Banco Davivienda S.A.

Separate financial statements as of December 31, 2015 with comparative figures as of December 31 and January 1, 2014.

Under the provisions of Decree 2555 of 2010, Banco Davivienda S.A. did not require to obtain authorization from the Financial Superintendence of Colombia regarding the financial statements with year-end on December 31, 2015.

Contents

Opinion on the Financial Statements......3

Certificate of Financial Statements......6

Separate Financial Situation Statements......8

Separate Period Results Statement......9

Other Comprehensive Result......10

Separate Equity Changes Statement......11

Separate Cash Flow Statement......11

1. ...... **Reporting Entity**......14

2. ...... **Significant Facts**......14

3. ...... **Basis of Preparation**......15

4. ...... **Main accounting policies**......20

5. ...... **Use of Estimates and Judgments**......50

6. ...... **New standards and interpretations issued but not yet effective**......52

7. ...... **Fair Value Measurement**......55

8. ...... **Operation segments**......60

9. ...... **Risk management**......63

10...... **Corporate Governance - Risk Management**......81

11...... **Balance sheet specific statement**......83

12...... **Specific statement results**......155

13...... **Related areas**......161

14...... **Contingent accounts**......165

15...... **Events or Subsequent Events**......166

16...... **Transition to IFRS for separate financial statements**......167

KPMG Ltda.
Calle 90 No. 19C - 74
Bogotá, D.C. - Colombia

Teléfono 57 (1) 6188100
Fax 57 (1) 2185490
www.kpmg.com.co

AUDFINBOG-IES2016-12178

FREE ENGLISH LANGUAGE TRANSLATION
STATUTORY AUDITOR'S REPORT

To the Shareholders
Banco Davivienda S.A.:

I have audited the separate financial statements of Banco Davivienda S.A., which comprise the separate statement of financial position at December 31, 2015 and the separate statements of income, other comprehensive income, of changes in equity and cash flows for the year then ended and their respective notes that include the summary of significant accounting policies and other explanatory notes. The financial statements corresponding to the year 2014 prepared in accordance with Accounting Principles Generally Accepted in Colombia and instructions from the Financial Superintendence of Colombia in force for that year were audited by me and in my report, dated February 12, 2015, expressed an unqualified opinion thereon; these financial statements, including the opening balances at January 1, 2014, were adjusted to conform to the Accounting and Financial Reporting Standards accepted in Colombia.

Management's responsibility regarding the financial statements

Management is responsible for the fair preparation and presentation of these separate financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Statutory Auditor's responsibility

My responsibility is to express an opinion on the separate financial statements based on my audit. I obtained the necessary information and carried out my audit in accordance with auditing standards generally accepted in Colombia. Such standards require that I comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risk of material misstatement in the separate financial statements. In making this risk assessment, the statutory auditor considers internal control relevant to the preparation and presentation of the separate financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements. I believe that my audit provides a reasonable basis for my audit opinion expressed below.

KPMG Ltda., sociedad colombiana de responsabilidad limitada y firma miembro de la red de firmas miembro independientes de KPMG afiliadas a KPMG International Cooperative ("KPMG International"), una entidad suiza.

KPMG Ltda.
Nit. 860.000.846 - 4

Opinion

In my opinion, the above mentioned separate financial statements, taken accurately from books and attached to this report, present fairly, in all significant respects, the separate financial position of Banco Davivienda S.A. at December 31, 2015, the separate results of its operations, and its separate cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia.

Other matters

1. The separate financial statements corresponding to 2015 are the first that the Bank's management prepared under Accounting and Financial Reporting Standards accepted in Colombia. The note 17 to the separate financial statements of 2015, explains how the implementation of the new regulatory technical framework affected the separate financial position of the Bank, the separate results of its operations and its separate cash flows previously reported.

2. As mentioned in note 3 letter e) to the separate financial statements, the Bank in compliance or the Circular Letter 034 of 2014 of the Financial Superintendence of Colombia, records the investments in subsidiaries by the equity method from January 1, 2015; consequently, the uniformity in the use of the Accounting and Financial Reporting Standards accepted in Colombia was affected in connection with the previous period. The investments in subsidiaries were recognized as of December 31, 2014 and opening financial statement (ESFA by its acronym in Spanish - January 1, 2014) in accordance with the criteria set out in Chapter I of the Basic Accounting and Financial Circular of the Financial Superintendence of Colombia in force at December 31, 2014 and the cost estimated according to IFRS 1, respectively.

3. Without qualifying my opinion I draw attention to the note 16 to the separate financial statements which indicates that on January 4, 2016, the merger agreement between Banco Davivienda S.A. (absorbing entity) and Leasing Bolívar S.A. Compañía de Financiamiento (absorbed entity) was formalized.

Report about other legal and regulatory requirements

Based on the results of my tests, I believe:

a) The Bank's bookkeeping has been performed in conformity with legal rules and accounting pronouncements.

b) The operations recorded in the books and management performance are in conformity with the bylaws and decisions of the General Shareholders' Meeting.

c) The correspondence, the vouchers of accounts and the books of minutes and record of shares have been properly maintained.

d) The Bank has adopted adequate measures of internal control, which include the risks management systems implemented, maintenance and custody of its and third parties' assets in its possession.

e) The Bank has fulfilled the rules and instructions of the Financial Superintendence of Colombia regarding to the appropriate administration and accounting of assets received in payment and the implementation and impact on the statement of financial position and the statement of income of the Risks Management Systems that apply.

f) The management report prepared by management agrees with the accompanying financial statements, which includes evidence about free circulation of sellers' or suppliers' invoices.

g) The information contained in the contribution returns submitted to the Social Security System, specifically the information on affiliates and their salary base for determining contributions, has been prepared from the accounting records and supporting documentation. The Bank is up to date in payment of contributions to the Social Security System.

I carried out monitoring to the answers about the recommendation letters addressed to the Bank's management and there are no outstanding material issues that can affect my opinion.

Original signed by
María Ligia Cifuentes Zapata
Statutory Auditor of Banco Davivienda S.A.
Registration 30070 - T
Member of KPMG Ltda.

February 17, 2016

CERTIFICATE OF FINANCIAL STATEMENTS

CERTIFICATE AND ACCOUNTABILITY OF FINANCIAL INFORMATION

The undersigned Legal Representative and Accountant of Davivienda Bank S.A. addressing the terms established in Articles 46 and 47 of Law 964 of 2005 and in accordance with the terms required in the Standards of Accounting and Financial Reporting accepted in Colombia, certify that:

The Financial Statements for the period between January 1 and December 31, 2015, do not contain defects, inaccuracies or errors that prevent knowing the true financial condition or operations of Davivienda, in accordance with the provisions of Article 46 of Law 964 of 2005.

In accordance with the terms set forth by the accounting standards and financial reporting accepted in Colombia and addressing matters relating to the conceptual Framework, the information and statements embedded in the financial statements have been duly verified and obtained from the accounting records, prepared in accordance with the rules and principles established in Colombia.

Davivienda has adequate systems of disclosure and control of financial information, for which procedures that ensure that it is properly presented have been designed, and whose operation is verified by General Audit and Financial Management.

Also, we inform that there are no significant differences presented in the design and operation of internal controls that would have prevented the Bank from recording, processing, summarizing or properly presenting its financial information, and there was no fraud that could have affected the quality of financial information, or changes in its assessment methodology.

In the Financial Statements all assets and liabilities are recorded as to closing date and these represent probable rights and future obligations respectively. In addition, all transactions for the period were recorded and all economic facts have been recognized and properly classified, described and disclosed. All elements have been recognized by the appropriate amounts, taking into account the aspects mentioned in the Conceptual Framework and in accordance with the Standards of Accounting and Financial Reporting accepted in Colombia.

The statements contained therein have been previously verified, in accordance with the regulations and have been faithfully taken from the books in accordance with Article 37 of Law 222 of 1995. The Bank has adequate control procedures and financial disclosure and its operation has been verified, in accordance with the provisions of Article 46 of Law 964 of 2005.

Bogotá, February 16, de 2016

Olga Lucia Rodriguez Salazar	**Carmen Anilsa Cifuentes**
Legal Representative	Accountant T.P. 35089-T

BANCO DAVMENDA S.A.
STATEMENT OF FINANCIAL POSITION
As of December 31, 2015 with the Comparative figures to December 31 and January 1, 2014
(Millions of Colombian Pesos (COP))

	Note	December 31, 2015	December 31,2014	January 01, 2014
ASSETS				
Cash	11.1.	3,907,931	2,989,847	2,975,069
Asset operations of money market and related	11.2	315,604	323,656	380,870
Financial Instruments of Investment	11.3.	4,588,864	4,905,786	4,701,868
Derived Assets	11.4.	434,950	414,337	75,509
Loan Portfolio and financial leasing operations, net	11.5.	46,450,272	39,303,452	32,687,280
Accounts receivable, net	11.6.	807,694	597,469	479,769
Assets held for sale	11.7.	79,180	17,838	18,161
Investments measured at amortized cost	11.3.	1,213,795	1,175,915	1,226,376
Investments in subsidiaries and affiliates	11.3.7.	2,994,856	2,519,891	2,129,023
Property and Equipment, net	11.8	996,531	964,355	945,319
Investment Properties, net	11.9.	37,105	40,249	62,828
Capital gain	11.10.	1,080,775	1,080,775	1,080,775
Intangibles	11.11.	72,519	42,251	14,181
Other non-financial assets, net	11.12.	122.611	120,297	122.766
Total Assets		**63,102,687**	**54,496,118**	**46,899,794**
LIABILITIES				
Deposits and payables on demand:	11.13.	38,514,504	33,880,522	29,049,541
Saving Accounts		19,367,065	17,133,401	14,676,559
Deposits in checking accounts		5,048,186	5,088,733	4,559,385
Term Deposit Certificates		13,381,917	11,043,409	9,282,715
Other payables on demand		717,336	614,979	530,882
Liability operations of money market and related	11.14.	1,102,859	1,017,011	1,001,348
Derived Liabilities	11.4.	364,451	300,461	60,096
Credits from banks or other obligations	11.15.	4,999,696	3,542,622	3,137,579
Debt instruments issued	11.16.	8,727,347	7,405,779	6,456,902
Accounts payable	11.17.	819,603	709,378	678,680
Deferred tax	12.6.	691204	626,082	478,970
Other non-financial liabilities and estimated liabilities	11.18	164.507	179.396	160.972
Total Liabilities		**55,384,171**	**47,661,251**	**41,024,088**
EQUITY				
Capital and Reserves (1)	11.19.1/2.	5,421,093	4,830,546	4,381,691
Unrealized gains or losses (ORI)		268,880	169,520	26,898
Adjustments in the first application.		734,409	748,757	737,437
Retained earnings (losses) from Previous years		79,871	(9,434)	729,680
Net Equity		1,214,263	1,095,478	0
Total Equity		**7,718,516**	**6,834,867**	**5,875,706**
TOTAL LIABILITY AND EQUITY		**63,102,687**	**54,496,118**	**46,899,794**

(1) Includes Premium of Placement of Shares

The notes are integral part of the Financial Statements.

OLGA LUCIA RODRIGUEZ SALAZAR Legal Representative	CARMEN ANIL SA CIFUENTES BARRE RA Financial Director Professional License. No. 35089-T	MARIA LIGIA CFUENTES ZAPATA Statutory Auditor of Banco Davivienda S.A. Professional License No. 30070-T Member of KPMG Ltd (See my report of February 17, 2016)

BANCO DAVIVIENDA SA.
INCOME STATEMENT
For the year ended as of December 31, 2015 with comparative figures for the year ended as of December 31, 2014
(millions of Colombian pesos (COP))

	Note	2015	2014
Revenue from Interest and Valuation of Investments		5,288,781	4,409,593
Portfolio		4,944,978	4,111,910
Investments, net	12.1	317,029	277,532
Money Market Operations		26,774	20,151
Expenditure for Interests		1,833,686	1,379,828
Deposits and deposits payable on demand		1,105,587	845,252
Deposits in checking accounts		31,102	29,554
Deposits in savings		428,134	346,587
Term Deposit Certificates		646,350	469,111
Credits from banks or other financial obligations		131,174	123,361
Debt Instruments issued		529,403	385,549
Other Interests		67,523	25,666
Gross Financial Margin		**3,455,095**	**3,029,766**
Portfolio provisions and accounts receivable, net		1,016,340	746,700
Portfolio provisions and accounts receivable		1,993,607	1,567,148
Portfolio Reimbursement and accounts receivable		977,267	820,449
Net Financial Margin		**2,438,755**	**2,283,066**
Revenue for Commissions and Services, net	12.2	680,495	645,627
Equity method		215,880	0
Dividends		31,960	114,738
Operational Expenditures		1,871,087	1,720,861
Personnel expenditures	12.3.	810,233	721,248
Operational	12.4.	1,025,976	968,847
Amortizations and depreciations	12.4.	34,878	30,766
Exchanges, net		196,963	99,031
Derivatives, net		(89,597)	(8,458)
Other Revenue and Expenses, net	12.5.	5,204	12,511
Operational Margin		**1,608,573**	**1,425,655**
Income Tax and Related taxes	12.6	394,310	330,177
Net Equity		**1,214,263**	**1,095,478**
Period Earnings per Share in Pesos (1)		2,734	2,466

Calculated as: Results / Average Number of shares
The notes are an integral part of the Financial

OLGA LUCIA RODRIGUEZ SALAZAR **Legal Representative**	**CARMEN ANILSA CIFUENTESBARRERA** **Financial Director** **TP. No. 35089-T**	**MARIA LIGIA CIFUENTES ZAPATA** **Statutory Auditor of Banco Davivienda S.A.** **Professional License No. 30070-1** **Member of KPMG Ltda.** **(See my report of February 17, 2016)**

BANCO DAVIVIENDA S.A.
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2015 with comparative figures for the year ended December 31, 2014
(millions of Colombian pesos (COP))

	2015	2014
Other Comprehensive Result		
Net Equity	1,214,263	1,095,478
Components of other comprehensive result that will not be reclassified to the result of the period, net of taxes:		
Unrealized gain fixed income securities	(15,567)	(608)
Subordinated investment and other non-control investments	(237,135)	152,887
Exchange difference of subsidiaries abroad, net	342,405	0
Other comprehensive results	9,657	(9,657)
Total other comprehensive result, net of taxes	**99,360**	**142,622**
Total Comprehensive Result	**1,313,623**	**1,238,100**

OLGA LUCIA RODRIGUEZ SALAZAR **Legal Representative**	**CARMEN ANILSA CIFUENTESBARRERA** **Financial Director** **TP. No. 35089-T**	**MARIA LIGIA CIFUENTES ZAPATA** **Statutory Auditor of Banco Davivienda S.A.** **Professional License No. 30070-1** **Member of KPMG Ltda.** **(See my report of February 17, 2016)**

Banco Davivienda S.A.
Changes in Equity Statement
For the year ended December 31, 2015 with comparative figures ended December 31, 2014 and January 1, 2014
(millions of Colombian pesos (COP))

	CAPITAL AND RESERVES						ACCUMULATED RESULTS		
	Capital	Issue Premium	Legal Reserve	Occasional Reserves	Adoption for First time	Unrealized Gain (ORI)	Gains (losses) previous periods	Gains of the exercise	Total Equity of the Stockholders
Balance as of January 1, 2014	**62,190**	**3,389,608**	**362,766**	**567,127**	**737,437**	**26,898**	**729,680**	**0**	**5,875,706**
Donations				(970)					(970)
Distribution of dividends:									
Dividends decreed in cash at $630 pesos per share on 444,214,234 subscribed and paid shares on. March 26, 2014				(279,855)					(279,855)
Movement of Reserves:									
Legal reserve			76,807				(76,807)		
Non-taxable Occasional Reserve				179,911			(179,911)		
Occasional Reserve made available to the Stockholders General Meeting for future profit sharing.				472,962			(472,962)		
Of the Reserves made available from the Meeting of non- taxable profits if they are capitalized from previous years, release to increase the taxed reserve.			36,122	(36,122)					
Other comprehensive result, net of the capital gains tax									
First-time Application IFRS					11,320		(11,320)		0
Equity variation of variable income investments						152,887			152,887
Price variation of fixed income market						(608)			(608)
Other results						(9,657)	1,886		(7,771)
Yearly earnings								1,095,478	1,095,478
Balance as of December 31, 2014	**62,190**	**3,389,608**	**475,695**	**903,053**	**748,757**	**169,520**	**(9,434)**	**1,095,478**	**6,834,867**
Tax on Wealth (1)				(60,563)					(60,563)
Distribution of dividends:									
Cash dividend payments of $788 per share on 444,214,234 shares subscribed and paid on March 26, 2015								(350,041)	(350,041)
Movement in Reserves:									
Legal Reserve			166,315					(166,315)	0
Occasional Reserve future capitalizations				484,795				(484,795)	0
Release of Occasional Reserve investment valuation at market prices - Decree 2336/95, to increase Legal Reserve			10,459	(10,459)					0
Issuance of Shares:									
Dividend payment on shares at $1,695 pesos per share on 444,214,234 shares subscribed and paid. April 8, 2015(2)	8,884	744,059		(752,943)					0
Other comprehensive result, net of capital gains tax									
Realization of IFRS Application for the first time					(14,348)		14,348		0
Adjustment of Convergence year 2014							94,327	(94,327)	0
Equity Method (MPP)						(237,135)			(237,135)
Exchange Rate Difference Handling Net of Deferred Tax						342,405			342,405
Price Variation of Fixed income market						(15,567)			(15,567)
Other Results						9,657	(19,370)		(9,713)
Yearly Earnings								1.214263	1,214,263
Balance as of December 31, 2015	**71,074**	**4,133,667**	**652,469**	**563,883**	**734,409**	**268,880**	**79,871**	**1,214,263**	**7,718,516**

(1) The Extraordinary Meeting of January 30, 2015 authorized to impute the tax on Wealth conforming with law 1739 of 2014, for equity reserves, for the years 2015, 2016 and 2017.
(2)Nominal value is increased by $20 reaching $160 per share and the difference of $1,675 corresponds to premium in placement of shares.

The notes are an integral part of the financial statements

OLGA LUCIA RODRIGUEZ SALAZAR
Legal Representative

CARMEN ANILSA CIFUENTESBARRERA
Financial Director
TP. No. 35089-T

MARIA LIGIA CIFUENTES ZAPATA
Statutory Auditor of Banco Davivienda S.A.
Professional License No. 30070-1
Member of KPMG Ltda.
(See my report of February 17, 2016)

BANCO DAVIVIENDA S.A

Cash Flows Statement

For the year ended December 31, 2015 with comparative figures for the year ended December 31, 2014

(millions of Colombian pesos (COP))

	Note	2015	2014
Cash Flows of the activities of the operation:			
Net Equity		**1,214263**	**1,095,478**
Reconciliation of net equity and net cash used in the operation activities			
Provision of negotiable investments, net	11.3.6	2.736	1,894
(Reimbursement) Provision of available investments for sale, net	11.3.6	(266)	839
Reimbursement of investments to maturity date, net	11.3.6	(332)	(1,889)
Reimbursement of participative security investments, net	11.3.6	0	(8,060)
Provision of loan portfolio and financial leasing, net	11.5.15.	1,086,185	843,167
Provision of accounts receivable, net	11.6	42,693	33,304
Provision (Reimbursement) of assets held for sale, net	11.7.4	3,960	(2,894)
Provision of investment properties, net	11.9.1	4,510	10,225
Provision of other assets, net	11.12.	7,291	798
Provision for severances		17,908	15,775
Other provisions		7.908	5,694
Depreciations		34,579	30,504
Amortizations		300	261
Difference in Exchange and UVR not realized		565,965	(91,270)
Gain in Sales portfolio		(11,289)	(8,245)
Equity Method		(215,880)	0
Valuation of investments, net		(312,711)	(265,001)
Gain in sales of marketable investments, net		(4,283)	(12,530)
Gain in sales of available investments for sale, net		(35)	0
Gain in sales of investments to maturity, net		0	0
Gain in sale of investments of participatory securities, net		0	0
Valuation of derivatives and cash transactions. net		89,597	13,092
Gain in assets held for sale	11.7.	(2,039)	(357)
Gain in sales of property and equipment and goods given in leasing, net	11.8.	(186)	(2,071)
Loss in sales of properties for investment	11.9.	1,702	5,020
Loss in sale of other assets		57	29
Other estimated liabilities paybacks		(5,054)	(4,059)
Severance pay		(13,796)	(13,674)
Capital gains tax	12.6.	394.310	330,177
Changes in operational assets and liabilities:			
(Increase) Reduction in active operations of money market and related markets		(30,075)	350,459
(Increase) Reduction of negotiable investments		(334,039)	254,500
(Increase) of the loan portfolio and financial leasing operations		(13,317,432)	(12,027,702)
(Increase) accounts receivable		(252,917)	(151,004)
Additions of assets held for sale		(87,604)	(18,432)
Product from the sale of other assets held for sale	11.7.	16,635	22,006
(Increase) other assets		(28,579)	(26,691)
Product from the sale of other assets		2,163	0
Increase of deposits and payables on demand		5,923,277	5,664,632
(Decrease) Increase of ordinary interbank funds bought		(103,658)	11,666
Increase of accounts payable		81,464	85,215
Increase of labor obligations		19,944	4,071
(Decrease) Increase of estimated liabilities and provisions		(17,743)	16,790
Tax on Wealth		(60,563)	0
Capital gains tax paid		(334,193)	(251,528)
Interests paid		(955,497)	(688,471)
Interests received		4,589,137	3,944,378
Net Cash used for the operative activities		**(1,981,587)**	**(833,904)**

BANCO DAVIVIENDA S.A.
Cash Flows Statement (Continued)
For the year ended December 31, 2015 with comparative figures for the year ended December 31, 2014
(millions of Colombian pesos (COP))

Cash flows in the investment activities:			
Dividends received		79,871	0
Decrease (Increase) of available investments for sale		869,801	(241,706)
Decrease of investments to maturity date		42,604	109,827
(Increase) Decrease of participative security investments		(1,112)	9,212
(Increase) of Fiduciary Rights		(3,771)	0
(Increase) de acceptances, derivative operations and cash transactions		(110,210)	(351,918)
(Increase) of property and equipment		(342)	(303)
Additions of property and equipment	11,8.	(107,377)	(83,440)
Product of the sale of loan portfolio		506,579	632,231
Product of the sale of property and equipment	11.8.1.	29,463	25,097
Product of the sale of investment property	11.9.	6,281	18,512
Net cash provided in investment activities		**1,311,787**	**117,512**
Cash flow of financing activities:			
Issuances in debt instruments	11.16.	1,700,000	1,200,000
Redemptions in debt instruments	11.16.	(1,195,210)	(770,563)
Increase in derived liabilities		63,990	240,365
New loans in bank credit and other financial obligations	11.15.	3,872,280	2,946,149
Payments of the period in bank loans and other financial obligations	11.15.	(3,083,454)	(2,986,642)
Donations		0	(970)
Payment of dividends in cash		(350,041)	(279,855)
Net cash provided for financing activities		**1,007,565**	**348,484**
Net increase in cash and cash equivalents		**337,765**	**(367,908)**
Effect of the variation of the exchange rate difference on cash		**542,194**	**675,931**
Cash and equivalent to cash at the beginning of the period		**3,283,092**	**2,975,069**
Cash and equivalent to cash at the end of the period (')		**4,163,051**	**3,283,092**

(*) It includes equivalents of cash less than 90 days in asset operations of the money market and related markets for $255,118 for 2015 and $293,245 for 2014. According to note 11.2

The notes are an integral part of the Financial Statements

OLGA LUCIA RODRIGUEZ SALAZAR
Legal Representative

CARMEN ANILSA CIFUENTES BARRERA
Financial Director
Professional License No. 35089-T

MARIA LIGA CIFUENTES ZAPATA
Statutory Auditor Banco Davivienda S.A.
Professional License No. 30070-T
Member of KPMG Ltda.
(See my report of February 17, 2016)

1. Reporting Entity

Banco Davivienda S.A, ("the Bank") is a private entity which has its main domicile in the city of Bogotá D.C. at Avenida El Dorado 68 C-61 and was constituted by notarized deed number 3892 on the 16th of October of 1972, in the Fourteenth Notary Public Office of Bogotá; it has its main domicile in the city of Bogotá D.C. under Resolution 562 of June 10, 1997 which authorizes its functioning. The established duration under notarized deed 5145 of October 2003 is valid until October 17, 2053, but can be ended or extended before this term. The Bank forms part of Bolivar Group and has as a social objective to sign or carry out all the transactions and contracts legally permitted to banking establishments of a commercial character subject to the requisites and limitations of Colombian law.

