

Bancamía Colombia

Classification by the principal vulnerability dimensions of new clients taking out their first loan in 2015, and of total clients who had a loan with the institution at the end of 2015.

Later in the chapter we examine clients in more detail, what they do and how they have performed. The lines presented are in scale with the percentages.

785,535

Total clients

356,377

Credit clients

99,519

New credit clients

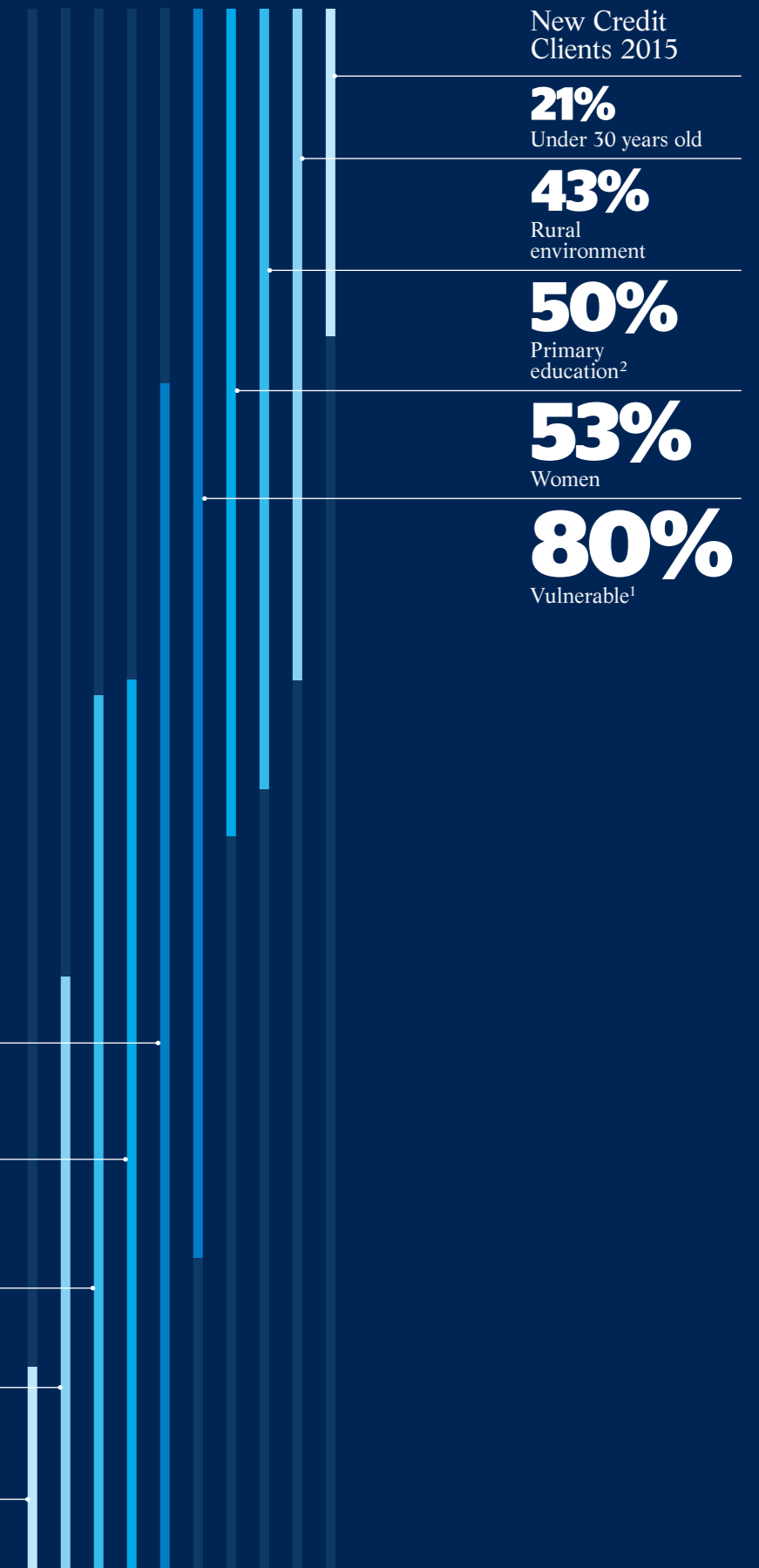
1_According to Colombia's official poverty line (distinguishing between rural and urban environments).

Source: The National Administrative Department of Statistics. Clients whose net income (i.e. profit obtained

from their micro-enterprise) divided by the number of members in the family unit (per capita) is no more than 3 times

the poverty line of their corresponding country and type of environment (rural/urban).

2_Clients with primary education at best, as proportion of all credit clients.

