



Davivienda to integrate Scotiabank operations in Colombia, Costa Rica and Panama, evolving into a Latin-Global Bank

Banco Davivienda

January 7, 2025

■ Disclaimer



Forward-Looking Information Statement

This communication contains certain forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding the proposed transaction, the anticipated benefits of the transaction, and the expected timing of closing. Forward-looking statements are based on the current expectations, assumptions, and beliefs of the management of the parties involved and are subject to various risks, uncertainties, and factors that could cause actual results or outcomes to differ materially from those expressed or implied in such statements.

These risks and uncertainties include, but are not limited to:

- The ability to obtain regulatory approvals and satisfy other closing conditions in a timely manner or at all.
- The possibility that the proposed transaction may not be completed as expected or at all.
- The impact of the transaction on the financial condition, operating results, and business strategies of the parties involved.
- Economic, market, or industry conditions that may affect the parties' operations post-transaction.
- Unexpected legal or regulatory developments that could delay or prevent the transaction.

Additionally, forward-looking statements are inherently uncertain, as they depend on future events, many of which are outside the control of the parties involved. Readers are cautioned not to place undue reliance on these forward-looking statements.

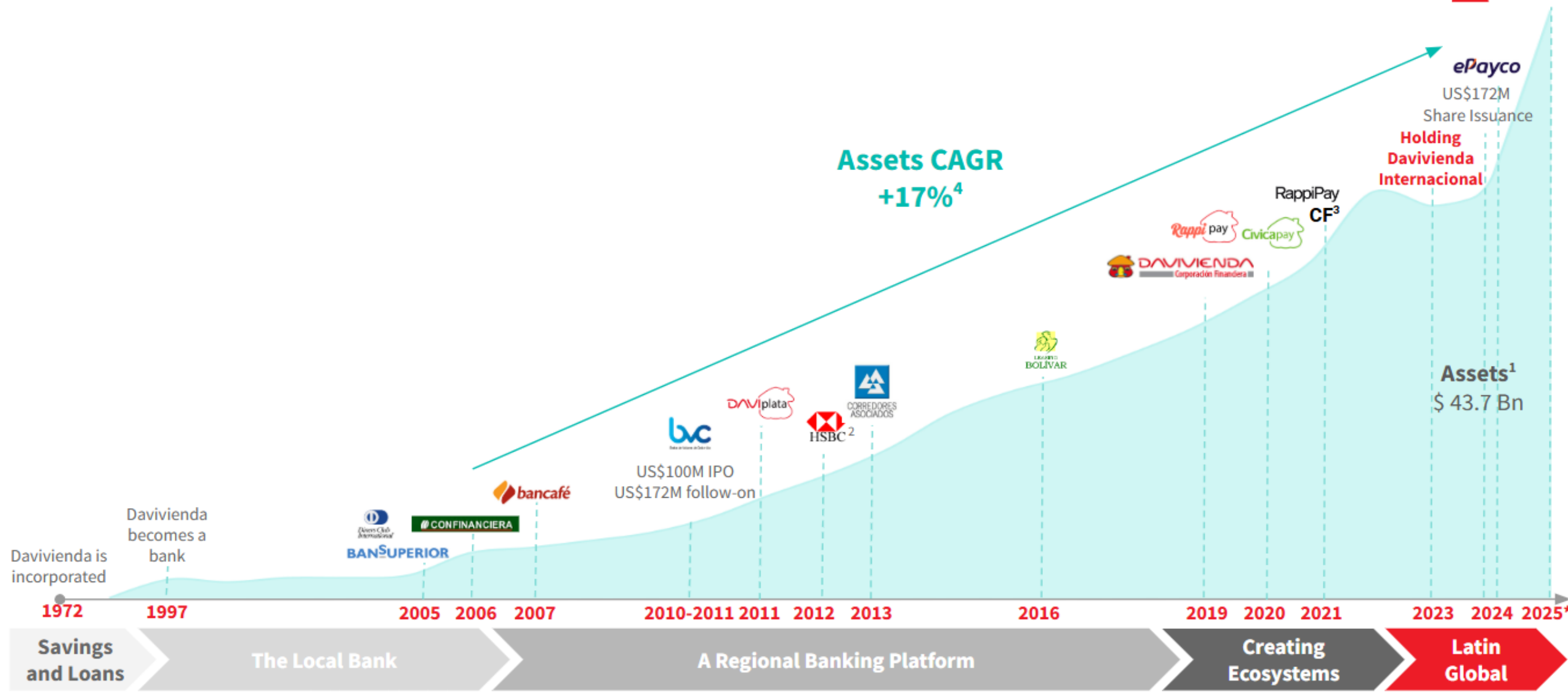
Except as required by applicable law, neither party undertakes any obligation to publicly update or revise any forward-looking statements to reflect new information, future events, or otherwise after the date of this communication.

The figures for the Consolidated, Individual, and Pro Forma Financial Statements for operations originally in pesos are calculated in dollars for the Balance Sheet using the closing rate COP/USD 4,178.3 and for the P&L using the average rate COP/USD 3,980.06.

The figures for the Consolidated, Individual, and Pro Forma Financial Statements for operations originally in Costa Rican Colones are calculated in dollars for the Balance Sheet using the closing rate CRC/USD 521.69 and for P&L using the average rate CRC/USD 519.7.

Davivienda

A story of learning and innovation with proven track record of sustainable growth



1. Consolidated figures in Billion USD as of September 2024. 2. Operation of HSBC in Central America. 3. RappiPay Financing Company by its acronym in Spanish. 4. Compound annual growth rate between 2006 and Sep.24.
*Expected increase in assets from BNS integration: around 40%. The transaction is expected to close during the second half of 2025, subject to corporate and regulators approvals.