The Bank as of December 31, 2015 operated with twelve thousand and fifty-six employees (12,056) by means of five hundred and ninety (590) offices; twenty-two (22) branches and agencies in the Colombian territory and one (1) branch abroad in the city of Miami (The United States of America) and as of December 31, 2014 operated with eleven thousand eight hundred and twenty six (11,826) employees in five hundred and eighty-three (583) offices; twenty-one (21) branches and agencies in the Colombian territory and one (1) branch abroad in the city of Miami (The United States of America)

2. Significant Facts

Issuance of Bonds

Davivienda Colombia issued $1.7 trillion in bonds, as such:

On February 12, 2015 $700,000 million in ordinary CPI bonds were issued for an average fixed-term of 6 years and an average rate of CPI (consumer price index) + 4.15%; on May 13, 2015 was the issuance of Subordinated CPI bonds for a value of COP 400,000 million with a fixed-term of 10 years and a rate of CPI + 4.14 APR, and on November 10, 2015 The Bank auctioned ordinary bonds for COP 600,000 million pesos at an average fixed-term of 4.97 years and an average rate of 9.44% EYR (effective yearly rate).

Additionally, COP 1.1 trillion in bonds were redeemed, mainly in February (COP 514 billion) and in December (COP 316 billion).

Panama Split-up

On June 3 the split-up occurred of Banco Davivienda (Panama) S.A., in order to constitute the new Subsidiary Banco Davivienda International S.A. (Panama), with a capital of USD 10,000,000 corresponding to 10,000 shares at a unit Price of USD 1,000, this new entity is 100% property of Banco Davivienda Colombia; as a result, the new capital paid from Banco Davivienda (Panama) S.A. remained in USD 19,099,800.

Assets were transferred for USD 109,117 composed of $ 84,054 of loan portfolio and $ 25,063 of investments in bonds and deposits for $ 109,117. The excision process will finish in the year 2016.

Securitization

On June 10 and October 15, 2015 the Bank effected securitization of the loan portfolio for $493,000 thousand million through the Titularizadora Colombiana S.A., generating a profit of $12 thousand million and a recuperation of provisions for $10 thousand million; securities were acquired for $160 thousand million.

(Millions of Colombian Pesos (COP))

Leasing Merger

On September 23, 2015 the General Stockholders Meeting approved a merger between Banco Davivienda S.A. and Leasing Bolivar S.A. Financing Company and the terms of trade; authorization was received from the SFC (Financial Superintendence of Colombia) on December 2, 2015.

The approved terms of trade are:

	Shares of Banco Davivienda S.A.	Shares of Leasing Bolívar S.A.
Banco Davivienda S.A. shares	One share	3.22163
Leasing Bolívar S.A. shares	0.3104	One share

Distribution of Results 2015

The Meeting held on March 13, 2015 approved:

a) To pay dividends in shares of $752,943, at $1,695 pesos per share. To that effect, the nominal value was increased by $ 20 pesos increasing it from $ 140 to $ 160 pesos per share and $ 1,675 pesos difference corresponded to paid-in capital.

b) To pay dividends in cash of $350,041, at $788 pesos per share, on March 26, 2015.

c) To make the irrevocable commitment to capitalize or increase the legal reserve for the term of 5 years for a value of $425,000 million, generated from the net profit of the year 2014.

Exchange Rate Effect

La TRM (Representative Market Rate) reached $3,149.47 per dollar, originating a devaluation of 31.6% equivalent to $757.01, compared with $2,392.46 as of December 2014. This impacted the investment growth by $210,893 of portfolio by $505,608 of financial obligations by $354,913 and bonds by $108,022.

3. Basis of Preparation

a. Declaration of fulfillment of the Accounting Norms and Financial Reporting accepted in Colombia

The financial statements have been prepared in accordance with Accounting Norms and Financial Reporting accepted in Colombia (NCIF), established in the Law 1314 of 2009, regulated by the Single Regulatory Decree 2420 of 2015 modified by the Decree 2496 of 2015 and the instructions of the Financial Superintendence of Colombia (SFC), according to what is established in Decrees 1851 of 2013 and 2267 of 2014 and the External Circular Letters 034 and 036 of 2014. The NCIF are based in the International Financial Reporting Standards (IFRS), as well as its interpretations, issued by the International Accounting Standards Board – (IASB); the basic norms correspond to those translated into Spanish and issued as of January 1, 2012 and the amendments effected during the year 2012 by the IASB, except for the treatment of the following exempted rubrics:

(Millions of Colombian Pesos (COP))

Rubric	Normative	Exception
Classification and valuation of investment portfolio	Decree 2267 of November 11, 2014 External Circular Letter 034 of 2014	It exempts the application of the IAS 39 and the IFRS 9, in relation to the classification and valuation of investments, , defining the application to the established in chapter I -1 “Classification, Valuation and accounting of investments for individual or separate financial statements”, of the Basic Accounting and Financial Circular Letter (CBCF in Colombia)
Treatment of the loan portfolio and its impairment	Decree 1851 of 2013	It exempts the application of the IAS 39 and IFRS 9, only in respect to the treatment of the loan portfolio in all its aspects and provisions, it maintains application of chapter II of the la Basic Accounting and Financial Circular Letter of the Financial Superintendence of Colombia in the individual or separate financial statements.
Provision of Goods received in lieu of payment	External Circular Letter 036 of 2014	It maintains the provisions of goods received in lieu of payment or restituted, independently of their accounting classification, in conform to the instructions established in Chapter III of the Basic Accounting and Financial Circular Letter.
Wealth Tax	Law 1739 from December, 2014	It allows the annual causation of wealth tax and the recognition option under equity reserves.

In Note 17, the adoption for the first time of the IFRS described the effect of the transition of the adoption of NCIF, with the effect on the Financial Situation Statement, Result Statement, and Cash Flows Statement. This note includes the reconcilements of capital and of the yearly earnings for the comparative period (December 31, 2014) and the capital on the transition date (January 1, 2014) presented in conformity to the PCGA (Principles of Accounting of General Acceptance) of Colombia before (COLGAAP) with those registered for such periods and on the date of transition.

The last financial statements of the Bank issued under COLGAAP were emitted as of December 31, 2014 and were approved by the Board of Directors of the Bank last January 27, 2015 and the Statutory Auditor’s opinion was given on February 12, 2015 without any reservations. The financial statements of the year ended December 31, 2015 were approved by the Board of directors on February 9, 2016, in order to be presented to the General Stockholders Meeting for its approval or modification.

In accordance with the Colombian legislation, the Bank should prepare separate financial statements, ones which are presented by the Board of Directors to the General Stockholders Meeting to approve them or not and to determine the dividends distribution and appropriations. The separate financial statements are those in which the investments of the Bank are recorded as the parent company. The consolidated financial statements are those that present assets, liabilities, equity, revenue, expenditure, and cash flow of the Bank and its subordinates as if they were one single economic entity; they are statements that are placed in consideration of the highest corporate bodies with the purpose to inform the management of the parent company and its subordinates.

For fiscal purposes the decree 2548 of December 12, 2014 establishes that the transfers contained in the tributary norms to the accounting norms will continue valid during the following four years to the date of the compulsory implementation of the NCIF for entities of group 1. The accounting norms referred to are the ones established in the decrees 2649 and 2650 of 1993 and the Technical Standards established by the SFC applicable as of December 31, 2014. The Bank was classified in this group for being an entity of public interest and an issuer of securities.

Separate Financial Statements

The separate Financial Statements present information of the Bank as an individual entity and do not contain consolidated financial information.

Davivienda acts as the parent company of the following subsidiaries:

Name	Country
Corredores Davivienda S.A.	Colombia
Fiduciaria Davivienda S.A.	Colombia
Grupo del Istmo Costa Rica S.A	Costa Rica
Inversiones Financieras Davivienda S.A.	Salvador
Banco Davivienda Panamá S.A.	Panama
Banco Davivienda Panamá Internacional	Panama
Seguros Bolívar Honduras S.A.	Honduras
Banco Davivienda Honduras S.A.	Honduras

These separate financial statements were prepared to comply with the legal dispositions that Banco Davivienda is subject to as an independent legal entity; some accounting principles may differ in relation to those applied in the consolidated financial statements, and additionally do not include the adjustments or eliminations necessary for the consolidated financial situation and the consolidated comprehensive results of the Company and its subordinates. Consequently, the separate financial statements should be read jointly with the consolidated financial statements of Banco Davivienda S.A. and its subordinates. For legal effects in Colombia the main financial statements are the separate financial statements.

b. **Ongoing business**

The preparation of the separate financial statements was done on the basis of a going concern: it was determined that there is no uncertainty at all about facts, events or conditions that could express significant doubt about the possibility that the Bank continues functioning normally. The judgments where it was determined that the Bank is a going concern are related to the evaluation of the present financial situation, its present intentions, the result of the operation and the access to the financial resources in the financial market, and also considered was the impact of such factors in the future operations and no situation was determined that could make the functioning of the Bank impossible as a going concern.

c. Accrual Basis of Accounting

The Bank elaborates its financial statements, except for those related with the information of cash flows, utilizing the accrual basis of accounting; in this manner the Bank recognizes accounting items as assets, liabilities, equity, income and expenses, when these satisfy the definitions and criteria of recognition provided by the conceptual framework of international norms of financial information adopted in Colombia.

d. Materiality

The administration of the Bank determined the relative importance of the figures to present in separate financial statements according to their function or nature. In other words, if a concrete item lacks relative importance, it is grouped with other items, since it is not necessary that the bank provides a specific disclosure required by IFRS, when the information lacks relative importance.

(Millions of Colombian Pesos (COP))

e. Uniformity of Presentation

The administration of the Bank will maintain the presentation and classification of the disclosed items in the separate financial statements from one period to another, except when there is a revision of activities of relevant importance to the separate financial statements, or when it becomes apparent that another presentation or classification would be more appropriate, taking into consideration the defined criteria according to the current polices of the Bank

The disclosure, in respect to the criteria and estimates utilized for the recognition of the asset and liability components of the Bank, will be shown in the note related with the accounting policies. When required for the purposes of comprehension, the importance of the use of these estimates and hypotheses that affect the amounts presented in the separate financial statements will be stipulated in the details of the explicative notes generated by each component that requires a segregated description in respect to the judgments of the value utilized relevant to the presentation of the separate financial statements.

In preparing separate financial statements they have been used under NCIF uniform accounting policies, except for the following:

a) During the year 2014 the classification, valuation, and accounting of the investments were maintained in accordance with the Circular Letter No. 034 of 2014 issued by the SFC, and as of January 1, 2015 was the application of chapter I-1 of the CBCF, with an impact on the investments in participative securities that are recognized in the books of the parent company and valued by the equity participation method in accordance with Article 35 of Law 222 of 1995; in consequence, the uniformity in the application of the Accounting and financial Information Norms accepted in Colombia is affected in relation to the previous period.

   Investments in subsidiaries were recognized as of December 31, 2014 and ESFA (January 1st 2014) in accordance with the criteria set out in Chapter I of the Basic Accounting and Financial Circular of the Colombian Financial Superintendence outstanding at December 31st, 2014 and at the deemed IFRS 1 cost, respectively (See Note 11.3.7).

b) The policy applied as of January 1, 2015 on the designation of financial liability for coverage of exchange in the net investments abroad is indicated in the note 4.16.

   For comparative purposes the figures as of December 31, 2014 are presented indicating each item of the financial statement, applying retroactively the designation of hedging liabilities:

Designation Coverage Bonds	Accumulated results			Equity	
	Changes and derivatives (net)	Income tax and complementary	Income for the year	Surplus - Other Comprehensive Income	Income for the year
Balance December 2014	90.574	330.177	1,095,478	918.277	1,095,478
Net Investment abroad	28.099	(9,554)	18.546	(18,546)	18.546
Restatement of Investments	(220,749)		(220,749)	220.749	(220,749)
Restatement of Bonds	234.799		234.799	(234,799)	234.799
Current and Deferred Tax		(9,554)	(9,554)	(9,554)	(9,554)
Balance December 2014 (Retroactive Application)	118.673	339.731	1,114,024	899.731	1,114,024
Balance December 2015	107.366	394.310	1,214,263	911.116	1,214,263

The figures as of the close of year 2014 were determined under the previous applicable normative in Colombia and for comparative purposes the figures were adjusted to be presented in this report with the requirements of the NCIF

(Millions of Colombian Pesos (COP))

December 31st, 2014

Corporate Name	Carrying Value	MPP	Dividends* Cash	Adjusted cost MPP
International Subsidiaries				
Banco Davivienda Panamá S.A.	239.527	85.482		316.793
Grupo del Istmo Costa Rica S.A	542.661	79.899	(8.216)	622.559
Inversiones Financieras Davivienda S.A.	723.727	178.183	(65.789)	836.120
Banco Davivienda Honduras S.A.	205.965	41.329	(15.585)	231.709
Seguros Bolívar Honduras S.A.	71.658	10.221		81.879
National Subsidiaries				
Corredores Asociados S.A.	124.680	2.768	(339)	127.109
Fiduciaria Davivienda S.A.	117.174	20.263	(15.975)	121.462
	2,025,392	418.145	(105.905)	2,337,632

January 01st, 2014

Corporate Name	Acquisition cost	Adjusted Cost Valuation	Capital gain	MPP	Carrying Value MPP
International Subsidiaries					
Banco Davivienda Panamá S.A.	56.070	177.714	3.774	179.679	239.523
Grupo del Istmo Costa Rica S.A	344.532	8.334	201.006	(2.877)	542.661
Inversiones Financieras Davivienda S.A.	446.140	83.954	216.394	61.193	723.727
Banco Davivienda Honduras S.A.	173.056	9.393	47.440	(14.531)	205.965
Seguros Bolívar Honduras S.A.	54.485	5.888	8.522	8.651	71.658
National Subsidiaries					
Corredores Asociados S.A.	50.195	6.774	66.301	6.774	123.269
Fiduciaria Davivienda S.A.	100.305	16.869	0	16.869	117.174
	1,224,784	308.926	543.437	255.757	2,023,977

f. Presentation of separate financial statements defined by the Bank

i. Financial situation statement

It is presented showing the different accounts of assets and liabilities organized addressing their liquidity, by considering that, for a financial entity, this form of presentation provides the most relevant reliable information. Consequently, the development of each one of the notes of financial assets and liabilities is disclosed in the anticipated amount to be recovered or cancelled with twelve months or after twelve months.

ii. Results statement and other comprehensive result statements

They are presented separately in two states as permitted by IFRS 1 "Presentation of Financial Statements". In the same way, the results statement is presented by the nature of the income and expenditures because it is a presentation that provides more reliable and more relevant information for the financial entities.

iii. Cash flows statement

It is presented by the indirect method. The income and expenditures for interests are presented in the activities of operation, the dividends received as investment activities and the dividends paid as finance activities.

4. Main accounting policies

4.1. Basis of measurement

The separate financial statements were elaborated on the basis of historical costs except in reference to the following financial instruments which are measured at their fair values at the close of each period, as is explained in the accounting policies included below:

Rubric	Measurement Base
Derivative financial instruments	Fair Value
Financial instruments at fair value with changes in the result and in other comprehensive income results	Fair Value

iv. Historical cost

The historical cost generally is based on the fair value of consideration given in exchange of goods and services

v. Fair Value

The fair value is defined as the price that would be received upon sale of an asset or price that would be paid to transfer a liability in an ordinary transaction between participants in the market at the date of valuation independently of whether that price is observable or estimated directly using another valuation technique. When estimating the fair value of an asset or a liability, the Bank keeps in mind the characteristics of the asset or liability; whether the participants of the market would consider these characteristics at the moment of setting the price of the asset or liability on the date of measurement. The fair value for purposes of measurement and / or disclosure of those consolidated financial statements is determined in such a way, with the exceptions of the rental operations that are within the reach of the IAS 17, and the valuations that have some similarities with fair value, but is not a fair value, such as the value in use of the IAS 36.

4.2. Functional and presentation currency

The separate financial statements have been elaborated and presented in Colombian pesos to conform with the functional currency of the Bank and comply with the instructions of the Financial Superintendence of Colombia according to External Circular Letter 038 of 2013.

The items included in the separate financial statements of the Bank are expressed in the currency of the primary economic sphere where the Bank operates (Colombian peso – COP). All the information is presented in millions of pesos and has been rounded off to the nearest million.

4.3. Transactions in foreign currencies

To prepare the financial statements of the Bank, the transactions in currency other than the functional currency of the Bank (foreign currency) are recognized using the exchange rate in effect at the dates when the operations were made. At the end of each period, the monetary items denominated in foreign currency are reconverted at the exchange rate in effect on that date. The non-monetary items that are measured at historical cost, in foreign currency, are not reconverted.

The differences in exchange rates in monetary items are recognized in the results of the period, except when they arise because of:

- Differences in exchange rates stemming from transactions related with hedging against exchange rate risk (see Note 4.16 related with accounting policies for hedging); and
- Differences in exchange rates coming from receivable monetary items or payable items for a net operation abroad whose liquidation is not planned nor is it possible to complete the payment (thus forming a net investment and not reclassified from the equity accounts to results in reimbursement of the monetary items.

For purposes of the presentation of separate financial statements, assets and liabilities in foreign currency of the Bank are expressed in Colombian pesos, using the exchange rate in effect at the end of the period. The entries of income and expenditures are converted to the average exchange rates prevailing for the period, unless the fluctuation is very significant during the period, in which case, the exchange rates used are the ones on the date the transaction was effected.

The differences in foreign currency arise in the conversion of a financial liability designated as hedges of a net investment in a deal abroad; they are considered in other comprehensive result as long as the hedge is effective and presented in the reserve of conversion of equity. As long as the hedge is not effective, such differences are recognized in results. When part of a hedge of a net investment is eliminated, the corresponding amount recognized in other comprehensive results is transferred to results as part of gains or losses on disposal.

The conversion rates applied as of December 31, 2015 and 2014 are $ 3,149.47 and $ 2,392.46 per 1 USD respectively.

4.4. Cash and cash equivalents

Cash and equivalents of cash include available balances maintained with central banks, correspondent banks and financial instruments that are highly liquid, with original maturity of three months or less, subject to little significant risk and are used by the Bank for managing its obligations in the short run. The Bank defines as low significant risk financial instruments that rely on wide and deep markets, about which there is total certainty and facility for their valuation; and with minimum credit risk, shown in the ratings that support a strong capacity of the issuer or counterpart to fulfill the financial obligations.

The equivalents of cash are measured at a fair value or at the amortized cost the financial instruments that fulfill the conditions of this valuation have.

4.5. Money market and related operations

Money market and related operations embrace the operations of purchase and sale of interbank funds, the repo operations, the simultaneous operations and the temporary transfer of securities operations

The participation in repo operations, simultaneous and temporal transfer of securities are registered in the financial situation statement as an obligation or a right according to the position that corresponds These operations are considered guaranteed financings and are recognized initially at a fair value, the amount of cash being disbursed and received, respectively. The party that makes the payment takes possession of the securities that serve as a guarantee for the financing and they have a value equal or superior to the amount of capital lent

For repo operations the initial amount can be calculated with a discount on the market price of securities object of the transaction; it can be established that over the term of the transaction, the initial securities delivered can be substituted for others and restrictions can be imposed to the mobility of the securities object of the operation

In the case of simultaneous operations, the initial amount cannot benefit with a discount on the market price of the securities object of the transaction; nor can it be established that over the term of the transaction, the initial securities delivered can be substituted for others. In addition, restrictions cannot be imposed to the mobility of the securities object of the operation.

The securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not discharged in the financial situation statement, since the risks and benefits of the financial asset are not transferable.

The yield of repo or simultaneous operations and the interbank interests are registered in the results.

The interbank operations with term less than or equal to 90 days are considered as equivalent to cash for the presentation of cash flow.

4.6. Financial Instruments

The financial assets and liabilities are recognized when the Bank becomes part of the contractual terms of the instruments

The financial assets and liabilities are valued initially at their fair value. The costs of the transactions that are directly attributable to the liabilities are reduced from the fair value of the financial liabilities, in the initial recognition. The costs of transaction directly attributable to the acquisition of financial assets and liabilities at their fair value with changes in results are immediately recognized in results.

4.7. Financial assets

The Bank has classified its financial assets at amortized cost or fair value according to the business model defined to manage the risks and benefits as well as the characteristics of contractual cash flows of financial assets

The Bank established two business models for the administration of the investment portfolio; i) structural management: investments whose objective is associated with financial intermediation, management of market risks of the balance sheet and the need to count on a backing of liquid assets in the process of financial intermediation; and ii) negotiation management: investments whose purpose is to maximize the profits generated by the Treasury by means of the purchase and sale of financial instruments.

All of the purchases and sales of financial assets completed in a habitual manner are recognized and eliminated based on the date of negotiation. The purchases and sales made on a regular basis are those purchases or sales of financial assets that require the delivery of the assets within the time period established by norm or custom in such market.

4.8. Negotiable Investments

The Financial Superintendence of Colombia in the Basic Accounting and Financial Circular Letter Chapter I-1, established to classify the investments according to the business model defined by the Bank, for that purpose, the Bank analyzes the financial instruments purchased with the intention of selling them or rebuying them and in the short run they are retained for negotiation. The Bank administers these investments and takes decisions to buy or sell based on their fair values in accordance with risk administration or investment strategy. They are initially recognized by their acquisition cost and from that day they are valued daily according to the price stipulated by the provider of prices PIP Colombia appointed by the Bank in accordance with the instructions established in Chapter XVI of Title I of the Basic Legal Circular Letter of the Financial Superintendence of Colombia. The changes in the fair value and the profits or losses in sale are registered in results.

For the cases in which fair exchange prices do not exist for the day of valuation, they should be carried out in an exponential way from the internal rate of return. The fair value of the respective investments should be estimated or approximated through the calculation of the sum of the present value of the future flows of yield and capital.

4.9. Investments to be held until Maturity

They are financial instruments acquired with the objective of collecting contractual cash flows and the Bank has the capacity of maintaining them until maturity.

They are valued in an exponential way from the internal rate of return (IRR) at the moment of purchase, on the basis of 365 days. The updating of the present value of this class of investments should be registered as a greater value of the investment, affecting the results of the period.

The minimum expected returns pending collection are registered with a higher value of the investment. As a consequence, the collection of such returns should be calculated as a lower value of the investment.