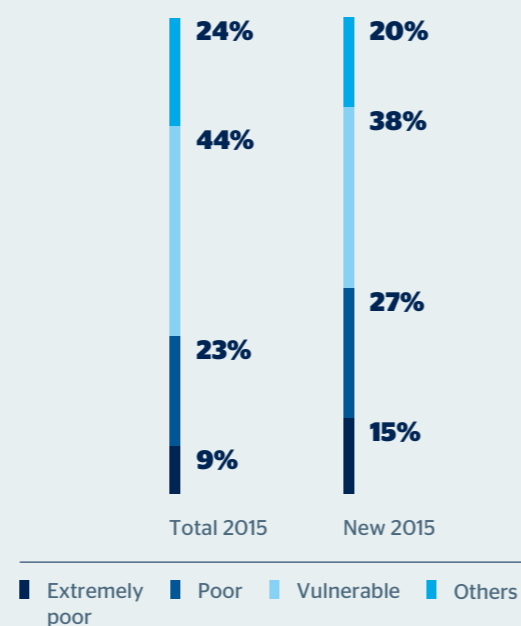


Our clients and our scale

Bancamía is retaining its **focus on low-income clients**. **76% of its clients** are economically **vulnerable**.

1_According to Colombia's official poverty line (distinguishing between rural and urban environments). Source: The National Administrative Department of Statistics. Clients whose net income (i.e. profit obtained from their micro-enterprise) divided by the number of members in the family unit (per capita) is no more than 3 times the poverty line of their corresponding country and type of environment (rural/urban).

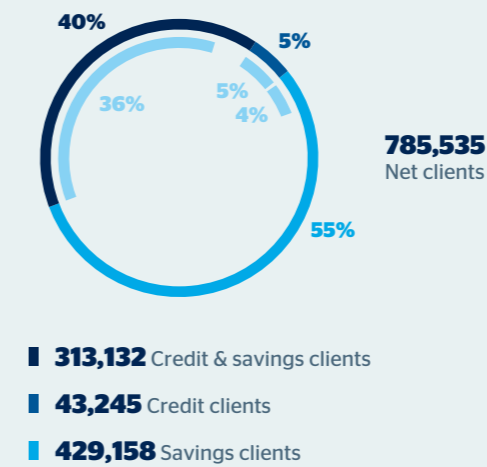
Client economic vulnerability¹



Source: Bancamía. BBVAMF calculations.

2_Takes into account clients that joined during the year (new clients)

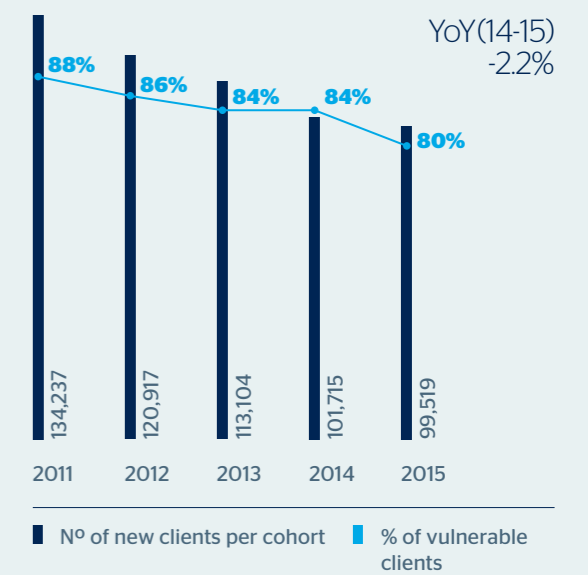
Clients by type of product



% of total clients with non-mandatory insurance products within each product segment

Source: Bancamía. BBVAMF calculations.

New credit clients²

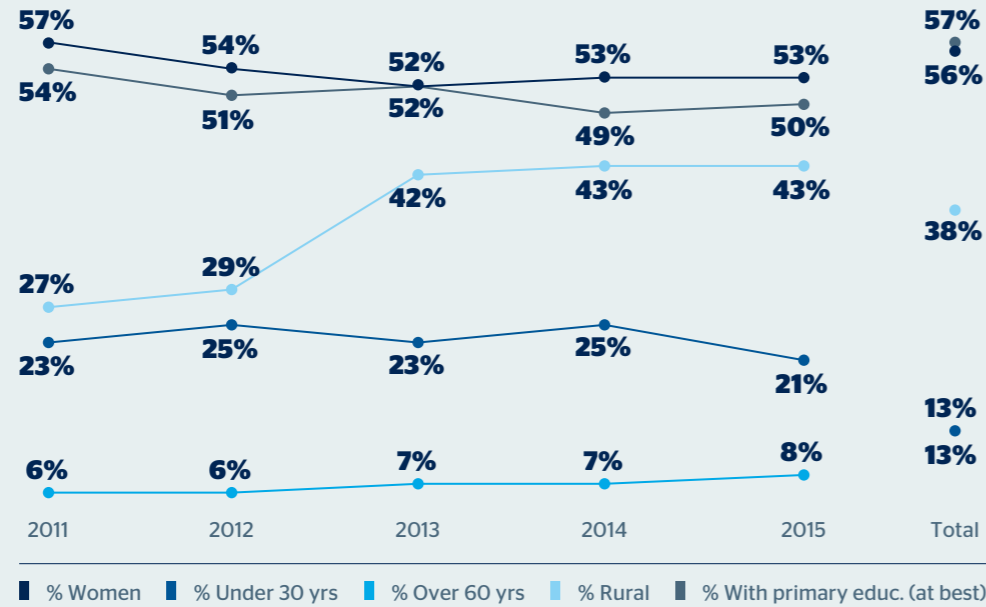


Source: Bancamía. BBVAMF calculations.