Transaction Overview

Transaction Overview



Description

- > Davivienda to integrate Scotiabank's operations in Colombia, Costa Rica and Panama in exchange of newly issued common and preferred shares for an approximately a 20% ownership stake in Davivienda's combined operations.
- > Scotiabank operations in Colombia, Panama and Costa Rica amount to: USD 16.8 Bn in Assets, 12.4 Bn in Gross Loans, 12.8 Bn in Deposits, 1.5 Bn in Equity¹.

Governance

- > BNS will participate in Davivienda's combined operations Board of Directors.

Approvals & Timing

- > The transaction has already been approved by Davivienda and BNS Boards, and is expected to close in the second semester of 2025 (subject to other corporate and regulatory approvals).

Accounting Records

- > Impacts to be observed at closing.



Transaction Rationale

■ Transaction Rationale



1

Significantly strengthens our presence in Colombia, Costa Rica and Panama.

2

Allows us to complement our value offering and provides new lines of business to capitalize on.

3

Allows us to improve results through a more diversified portfolio and by capturing efficiencies.

4

Generates value for our shareholders and maintains healthy capital ratios.

5

Bring aboard a renowned partner to continue exploring business opportunities with.



1 Significantly strengthens our presence in Colombia, Costa Rica and Panama

Davivienda's assets and equity will grow by around 40%, and our banking operations' market shares by assets are expected to increase in over 150 bps.

<i>USD Billion</i>	Davivienda Consolidated¹	BNS COL, CR, PN²	Pro Forma Combined Operations³	x Times
Assets	43.7	16.8	59.7	1.4
Gross Loans	33.7	12.4	45.5	1.4
Commercial	15.8	4.1	19.2	1.2
Consumer	8.3	3.9	12.2	1.5
Mortgage	9.6	4.5	14.1	1.5
Liabilities	39.9	15.3	54.5	1.4
Deposits	31.0	12.8	43.2	1.4
Equity	3.8	1.5	5.2	1.4
Customers	24.6	2.8	27.4	1.1

<i>USD Billion</i>	Davivienda⁴		Pro Forma Combined Operations^{3,4}		
Operation	Gross Loans	Market Share	Gross Loans	x Times	Market Share
Colombia	24.9	14.9%	31.6	1.3	18.8%
Costa Rica	2.4	6.5%	5.1	2.1	13.2%
Panama	1.1	1.3%	3.3	3.2	4.8%



2 Allows us to complement our value offering...

Over the years, Davivienda has complemented its offerings for individuals and businesses, building a comprehensive portfolio of financial services and venturing into non-financial products through the development of ecosystems and other businesses.

	 Colombia	 Costa Rica	 El Salvador	 Panama	 Honduras	 Miami
 Banking	✓ 	✓ 	✓	✓ 	✓	✓
 Daviplata	✓		✓			
 Insurance	✓ ¹	✓ 	✓	 ²	✓	
 Brokerage	✓ 		✓	✓		✓
 Trust	✓ 					
 Leasing	✓	✓ 				
 Merchant Bank	✓					
 Collection Agency	✓					
 Investment Banking	✓  ³	 ³	 ³	 ³	 ³	

1. Davivienda offers insurance services in Colombia in synergy with Seguros Bolívar, an entity of Grupo Bolívar. 2. Through reinsurance. 3. Through the added services and capabilities enabled by the partnership.



2 ... and provides new business opportunities to capitalize on

BNS operations and partnership complement Davivienda's approach, enhancing product and service offering with a Global outreach.



Colombia

- **Alliances and Partnerships:** Ability and expertise to generate alliances and partnerships such as Codensa, PriceSmart and Cencosud.
- **Enrich cash management and lending services** provided to corporates and SMEs.



Costa Rica

- **Improve value offering** with asset management Services.
- **Improve position** in the retail segment (consumer and SMEs).
- Commercial banking **focused on multinationals** and big corporates.



Panama

- Improve value offering with **new products** such as leasing, payrolls for public sector employees, trust products.
- **Entering** into the acquiring business.
- **Improve position** in the retail segment (consumer and SMEs).
- Commercial banking **focused on multinationals** and big corporates.

Our customers will be able to access a global network of opportunities through a referral agreement

The integration allows to strengthen Davivienda's value offering by being able to provide customers an enriched portfolio of global services through referrals to BNS. The added portfolio services may include:

- Investment Banking knowledge and capabilities (structuring, origination and execution of capital markets transactions).
- Enhance the value offering for corporates through access to global financial services, greater financing capabilities, strategic advisory for big projects. Some of the added services include offshore lending, offshore cash management, offshore deposits, structured notes.

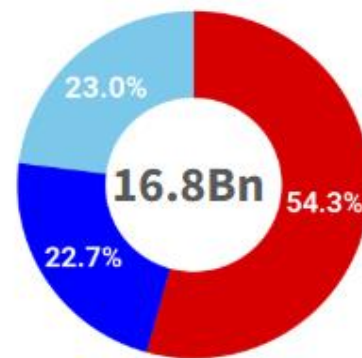
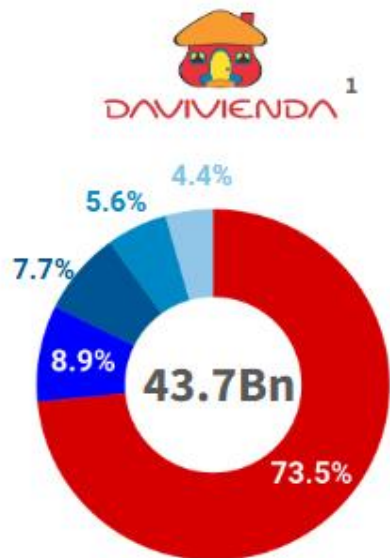


3 Allows us to improve results through a more diversified portfolio...

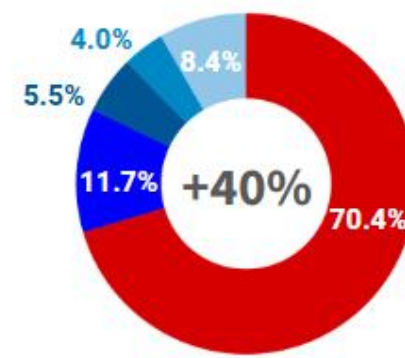
Higher geographic diversification and an increased share of consumer loans, expected to support margin generation in the medium to long term.