The reclassification of financial instruments should comply with what is established in Chapter I-1 of the CBCF of the SFC, in addition to External Circular Letter 034 of 2014 of the Financial Superintendence of Colombia.

4.10. Investments Available for Sale

Financial instruments that are designated at fair value with changes in equity are recognized at fair value on the trade date. Changes in fair value are recorded in other comprehensive income; profits or losses generated when sold are calculated on the fair value and recognized in net income for profit (loss) in other operating income.

Securities classified as available for sale are valued daily according to the price provided by the supplier of authorized prices. Daily changes in the present value of the debt securities are recorded as the highest investment value charged to the income statements, the difference between the fair value and the present value of these securities, shall be recorded in the Profit or unrealized losses (OCI - Other Comprehensive Income).

The outstanding receivables yields collection are recognized as greater value of the investment and collection of such income are recorded as a lower value of the investment, at the time of sale the unrealized gain or loss recorded in OCI, should be recognized in results on the date of the transaction

Certain equity investments that complement the Bank's business in which no control or significant influence are recognized at cost and updated their value by subsequent changes in equity, because they are not registered equity securities on stock exchanges. Changes in equity securities are recorded in other comprehensive income according to the percentage of participation there is about changes in equity of the issuer. Dividends from these investments are recognized in income on the date they are entitled to their collection.

<u>Discharge of financial assets</u>

The accounting treatment of transfers of financial assets depends on the extent to which the risks and benefits associated with the transferred assets are transferred to third parties.

- The Bank ceases to recognize a financial asset only when the contractual rights expire on the cash flows of the financial asset or when all the risks and rewards of ownership of the financial asset are transferred substantially. For example, the unconditional sale of financial assets, the sale of financial assets with a promise to repurchase them at fair value to the date of repurchase, the securitization of assets in which the transferor does not retain subordinated financing or grant any credit enhancement to new holders and other similar cases.

  Upon discharge of a financial asset in its entirety, the difference between the carrying amount of the asset and the sum of the consideration received and because of receiving and the cumulative gain or loss that has been recognized in other comprehensive income and retained earnings are recognized in results.

(Millions of Colombian Pesos (COP))

- If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to retain control of the transferred asset, the Bank will recognize its interest in the asset and the liability associated with the amounts that it would have to pay. For example, sales of financial assets with the promise of repurchase at a fixed price or the sale price plus interest.

In this case, the following elements are recognized:

a) a) An associated financial liability, which is recognized in an amount equal to the consideration received and is subsequently measured at its amortized cost unless it meets the requirements for classification in other financial liabilities at fair value through profit or loss.

b) The income from the transferred financial asset not discharged and expenses of the new financial liability remain uncompensated

If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateral loan for funds received. . For example, securitization of assets in which the transferor retains a subordinated debt or other type of credit enhancement for a portion of the asset transferred.

4.11. Investments in Subsidiaries

The Bank exercises control indirectly in companies in which subsidiaries consolidate other entities. All consolidated entities are subsidiaries. Subsidiaries are entities controlled by the Bank.

An entity is controlled by the Bank when it has power over the investee, it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to influence on those returns through its power over the investee. Generally, the control exercise is aligned with the absorbed risks and returns of the Subsidiaries. Moreover, the Subsidiaries are consolidated from the date on which control is obtained to the date when control ceases.

Investments in subsidiaries are accounted for in the separate financial statements by the equity method, in accordance with the provisions of External Circular 034 issued by the Financial Superintendence of Colombia and the Article 35 of Law 222 of 1995 applicable from 01 January 2015, variations in results are recorded in the income statement and equity changes in the OCI. (See note 11.3.7).

4.12. Provision of Investments

The price of securities or debt securities, as well as the securities or equity securities with low or minimum marketability or with no quotation, are adjusted in each valuation date based on the credit risk rating, as follows:

The titles and/or values that have one or several ratings granted by external qualifiers recognized by the Financial Superintendence of Colombia, or securities and/or securities issued by entities that are qualified by them, cannot be recorded for an amount exceeding the following percentages of its net nominal value of amortizations made until the valuation date.

Long term rating	Short term rating	Maximum value %
BB+, BB, BB-	3	Ninety (90)
B+, B, B-	4	Seventy (70)
CCC	5 and 6	Fifty (50)
DD, EE	5 and 6	Zero (0)

For bonds or securities that do not have an external rating, or debt securities issued by entities that are not qualified or equity securities, the amount of provisions shall be determined on the basis of the internal methodology developed, such methodology must be approved in advance by the Financial Superintendence of Colombia.

(Millions of Colombian Pesos (COP))

The rating for credit risk follows the lineaments of paragraph 8.2 of Chapter I of External Circular 100 of 1995 of the Financial Superintendence of Colombia, for investors' entities that do not have an internal methodology approved for determining provisions, as shown below´

Category	Concept	%
A	Normal risk investment	0%
B	Acceptable investment, higher than normal risk	80%
C	Appreciable risk investment	60%
D	Significant investment risk	40%
E	Non-collectable investment	100%

Internal or external public debt bonds or securities issued or guaranteed by the Nation, are not subject to credit risk, those issued by the Bank of the Republic and those issued or guaranteed by the Guarantee Fund of Financial Institutions FOGAFIN; in accordance with the provisions of Chapter I of External Circular 100 of 1995 of the Financial Superintendence of Colombia.

4.13. Financial Leasing Loan and Operations Portfolio

It records Credit and / or financial leasing operations granted under the different authorized forms. The resources used in the granting of loans come from own resources, from the public in the form of deposits and other sources of external and internal financing.

The loans are recorded at the value of the expenditure, excluding portfolio purchases which are carried at cost; the agreed interest rate does not affect the value by which loans are recorded.

4.13.1.Types of credit

The structure of the loan portfolio includes the following types of loans:

Commercial

Those granted commercial loans are defined as granted to natural or legal persons organized for the development of organized economic activities, other than those granted in the form of microcredit.

Financial Leasing

Financial Leasing operations should be recorded at the fund value of each of the assets that the entity, prior to the respective contract, leased to the user for use and enjoyment.

The value to finance of financial leases operations is amortized with the payment of leasing fees in the subscription capital corresponding section.

For leasing operations, raise fees for each contract are recognized based on the maturity that the oldest canon has. The expiration period begins to run from the time when its payment is due.

Agreed contracts with running royalties that exceed the number of months set to suspend its causation, can only cause what applies to that number of months. To date of payment chargeable it will remain as current.

Consumption

They are the credits that are independently from the amount are granted to individuals whose purpose is to finance the purchase of consumer goods or payment of services for non-commercial or business purposes, other than those granted in the form of microcredit.

Housing

It records regardless of the amount, loans to natural persons for the purchase of new or used housing, or individual housing construction. They must be agreed in UVR or legal currency and be covered with first-degree mortgage, constituted on financed housing. The repayment period should be between five (5) years at least and thirty (30) maximum.

Loans may be prepaid in whole or in part at any time without penalty. In case of partial prepayments, the debtor shall be entitled to choose whether the amount paid decreases the value of the fee or term obligations; to have a remunerative interest rate, which is applied to the balance of the debt denominated in UVR or pesos, depending on whether the loan is denominated in UVR or legal currency, respectively.

Interest should be charged in arrears and may not be capitalized. The loan amount can be up to seventy percent (70%) of the property value. This value will be the purchase price or a technically practiced appraisal within six (6) months prior to granting credit. In the appropriations to finance social housing, the loan amount can be up to eighty percent (80%) of the property value.

Financed real estate should be insured against fire and earthquake risks.

Residential Leasing

In view of the provisions of External Circular 033 of 2014 residential leasing loans previously classified as commercial loans are classified as Housing portfolio, from January 1, 2015.

The property subject of this type of operations is owned by the Bank and is insured for fire and earthquake.

The funded value of delivered housing real estate leased to the user for his/her use and enjoyment, in exchange for the payment of a periodic fee during the agreed term, when this period has expired the good is returned to its owner or transferred to the lessee if this decides to exercise the purchase option agreed in his/her favor and pay its value.

Microcredit

Microenterprise means the unit of economic exploitation by natural or juridical person in business, agricultural, industrial, commercial or services, rural or urban, whose staff does not exceed ten (10) workers or their total assets are lower than five hundred (500) minimum monthly wages; as defined under Law 590 of 2000.

The balance of indebtedness of the debtor shall not exceed one hundred and twenty (120) monthly legal minimum wages at the time of approval of the respective active credit transaction. Indebtedness balance means the amount of existing obligations by the corresponding micro financial sector and other sectors that are in the records of databanks operators consulted by the respective creditor, excluding mortgage loans for housing finance and adding the value of the new obligation.

4.13.2.Restructured loans

It is understood by restructured credit any credit that by holding any legal business tends to change the conditions initially raised in order to allow the debtor proper care of their obligation. For these purposes, novations are considered restructurings. Before restructuring a loan it should be reasonably established that the same will be recovered under the new conditions.

The restructured portfolio under the terms of Law 546 of 1999 for the housing portfolio is not considered restructurings.

Rules for posting restructured loans interests: in cases where as a result of restructuring agreements or any other form of agreement, capitalization of interests that are registered in memorandum accounts or balances of written-off portfolio including capital, interests and other items are contemplated, are accounted for as deferred payment and its capital repayment will be done proportionately to the values actually collected.

Rules for re-classification of restructured credits When a commercial or housing obligation is restructured the qualification in force at the time of restructuring is kept and after 3 regular payments it is considered standardized and its rating is upgraded to "A". if it returns to be in arrears greater than 30 days it will return to the initial qualification and stay there until it catches up to date again and It is regularized to return to "A". If after two years the restructured loan is up-to-date it is moved to normal. “

For the consumer portfolio the following methodology applies, it is used by SARC qualifications prior to the Consumer Reference Model (MRCO) alignment process, as it is shown below.

Rating Scale
AA
A
BB
B
CC
D
E

Based on the vectors of each client payments, the following criteria apply:

- The first two months after normalization the initial rating is maintained.

From the third month following criteria are evaluated:

- Two months keeping up with the payments improves qualification
- One month keeping up with the payments and one overdue month maintains the rating arrears from the previous period.
- Rating worsens with two overdue months

The rating resulting from this methodology is compared each period to the rating obtained by MRCO score.

In the period in which the result of MRCO resultsin a higher risk rating than that obtained by the methods described above, the highest risk is left as the final rating and from this period on only the results obtained by the MRCO will be taken into account. This procedure ensures that the qualifying result will ever be in a lower risk category than the dictated by it.

If thirteen months elapse from the time of restructuring and the rating methodology has not converged with the MRCO, the methodology stops to be calculated and MRCO rating applies.

(Millions of Colombian Pesos (COP))

Insolvency regime Law 1116 of 2006

The judicial insolvency regime seeks credit protection and the recovery and conservation of the company as a unit of economic exploitation and job source, through the process of reorganization and judicial liquidation, always under the criterion of value aggregation.

Restructurings Law 550

With the Laws 550 of 1999 and 1116 of 2006, corporate recovery and restructuring of regional authorities were promoted and facilitated . When restructuring negotiating starts, the accrual of interest on outstanding loans is suspended and the rating that had the date of trading is maintained.

Winter wave

The Bank makes the restructuring of loans affected by the winter wave, following the provisions of External Circular 051 of 2010 through which the monitored entities are instructed in relation to the status of national disaster and economic, social and ecological emergency, because of serious public calamity declared by decree No. 4580 of 4579 and 2010

Suspension of the accrual of interest

The accrued interest, monetary correction, exchange adjustments, fees and other income are not recorded in the income statement when a credit is in arrears, indicated in the following table:

Credit Mode	Arrears exceed
Commercial	3 months
Consumption	2 months
Housing	2 months
Microcredit	1 month

Causation is recorded in contingent accounts without affecting the income statement until the effective collection occurs.

For those cases where, as a result of restructuring agreements or any other form of agreement, the capitalization of interest that is registered in memorandum accounts or balances off portfolio including principal, interest and other concepts, are contemplated, these revenues are recorded as deferred credit and are carried to the income statement to the extent that cash collection occurs.

Loans that come into arrears and who have sometime ceased to cause interest, monetary correction, exchange adjustments, fees and other income, such income will no longer cause interest from the first day of delay. Once they catch up they can cause again. While its collection occurs, the corresponding recording will be by memorandum accounts.

When it is necessary to suspend the accrual of yields, monetary correction, exchange adjustments, fees and other income, allowances for all the caused and uncollected corresponding to such concepts should be made.

(Millions of Colombian Pesos (COP))

4.13.3.Rules for punishment

Loan portfolio punishments, accounts receivable and other assets are approved by the Board.

Addressing the internal punishment policies, these are done at the time the credits in the different modes reach the following heights of default and it requires that loans are 100% provisioned in principal, interest and other concepts:

Portfolio	Product	Days in arrears
Commercial	Vehicles Others Portfolio superior to 500 M	More 360 days More 570 days According to evaluation
Housing	Housing	More 900 days
Consumption	Vehicles Others TC private brands	More 540 days More 180 days More 120 days
Microcredit	Microcredit	More 180 days

Specific punishments under the parameters defined by the Bank as authorized by the Board may also be applied.

Leasing credits are not subject to punishment because the property is owned by the Bank.

Punishment does not relieve Bank management to continue collection efforts deemed appropriate.

4.13.4. Rules for collateral

Collateral is an instrument by which the expected loss (EL) is reduced when there is an event of default. The collateral represents a right acquired by the Bank when the debtor ceases payment for breach of its obligations.

Credit approvals should include the collateral under which the transaction is authorized. Perfecting it will be prior to disbursement.

The analysis of the collateral should include the following characteristics:

- Suitability: According to legal definition.
- Legality: Document duly perfected offering legal support to facilitate management of the collection of duties granted.
- Value: Established based on technical and objective criteria.
- Possibility of realization: reasonably adequate possibility to implement the guarantees.

For commercial and consumer loans after applying the valuation process of guarantees, the Bank maintains a policy to apply the LGD "unsecured" except in Commercial for commercial leasing and Consumption for promissory note and vehicle.

First degree are required and for an undetermined amount for the Bank when it comes to mortgages for housing loans, on property offered as support. Mortgages must be improved through public deed before a notary and register in the relevant Registry Office of Public Instruments.

The updating of the realizable value of the guarantee for mortgage-backed securities portfolio is made by applying the values of the annual adjustment of IVIUR and IVP (PVI) rates accordingly.

(Millions of Colombian Pesos (COP))

4.13.5. Criteria for Evaluation and requalification of credit risk

The Bank adopted a Risk Management Credit System (RMCS), which includes policies, processes, models and control mechanisms to identify, measure and adequately mitigate credit risk; not only from the perspective of its coverage through a system of provisions, but also through managing the process of lending and permanent monitoring of these.

The Bank evaluates and rates credit operations of customers regardless of the type of credit. Portfolio performance by customers is updated monthly, with respect to subscriptions, cancellations, penalties and arrears height of operations.

There are methodologies and analytical techniques that allow measuring the credit risk inherent in a credit operation and potential future changes in the conditions of service of it. These methods and techniques are based on the information related to the historical behavior of the portfolio and credits; the particular characteristics of the debtors, their credits and guarantees that support them; the credit performance of the debtor in other entities and financial information of this or alternative information to adequately meet its financial situation; and sectorial and macroeconomic variables affecting the normal development of the same.

In assessing the payment capacity of local public entities, the Bank verifies compliance with the indicators of Law 617 - Operating Expenses, Law 358 Solvency and Sustainability and Law 819 Primary Surplus.

The Bank makes the evaluation and reclassification of the loan portfolio at least in the months of May and November, and must record the results at the end of the following month.

Alignment rules

The alignment process for each debtor is made monthly, for which it leads the credits of the same modality granted to it to higher risk category, unless there are sufficient reasons for qualification in a lower risk category, according to what is permitted by the rules.
For ordinary customers of the Bank and subsidiaries with which financial statements are consolidated, it is assigned the same rating to the credit of the same modality granted to a debtor, unless they can prove the existence of sufficient reasons for its classification in a lower risk category.

Credit risk rating for reports

For purposes of standardizing risk ratings for reports to credit bureaus, reports of credit indebtedness and recording in the financial statements the following table applies:

Commercial portfolio

Type of Risk	Report rating	Group rating	Arrears height (days)
Normal	AA	A	0-29
Acceptable	A	B	30-59
Appreciable	BB	B	60-89
Appreciable	B	C	90-119
Unredeemed	CC	C	120-149
Irrecoverable	D	D	150- 569
	E	E	Greater than 569

A commercial loan is considered failed when it is in arrears greater than or equal to 150 days as well as treasury loans that are in arrears.

(Millions of Colombian Pesos (COP))

Consumer Portfolio

To determine the rating of consumer loans depending on the segment, the reference model calculates a score which is a product of the particular characteristics of each debtor as set out in Annex 5 of Chapter II of External Circular 100 of 1995 of the Financial Superintendence of Colombia, as shown below:

Type of risk	Report category	Group rating	Vehicles ´score	Other score	Credit cards score
Normal	AA	A	0.2484	0.3767	0.3735
Normal	A*	A	0.6842	0.8205	0.6703
Acceptable	A	B	0.6842	0.8205	0.6703
Acceptable	BB	B	0.81507	0.89	0.9382
Appreciable	B	C	0.94941	0.9971	0.9902
Appreciable	CC	C	1	1	1
unredeemed	D	D	1	1	1
Irrecoverable	E	E	1	1	1

A consumer credit is considered failed when it is in arrears for more than 90 days.
* Not to affect portfolio indicators, the Financial Superintendence of Colombia, defined for this rating addition the characteristics of the reference model of consumption, an arrears range between 0 and 30 days, to be recorded based on the group rating A.

Housing and Microcredit

The Bank classifies credit operations of housing and microcredit and classified them into one of the following categories of credit risk:

Rating	Risk	Housing Arrears month	Microcredit Arrears month
A	Normal	0 up to 2	0 up to 1
B	Acceptable	More than 2 up to 5	More than 1 up to 2
C	Appreciable	More than 5 up to 12	More than 2 up to 3
D	Significant	More than 12 up to 18	More than 3 up to 4
E	Unrecoverable	More than 18	More than 4

4.13.6. Rules on provisions for credit portfolio

Provisions are made charged to the income statement, as follows:

4.13.6.1. General provision

As of December 31 2015 and 2014, general provision for the modalities of microcredit and housing is recorded, equivalent to 1% of the total gross loan portfolio.

4.13.6.2. Individual provisions under reference models.

As it is established by the Financial Superintendence of Colombia, for commercial and consumption reference models loan portfolio individual provisions are established as the sum of two individual components one procyclic and other countercyclical.

The procyclical individual component: it reflects the credit risk of each debtor in the present.

The countercyclical individual component: it reflects possible changes in the credit risk of debtors at the time in which the deterioration of these assets increases. This portion is constituted in order to reduce the impact on the income statement when the situation arises.

The two components are calculated separately for capital and accounts receivable of the portfolio and leasing obligations.

The following indicators should be assessed monthly to determine the calculation methodology to be used from next month for individual provisions:

Indicators	Activation Threshold
1. Increase of provisions in risk category B, C, D, E	>= 9%
2. Net expense provisions as% of income from portfolio	>= 17%
3. Net expense provisions as% of Gross Adjusted Net Interest Income	<= 0% ó >= 42%
4. Annual real growth of Gross Portfolio	< 23%

If for three consecutive months the conditions of these indicators jointly meet, the calculation methodology to be applied during the next six months will be the established for the decreasing phase.

Cumulative phase calculation methodology

Procyclical individual component (PIC): for consumption and commercial portfolio, is the expected loss calculated with the matrix A, i.e. the result obtained by multiplying the exposure value of the debtor, the probability of default (PD) of the matrix A and the default Loss Given (LGD).

Countercyclical individual component (CIC): It is the maximum value among the countercyclical individual component in the previous period affected by exposure, and the difference between the expected loss calculated with the matrix B and the expected loss calculated with the matrix at the time of calculation of the provision.

In no case, the countercyclical individual component of each obligation may be less than zero and cannot exceed the value of the expected loss calculated with the matrix B; likewise the sum of these two components may not exceed the exposure value.

Each year the Financial Superintendence of Colombia informed the matrixes in the first half, which will take effect from July of that year.

The countercyclical component will allow entities to have a reservation (counter-cyclical individual provision) to be used during periods of deterioration in credit quality to meet the increase in provisions without significantly impacting the profits generated in the unfavorable environment.

As of December 31, 2015 and 2014, the Bank applied the cumulative phase methodology.

(Millions of Colombian Pesos (COP))

4.13.6.3. Individual provision

Notwithstanding the general provision, individual provisions for the protection of the credits rated in all risk categories are calculated under the following parameters at December 31, 2015 and 2014:

Commercial portfolio

The Bank adopted the Trade Reference Model (TRM) established by the Financial Superintendence of Colombia for the constitution of provisions resulting from its application.
To estimate the value of the asset level the current legal minimum monthly wage of the previous year is taken.

To estimate the expected losses there are differentiated segments by the level of the assets of debtors, as follows:

Company Size	Asset Level
Big	More than 15.000 SMMLV (current legal minimum monthly salary)
Medium	Between 5.000 and 15.000 SMMLV
Small	Less than 5.000 SMMLV

The TRM also has a category called "natural persons" which groups all natural persons who are debtors of trade credit.

Provisions of residential leasing operations are conducted in compliance with the policies of commercial loans "natural person with a business".

The estimate of the expected loss (provisions) results from the application of the following formula:

Expected loss = [Probability of default] x [Exposure of the asset at the time of default] x [loss default given].

Where:

- The probability of default (PD)

It corresponds to the probability that in a period of twelve (12) months debtors of a given portfolio of commercial loans incur in default.

Individual provisions are calculated with the rates shown in the following matrix:

Rating	Big Business		Medium Business		Small Business		Natural person	
	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B
AA	1.53%	2.19%	1.51%	4.19%	4.18%	7.52%	5.27%	8.22%
A	2.24%	3.54%	2.40%	6.32%	5.30%	8.64%	6.39%	9.41%
BB	9.55%	14.13%	11.65%	18.49%	18.56%	20.26%	18.72%	22.36%
B	12.24%	15.22%	14.64%	21.45%	22.73%	24.15%	22.00%	25.81%
CC	19.77%	23.35%	23.09%	26.70%	32.50%	33.57%	32.21%	37.01%
Default	100%	100%	100%	100%	100%	100%	100%	100%

(Millions of Colombian Pesos (COP))

The loss given default (LGD)

It is defined as the economic deterioration that would happen if any of the situations of default materializes. The LGD for qualified debtors in the default category will increase according to the days elapsed after qualifying in that category. The LGD applied by the Bank includes two ranges of guarantee type "unsecured" and "Assets in property leasing ", which are described below:

Type of Guarantee	L.G.D.	Days after default	New LGD	Days after default	New LGD
Not suitable guarantee	55.00%	210	80.00%	420	100.00%
Assets given in property leasing	35.00%	540	70.00%	1,080	100.00%
Assets given in leasing different to property	45.00%	360	80.00%	720	100.00%

Properties leasing contracts are classified into the category net goods given in leasing.

Additionally portfolio qualified in D and E with arrears exceeding 360 days, is provisioned 100%.

The expired loan portfolio is evaluated monthly and according to the MRC reference model, quality of customer guarantees, the percentage of coverage on debt and additional criteria, additional individual provisions can be estimated.

- Exposed asset value

It is understood that the exposed asset value at the outstanding balance of principal, interest, interest receivables and other receivables, of the obligations of the commercial portfolio.