New clients' **vulnerability** levels have remained at around **80%**; we should put this in the context of the increasingly difficult task of signing up new clients.

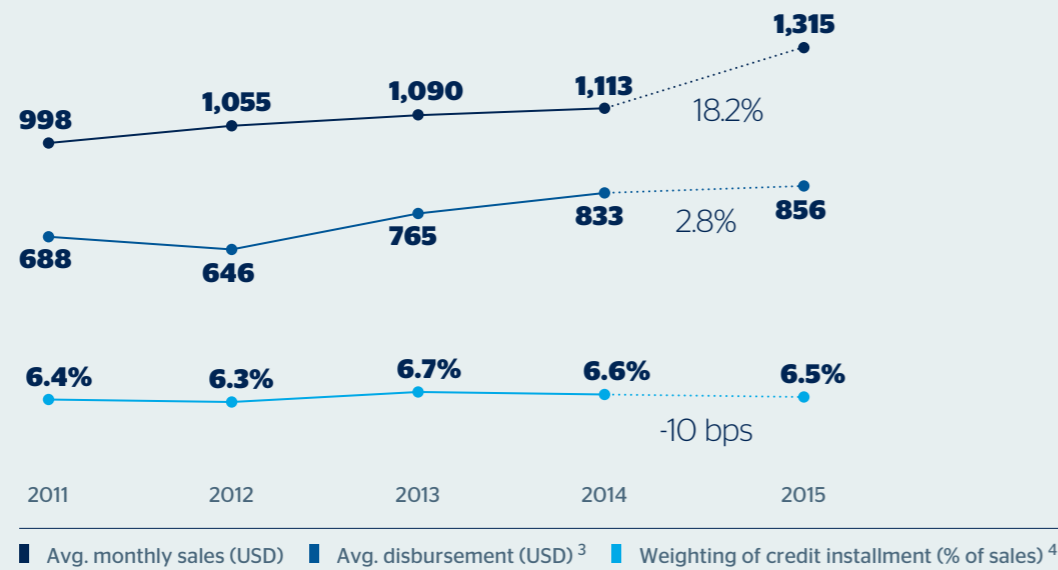
- In the last few years more rural clients have signed up, and the emphasis has stayed on women and clients with low educational attainment. (See next page)
- The weighting of the installment payment as a fraction of sales has fallen for new clients in 2015 compared to that of new clients in 2014. (See next page)

Profile of our new credit clients²



Source: Bancamía. BBVAMF calculations.

Sales, disbursement & weight of credit installment²



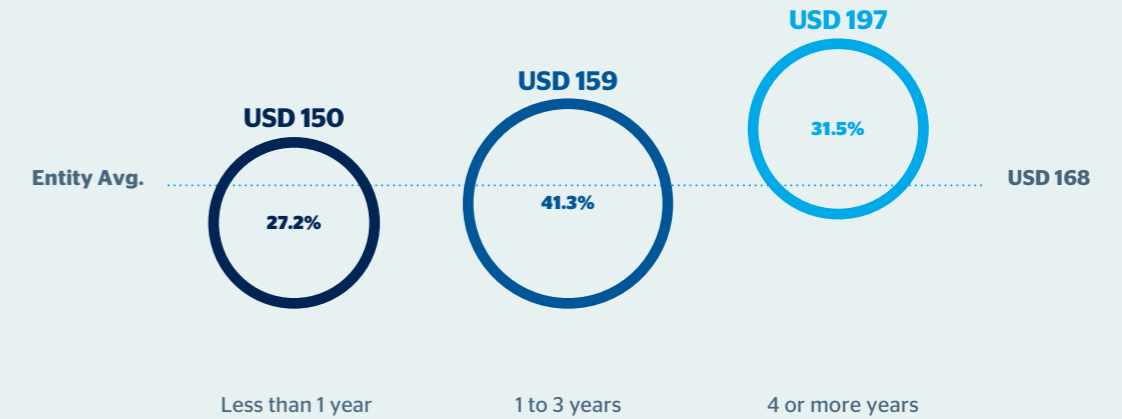
Source: Bancamía. BBVAMF calculations.

2_Takes into account clients that joined during the year (new clients)

3_Average disbursement, calculated as the average first disbursement for new clients each year.

4_Weight of the installment calculated as a ratio average (installment divided by sales) of each client.

