

Bancolombia

3Q17 Earnings Results

- Loans grew 6.5% during the last year. Net interest income was COP 7.8 trillion as of September, increasing 8% when compared to September, 2016.
- Provision charges were COP 2.5 trillion, as we have experienced deterioration of certain corporate clients, and new delinquencies related to the slow economy. 90-day coverage ratio was 161%, which contributes to the strength of the balance sheet.
- Tier 1 was 10.3% as of September and increased 123 basis points when compared to September, 2016.
- 13 bps reduction in the cost of deposits as of September due to the re-pricing of CDs and wholesale accounts.
- Strengthening of digital channels and banking correspondents network, which reached more than 9,700 as of September.

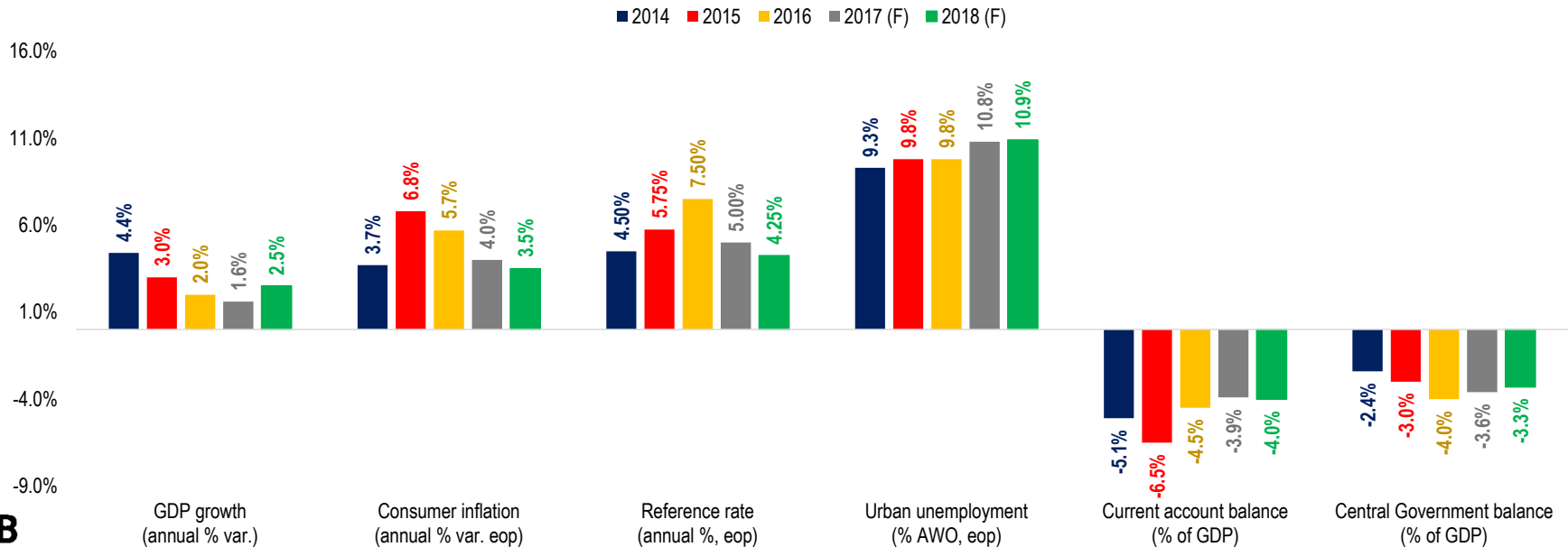
MAIN DEVELOPMENTS DURING 3Q17

- While some leading indicators have recently rebounded, internal demand remains weak. We estimate that during the second quarter GDP grew 1,9% YoY, slightly higher than previous period's reading.
- Inflation has adjusted more rapidly thanks to the good performance of food prices and lower pressures from aggregate demand.
- Due to the uncertainty about the performance of core inflation, in September the Central Bank's Board left its reference rate unchanged.

PERSPECTIVES







- Economic activity will progressively gain traction. Therefore, we expect to observe growth rates slightly below 2% in the second half. In any case, the economy will operate below potential during the foreseeable future.
- We expect inflation to close this year at the ceiling of the target range (4%). Furthermore, in the first months of 2018 its trend of correction will accentuate.
- Given the negative output and more benign inflationary prospects, we foresee reference additional reference rate cuts with a terminal rate of 4.25% by the end of 2018.

Colombian main economic indicators



Bancolombia

Financial highlights 3Q17/3Q16 ⁽²⁾







 **Net income:** 992 / 1,036
 **ROAE:** 8.3% / 10.2%
 **Efficiency:** 49.6% / 48.1%
 **NIM:** 6.9% / 7.1%
 **Fee income growth:** 6.3%
 **Loan Quality 90d:** 3.2% / 2.2%
Coverage 90d: 176.2% / 217.9%

Percentage from gross loans

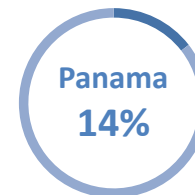


Banistmo

Financial highlights⁽¹⁾ 3Q17/3Q16 ⁽²⁾

 **Net income:** 269 / 150
 **ROAE:** 12.9% / 7.5%
 **Efficiency:** 49.5% / 55.0%
 **NIM:** 3.7% / 3.9%
 **Fee income growth:** 7.1%
 **Loan Quality 90d:** 2.3% / 1.8%
Coverage 90d: 76.5% / 130.9%







Percentage from gross loans



Adquirido en: 2013

BancoAgrícola

Financial highlights 3Q17/3Q16 ⁽²⁾







 **Net income:** 111 / 152
 **ROAE:** 9.6% / 12.8%
 **Efficiency:** 54.0% / 54.3%
 **NIM:** 6.2% / 6.5%
 **Fee income growth:** 3.5%
 **Loan Quality 90d:** 1.7% / 1.6%
Coverage 90d: 211.8% / 235.7%