Consumer Portfolio:

The Bank adopted the Reference Model for consumer loans (MRCO) established by the Financial Superintendence of Colombia, which is used for the constitution of provisions resulting from its application.

It is based on differentiated segments by product, general cars, general others, and credit cards in order to preserve the particularities of market niches and products granted.

Expected losses are determined and provisions are constituted according to the following formula:

Expected loss = [Probability of default] x [Exposure of the asset at the time of default] x [loss default given].

Where:

(Millions of Colombian Pesos (COP))

- The probability of default (PD)

It corresponds to the probability that in a period of twelve (12) months debtors of a given portfolio of commercial loans incur in default.

The probability of default is defined in accordance with the following matrix:

Rating	General Cars		General Others		Credit Cards	
	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B
AA	0.97%	2.75%	2.10%	3.88%	1.58%	3.36%
A	3.12%	4.91%	3.88%	5.67%	5.35%	7.13%
BB	7.48%	16.53%	12.68%	21.72%	9.53%	18.57%
B	15.76%	24.80%	14.16%	23.20%	14.17%	23.21%
CC	31.01%	44.84%	22.57%	36.40%	17.06%	30.89%
Default	100%	100%	100%	100%	100%	100%

The loss given default (PDI)

It is defined as the economic deterioration that would happen if any of the situations of default materializes. The LGD for qualified debtors in the default category will increase according to the days elapsed after qualifying in that category. The PDI applied by the Bank includes three ranges of guarantee type: "unsecured", "eligible collateral" and other collateral, which are described below:

Type of Guarantee	L.G.D.	Days after default	New LGD	Days after default	New LGD
Not suitable Guarantee	60%	210	70%	420	100%
Other not suitable guarantee	50%	270	70%	540	100%
Unsecured	75%	30	85%	90	100%

The type of unsuitable guarantee applies to consumer loans granted with "promise note" guarantee.

The type of guarantee - other suitable guarantees is applied to the vehicle portfolio.

Additional individual provision

To keep temporarily an additional individual provision of 0.5% in the procyclical individual component, when the mobile alpha parameter "α" is greater than zero (α> 0). It is understood by "α" the moving average of 6 months from the semi-annual variation of the real annual growth rate of consumption expired portfolio.

Exposed asset value

In the CRM, the exposure value of the asset is the existing principal balance, interests, interest receivables and other receivables, of the obligations of the consumption portfolio.

(Millions of Colombian Pesos (COP))

Housing portfolio

Individual provisions for the protection of rated credits in all categories of credit risk have at least the following percentages at December 31, 2015 and 2014.

For housing loans there is a provision percentage higher than the norm, except in the category "D" on the unguaranteed portion, provision must be hundred percent (100%) from the credit rating in "B" (acceptable):

	% Standard minimum		% Bank minimum	
Rating	Covered part	Non-covered part	Covered part	Non-covered part
A	1.0%	1.0%	1.0%	3.0%
B	3.2%	100.0%	4.0%	100.0%
C	10.0%	100.0%	10.0%	100.0%
D	20.0%	100.0%	30.0%	100.0%
E	30.0%	100.0%	100.0%	100.0%

If during two (2) consecutive years, credit remains in the "E" category, the provisioning rate on the guaranteed portion will increase to sixty dot zero percent (60.0%). If an (1) additional year passes by under these conditions, the provisioning percentage on the guaranteed portion will rise to one hundred dot zero percent (100.0%).

Microcredit Portfolio

Individual provisions for the protection of rated credits in all categories of credit risk have at least the following percentages at December 31, 2015 and 2014.
For the microcredit loans a percentage higher than that of the standard provision remains:

	% Standard minimum		% Bank minimum	
Rating	Covered part	Non-covered part	Covered part	Non-covered part
A	1.0%	0.0%	4.1%	4.1%
B	2.2%	1.0%	7.9%	100.0%
C	0.0%	20.0%	30.0%	100.0%
D	0.0%	50.0%	100.0%	100.0%
E	0.0%	100.0%	100.0%	100.0%

Effect of suitable guarantees on the Constitution of Individual Provisions

- •To estimate individual portfolio provisions guarantees only support the capital of credit, therefore, outstanding balances of credits covered with securities that have the character of suitable guarantees, are provisioned in the percentage that corresponds according to their qualification applying that percentage to the difference between the unpaid balance and the value of guarantee.

- •In the case of housing loans, in the unguaranteed portion, the difference between the unpaid balance and one hundred percent (100%) of the value of the guarantee. For the guaranteed portion, one hundred percent (100%) of the guaranteed debt balance.

4.13.7. Portfolio sales

It is the process by which financial assets held by the Bank transfer the rights and inherent risks or derivatives thereof at 100% to a third party as an outright sale where the payment obligation is received in money or other property, the assets sales that are sold are removed from the financial statements at their net book value on the trade date and the difference between the book value and the value received is recorded as profit or loss for the year, being recorded according to assessment studies issued by experts.

The Bank has management contracts for securitized portfolios where, through their applications, a third party portfolio is operatively controlled receiving in return of the service a defined percentage as a commission for this work.

4.14. Guarantee

Collateral is an instrument by which the expected loss (EL) is reduced when there is an event of default. The guarantee represents a right acquired by the Bank when the debtor ceases payment for breach of its obligations.

Credit approvals in the Bank must include the guarantee under which the transaction is authorized. Perfecting it will be prior to disbursement.

The analysis of the collateral should include the following characteristics:

Suitability: According to legal definition.

Legality: Document duly perfected offering legal support to facilitate management of the collection of duties granted.

Value: Established based on technical and objective criteria.
Possibility of realization: reasonably adequate possibility to implement the guarantees.

For commercial and consumer loans after applying the valuation process of guarantees, the Bank maintains a policy to apply the LGD "unsecured" except in Commercial for commercial leasing and Consumption for promissory note and vehicle.

First degree are required and for an undetermined amount for the Bank when it comes to mortgages for housing loans, on property offered as support. Mortgages must be improved through public deed before a notary and register in the relevant Registry Office of Public Instruments.

Updating the realizable value of the guarantee for mortgage-secured portfolio is made by applying the values of the annual adjustment of Rural and Urban Real Estate Appraisal Indexes (IVIUR) and the Property Rating Index (IVP) (PRI), as appropriate.

4.15. Derivative financial instruments

Derivatives are financial instruments that derive their value from changes in interest rates, exchange rates, credit spreads, commodities prices, stock prices, or other financial or non-financial metrics. The Bank's derivatives portfolio is made up of contracts on interest rates, exchange rates and debt securities. The Bank uses derivatives for trading purposes and risk management purposes associated with the balance sheet structure and are recognized at fair value in the statement of financial position.

Notional amounts of derivatives are not recognized as assets or liabilities as they represent the face value of the contract to which a rate or price is applied to determine the cash flow which it will be changed for in terms of the contract. The notional amount does not represent the potential gain or loss associated with market risk or the risk indicator associated with the derivative.

Derivatives held for purposes of risk management are recognized at fair value in the statement of financial position and changes in fair value are recognized in earnings along with changes in the fair value of the hedged item that are attributable to risk coverage, in the same state line of comprehensive income as the hedged item.

Derivatives that are held for trading purposes

On trading activity, the utility can be generated in three ways: i) by the distribution activity, defined as the intermediation carried out by the Treasury between professional markets, offshore clients, institutional and real sector; ii) by the activity of own position, by which positions are taken for short periods of time to take advantage of trends in valuation or devaluation of financial assets and derivative instruments; iii) by arbitrage activity, which allows by combining financial assets and derivative instruments, to generate financial margins without incurring market risks.

Realized or unrealized Profits of trading derivatives are recognized in the income statement as revenue associated with the business model of trading.

Derivatives that are held for the purpose of managing risks

The derivatives that are held for the purpose of managing risks correspond to derivatives in which the Bank enters with the purpose of covering market risks, interest rate or foreign currency within traditional banking business operations. If derivatives are held to manage risks and also meet the requirements of hedge accounting they are recorded with the requirements of hedge accounting. Certain derivatives that are held for hedging purposes, and do not meet hedging requirements are recognized as derivatives to manage risks and their changes in fair value are recognized in income.

Embedded derivatives

Embedded Derivatives in other financial instruments or other contracts (host contracts) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and when such contracts are not carried at fair value through results.

4.16. Hedge accounting

The Bank designates certain instruments as hedging, which include derivatives and non-derivative with respect to foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investment in a foreign operation. Foreign currency risk cover of a firm commitment is accounted for as cash flow hedges.

At the inception of the hedge, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the objectives of risk management and management strategy for undertaking various hedge transactions. Additionally, the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is highly effective in offsetting the exposure to changes in fair value or changes in cash flows of the hedged item.

- Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation are accounted in a similar way to the cash flow hedges. Any profit or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserve of foreign operations. The gain or loss related to the ineffective portion is recognized in the results.

Gains and losses on the hedging instrument relating to the effective portion of the accumulated hedge in the translation reserve of foreign currencies are reclassified to income in the sale of the foreign operation.

(Millions of Colombian Pesos (COP))

The Bank has a strategy of partial coverage (successive), in order to maintain the rate coverage of change of net investment abroad by replacing the non-derivate liability in dollars at maturity given that there are no expected sales of these investments in the short term.

Currently the Bank has only net investment hedges the in a foreign operation.

Note 11.4 include details on the fair value of the instruments used for hedging purposes.

4.17. Assets held for sale

Assets are classified as available for sale when their present conditions allow their sale and it is highly probable that their sale occurs in the following year and from the second year they are classified as other assets. For the sale to be probable the Bank's management is required to make sales plans and start an active marketing program to ensure its sale.

Assets that are classified as held for sale are recorded at the lower value among their carrying amount and the fair value less sale costs, in this classification it is no longer depreciated or amortized and subsequent changes in their fair value less sales costs are carried to the income statement.

In compliance with external circular 036 of 2014 issued by the SFC provisions of BRP's should be kept independent of the classification of the good received in payment, according to seniority, as follows:

Frequency	Immovable property %	Movable property %
First year	30%	35%
Second year	30%	35%
Total	**60%**	**70%**
Greater than 2 years	40%	30%
Provision assets greater than 2 years	100%	100%

In addition to the monthly installments, the defect is provisioned in appraisal that is presented when the market value of the property is less than the carrying amount, as set out in the external circular 034 of August 2003.

Sales plan

The following are the sales plans established for assets held for sale:

- -Goods available, once written off legally and administratively by the areas of collection, are received by the Bank and are delivered to sales channels (real estate, specialized individuals and suppliers of vehicles) with which the Bank works, to start their marketing process.
- All available assets are published in the official internal disclosure through the Bank, Informer Express, as well as in the official external channel of the Bank, as its page www.davivienda.com is, through the link "Properties at the reach of everyone", additionally emails addressed to internal and external customers are sent with the information. In addition to this, sales channels also published in other media such as newspapers, own websites, radio stations, regional TV among others.
- -Regarding difficult marketing goods, that are categorized so when they have already served more than twelve months for property or more than 3 months for vehicles without receiving any offer from the beginning of their publication, specific action plans are carried out for the sale, with greater emphasis on those who have served this time, analyzing each case and creating strategies to achieve their disposal.
- -Pricewise, the general policy is determined by a commercial appraisal (no greater than six months for property and three months for private vehicles), salability of good, physical conditions and real estate or vehicles market conditions in the specific area, among others.
- -Business track is performed monthly, in order to verify the efforts of sales channels to meet the times set in the marketing of goods, generating commitments between the parties aimed at finding effective sale solutions.

4.18. Property and equipment

Land and buildings, computer equipment, furniture and fixtures and other equipment are recognized at cost, less depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is not depreciated. Gains or losses on sale of assets are recorded in other income or expense in the income statement.

Maintenance costs and remodeling of own assets that do not extend the useful life of the property are recorded in the income statement; the costs of remodeling leased offices are recorded directly to income.

The carrying amount of an item of property and equipment is discharged on disposal; or when no future economic benefits from its use or disposal are expected.

Depreciation

Depreciation is calculated using the straight-line method, on the cost of the assets less its residual value. The lands are not subject to depreciation. Such depreciation that is charged to income is calculated based on the following useful lives:

Category	Useful life (years)	Residual value
Buildings	30 - 100	10% Cost
Vehicles	3 – 5	20% Cost
Furniture and fixtures	3 – 10	Up to 5%
Computer equipment and other equipment	3 – 20	Up to 5%

The useful lives and residual values are reviewed each year and adjusted if necessary.

4.19. Investment Properties

Real estate that are not in use by the Bank and which are held to earn rentals and / or goodwill are classified as investment property.

Investment properties are initially valued at acquisition cost, including costs incurred in the transaction. After initial recognition, investment properties are valued under the cost model indicated in the policy of property and equipment.

An investment property is discharged upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising from the declining of the property (calculated as the difference between the net disposal income and the carrying value of the asset) is included in the income statement in the period in which the property is discharged.

Investment properties are recognized as assets only when it is probable that future economic benefits that are associated with such investment property will flow to the Bank and the cost of the investment property can be measured reliably.

When the use of a property changes to investment property, this is measured at fair value and reclassified as investment property. The dispute between the carrying value and fair value is recognized in income. According to the NCIF when the entity uses the cost model, transfers between investment property, facilities occupied by owner and inventories do not change the carrying amount or the cost of such properties, for measurement purposes or disclosure.

4.20. Investments in associates and joint ventures

Associates are those entities in which the Bank has significant influence, but does not have control or joint control over the financial and operating policies or it owns more than 20% and less than 50% stake. Investments in associates are initially recognized at cost and the existence of impairment indicators is evaluated afterwards by applying the requirements of IAS 36. Dividends from associates are recognized in profit or loss when the right to receive payment is taken.

In the acquisition of the investment in an associate or joint venture, the excess of the cost of acquisition over the Bank's share in the net fair value of identifiable assets and liabilities on the investment it is recognized as goodwill, which is included in the carrying amount of the investment. Any excess in the Bank's participation in the net fair value of identifiable assets and liabilities at the acquisition cost of the investment, after reassessment, is recognized immediately in income in the period in which the investment was acquired.

When the Bank conducts transactions with its associate or joint venture, the profit or loss resulting from such transactions with the associate or joint venture is recognized in the separate financial statements of the Bank only to the extent of participation in the associate or joint venture that is not related to the Bank.

The Bank determines that it has significant influence over the following investments: Multiactivos S.A., Redeban S.A. and Titularizadora de Colombia S.A.

Joint ventures are those entities in which the Bank has joint control over their activities, established by contractual agreement and requiring unanimous consent for determining the financial and operating policies. In joint operations assets, liabilities, income and expenses relating to participation in the joint operation are accounted for, from each of the joint operators in joint ventures participation is recognized as an investment using the equity method.

The Bank participates in joint operations related to retail financial business through a business partnership agreement where each party makes contributions that remain within the agreement in part owned by each contributor receiving a percentage of participation on profits.

4.21. Investments in other companies

Certain equity investments are recognized at fair value with changes in equity, taking the irrevocable election to classify them in this category.

Permanent investments that complement the business of banks in entities in which it has no control, joint control or significant influence, are recognized at the beginning and after its recognition they are measured at fair value less the impairment that is identified at the end of each reporting period, which is equivalent to the cost of acquisition because they are not quoted in an active market. Dividends received are recognized in the income statement unless they come from earnings of periods prior to the acquisition, in which case they are deducted from the permitted investment.

4.22. Business Combinations

Business acquisitions are accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the entity less liabilities incurred by the entity with the previous owners of the acquired company and equity securities issued by the entity in exchange for control over the company. Costs related to the acquisition are generally recognized in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value except:

• Deferred tax assets or liabilities and assets or liabilities related to employee benefits, which are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

• Liabilities or equity instruments related to payment agreements based on shares of the acquired company or payment arrangements based on shares of the Bank held to replace payment agreements based on shares of the acquired company that are measured in accordance with IFRS 2 share-based payments at the date of acquisition and
• Assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations that are measured in accordance with that standard.

The capital gain or goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the previous shareholding of the acquirer in the acquiree (if any) on net amounts of identifiable acquired assets and liabilities assumed at the acquisition date. If after a revaluation the net of amounts of identifiable acquired assets and liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the previous shareholding of the acquirer in the acquiree (if any), the excess is recognized immediately in the consolidated income statement as a gain on bargain purchase price.

Non-controlling interests that are equity interests and give their holders a proportionate share of the net assets of the entity in the event of liquidation may be initially measured either at fair value or at the value of the proportionate share of the non-controlling interest in the recognized amounts of the identifiable net assets of the acquired company. The measurement basis option is made on each transaction. Other types of non-controlling interests are measured at fair value or, when applicable, based on the specification by another IFRS.

When the consideration transferred by the entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred in a combination of business. Changes in the fair value of the contingent consideration that qualify as adjustments of the measurement period are adjusted retrospectively with the corresponding adjustments against trade credit. The adjustments of the measurement period are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the date of acquisition.

4.23. Intangible assets and goodwill

The Bank will proceed to record an intangible asset once it identifies the existence of control, the separability of the asset, and that is expected that this will generate a future economic benefit. It is essential for its recognition that it meets the total of the characteristics described above. The initial measurement of intangible assets depends on the way the Bank obtains the asset. An intangible asset can be obtained through the following ways: by the acquisition separately, as part of a business combination, or internally generated by the Bank.

The intangible asset acquired in a separate transaction is measured at cost, which includes the purchase price, tariffs, non-recoverable taxes and any costs directly attributable to preparing the asset for its intended use. In business combinations, the value of the asset cost will be the correspondent to its fair value at the acquisition date. For internally generated intangible assets, all disbursements in the research phase are recognized in spending and the incurred in the development phase necessary to create, produce and prepare the asset so that it could operate as intended, so they will be capitalized.

The Bank will assess if the useful life of an intangible asset is finite or indefinite. An intangible asset with a finite useful life is amortized unlike one with an indefinite useful life. In the subsequent recognition intangible assets with finite useful life are amortized in straight-line over their estimated useful life.

Intangible assets acquired separately which generally corresponds to software licenses or software, are amortized over an estimated lifespan between 1 and 11 years. Maintenance or support costs are recorded against income.

An intangible asset is discharged on disposal or when no future economic benefits are expected from its use or disposal.

4.23.1. Tangible and intangible assets impairment excluding goodwill

At the end of each period, the Bank reviews the carrying amounts of its tangible and intangible assets to determine whether there are indications that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent distribution base can be identified, corporate assets are also assigned to the cash-generating individual units, or otherwise, they are assigned to the smaller Bank of cash-generating units for which a reasonable and consistent distribution base could be identified.

Intangible assets with an indefinite lifespan or not yet available for use, are subject to testing for purposes of impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher between the fair value less the cost to sell and the value in use. In assessing value in use, flows of estimated future cash flows are discounted to their present value using a discount rate before tax that reflects the current market assessment regarding the value of money over time and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If it is estimated that the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in income.

Later, when an impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated value of its recoverable amount, in such manner that the adjusted carrying amount does not exceed the carrying amount that would have been determined if an impairment loss would have not been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in results.

4.23.2. Goodwill

Goodwill represents the price excess paid over the fair value of assets and liabilities acquired in a business combination. Goodwill is initially recorded at fair value and subsequently updated by decreasing its value because of impairment losses.

Goodwill represents the future economic benefits arising from the business combination that are not individually identified and can be recognized separately. It is assigned to a cash-generating unit or a bank of cash generating units if economic benefit from the synergies of the business combination is expected.

A cash-generating unit, to which goodwill has been allocated, shall be subjected to testing for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of it. If the carrying amount of the unit exceeds the recoverable amount, the entity will immediately recognize the impairment loss in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

The impairment loss is allocated to reduce the carrying amount of the assets of the unit, in the following order: first, the carrying amount of any goodwill allocated to the generating unit is reduced; and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

4.24. Other non-financial assets

There are assets for which it is not possible to find similar recognition and measurement criteria that enable them to be classified into categories or available financial assets groups; they will be classified in the category of other non-financial assets, among them are, art assets and culture, prepaid expenses, assets received in lieu of payment with restrictions for sale, among others.

4.25. Leases

Leases are classified as finance when lease terms transfer substantially all risks and rewards of ownership to tenants. All other leases are classified as operating leases.

−The Bank as lessor

The amounts payable by lessees under finance leases are recognized as receivables (loan portfolio) for the amount of the loan that is granted to the customer. Income from finance leases is distributed in the accounting periods to reflect a constant periodic rate of return on the net investment of the Bank with respect to leases.

The Bank will present, in its statement of financial position, assets subject to operating leases in accordance with the nature of the asset. Costs incurred in obtaining lease income, including depreciation of the asset, are recognized as expenses. Lease income is recognized in a linear fashion in the lease term. Depreciation and impairment of leased assets shall be made consistent with the policies for similar assets.

4.26. Financial liabilities

An instrument is classified as a financial liability when it contains a contractual obligation to transfer cash or other financial assets where appropriate; it will or may be settled in a variable number of its own equity instruments. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is (i) held for trading or (ii) is designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It is acquired principally for the purpose of buying in the near future; or
- It is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of taking short-term profits; or
- It is a derivative that is not designated as a hedging instrument and meets the conditions to be effective.

Financial liabilities at fair value through profit or loss are recorded at fair value, recognizing any gain or loss arising from remeasurement in the income statement. The net gain or loss recognized in income includes any interest earned from the financial liability and it is recorded under the heading of 'other income and expenses' in the separate income statement. The fair value is determined as described in Note 7. The Bank designated derivative financial instruments as liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities (including loans and accounts payable) are subsequently measured at amortized cost using the method of effective interest rate.

The method of effective interest rate is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated cash flows over the expected life of the financial liability or (when appropriate) in a shorter period with the net carrying amount of the financial liability on initial recognition.

Financial liabilities instruments that include deposits, issued debt instruments and financings are recognized on the date they are negotiated and are carried at amortized cost more or less accumulated depreciation calculated with the method of the effective interest rate.

Subordinated debt and bonds are recorded at transaction value and are subsequently recorded at amortized cost, paid interest are recorded using the method of effective interest rate, the costs of the issue are recognized and are expensed in the interest expenses.

It also includes rediscount operations, corresponding to credit programs that the Colombian government has established to promote the development of specific sectors of the economy, including foreign trade, agriculture, tourism, housing construction and other industries.

Discharge of financial liabilities

The Bank derecognizes financial liabilities if, and only if, the Bank's obligations are met, canceled or have expired. The difference between the carrying amount of the discharged financial liability and the consideration paid and payable is recognized in income.

4.27. Income Taxes

Strategy and tax policy

Based on the analysis and interpretation of the applicable tax regulations, the Bank gives adequate and timely compliance to different tax obligations, identifying opportunities for improvement and optimizing resources for payment of taxes.

The review of strategies and policies, regulatory Standards, definitions of new products or services, analyzing the financial statements of the Bank are part of the management conducted and arranged to establish and substantiate the tax processes, enabling timely and appropriate decision making, reporting, results and analysis of tax effects and effective rates.

Updating, analysis and ongoing research of the rules allow the planning, implementation and effective decision-making and risk management in tax matters.

Current taxes

The tax expense or income comprises the income tax and tax equity (CREE) current and deferred. Current tax is the amount payable or to recover by current income tax and tax equity (CREE), is calculated based on the tax laws enacted or substantively enacted at the date of statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations where tax laws are subject to interpretation and, if necessary, makes provisions on the amounts expected to be paid to the tax authorities.

Current tax is recognized in income for the period, except those items recognized in equity or in other comprehensive income.