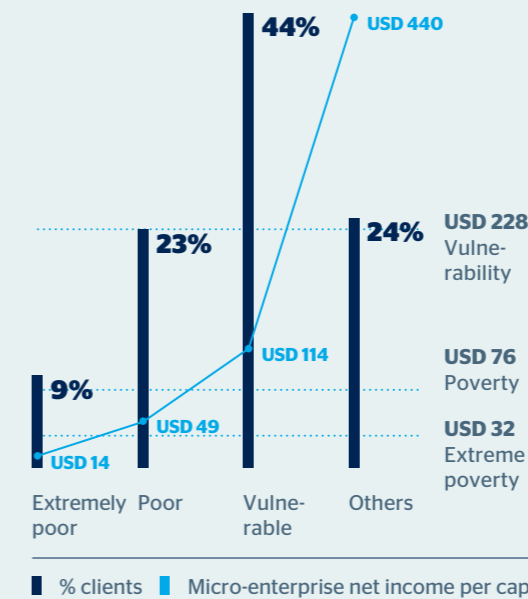
Average per capita micro-entrepreneurial net income, by client seniority⁵



Circle represents the % of total clients

Source: Bancamía. BBVAMF calculations.

Average per capita micro-entrepreneurial net income, by client vulnerability^{5,6}



5_Data as of December 31, 2015.

6_Poverty lines are for the urban environment.

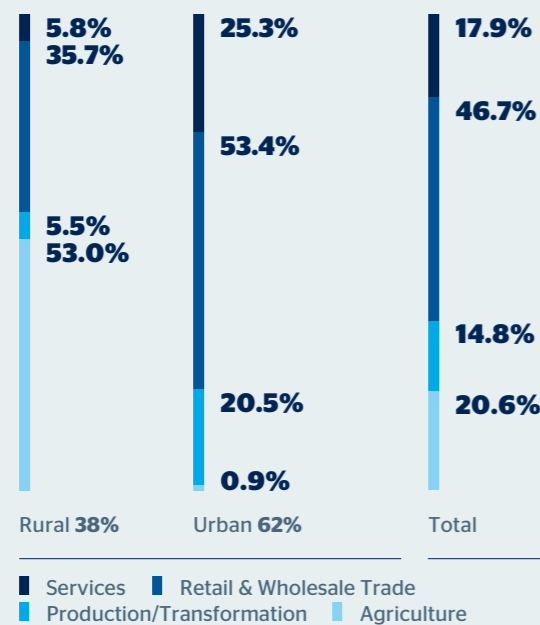
Source: The National Administrative Department of Statistics. BBVAMF calculations

The monthly per capita net income rises the longer the client stays with Bancamía. The **average monthly net income** per person is **USD 168**; this is only USD 150 in the case of new clients.

- 76% of the families served live on less than USD 7.60 per person, per day, 32% try to get by on less than USD 2.50 per person, per day.

Our clients' enterprises

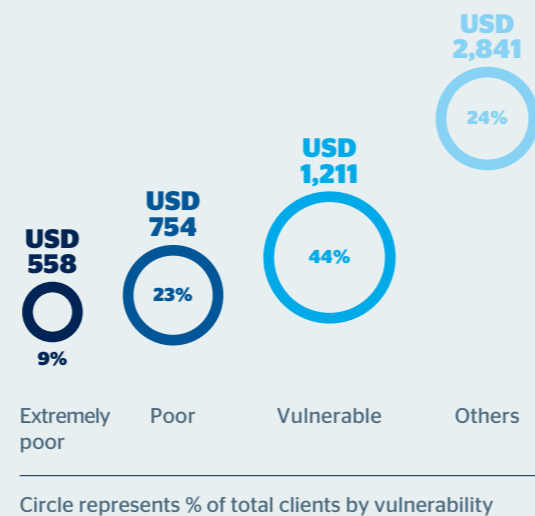
Economic activity ⁷



Source: Bancamía. BBVAMF calculations.

- Nearly half of the clients work in the retail sector and there are differences resulting from their living environment. Thus, among rural clients, farming is the principal activity and very few are involved in transformation activities.

Average monthly sales by vulnerability ⁷

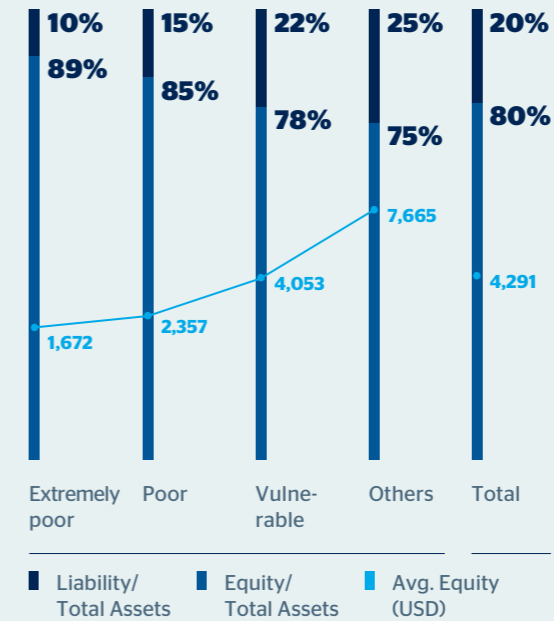


Circle represents % of total clients by vulnerability

Source: Bancamía. BBVAMF calculations.

