

Earnings Results 3Q22

 **Bancolombia**





Financial Highlights

- Loan book up 7.0% QoQ and 23.7% YoY
- Deposits up 6.9% QoQ and 25.3% YoY
- Basel III CET1 capital ratio of 10.0% and total capital ratio of 12.5%
- Net income COP 1.6 trillion down 8.5% QoQ



Credit Risk

- Net provision charges COP 1.2 trillion up 91.0% QoQ
- Coverage ratio of 229%
- Allowances represent 5.6% of total loans



Business Update

- Loan growth above expectations
- Diversified funding mix. First bond issuance tied to sustainable indicators in Latin America
- Strong positioning in transactions
- Evolution of the strategy in technology



Macroeconomic Trends

- The economy has continued to perform well, but we anticipate growth to moderate sharply in 2023.
- Inflationary pressures will be significant and, consequently, monetary policy will remain in contractionary territory.

Macroeconomic Trends

Economic indicators for Colombia

Indicator	2019	2020	2021	2022f	2023f
GDP growth annual (% var.)	3.2%	-7.0%	10.7%	7.8%	0.9%
Fiscal balance (% GDP)	-2.5%	-7.8%	-7.1%	-5.6%	-4.8%
Current account balance (% GDP)	-4.6%	-3.4%	-5.6%	-5.8%	-4.1%
Consumer inflation (annual % var, eop)	3.80%	1.62%	5.62%	12.6%	7.5%
Central Bank reference rate (% , eop)	4.25%	1.75%	3.00%	12%	10.00%
USDCOP exchange rate (average 4Q)	\$ 3,411	\$ 3,661	\$ 3,880	\$ 4,800	\$ 4,930
Nominal depreciation (% var, eop)	11.0%	12.6%	1.4%	13.6%	15.5%

Economic Growth



- After a better-than-expected expansion in 2022, a challenging global context coupled with restrictive monetary and local uncertainty will lead GDP growth to moderate sharply in 2023.
- In 2023, we anticipate that the best-performing sectors will be public administration, agriculture, financial services and utilities, which will grow above GDP. On the contrary, retail, manufacturing, mining and construction will contract.

Public Finances



- The approval of the tax reform and higher oil revenues will allow fiscal deficit to reduce next year.
- We expect that the Government will comply with fiscal rules targets. However, public financing needs will be significant.

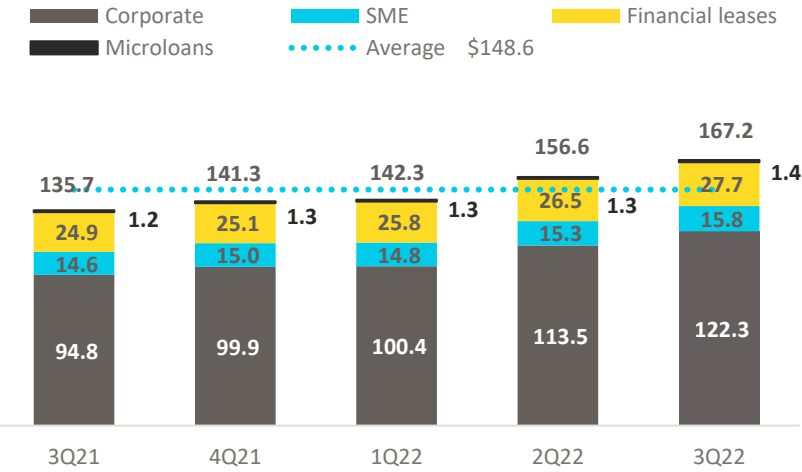
Inflation and Interest Rates



- Price pressures will remain substantial due to FX passthrough, indexation mechanism and rise in salaries.
- Therefore, inflation will be above Central Bank's target range. As a result, the stance of monetary policy will be contractionary.

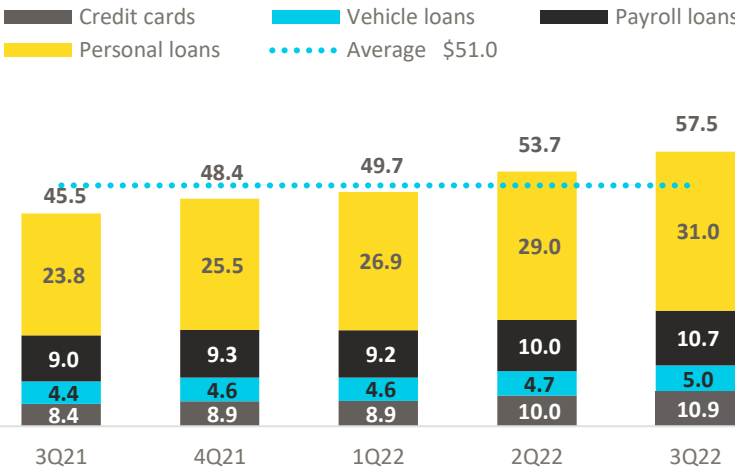
Loans & Deposits

Commercial



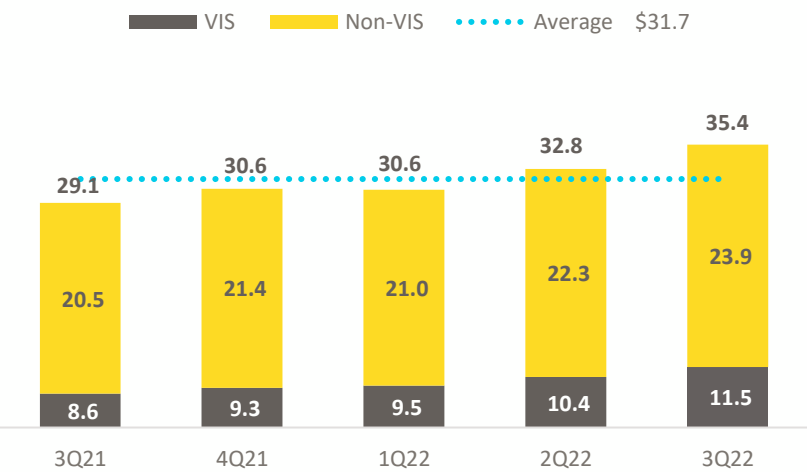
COP Trillion

Consumer



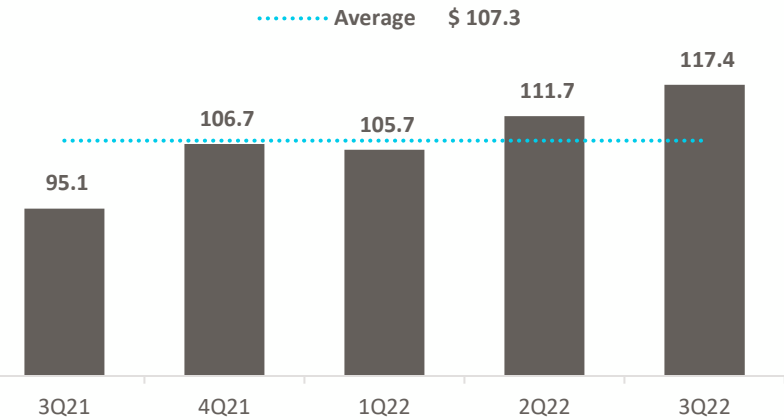
COP Trillion

Mortgage



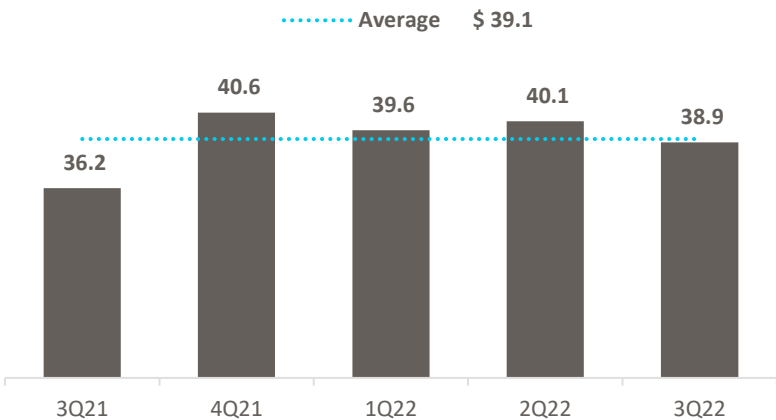
COP Trillion

Savings Accounts



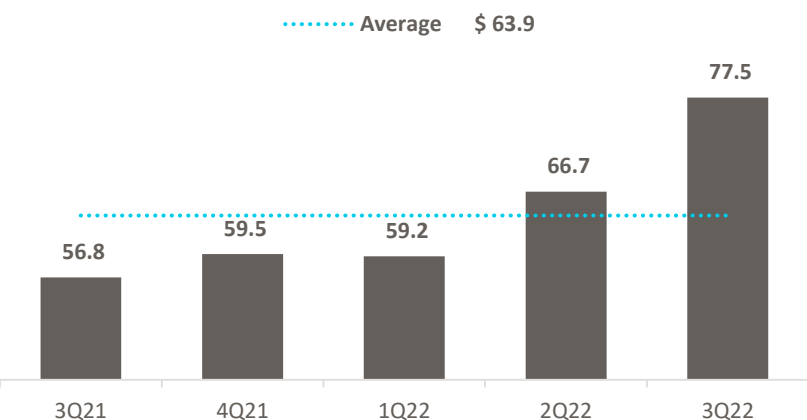
COP Trillion

Checking Accounts



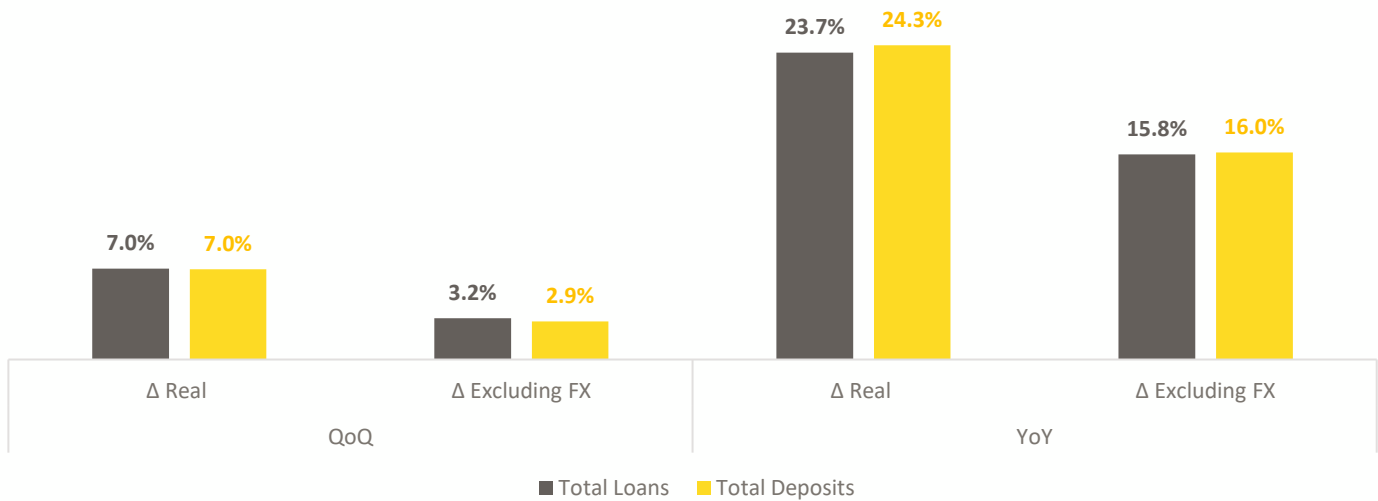
COP Trillion

Time Deposits

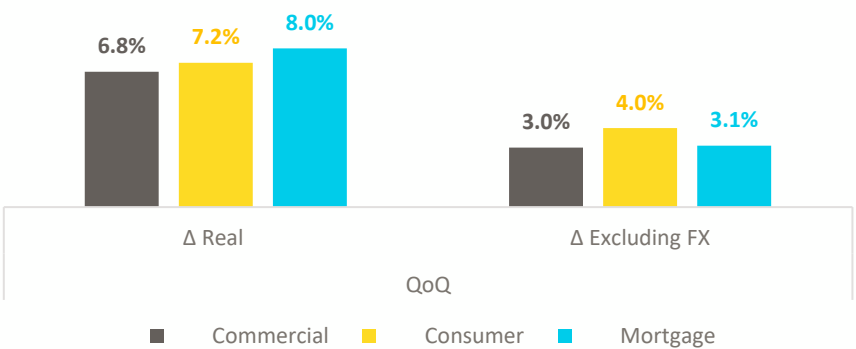


COP Trillion

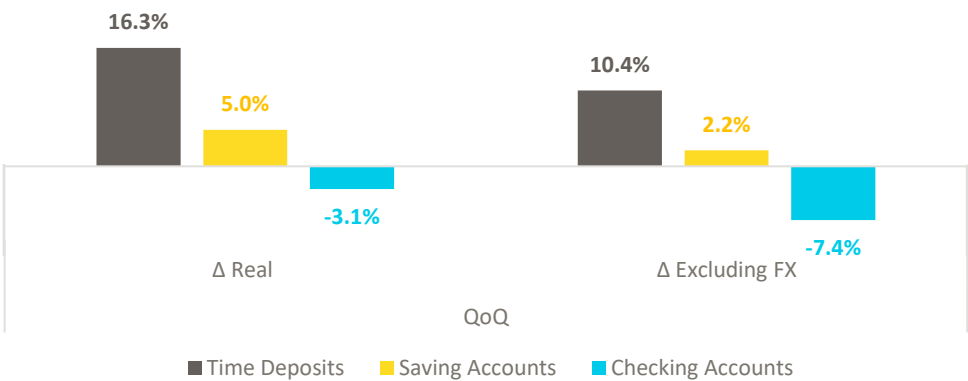
Loans and Deposits Growth



Loan Portfolio 3Q22/2Q22

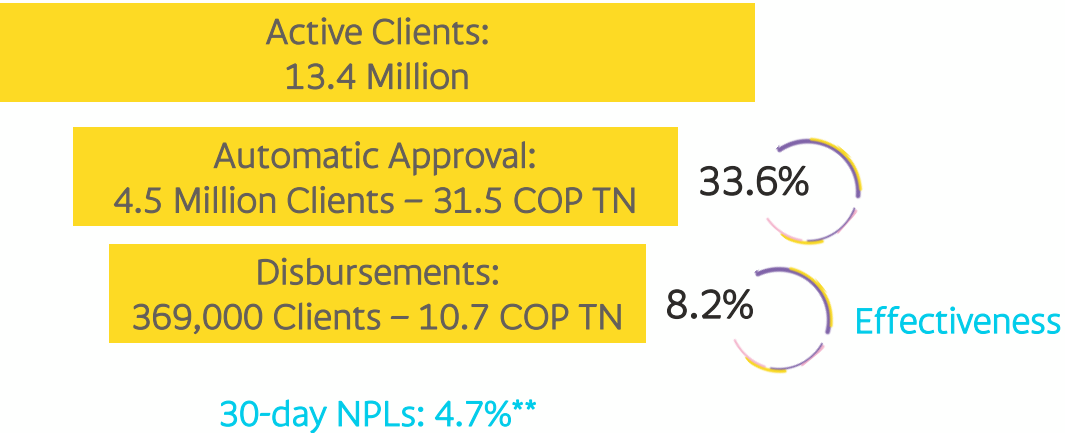


Deposits 3Q22/2Q22

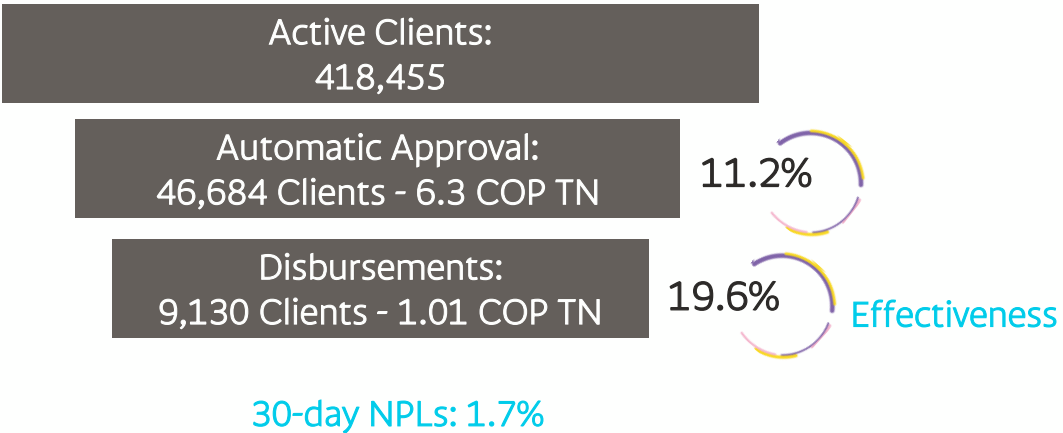


Pre-Approved Loans - Colombia

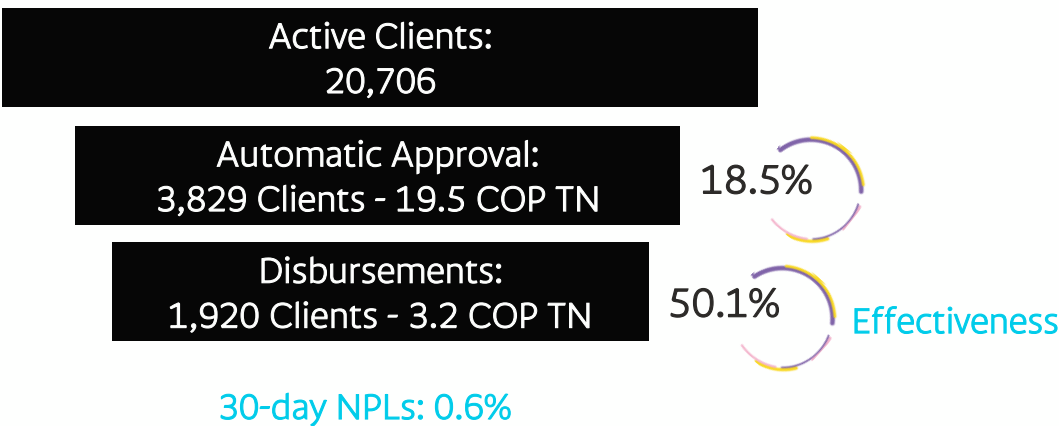
Retail



SMEs



Corporates

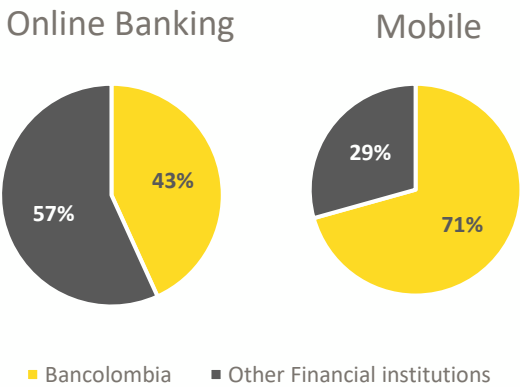


*Accumulated figures as of September 2022
**Personal loans

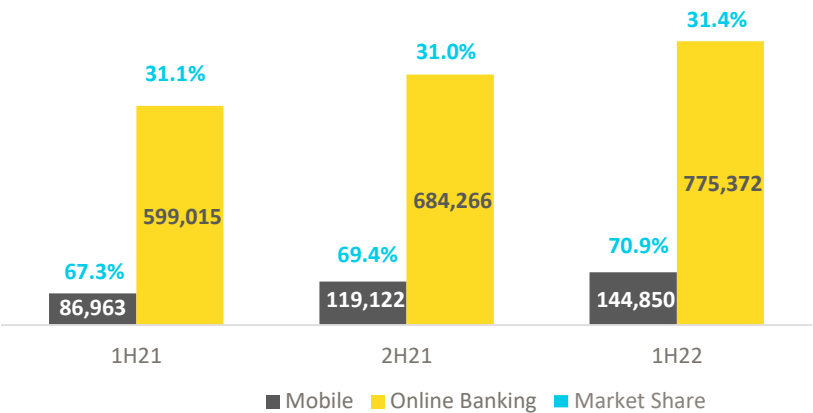
Transactions – Colombia

Digital

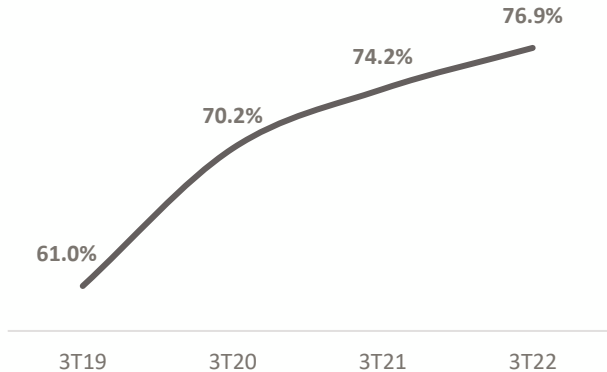
Total Monetary Transactions 1H22



Transactions Volume 1H22



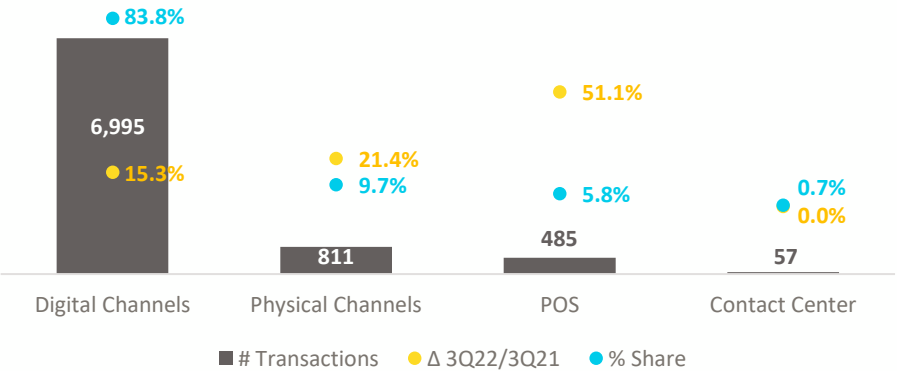
Digital Adoption



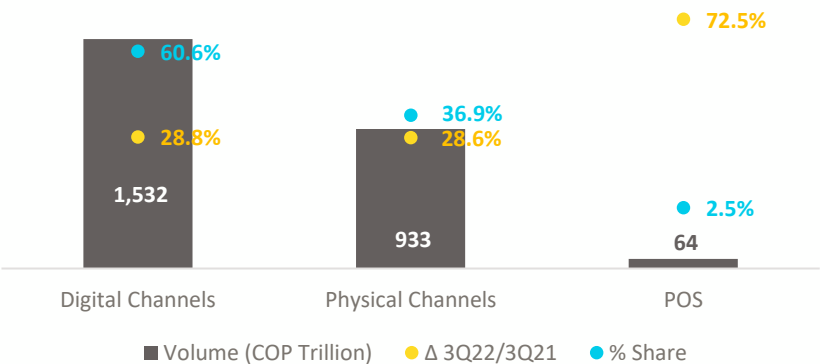
Source: Superintendencia Financiera de Colombia

Distribution Channels

Transactions by Channel 3Q22*



Volume by Channel 3Q22

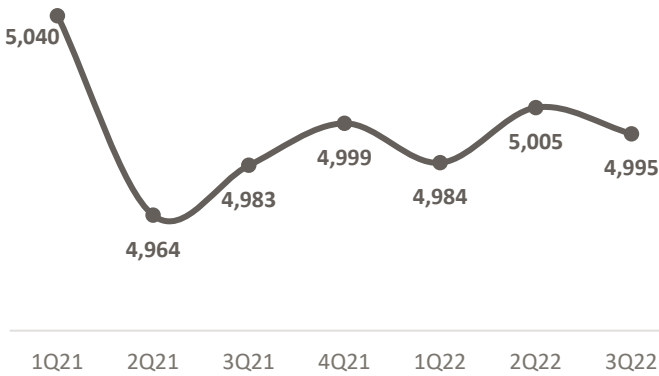


*Based on number of transactions (millions)

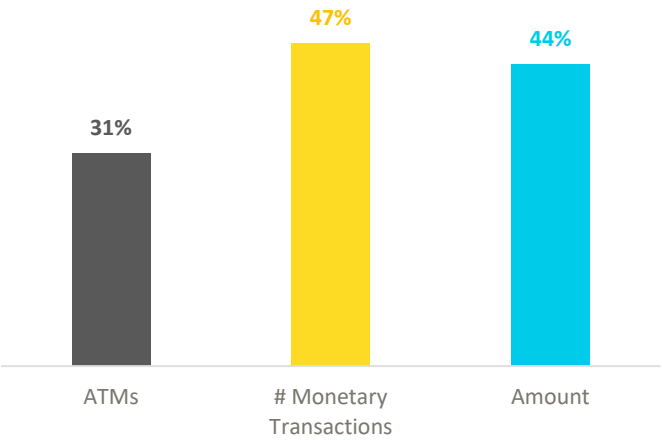
Transactions – Colombia



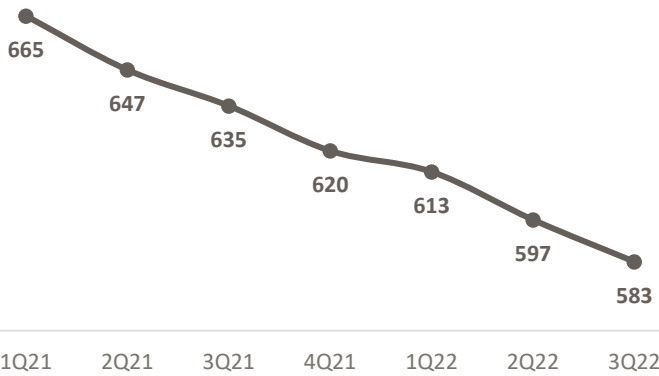
ATMs:



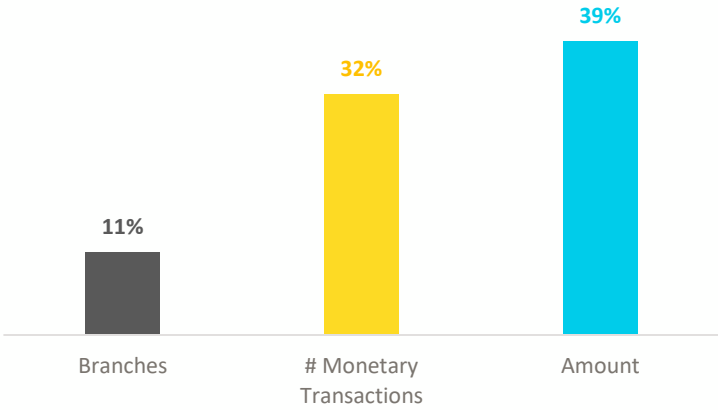
Market Share 1H22



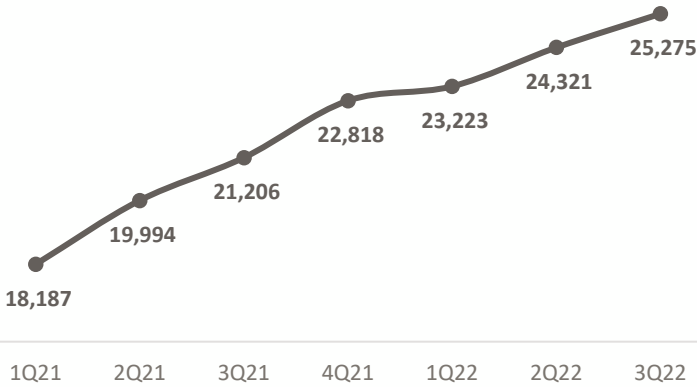
Branches:



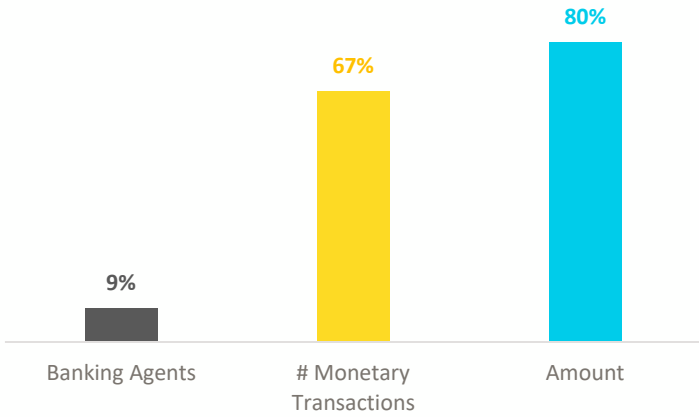
Market Share 1H22



Banking Agents:



Market Share 1H22



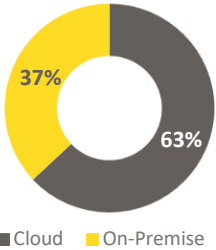
Source: Superintendencia Financiera de Colombia

Information Technology



Journey to Cloud

Migration to cloud represents ~38% cost savings



Awards

Highest level of digital maturity in Latin America

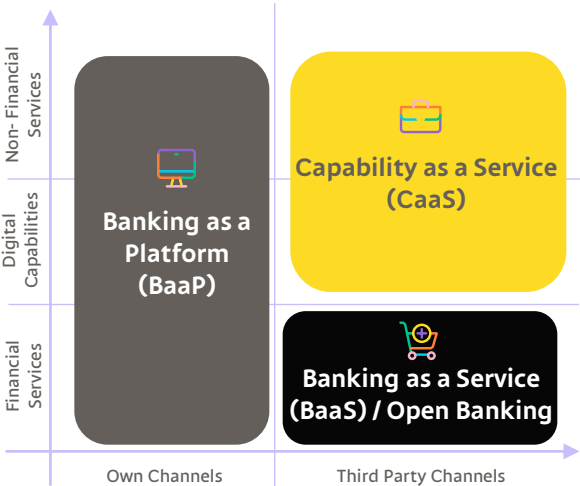


Best software development practices



Platform

Technological platform for financial and non-financial businesses.



Strategy

3

1

Technology

Bancolombia

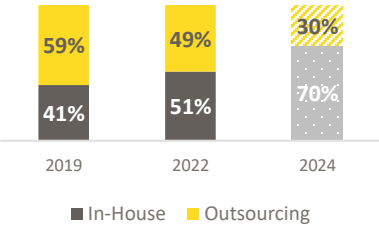
2

Culture and Talent



IT Team

More than 3,300 employees



Attraction & Retention



Best company to attract and retain talent



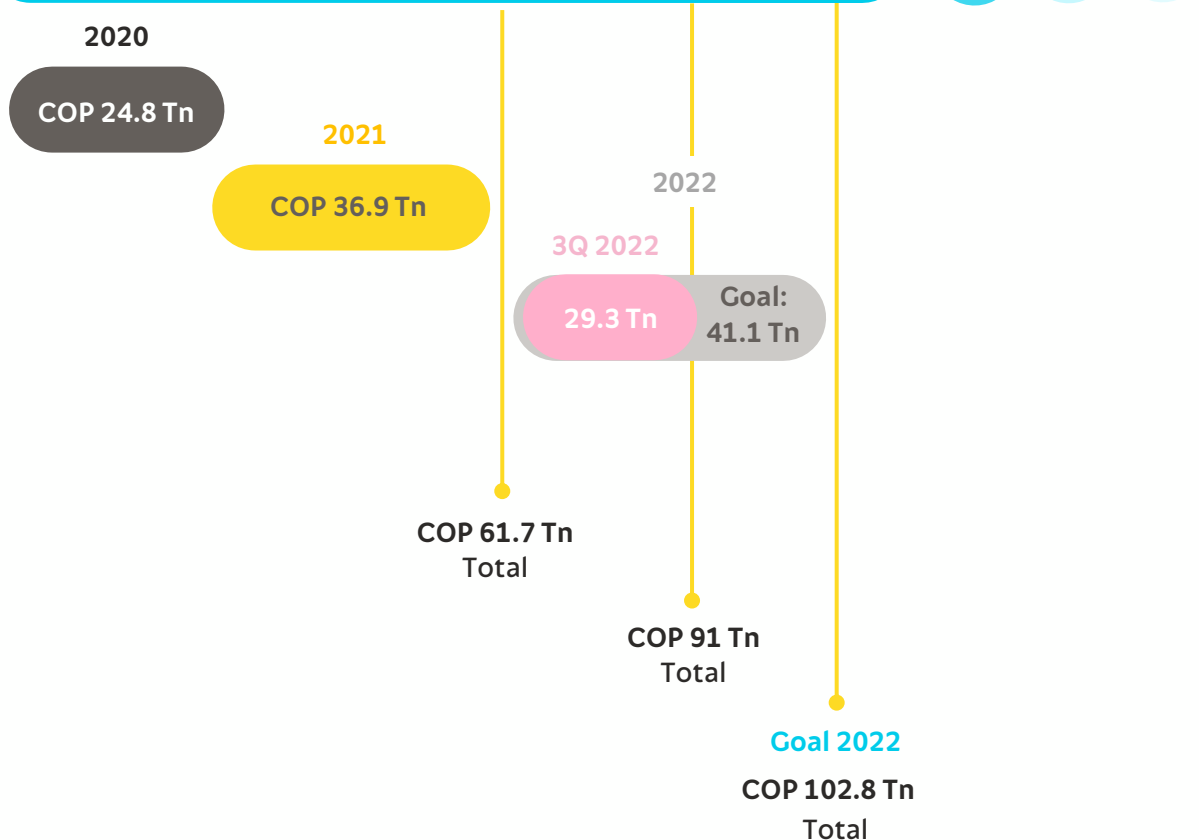
Low staff turnover (9.6%)



Businesses with purpose



COP 500 Tn – Our goal for 2030



Sustainable Funding



First bond issuance tied to sustainable indicators in Latin America **COP 640 Billion**



Credit tied to sustainable indicators **USD 100 Million**

Bancolombia reported its goals to reach net zero in financed emissions.

NET-ZERO BANKING ALLIANCE

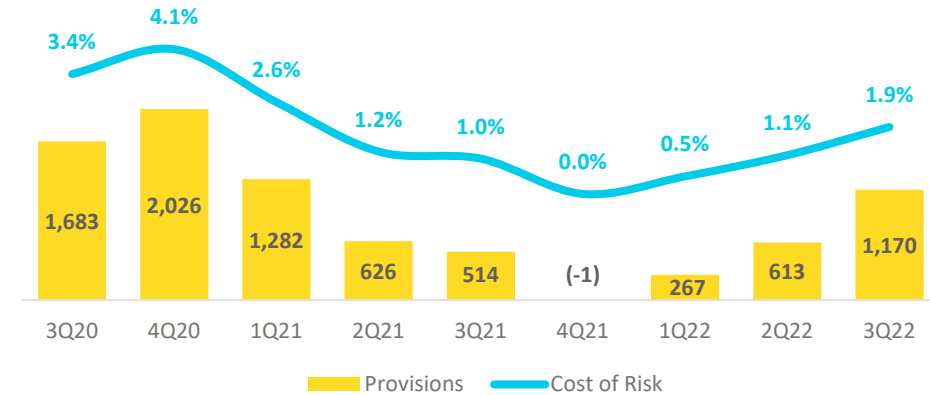
NET ZERO
ASSET
MANAGERS
INITIATIVE



SCIENCE
BASED
TARGETS

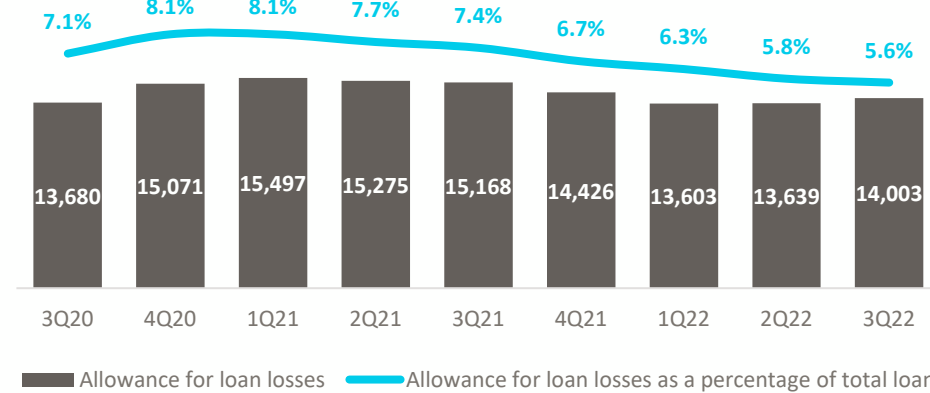
Provisions, Allowances, Asset Quality and Coverage

Provisions



COP Billion

Allowances*



COP Billion

Net Provisions Charges

3Q22/3Q21 \triangle 128%
3Q22/2Q22 \triangle 91%

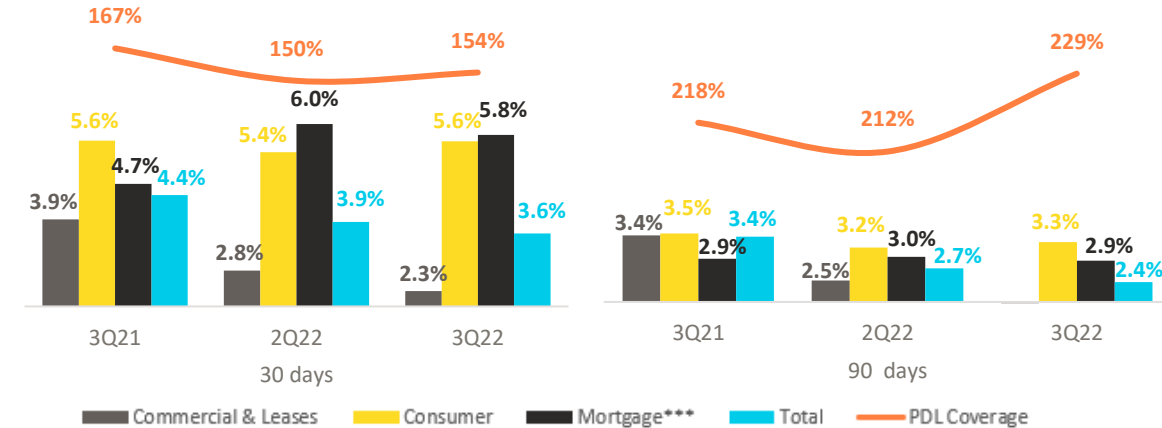
Cost of Risk:
0.9% (Last 12 Months)

Asset Quality Evolution

	3Q21	4Q21	1Q22	2Q22	3Q22
Initial PDLs	9,034	9,072	8,675	9,129	9,103
New PDLs**	892	743	1,370	953	1,367
Charge-offs	(854)	(1,140)	(916)	(979)	(1,362)
Final PDLs	9,072	8,675	9,129	9,103	9,108

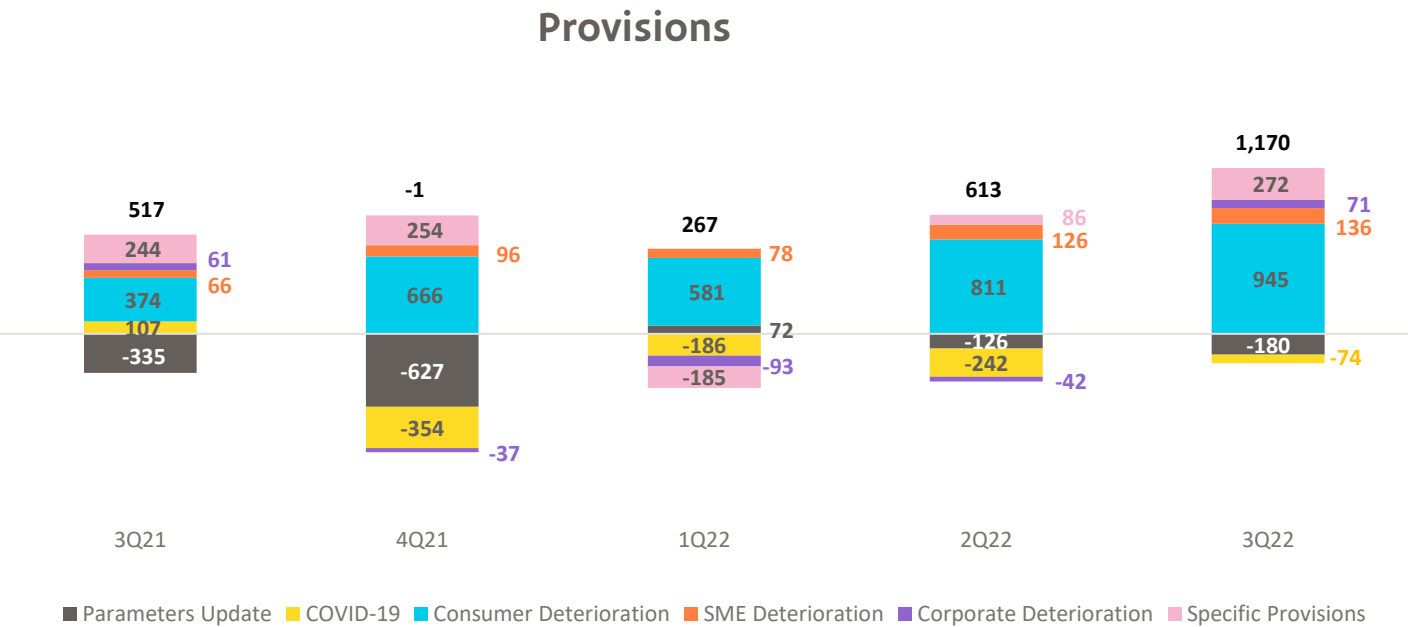
COP Billion

PDLs and Coverage per Category



*Based on allowances for loan losses excluding interest ** New PDLs is the sum of the change in PDLs and charge-offs for the period *** Mortgage loans were calculated for 120 days instead of 90 days

Provisions Breakdown



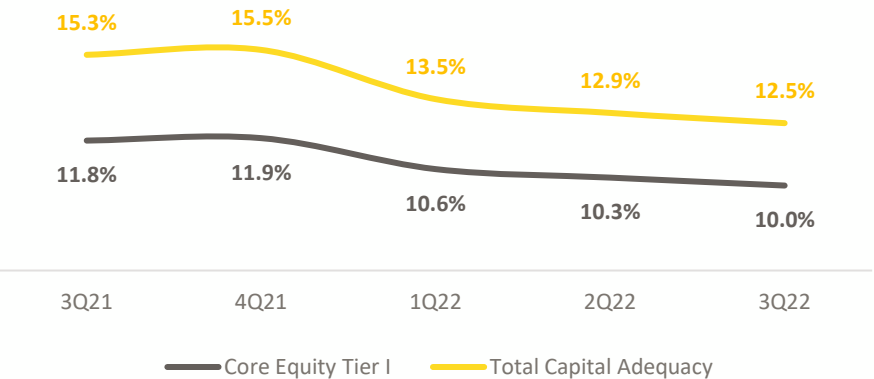
COP Billion

Risk Models GDP 2022 - Growth Scenarios Evolution

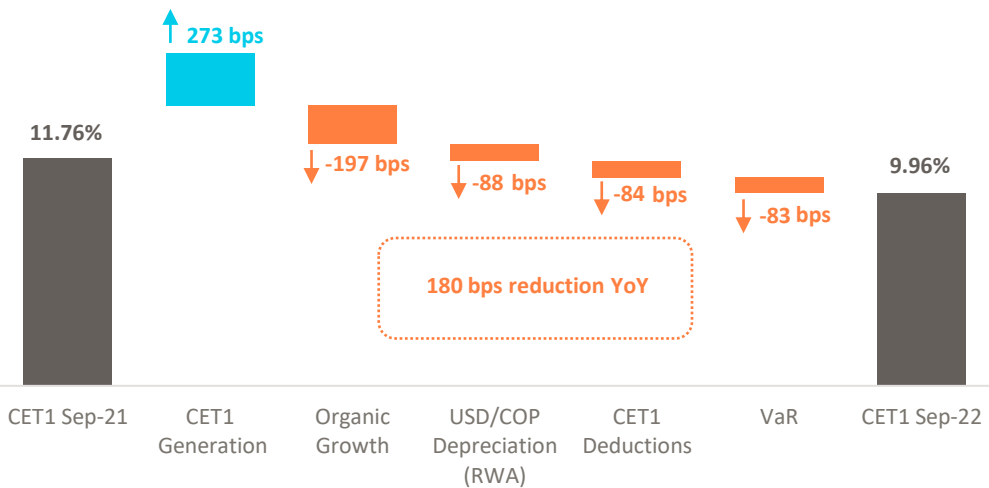
	Colombia	Panama	El Salvador	Guatemala
Jun-22	7.2%	7.0%	2.8%	4.3%
Sep-22	7.2%	7.0%	2.8%	3.4%

Capital

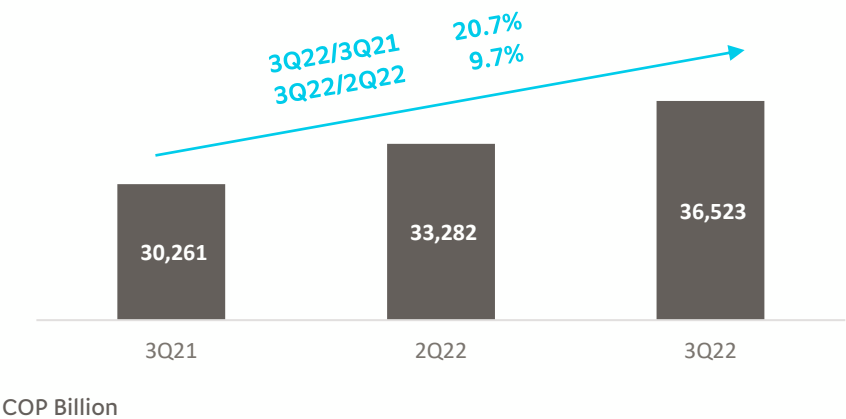
Core Equity Tier I and Total Capital Evolution



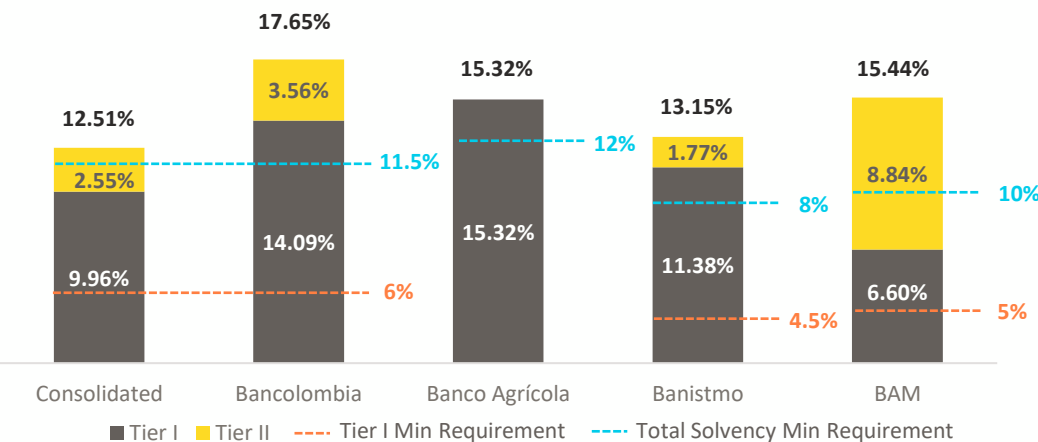
Core Equity Tier I Variation Components (YoY)



Shareholders' Equity

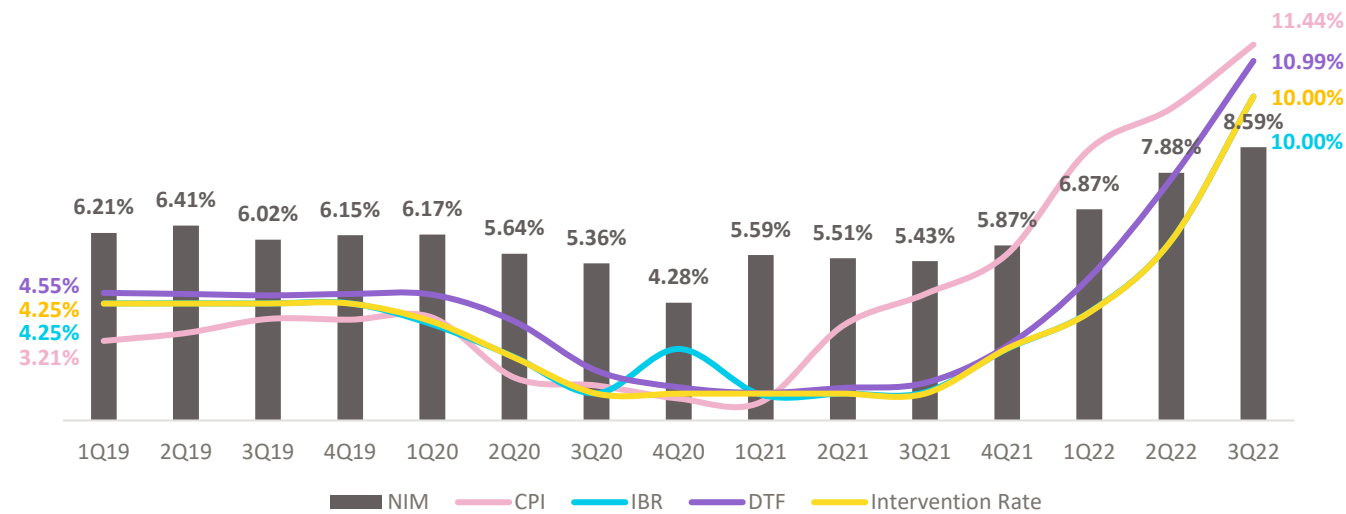


Capital Adequacy (3Q22)

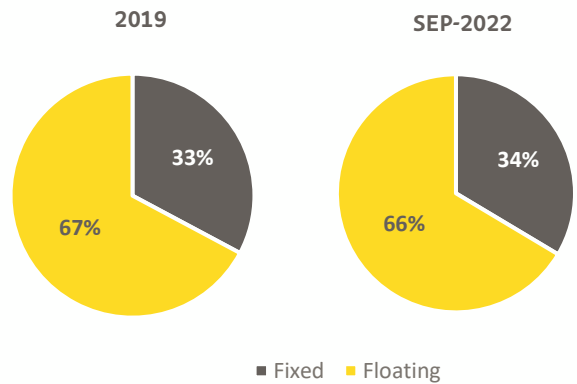


*Phase in period of 4 years for minimum regulatory levels at Basel III

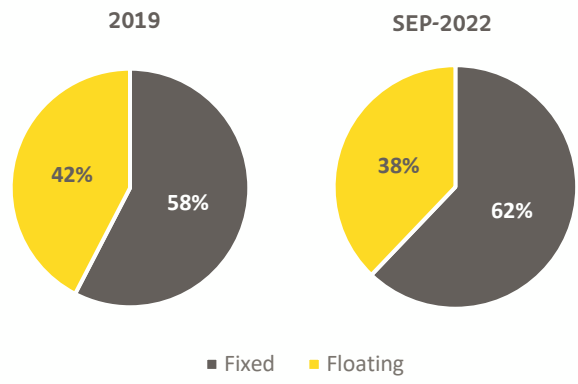
Interest Rates & NIM



Loans

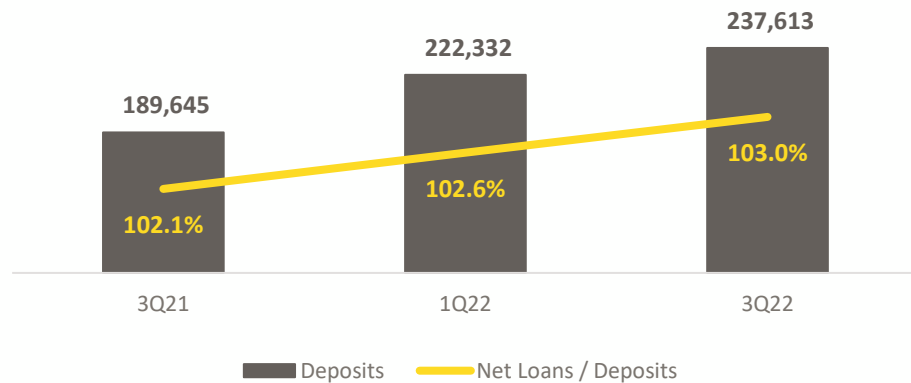


Deposits



Liquidity Management

Liquidity and Deposits

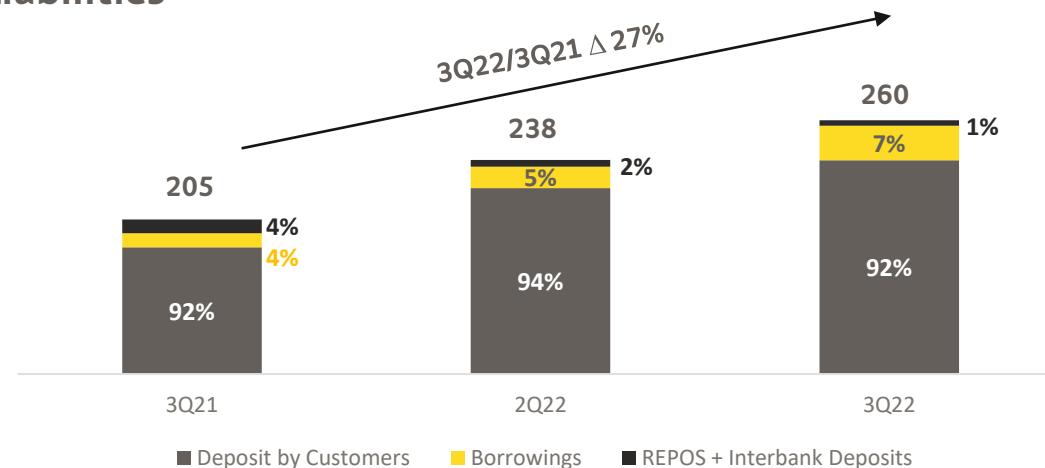


COP Billion

Funding Cost

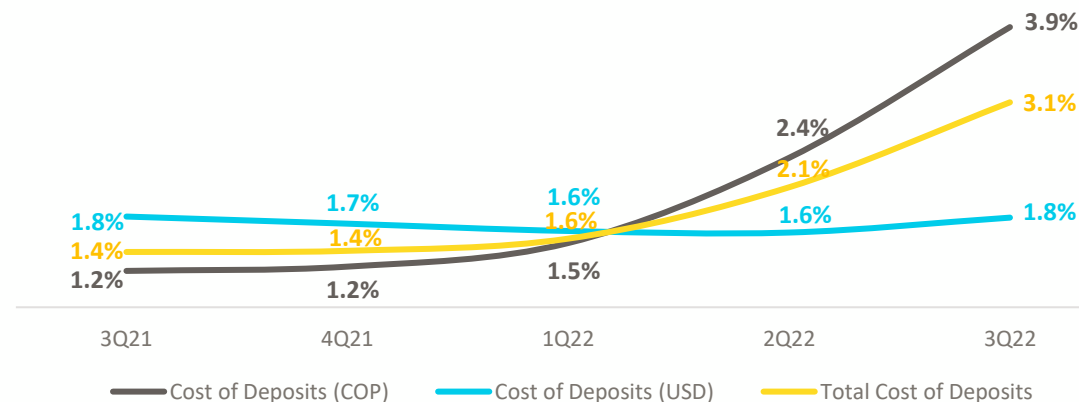
	3Q21	2Q22	3Q22	Share (%)
Checking Accounts	0.00%	0.00%	0.00%	14%
Savings Accounts	0.69%	1.35%	2.25%	42%
Time Deposits	3.47%	4.82%	6.02%	28%
Cost of Deposits	1.41%	2.13%	3.06%	84%
Long Term Debt	5.32%	6.13%	7.04%	6%
Other	1.86%	2.53%	3.51%	9%
Funding Cost	1.81%	2.48%	3.37%	100%

Liabilities

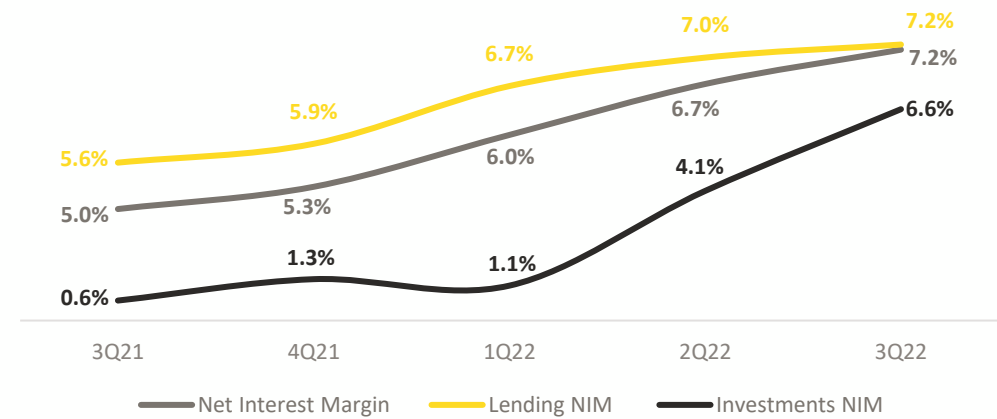


COP Trillion

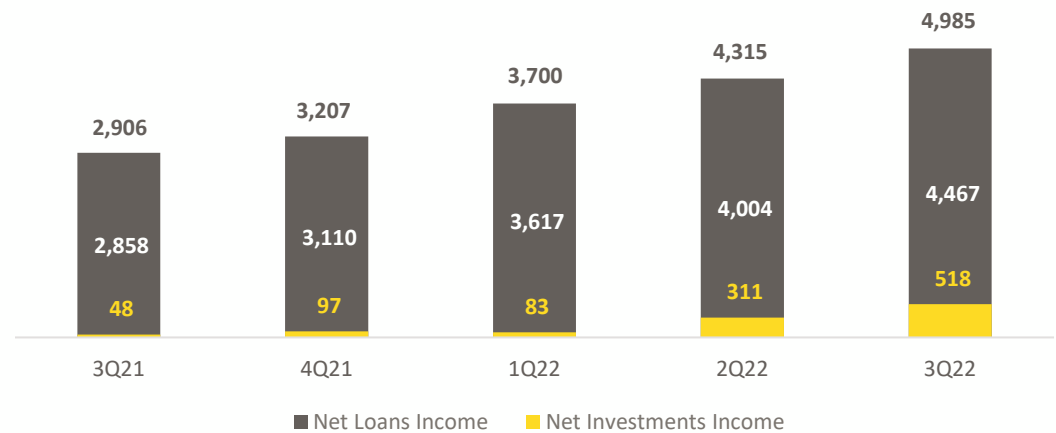
Cost of Deposits



Net Interest Margin



Net Interest Income

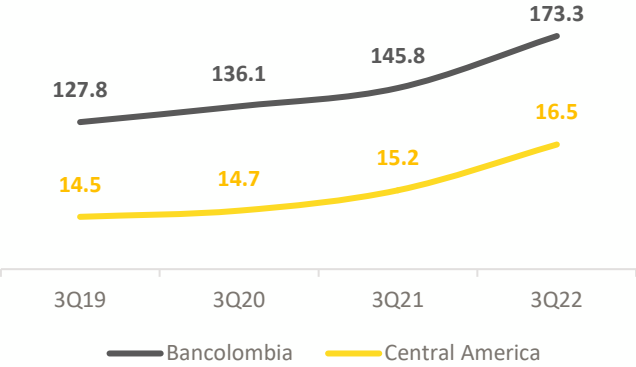


COP Billion

Colombia and Central America Overview

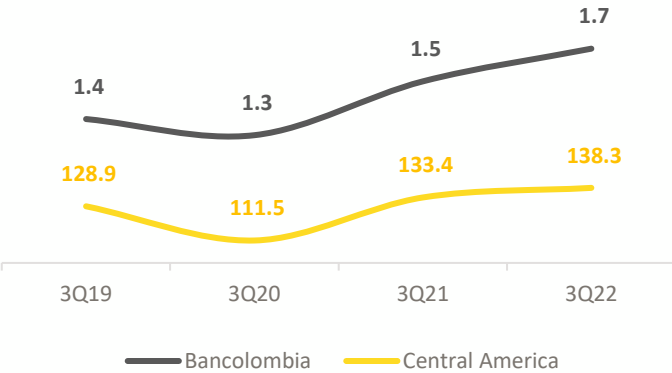
Loans

COP Trillion – USD Billion



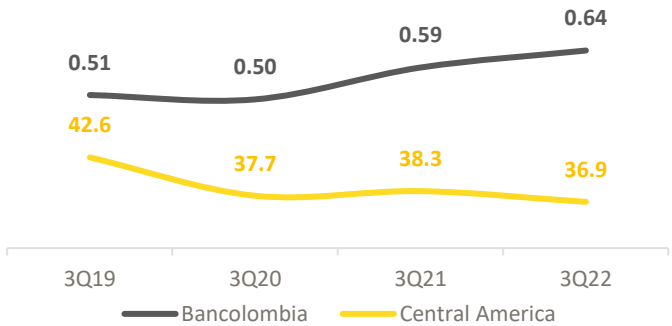
Expenses

COP Trillion – USD Million



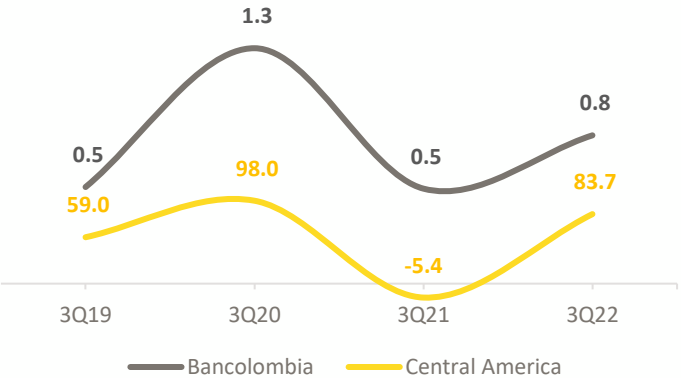
Fees

COP Trillion – USD Million



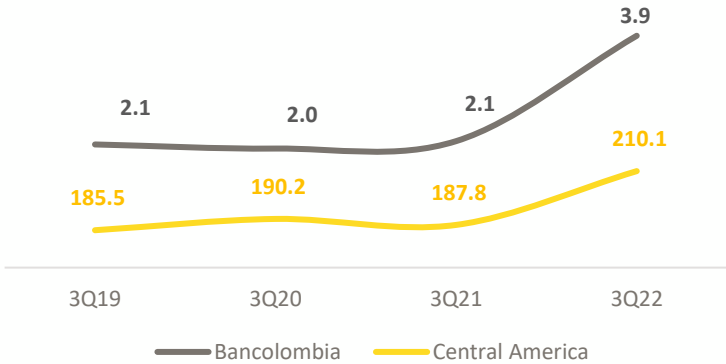
Provision Charges

COP Trillion – USD Million



NII

COP Trillion – USD Million



Bancolombia

Loan Share: 67%

Banistmo

Loan Share: 15%

Bancoagrícola

Loan Share: 7%

Bam

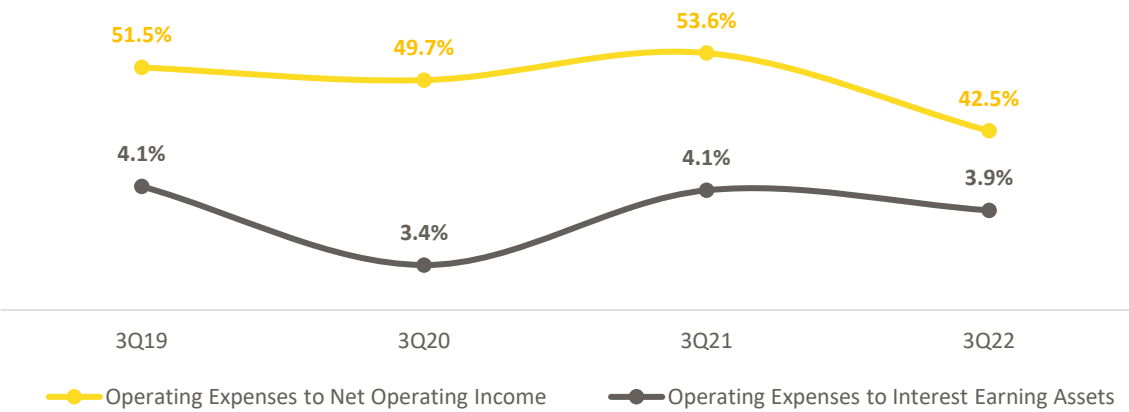
Loan Share: 7%

Central America

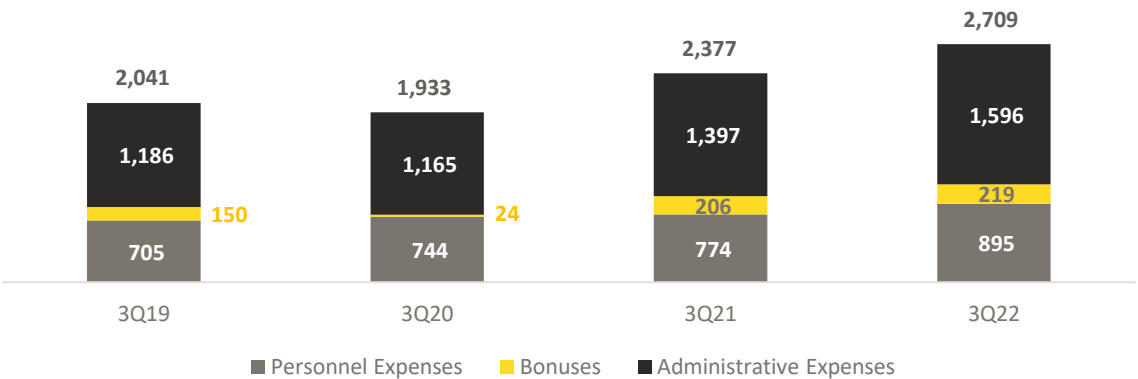
Loan Share: 29%

Operating Expenses & Efficiency

Efficiency Ratio



Operating Expenses



Total Operating Expenses

3Q22/3Q21 Δ 14.0%

Administrative Expenses

3Q22/3Q21 Δ 14.2%

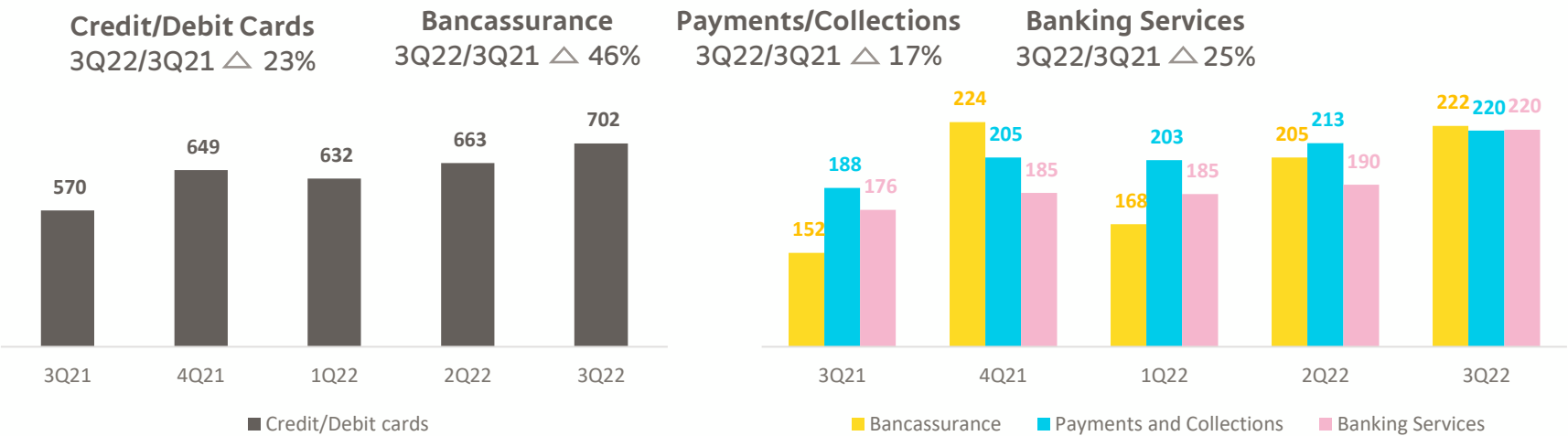
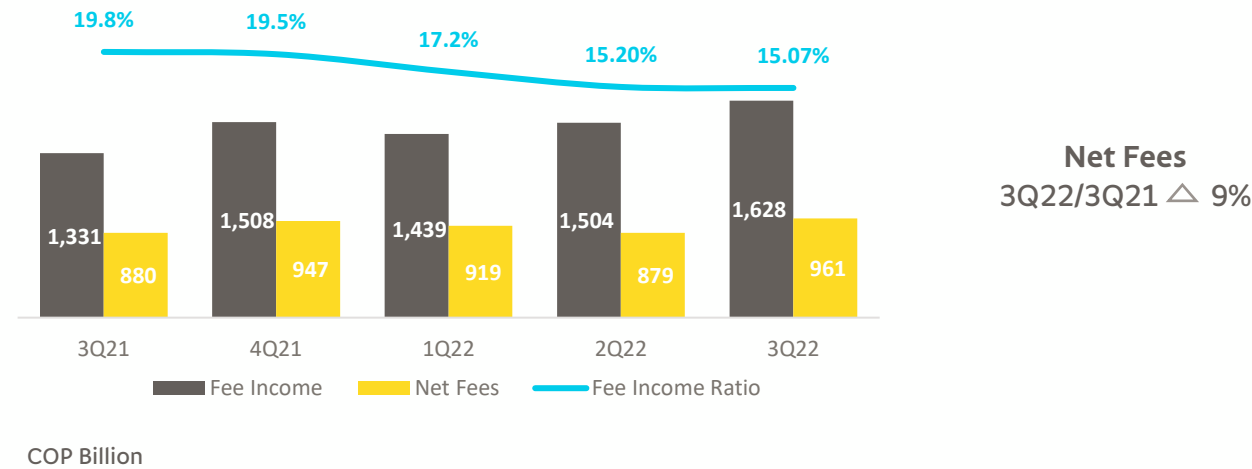
Personnel Expenses*

3Q22/3Q21 Δ 13.6%

COP Billion

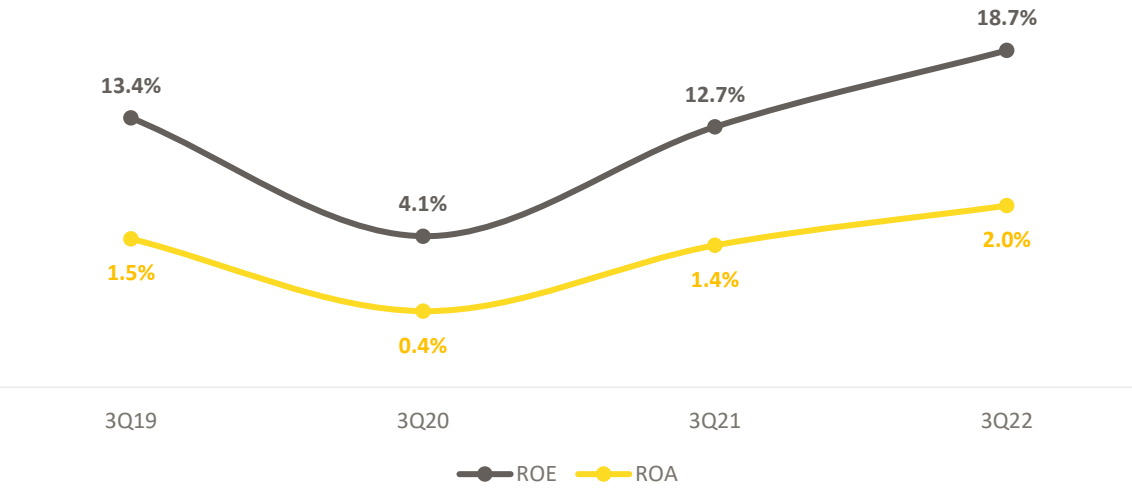
*Personnel expenses are the sum of salaries and employee benefits, as well as bonus plan payments and compensation.

Evolutions of Net Fees

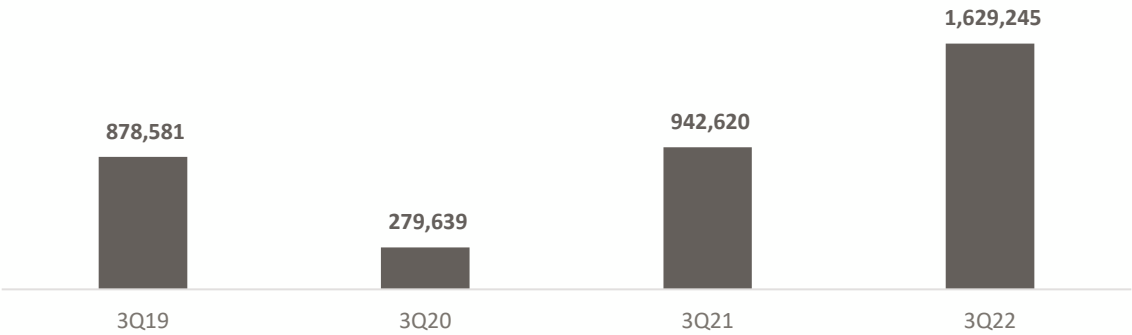


Profitability

ROE & ROA



Net Income



COP Million

Earnings Results 3Q22



Colombia and Central America Overview

Bancolombia

	3Q21	2Q22	3Q22
Net Income	468	1,781	1,738
NIM	5.43%	7.88%	8.59%
Net Fees Growth	11.18%	17.17%	14.09%
ROAE	11.27%	22.29%	19.90%
Efficiency	52.38%	36.59%	34.83%
CoR	1.46%	1.09%	1.93%
Coverage (90d)	227.53%	219.37%	238.59%

Bancoagrícola

	3Q21	2Q22	3Q22
Net Income	109	70	131
NIM	5.81%	6.56%	6.31%
Net Fees Growth	25.52%	1.40%	3.34%
ROAE	19.06%	13.24%	21.19%
Efficiency	56.54%	53.62%	51.78%
CoR	-0.50%	1.75%	0.07%
Coverage (90d)	221.22%	307.38%	305.45%

Banistmo

	3Q21	2Q22	3Q22
Net Income	123	109	-104
NIM	3.43%	3.47%	3.39%
Net Fees Growth	0.38%	19.56%	17.39%
ROAE	11.93%	10.15%	-8.57%
Efficiency	52.11%	54.50%	54.54%
CoR	0.28%	0.45%	3.56%
Coverage (90d)	172.53%	155.54%	170.19%

Bam

	3Q21	2Q22	3Q22
Net Income	75	50	91
NIM	4.66%	4.42%	4.97%
Net Fees Growth	-19.98%	14.14%	13.00%
ROAE	18.50%	11.00%	17.31%
Efficiency	64.12%	54.46%	54.09%
CoR	-0.56%	1.32%	0.56%
Coverage (90d)	257.58%	295.51%	304.56%

1) Panama excludes Bancolombia Panama, affiliates in Peru, Cayman Islands and Puerto Rico

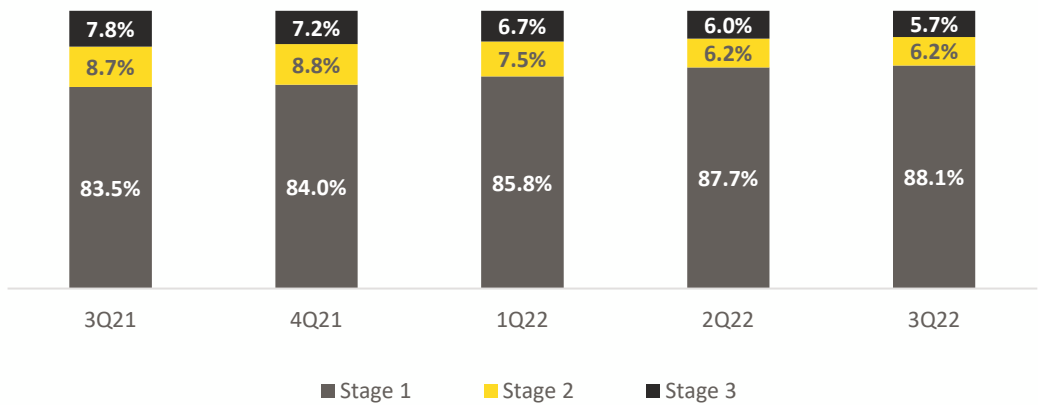
2) Cumulative numbers as of September 2021, June 2022 and September 2022

COP Billion

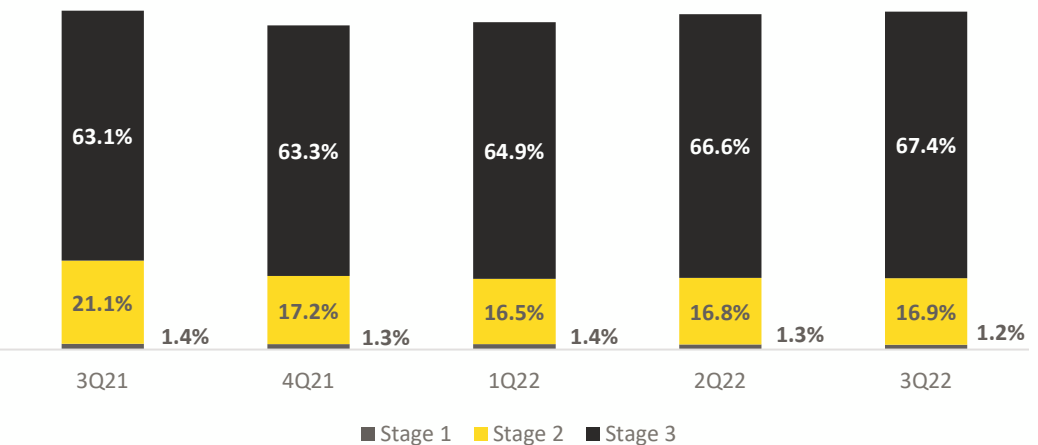
Stand alone information before eliminations

Stages

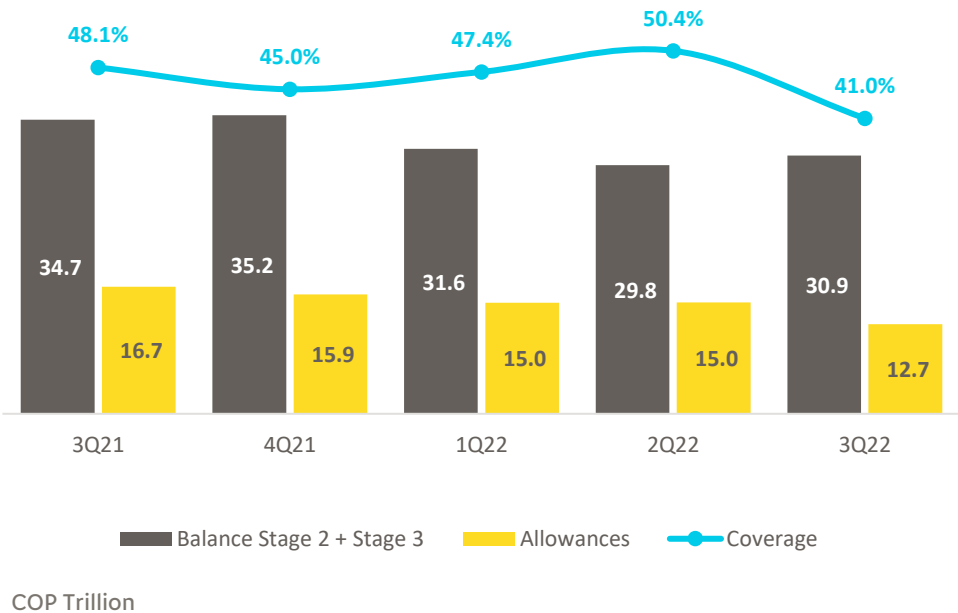
Loan Breakdown by Stages



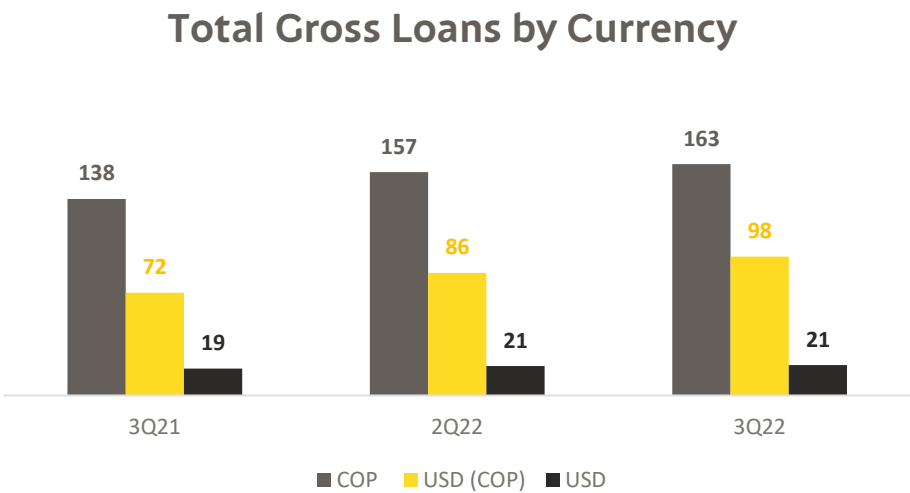
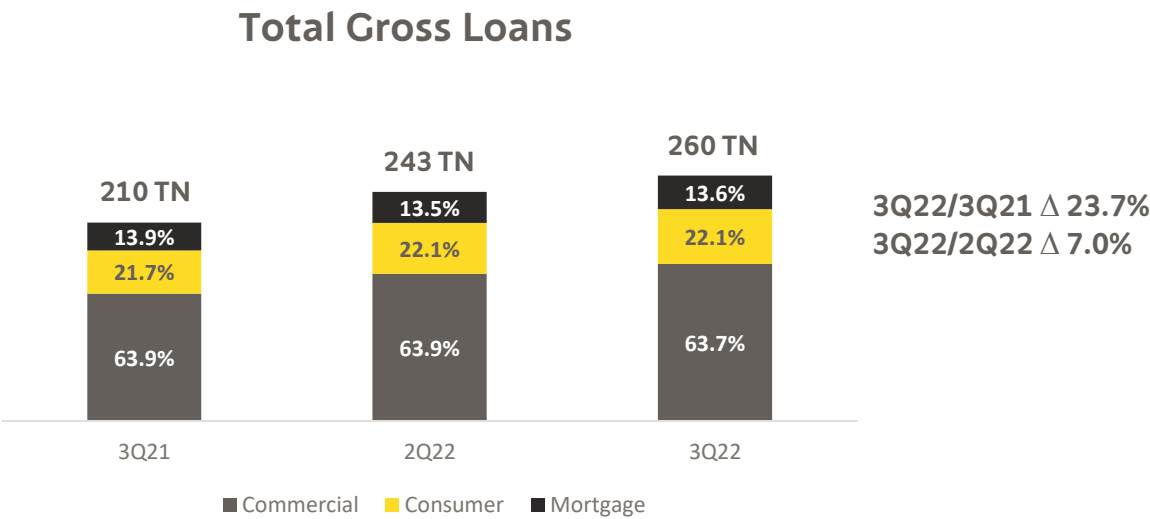
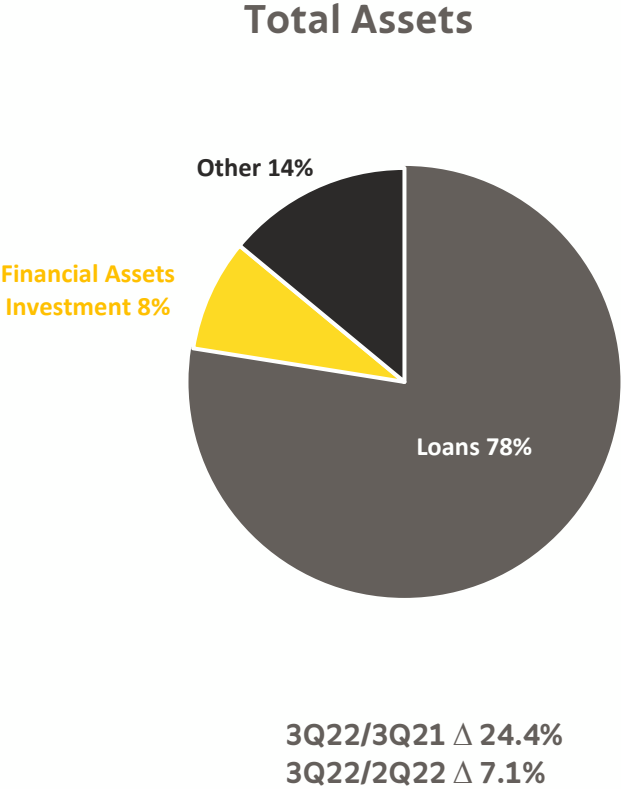
Coverage by Stages



Balance Stage 2 and 3 - Coverage



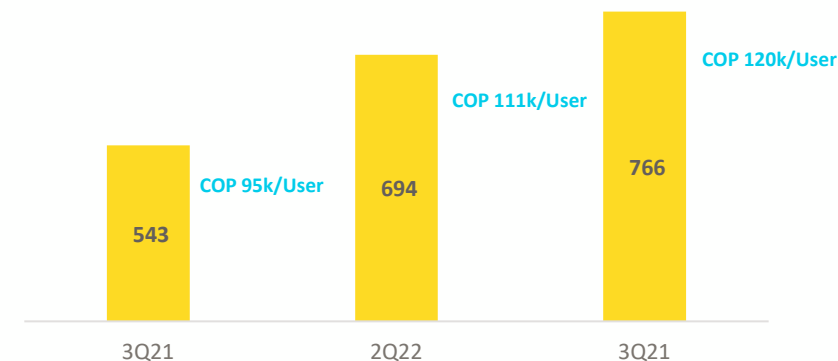
Assets and Loans Breakdown



COP Trillion - USD Billion

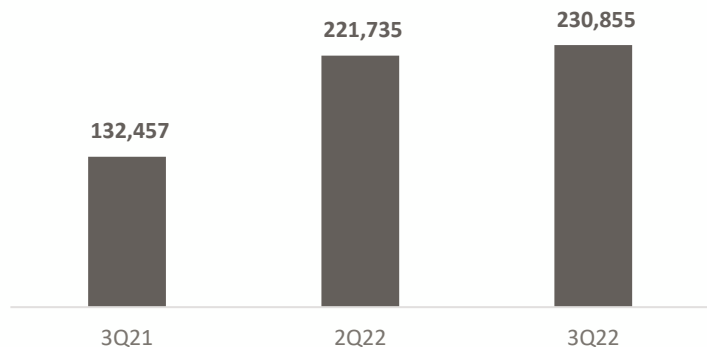


Deposits



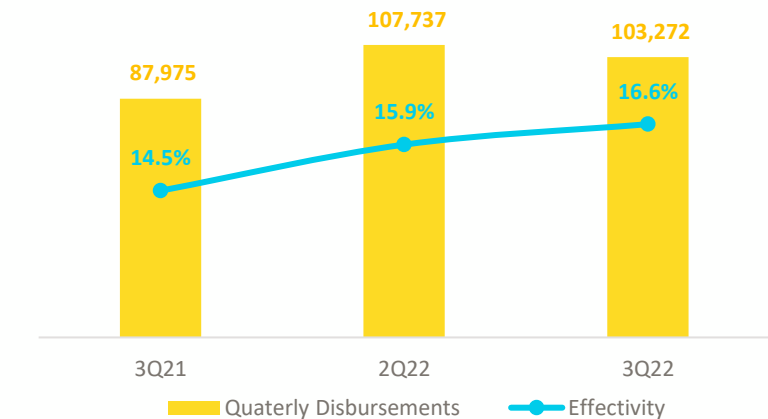
COP Billion

Loans



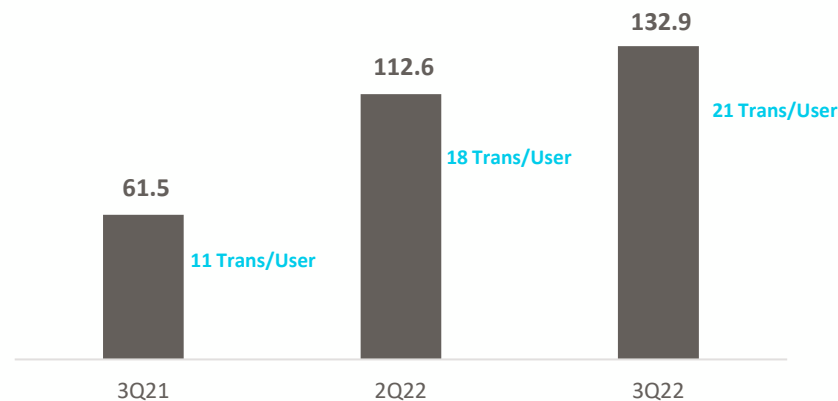
COP Million

Pre-Approved Loans



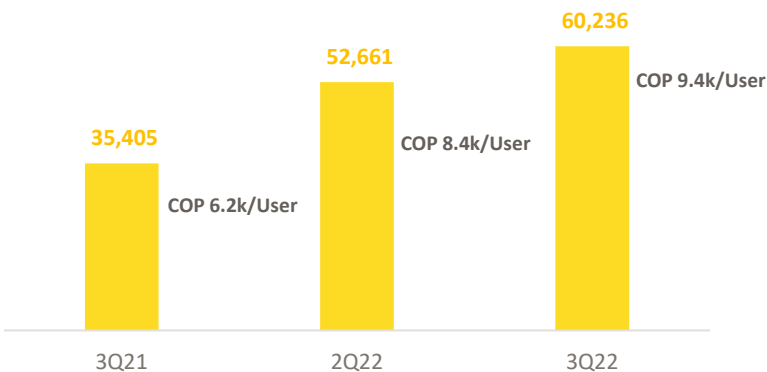
COP Million

Transactions



Figures in Millions

Fee Income



COP Million

Users
3Q22: +6 Million

NPS
3Q22: 52.1%

Activity Indicator
3Q22: 45% (30 d)

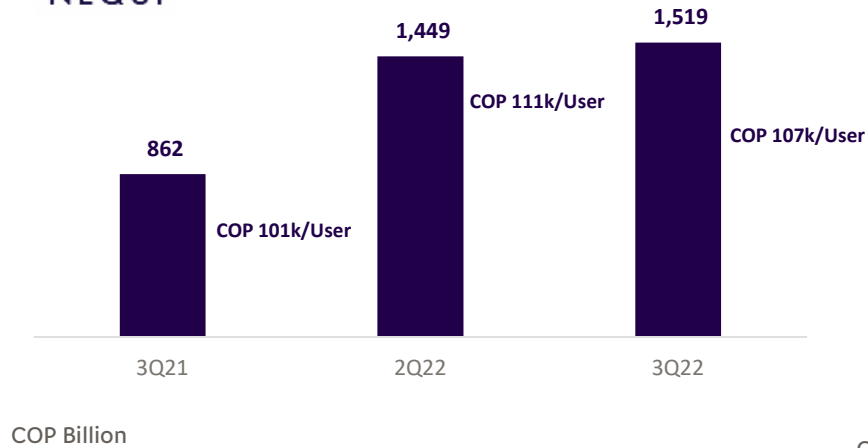
Churn Rate
3Q22: 8.7%

QR Users*
3Q22: +230,000

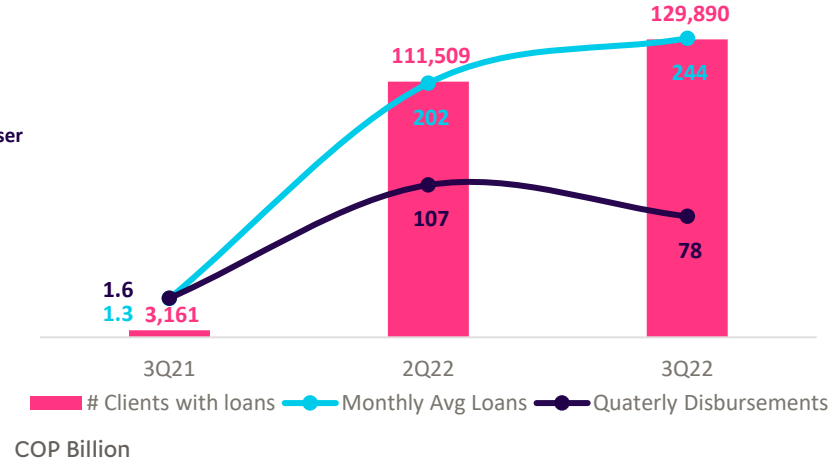
*Includes clients and merchants



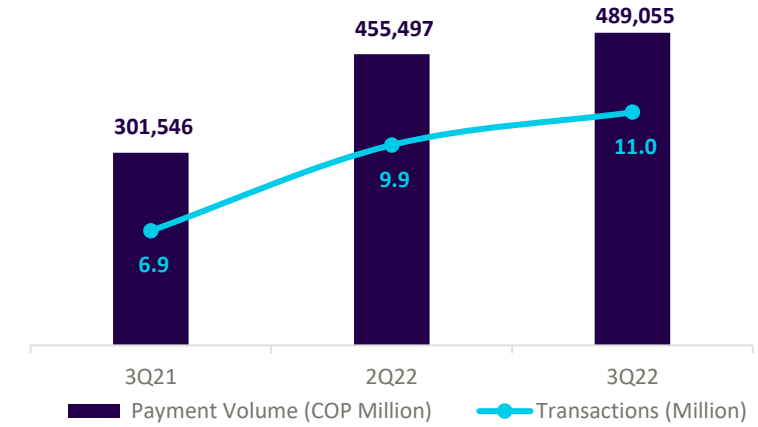
Deposits



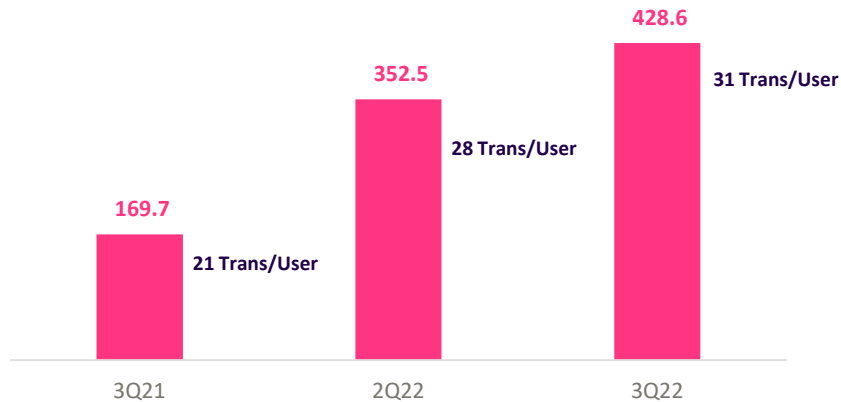
Loans



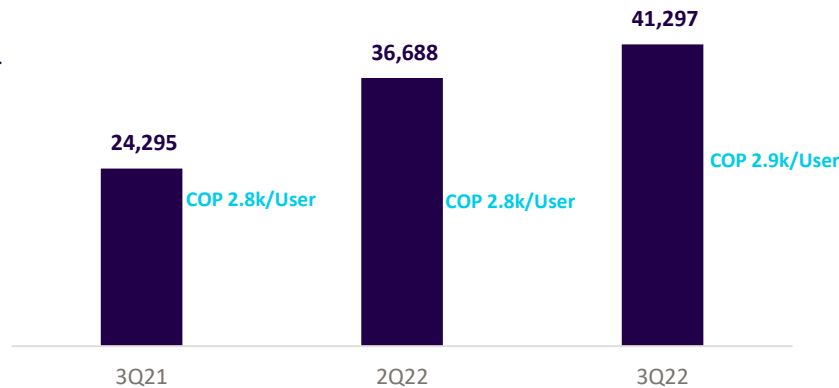
Nequi Cards



Transactions



Fee Income



Users

3Q22: +14 Million



NPS

3Q22: 56%



ARPU

3Q22: USD 1.70



% Monetized Users

3Q22: 36%



Activity Indicator

3Q22: 67% (30 d)



Churn Rate


3Q22: 0.9%

Exchange Rate: COP 4,590.54 on October 1, 2022

Disclaimer

This report corresponds to the interim unaudited consolidated financial statements of BANCOLOMBIA S.A. and its subsidiaries (“BANCOLOMBIA” or “The Bank”) which Bancolombia controls, amongst others, by owning directly or indirectly, more than 50% of the voting capital stock. These financial statements have been prepared in accordance with International Financial Reporting Standards – IFRS, BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as “Ps,” or “COP”. The statements of income for the quarter ended September 30, 2022 are not necessarily indicative of the results for any other future interim period. For more information, please refer to the Bank's filings with the Securities and Exchange Commission, which are available on the Commission's website at www.sec.gov.

CAUTIONARY NOTE REGARDING CHANGES IN THE BANK’S ACCOUNTING POLICIES: CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS: This release contains statements that may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All forward-looking statements, whether made in this release or in future filings or press releases or orally, address matters that involve risks and uncertainties; consequently, there are or will be factors, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptances of new products or services by our targeted customers, changes in business strategy and various others factors, that could cause actual results to differ materially from those indicated in such statements. We do not intend, and do not assume any obligation, to update these forward-looking statements. Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments. Any reference to BANCOLOMBIA means the Bank together with its affiliates, unless otherwise specified.



Earnings Results 3Q22