Deferred taxes

Deferred tax is recognized in profit or loss, except when it relates to items recognized in equity or in other comprehensive income. In these cases, the tax is also recognized in equity or in other comprehensive result, respectively. The deferred tax liabilities are the amounts payable in the future in respect of income tax related to taxable temporary differences, while deferred tax assets are the amounts to be recovered by way of income tax due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. Temporary difference means the existing between the carrying value of assets and liabilities and their tax base.

For buildings classified in property and equipment, and investment property, the applicable rate for the calculation of deferred tax corresponds to the approach of use of property, except in cases that are classified as held for sale, in which the rate used is the ordinary statutory rate and for land the applicable rate is the occasional profit if the asset has been owned for more than two years.

The carrying value of deferred tax assets is reviewed at the date of the financial position statement and reduced to the extent that it is no longer probable that sufficient available taxable profits are generated to allow use of all or part of the assets for deferred tax.

Recognition of taxable temporary differences

Deferred tax liabilities arising from taxable temporary differences are recognized in all cases except that:

- Arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the date of the transaction does not affect the accounting profit or the taxable profit;

- Correspond to differences associated with investments in subsidiaries, associates and joint ventures over which the Bank has the ability to control the timing of their reversal and it is not likely to reverse in the foreseeable future

Recognition of deductible temporary differences

Deferred tax assets arising from deductible temporary differences are recognized provided that:

- It is probable that there are sufficient future taxable earnings for compensation, except in those cases where differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and the date of the transaction does not affect the accounting nor taxable profit;

correspond to temporary differences associated with investments in subsidiaries, associates and joint ventures to the extent that the temporary differences will reverse in the foreseeable future and is expected to generate positive future tax gains to compensate for differences;

Tax planning opportunities are only considered in the evaluation of the recovery of deferred tax assets, if the Group intends to adopt them or is likely that it will adopt them.

Measurement

Deferred tax assets and liabilities are measured using the tax rates that apply in the periods in which it is expected to realize the asset or settle the liabilities, based on the regulations approved or is about to be approved and once considered the tax consequences that will arise from the way in which the Bank expects to recover assets or liquidate liabilities.

The Bank reviews at the close of the year, the carrying amount of deferred tax assets, in order to reduce this value to the extent that it is unlikely that there will be sufficient future taxable income to compensate them.

Deferred tax assets that do not meet the above conditions are not recognized in the separate statement of financial position. The Bank reconsiders at year end, if the conditions are met to recognize deferred tax assets that had not previously been recognized.

Compensation and classification

The Bank only compensates deferred income tax assets and liabilities if there is a legal right of setoff against tax authorities and those assets and liabilities relate to the same taxation authority and the same taxpayer.

Wealth Tax

Law 1739 of 23 December 2014 in its first article creates from January 1, 2015 an extraordinary tax called wealth tax, which will be temporary for the Taxable years 2015, 2016 and 2017. The tax will be caused annually on January 1 of each year.

The Bank recorded the wealth tax charged to equity reserves without affecting the income statement, according to Article 10 of Law 1739 of 2014.

4.28. Provisions

Provisions are recognized when the Bank has a present obligation (whether legal or constructive) as a result of a past event, it is likely that the Bank has to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period is reported, taking into account the risks and uncertainties surrounding the obligation. When a provision is valued using cash flows estimated to settle the present obligation, its carrying amount represents the present value of those cash flows.

When the recovery is expected of some or all of the economic benefits required to settle a provision by a third party, an account receivable is recognized as an asset if it is virtually certain that the payment and the amount of the account receivable can be reliably valued.

Litigation

Disputes analyzed are those with a probability of failure against the Bank, which should be recognized at fair value, recognizing the likely value of the fault and the estimated resolution date. The estimated cash flows are discounted at the rate of bank funding.

When the probability of occurrence of the event indicates that litigation is likely, it is provisioned 100%. Possible disputes are revealed.

The Bank has provisions covered by guarantee contracts made in acquisitions of other companies, which are disclosed in Note 11.19.

4.29. Bank guarantees

They correspond to documents issued by the Bank to ensure compliance with one or more obligations in whole or in part, contracted by the client to third parties. In case of default by customers, the bank will respond to the third party paying the sum of money agreed in the document, and a credit obligation on behalf of the customer for the amount paid is created, at a deadline agreed by the customer.

4.30. Employee Benefits

Employee benefits in the short term are those that the Bank expects to settle completely before the twelve months following the end of the annual reporting period, such as wages and salaries, annual leave, sick leave, severance pay and interest on severance pay, among others. When an employee has rendered service to the Bank during the accounting period, the amount will be recognized (undiscounted) of short-term benefits to be paid for such services as a liability (accumulated or accrued expenditure) and as a expense.

The contractual or implicit obligation of the Bank shall be limited to the recognition of the amount that has been agreed with the employee, and shall be calculated based on a reliable estimate of the amounts payable, spending is generated only based on the occurrence of the consideration since the services provided by employees do not increase the amount of benefits.

The long-term benefits are all benefits to employees different form benefits from short term employees, benefits subsequent to the period of employment and termination indemnities, the Bank will recognize a liability and an expense for termination benefits at the time the Bank can no longer withdraw the offer of those benefits.

The Bank grants to staff members who have a minimum period of two years, loans for house purchase at a preferential variable rate, which is accessed only during the time of employment relationship, that is, in case of withdrawal the benefit is immediately lost. For the above, two funds have been established with a ceiling set by the administration and it is updated regularly. The estimate of the amount of the benefit on interest rate compared to the prevailing market rate on the date of origination of loans, this difference recognized in rates as the sum of the present values and recognized in the statement of financial position.

To date the Bank has no long-term benefits, post-employment or termination that is material. 1.

4.31. Compensation of Financial instruments in the statement of financial position

Financial assets and liabilities are compensated and the net amount reported in the separate statement of financial position, when there is legally the right to compensate the recognized amounts and there is an intention of the Bank to settle them on a net basis or realize the asset and settle the liability simultaneously. As of December 31, 2015, 2014 and January 1, 2014, the Bank had no transactions subject to compensation.

4.32. Equity

Capital

The Bank classifies capital instruments as equity instruments in accordance with the substance and characteristics thereof. An equity instrument is any contract that evidences a residual interest in the Bank's assets after deducting all of its liabilities. Capital instruments issued by the Bank are recognized by the funds received, net of direct issue costs and any tax effect.

Common shares

Common shares are classified as equity when they have no contractual obligation to transfer cash or another financial asset. Dividend payments are recognized as a deduction from equity.

Shares with minimum preferential dividend

The minimum preferential dividend shares are classified as equity when they have no contractual obligation to transfer cash or another financial asset. The payment of the Minimum Preferential Dividend will be made with the frequency and manner determined by the General Assembly of Shareholders. The Minimum Preferential Dividend is not combinable and is not a guaranteed dividend.

Additional Paid-in capital

The additional Paid-in capital corresponds to the difference between the nominal value and the value paid for the share.

Reserves

i) Legal reserve - Banks in Colombia must constitute a legal reserve of 10% of the net profits of each year until reaching 50% of the subscribed capital. The reserve can be reduced to less than 50% of the subscribed capital, when it is intended to cover losses in excess of undistributed profits. The legal reserve cannot be used to pay dividends or to assume expenses or losses during the time that the Bank has undistributed profits. The Bank has set a legal reserve higher than regulatory parameters. By closing 2015 it amounted to $ 652,469,000 against a required value of $ 36,133.

ii) Statutory and voluntary reserves - Includes the following reservations that must be approved by the General Assembly of Shareholders:

- Reserve for valuation of investments at market prices. Decree 2336 of 1995
- Reserve available to General Shareholders Meeting for future distributions of profits.
- There are occasional reserves with irrevocable capitalization commitment, according to Decree 2555 of 2010, in use of the benefit of computing the solvency margin.
- Other

Other Comprehensive Result

Includes income and expenses items that are not recognized in profit or loss, such as: unrealized gains on debt securities valued at equity, the effective portion of gains and losses on hedging instruments of net investment abroad and effect of the deferred tax of items recognized in the ORI.

Earnings per share

Basic earnings per common share are calculated by dividing the controlling interest between the weighted average numbers of ordinary shares outstanding during the year. See Note 11.19.3.

4.33. Contingent accounts

In these accounts operations through which the Bank acquires a right or assumes an obligation whose coverage is conditional upon an event occurring or not, are recorded, depending on future, possible or remote factors. Among the debtor contingencies financial returns are recorded from the time the accrual in the accounts receivable is suspended.

Contingencies for fines and penalties are analyzed by the Legal Department and its external advisors. The estimated loss contingency necessarily involves an exercise of judgment; it evaluates among other things: merit to the complaint, case law in this regard and the current state of the process.

The legal contingency by definition is a condition, situation or set of existing circumstances, which implies doubt as to possible gain or loss by the Bank of judicial proceedings or actions advanced against it that generate passive contingency, doubts that is finally resolved when one or more future events occur or fail to occur.

4.34. Income and expense recognition

Revenue is recognized when the amount of revenue and associated costs can be measured reliably, it is probable that the economic benefits associated with the transaction will be realized and the degree of completion of the transaction can be measured reliably.
The most significant criteria used by the Bank to recognize its income and expenses are summarized below:

Interest income, interest expenses and similar items

Interest income, interest expenses and similar items are generally recognized as earned using the effective interest method.

Fees from banking services are recognized when earned.

Fees or credit card income, including fees from credit or debit cards interchange and quarterly or annual handling fees are recognized when earned, except quarterly commissions that are recognized monthly.

The credit fees whether by availability of credit quotas, restructuring and syndicated loans, are recognized when the payment is made.

Fees for investment management services include fees for asset management, investment banking, custody and securities trading, are recognized in each period when the service is provided.

Dividends are recognized in income when the right to receive payment is established and in the case of dividends from subsidiaries they are recorded as a lower value of investment (goodwill), for non-controlled entities and associates they are recognized at income statement the date on which it is entitled his collection.

Revenue gain on sale of goods is recognized when: a) the significant risks and rewards of ownership of the goods are transferred to the buyer, b) it is probable that associated economic benefits are received with the transaction, c) costs incurred and potential returns of goods can be measured reliably.

4.35. Customer loyalty programs

The Bank operates a loyalty program where customers earn points for purchases made through credit cards, which entitles them to redeem points for prizes in accordance with the policies and the award scheme in force the date of redemption. Points for awards are recognized as a separately identifiable component of the initial sales transaction by allocating the fair value of the consideration received from the reward points and other components of the sale, so that loyalty points are initially recognized as deferred income at fair value. The effect on the income statement is made to the extent that customers redeem their points.

5. Use of Estimates and Judgments

For the preparation of these separate financial statements, the Bank's management provided criteria, judgments and estimates, according to the understanding and applicability of regulatory and technical framework for the preparation of financial information, and instructions issued by the Financial Superintendence of Colombia. In the application of accounting policies, different types of estimates and assumptions were used. The administration made these value judgments, on the analysis of assumptions that were based eloquently on historical experience and factors deemed relevant in determining the carrying value of certain assets and liabilities that are in fact not readily apparent, and that therefore required an additional effort for analysis and interpretation. Actual results could differ from these estimates.

Estimates and assumptions are reviewed on a regular basis. Changes to accounting estimates are recognized in the period in which the change is made and future periods if the change affects both the current period and subsequent periods.

5.1. Critical judgments in applying accounting policies

Critical judgments are presented below, apart from those involving estimates, made by the administration during the process of implementation of the Bank's accounting policies and that have a significant effect on the separate financial statements.

(Millions of Colombian Pesos (COP))

Significant influence assessment

The Bank determined that it has significant influence in the following companies and their investment represents the cost of acquisition as follows:

Name	% Participation	No. Shares
Multiactivos **	21.12%	2,548,940
Redeban Multicolor S.A.	26.04%	2,603,060
Titularizadora Colombiana S.A	26.85%	16,072,773

** On December 29, 2015 liquidation was decreed.

Key sources of uncertainty in estimates

Here are the key assumptions concerning the future and other key sources of uncertainty estimation at the end of the period, that have a significant risk of resulting in significant adjustments to the carrying amounts of assets and liabilities within the next year are as follows:

Fair value measurements and evaluation processes

Financial assets and liabilities that are traded in active markets are recognized in the statement of financial position at their fair value and are valued at market prices.

An active market is one in which transactions for assets or liabilities are carried out with sufficient frequency and volume to provide pricing information on an ongoing basis.

In Colombia the SFC has authorized official price providers and the Bank uses the price information published daily by PIPCO to assess the investment portfolio and derivatives, in compliance with the provisions of External Circular 034 of 2014 indicating the use of information supplied by price providers in accordance with the instructions provided in the Basic Legal Circular part 3, title IV, Chapter IV - Price Providers.
Derivative financial instruments are recognized in the consolidated statement of financial position at fair value at each reporting date. Additionally, the fair value of certain financial instruments, mainly loans and long-term debt, although it does not involve a risk of adjustment to the carrying instruments is disclosed. The above is described in Note 11.4.

The fair values described are estimated using valuation techniques that include data that are observable and unobservable in a market. The main assumptions used in the valuation are described in the notes. Management believes that the valuation techniques and assumptions selected are appropriate for determining fair values.

Impairment of goodwill

To determine whether goodwill is impaired involves calculating the use value of the cash-generating units to which it is assigned. The calculation of the use value requires the Bank to determine the future cash flows that the cash generating units are expected to obtain and deemed an appropriate discount rate to calculate the present value. The Bank makes this recovery with an external, specialized, independent consultant approved by the SFC.

Useful lives, residual values and depreciation methods of long-lived assets

As described in Note 4.18., the Bank periodically reviews the useful lives, residual values and depreciation methods of long-lived assets, including property and equipment and intangibles, valuations are carried out by technical experts. For intangible, it determines additionally whether its life is finite or indefinite. During the periods presented, these estimates were not changed.

(Millions of Colombian Pesos (COP))

Income tax

The Bank assesses the performance over time of deferred income tax asset, which represents income tax recoverable through future deductions from taxable profits and is recorded in the separate statement of financial position. Deferred tax assets are recoverable to the extent that the realization of the relative tax benefits is likely. As of December 31, 2015, 2014 and January 1, 2014 the Bank estimates that the items of deferred income tax assets will be recoverable according to its estimates of future taxable profits. Deferred tax liabilities as taxable differences in the calculation of deferred taxes, will reflect the values to be paid for income tax in future periods.

Provisions and contingencies

A contingency requires to be classified according to a reliable estimate according to the probability of occurrence of a fact or an event. Unless the possibility of any outflow in settlement is remote, the Bank shall disclose, for each class of contingent liabilities, at the end of the reporting period, a brief description of the nature of the contingent liability. When there is a probability of an inflow of economic benefits, the Bank shall disclose a brief description of the nature of the contingent assets at the end of the reporting period and, where feasible, an estimate of its financial effect. Estimates regarding contingencies are based on the criteria adopted pursuant NCIF, as follows:

The classification of a contingency establishes the manner in which provisions should be recognized. Bank provisions are determined based on the probability established by the legal area for each event, fact or legal process.

Probability of the outcome	**Provision / contingent liability**
Probable	Recognize and disclose
Possible	Disclose
Remote	Neither recognizes nor discloses

Deterioration of loan portfolio

The Bank regularly reviews its loan portfolio for impairment and to determine the amount of such impairment, to analyze its reasonableness and record it under current earnings.

This evidence may include data indicating that there has been an adverse change in the behavior of debtors in each loan portfolio (commercial, consumer, mortgage housing, microcredit and leasing) in the bank or in the country or in local conditions of the economy that correlate with defaults on the assets of the Bank. Management uses estimates based on historical experiences of loans with similar risk characteristics and objective evidence of impairment similar to those loans portfolio when its future cash flows expire. The methodologies and assumptions used to estimate the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

6. New standards and interpretations issued but not yet effective

In Colombia, by Law 1314 of 2009, the Technical Council of Public Accounting (CTCP) was designated as a "body of technical standardization of accounting standards, financial reporting and information assurance" to propose before the expedition, principles, standards, interpretations and accounting guides and financial reporting and assurance information to the Ministry of Finance and public Credit and Commerce, Industry and Tourism, annually updating applicable standards in Colombia in Spanish version.

On December 14, 2015, Decree 2420 was issued: "Unique Regulatory Decree of Accounting Standards, Financial Reporting and Information Assurance and other provisions", which includes the standards that have been issued by the IASB and adopted in Colombia, whose validity will be effective from January 1, 2016, and Decree 2496 of December 23, 2015, which allows the application of the amendments made by the IASB of the Cycle 2012-2014 and updates the standards contained in the "Red Book version 2015" with effect from 1 January 2017. The Bank is currently assessing the impact of these standards.

IFRS 9 – Financial instruments, (November 2013) - a chapter related to hedge accounting is added, and Chapter 4, about classification of financial instruments, is modified. Also, IFRS 7 and IAS 39 are modified according to the new classification (fair value and amortized cost), applicable from January 1, 2016.

In July 2014, the IASB completed the reform of the accounting for financial instruments and IFRS 9 was issued - Accounting for financial instruments (version revised 2014), which will replace IAS 39 - Financial Instruments: recognition and measurement, this version is applicable in Colombia from January 1, 2018 and includes the replacement project of IFRS 9, contained in the following phases:
Phase 1 Classification and measurement of financial assets and financial liabilities
Phase 2 Methodology of impairment
Phase 3 Hedge accounting

IAS 27 - Separate Financial Statements - the use of the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements, applicable from January 1 2017, is allowed. The SFC allowed the use of the equity method from January 1, 2015, by external Circular 034 of 2014.

IAS 28 - Investment Entities - Implementation of consolidation exception applies for a controlling entity that is a subsidiary of an investment entity when the investment entity measures all its subsidiaries at fair value according to the IFRS 10.

The application of the equity method is allowed to an investor in an associate or joint venture if it is a subsidiary of an investment entity that measures all its subsidiaries at fair value, applicable from January 1st, 2017.

Additionally, the treatment of loss of control of a subsidiary that is sold or contributed to an associate or joint venture and it is clarified that the gain or loss resulting from the sale or contribution of assets represents a business, is defined as it is determined in IFRS 3.

IAS 16 - Property, plant and equipment / IAS 38 - Intangible Assets - Annual Improvements 2010 - 2012 Cycle (December 2013) - When an asset is revalued the carrying amount is adjusted to the revalued amount and sets the proportionate restatement of accumulated depreciation, when a portion of property, plant and equipment is revalued, applicable starting on the 1st of January 2016.

The methods that are acceptable for depreciation are clarified. It prohibits the use of a depreciation method based on the income for items of property, plant and equipment, applicable starting on January 1st, 2017.

IAS 40

- Investment Property, annual improvements 2011-2013 Cycle - Clarification of the interrelation of the IFRS 3 Business Combinations and explanatory paragraphs are included to classify property as investment property or as property occupied by the owner, it also clarifies the determination whether the acquisition of an asset or group of assets is an investment property or a business combination within the IFRS 3 scope, these amendments apply starting on January 1st, 2016.

IAS 38 - Intangible assets, annual improvements 2010 - 2012 Cycle (December 2013) - When an intangible asset is revalued the carrying amount is adjusted to the revalued amount and it defines options for handling the accumulated depreciation at the date of the revaluation, applicable from January 1st, 2016.

Establishes conditions related to the amortization of intangible assets on:

a) When the intangible asset is expressed as a measure of income.
b) When it can be shown that the income and consumption of the economic benefits of the intangible assets are closely related. Applicable from January 1 2017.

IFRS 3 - Business Combinations, annual improvements 2010 - 2012 Cycle (December 2013), Accounting for contingent consideration in a business combination where the acquirer will classify an obligation to pay contingent consideration that meets the definition of a financial instrument as financial liabilities or equity based on the definitions of equity instruments and financial liabilities included in paragraph 11 of IAS 32 *Financial Instruments Presentation*, or other applicable IFRSs and the acquirer shall classify as an asset a right to the return of previously transferred considerations if specified conditions are met.

It was also amended in the annual improvements document 2011-2013 Cycle specifying the exception to apply IFRS 3 in accounting for the formation of a joint venture in the financial statements of the same joint agreement, applicable from January 1st, 2016.

IFRS 11 - Joint Operations - Provides guidance on accounting of the acquisition of an interest in a joint operation in which activities constitute a business, according to the way it is stated in the definition of IFRS 3 - Business Combinations, applicable from January 1st, 2017.

IFRS 15 - Revenue from contracts with customers - Establishes a model of five (5) steps that applies to revenue from customer contracts, applicable from January 1st, 2018.

It will replace the following standards and interpretations of income after the date it comes into force:

IAS 18 - Revenue;

IAS 11 - Construction contracts;

IFRIC 13 - Customer Loyalty Programs;

IFRIC 15 - Agreements for the construction of property;

IFRIC 18 - Transfers of assets from the customers and

SIC 31 - Barter transactions involving advertising services.

Furthermore, we have made changes that seek the improvement the disclosure issues to the following standards:

IFRS 8 - Operation segments - annual improvements 2010 - 2012 Cycle (December 2013) - Aggregation of operating segments and reconciliation of total assets of reportable segments to the entity's assets, applicable from January 1st, 2016.

IFRS 13 - Fair value measurement, annual improvements 2011-2013 Cycle - Compensation of financial assets and liabilities in relation to market risk or credit risk of the counterpart, applicable from January 1st, 2016.

7. Fair Value Measurement

According to IFRS 13, fair value is the price received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the measurement date. Such transaction would take place in the main market; in its absence, it would be done in the "most advantageous" market. For this reason, the Bank will perform the valuation considering the market in which the transaction would normally perform with the best available information.

The Bank assesses the financial assets and liabilities traded in an active market with available information and sufficient to the valuation date such as derivatives and debt and equity, through price information published by the supplier of official prices (PIP S.A.), whose methodologies are endorsed by the Colombian Financial Superintendence (Superintendencia Financiera de Colombia) and centralizes the information in the market. Thus, the Bank uses prices and curves published by the supplier and assign them according to the instrument being valued.

For those instruments that do not have an active market, the Bank develops methodologies that uses market information, prices of similar banks and in certain cases, unobservable data. Methodologies seek to maximize the use of observable data, to reach the closest approximation of a starting price of assets and liabilities that do not have large markets.

IFRS 13 provides the following hierarchy for fair value measurement:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Different variables to the quoted prices from Level 1, observable for the asset or the liability, either direct or indirectly.

Level 3: Unobservable variables for the asset or liability.

The Bank classifies the financial assets or liabilities in each one of the hierarchies starting from the evaluation of the input data used to obtain the reasonable value. For these purposes, the Bank determines which variables are observable based on criteria such as availability of prices in markets, its publication and regular updating, reliability and verifiability, and its publication on behalf of independent sources involved in the markets.

Measurements of fair value on recurring basis

Recurrent measurements are those that require or permit IFRS accounting standards in the financial position statement at the end of each reporting period on which it is reported. If required circumstantially, they are categorized as non-recurring.

The assets and liabilities measured at fair value on a recurring basis are presented by type of instrument, indicating the corresponding hierarchy for December 31st, 2015, December 31st and January 1st, 2014.