In urban environments hardly any clients are involved in agriculture, with most working in trade.

Assets, liabilities and equity by vulnerability ^{8,9}



Source: Bancamía. BBVAMF calculations.

Assets and average disbursement by vulnerability ⁹



Source: Bancamía. BBVAMF calculations.

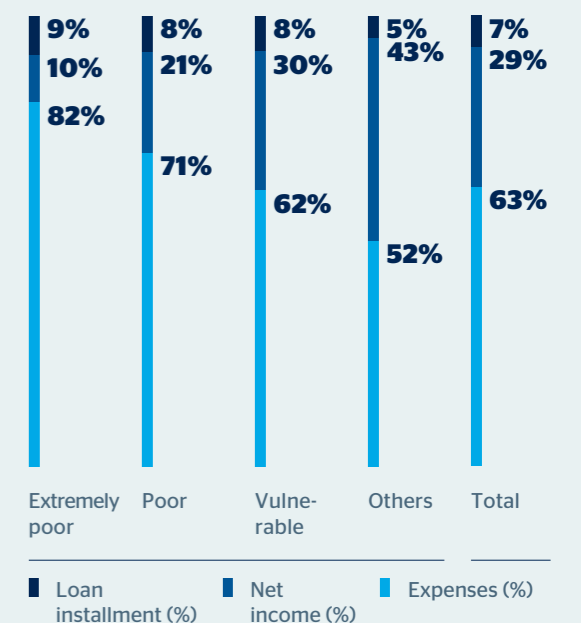
⁸ Assets and equity calculated at the time of credit evaluation (i.e. not including the microcredit granted).

⁹ As of December 31, 2015.

¹⁰ Calculations based on those clients reporting expenditures.

- Clients' level of indebtedness is greater in the case of the less vulnerable segments. Equity held by the non-vulnerable segment nearly double those of the vulnerable segment.
- Extremely poor clients spend 9% of their sales revenue on paying the loan installment, which is nearly half their gross margin. Non-vulnerable clients, however, have 43% of their income left as net income after paying the installment.
- Their gross margin increases as clients' vulnerability falls, and averages out at 36%.

Loan installment, expenses & margins (as % of sales) ¹⁰



Source: Bancamía. BBVAMF calculations.

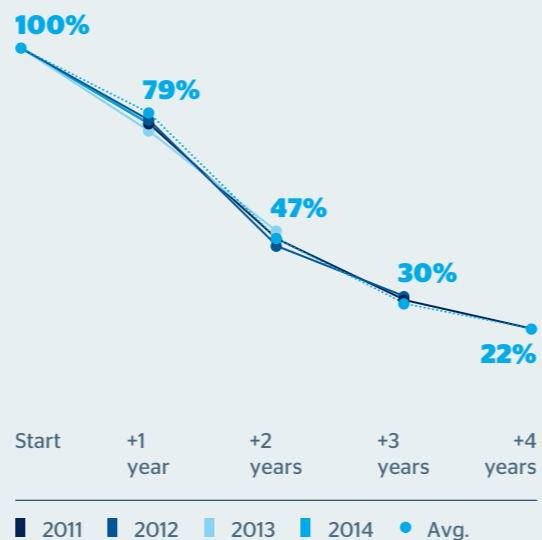
⁷ Data as of December 31, 2015.

Our clients' development

After two years, 33.1% of clients who remain with Bancamía, and who were classed as poor at the outset, are above the poverty line. Since 2011, more than 16,000 current clients have achieved this.

- Bancamía retains nearly 80% of its clients after a year, a slightly higher rate than the average for the BBVAMF Group. However, longer-term retention continues to be a challenge.
- There is a positive trend in terms of poverty reduction with clients the longer they stay.