Assets by Geography

- Colombia
- Costa Rica
- El Salvador
- Honduras
- Panama

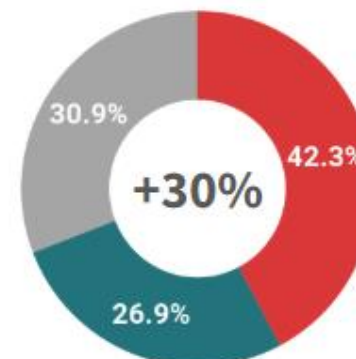
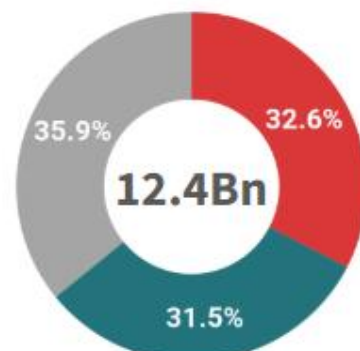
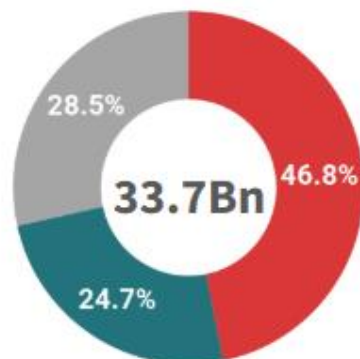


Pro Forma Combined Operation³



Loan Mix

- Commercial
- Consumer
- Mortgage



All Figures in USD Billion.

1. Figures under IFRS as of Sep. 24. 2. Davivienda estimates. Colombia and Costa Rica under local accounting, Panama figures under IFRS. Colombia and Costa Rica as of Sep. 24, Panama as of Oct. 24. 3. Proforma calculations reflect an estimate based on Davivienda and BNS accounting figures and expected changes at closing.



3 Allows us to improve results by capturing efficiencies...

Capture Efficiencies

- Potential to capture efficiencies across the operations, processes and technologies.
- Efficiently leverage on the capacity of both operations and commercial networks, to increase productivity and seize scalability benefits.
- Annual pre-tax cost synergies of ~1 Tn. COP (~220 M USD) identified after fully executing the integration process (40% Effective tax rate).

~550 bps

**Cost to Income
improvement**

~35 bps

**Cost to Assets
improvement**

~230 bps

**ROAE
improvement**

Income Generation

- Potential to generate additional income through an enhanced value offering for current customers, deepening relationship with new customers, referral agreement fees, among others.
- Revenue synergies or additional sources of income not modeled.



4 Generates value for our shareholders and maintains healthy capital ratios

Pro forma Consolidated Figures
as of Sep. 24

	Equity	%
BNS Col + CR + PN	1.5 ¹	29.2%
Davivienda Consolidated	3.8	70.8%
Pro forma Combined Operations	~5.2	100.0%
x Times	~1.41	
BNS Share in Combined Operations	~20.15%	

Value Generation for Current Davivienda Shareholders	%	Equity	Corresponding Value of Equity Held
Current Share in Davivienda	100.00%	3.8	3.8
Share in Combined Operations	~79.85%	5.2	~4.2
Increase in Value			> 11%*

> Current Davivienda shareholders to own an operation around **1.4x** the current size in equity, benefiting from owning a bigger company.

> Potential increase in the value of the equity hold: **> 11%***.

Pro forma Consolidated Figures
as of Sep. 24

	Common Equity Tier 1	RWAs	CET1
Banco Davivienda ²	3.3	31.6	10.37%
BNS Colombia ²	0.6	6.2	9.95%
BNS Costa Rica ³	0.5	2.6	19.24%
BNS Panama ²	0.2	2.3	10.36%
Pro forma Combined Operations	4.6	42.7	10.86%
Pro forma with Expected Adjustments*	4.6	42.6	10.74%

~30
bps

> The transaction allows to maintain **healthy capital ratios, above our internal reference levels.**

5 *Bring aboard a renowned partner to continue exploring business opportunities with*



- Operating for over 190 years.
- Assets of 1.4 Trillion CAD as of Oct. 2024 (~1 Tn. USD).
- Key markets: Canada, the US, Mexico, English Caribbean, representing over 80% of earnings. With presence in Latam (including Peru and Chile), Europe and Asia.
- Offers a wide range of products and solutions across personal, commercial, corporate banking, wealth management and capital markets through four business segments: Canadian Banking, International Banking, Global Wealth Management and Global Banking and Markets.