(Millions of Colombian Pesos (COP))

	Fair Value		Hierarchy	
	December 31, 2015	1	2	3
Asset				
Investments In debdt securities Issued and guaaranteed	4.483.483	4.016.890	266.820	199.773
In Colombian pesos	4.303.985	3.850.628	253.584	199.773
Colombian government	3.655.387	3.648.162	7.225	-
Financial Institutions	268.049	55.248	212.801	-
Real Sector Entities	17.103	4.715	12.388	-
Others	363.446	142.504	21.169	199.773
In Foreign Currency	179.498	166.262	13.236	-
Colombian government	45.788	45.788	-	-
Financial Institutions	87.266	87.266	-	-
Real Sector Entities	31.103	17.867	13.236	-
Others	15.341	15.341	-	-
Trading derivatives	434.745	-	434.745	-
Foward Currency	313.620	-	313.620	-
Interest rate forward	-	-	-	-
Forward securities	76	-	76	-
Interest rates swap	107.263	-	107.263	-
Currency swap	1.519	-	1.519	-
Others	12.267	-	12.267	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total assets	**4.918.228**	**4.016.890**	**701.565**	**199.773**
Liabilities				
Trading derivatives	364.441	-	364.441	-
Forward currency	256.944	-	256.944	-
Interest rate forward	-	-	-	-
Forward securities	1.350	-	1.350	-
Rate swap	88.497	-	88.497	-
Currency swap	1.456	-	1.456	-
Others	16.194	-	16.194	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total Liabilities	364.441	-	364.441	-

(Millions of Colombian Pesos (COP))

	Fair Value		Hierarchy	
	December 31, 2014	1	2	3
Asset				
Investments In debdt securities Issued and guaaranteed	4.803.484	4.279.420	260.277	199.773
In Colombian pesos	4.654.602	4.160.041	230.779	199.773
Colombian government	3.966.379	3.954.041	11.678	-
Financial Institutions	256.807	68.496	188.310	-
Real Sector Entities	29.111	25.561	3.550	-
Others	402.605	111.282	27.235	199.773
In Foreign Currency	148.882	119.379	29.503	-
Colombian government	5.819	5.819	-	-
Financial Institutions	86.489	86.489	-	-
Real Sector Entities	44.710	15.206	29.503	-
Others	11.864	11.864	-	-
Trading derivatives	414.336	-	414.336	-
Foward Currency	370.112	-	370.112	-
Interest rate forward	-	-	-	-
Forward securities	5.848	-	5.848	-
Interest rates swap	9.855	-	9.855	-
Currency swap	-	-	-	-
Others	28.522	-	28.522	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total assets	**5.217.820**	**4.279.420**	**674.613**	**199.773**
Liabilities				
Trading derivatives	300.459	-	300.459	-
Forward currency	270.022	-	270.022	-
Interest rate forward	-	-	-	-
Forward securities	106	-	106	-
Rate swap	8.995	-	8.955	-
Currency swap	-	-	-	-
Others	21.336	-	21.336	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total Liabilities	300.459	-	300.459	-

(Millions of Colombian Pesos (COP))

	Fair Value		Hierarchy	
	January 1, 2014	**1**	**2**	**3**
Asset				
Investments In debdt securities Issued and guaaranteed	4.591.863	4.092.109	250.740	249.015
In Colombian pesos	4.460.430	3.984.162	227.253	249.015
Colombian government	3.716.014	3.702.554	13.460	-
Financial Institutions	190.792	19.711	171.081	-
Real Sector Entities	29.393	18.895	10.499	-
Others	524.231	243.002	32.214	249.015
In Foreign Currency	131.433	107.947	23.486	-
Colombian government	27.680	27.680	-	-
Financial Institutions	52.899	52.899	-	-
Real Sector Entities	41.452	17.966	23.486	-
Others	9.401	9.401	-	-
Trading derivatives	75.506	-	75.506	-
Foward Currency	51.676	-	51.676	-
Interest rate forward	-	-	-	-
Forward securities	292	-	292	-
Interest rates swap	6.484	-	6.484	-
Currency swap	3.886	-	3.886	-
Others	13.167	-	13.167	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total assets	**4.667.369**	**4.092.109**	**326.246**	**249.015**
Liabilities				
Trading derivatives	60.095	-	60.095	-
Forward currency	41.630	-	41.630	-
Interest rate forward	-	-	-	-
Forward securities	1.061	-	1.061	-
Rate swap	5.852	-	5.852	-
Currency swap	1.432	-	1.432	-
Others	10.120	-	10.120	-
Derivate hedging	-	-	-	-
Forward currency	-	-	-	-
Interest rate forward	-	-	-	-
Forward securities	-	-	-	-
Total Liabilities	60.095	-	60.095	-

To determine the levels of fair value hierarchy an assessment of the methodologies used by the supplier of official prices and the expert judgment of the areas of treasury and risk, those with knowledge of the markets, inputs and approximations used for the estimation of fair values.

Methodologies applicable to the valuation of investments in debt and participating securities:

- Market Price: methodology applied to assets and liabilities that have sufficiently large markets in which the sufficient volume and number of transactions are generated to establish a starting price for each traded reference. This methodology, equivalent to a Level 1 hierarchy is generally used for investments in sovereign debt, financial institutions and corporate debt in local and international markets.

- Margins and reference curves: methodology applied to assets and liabilities for which market variables are used as reference curves and spreads or margins regarding recent quotes from the asset or liability in question or similar. This methodology, equivalent to a Level 2 is usually used for investments in debt titles of financial institutions and local corporate debt market infrequent issuers with low amounts outstanding. In the same way the credit content securities and senior portfolio mortgage securitizations are located under this methodology.

- Other methods: for assets to which the official price provider does not report the prices from the previously described methodologies, the Bank uses approximations to estimate a fair value maximizing the use of observable data. These methods, which are located in a Level 3 hierarchy, usually based on the use of an internal rate of return obtained from the primary market of the instrument, in the last observed quotes and in the use of reference curves. In the Level 3 hierarchy, investments in subordinated mortgage portfolio securitizations and residual rights product thereof, are located. For these assets there is no secondary market from which evidence may be obtained of a fair exchange price, making the best reference price generated by the transaction at the time of issuance of each instrument. . The valuation of these instruments, which is based on the income approach, has as its main variable the internal rate of return implicit in the purchase value. If this variable changes by 1%, keeping the other factors constant it would affect the fair value by an equal amount of 2.8% of book value

  For those equity instruments that are not quoted in an active market and do not have an available reference information on the used market models and standardized techniques in the financial sector, the investments in subsidiaries are carried at fair value at the acquisition cost and they are valued by the participation equity method. Other capital investments where no control or significant influence is recognized at its acquisition cost because of absence of market prices and because they are investments that financial institutions in Colombia required to operate according to local regulation, in addition to assessing the cost benefit of making recurring valuation models does not justify the financial impact of these investments in the statement of financial position.

Methodologies applicable to the valuation of derivative financial instruments:

- OTC financial derivatives instruments: these instruments are valued using the approach of discounted cash flow, in which from published inputs by the price supplier of curves for domestic, foreign and implicit interest rates and exchange rates, project and discount future cash flows of each contract depending on the underlying asset in question. The portfolio of these instruments classified in Level 2 for fair value, are composed of interest rate swaps and foreign exchange contracts forwards on currencies and bonds, and European currency options.

- Standardized derivative financial instruments: these instruments are valued from prices published by the designated supplier as official. Some of these contracts have sufficient depth to form a price under the market approach, and others are based on an discounted cash flow approach in which prices of the underlying curves and market interest rates are taken. The portfolio of these instruments is made up of future currency hedges on debt securities and interest rates. Since for these instruments we have incoming inputs from level 1 and 2, the Bank classifies fair value based on the lowest level, in this case, level 2.

For the period from December 31st, 2015 and December 31st, 2014 no transfers between levels of fair value are presented.

<u>Measurements of fair value on non recurring basis</u>

The assets and liabilities of the Bank at fair value and book value at December 31st, 2015 December 31st, 2014 and January 1st, 2014 are as follows:

(Millions of Colombian Pesos (COP))

	Fair Value	December 31st, 2015 Hierarchy 1	2	3	Book Value
Assets					
Credit portfolio	47,351,800	-	-	47,351,800	48,488,336
Investments at amortized cost	1,213,515	4.014	669.998	539.503	1,213,795
Total financial assets	**48,565,315**	4.014	669.998	47,891,303	**49,702,131**
Liabilities					
Certificate of deposit	13,214,247	-	-	13,214,247	13,381,917
Debt instruments issued	8,625,683	8,625,683	-	-	8,727,347
Bank loans and other obligations	4,993,437	-	-	4,993,437	4,999,696
Total Liabilities	**26,833,367**	8,625,683	-	18,207,684	**27,108,960**

	Fair Value	December 31st, 2014 Hierarchy 1	2	3	Book Value
Assets					
Credit portfolio	40,155,405	-	-	40,155,405	41,015,214
Investments at amortized cost	1,174,207	6.502	707.228	460.476	1,175,915
Total financial assets	**41,329,611**	6.502	707.228	40,615,881	**42,191,130**
Liabilities					
Certificate of deposit	10,896,197	-	-	10,896,197	11,043,409
Debt instruments issued	7,473,951	7,473,951	-	-	7,405,779
Bank loans and other obligations	3,541,980	-	-	3,541,980	3,542,622
Total Liabilities	**21,912,128**	7,473,951	-	14,438,177	**21,991,809**

	Fair Value	January 1st, 2014 Hierarchy 1	2	3	Book Value
Assets					
Credit portfolio	33,422,830	-	-	33,422,830	34,181,706
Investments at amortized cost	1,213,938	10.128	744.214	459.597	1,226,376
Total financial assets	**34,636,768**	10.128	744.214	33,882,427	**35,408,082**
Liabilities					
Certificate of deposit	9,162,691	-	-	9,162,691	9,282,715
Debt instruments issued	6,338,324	6,338,324	-	-	6,456,902
Bank loans and other obligations	3,135,331	-	-	3,135,331	3,137,579
Total Liabilities	**18,636,346**	6,338,324	-	12,298,022	**18,877,196**

8. Operation segments

Operation segments are components of the Bank engaged in financial and banking activities that generate revenues and incur in expenses. These ensure an effective accountability, for optimum measurement results, assets and liabilities, which are regularly assessed and verified by the Strategic Committee for the correct decision making, proper allocation of resources and the respective evaluation of their performance.

Given the above, the Davivienda Bank has defined its segmentation according to their main business lines obtaining three segments:

1. **People**
   This segment has all of the products and services that are offered to individuals. Davivienda offers a high variety of products and services focused on meeting its customers' needs including investment products, financing and savings services.

2. **Companies**
   This segment includes the supply of products and services aimed at corporations. It provides financial and transactional solutions in local and foreign currency and financing products, savings and investment in order to meet the needs of these customers in different sectors of the economy.

3. **ALM Unit**
   This segment includes the management of the bank's liquidity and investment portfolios including the income of national subsidiaries: **Fiduciaria Davivienda S.A. y Davivienda Corredores S.A.** Included here is also the management of the operation in the currency markets and derivatives, debt issuance and securitization, as well as the results of the methodology of funds transfer pricing (FTP) for the business units.

From Banco Davivienda S.A. Since 2015 was the first publication year of the results after the implementation of the International Financial Reporting Standards, the segment results presented here were prepared in COLGAAP following the guidelines that were established by the senior management. Additionally in the last section the respective reconciliation of the COLGAAP results will be included with the results generated through the application of international standards.

Results by segment
Figures in billions of COP

Results by segment
January - December 2015

INCOME STATEMENTS	People	Companies	ALM Unit	Adjustments and reclassifications	Total Bank
Interest revenue	3,087,615	1,843,997	356.360	809	5,288,781
Interest expense	(166.547)	(940.877)	(733.690)	7.427	(1,833,686)
FTP* Net	(796.171)	454.647	341.524	0	0
Provisions and net accounts receivable	(626.300)	(342.902)	(49.931)	2.793	(1,016,340)
Net Interest Income	**1,498,599**	**1,014,865**	**(85.738)**	**11.029**	**2,438,755**
Net income and services commission	662.824	242.391	0	(224.720)	680.495
Income from investments in subsidiaries and associates	0	0	0	215.880	215.880
Dividends	0	0	119.211	(87.251)	31.960
Operating costs	(1,485,576)	(576.912)	(212.006)	403.408	(1,871,087)
Changes and derivatives, net	0	0	138.755	(31.389)	107.366
Other Income and Expenses, net	21.076	30.028	0	(45.900)	5.204
Operating margin	**696.922**	**710.371**	**(39.778)**	**241.057**	**1,608,573**
Income tax and complementary	(123.000)	(263.062)	(3.895)	(4.353)	(394.310)
Net profit	**573.923**	**447.309**	**(43.673)**	**236.704**	**1,214,263**
Assets	23,691,624	24,827,972	14,487,626	95.464	63,102,687
Liabilities	11,244,043	26,671,179	17,533,927	(64.978)	55,384,171

(Millions of Colombian Pesos (COP))

Results by segment
January - December 2014

INCOME STATEMENTS	People	Companies	ALM Unit	Adjustments and reclassifications	Total Bank
Interest revenue	2,664,090	1,429,848	305.928	9.727	4,409,593
Interest expense	(122.917)	(722.335)	(541.500)	6.924	(1,379,828)
FTP* Net	(666.167)	443.503	222.665	0	0
Provisions and net accounts receivable	(548.251)	(188.844)	1.086	(10.690)	(746.700)
Net Interest Income	**1,326,754**	**962.172**	**(11.821)**	**5.961**	**2,283,066**
Net revenue from services, commissions and insurance	643.692	199.659	0	(197.724)	645.627
Income from investments in subsidiaries and associates	0	0	0	0	0
Dividends	0	0	123.870	(9.131)	114.738
Operating costs	(1,391,877)	(513.177)	(206.787)	390.980	(1,720,861)
Changes and derivatives, net	0	0	95.008	(4.435)	90.573
Other Income and Expenses, net	29.834	40.275	16.234	(73.832)	12.511
Operating margin	**608.404**	**688.929**	**16.503**	**111.819**	**1,425,655**
Income tax and complementary	(90.380)	(221.827)	(1.334)	(16.635)	(330.177)
Net profit	**518.023**	**467.102**	**15.169**	**95.184**	**1,095,478**
Assets	20,801,803	20,250,956	13,150,339	293.020	54,496,118
Liabilities	9,616,717	23,750,261	14,360,853	(66.580)	47,661,251

FTP* Net refers to the costs of resources transfer between segments, which are assigned in a systematic and coherent and is managed within the entity.

Balance by Segment to the 1st of January, 2014

Account	People	Companies	3.ALM Unit	Adjustments and reclassifications	Total Bank
Assets	17,663,417	16,556,567	11,837,631	842.179	46,899,794
Liabilities	8,712,307	19,769,146	12,430,851	111.783	41,024,087

Retail banking

The accumulated profit to December 2015 in the retail banking segment totaled $ 573,923,000, 10.8% more compared with the accumulated earnings retained as of December 2014, achieving a share of 47.3% of the total profit of the Bank.

The net interest margin for the retail banking segment at the end of 2015 showed an increase of 13.0% compared to 2014, totaling $1.498.599 million thanks to the good performance of housing and promissory notes revenues which presented an annual growth of 16.1% and 21.8% respectively.

In addition, we highlight the income of fixed consumer loans which grew 37.0%, an increase of $ 65.693 million compared to 2014. While the portfolio of private vehicles closed at $ 182,953,000 million, 17.1% more than 2014.

Financial expenses for the segment increased 35.5% due to the increased participation of financial term instruments with comparatively higher rates within the funding sources in this segment.

Expenses net provisions in the retail banking segment, increased by $78.049 million to close at $626.300 million. This was mainly explained by the higher spending provisions in the consumer portfolio (26.3% additional compared to 2014) as a result of the deterioration of the portfolio at 43 basic points, mainly customers working in the oil sector as well as in imports. Moreover, in the housing portfolio we had a release of provisions of approximately $54,925 million.

Finally, the income from fees and services increased by 3.0% to close at $662,824,million mainly explained by the charges done over handling fee in the credit portfolio whose revenues increased by 25.6%.

Corporate banking

The results up to December 2015 for the Corporate Banking segment totaled $ 447,309 million, representing 36.8% of the Bank's profits.

The net interest margin for this segment at the end of 2015 showed an increase of 5.5% versus 2014 thanks to the good behavior of the SME portfolio, with an increase of 28.8% and Constructor portfolio which increased 39.4%.

The revenues from the company banking segment portfolio totaled $ 1,843,997 million, 29.0% additional compared to 2014, mostly due to the 26.2% increase in revenues of the corporate portfolio, totaling $ 1,083,163 million of income, with an increase in the balance of 20.0%.

Financial expenses increased 30.3% due to the funding cost of the corporate portfolio whose expenses mainly increased by 31.8%.

Spending net provisions increased by $ 154,059 million to $ 342,902 million, mainly explained by the increase in spending provisions of the corporate portfolio.

Finally the income for fees and services increased by 21.4%, mainly in SMEs (23.3%) and corporate (19.2%).

ALM Unit

The Treasury and Others segment includes different areas to the treasury one, as is the mismatching management between assets and liabilities and any effects of re-expression because of the change, either because of the treasury position or the banking book. That is why the outcome of this segment reflects not only the result of a business line but reflects corporate management decisions over the management of emissions and bank financing. Yet, by managing the bank's cash resources it has a monitoring system done by management, as well as the other segments. With this in mind we present the primary dynamic in the segment.

The net interest margin for this segment falls at the end of 2015 by presenting a decrease of 387.9% versus the one accumulated in 2014. This is because the success of the investment portfolio which grows its revenue by 16.5% is offset by the higher growth in the financial outflow of the obligations of the bank's debt of a 35.5%. By including dividends from the bank's subsidiaries, this segment closed with a profit of $ (43.673) million pesos during the year.

9. <u>Risk management</u>

Risk Management Framework

The integrated risk management of the Bank, is based on a governance structure designed to achieve the strategic objectives, on the basis of management, administration and risk control that support business growth and leveraging opportunities. On this basis the efforts towards the implementation of the strategy and control of the associated risks are focused.

The model of corporate risks of the organization has been designed and built on the principles of corporate risk management defined in the document Enterprise Risk Management published in 2004 by the Committee of Sponsoring Organizations of the Treadway Commission - COSO and subsequent documents such as the COSO Internal Control - Integrated Framework published in 2014.

The comprehensive risk management of the Bank and its Subsidiaries are governed by the principles and policies of Grupo Empresarial Bolivar, under the autonomy of each company in its risk management and being responsible in their environment control.

Principles and Policies

- The companies will permanently maintain sufficient liquidity levels.
- The companies will manage appropriate economic capital levels to their risk levels and to their growth prospects.
- The risk management system is supported on a scheme of weights and counterweights that is guaranteed by the independence between the business, operational and risk areas.
- Risk management must be commensurate with the business' nature and activity. We act only in businesses that we understand and that do not affect economic stability or reputation.
- Meeting the growth targets cannot lead the Bolivar Business Group to overexposures generating present and future losses outside the risk levels of the organization.
- The risks that may affect the achievement of objectives and key corporate strategies that also impact the organization significantly as a whole are managed centrally. Risk management which by their nature are managed in a better way at the process level and / or area is decentralized because its involvement is particular to each process without this meaning that the ability of the organization to successfully implement their strategies change.
- The strength developed in knowledge, understanding and quantification of risks, as well as the characteristics of each business define Grupo Empresarial Bolivar's risk levels. Boldness in decisions depends on that understanding.
- To strengthen the culture of risk and compliance at Bank level.
- Human resource policies should include career plans that include technical and specialized knowledge for their job; additionally, they should strive for the formation of successors, who have the required skills.
- The remuneration systems must be aligned with the strategic objectives of companies and their risk appetites.
- The Grupo Empresarial Bolívar has in its business sectoral and / or regional business expertise. Any investment in different sectors or regions will be done with the approval of the Holding Board and / or Subsidiary companies, after analysis of their particular characteristics.
- For new businesses that do not adequately fit the Risk Philosophy and risk appetite defined, the only body that can authorize is the Board of Directors (BD) of each Company and Holding.
- •The risk management, normative compliance and internal policies are the responsibility of the three lines of defense of the company, in their order: areas of business, commercial and operational, in second instance the risk areas and last the internal audit.
- The structure of the companies must recognize key areas that should have a special supervision done.

- **Risk management**

The process of the Bank's comprehensive risk management is aligned with the integrated risk management of Grupo Empresarial Bolivar. The Bank's risk management involves analyzing current and planned positions as well as defining limits for this position. Similarly it requires an assessment of the implications of all risks and making decisions aimed at modifying the limits if they are not in line with the general risk philosophy.

Risk management should be done by including a vision from the TOP DOWN to ensure its integrity, its consistency and interrelationship of the various risks. It should also be done BOTTOM UP through the development of management and control schemes of each and everyone to ensure their effectiveness and depth as well as where it clearly defines the governance model of each risk, the relevance and strength of each definition of limits for these positions, as well as the severity of the breaches they come to present.

The application of the risk management model must be made within a clear framework of segregation of duties, where responsibilities can be differentiated in the areas of Business Lines (Front), Risk (Middle) and Operations (Back Office).

Risk areas are responsible for promoting and protecting the right control scheme of each risk through monitoring how these are managed in different areas, the effectiveness of controls and levels risks, always ensuring that they are within the risk levels defined by the Grupo Empresarial Bolivar.

The macro processes or lines of the most representative business lines in the strategy or that generate higher risk exposures, must be accompanied by specialized risk areas responsible for determining the effectiveness of risk management, including the operational ones.

The management and control of these risks is performed through different areas that specialize their functions in lines or segments, as in the case of credit risk, market and liquidity, or manage their efforts transversely, as the operational risk management and internal control system works.

9.1. Risk Management Systems

9.1.1. Credit Risk

Credit risk is defined as the possibility that a borrower or counterparty fails to meet its obligations under the agreed terms, negatively affecting the value of the Bank's portfolio.

The goal of credit risk management is to maximize the Bank's profitability, in line at the desired risk levels. This objective is achieved by maintaining the expected loss levels within acceptable parameters, without ignoring other phenomena of uncertainty which could affect the portfolio's outcome.

For the successful implementation of the general process of credit risk management, three sub general processes are established:

- •*Monitoring and Management of the Credit Portfolio :* The monitoring process and portfolio management have as their main objective the monitoring of the composition and quality of the portfolio, detecting concentrations, relevant segments, risk factors and articulating their management with the control and monitoring process of the credit risk. In this process, adjustments to business rules and credit policies according to the desired risk level for the product or strategy are proposed. Monitoring and analyzing potential losses of portfolios are carried out. Strategies and effectiveness of collection and its effect on mitigating losses occurred among others are analyzed.

- •*Credit Risk Methodologies and Models:* This process is aimed towards the study, design, development and implementation of methodologies, models and tools for proper management of credit risk, as well as awareness of portfolios in the face of various economic scenarios.

- •*Credit Risk Monitoring and Control* The control process and the monitoring of credit risk has as its main objective to ensure compliance and proper implementation of the definitions established by the Board and the Risk Committees. The controls and monitoring are established, implemented and coordinated with the Credit Cycle units against the established provisions, in order to prevent deviations from the strategy defined by the Bank.

Organizational Structure for Credit Risk Management
Banco Davivienda manages credit risk from the Risk and Financial Control Vice President, whose internal structure is aligned with the defined segmentation: credit risk of personal , SME, corporate and business banking in order to promote and protect the right control scheme for each risk.
In line with the established processes for the Credit Risk Management, it is up to the Board (BD) to set the Credit Risk Management System and the elements necessary to harmonize it with the strategy of the organization and the existing rules on the matter.