Retention (by cohort)¹¹



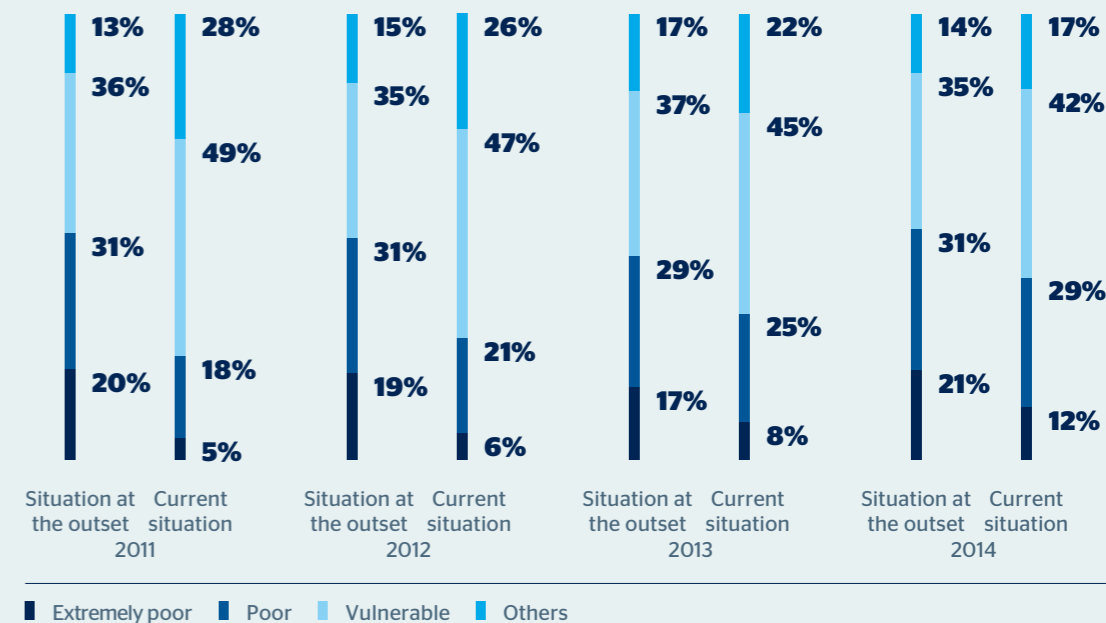
Source: Bancamía. BBVAMF calculations.

11_Percentage of clients in each cohort still current as of December 31, 2015.

12_Shows the situation at the outset and the current situation as of December 31, 2015 of clients in each cohort current at that time.

13_Clients participating in the sample are current clients and have had their data updated in the last 12 months.

Client economic vulnerability (by cohort)^{12,13}



Source: Bancamía. BBVAMF calculations.

Clients overcoming poverty (by cohort)¹³

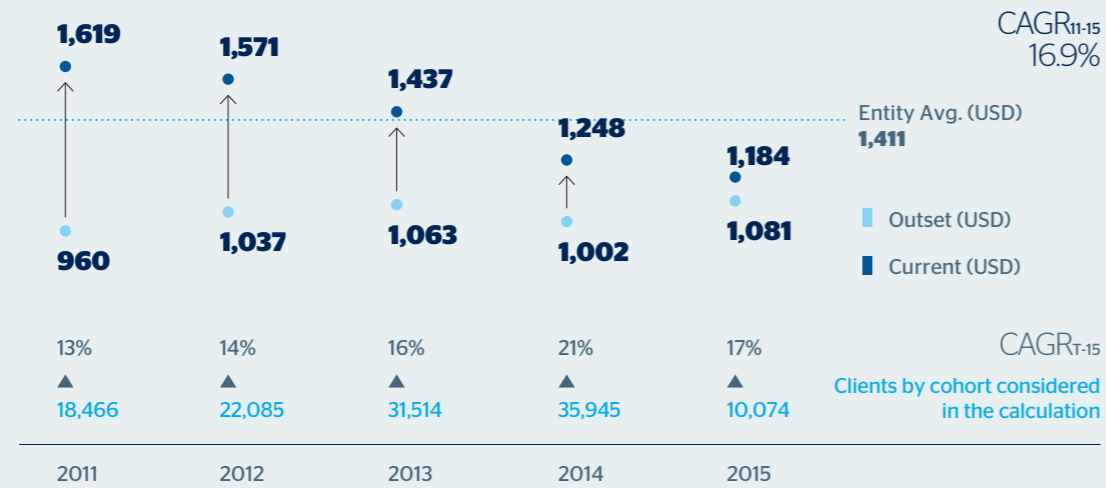


Source: Bancamía. BBVAMF calculations.

Nº existing clients classified as poor at the outset and whose net income exceeds the poverty line