DAVIVIENDA

Investor Relations

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Bogota, Colombia





Appendix



Operations to be integrated by Davivienda

Colombia	<ul style="list-style-type: none">● Scotiabank Colpatría¹<ul style="list-style-type: none">○ Scotia Securities S.A.○ Fiduciaria Scotiabank Colpatría S.A.	Bank Broker Trust
Costa Rica	<ul style="list-style-type: none">● Corporación Mercaban de Costa Rica S.A.● Grupo BNS de Costa Rica S.A.<ul style="list-style-type: none">○ Scotiabank de Costa Rica S.A.○ Scotia Leasing Costa Rica S.A.○ Scotia Sociedad de Fondos de Inversión S.A.○ Scotia Corredora de Seguros S.A.○ Scotia Safe S.A.	Holding Holding Bank Leasing Asset Management Insurance Broker
Panama	<ul style="list-style-type: none">● Scotiabank Panama Branch: Assets and Liabilities● BNS International (Panama) S.A.● BS Business Corp Inc. and subsidiary● Scotia Panama Trust Company S.A.● Scotia Leasing Panama S.A.● Greyfield Holding S.A.	Branch Holding Holding Trust Leasing Real Estate

1. Scotiabank Colpatría S.A. also owns Crédito Fácil Codensa S.A., which is currently in dissolution process.



Significantly strengthening our presence

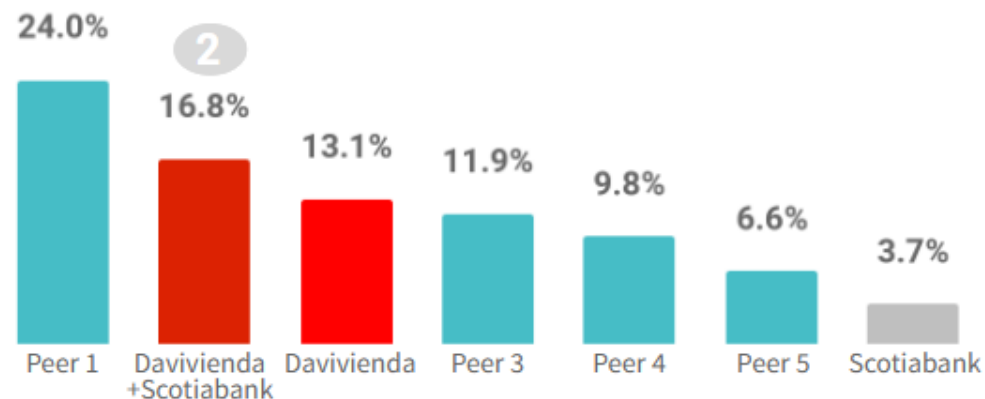
Colombia



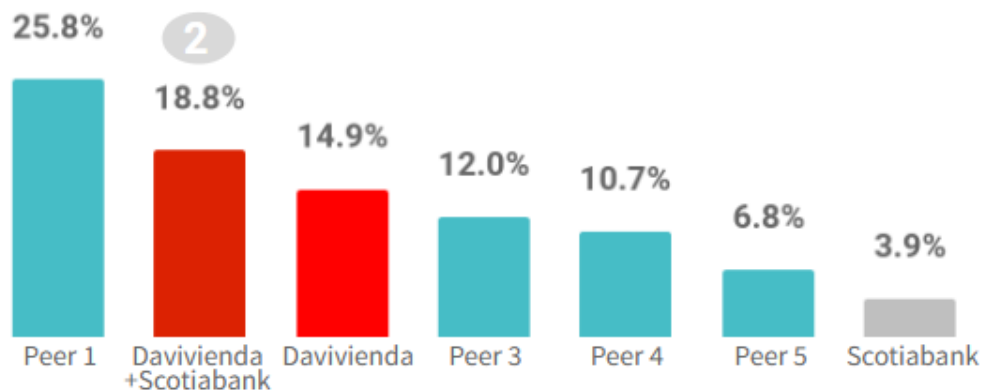
Size¹

	Davivienda	Davivienda + BNS	x Times
Assets	33.3	42.3	1.3
Gross Loans	24.9	31.6	1.3
Deposits	23.2	29.6	1.3
Equity	3.4	4.0	1.2