Percentage from gross loans



BAM

Financial highlights 3Q17/3Q16 ⁽²⁾

 **Net income:** 52 / 82
 **ROAE:** 5.5% / 8.4%
 **Efficiency:** 66.9% / 68.7%
 **NIM:** 4.9% / 5.5%
 **Loan Quality 90d:** 2.1% / 1.3%
 **Coverage 90d:** 74.3% / 70.4%

Percentage from gross loans

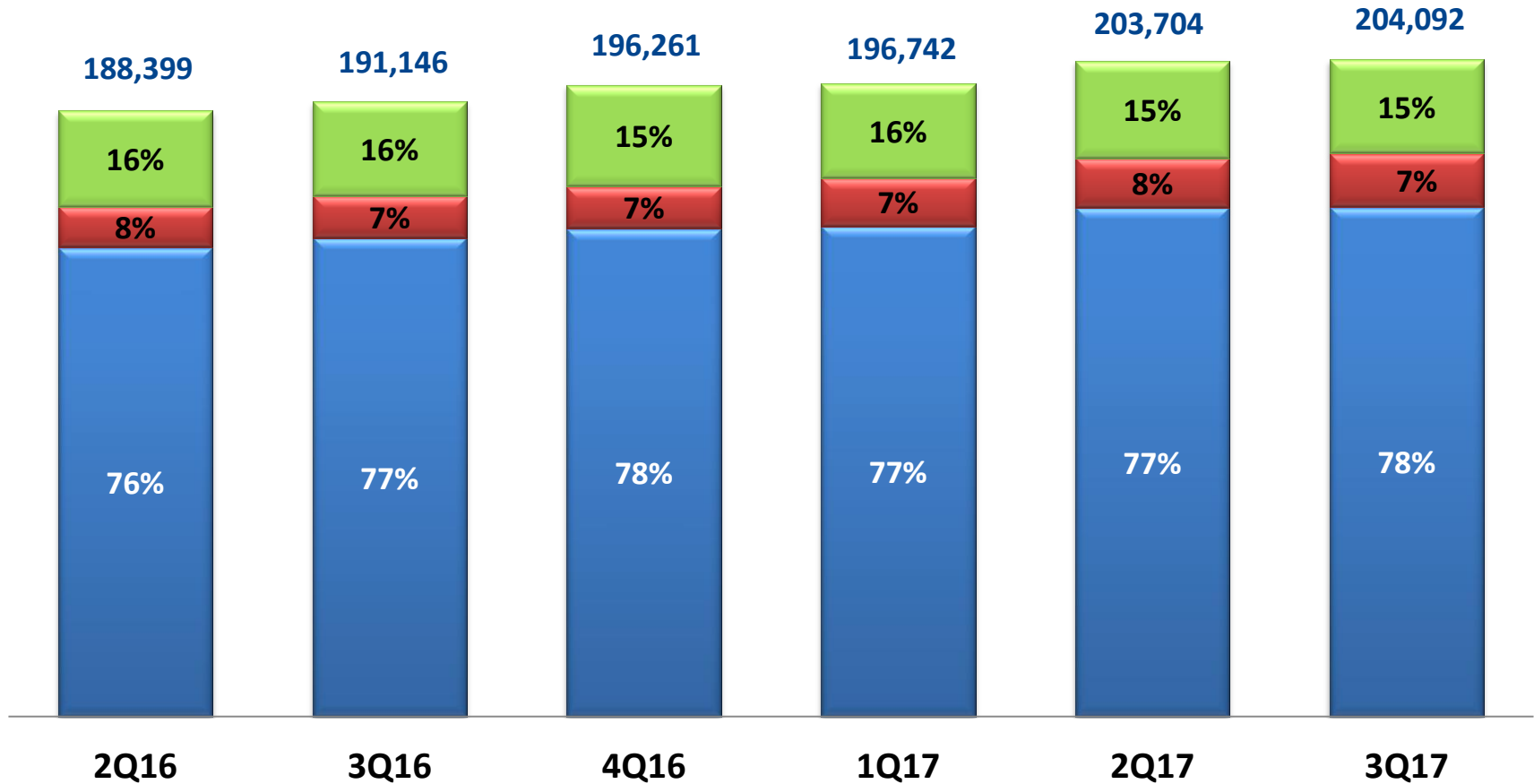


Adquirido en: 2015

In COP billion.
Stand alone information (before eliminations)

