919	-0.1	-5.1	2,373	1,839	-22.5
Loan recoveries	273	222	256	15.6	-6.0	542	478	-11.8
Net loan sales	-4	0	0	NA	NA	-4	0	NA
Net Provision Expenses	**700**	**699**	**663**	**-5.1**	**-5.2**	**1,835**	**1,361**	**-25.8**

Quarterly figures

Q/Q Performance:

Provisions expenses (net of recoveries) totaled 662.9 billion COP, a 5.1% decrease compared to the previous quarter. This is mainly explained by better customer payment behavior seen mostly in new credit placements.

As a consequence, the annualized quarterly Cost of Risk stood at 2.03%, a 26 bps decrease compared to the first quarter of 2022.

Cost of Risk				Bps. Chg	
Annualized Quarter	2Q21	1Q22	2Q22	Q/Q	Y/Y
CoR	2.52%	2.29%	2.03%	-26	-49

Y/Y Performance:

In the consolidated operation, provision expenses (net of recoveries) decreased by 5.2% compared to June 2021, a period in which significant efforts remained in place to cover the portfolio's risk amid the ending of relief measures.

Accumulated figures

Y/Y Performance:

Provision expenses (net of recoveries) as of June 2022 reached 1.4 trillion COP, a 25.8% decrease compared to the same period in 2021, mainly due to economic recovery throughout the year, which improved the risk profile of the loan portfolio, as well as to improved macroeconomic expectations for Colombia and Central America.

The 12-month Cost of Risk stood at 2.16%, a 160 bps reduction compared to the figure recorded the previous year.

Cost of Risk				Bps. Chg	
12 months	2Q21	1Q22	2Q22	Q/Q	Y/Y
CoR	3.76%	2.35%	2.16%	-19	-160

Non Financial Income

Non Financial Income	Quarterly Figures			% Var.		Accumulated Figures		% Var.
(Billion COP)	2Q21	1Q22	2Q22	Q/Q	Y/Y	2Q21	2Q22	Y/Y
Fee income	320	404	419	3.9	30.9	647	823	27.2
Other Net Income and Expenses	39	63	81	28.3	109.1	71	143	101.2
Non-Financial Income	**359**	**467**	**500**	**7.1**	**39.3**	**718**	**967**	**34.6**

Quarterly figures

Q/Q Performance:

Non-financial income totaled 500 billion COP in the second quarter of the year, a 7.1% increase over the previous quarter. This performance mainly corresponds to higher insurance commissions, transactional and credit and debit card fees, and also higher income received by Davivienda Corredores (brokerage).

Other net income and expenses increased by 28.3% compared to the previous quarter, mainly due to the growth in dividend income.

Y/Y Performance:

Non-financial income grew by 39.3% compared to the same period of the previous year, driven by higher fee and service income. This result is explained by the increase in credit and debit card fees, insurance commissions, and charges related to deposits, withdrawals and networks.

Other net income and expenses increased by 109.1% compared to the same quarter of the previous year, mainly due to growth in dividend income and income related to the sale of assets received as payment in Central America.

It is worth mentioning that non-financial income growth is explained in part due to a base effect since during the first half of 2021, Davivienda was still charging lower fees in some cases to provide aid amidst the pandemic; and as income generated by the collection company acquired during the third quarter of 2021 had not yet been incorporated into the financial statements.

Accumulated figures

Y/Y Performance:

Accumulated non-financial income as of June 2022 increased by 34.6% over the previous year, mainly as a result of higher income from credit and debit card fees, greater transactionality and billing, and income for services provided by Davivienda Corredores, and the previously mentioned base effect.

Other income increased by 101.2% compared to the value obtained as of June 2021, thanks to the performance seen in insurance operations and dividends.

Operating Expenses

Operating Expenses	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	2Q21	1Q22	2Q22	Q/Q	Y/Y	2Q21	2Q22	Y/Y
Personnel Expenses	464	479	486	1.4	4.7	873	966	10.7
Operating Expenses and Others	653	723	761	5.2	16.5	1,254	1,484	18.4
Total Expenses	**1,117**	**1,203**	**1,247**	**3.7**	**11.6**	**2,126**	**2,450**	**15.2**

Quarterly figures

Q/Q Performance:

In 2Q22, operating expenses increased by 3.7% compared to the previous quarter, reflecting an increase in operating and other expenses associated with professional fees, maintenance, repairs, cloud services and marketing.

The efficiency ratio for the quarter totaled 43.8%, a 201 bps reduction compared to 1Q22.

Cost-to-Income				Bps. Chg	
Annualized Quarter	2Q21	1Q22	2Q22	Q/Q	Y/Y
Cost-to-Income	46.5%	45.8%	43.8%	-201	-272

Y/Y Performance:

Operating expenses for 2Q22 increased by 11.6% compared to the second quarter of the previous year, impacted by an 8% depreciation in the average exchange rate, as well as inflation levels and the wage increase in Colombia and expenses related to our collection company whose expenses were not incorporated during 2Q21.

Additionally, this performance is explained by operating and other expenses (+16.5%), related to taxes, insurance, cloud services, marketing and professional fees.

In addition, personnel expenses increased by 4.7%, mainly due to salary increases in 2022 and higher sales force incentives for product sales..

Accumulated figures

Y/Y Performance:

Accumulated operating expenses as of June 2022 reached 2.4 trillion COP, a 15.2% increase compared to June 2021, impacted by the exchange rate, inflation, as well as wages increase in Colombia and expenses related to our collection company whose expenses were not incorporated, as previously mentioned.

Operating and other expenses were driven by insurance expenses, taxes, cloud services and marketing.

Personnel expenses presented a growth mainly explained by the increase in sales force incentives for product sales and salaries, as well as personnel expenses related to the collection company acquired in 2021.