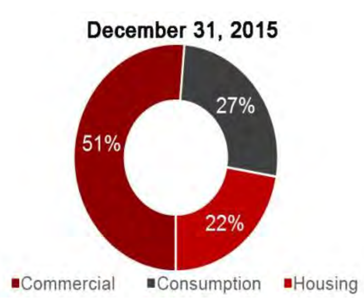
The BD defines and establishes the structure of four credit risk committees: Personal, SME, Corporate and the Accounts Receivable Rating Committee, as specialized bodies and for the coordination of issues regarding credit risk management. The BD confers supervised authority to the credit risk committees as well as the accounts receivable grading to be the only collegiate bodies with attribution to recommend policies and authorize rules and / or provisions relating to the credit risk management, portfolio recovery and portfolio rating under the governance process established and the sole purpose of materializing the policies established by the board.

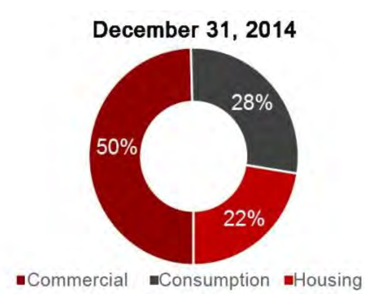
Credit Risk Management Procedure Manual (CRMPM) represents the navegation chart for the Credit Risk Management System. In it our culture, policies, methods, rules and general procedures are described. It is the recording instrument, orderly and systematic transmission of information to the organization in this area.

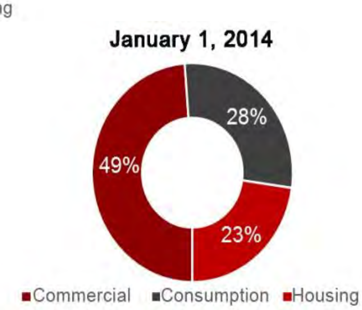
Risk exposure - Portfolio Composition

The loan portfolio of Banco Davivienda is distributed in: Consumption, Housing and Commercial. The first two relate to loans granted to individuals to finance their consumption needs (free investment and unsecured, revolving credit, promissory note, car and credit card) and housing (Social Interest - VIS, Traditional - Mayor VIS and Residentiall Leasing) respectively and the commercial portfolio corresponds to loans granted to finance the needs of companies and businesses.

By December 31st, 2015 the portfolio has a value of $ 48.488 million pesos of which the portfolio of Personal Banking contributes 49% and the portfolio of Corporate Banking 51%, maintaining a relatively stable proportion relative to the previous year as it is presented in the following graph:







* The commercial portfolio includes microcredit portfolio

At the end of 2015, the Banco Davivienda's portfolio presented a growth of 18.3% driven by commercial portfolio which grew by an average of 22.4%, mainly explained by the SME and Corporate portfolio. The latter maintaining its growth primarily in low-risk sectors such as: Infrastructure, Superstores and Telecommunications. The growth of the SME portfolio is explained by the entering of new customers and deepening existing customers who increased their balance by 16% on average compared with the previous year.

The housing portfolio increased 17.4% due to the dynamics of the growth in the housing leasing portfolio which grew 22.3%, followed by the loan portfolio which is higher than social interest housing (SIH) with a growth of 15.6%. Meanwhile, SIH housing grew by 11%, powered by the national government and its coverage programs on the interest rate in order to encourage the construction of new housing and its acquisition by the Colombian population.

On the other hand, the consumer portfolio shows a 11.5% growth over the previous year, where the highest growth is presented in the free investment credits with and without collateral, showing variations of 35.5% and 33.9%, respectively.

Such variations and asset quality, provisions and coverage are observed in the following table:

Millions of Pesos COP

Business Line	Balance	CDE Portfolio	Provision	Coverage	∆ Residual	∆ Provision
Commercial						
January 1st, 2014	16,675,983	2.09%	588.390	168.56%		
December 31, 2014	20,340,608	2.13%	726.100	167.67%	21.98%	23.40%
December 31, 2015	24,895,084	2.65%	927.579	140.83%	22.39%	27.75%
Consumption						
January 1st, 2014	9,722,650	6.30%	696.741	113.71%		
December 31, 2014	11,461,918	5.40%	729.963	117.95%	17.89%	4.77%
December 31, 2015	12,778,007	5.63%	852.016	118.35%	11.48%	16.72%
Housing*						
January 1st, 2014	7,783,074	1.15%	209.295	234.46%		
December 31, 2014	9,212,688	1.34%	255.699	206.84%	18.37%	22.17%
December 31, 2015	10,815,245	1.15%	258.469	208.69%	17.40%	1.08%
Total						
January 1st, 2014	**34,181,707**	**3.07%**	**1,494,426**	142.18%		
December 31, 2014	**41,015,214**	**2.87%**	**1,711,762**	145.62%	**19.99%**	**114.54%**
December 31, 2015	**48,488,336**	**3.10%**	**2,038,064**	135.65%	**18.22%**	**119.06%**

* Includes Portfolio Employees - Employees Benefit is deducted

The commercial portfolio remained within expected levels of risk for the year, despite the country's economic slowdown, the peso's devaluation and the falling of raw material prices and the deterioration observed in the agricultural and oil sectors.

The indicator of unproductive portfolio by Consumer rating (Portfolio CDE) increased 23 basic points with respect to 2014, mainly due to the negative effect of the situation in the oil sector and the peso devaluation on the Promissory note portfolio and the associated consumption.

As a result of the above factors, coupled with the growth of the balance of the portfolio, the provision related to the consumer portfolio increased by $ 122 billion pesos. The joint dynamics of the portfolio indicator and provisions makes its coverage increase slightly from 117.9% in 2014 to 118.3% in 2015.

Moreover, the unproductive portfolio indicator on behalf of Housing rating decreased 20 basic points compared to the end of 2014. This is explained in part by the growth of the portfolio, but also by the change of classification of the Housing Leasing portfolio, of the Commercial portfolio to Housing portfolio.

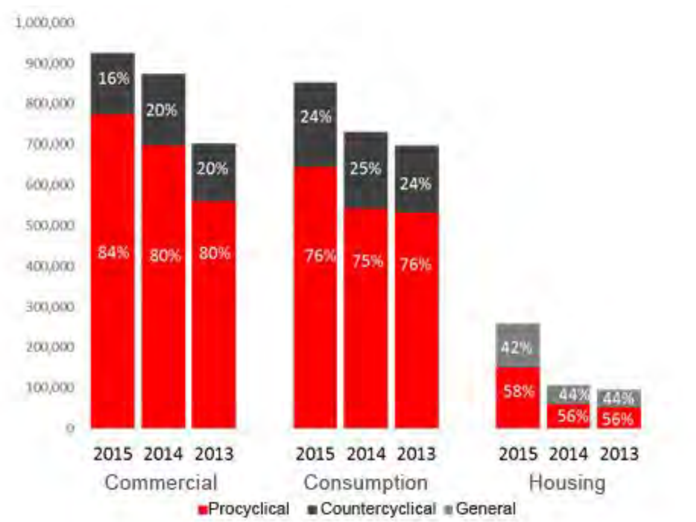
Provisions estimation for credit risk

The Bank in its credit risk policy measurement has implemented the CRM (Commercial Reference Model) and the Consumer Reference Model (MRCO) as established by the Colombian Financial Superintendence. In the case of the restructured portfolio, the Bank has a methodology of internal rating that recognizes the risk of this portfolio during the first months after the restructuring, estimating risk levels in some cases above of what results from applying the reference models.

Similarly, the Bank implemented the provisions' calculation methodology with a countercyclical approach, according to what is required by the Colombian Financial Superintendence, for consumer and commercial loans.

As for the housing and microcredit portfolios, the Bank continues to apply the existing rules to qualify and provision, the issued by the Colombian Financial Superintendence.

The composition of commercial, consumer and housing loans' provisions is presented.



By the 31st of December 2015, the total provision of the Bank's portfolio reached $ 2,038,044 million pesos, equivalent to 4.2% of the total portfolio, which implies an increase of 18.22% over the provision observed by December 2014. This increase is explained among other factors by the growth of the portfolio, the exposure of debtors in the oil sector and natural maturation of portfolio growth during 2015.

Changes of provisions during the year

Starting on January 2015, the Financial Superintendence ordered to migrate the housing leasing loans from the Commercial Portfolio to the Housing Portfolio. Therefore it changes the methodology under which we qualified and provisioned these loans, resulting in a decrease in the commercial portfolio provision and an increase in the housing portfolio provision (including the general provision), which resulted in a net release of $44,000 million pesos.

Aiming to promote a healthy origination and the growth of consumer loans, the Colombian Financial Superintendence through the External Circular 026 of 2012, established a percentage of additional individual provision of a transitional nature on consumer loans conditioned on the indicator that measures the acceleration of the annual variation of nonperforming loans. For the Bank, this indicator remained positive throughout the year, which is why the additional provision remains constituted during this period (corresponding to 0.5% of the principal balance of each loan multiplied by the corresponding Loss Given Default (LGD)). By December 2015 this provision is of $ 43,058 million pesos.

Risk Management for Derivative Financial Instruments

The operation of derivative financial instruments and products structured in Banco Davivienda's Treasury is part of risk policies scheme that are based on the following minimum guidelines:

- Market or authorized product.
- Counterparty limits and authorized credit, eligible collateral mechanisms in credit risk mitigation, concentration of credit exposure by the counterparty and / or sector, and overall credit exposure of the company.
- Conclusion of framework contracts and / or ISDA considering in due diligence an analysis if clauses related to credit risk mitigation, early termination and breach.
- Counterparts authorized, even for cases that intend to interpose a central risk chamber for the counterparty.

Under the criteria previously described, the Bank's derivatives portfolio, which focuses on a distribution and speculation business, focuses on the counterparts of the financial sector and real sector of high quality credit, and in the short and medium term.

9.1.2. Management of the Market Risk Management and Liquidity

The Vice President of Risk Investment is the instance in which the Board of Directors of each company delegates the responsibility for risk assessment, identification of new ones, and definition of calculation methodologies, policy suggestion and control of the various risks.

The Administration and Risk Management the companies owned by Grupo Empresarial Bolívar is done through a synergy strategy between the companies, consolidating a Market and Liquidity Risk Directorate for all of the companies, which optimizes technological and human resources. The Market and Liquidity Risk Directorate depends on the Vice President of Risk Investment of the Grupo Empresarial Bolívar, following the guidelines of the Vice President for Risk and Financial Control and of the Corporate Risk Committee.

For this purpose it has been established that the Financial Risk Committee (FRC) of Grupo Empresarial Bolivar, the Assets and Liabilities Management Committee (C-GAP) or his substitute, the Assets and Liabilities Foreign Currency Management Committee (C-GAP ME), the Market Risk Committee, and the Board of Directors of each entity in the Group are the bodies responsible for defining institutional policies regarding exposure to various financial risks, in line with the financial structure and operation of each of the entities, as well as its strategy and corporate objectives.

On the other hand, the Financial Risk Management Handbook for Grupo Empresarial Bolivar (MARF) consolidates management and financial risk aspects as well as management and treasury liquidity in the Group's companies and it is the document through which it establishes the management system required for this purpose.

This way, the companies have designed and implemented a robust structure of exposure limits to the various risks to be able to control the portfolios and the activities undertaken to carry out their management. They are defined for each company, among others, investment limits and counterparty portfolios, operator limits, value at risk, sensitivity, duration, time, and various early warnings to monitor and control the operation.

The Board delegates to Grupo Empresarial Bolivar's Financial Risk Committee (FRC) and to the Investment and Risk of Mutual Funds Committees accordingly, the responsibility to evaluate and authorize the various operating alternatives and investments between the treasuries of each of the companies, and the Assets and Liabilities Management Committee (C-GAP), or whoever replaces him, the definition, monitoring and control of general policies for the managing of assets and liabilities (market risk of the Balance structure), as well as the management policies for liquidity risk.

9.1.2.1. Market Risk

The market risk management consists of identifying, measuring, monitoring and controlling the risks arising from fluctuations in interest rates, exchange rates, prices, indicators and other risk factors to which the entity's activity is exposed to.

The strategic principles under which risk management is governed in Davivienda's market are:

- ✓ Consistency between expected return and level of exposure tolerated.
- ✓ Participation in markets and products on which it has deep knowledge and management tools.
- ✓ Strategy segmentation and risk profiles for each business model.
- ✓ Management at the consolidated and disaggregated level.

Davivienda participates through its investment portfolio in the capital market, money market and foreign exchange market. The managed portfolios are composed of a number of assets that diversify income sources and assumed risks, which are part of a series of limits and early warnings seeking to maintain the risk profile of the balance sheet and profitability / risk ratio.

Given the nature of the business and the markets that Davivienda accesses to, the banking book and the treasury book are exposed to the risk of interest rate, to the exchange rate risk and to the change in the price of stocks and mutual funds risk.

Business Model and Portfolio Structure

Since the market risk management starts from the recognition of defined business models for managing the investment portfolio, Davivienda set two mandates; i) structural management: investments for which its purpose is associated with financial intermediation, market risk management of the balance and the need for a backup of liquid assets in the financial intermediation process and other participatory investments required for the operation of the Bank; and ii) trading management: investments for which its purpose is to maximize the profits generated by the Treasury by buying and selling financial instruments.

From these business models, fields of action to manage them are established through limits, alerts and risk policies that reflect the appetite and risk tolerance, the depth of markets, and the goal of each business line.

The gross investment portfolio, till December 2015 stood at 5,812,239 million pesos, according to the business models exposed:

Millions of pesos				**Variation**	
Bussiness model	**December 31, 2015**	**December 31, 2014**	**January 1, 2014**	**$**	**%**
Trading	**734.616**	**1.432.842**	**1.197.802**	**(698.226)**	**(48,73)**
Structural	**5.077.624**	**5.656.301**	**4.737.041**	**421.323**	**9,05**
Liquidity Reserve	4.098.680	3.674.882	3.772.117	423.798	11,53
Balance Managr	978.944	981.419	964.924	(2.475)	(0,25)
Total	**5.812.239**	**6.089.142**	**5.934.843**	**276.903**	**(4,55)**

The most significant amount of investments corresponds to the reserve to meet liquidity demands; secondly, investments with the purpose of risk management of the balance, and finally the trading portfolio.

The accounting classification rules for investments are associated with the business models with which the portfolios are managed. In December 2015, the gross portfolios were classified as follows;

Millions of pesos				Variation	
Bussiness model	**December 31, 2015**	**December 31, 2014**	**January 1, 2014**	**$**	**%**
Negotiables	**2.142.438**	**2.663.056**	**2.795.004**	**(520.618)**	**(19,55)**
Available for sale	**2.455.205**	**2.249.839**	**1.911.241**	**205.366**	**9,13**
Upon maturity	1.214.596	1.176.247	1.228.598	38.349	3,26
Total	**5.812.239**	**6.089.142**	**5.934.843**	**(276.903)**	**(4,55)**

Most of the investments are classified as trading and available for sale, since the liquidity reserve and trading portfolios, given the nature of eventual sale at market prices must reflect the liquidation price or fair value.

In relation to December 2014, a growth of the investment portfolio of 4.55% due to a significant reduction in the trading portfolio, and an increased in the structural portfolios is observed. In particular, it is worth mentioning that the liquidity reserve, most of the investment portfolio, is adjusted to the structure of the liability growth, so that the risk profile tolerated by the Bank is maintained. Meanwhile, the trading portfolio varies in terms of magnitude, depending on market conditions and expectations prevailing at the date of analysis.

Measuring Market Risk

The measurement of market risk quantifies the potential loss due to changes in risk factors that affect the valuation of the institution's expected results. For this the setting of the parameters and tools for measuring as well as for the generation of reports, analysis, and periodic assessments of the senior management and risk taking areas is required.

The market risk management system in Davivienda allows the Bank to identify measure and control the risk to which the positions of the balance sheet are exposed to, based on the principle of business model. For this, it has a limit scheme that serves the purpose of each business unit. The trading portfolios, which are composed by debt instruments and derivatives, have an action framework defined by measures of Value at Risk, maximum positions and sensitivity measures (Rho, Delta, Vega, among others). Meanwhile, portfolios that serve a structural mandate consist of debt instruments whose structure is defined by a long-term vision which can be complemented with derivative financial instruments in order to reduce the sensitivity of the portfolios to adverse movements in interest rates.

In addition to the standard model required by the Financial Superintendence of Colombia (SFC), Davivienda has adopted to manage market risk sensitivity, positions, durations and deadline measures, and value at risk measures (VaR).

Interest rate and exchange rate risk

Davivienda uses the standard measurement model, control and management of market risk, defined by the SFC, focusing on consumption and capital allocation. This methodology starts from the mapping of the asset and liability positions of the investment portfolio subject to changes in interest rates in certain areas and bands starting from the duration of each instrument. It also includes the net exposure to exchange rates of the treasury and banking books.

As a complement Davivienda uses the RiskMetrics methodology developed by JP Morgan, which provides a parametric VaR approach. Likewise, the calculation scheme includes measurements of absolute VaR, Component VaR (CVaR) and relative VaR. Depending on the type of portfolio, it define which are the best complementary measures to be used. The model has tools to analyze the effects on the portfolios in the face of market stress scenarios (stress test), as well as mechanisms for performance evaluation of the model through Backtesting analysis. These measurements are applied at a consolidated level, at company level and at product level.

The backtesting process is intended to validate the VaR model and its predictive power with respect to the actual evolution of income / loss from the investment portfolios. This performance test is based on the Kupiek test (1995), generating a statistical measure of confidence in the model taking a significant number of observations (255 data). Also, clean and dirty tests of the model at a portfolio level are done, as well as asset class and product on a weekly and monthly tests are performed.

According to the standard model, the value at risk on December 31st, 2015, December 31st and January 1st, 2014 was as follows:

Maximum, minimum and average values of the Value at Risk (in millions of pesos)

	December 31, 2015			
	Minimum	**Average**	**Maximum**	**Last**
Interest Rates	201.475	222.332	252.779	203.633
Exchange Rate	43.472	57.104	71.466	68.316
Shares	-	-	-	-
Collective portfolios	-	-	-	-
VeR Total	262.082	279.436	300.524	271.949

	December 31, 2014			
	Minimum	**Average**	**Maximum**	**Last**
Interest Rates	142.471	181.314	207.380	203.662
Exchange Rate	41.955	44.785	50.324	50.324
Shares	-	-	-	-
Collective portfolios	-	-	-	-
VeR Total	184.426	226.100	253.986	253.986

	January 1st, 2014			
	Minimum	**Average**	**Maximum**	**Last**
Interest Rates	182.582	262.815	342.895	206.392
Exchange Rate	43.160	45.455	46.900	46.355
Shares	-	-	-	-
Collective portfolios	-	-	-	-
VeR Total	225.741	308.270	388.902	252.747

Davivienda, in addition to management under normal conditions makes scenario stress measurements based primarily on quantitative techniques, seeking to find through relationships between variables and the worst historical scenarios in order to assess how the generated volatilities and devaluations that were evidenced under these scenarios may impact the current portfolio and thus quantify the capital that the company would require if it were in a crisis. To do this, statistical tools are used and these worst events are applied to the current situation of the portfolio.

Within the framework of quantitative techniques, two voltage estimation methodologies have been implemented. . The first, is a stressed VaR, which represents the maximum expected extreme loss in one day according to historical events (stress scenarios). It represents the estimated value at stressed risk for a given time using volatilities and EWMA (for its acronym Exponentially-Weighted Moving Average) correlations

The second technique is a sensitivity analysis based on the largest depreciations, recorded along local and international financial crisis, with which portfolios are impacted in the different risk factors.

Risk of changes in exchange rates

Davivienda is exposed to changes in the exchange rates, first as a product of its international presence through its subsidiaries in the Central American and American markets, and secondly because of its trading activities in the foreign exchange market.

The banking book has exposure to currencies like the American dollar, the Lempira from Honduras and the Costa Rican CRC. These exposures are the result of the presence that Davivienda has in these countries through its subsidiaries and are managed by financial hedging strategies that seek to reduce the sensitivity of the income statement and of the patrimony. The coverages are defined in terms of the depth of market instruments for each currency and on the basis of a prospective analysis of economies and the juncture of the market.

The management of the exchange position of the balance is part of the established regulations of the Colombian Bank of the Republic, which are restricted, depending on the assets of the entity, long positions and short maximum coins.

The most significant balance sheet positions in foreign currency are in American dollars, followed by the positions of the Central American currencies, as detailed below.

The net positions (assets minus liabilities) in currencies are presented below. Figures in millions

	December 31, 2015		December 31, 2014		January 1, 2014	
	Currency Net Balance	Pesos Net Balance	Currency Net Balance	Pesos Net Balance	Currency Net Balance	Pesos Net Balance
America Dollar	**(322)**	**(1.014.056)**	**(211)**	**(503.760)**	**(95)**	**(182.717)**
Lempira	**2.427**	**341.802**	**2.046**	**(227.541)**	**2.779**	**259.931**
Colon	85.390	505.595	76.804	344.532	95.338	366.298
Others	(1)	(4.209)	(2)	(4.411)	(2)	(4.108)
Total	-	**(170.868)**	-	**63.902**	-	**439.403**

Figures statedin USD in te "Balance Currency" column

The estimated effect for the increase or decrease by 1% in the exchange rate of the US dollar, keeping the other exchange rates constant, compared to the current exchange rate on December 31st, 2015, would be +/- 10,141 million pesos.

Interest rate risk in the balance sheet structure

Financial assets and liabilities of the Bank are exposed to possible fluctuations in market rates and prices. These variations have a direct impact on net interest income and results of the entity. For this reason, methodologies are used to sensitize financial instruments to changes in rates, and track the assets and liabilities, their durations and repricing.

The sensitivity of interest-bearing assets and liabilities with financial cost are presented. In this way, by December 31st, 2015, an increase or decrease of 50 basic points in interest rates could have caused a decrease or increase, respectively, of 16,605 million of the Bank’s margin throughout the year. By 2014 this sensitivity would have been 6.229 million.