Total Assets
 3Q17/3Q16 Δ +7%
 3Q17/2Q17 Δ +0%

Total Gross Loans
 3Q17/3Q16 Δ +7%
 3Q17/2Q17 Δ +0%



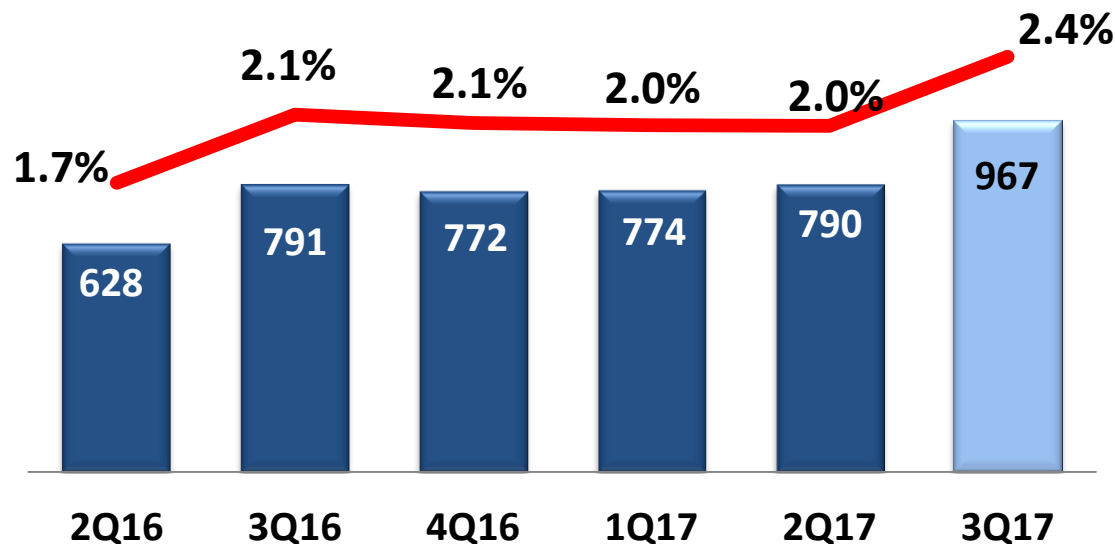
■ Gross Loans ■ Net Investments ■ Other

Asset Quality and Coverage Ratios

	3Q16	2Q17	3Q17
PDLs/Total Loans	3.4%	4.3%	4.5%
Allowances/Total Loans	3.9%	4.5%	4.7%
Allowances/PDLs	115.9%	104.6%	103.5%
Allowances/C,D & E Loans	87.9%	84.3%	81.3%

PDLs and Coverage per Category

	% of loan portfolio 3Q17	Overdue 30 days			Overdue 90 days		
		3Q16	2Q17	3Q17	3Q16	2Q17	3Q17
Commercial & Leases	69.8%	2.28%	3.19%	3.42%	1.69%	2.40%	2.69%
Consumer	17.4%	5.24%	5.72%	5.81%	2.59%	2.81%	3.02%
Mortgage*	12.8%	7.05%	7.69%	8.01%	2.70%	3.10%	3.37%
Total	100%	3.38%	4.27%	4.50%	1.99%	2.60%	2.88%
PDL Coverage		116%	105%	103%	209%	171%	161%

Net Provision Charges
& Cost of Risk
3Q17/3Q16 Δ +22%
3Q17/2Q17 Δ +22%


Cost of risk was
2.1% as of
September 30,
2017

Asset Quality Evolution

	3Q16	4Q16	1Q17	2Q17	3Q17
Initial PDLs	4,357	4,847	4,835	6,019	6,521
New PDLs*	892	347	1,564	926	912
Charge-offs	(402)	(358)	(381)	(424)	(560)
Final PDLs	4,847	4,835	6,019	6,521	6,873

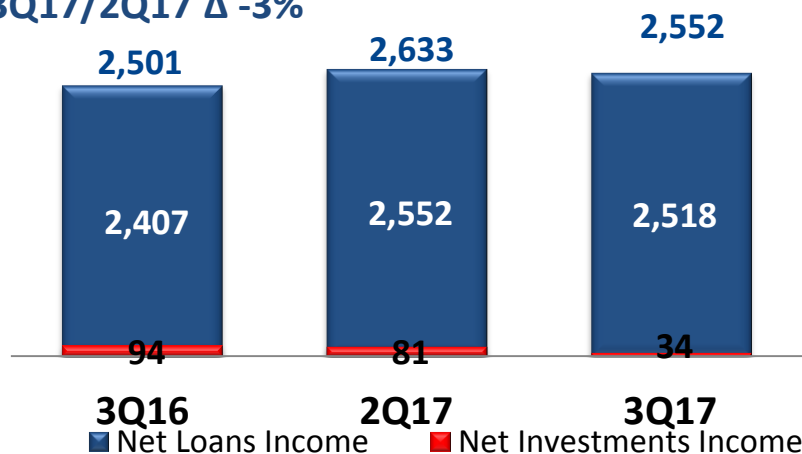
*New PDLs is the sum of PDLs change and charge-offs for the period

COP billion

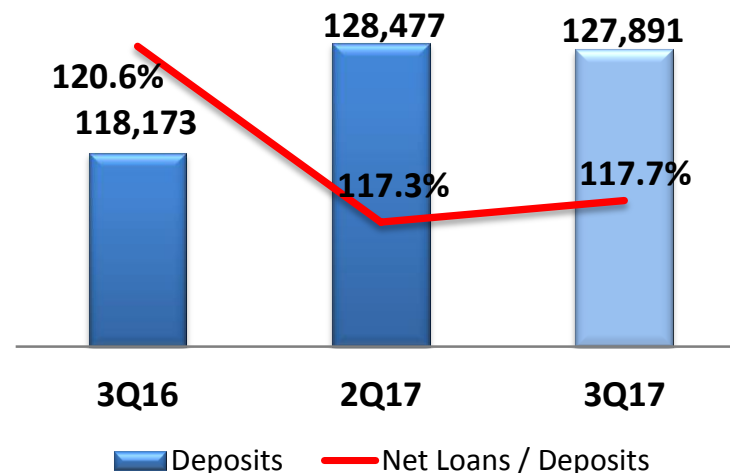
Net Interest Income

3Q17/3Q16 Δ +2%

3Q17/2Q17 Δ -3%

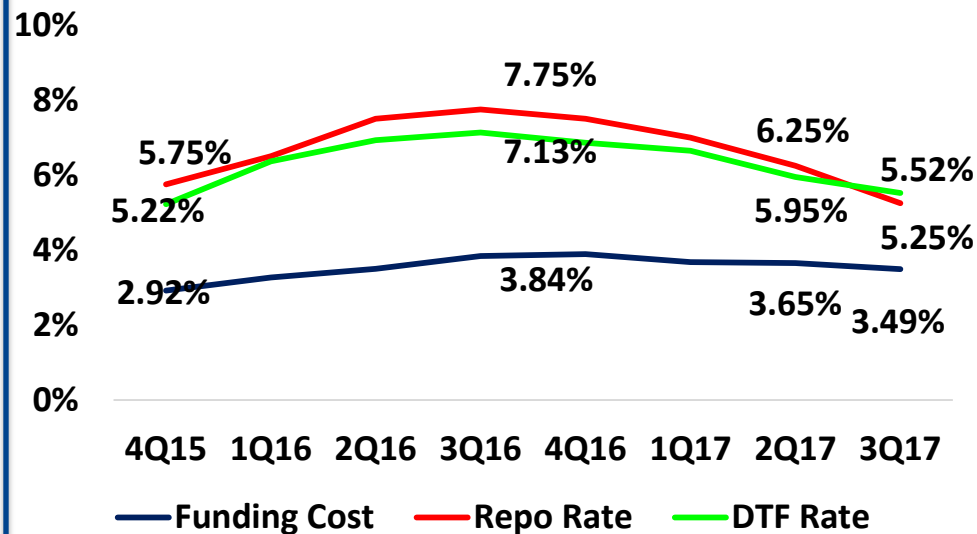


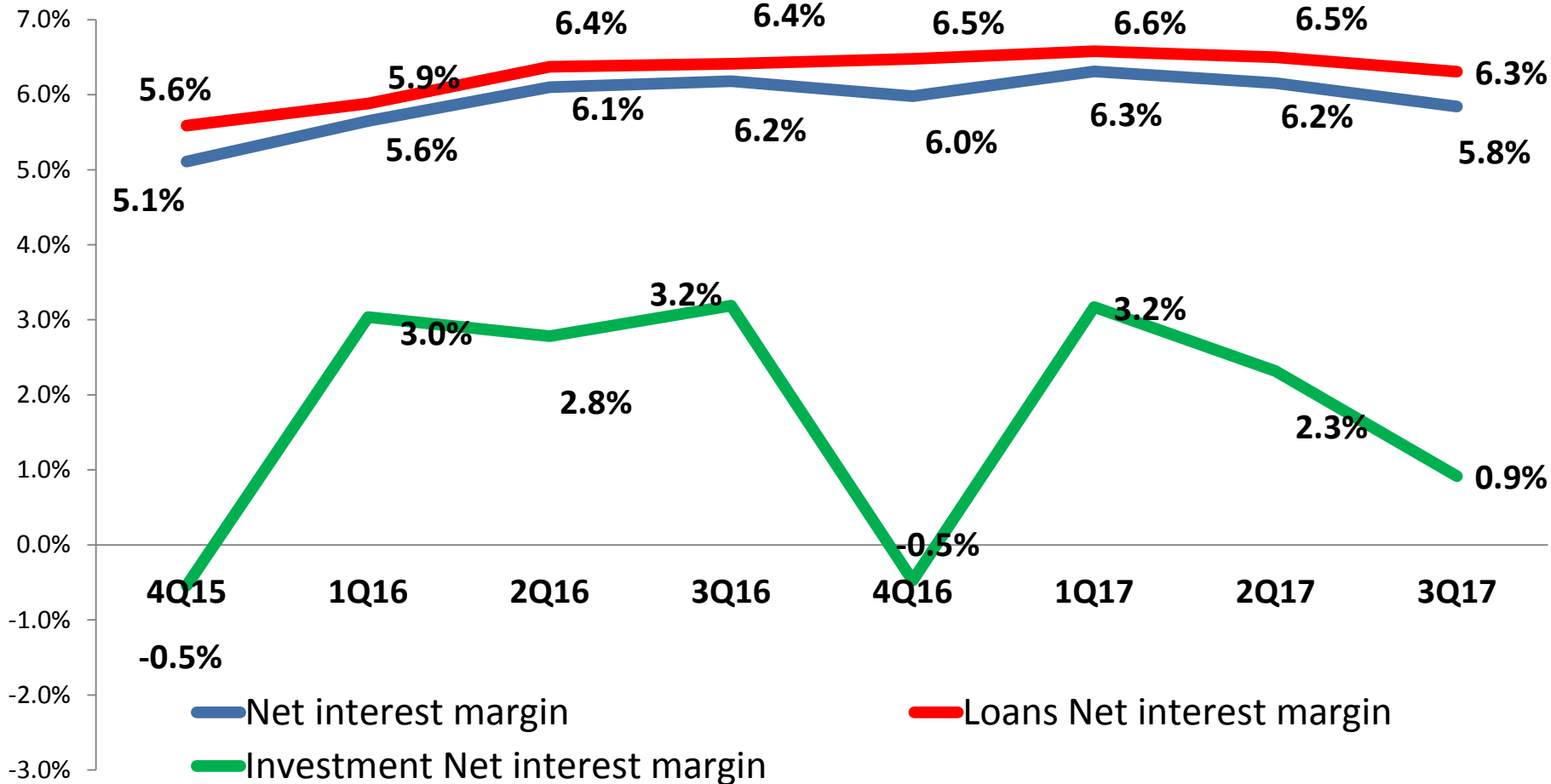
Liquidity & Deposits



Funding Cost	3Q17 Part. (%)	3Q16	2Q17	3Q17
Checking Accounts	12%	0.00%	0.00%	0.00%
Savings Accounts	30%	1.80%	2.46%	2.28%
Time Deposits	33%	6.31%	5.71%	5.46%
Cost of Deposits	75%	3.45%	3.50%	3.32%
Long Term Debt	11%	7.56%	6.43%	6.11%
Other	14%	2.71%	2.53%	2.52%
Funding Cost	100%	3.84%	3.65%	3.49%
Central Bank Rate		7.75%	6.25%	5.25%

Funding Performance



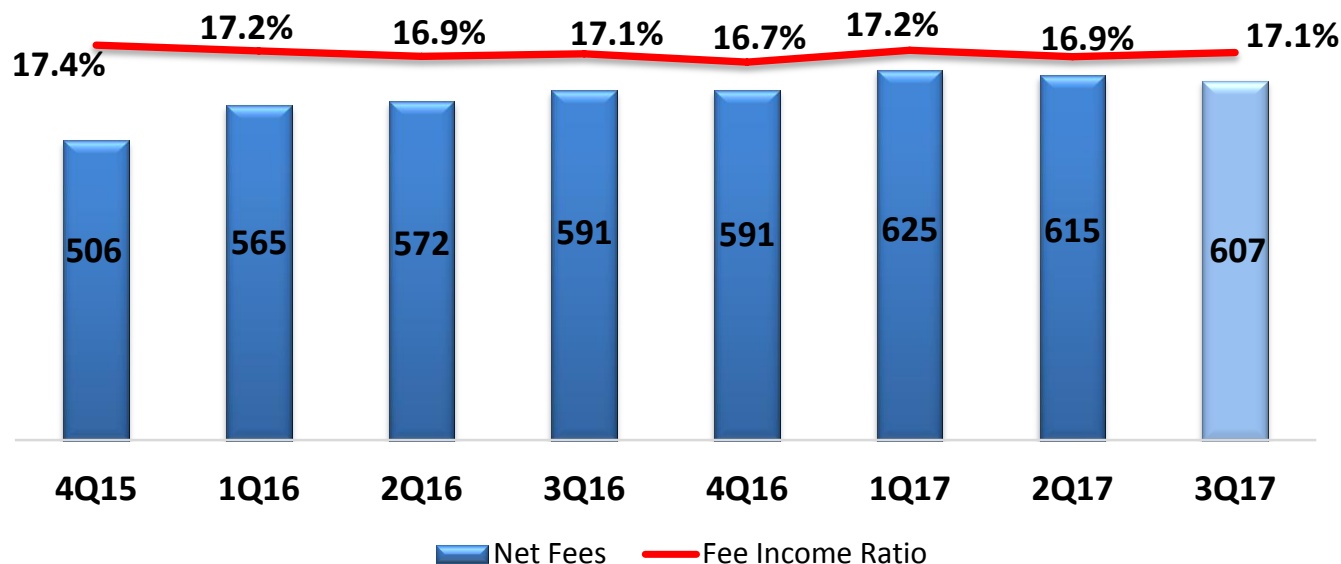


■ **Net interest margin for Last Nine Months: 6.10%**

Evolution of Net Fees

3Q17/3Q16 Δ +3%

3Q17/2Q17 Δ -1%



Credit/debit cards

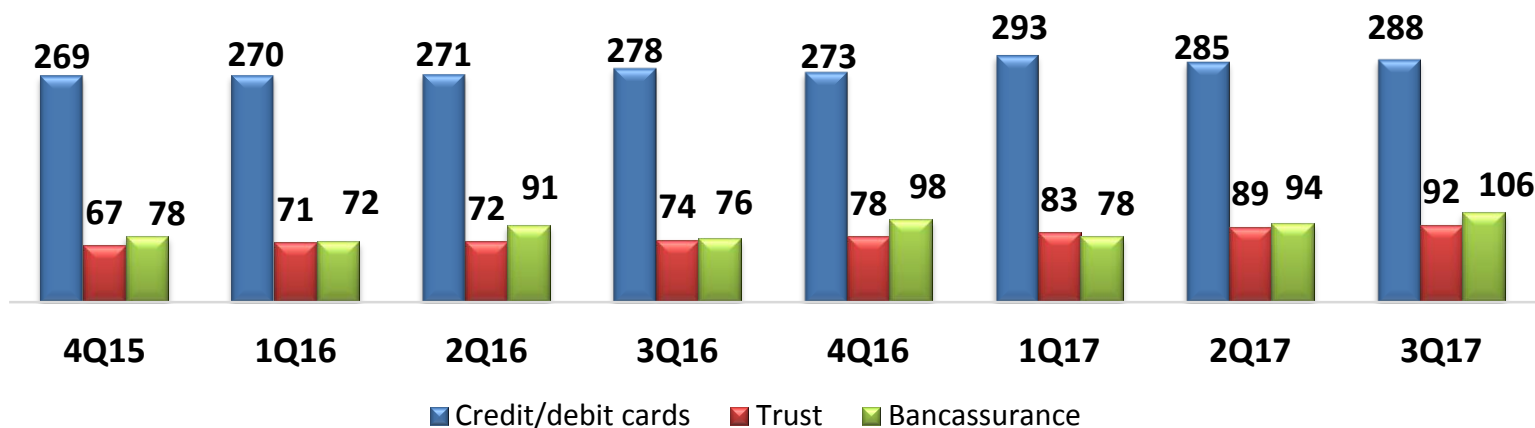
3Q17/3Q16 Δ +4%

Trust

3Q17/3Q16 Δ +25%

Bancassurance

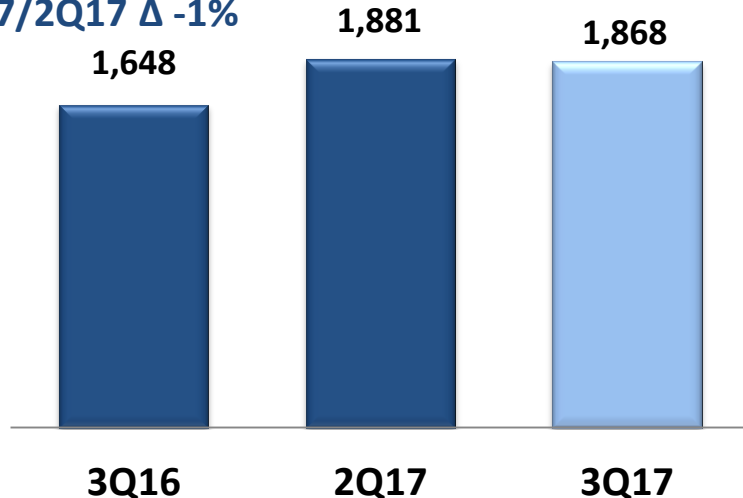
3Q17/3Q16 Δ +41%



Total Operating Expenses

3Q17/3Q16 Δ +13%

3Q17/2Q17 Δ -1%



Personnel Expenses*

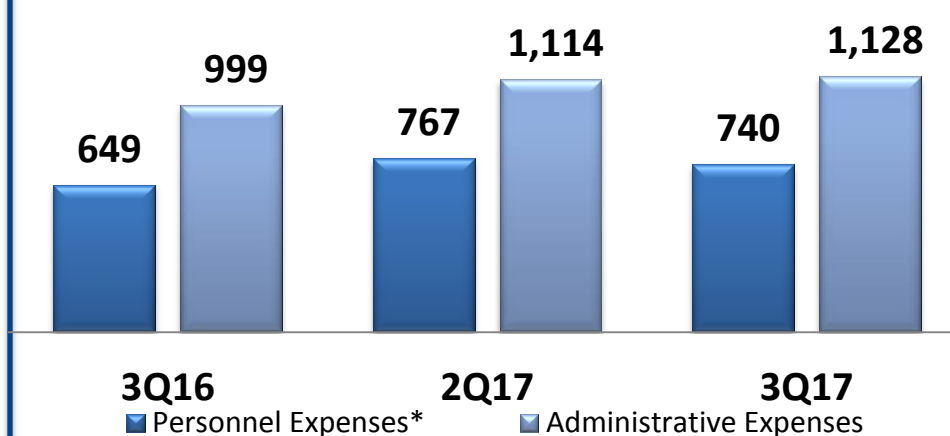
3Q17/3Q16 Δ +14%

3Q17/2Q17 Δ -4%

Administrative Expenses

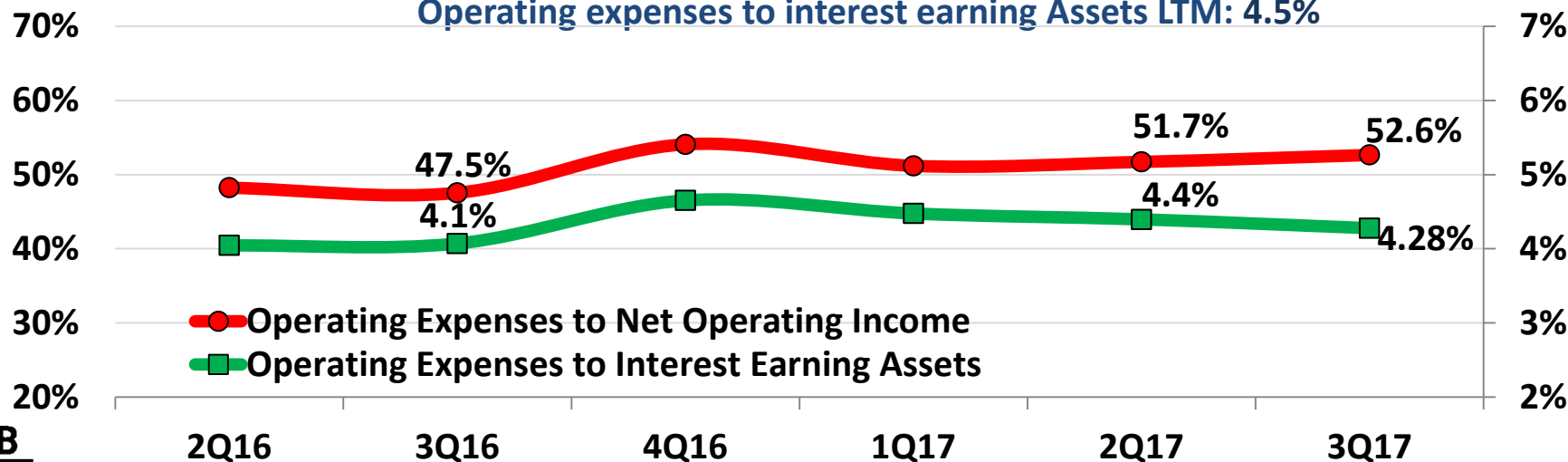
3Q17/3Q16 Δ +13%

3Q17/2Q17 Δ +1%

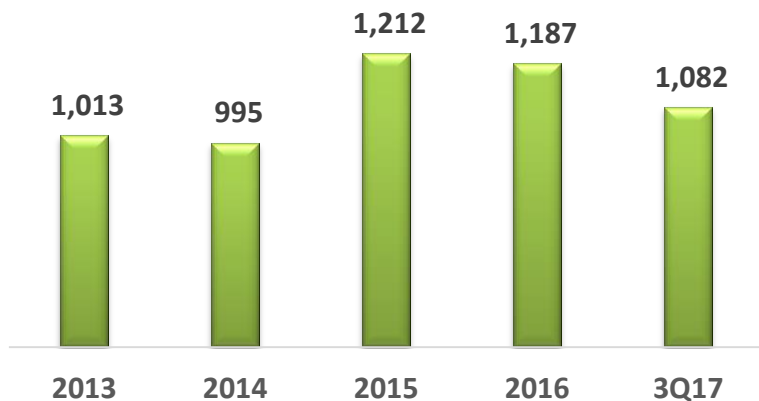


Operating expenses to net operating income LTM: 52.4%

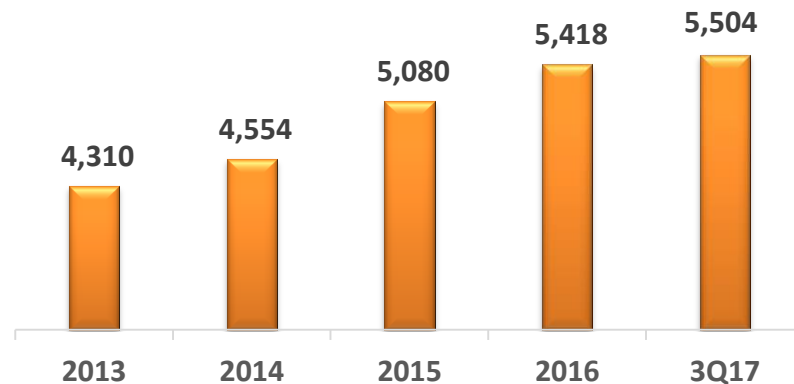
Operating expenses to interest earning Assets LTM: 4.5%



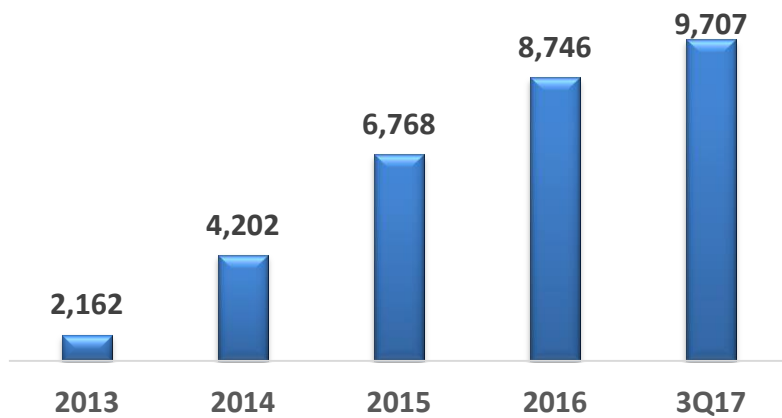
BRANCHES



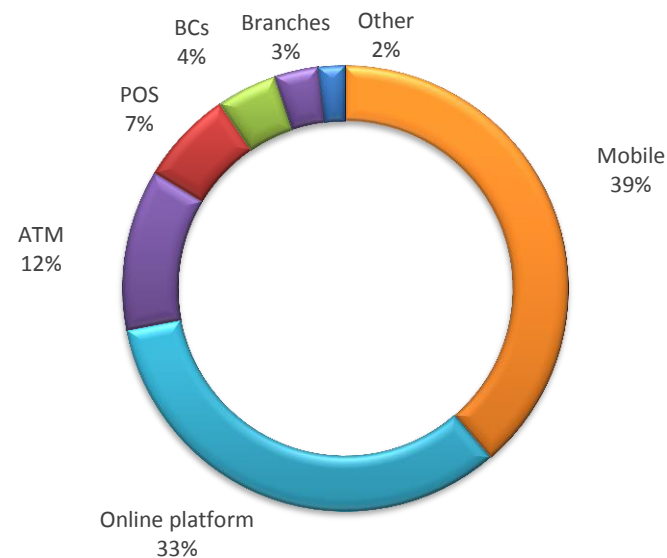
ATMs



BANKING CORRESPONDENTS

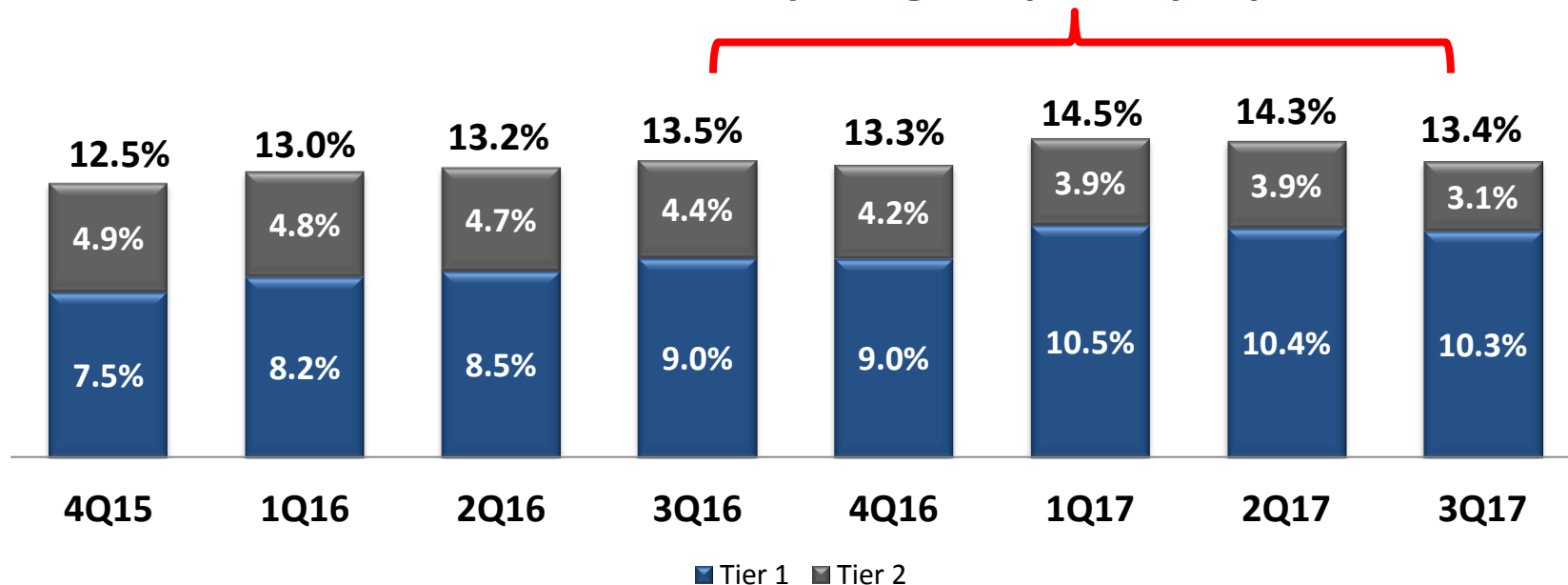


TRANSACTIONS PER CHANNEL



Capital Adequacy

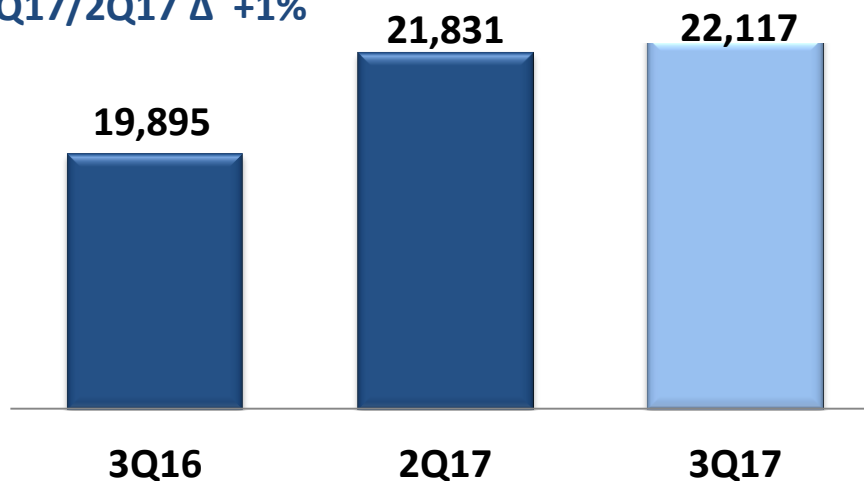
Δ 123 bps, organic primary capital accumulation



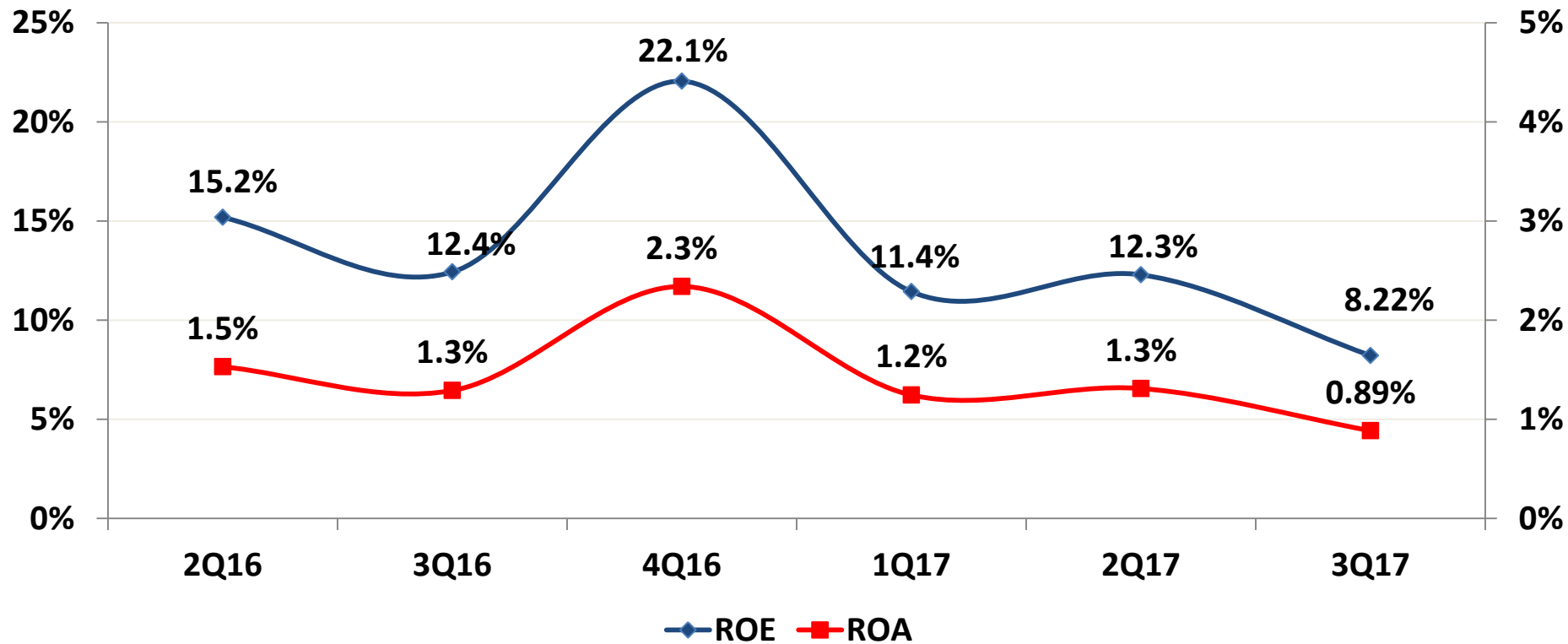
Shareholders' Equity

3Q17/3Q16 Δ +11%

3Q17/2Q17 Δ +1%



COP billion



■ ROE for Last Nine Months: 10.61%

■ ROA for Last Nine Months: 1.15%

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, 2017 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.

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Bancolombia

3Q17 Earnings Results