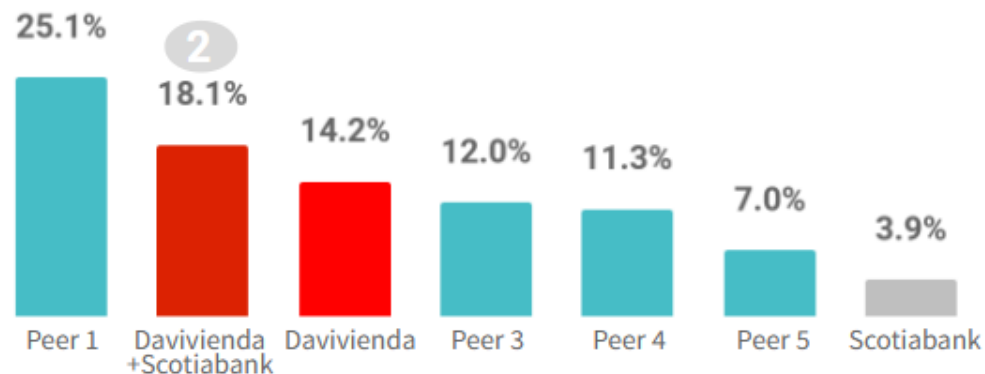
Market Share by Assets



Market Share by Loans



Market Share by Deposits



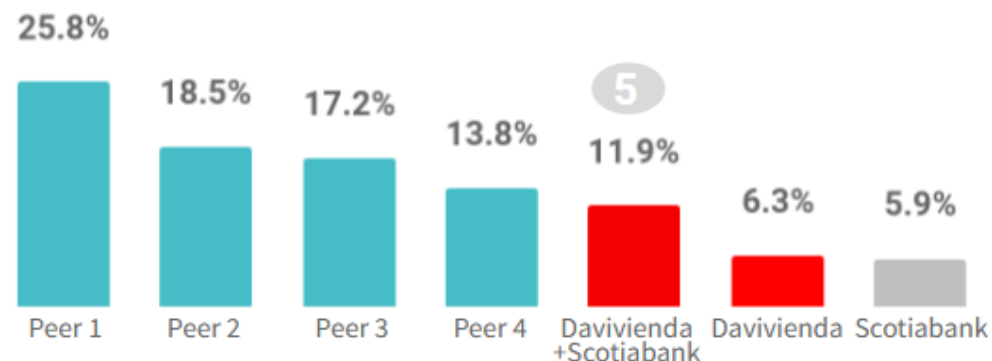


Significantly strengthening our presence

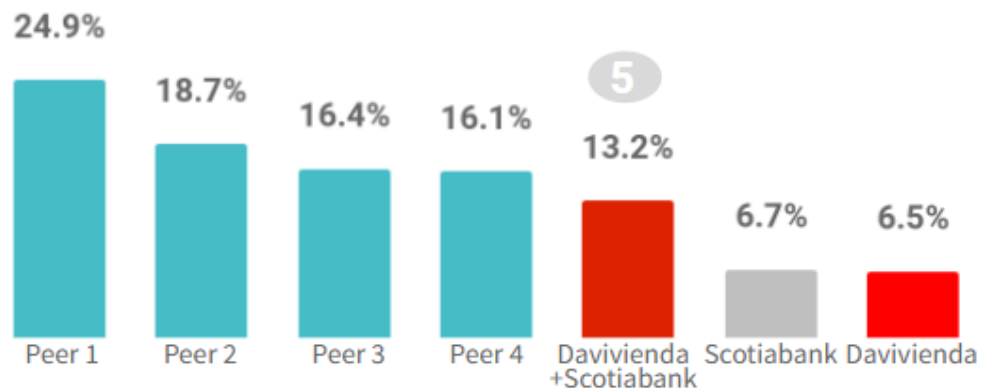
Costa Rica 

	Size ¹		
	Davivienda	Davivienda + BNS	x Times
Assets	3.8	7.4	1.9
Gross Loans	2.4	5.1	2.1
Deposits	2.2	5.1	2.3
Equity	0.5	0.9	1.7

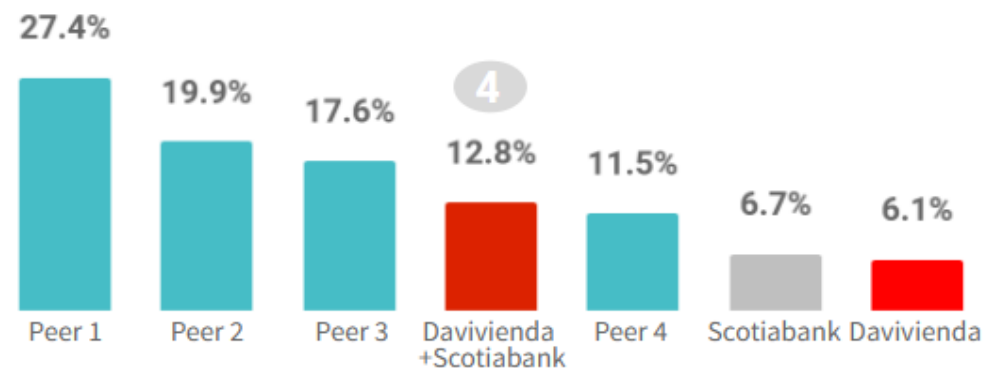
Market Share by Assets



Market Share by Loans



Market Share by Deposits



1. Individual Figures under local accounting in USD Million as of September 2024.
Market Share for Banks in the local market as of September 2024.



Significantly strengthening our presence

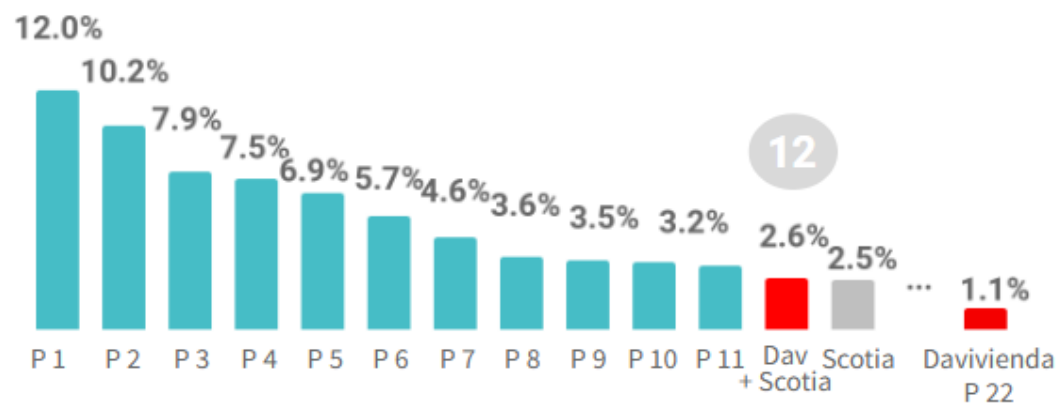
Panama



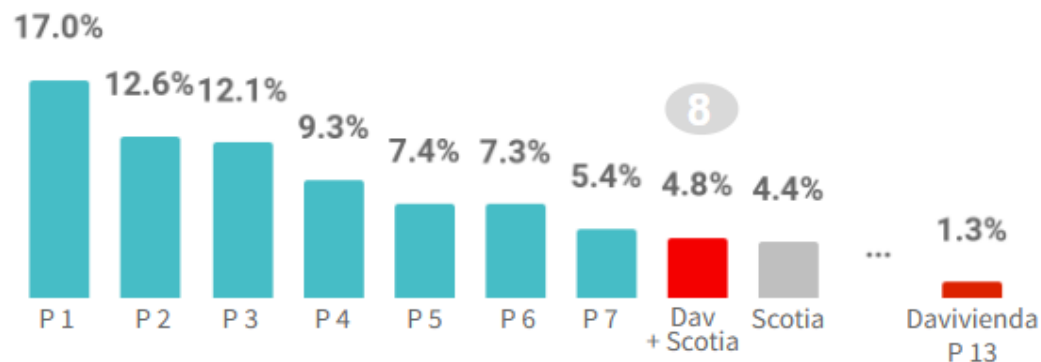
Size¹

	Davivienda	Davivienda + BNS	x Times
Assets	1.7	4.9	2.8
Gross Loans	1.1	3.3	3.2
Deposits	1.5	4.3	2.9
Equity	0.2	0.4	2.1

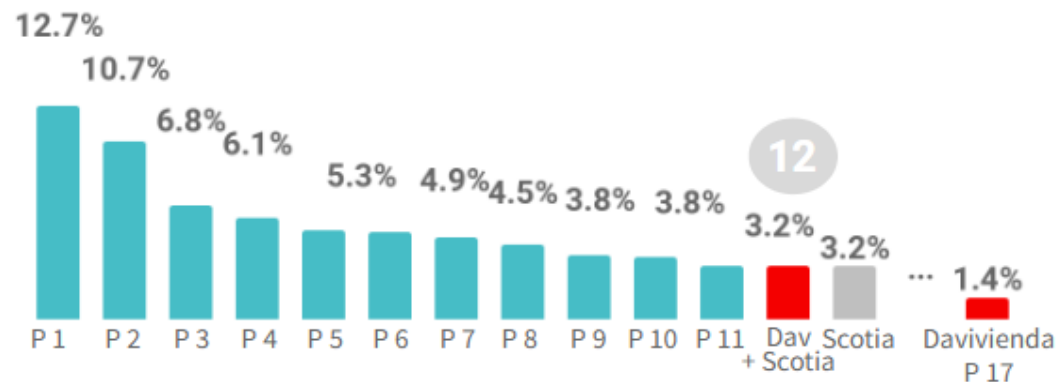
Market Share by Assets



Market Share by Loans



Market Share by Deposits



1. Individual Figures under local accounting in USD Million as of September 2024.
Market Share for Banks in the local market as of September 2024.



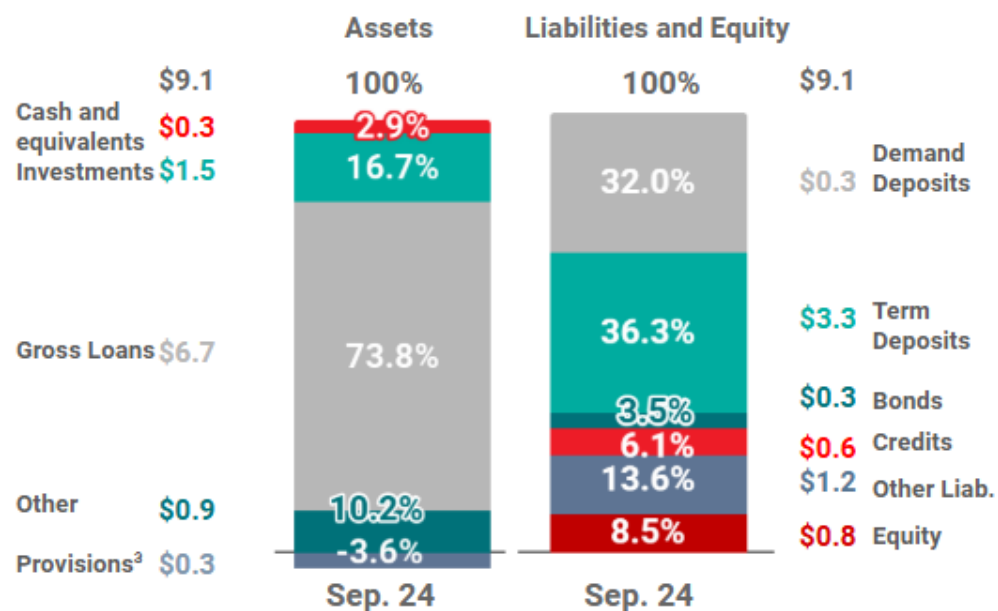
Footprint

Customers	2.4 M
Branches	95
ATMs	+ 600
Employees	5k

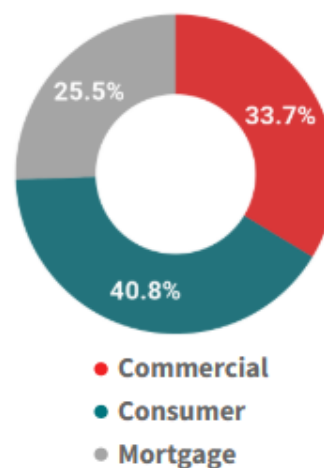
Main Financial Ratios⁴

NIM	6.60%
CoR	5.19%
Cost-to-Income	59.60%
Cost-to-Assets	4.55%
ROAE	-4.34%
ROAA	-0.36%
PDL > 90 Days	3.21%
Coverage	149.91%
CET1	9,95%

Balance Sheet Structure¹



Loan Mix



P&L²

Gross Financial Margin	374.9
Provision Expenses	282.6
Net Financial Margin	92.3
Other Income	214.8
Operating Expenses	342.9
Profit before taxes	-35.9
Income Tax	-8.9
Net Profit	-27.0



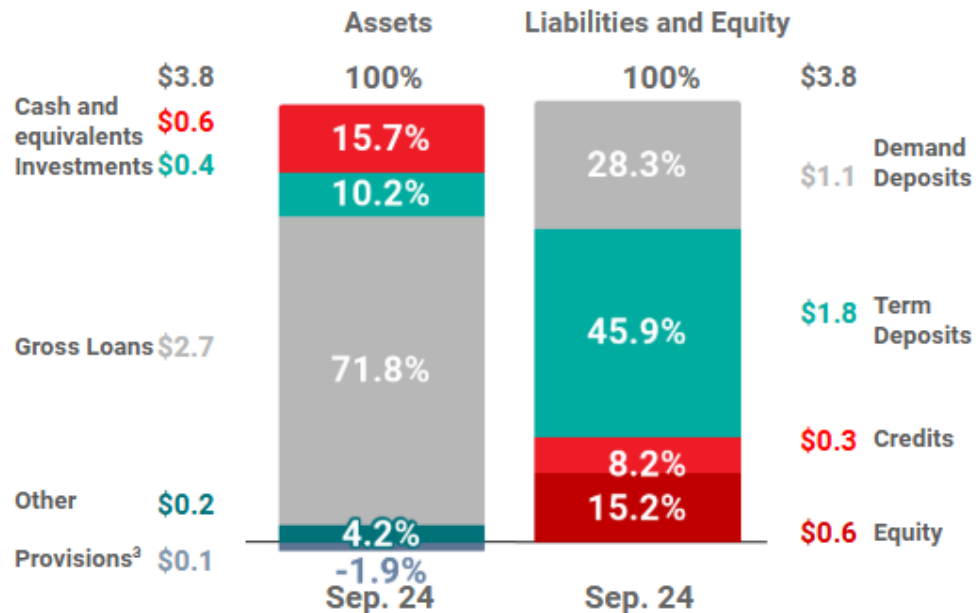
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Customers	275 K
Branches	20
ATMs	172
Employees	1,397

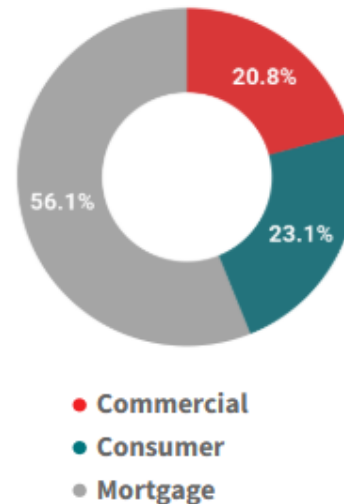
Main Financial Ratios ⁴

NIM	5.21%
CoR	0.64%
Cost-to-Income	73.54%
Cost-to-Assets	3.31%
ROAE	3.40%
ROAA	0.54%
PDL > 90 Days	1.29%
Coverage	206.06%
CET1	19.24%

Balance Sheet Structure ¹



Loan Mix



P&L ²

Gross Financial Margin	106.9
Provision Expenses	25.0
Net Financial Margin	81.9
Other Income	28.5
Operating Expenses	90.7
Profit before taxes	19.7
Income Tax	6.8
Net Profit	12.9



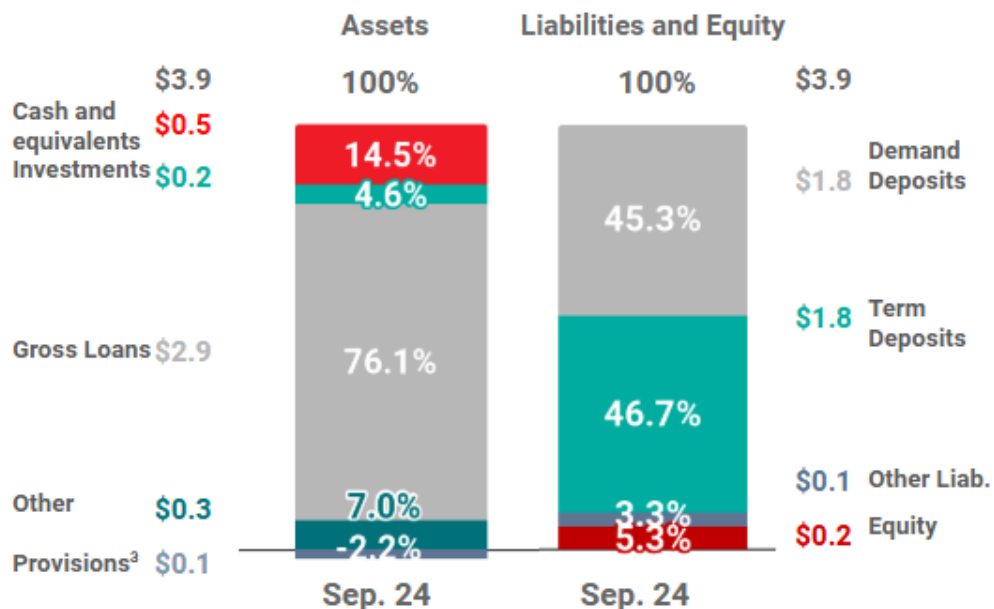
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Customers	112K
Branches	11
ATMs	72
Employees	681

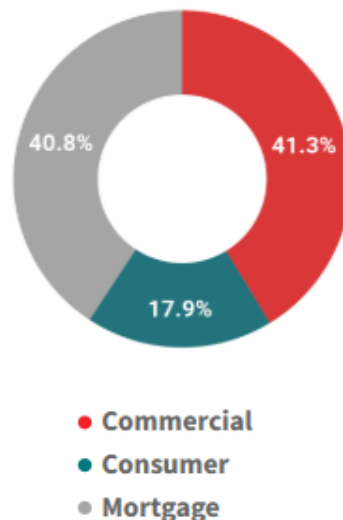
Main Financial Ratios⁴

NIM	2.12%
CoR	0.19%
Cost-to-Income	71.89%
Cost-to-Assets	1.78%
ROAE	8.77%
ROAA	0.40%
PDL > 90 Days	2.24%
Coverage	132.87%
CET1	10.36%