The 12-month Efficiency ratio closed the second quarter of the year at 46.6%, a 25 bps increase over the previous year, reflecting growth in expenses over the past 12 months.

Cost-to-Income				**Bps. Chg**	
12 months	**2Q21**	**1Q22**	**2Q22**	**Q/Q**	**Y/Y**
Cost-to-Income	46.3%	47.4%	46.6%	-78	25

Taxes

Quarterly figures

Income Tax				**% Chg**	
Quarter	**2Q21**	**1Q22**	**2Q22**	**Q/Q**	**Y/Y**
Tax	165	214	305	42.7	85.0

Q/Q and Y/Y Performance:

Income tax totaled $305.2 billion presenting a 42.7% increase over the previous quarter and 85.0% over the second quarter of 2021, as a result of higher profits before taxes during the quarter.

The effective tax rate for the quarter was 32%.

Accumulated figures

Y/Y Performance:

Accumulated income tax as of June 2022 was 519.1 billion COP, a 163.2% increase over the amount accrued in the same period of the previous year, due to an increase in income before taxes.

Accordingly, the accumulated effective tax rate increased by 3.8 pps compared to June 2021, from 27.0% to 30.8% as of June 2022. The increase in the effective tax rate is mainly explained by the growth in profits and in the nominal income tax rate, which went from 34% in 2021 to 38% in 2022.

Income Tax Accumulated	2Q21	2Q22	% Chg Y/Y
Tax	197	519	163.2

Glossary

1. **PDL > 90 =** Past due Loans > 90 days / Gross Loan Portfolio
2. **Mortgage PDL > 120 =** Past due Mortgage Loans > 120 days / Gross Loan Portfolio
3. **Total PDL > 120 =** (Mortgage > 120 days + Commercial > 90 days + Consumer > 90 days) / Gross Loan Portfolio
4. **Coverage:** Loan Loss Provisions / Past due Loans > 90 days
5. **Gross Loans / Funding Sources =** Gross Loan Portfolio / (Demand Deposits + Term Deposits + Credits with Entities + Bonds)
6. **ROAE (12 months) =** Net Profits (12 months) / Average Equity (5 Quarters).
7. **ROAE (Annualized Quarter) =** (Net Profits (Quarter) x 4)/ Average Equity (2 Quarters)
8. **ROAA (12 months)) =** Net Profits (12 months) / Average Assets (5 Quarters).
9. **ROAA (Annualized Quarter) =** (Net Profits (Quarter) x 4) / Average Assets (2 Quarters)
10. **NIM (12 months) =** Gross Financial Margin (12 months) / Average Interest Earning Assets (5 quarters)
11. **NIM (Annualized Quarter)=** Gross Financial Margin (Quarter) x 4/ Average Interest Earning Assets (2 Quarters)
12. **NIM (FX&D)(12 months) =**(Accumulated Gross Financial Margin (12 months) + Accumulated Exchanges and Derivatives (12 months)) / Average Interest Earning Assets (5 Quarters)
13. **NIM (FX&D) (Annualized Quarter) =** (Gross Financial Margin (Quarter) + Exchanges and Derivatives (Quarter) x 4) / Interest Earning Assets (2 Quarters)
14. **Loan NIM (12 months) =**(Loan Income (12 months) - (Savings Accounts Expenses (12 months) + Checking Accounts Expenses (12 months) + Term Deposit Expenses (12 months) + Credits with Entities Expenses (12 months) + Bond Expenses (12 months)) / Average Interest Earning Loans (5 Quarters)
15. **Investment NIM (12 months) =**(Fixed Income Securities Income (Accum. 12 months) + Interbank Income (Accum. 12 months) - Financial Expenses due to Monetary Market Operations (Accum. 12 months)) / (Average Fixed Income Securities (5 Quarters) + Average Interbank Funds (5 Quarters))
16. **Investment NIM (FX&D) (12 months) =**(Fixed Income Securities Income (Accum. 12 months) + Interbank Income (Accum. 12 months) - Financial Expenses due to Monetary Market Operations (Accum. 12 months) + (Exchanges and Derivatives (Accum. 12 months)) / (Fixed Income Securities (5 Quarters) + Interbank Funds (5 Quarters))
17. **Cost of Risk (12 months) =** Provision Expenses (12 Months) / Gross Loans
18. **Cost of Risk (Annualized Quarter) =** Provision Expenses (Quarter) x 4 / Gross Loans
19. **Non Financial Income Ratio =** Total Non Financial Income /(Gross Financial Income + Non Financial Income + Exchange and Derivative Income)
20. **Earnings per Share (EPS) COP =** (Accumulated Net Profits (12 months)) / Total Shares
21. **Earnings per Share (EPS) USD =** (Accumulated Net Profits (12 months) / Exchange Rate as of the close of the Current Reported Quarter) / Total Shares

22. **Price / Earnings per Share (P/E) =** Preferred Share Closing Price / Earnings per Share (EPS) COP
23. **Book Value per Share (BV) COP =** (Consolidated Equity - Non-controlling Interest) / Total Shares
24. **Price to Book Value (P/BV) (x) =** Preferred Share Closing Price / Book Value per Share (BV) COP
25. **Market Capitalization (Bn COP) =** Total Shares * Preferred Share Closing Price
26. **Market Capitalization (Bn USD) =** (Total Shares * Preferred Share Closing Price) / Exchange Rate as of the close of the Current Reported Quarter
27. **Preferred Share Closing Price USD =** Preferred Share Closing Price COP / Exchange Rate as of the close of the Current Reported Quarter

Investor Relations and Capital Management
(+57) 601 2203495
ir@davivienda.com- ir.davivienda.com
www.davivienda.com
Bogotá - Colombia

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA