

BANCO GNB
SUDAMERIS



Cra 7 No. 75-85/87

Quarterly Results 4Q19

BANCO GNB
SUDAMERIS



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About Us

We are a multinational private financial conglomerate with 8 companies: a bank and 5 subsidiaries in Colombia, specialized in ATMs, trust services, brokerage, administrative services, merchant banking, and 2 regional subsidiaries with banking operations in Perú and Paraguay.

OUR DNA

Outstanding payroll-loan expertise

Focused on SMEs and development loans

Conservative risk management





Solid asset quality, liquidity and efficiency levels

Stable deposit base through agreements

Broad banking and ATM's network

Strong and committed shareholders' support



1. Summary 
2. Macro Update 
3. Results 
4. Appendix 

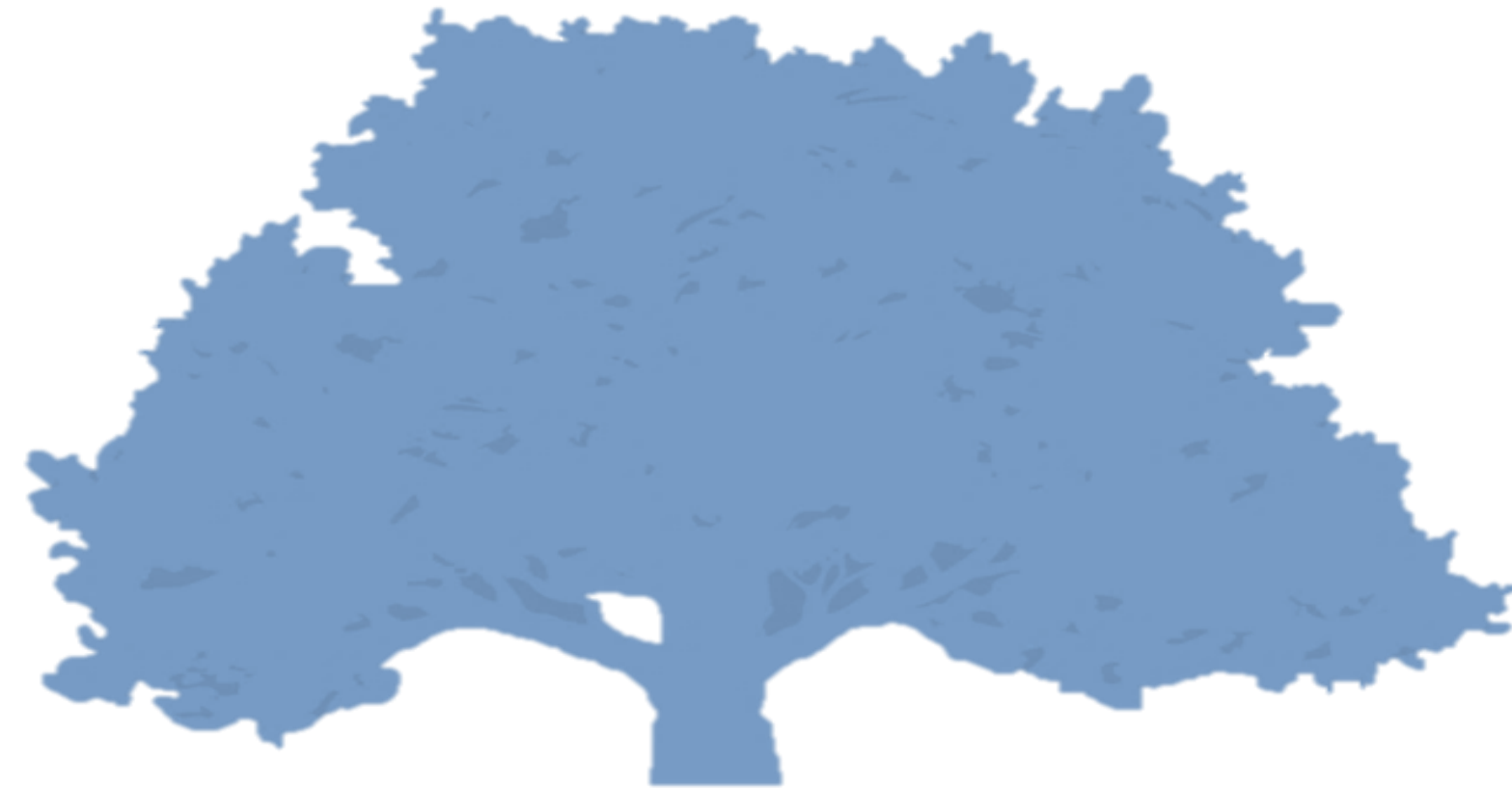
Specialized financial services

Solvency levels above regulatory limits

Ample loan loss reserves

Highly efficient financial structure

IFRS 9 accounting standards' implemented as of Jan-18



1. Summary



Capitalization & Payout

Banco GNB Sudameris

In January, 2020, Banco GNB Sudameris in Colombia received a capitalization from its shareholders worth USD \$50 million. Additionally, in February the Shareholders' General Assembly approved USD \$34.7 million on dividends payment, equivalent to 45% of 2019 consolidated generated profit. The remaining was maintained as Legal Reserve.

Paraguay purchase agreement

BBVA Paraguay

The acquisition of 100% of the share package of Banco BBVA Paraguay, by Banco GNB Paraguay, was already authorized by Colombia's Financial Superintendence, while Paraguayan Banks Superintendency authorization is pending. The agreement was announced on August 7, 2019 and is estimated to be close to USD \$270 million.

Paraguay shareholding sale

Grupo VIERCI

Banco GNB Paraguay closed the agreement announced on August 29, 2019, with Grupo Vierci, for its incorporation as a minority shareholder. The sale operation for 30% shareholding, was valued at USD \$173 million.

Ratings*

Agencies

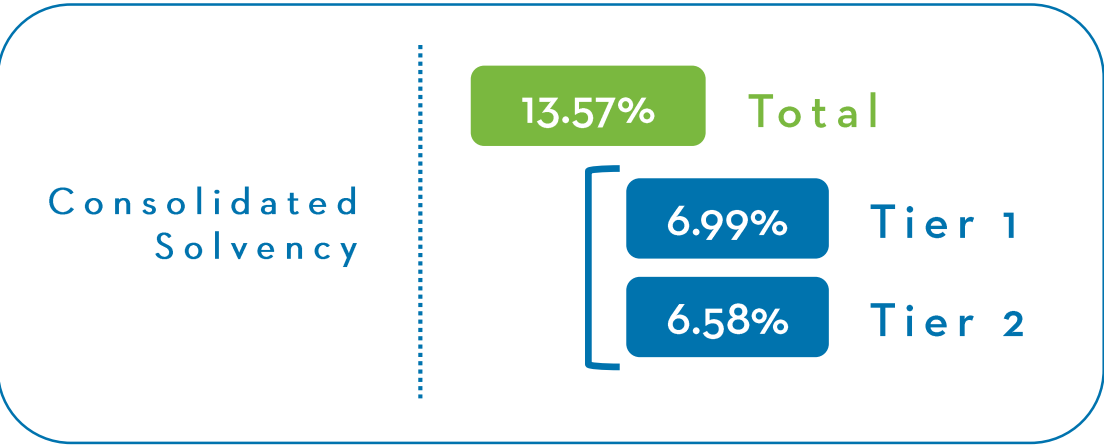
In February, 2020, Fitch Ratings affirmed Banco GNB Sudameris' BB+ Long-Term Local and Foreign Currency Issuer rating, maintaining the Rating Outlook Stable.

*The agencies' risk ratings reports are available on the Bank's website (<https://www.gnbsudameris.com.co/investor-relations#risk-raatings>)



Solvency

- Solvency levels remain above regulatory limits.
- The decrease in Tier 2 has been fully anticipated by the Administration; it's a result of subordinated bonds' patrimonial discount, and a 4Q19 +8.87% yoy increase on Risk-Weighted Assets.



Remarkable performance

- ✓ The Bank's consolidated net loan-portfolio grew +7.14% yoy, boosted by payroll (+14.86% yoy) and commercial (+4.99% yoy).
- ✓ Funding sources continued supporting the loan-portfolio growth, increasing +13.03% yoy, supported mainly by deposits (+14.21% yoy), interbank and repos (+19.54% yoy).
- ✓ The Bank's portfolio quality continues to be remarkable, as has been characterized: NPL's Portfolio-loan (2.07%), delinquency (2.99%) and coverage ratios (105.00%) maintained distinguished levels.

Consolidated Financial Highlights

1. Summary

4Q19 Results, FULL - IFRS



Results

COP (\$bln) Accum. 2019 Δ a/a

Net Interest Income accum. **\$900** +4.86%

Financial Margin **\$1,321** +6.74%

Net Income **\$267** +13.76%

Quality & Risk

4Q19 Δ a/a

NPL **2.07%** +0.39 pp

Coverage **105%** -25.25 pp

Solvency

4Q19 Δ a/a

Total Solvency **13.57%** -2.34 pp

Tier 1 **6.99%** -0.12 pp

Balancesheet (COP trn)

Dec. 2019 Δ a/a

Assets **\$37.53** +12.98%

Net Loans **\$16.20** +7.14%

Payroll Loans **\$6.33** +14.86%

Commercial Loans **\$9.09** +4.99%

Net Investments **\$7.14** +1.17%

Dec. 2019 Δ a/a

Funding **\$35.21** +13.03%

Deposits & Demand Accounts **\$23.92** +14.21%

Interbank Funds & Repos **\$5.75** +19.54%

Total Equity **\$2.32** +12.23%

Ratios

4Q19 Δ a/a

Deposits / Net Loans **148%** +9.15 pp

Funding / Net Loans **217%** +11.35 pp

Intermediation Margin **34.69%** -1.46 pp

Fee Income **6.15%** -0.31 pp

4Q19 Δ a/a

Expenses / Total Assets **1.77%** -0.19 pp

NIM **2.97%** -0.13 pp

Efficiency **50.31%** -2.31 pp

ROE **12.22%** +0.35 pp



Consolidated data, as of Dec-19:

Subsidiaries

7



Branches

144



Cities & towns

31



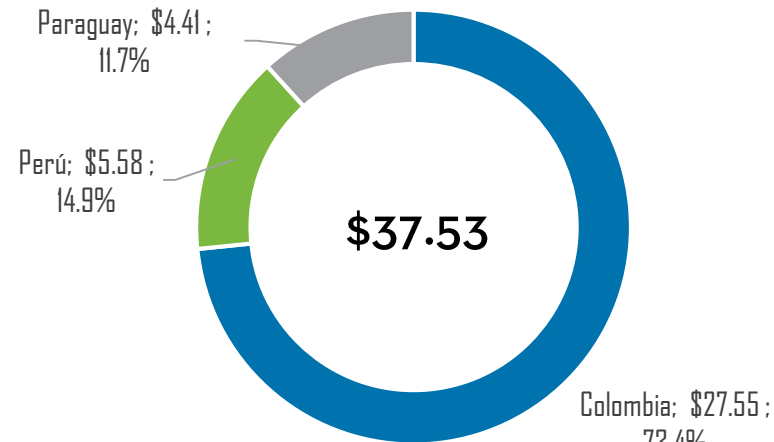
Employees

2617

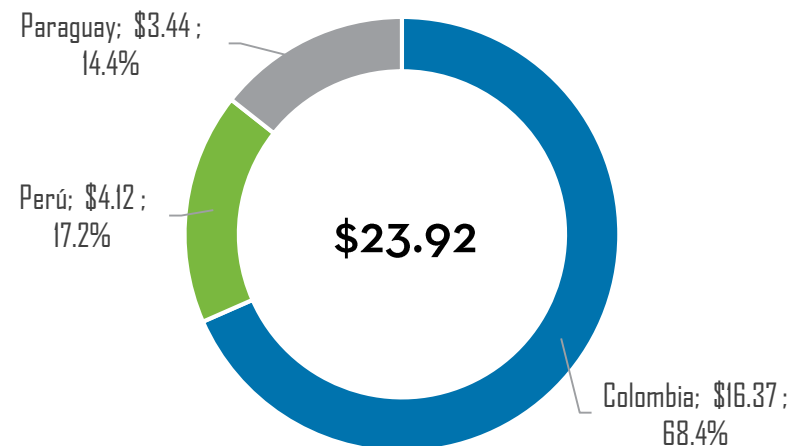


Consolidated data as of Dec-19, COP \$Trillions:

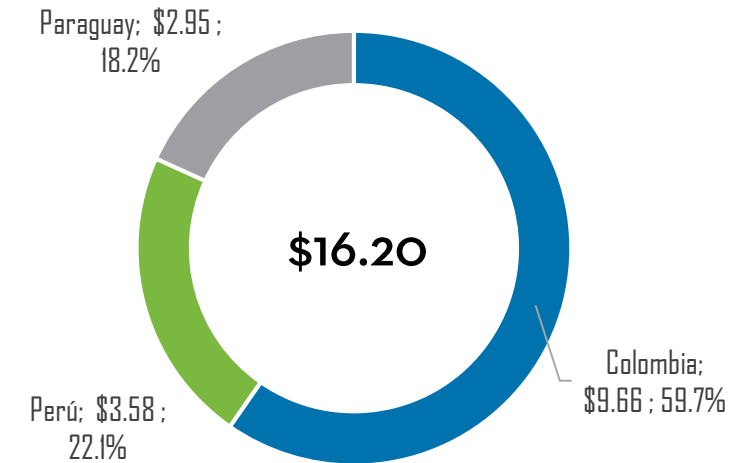
Assets



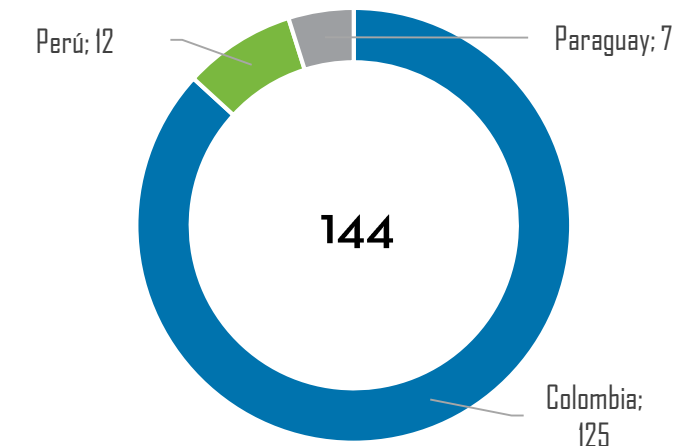
Deposits



Net Loans



Branches





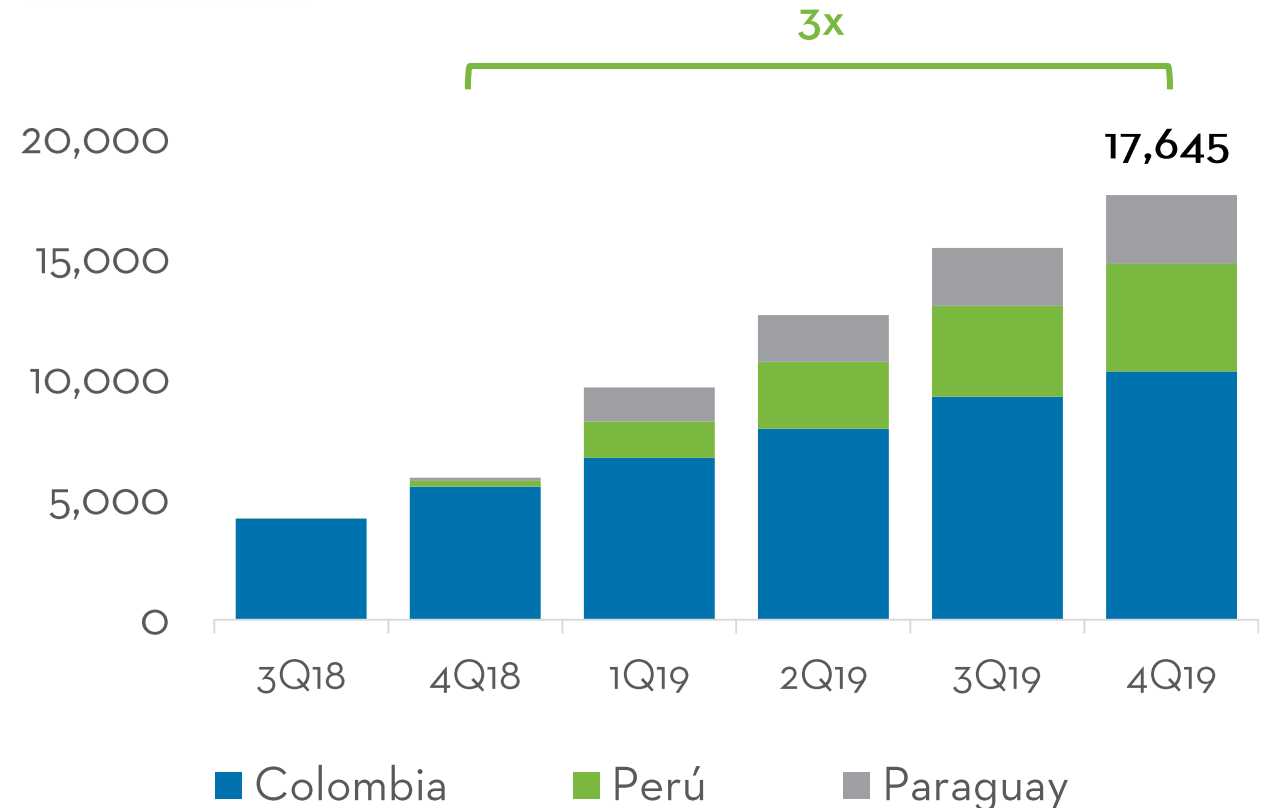
Mobile Banking

- Total mobile banking users tripled in 2019.
- As for December, 2019, more than 17,600 customers in Colombia, Perú and Paraguay are using the Bank's Mobile Banking app launched in 2018, as part of its digital consolidation strategy.

Facilities:

- ✓ Consultations and transactions
- ✓ Payments and transfers
- ✓ Credit cards' advances and revolving credits' disbursements
- ✓ Token generation and cards locking

Mobile Banking Users





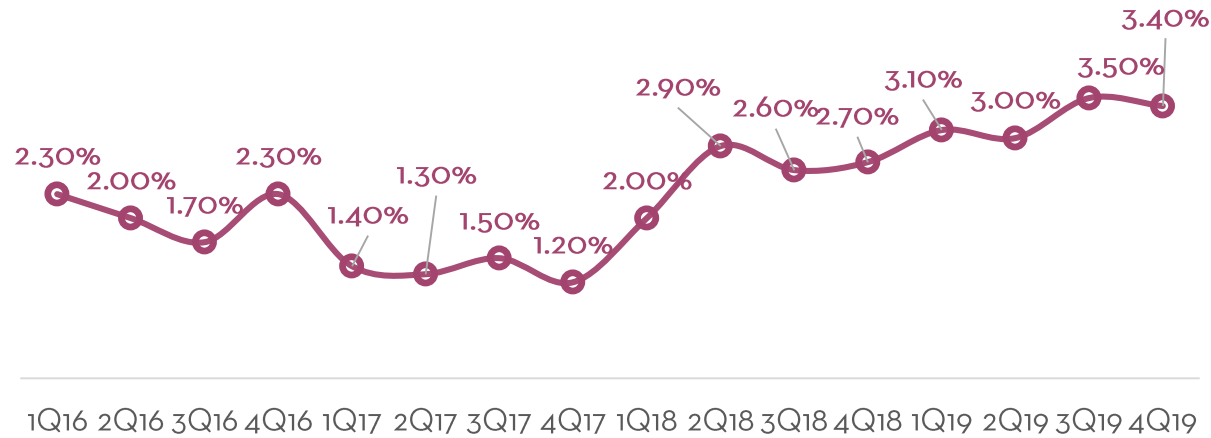
- Integration process of Banco BBVA Paraguay and Banco GNB Paraguay will begin once respective legal procedures in Colombia and Paraguay are fulfilled and the investment is complete.
- With this operation, the Bank expects to strengthen its presence in that country, and to continue scaling the Financial Conglomerate's banking operation at the regional level.
- Continue strengthening all subsidiaries' operations, as well as technological developments, to provide a better service to our customers and leverage greater efficiencies.
- Maintaining its growth targets, niches and strengthening current business lines.
- The generation of new businesses, the stability and growth of the existing ones, the preservation of trust and closeness with customers and the continuous improvement of service policies, will continue to be a priority.
- Managing adequate profitability margins with minimal risk exposure and strict control in delinquency levels.
- Ensuring permanence and sustainable growth in the long term, with appropriate levels of loan-portfolio and capital.
- Strengthening the funding and increasing the cross sales and bancassurance positioning.



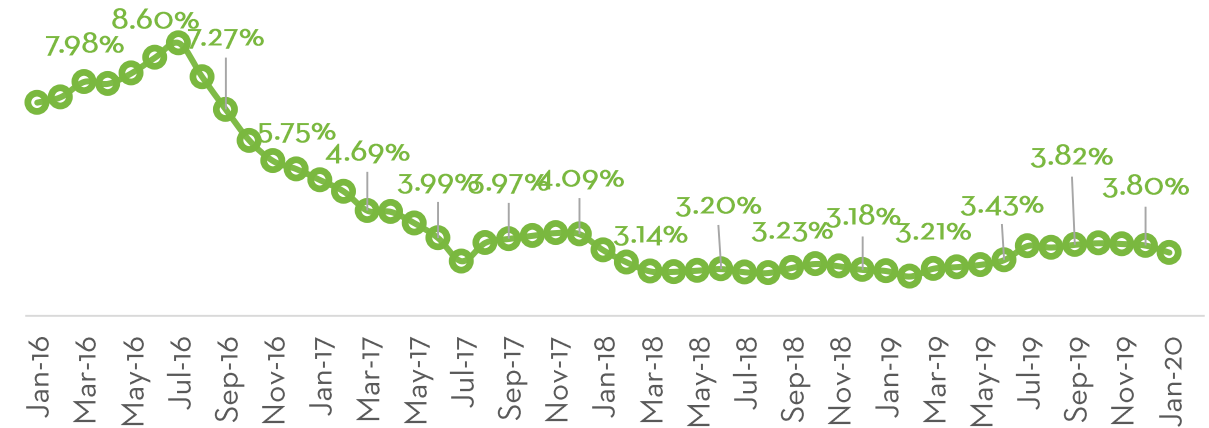
2. Macro Update



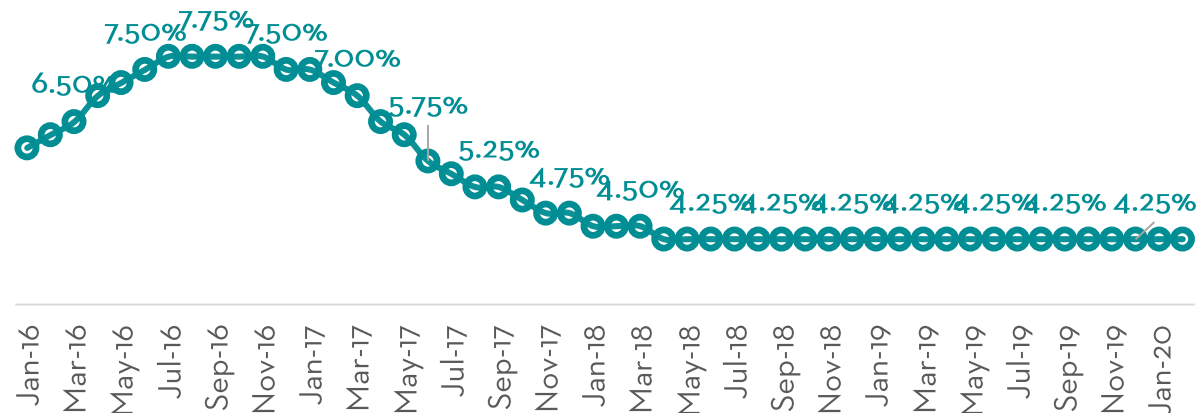
Real GDP Growth (yoy %)



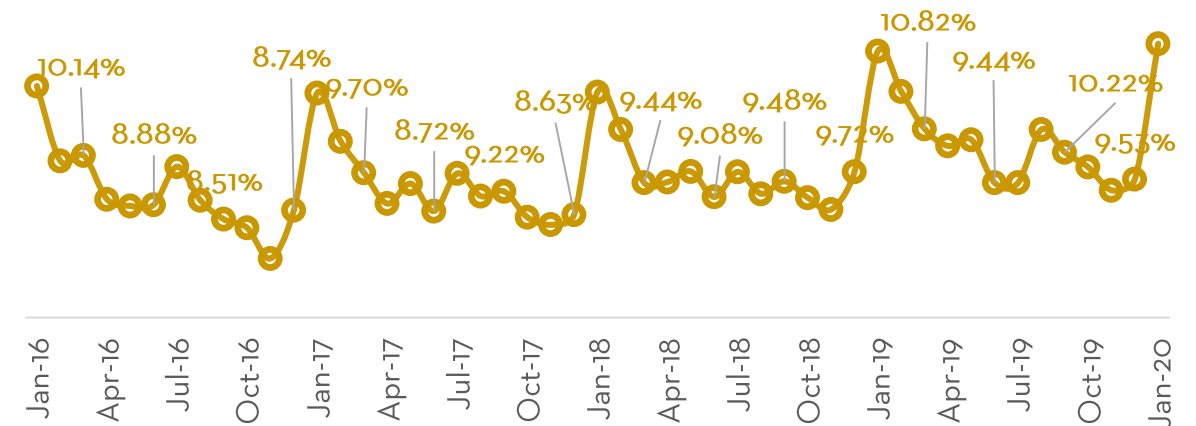
Inflation (yoy %)



Monetary Policy Rate (%)

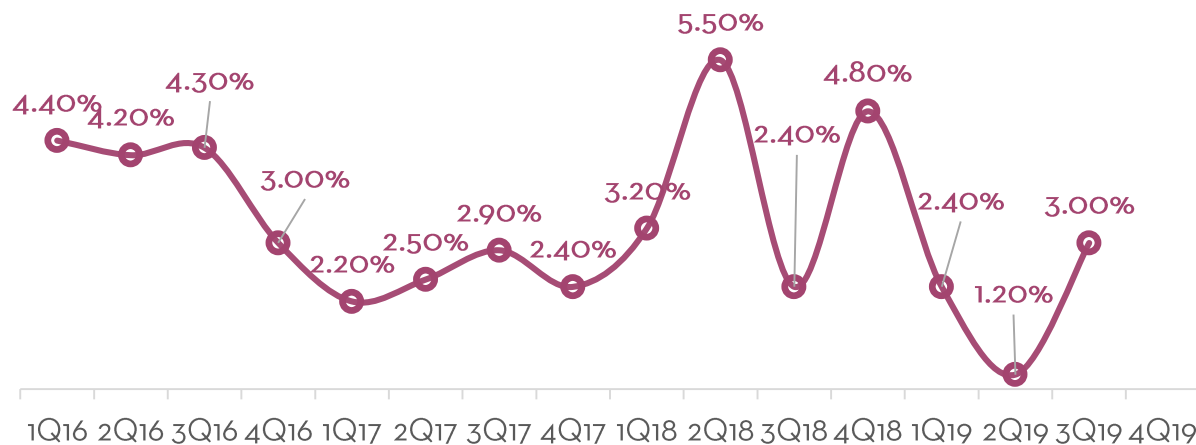


Unemployment Rate (%)

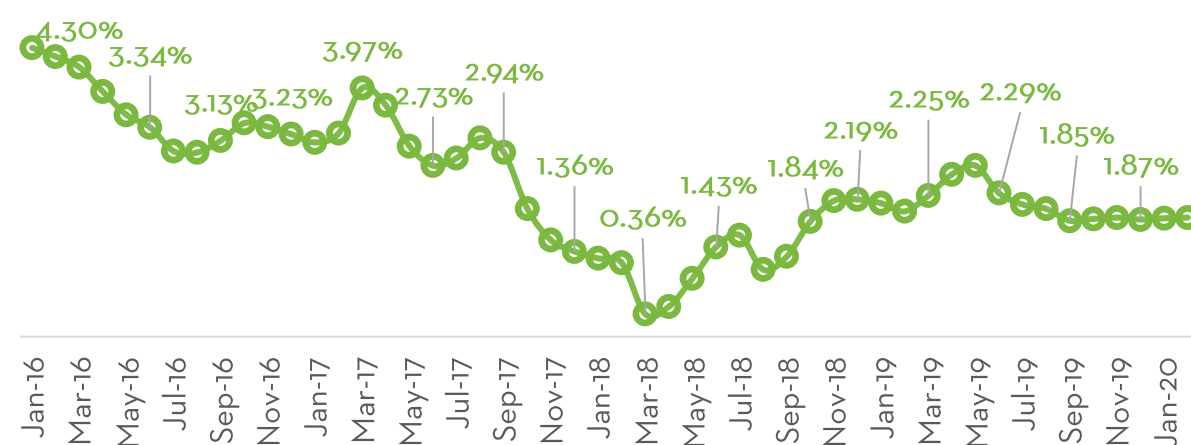




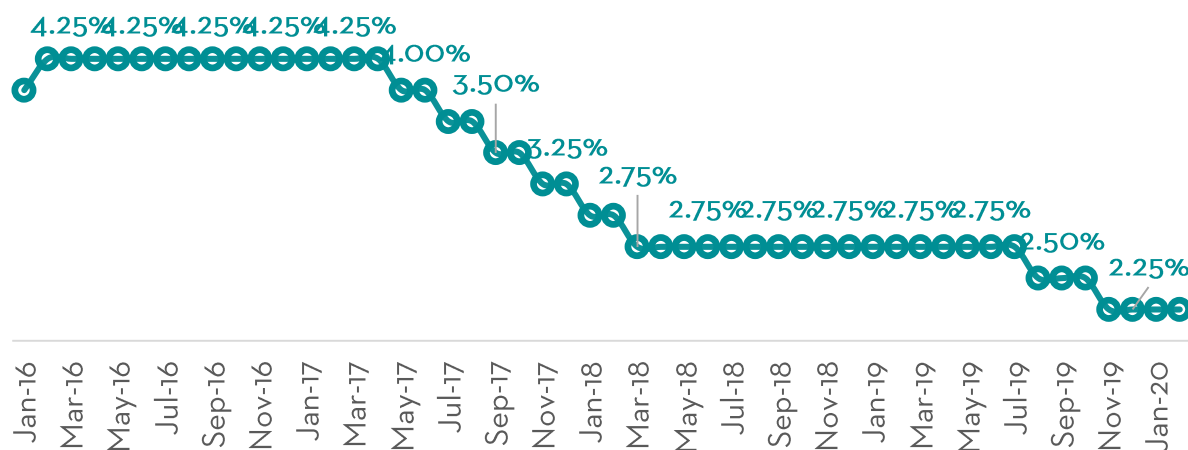
Real GDP Growth (yoy %)



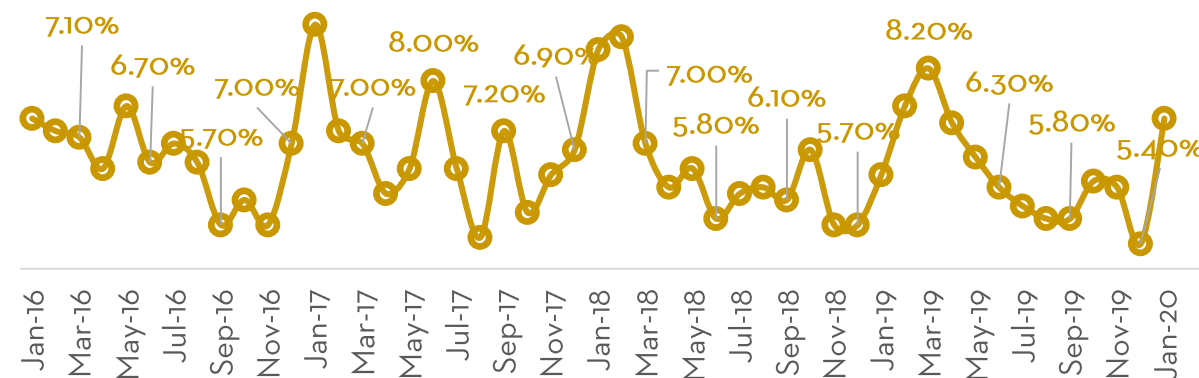
Inflation (yoy %)



Monetary Policy Rate (%)

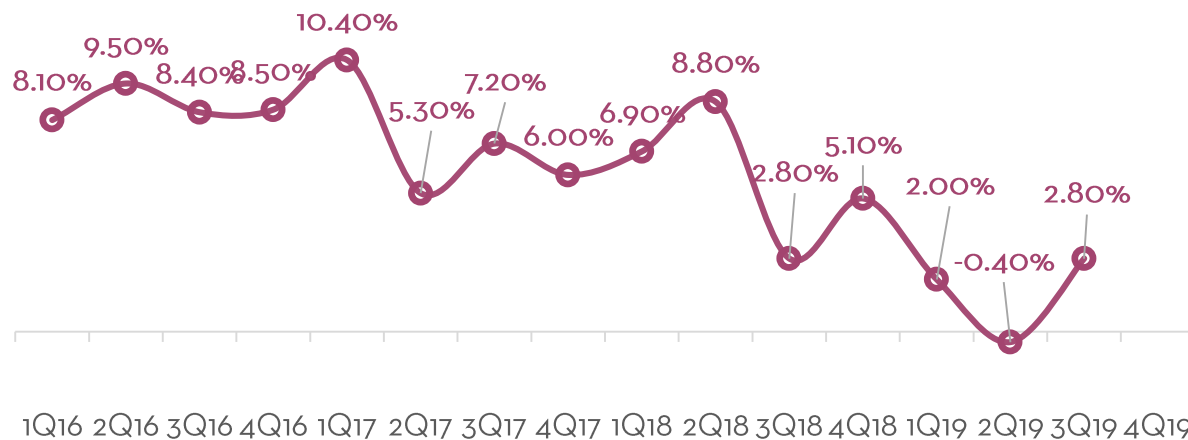


Unemployment Rate (%)





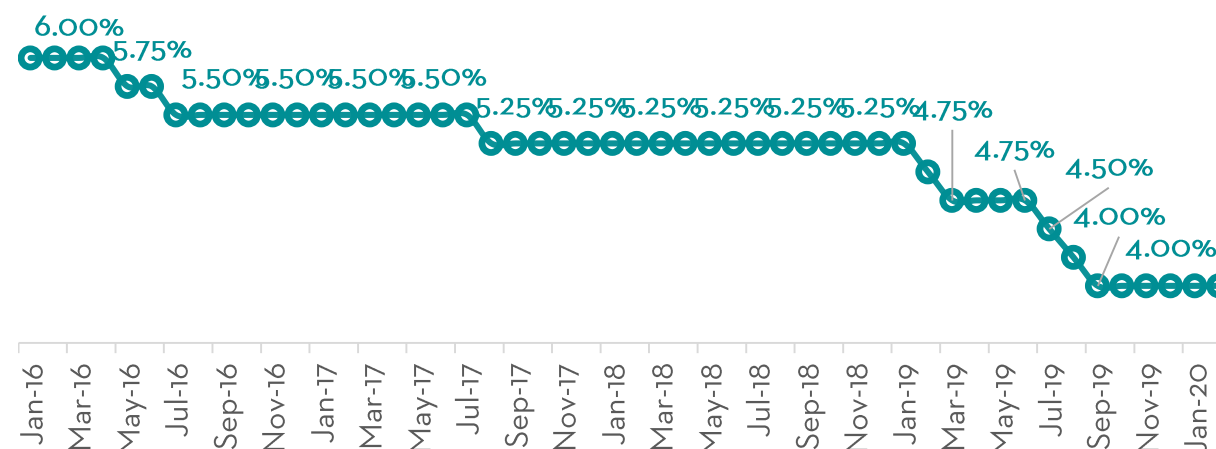
Real GDP Growth (yoy %)



Inflation (yoy %)



Monetary Policy Rate (%)





3. Quarterly Results

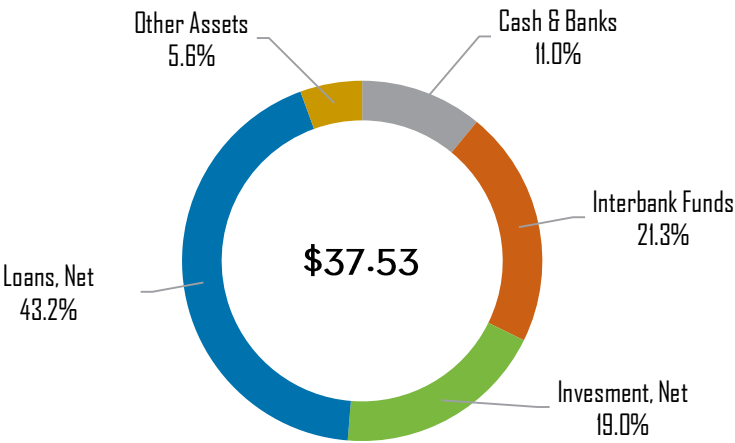
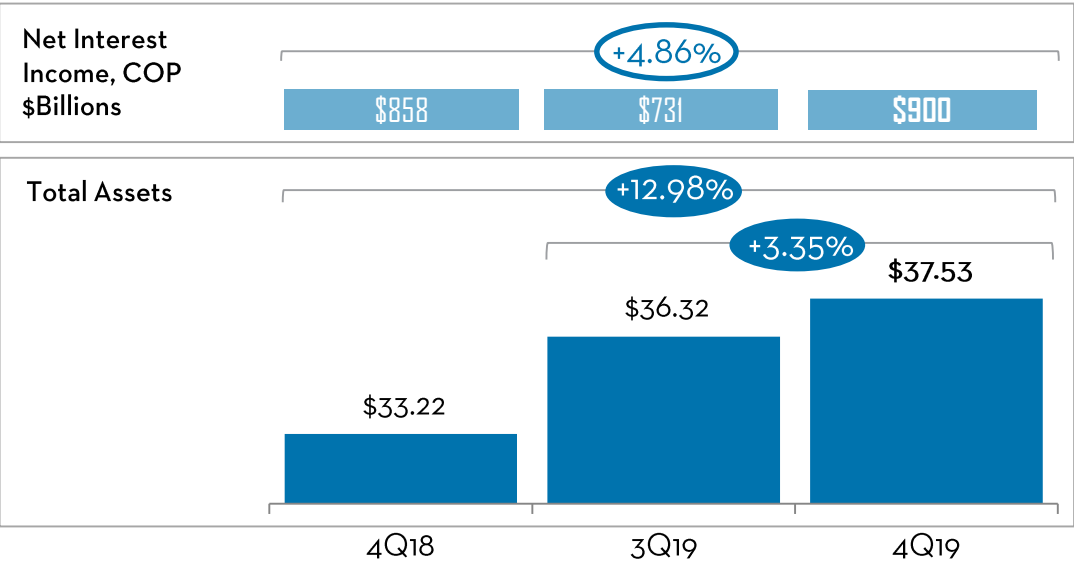


	(COP \$Trillions)						Var.%
	Dec-18		Sep-19		Dec-19		Δ yoy
Assets	\$	33.22	\$	36.32	\$	37.53	12.98%
Deposits	\$	20.95	\$	23.31	\$	23.92	14.21%
Total Equity	\$	2.07	\$	2.28	\$	2.32	12.23%
Net Interest Income, accum.	\$	0.858	\$	0.731	\$	0.900	4.86%
Net Income, accum.	\$	0.235	\$	0.213	\$	0.267	13.76%
Ratios							Δ yoy, pp
Net Loan-Portfolio Growth, yoy		11.27%		14.07%		7.14%	(4.13)
Loans / Deposits		72.17%		71.02%		67.70%	(4.47)
Solvency Ratio		15.90%		14.23%		13.57%	(2.34)
Tier 1		7.11%		7.14%		6.99%	(0.12)
Efficiency*		52.62%		48.78%		50.31%	(2.31)
Expenses / Productive Assets		2.25%		2.13%		2.12%	(0.13)
ROAA		0.74%		0.75%		0.75%	0.00
ROEA		11.88%		12.18%		12.22%	0.35

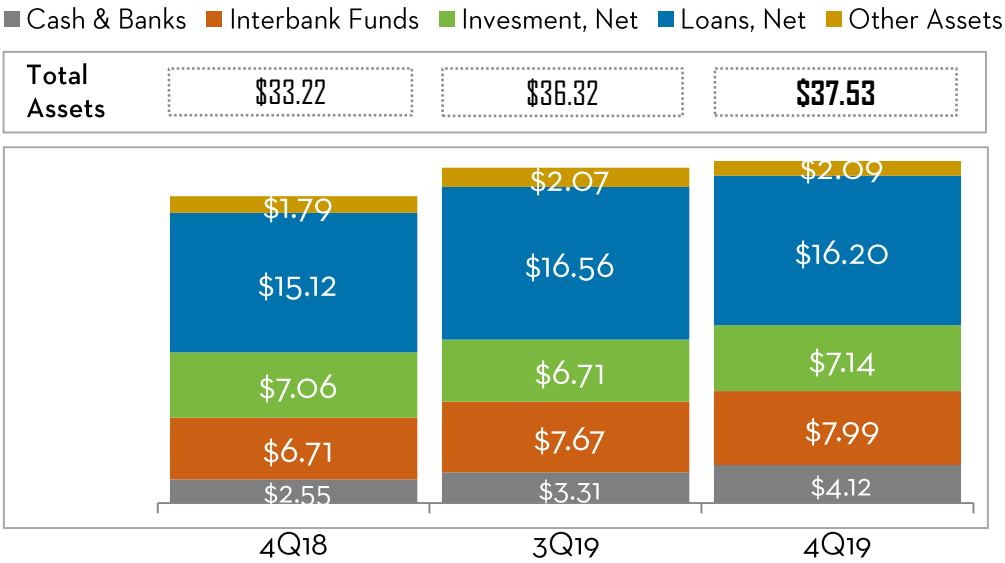
*Efficiency Ratio = Operational Expenses / Financial Margin



COP \$Trillions



Breakdown

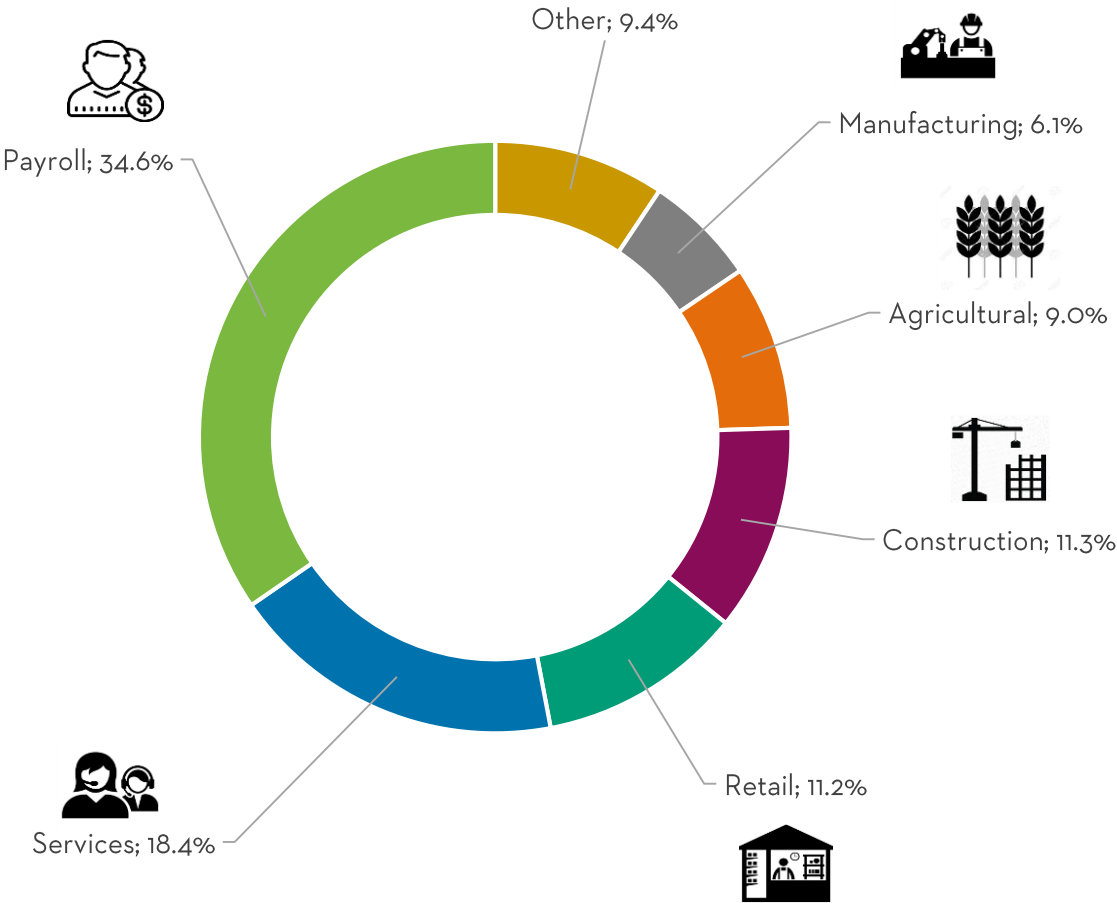


Assets Breakdown (Var.%, COP \$Trillions)		
	4Q19 / 4Q18	4Q19 / 3Q19
Cash & Banks	61.61%	24.39%
Interbank Funds	19.12%	4.21%
Invesment, Net	1.17%	6.40%
Loans, Net	7.14%	-2.18%
Other Assets	16.74%	0.92%
Total Assets	12.98%	3.35%

Consolidated Assets Characteristics

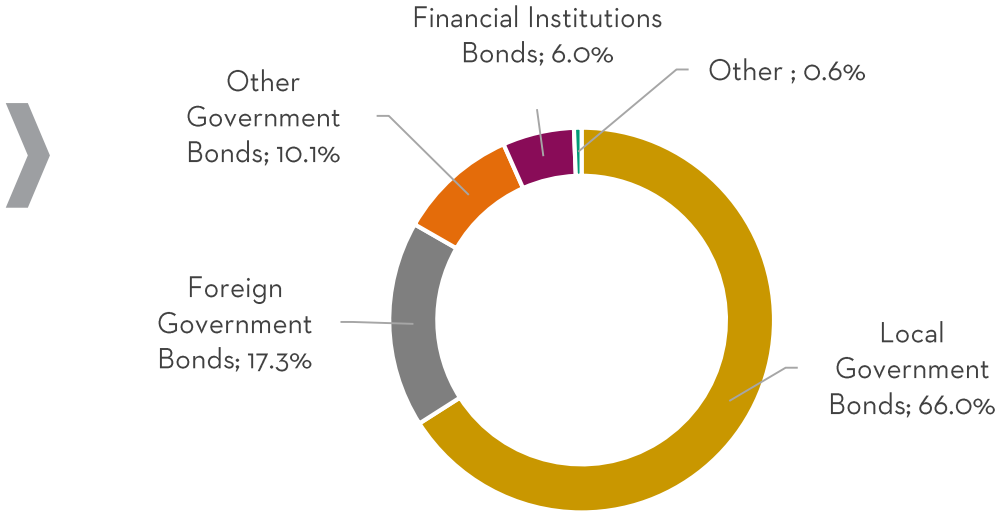


Loan – Portfolio composition by sector (%), as of Dec-19

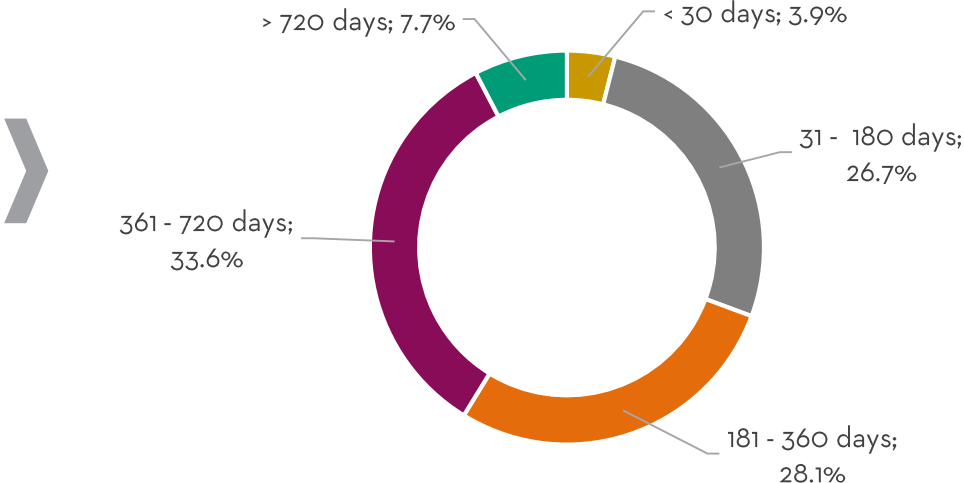


Investments composition (%), as of Dec-19

Investments, by issuer



Investments, by term



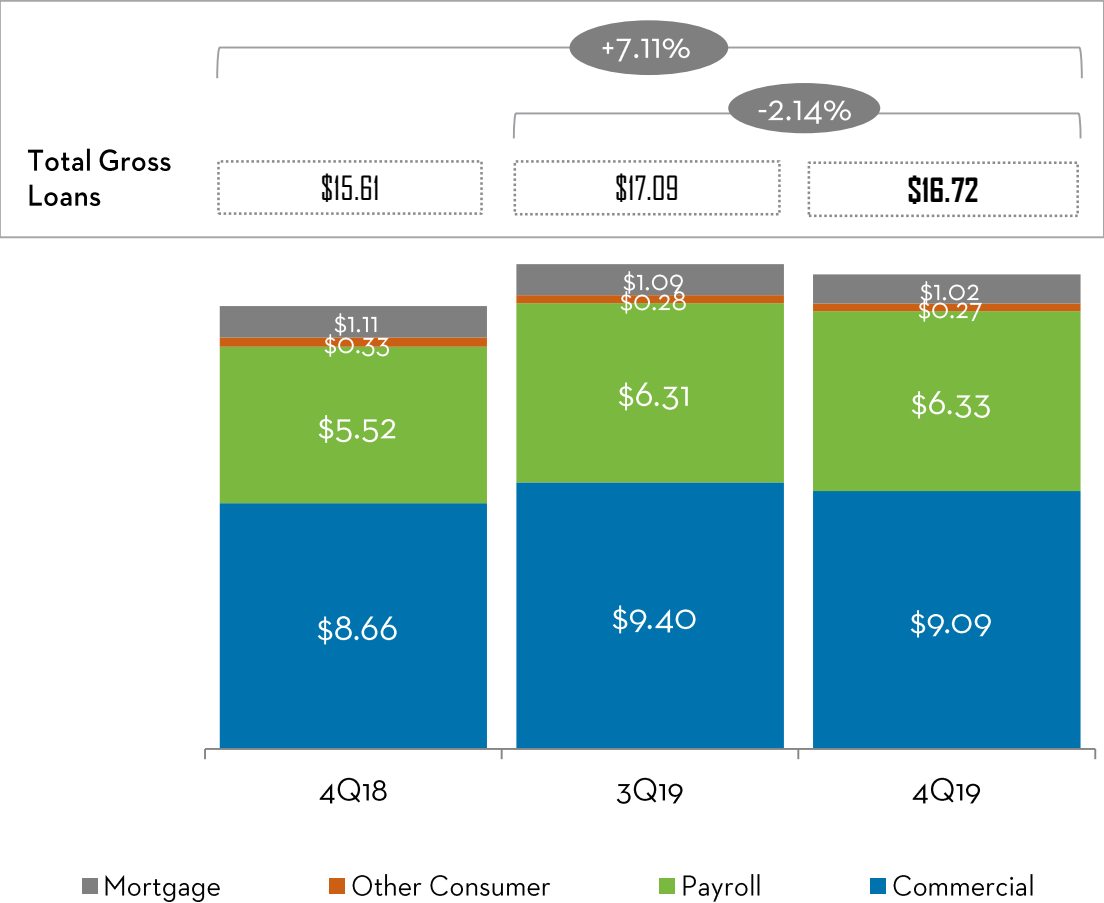
Consolidated Gross Loan Portfolio

3. Quarterly Results

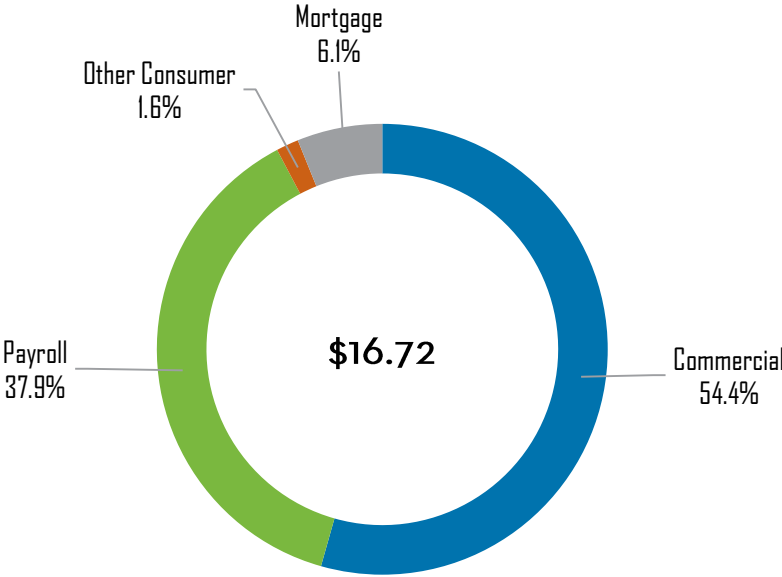
4Q19, FULL – IFRS



Breakdown, COP \$Trillions



Part. %



Loans Breakdown (Var.%, COP \$Trillions)

	4Q19 / 4Q18	4Q19 / 3Q19
Commercial	4.99%	-3.23%
Payroll	14.86%	0.31%
Other Consumer	-17.60%	-4.16%
Mortgage	-7.55%	-6.37%
Total Loans	7.11%	-2.14%

Gross Loan Portfolio Composition

3. Quarterly Results

4Q19, FULL – IFRS



Loan-Portfolio composition by country (COP Tln), as of Dec-19

Contribution by country to Total Loan-Portfolio composition (COP Tln), as of Dec-19

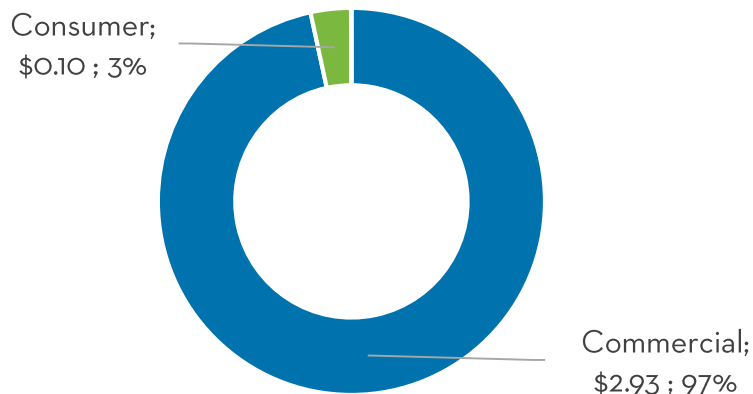
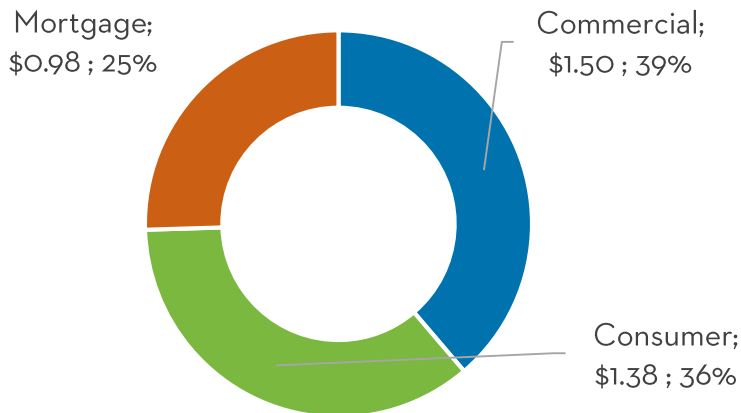
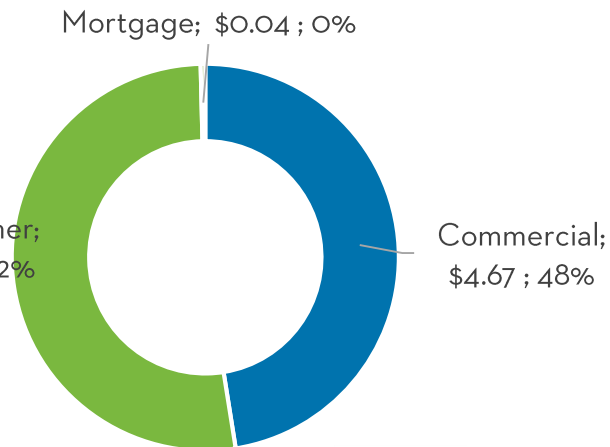
COLOMBIA



PERÚ



PARAGUAY



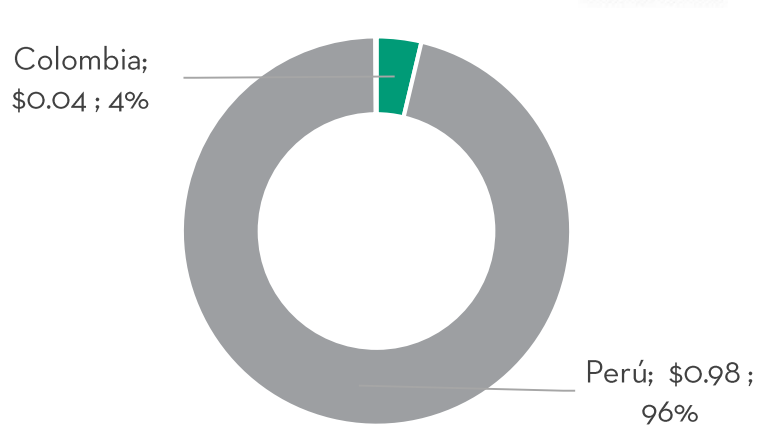
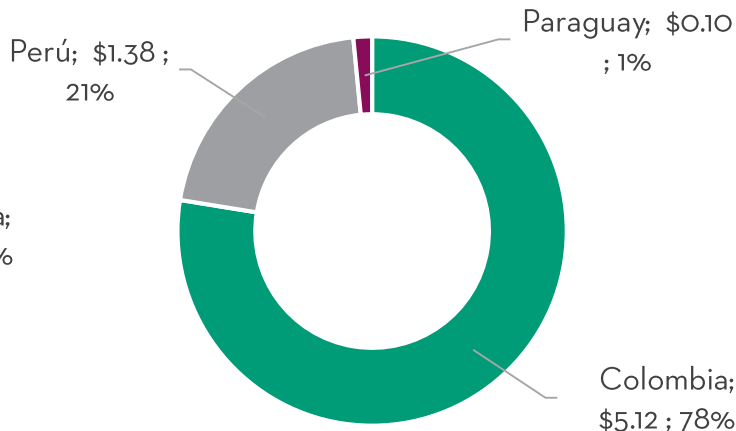
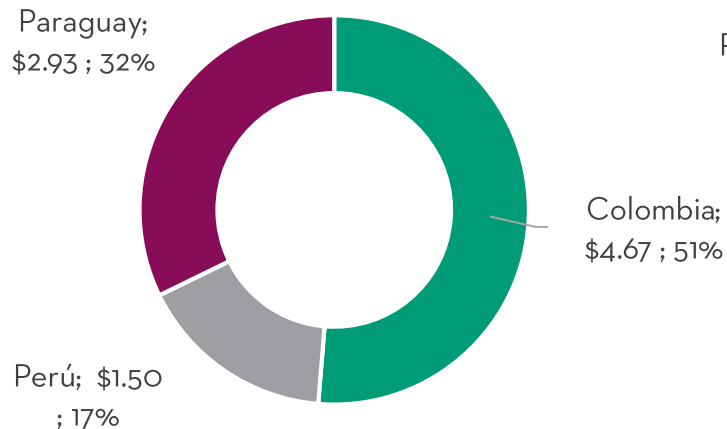
COMMERCIAL



CONSUMER



MORTGAGE



Consolidated Portfolio Quality & Risk Ratios

3. Quarterly Results

4Q19, FULL – IFRS



The Bank has maintained appropriate quality, risk and coverage ratios, in coherence to its characteristic conservative risk profile.

Mortgage portfolio deterioration is due to the situation in Perú, where the Bank segment is concentrated.

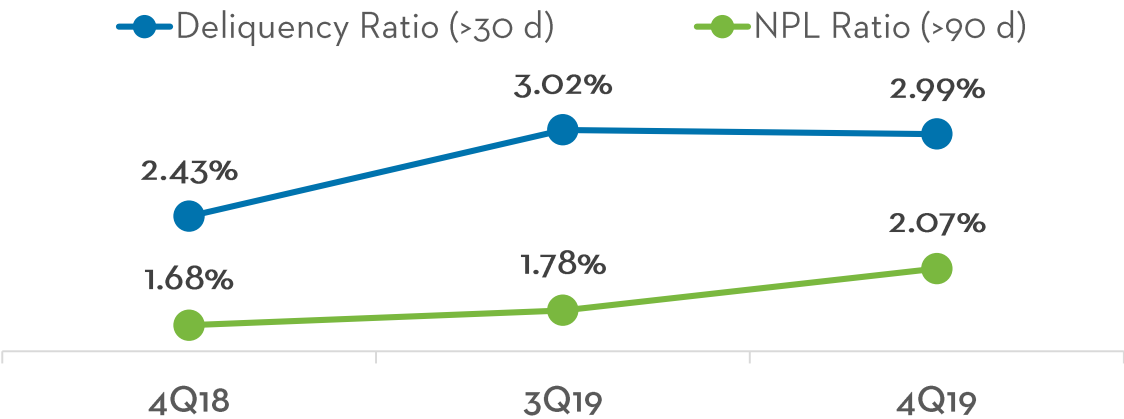
Perú's economy had a weak performance in 2019, which ended up affecting debtors' payment habits.

COP \$Trillions

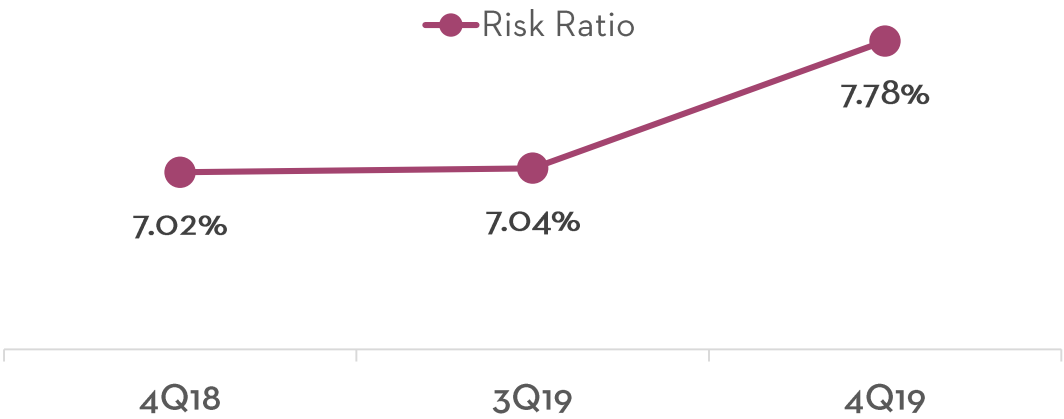
Consolidated	4Q18	3Q19	4Q19	Δ 4Q19 / 3Q19	Δ 4Q19 / 4Q18
Gross Loan Portfolio	\$ 15.61	\$ 17.09	\$ 16.72	-2.14%	7.11%
				Δ, pp	
Delinquency Ratio (>30 d)	2.43%	3.02%	2.99%	(0.03)	0.56
NPL Ratio (>90 d)	1.68%	1.78%	2.07%	0.29	0.39
NPL Coverage Ratio	130.24%	102.51%	105.00%	2.48	(25.25)
Risk Ratio	7.02%	7.04%	7.78%	0.73	0.76
Risk Coverage Ratio	45.00%	43.94%	40.38%	(3.56)	(4.62)
Commercial Loans	\$ 8.66	\$ 9.40	\$ 9.09	-3.23%	4.99%
				Δ, pp	
Delinquency Ratio (>30 d)	2.13%	3.02%	3.13%	0.11	1.00
NPL Coverage Ratio	130.45%	91.13%	111.42%	20.29	(19.04)
Risk Ratio	9.43%	9.49%	10.99%	1.50	1.56
Risk Coverage Ratio	29.53%	29.02%	31.76%	2.74	2.23
Consumer Loans	\$ 5.84	\$ 6.60	\$ 6.60	0.12%	13.04%
				Δ, pp	
Delinquency Ratio (>30 d)	2.15%	2.18%	2.03%	(0.15)	(0.11)
NPL Coverage Ratio	160.04%	146.74%	122.17%	(24.58)	(37.87)
Risk Ratio	3.76%	3.60%	3.46%	(0.14)	(0.30)
Risk Coverage Ratio	91.25%	88.74%	71.71%	(17.03)	(19.54)
Mortgage Loans	\$ 1.11	\$ 1.09	\$ 1.02	-6.37%	-7.55%
				Δ, pp	
Delinquency Ratio (>30 d)	6.19%	8.07%	7.91%	(0.16)	1.72
NPL Coverage Ratio	75.15%	67.01%	53.91%	(13.10)	(21.24)
Risk Ratio	5.38%	6.76%	7.04%	0.28	1.66
Risk Coverage Ratio	86.40%	79.92%	60.57%	(19.35)	(25.83)



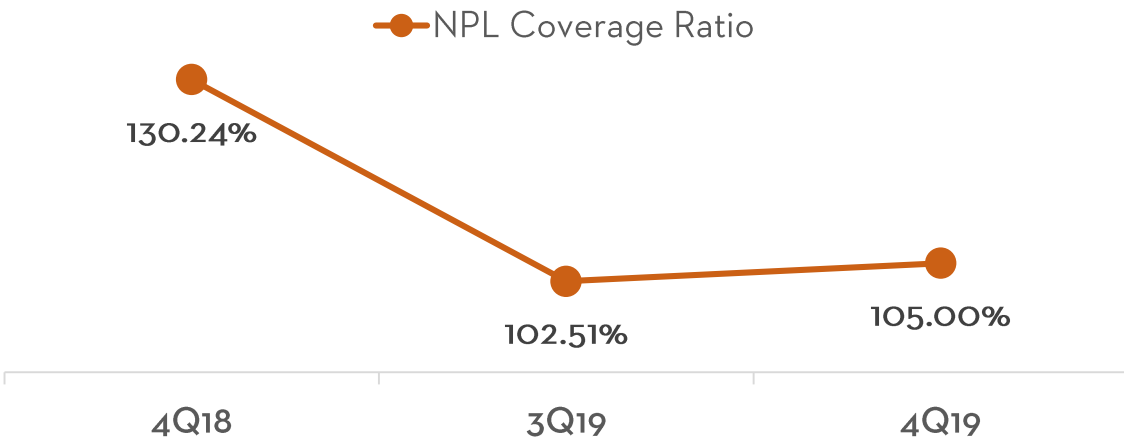
NPL & Delinquency Ratios (%)



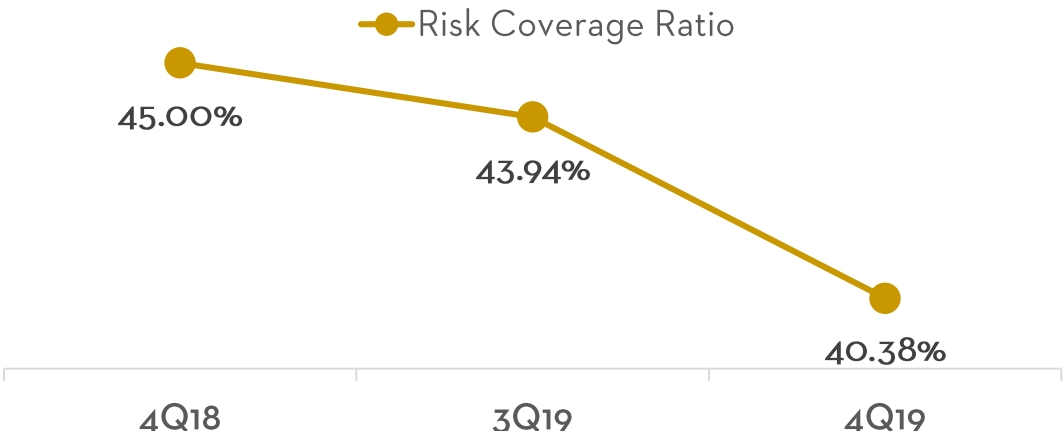
Risk Ratio (%)



NPL Coverage Ratio (%)



Risk Coverage Ratio (%)



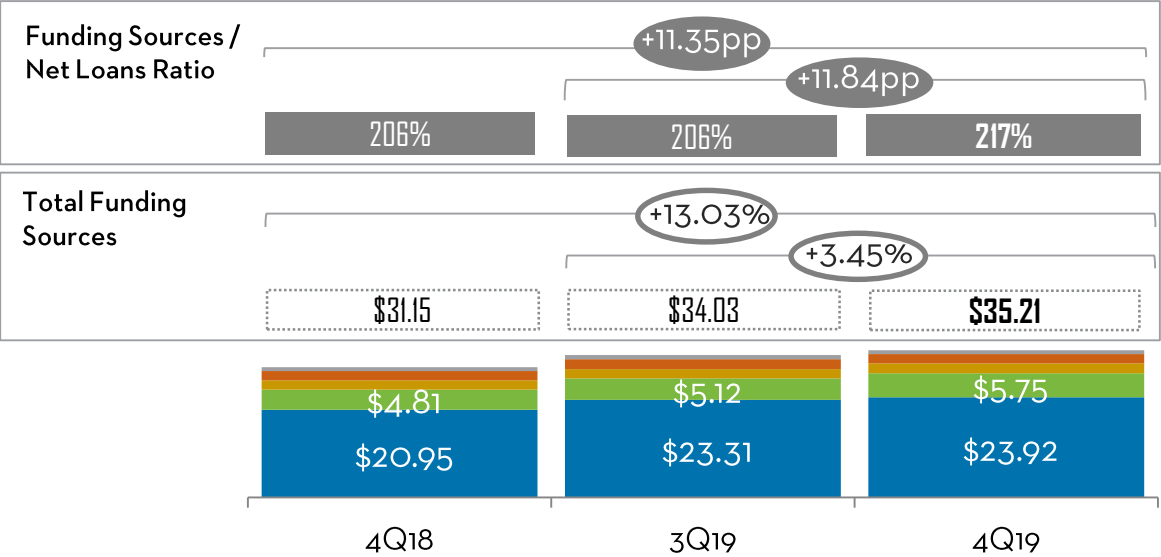
Consolidated Funding Sources

3. Quarterly Results

4Q19, FULL – IFRS



Breakdown, COP \$Trillions

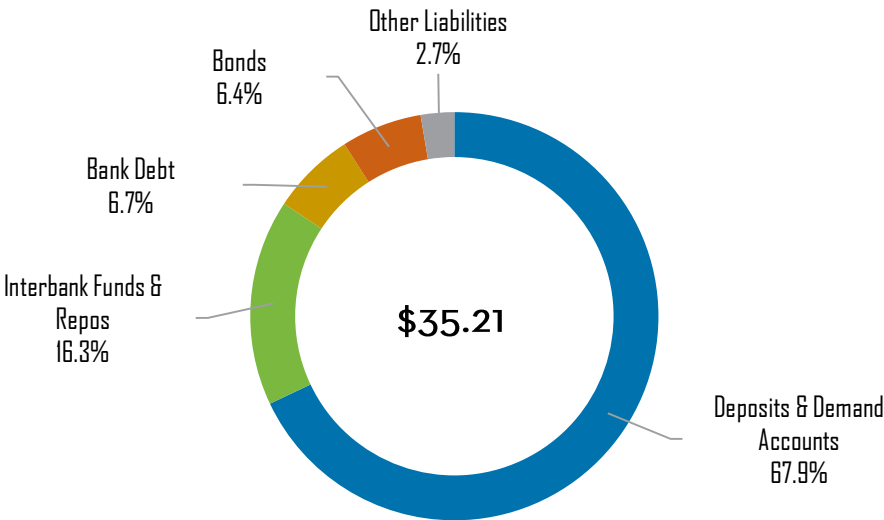


■ Deposits & Demand Accounts ■ Interbank Funds & Repos ■ Bank Debt ■ Bonds ■ Other Liabilities

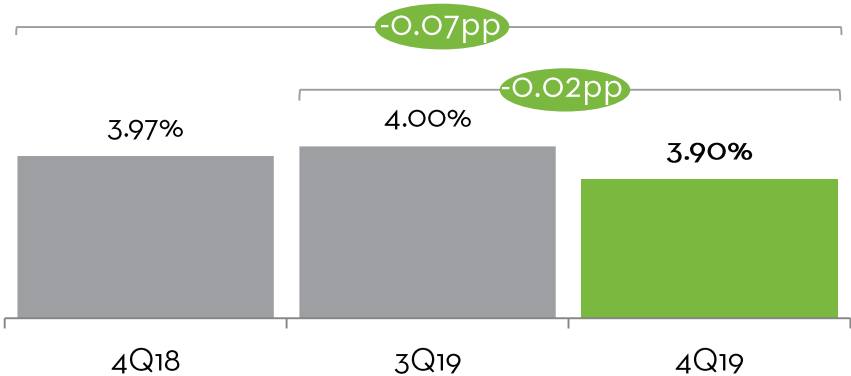
Funding Breakdown (Var.%, COP \$Trillions)

	4Q19 / 4Q18	4Q19 / 3Q19
Deposits & Demand Accounts	14.21%	2.62%
Interbank Funds & Repos	19.54%	12.38%
Bank Debt	4.77%	3.72%
Bonds	0.92%	-4.99%
Other Liabilities	1.78%	-3.77%
Total Funding	13.03%	3.45%

Part. %



Consolidated Average Funding Cost



Consolidated Deposits & Demand Accounts

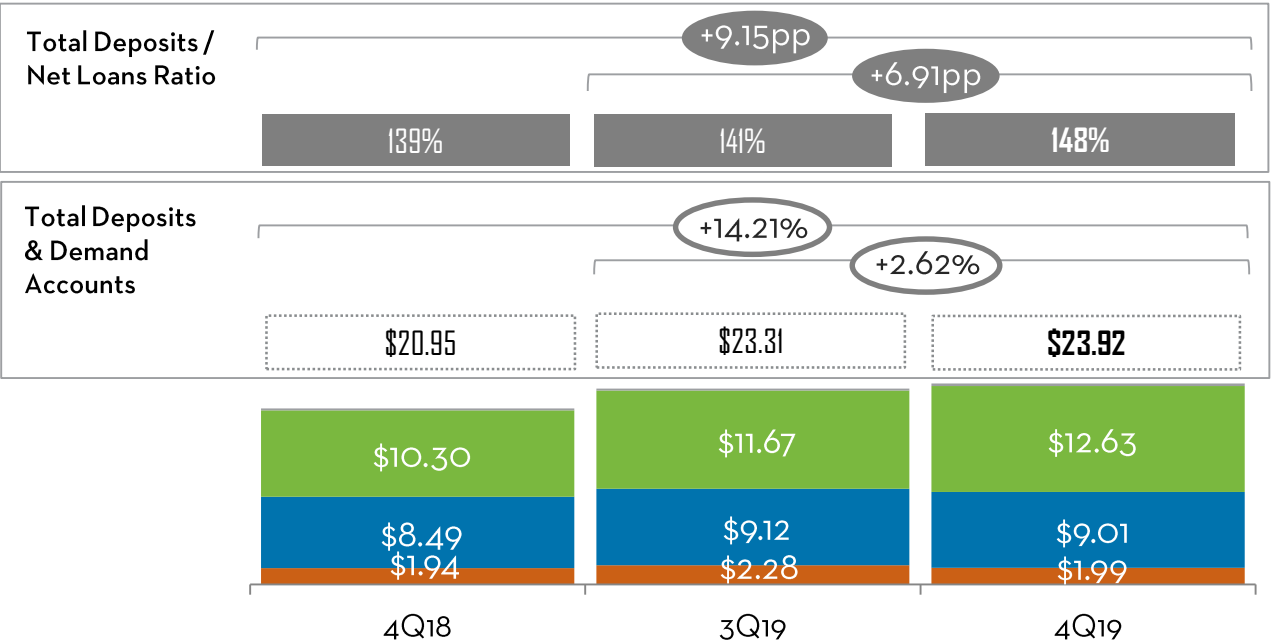
3. Quarterly Results

4Q19, FULL – IFRS

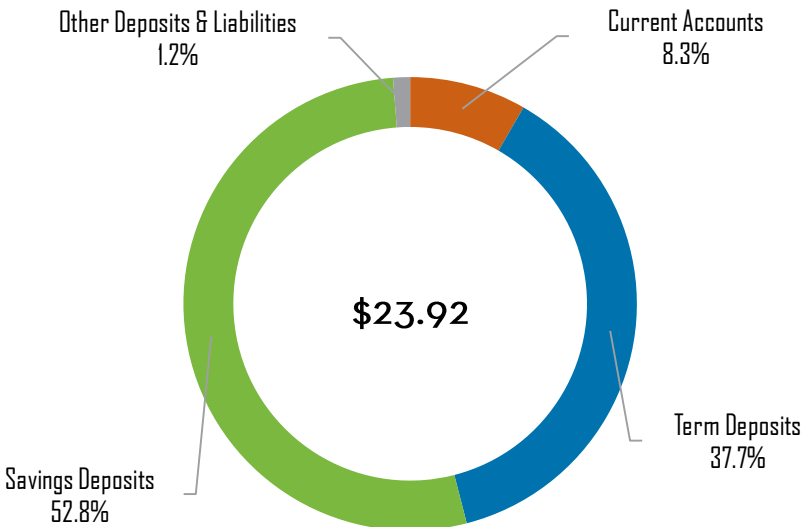


COP \$Trillions

Part.%



Deposits composition



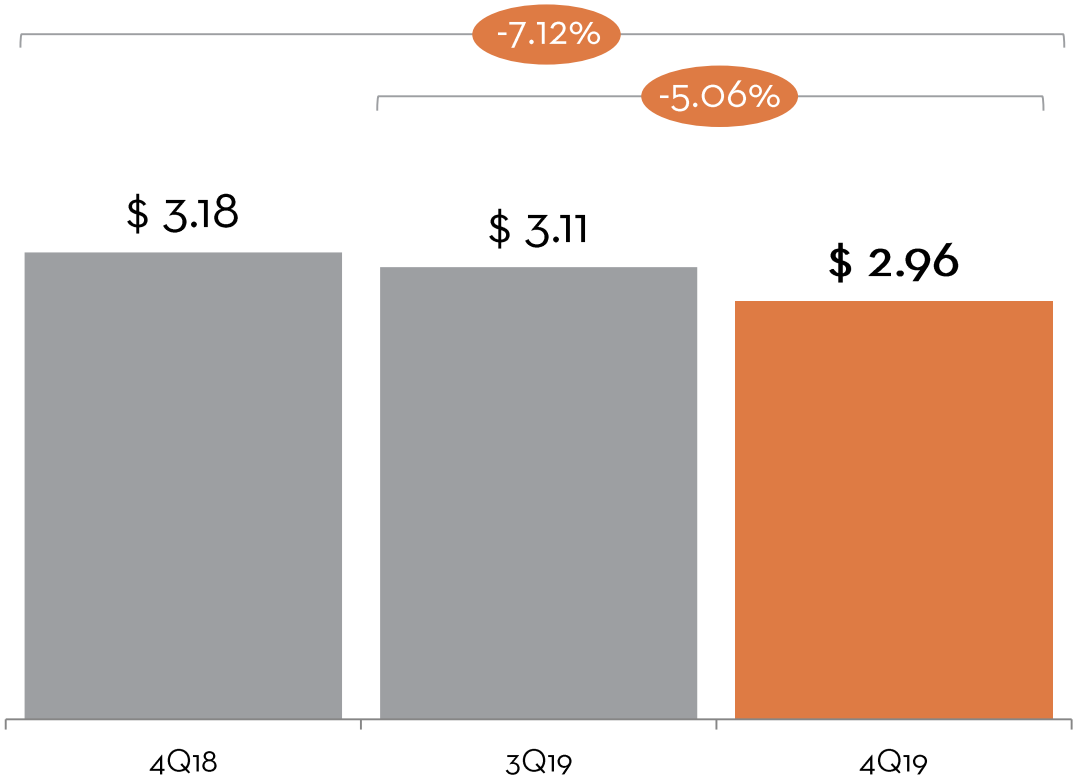
■ Current Accounts ■ Term Deposits ■ Savings Deposits ■ Other Deposits & Liabilities

Deposits & Demand Accounts Breakdown (Var.%, COP \$Tln)		
	4Q19 / 4Q18	4Q19 / 3Q19
Current Accounts	2.62%	-12.61%
Term Deposits	6.14%	-1.27%
Savings Deposits	22.63%	8.24%
Other Deposits & Liabilities	33.59%	22.53%
Total	14.21%	2.62%

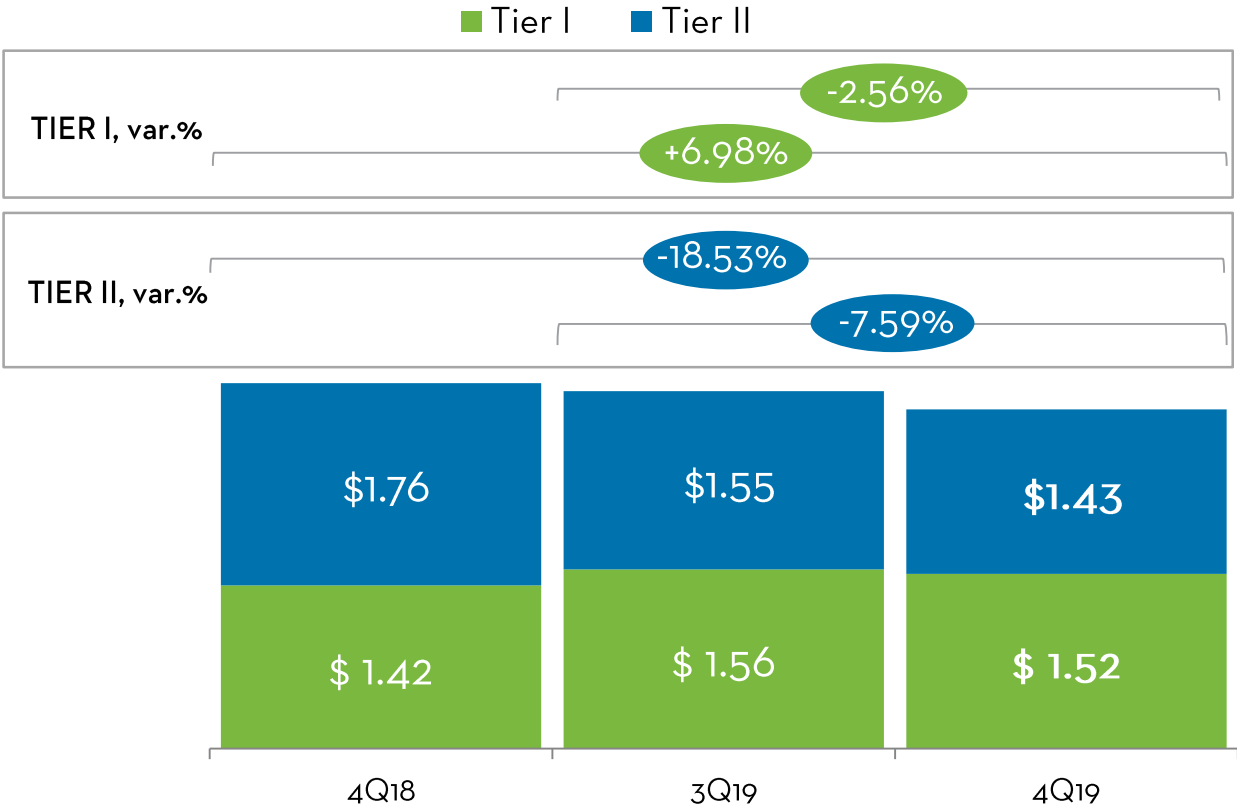
Consolidated Technical Capital



Technical Capital (COP \$Trillions)

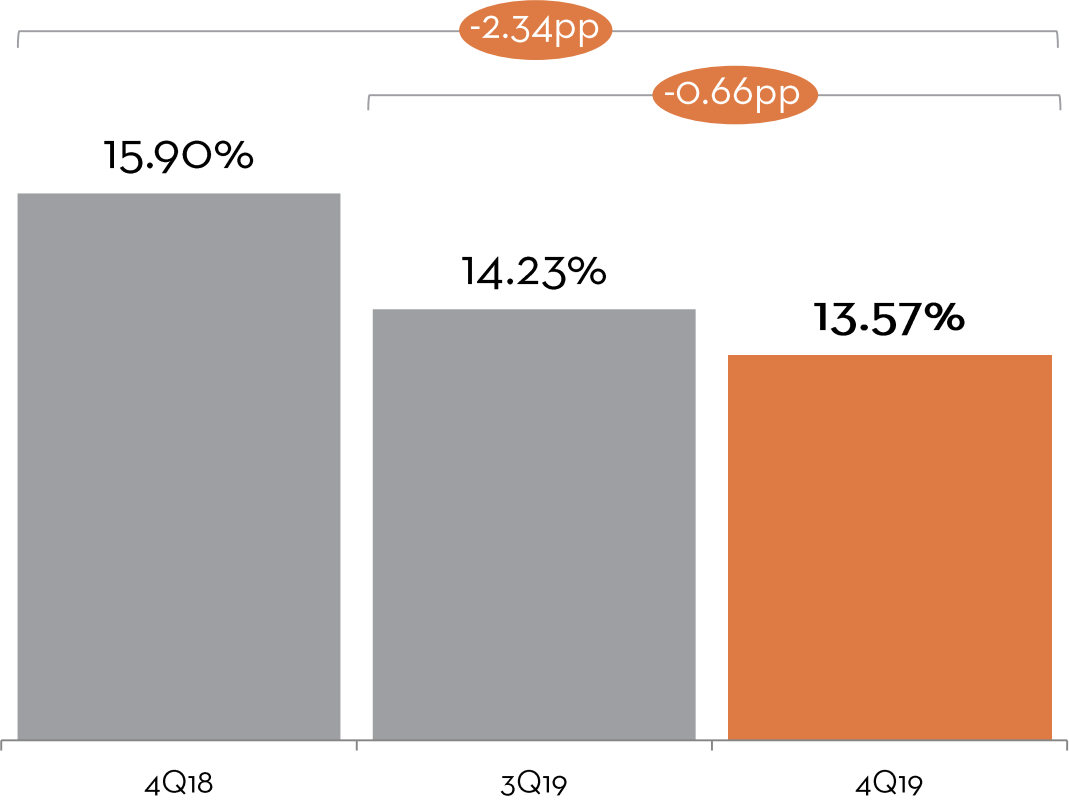


Technical Capital Breakdown (COP \$Trillions)

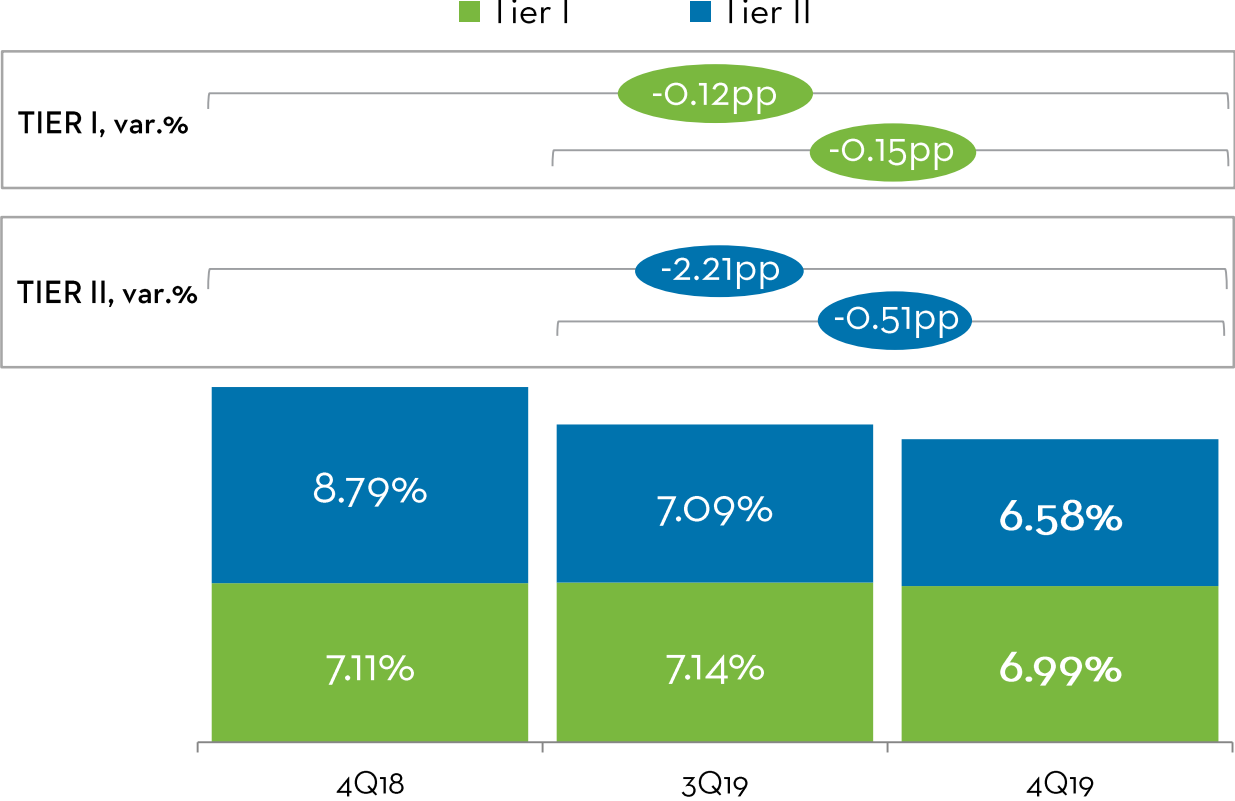




Total Solvency Ratio (%)



Solvency Ratio Breakdown (%)



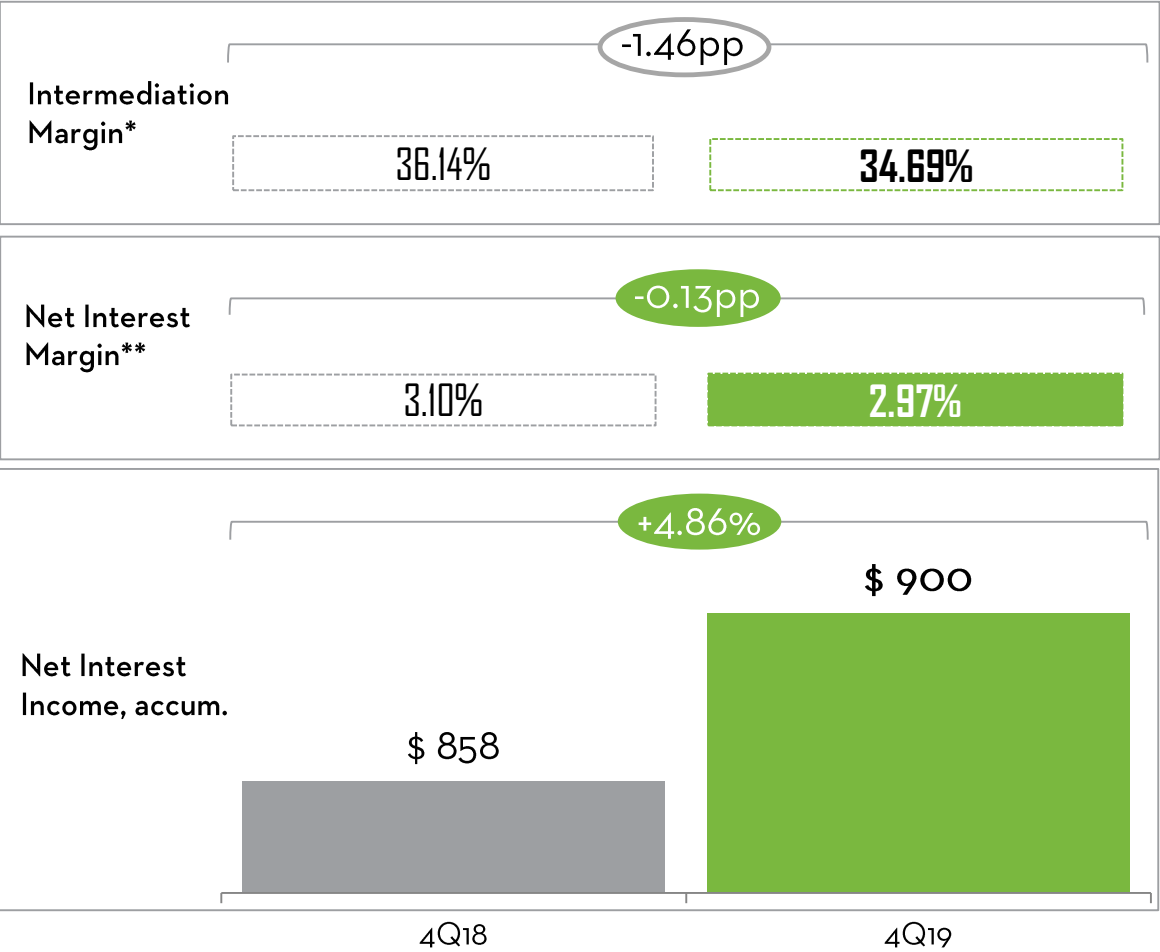
Consolidated Margins

3. Quarterly Results

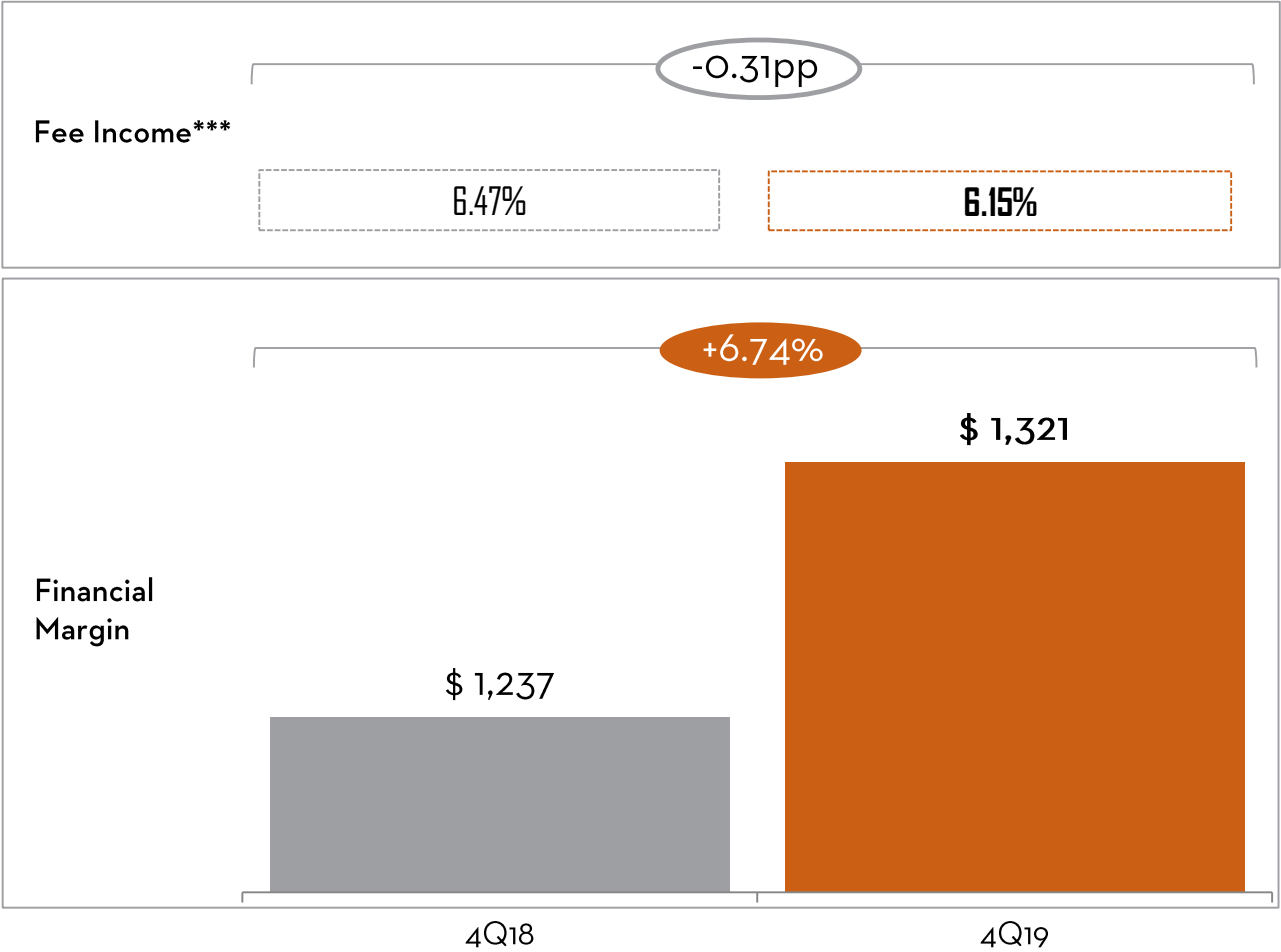
4Q19, FULL – IFRS



Net Interest Income (COP \$Billions)



Financial Margin (COP \$Billions)



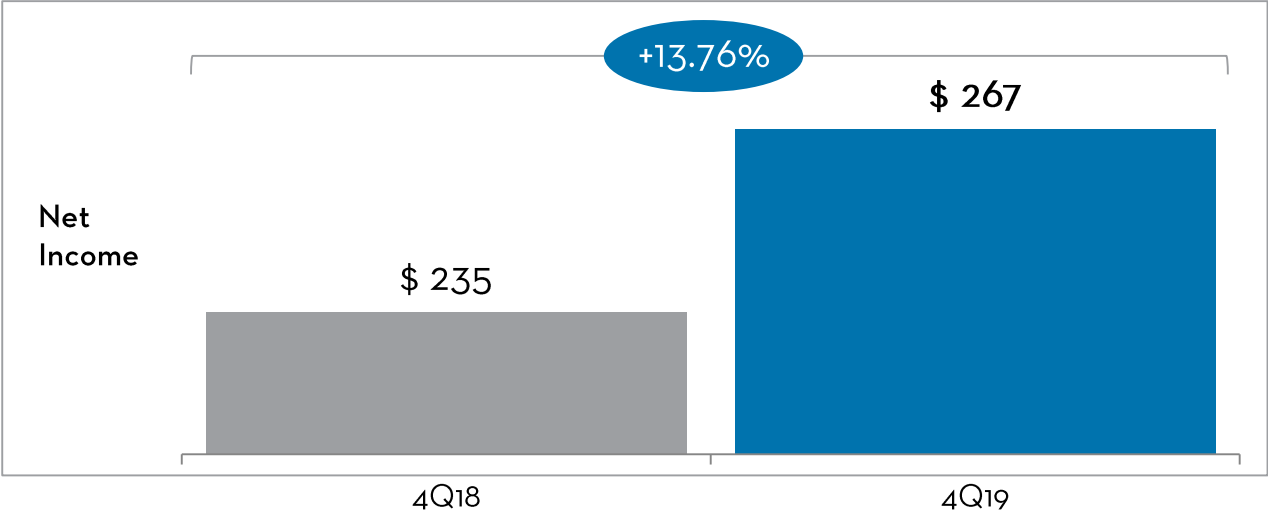
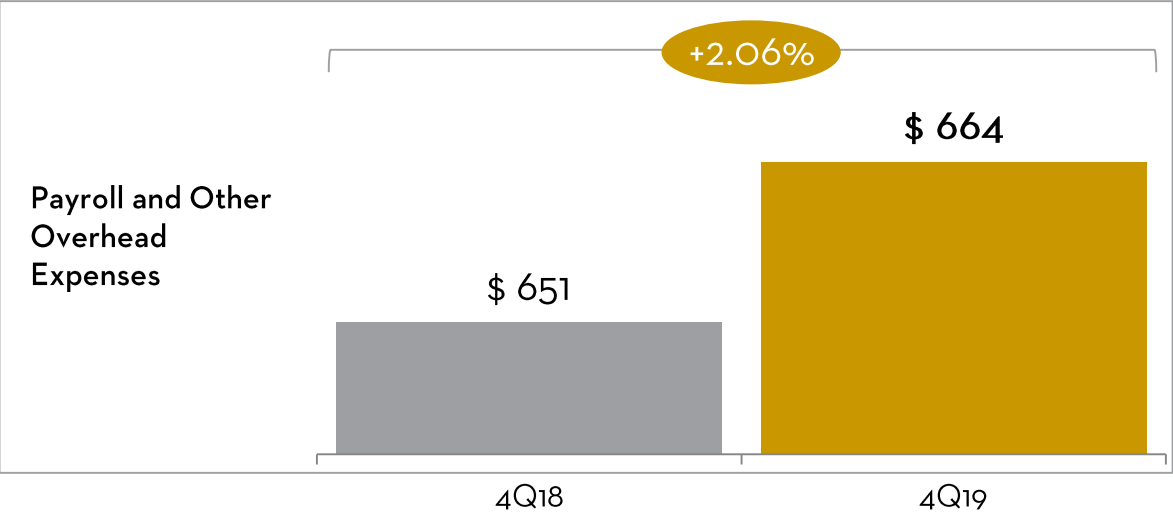
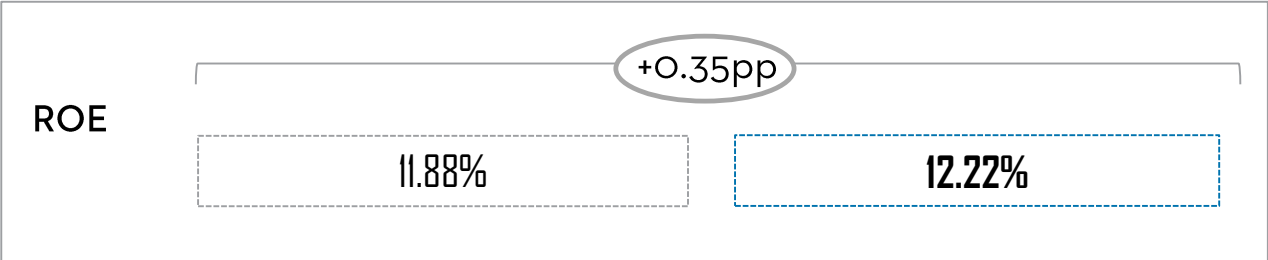
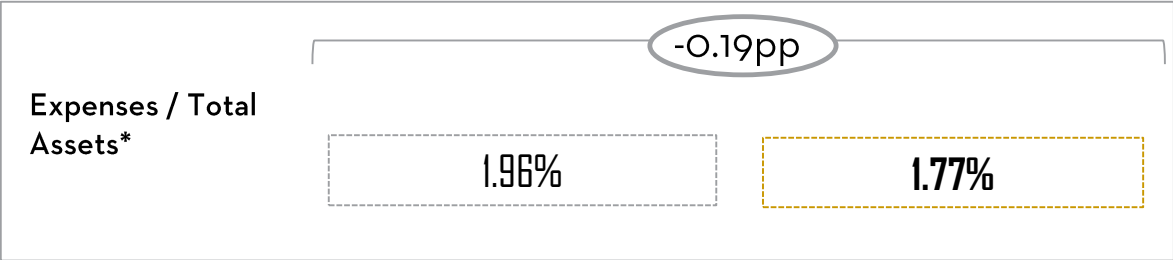
*Intermediation Margin (%) = Received Interests (\$) + Valuation Income (\$) – Paid Interests (\$) / Total Income (\$)
**Net Interest Margin (%) = Received Interests (\$) + Valuation Income (\$) – Paid Interests (\$) / Productive Assets (\$)
***Fee Income (%) = Received Fees (\$) – Paid Fees (\$) / Total Income (\$)

Consolidated Expenses & Net Income



Payroll and Other Overhead Expenses (COP \$Billions)

Net Income (COP \$Billions)



*Expenses / Total Assets = Payroll and other overhead / Total Assets

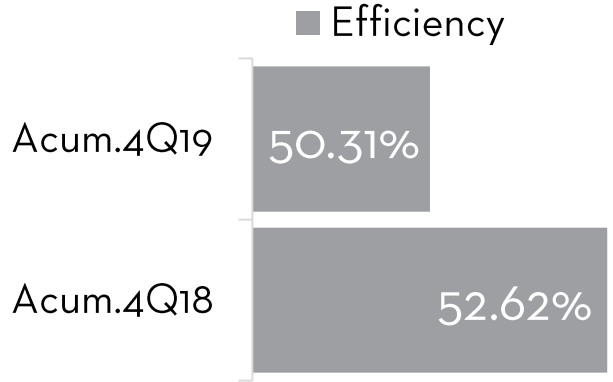
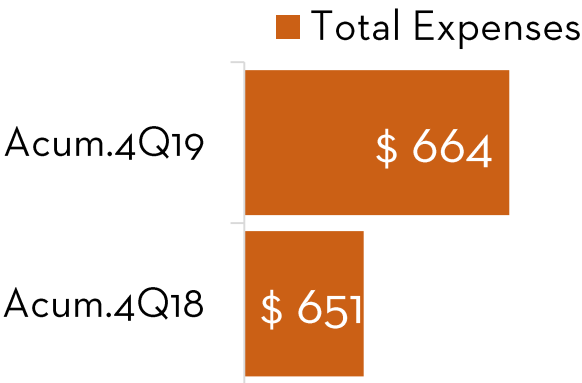
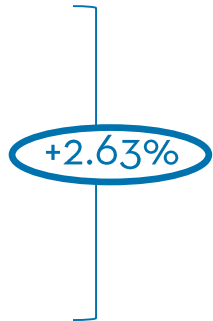
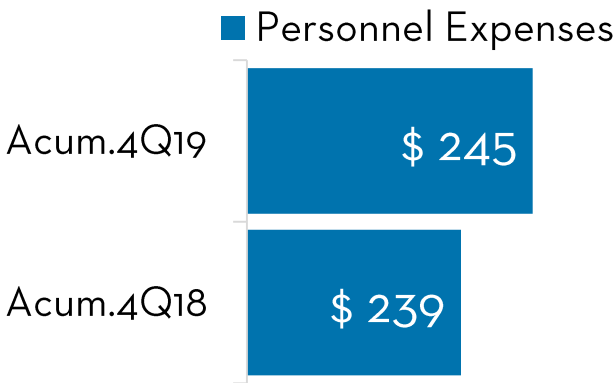
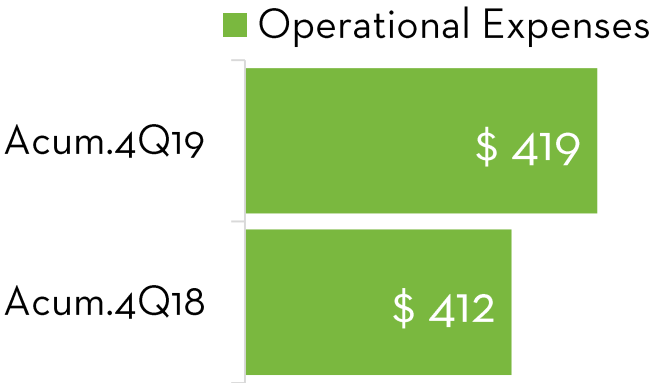
Consolidated Expenses and Efficiency



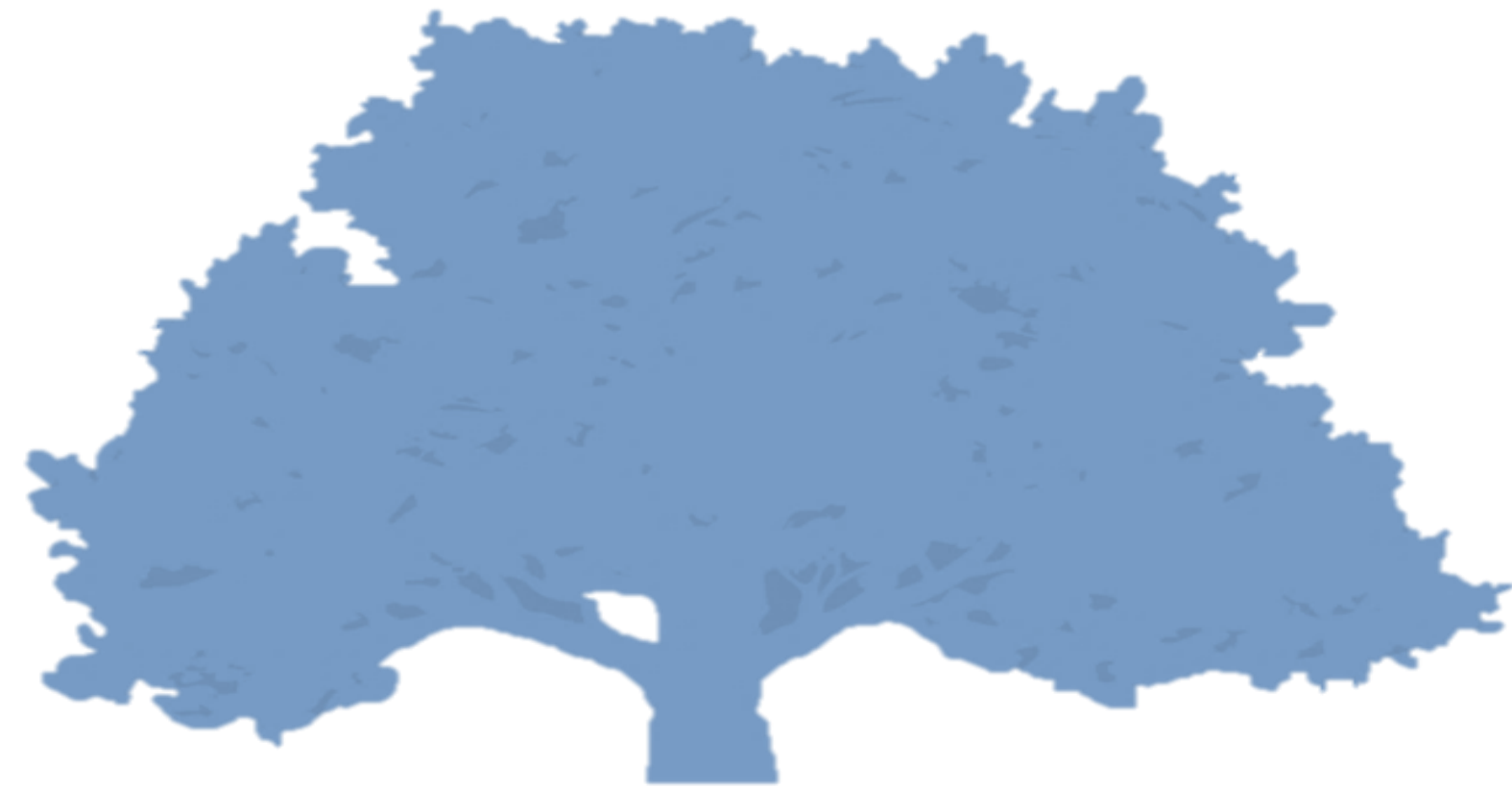
COP \$Billions

The Bank is characterized by a strict expenditure control, allowing it to exhibit suitable efficiency levels.

Expenditure growth is consistent with technological needs, and the organic, gradual and sustained expansion of the business' integral operation.



*Efficiency Ratio = Operative Expenses / Financial Margin



4 • Appendix

Consolidated Income Statement

4. Appendix

Appendix, FULL - IFRS



COP \$Billions

	Quarter 4Q18	Acum. 2018	Quarter 4Q19	Accum. 2019	Δ 4Q19 / 4Q18	Δ Acum 4Q19 / Acum 4Q18
INTEREST RECEIVED	\$ 508	\$ 1,994	\$ 500	\$ 2,172	-1.44%	8.93%
INTEREST PAID	\$ 303	\$ 1,136	\$ 332	\$ 1,273	9.49%	12.01%
INTERMEDIATION MARGIN	\$ 205	\$ 858	\$ 169	\$ 900	-17.61%	4.86%
Comissions, Exchange and Others	\$ 146	\$ 379	\$ 138	\$ 421	-5.56%	11.00%
FINANCIAL MARGIN	\$ 351	\$ 1,237	\$ 307	\$ 1,321	-12.59%	6.74%
Personnel and Administrative Expenses	\$ 213	\$ 651	\$ 170	\$ 664	-20.42%	2.06%
OPERATING MARGIN	\$ 137	\$ 586	\$ 137	\$ 656	-0.42%	11.94%
Provisions and Non-Operational Income	\$ 85	\$ 296	\$ 86	\$ 330	0.57%	11.70%
PROFIT BEFORE TAX	\$ 52	\$ 290	\$ 51	\$ 326	-2.02%	12.19%
Provision for Income Tax	\$ 6	\$ 55	\$ (3)	\$ 58	-156.24%	5.53%
NET INCOME	\$ 46	\$ 235	\$ 55	\$ 267	18.84%	13.76%

Exchange Rate (TRM)	\$ 3,250	\$ 3,277	0.84%
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Consolidated Balance Sheet

4. Appendix

Appendix, FULL – IFRS



COP \$Trillions

	Dec-18	Dec-19	ΔDec-19 / Dec-18
CASH AND BANKS	\$ 2.55	\$ 4.12	61.61%
INTERBANK FUNDS	\$ 6.71	\$ 7.99	19.12%
INVESTMENTS	\$ 7.06	\$ 7.14	1.17%
LOANS	\$ 15.12	\$ 16.20	7.14%
OTHER ASSETS	\$ 1.79	\$ 2.09	16.74%
TOTAL ASSETS	\$ 33.22	\$ 37.53	12.98%
DEPOSITS AND DEMAND ACCOUNTS	\$ 20.95	\$ 23.92	14.21%
INTERBANK FUNDS AND REPOS	\$ 4.81	\$ 5.75	19.54%
BANK DEBT	\$ 2.24	\$ 2.35	4.77%
BONDS	\$ 2.23	\$ 2.25	0.92%
OTHER LIABILITIES	\$ 0.92	\$ 0.93	1.78%
TOTAL LIABILITIES	\$ 31.15	\$ 35.21	13.03%
TOTAL EQUITY	\$ 2.07	\$ 2.32	12.23%
TOTAL LIABILITIES AND EQUITY	\$ 33.22	\$ 37.53	12.98%
Exchange Rate (TRM)	\$ 3,250	\$ 3,277	0.84%

Consolidated Capital Adequacy

4. Appendix

FULL - IFRS



COP \$Trillions

	4Q18	4Q19	Δ 4Q19 / 4Q18
Technical Capital	\$ 3.18	\$ 2.96	-7.12%
Tier I	\$ 1.42	\$ 1.52	6.98%
Tier II	\$ 1.76	\$ 1.43	-18.53%
Risk-Weighted Assets	\$ 20.02	\$ 21.79	8.87%
Capital Ratios (%)	Δ , pp		
Solvency Ratio	15.90%	13.57%	(2.34)
Tier I	7.11%	6.99%	(0.12)
Tier II	8.79%	6.58%	(2.21)
Exchange Rate TRM, eop (end-of-period)	\$ 3,250	\$ 3,277	0.84%



GNB Sudameris Senior / Subordinated International & Local Debt Ratings

	2017 Subordinated Debt (USD)	2012 Subordinated Debt (USD)	2017 Subordinated Debt (COP)
Fitch Ratings	BB	BB	
Moody's	B1	B1	

GNB Sudameris Local Ratings

Value & Risk Rating	Long Term Short Term	AAA VrR1+	AA+
BRC Standard & Poor's	Long Term Short Term	AA+ BRC 1+	



We cover 90% of the Colombian territory, through our strong ATMs & banking network

We are the first Colombian bank to enter Perú and Paraguay with a full banking license

BANCO GNB
SUDAMERIS



SERVITRUST GNB
SUDAMERIS



SERVIVALORES GNB
SUDAMERIS



SERVITOTAL GNB
SUDAMERIS



CORFI GNB
SUDAMERIS



 **servibanca**



Colombia

Employees: 1,891

Branches: 125

ATMs: 2,722

Cities & Towns: 807 →
including branches and
ATM network



Perú

Employees : 519

Branches: 12

BANCO GNB
PERÚ



Paraguay

Employees: 207

Branches: 7

BANCO GNB
PARAGUAY

Glossary

- **Intermediation Margin** = $\text{Received Interests} + \text{Valuation Income} - \text{Paid Interests} / \text{Total Income}$
- **Fee Income** = $\text{Received Fees} - \text{Paid Fees} / \text{Total Income}$
- **Net Interest Margin** = $\text{Received Interests} + \text{Valuation Income} - \text{Paid Interests} / \text{Productive Assets}$
- **Efficiency Ratio** = $\text{Operative Expenses} / \text{Financial Margin}$
- **NPL** = Non-Performing Loans >90 days
- **NPL Ratio** = $\text{NPL} / \text{Total Loans}$
- **Liquidity Ratio** = $\text{Deposit Surpluses} / \text{Total Deposits}$
- **NIM** = $\text{Financial Margin (12 months)} / \text{Average Productive Assets}$
- **Financial Margin** = $\text{Received Interests} + \text{Valuation Income} - \text{Paid Interests}$
- **Productive Assets** = Investments, Loans, Interbank Repos, etc.
- **Solvency Ratio** = $\text{Technical Equity} / \text{Risk Weighted Assets}$
- **Past-Due Loans** = All loans at least 31 days past due.
- **Past-Due Loans Ratio** = $\text{Past-Due Loans} / \text{Total Loans}$.
- **Past-Due Loan Coverage Ratio** = $\text{Provisions} / \text{Past-Due Loans}$.
- **Risk Cost** = $\text{Loans Qualified as BCDE or Portfolio other than "A"} / \text{Total Loans Portfolio}$.
- **Risk Coverage** = $\text{Provisions} / \text{Loans Qualified as BCDE}$
- **ROAA** = $\text{Net Income (4 quarters)} / \text{Average Assets}$
- **ROAE** = $\text{Net Income (4 quarters)} / \text{Average Equity}$





Investor Relations

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Quarterly Results 4Q19

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