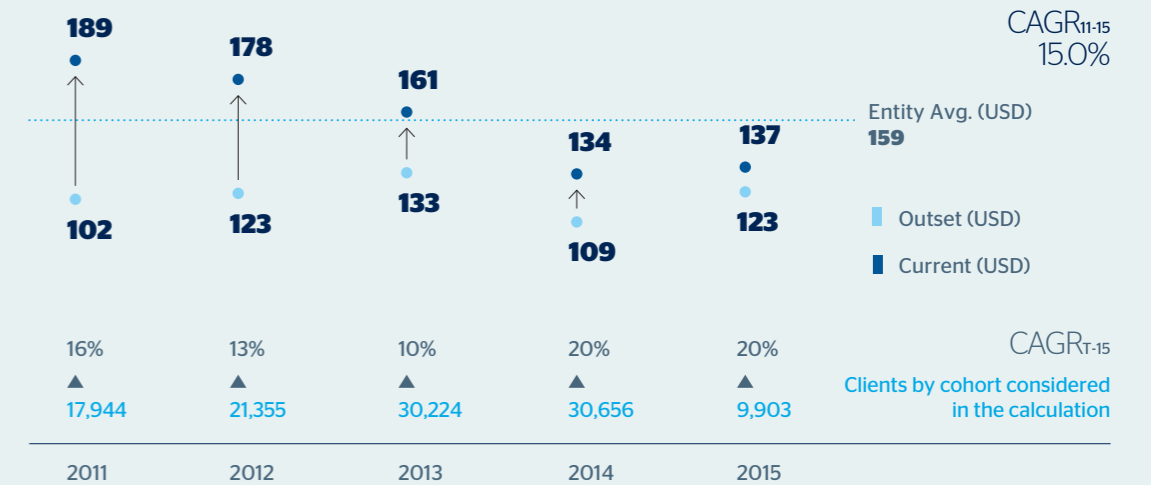
The positive and continued financial growth enjoyed by micro-enterprises over all cohorts also show a momentum of asset accumulation, since the latter grow at a faster rate than sales and net income.

Average monthly sales (by cohort)¹⁴



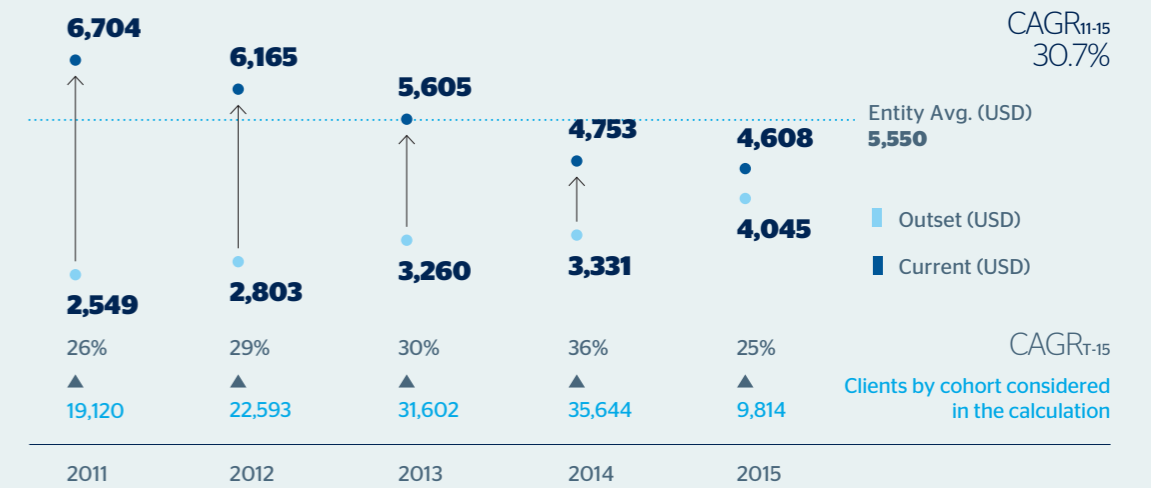
Source: Bancamía. BBVAMF calculations.

Average monthly net income (by cohort)¹⁴



Source: Bancamía. BBVAMF calculations.

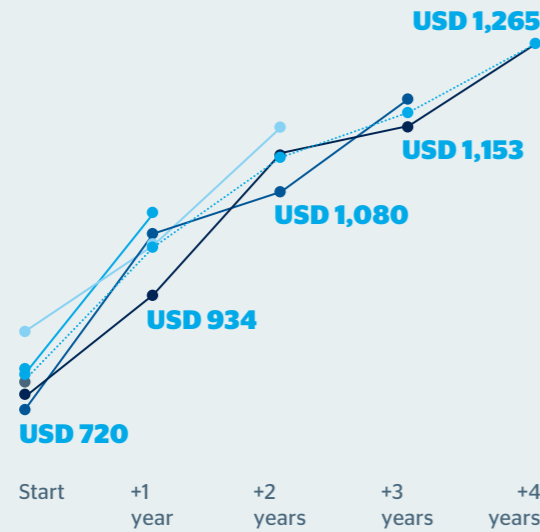
Average assets (by cohort)¹⁴



Source: Bancamía. BBVAMF calculations.

¹⁴ Data of current clients as of December 31, 2015, and that have had a data update in the last 12 months. The situation at the outset is shown (data in their cohort year) and their situation at the end of December 2015.

Average disbursement per transaction (by cohort)¹⁵

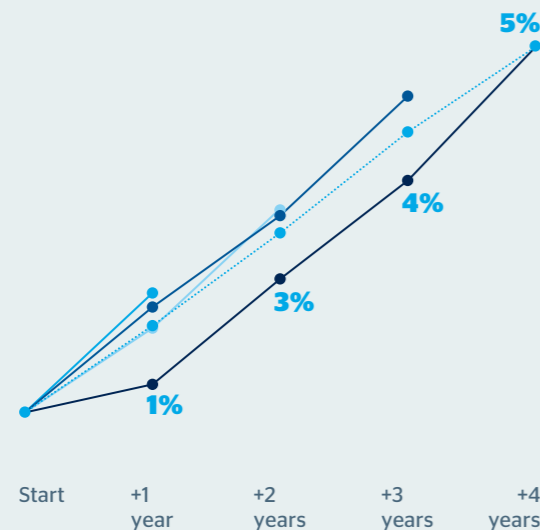


Legend: 2011, 2012, 2013, 2014, Avg.

Source: Bancamía. BBVAMF calculations.

- As time passes, clients' credit capacity grows, as do the sums being offered by Bancamía. After two years, their average credit sum has increased by around 50%.
- While modest, there is a direct correlation between having a relationship with Bancamía and improvements both in the level of educational achievement and in housing quality.

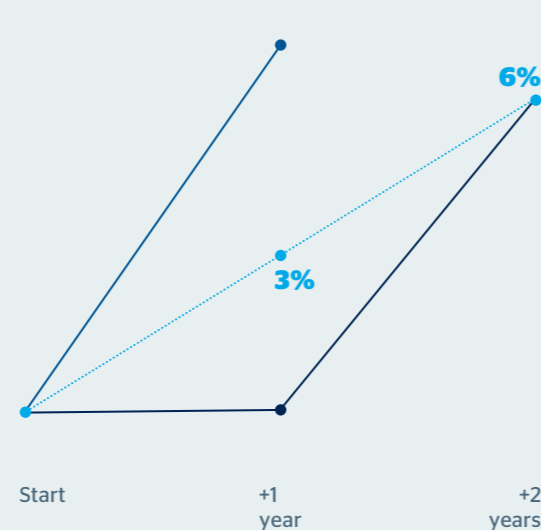
Client improvement in education (by cohort)¹⁶



Legend: 2011, 2012, 2013, 2014, Avg.

Source: Bancamía. BBVAMF calculations.

Client improvement in housing (by cohort)¹⁷



Legend: 2013, 2014, Avg.

Source: Bancamía. BBVAMF calculations.

15_Average disbursement, calculated as the total disbursement made in a year divided by the number of transactions by each client participating in the disbursement in said year.

16_Proportion of clients still current in each cohort who have improved their level of education from their situation as registered at the outset.

17_Proportion of clients still current in each cohort who have moved into their own home, have made home improvements or who have increased the number of rooms in their home from when they registered at the outset.

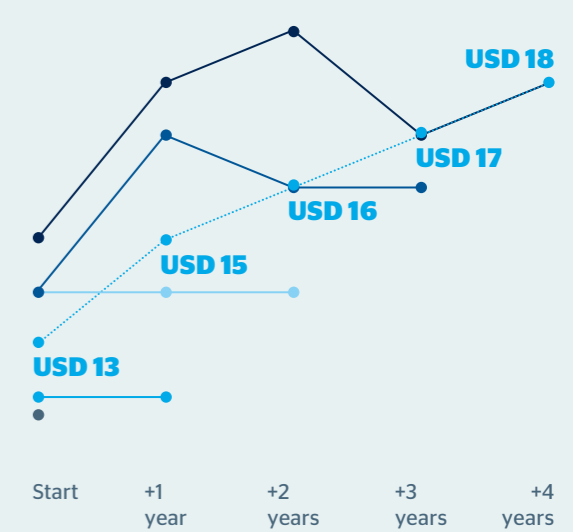
Average savings (of existing clients)^{18,19}



Legend: Avg. Savings (all clients) (USD), Avg. Savings (credit clients only) (USD)

Source: Bancamía. BBVAMF calculations.

Average savings (by cohort)^{19,20}



Legend: 2011, 2012, 2013, 2014, 2015, Avg.

Source: Bancamía. BBVAMF calculations.

- When analyzed by cohorts, the average savings balance of active clients increases the more time they have banked with Bancamía.

Active clients' average savings are slightly lower than the average savings of all clients with savings products.

18_Includes the overnight and term savings of current clients each year.

19_Average saving calculated for all clients with a balance of USD 1 or more (in local currency equivalent) on all dates.

20_Savings of clients current in each cohort having both credits and savings.

Activity

data

Summary of activity ²¹

	Total
Gross loan portfolio (USD)	350,969,068
Total disbursed in 2015 (USD)	322,501,711
Nº transactions in 2015	296,511
Average disbursement in 2015 (USD)	1,088
Deposits & other (USD)	105,542,176
Nº Employees	3,583
Nº Offices	200
Clients receiving financial education	164,334

²¹Data as of
December 31, 2015.

Source: Bancamía. BBVAMF calculations.