Balance Sheet Structure¹



Loan Mix



P&L²

Gross Financial Margin	62.8
Provision Expenses	5.5
Net Financial Margin	57.3
Other Income	30.7
Operating Expenses	67.2
Profit before taxes	20.8
Income Tax	5.7
Net Profit	15.1

Scotiabank Overview (Colombia, Costa Rica and Panama)



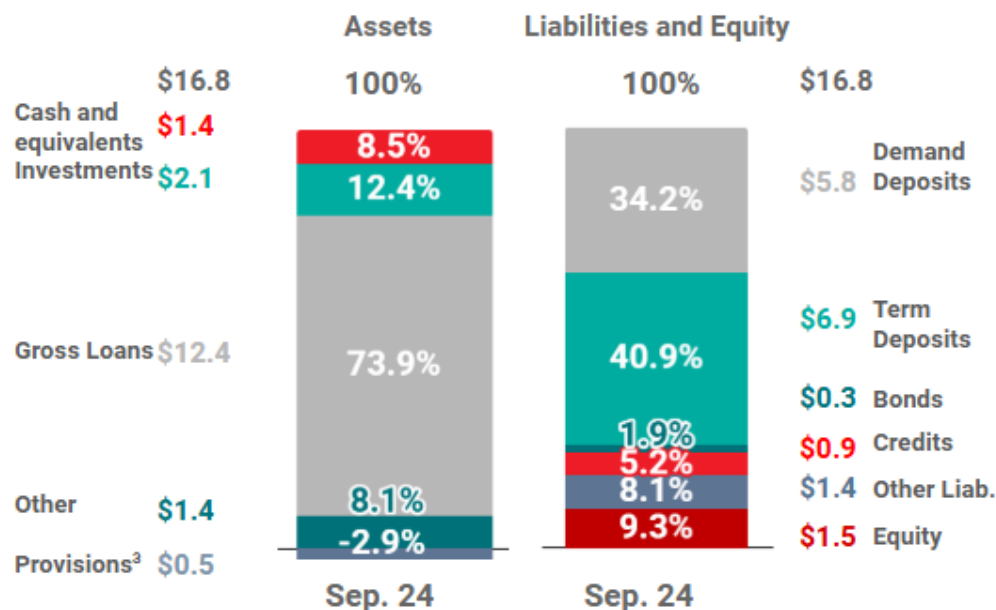
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Customers	2.8 M
Branches	126
ATMs	+ 850
Employees	+7 k

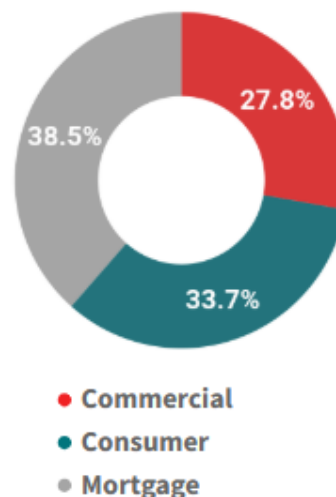
Main Financial Ratios⁴

NIM	5.45%
CoR	3.15%
Cost-to-Income	62.95%
Cost-to-Assets	4.49%
ROAE	-0.11%
ROAA	-0.01%
PDL > 90 Days	1.84%
Coverage	47.02%
CET1	10.86%

Balance Sheet Structure¹



Loan Mix



P&L²

Gross Financial Margin	544.6
Provision Expenses	313.1
Net Financial Margin	231.5
Other Income	274.0
Operating Expenses	500.8
Profit before taxes	4.6
Income Tax	3.7
Net Profit	0.9

Pro-forma Figures

USD Billion	Davivienda Sep. 24 ¹	Pro Forma Sep. 24 ²
Cash and Interbank	3.4	4.8
Net Investments	5.1	7.4
Gross Loans	33.7	45.5
Loan Loss Reserves	1.3	1.8
Total Assets	43.7	59.7
Deposits	31.0	43.2
Bonds	2.8	3.0
Credits	3.7	5.3
Total Liabilities	39.9	54.5
Total Equity	3.8	5.2

USD Million	Davivienda Sep. 24 ¹	Pro Forma Sep. 24 ²
Financial Income	3,845.4	5,204.7
Financial Expenses	2,189.7	3,004.4
FX Changes and Derivatives	29.9	30.2
Gross Financial Margin + FX&D	1,685.6	2,230.2
Provision Expenses	1,079.0	1,392.1
Non Financial Income	445.0	719.0
Operating Expenses	421.0	921.8
Net Profit	-63.4	-62.5

12 - Months	Davienda Sep. 24 ¹	Pro Forma Sep. 24 ²
NIM	5.64%	5.81%
Cost of Risk	4.27%	4.18%
Cost-to-Income	54.30%	53.61%
Cost-to-assets	3.37%	2.18%
ROAE	-3.42%	-1.53%
CET1	10.37%	10.74%

1. Davivienda figures as of Sep. 24 under Full IFRS accounting.

2. Proforma calculations reflect an estimate based on Davivienda and BNS accounting figures and expected changes at closing.

Considerations for BNS figures: Davivienda estimates. Colombia and Costa Rica under local accounting, Panama figures under IFRS. Colombia and Costa Rica as of Sep. 24, Panama as of Oct. 24. Financial ratios are Davivienda's estimates.