(Millions of Colombian Pesos (COP))

	December 31, 2015				
	Average	Income/	Rate	50pb Impact	
	Monthly	Expense	Average	Increase	Decrease
Financial Assets bearing interests					
Money market operations	353.016	26.774	7,6%	1.765	(1.765)
Legal currency	286.884	19.188	6,7%	1.434	(1.434)
Foreign currency	66.132	7.586	11,5%	331	(331)
Investment in negotiable debt securities and availables	4.940.252	232.560	4,7%	(9.992)	9.992
Legal currency	4.746.402	227.410	4,8%	(8.617)	8.617
Foreign currency	193.850	5.150	2,7%	(1.375)	1.375
Investments in debt securities to maturity	1.202.368	80.151	6,7%	6.012	(6.012)
Legal currency	1.202.368	80.151	6,7%	6.012	(6.012)
Foreign currency	-	-	0,0%	-	-
Credit portfolio	44.518.583	4.933.829	11,1%	143.845	(143.845)
Legal currency	40.159.370	4.764.971	11,9%	122.161	(122.161)
Foreign currency	4.359.214	168.858	3,9%	21.684	(21.684)
Total assets in local currency	**46.395.023**	**5.091.721**	**11,0%**	**120.991**	**(120.991)**
Total assets in foreign currency	**4.619.196**	**181.594**	**3,9%**	**20.639**	**(20.639)**
Total interest-bearing assets	**51.014.219**	**5.273.314**	**10,3%**	**141.630**	**(141.630)**
Financial liabilities with Financial cost					
Public deposits	35.866.894	1.105.587	3.1%	107.531	(107.531)
Legal currency	34.781.089	1.097.274	3.2%	104.300	(104.300)
Foreign currency	1.085.805	8.313	0.8%	3.231	(3.231)
Bonds	8.107.587	529.403	6.5%	23.122	(23.122)
Legal currency	5.315.328	407.882	7.7%	23.122	(23.122)
Foreign currency	2.792.259	122.521	4.4%	-	-
Money market operations	1.478.301	67.523	4.6%	7.392	(7.392)
Legal currency	1.420.833	67.475	4.7%	7.104	(7.104)
Foreign currency	57.467	48	0.1%	287	(287)
Loans from entities	4.038.250	131.174	3.2%	20.191	(20.191)
Legal currency	1.522.314	87.579	5.8%	7.612	(7.612)
Foreign currency	2.515.936	43.595	1.7%	12.580	(12.580)
Liability in local currency	**43.039.565**	**1.660.210**	**3.9%**	**142.138**	**(142.138)**
Liability in foreign currency	**6.451.467**	**173.476**	**2.7%**	**16.098**	**(16.098)**
Total liabilities with Financial cost	**49.491.032**	**1.833.686**	**3.7%**	**158.236**	**(158.236)**
Total net financial assets subject to risk of interest rate	**1.523.187**	**3.439.628**		**(16.605)**	**16.605**
Legal currency	3.355.458	3.431.511		(21.147)	21.147
Foreign currency	(1.832.271)	8.177		4.542	(4.542)

(Millions of Colombian Pesos (COP))

	December 31, 2014				
	Average	Income/	Rate	50pb Impact	
	Monthly	Expense	Average	Increase	Decrease
Financial Assets bearing interests					
Money market operations	368.678	20.151	5,5%	1.843	(1.843)
Legal currency	313.906	13.847	4,4%	1.570	(1.570)
Foreign currency	54.771	6.304	11,5%	274	(274)
Investment in negotiable debt securities and availables	4.342.857	206.916	4,8%	(2.805)	2.805
Legal currency	4.215.338	201.654	4,8%	(2.410)	2.410
Foreign currency	127.519	5.262	4,1%	(395)	395
Investments in debt securities to maturity	1.259.276	58.058	4,6%	6.296	(6.296)
Legal currency	1.259.276	58.058	4,6%	6.296	(6.296)
Foreign currency	-	-	0,0%	-	-
Credit portfolio	37.654.487	4.103.739	10,9%	119.305	(119.305)
Legal currency	34.460.964	3.986.882	11,6%	103.380	(103.380)
Foreign currency	3.193.523	116.856	3,7%	15.925	(15.925)
Total assets in local currency	**40.249.485**	**4.260.468**	**10,6%**	**108.836**	**(108.836)**
Total assets in foreign currency	**3.375.813**	**128.423**	**3,8%**	**15.804**	**(15.804)**
Total interest-bearing assets	**43.625.298**	**4.388.891**	**10,1%**	**124.640**	**(124.640)**
Financial liabilities with Financial cost					
Public deposits	**31.582.169**	845.252	2,7%	90.852	(157.911)
Legal currency	30.638.191	838.304	2,7%	87.702	(87.702)
Foreign currency	943 978	6.948	0,7%	3.150	(3.150)
Bonds	6.652.774	385.549	5,9%	19.973	(19.973)
Legal currency	4.414.003	296.903	6,7%	19.973	(19.973)
Foreign currency	2.112.771	88.647	4,2%	-	-
Money market operations	588.465	25.666	4,4%	2.942	(2.942)
Legal currency	485.081	25.598	5,3%	2.425	(2.425)
Foreign currency	103.384	68	0,1%	517	(517)
Loans from entities	3.420.320	123.361	3,6%	17.102	(17.102)
Legal currency	1.772.557	96.476	5,4%	8.863	(8.863)
Foreign currency	1.647.762	26.885	1,6%	8.239	(8.239)
Liability in local currency	37.309.832	**1.257.281**	**3,4%**	**118.963**	**(118.963)**
Liability in foreign currency	**4.807.896**	**122.547**	**2,5%**	**11.906**	**(11.906)**
Total liabilities with Financial cost	**42.117.728**	**1.379.828**	**3,3%**	**130.869**	**(130.869)**
Total net financial assets subject to risk of interest rate	**1.507.570**	**3.009.064**		**(6.229)**	**6.229**
Legal currency	**2.939.653**	3.003.188		(10.127)	10.127
Foreign currency	(1.432.083)	5.876		3.898	(3.898)

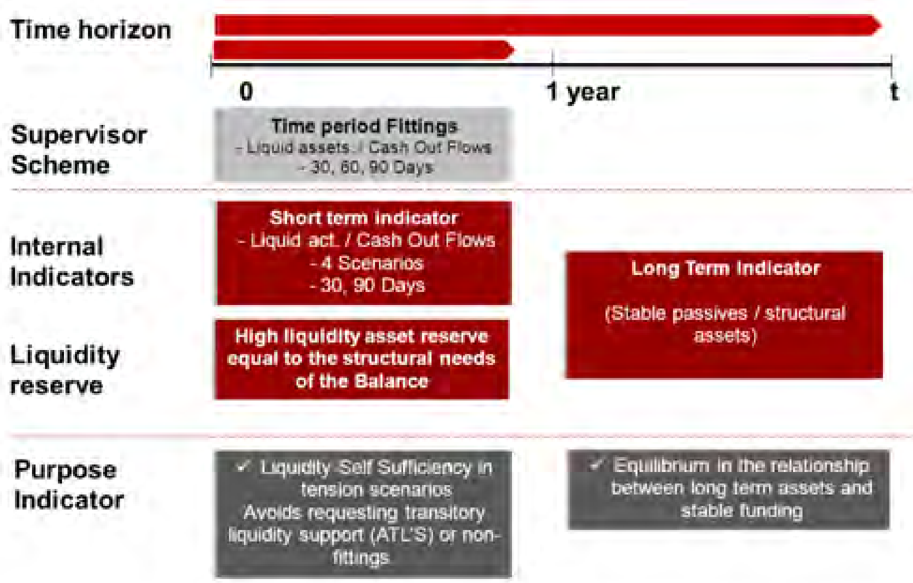
9.1.2.2. Liquidity Risk

Liquidity risk is materialized in the contingency of being unable to comply fully, in a timely and efficient manner the cash flows expected and unexpected, current and future, without affecting the course of daily operations or the financial condition of the entity. This contingency (funding liquidity risk) is manifested in insufficient liquid assets available to it and / or the need to assume unusual funding costs. In turn, the ability of institutions to generate or break financial positions at market prices, is limited either because there is no adequate market depth or because drastic changes occur in rates and prices (liquidity risk market). Similarly, for businesses that are funded through deposits, liquidity risk includes the ability to generate a structure of stable long-term funding to maintain illiquid assets, in line with the business strategy, and able to serve unanticipated stressful situations.

The strategic principles under which liquid risk management is governed in Davivienda are:

- ✓ Permanent availability of high quality liquid assets, according to the balance sheet structure and risk appetite.
- ✓ Self-reliance should prevail in Davivienda's balance and each of its subsidiaries in a liquidity crisis.
- ✓ Do not overestimate the availability of liquid assets; that is, we must constantly assess the level of liquidity of the assets that are part of the reserves and anticipate changes.
- ✓ Mitigate reputational risk, so that with its own resources the ability to address adverse situations without compromising the compliance with current regulations and reduce the likelihood of requiring to temporary support from state entities.

To comply with these principles, the risk management scheme, which complements the standard models of the Supervisory Bodies, has a number of indicators, limits and alerts for short and long term that are managed daily by the Treasury and periodically by the areas responsible for the balance sheet structure, as set forth below:



The methodologies used to estimate liquidity risk consists, for short-term effects in calculating the cash flows of the assets, liabilities and off balance sheet positions in different time bands, allowing to permanently monitor the liquidity gap. For long-term management, the methodologies focus on the analysis of funding sources, its composition at the segment's and product's level, and the characterization of assets and liabilities that have not defined permanence conditions.

Davivienda has a defined policy to maintain a required minimum size portfolio, invested in highly liquid assets so that a crisis can be addressed in a moderate scenario, without resorting to temporary liquidity support provided by the Bank of the Republic. The size of the portfolio or the liquidity reserve is determined based on an estimate of withdrawals, in a situation of stress, affecting the volatile components of the deposits of both the individuals as well as the institutional ones. Thereof, in the estimation of the liquidity reserve it is incorporated in a prospective way the defined funding strategy in the bank's growth plan to guarantee sufficient liquidity assets in accordance with the balance sheet structure and the desired risk profile.

Meanwhile, the assets of the liquidity reserve must have minimum characteristics like being eligible as collateral for Central Banks, low credit and market risk, and quotes in wide and recognized markets. Additionally, these assets must be free of charge, ie, free from any contractual commitment or that they have not been previously pledged as collateral in conducting money market deposit rates or any other figure.

The standard indicator of liquidity risk SFC (IRL) that compares liquid assets available versus net outflows of short-term cash, is characterized by the acidity that defines the liquidity needs. The main variables in the model consist of a run on deposits of at least 10%, contractual expense flows that do not consider renewal rates, as well as punished cash flow income.

The IRL is measured for the seven, fifteen, thirty and ninety day-time bands. The SFC sets limits for the first and third band, forcing the liquidity gap to be greater than or equal to zero. The ninety day band is a highly adverse scenario, in which at least 30% of the deposits are removed, along with the realization of the outflow of resources because of all contractual liability maturities. Given these assumptions, this scenario is taken as a reference only.

The result of standard liquidity indicator is presented below - IRL for the 31st of December 2015, December 31st and January 1st, 2014 (Figures in millions of pesos).

	December 31, 2015			
Bands	**Minumum**	**Average**	**Maximum**	**Last**
7 days.	5.704.561	6.662.698	7.668.013	6.869.303
15 days.	4.865.416	5.550.507	6.174.514	5.643.076
30 days.	2.654.790	3.608.147	4.710.729	3.707.040

	December 31, 2014			
Bands	**Minumum**	**Average**	**Maximum**	**Last**
7 days.	5.149.185	6.521.868	7.442.887	6.438.208
15 days.	4.161.416	5.554.035	6.635.943	5.194.935
30 days.	2.137.591	3.524.000	4.782.078	2.701.032

	January 1, 2014			
Bands	**Minumum**	**Average**	**Maximum**	**Last**
7 days.	6.034.120	7.062.423	8.657.382	6.034.120
15 days.	5.173.184	6.185.125	7.892.167	5.173.184
30 days.	2.876.287	4.314.014	6.547.167	2.876.287

Product of the internal policies and Davivienda's conservative profile in managing liquidity, the standard SFC model reflects an excess of liquid assets to a horizon of 30 days of 3.6 trillion pesos on average for 2015. The Bank's liquid assets, according to the standard SFC model, are located around seven trillion pesos. These are primarily composed of cash, securities accepted in monetary expansion operations by the Bank of the Republic and other debt securities.

The notes 11.13, 11.15 and 11.16 the contractual maturity of liabilities of the balance sheet cut as of December 31st, 2015, December 31st and January 1st, 2014 is presented

9.1.3. Risk Management System for Money Laundering and Financing of Terrorism (SARLAFT)

The Bank and its Subsidiaries have adopted and implemented a Anti-Money Laundering and Control of the Financing of Terrorism Compliance Program (AML-CFT), based on the risk event management LA-FT premise and its controls, including identification, measurement, control and monitoring, through the consolidation of information, implementation of a robust technological platform, using data mining methodologies, customer knowledge and financial operations, profiling of risk of different risk factors, design and implementation of mitigating controls, the definition and management of segments and risk characteristics of customers, products, distribution channels and jurisdictions, generating alert signals, analysis and monitoring of unusual transactions and suspicious transaction reports to the competent authorities in order to avoid being used to give the appearance of legality to assets derived from illegal activities and / or to finance terrorist activities, according to what is stated in the Basic Legal Circular (E.C.) 029 from 2014 issued by the Colombian Financial Superintendence and its subsequent updates, the ALD-CFT compliance program is regularly evaluated by internal control bodies as auditing and tax inspection.

The implementation of the compliance program in 2015 allows determining that the evolution of the consolidated risk of risk factors has remained stable during 2015, and within exposure thresholds categorized as low.

The AML-CFT Compliance Program is supported in a culture and organizational structure, policies, controls and procedures that are known and applied in the entire organization and which collect all the Colombian regulatory framework, as well as the international recommendations and best practices in this matter, especially those of the Financial Action Task Force (FATF).

The procedures and conduct rules on the implementation of all control mechanisms and instruments are integrated in the Compliance Manual and the Code of Conduct that is of general knowledge and access to all officials of the entities of Grupo Empresarial Bolivar. The Bank and its Subsidiaries regularly conduct training programs to its employees, third parties, partners, suppliers, among others, seeking to create awareness and commitment to each of them in mitigating crimes coming from money laundering and / or terrorist financing through the group's entities.

In compliance with the established rules, the Board of Directors appointed a Compliance Officer and his deputy, who are duly recorded with the Colombian Financial Superintendence.

The Bank and its subsidiaries have adopted an organizational culture, policies, controls and procedures to comply with the guidelines established by the Tax Law on Foreign Accounts (FATCA) for this purpose our Entities are duly registered with the IRS and have obtained the respective Global Intermediary Identification Number (GIIN), with which they certify their participation in that law.

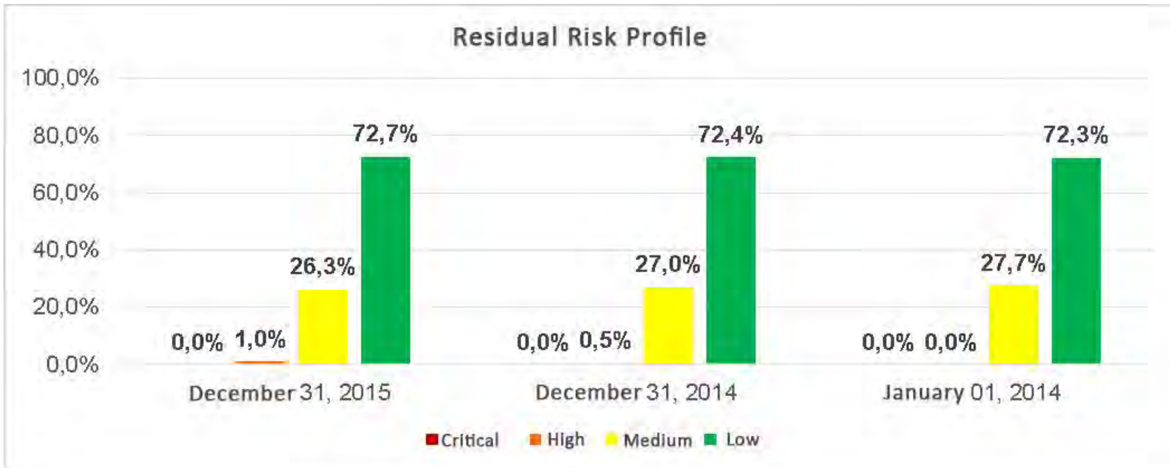
9.1.4. Internal Control System - SCI

The Bank in accordance with the Corporate strategic plan, said that during 2015 the controls are up to date in its processes and offer new products and services so that the expected results are achieved within set times and according with the dynamics of business and the environmental changes.
To achieve sustainability of the internal control system, the Bank has established a monitoring structure in the processes to ensure that key controls are applied in the manner, time and place established and when required the necessary corrective actions are taken to ensure effectiveness.
Self-control integration in different areas has allowed the development of operational processes with quality and required effectiveness.
Likewise, the Bank complies with the legal requirements established in External Circular 038 of 2009 of the Colombian Financial Superintendence.

9.1.5. Financial Consumer Service System - SAC

As they have oriented the strategic plan of the Bank with the model of customer service, they have been creating necessary processes to achieve the assurance of customer and financial consumer satisfaction, making a detailed analysis on all those requests and complaints that are presented in the entity, evaluating their causes and determining necessary action plans to mitigate them.
This process is a model of continuous application that allows us to take preventive action to control the various risks and keep them within the tolerance levels set by the Board as can be seen in the following comparative profiles December 31st, 2015, December 31st, 2014 and January 1st, 2014.

(Millions of Colombian Pesos (COP))



December 31, 2015					December 31, 2014					January 1, 2014				
Risks				Controls	Risks				Controls	Risks				Controls
Low	Medium	High	Critical		Low	Medium	High	Critical		Low	Medium	High	Critical	
429	155	6	0	1.021	426	159	3	0	704	423	162	0	0	568

Likewise, the Financial Consumer attention model applied by the Bank allows us to comply with the provisions of Law 1328 of 2009 and the External Circular 015 of 2010 of the Colombian Financial Superintendence.

9.1.6. Management System of the Operational Risk - SARO

In the operational risk management the Vice President of Risk and Financial Control is responsible for ensuring the integrity of business processes and the ability to maintain services available to customers and partners, whose main purpose is the transparency in business management.

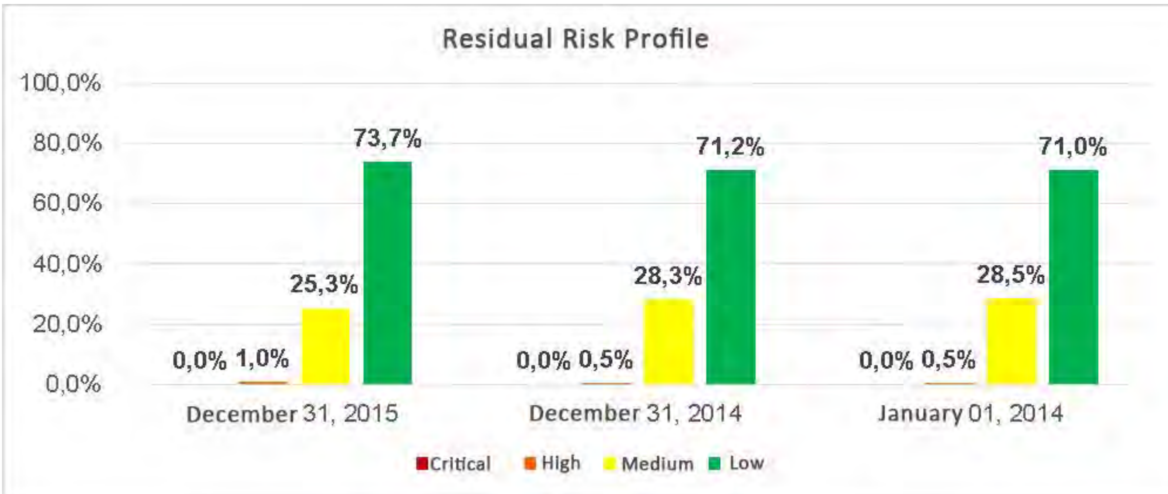
The SARO Committee has been established as the body responsible for ensuring compliance with the SARO dispositions established by the Colombian Financial Superintendence, and to the Risk and Financial Control Vice President in the compliance of the functions which by law have been assigned to the Legal Representative of the Entity.

The Management System of the Operational Risk (SARO) Manual is to define and publicize the policies and methodology implemented in Banco Davivienda for the identification, measurement, control and monitoring of operational risks and the management of events aimed to mitigate the adverse effects that may affect the achievement of organizational objectives and expected results, in accordance with legal requirements.

In each of the processes implemented in the Bank, the Operational Risk teams in conjunction with process owners, made a detailed analysis of procedures identifying risks that may arise and determine the controls that must be applied to ensure reasonable consistency in income and / or expenses of the different businesses and the mitigation of losses that may arise due to failures or operational inconsistencies.
When events are presented a detailed plan to identify their causes and determine the action plans necessary to prevent resubmitted analysis is performed.

Management in operational risk management has allowed the Bank to maintain risks within the tolerance levels set by the Board as observed in the comparative risk profile from 2015 to 2014.

(Millions of Colombian Pesos (COP))



December 31, 2015						December 31, 2014						January 1, 2014					
	Risks						Risks						Risks				
Processes					Controls	Processes					Controls	Processes					Controls
	Low	**Medium**	**High**	**Critical**			**Low**	**Medium**	**High**	**Critical**			**Low**	**Medium**	**High**	**Critical**	
134	1.080	371	14	0	3.657	114	1.032	410	7	0	3.263	91	1.012	406	7	0	2.810

Likewise, the Bank with its operational risk management complies with the legal requirements established in the External Circular 041 of 2007 of the Colombian Financial Superintendence.

9.1.7. Management System for Environmental and Social Risk (SARAS)

The Management System for Environmental and Social Risk (SARAS), has been established in Davivienda to identify, classify, assess environmental and social risks, request action plans and monitor management and control measures established by our customers and third parties towards the potential environmental and social impacts as well as climate change that may arise in their projects and / or activities. The system takes into account local environmental and labor standards, and covers aspects such as pollution prevention, protection of biodiversity, climate change and human rights. The system takes into account local environmental and labor standards, and covers aspects such as pollution prevention, protection of biodiversity, climate change and human rights.

It applies in corporate credit lines, business, builder and evaluation of strategic suppliers of the Bank in accordance with the established policies depending of the amounts, terms and sensitive sectors.

In 2015 we evaluated 199 credit operations of the Corporate, Business and Builder segments for a total amount of 3.7 trillion pesos.

SARAS is supported with training and ongoing disclosure activities with commercial, operational and risk officials involved in the process.

In 2015 we continue participating in the working sessions of the Green Protocol, an initiative between the Financial Sector through Asobancaria and the National Government to promote the country's sustainable development and work on environmental preservation and sustainable use of natural resources. As part of the implementation of Green Protocol strategies tools have been developed for the common benefit and are sharing best practices for managing environmental issues within financial institutions linked to the initiative.

9.1.8. Fraud Risk Management System (SARFA)

The Fraud Risk Management System (SAFRA) is transversal to all of the Organization's processes, it is part of the Corporate Risk Management System (ERM) and it complies with the norms established in the SARO system framework. This system is deployed by a specialized team that analyzes each stage of the fraud management cycle (prevention, detection, mitigation, analysis, government, investigation, prosecution and deterrence), generating controls and policies that protect the organization, its customers, shareholders and other stakeholders. Every decision taken reflects the organization's risk levels, seeking a balance between the level of fraud prevention and the impact on the customer and the business.
The Bank has generated and formalized the fraud management cycle, which was endorsed by the Fraud Risk Committee in 2015, which allows the articulation of the anti-fraud strategy with risk management systems.

9.1.9. Security of the information

Continuing with the compliance of the External Circular 052 of 2007, External Circular 022 of July 2010 and the External Circular 042 from the 17th of October 2012 from the Colombian Financial Superintendence, the Bank includes these requirements in the development of each of the projects starting from the planning stage and a verification of the compliance with regulatory requirements of this standard is done. Similarly, these requirements are taken into account in the improvement process and optimization that is made, ensuring permanence and sustainability over time.

With the publication of the External Circular 042 on October 17th, 2012, it was confirmed that the Bank complies with the safety requirements on the Mobile Banking channel, additionally, on the requirements related to EMV (European MasterCard and Visa, interoperability standard IC cards - Cards with microprocessor). The Bank began issuing cards timely with a Chip since the beginning of 2011. Regarding the ATM channel, the update process that ensures EMV functionality at the Issuer's level was performed. The Information Security area performs internal monitoring follow-up to identify the compliance level and possible risks, confirming that we continue within the regulatory framework effectively.

The Bank will continue to research new trends, threats, tools and control mechanisms that will allow us to mitigate risks and maintain acceptable levels for the business. Putting these controls available and serving our customers by ensuring the delivery of products and services with high quality and safety levels.

10. Corporate Governance - Risk Management

A set of principles have been defined and risk policies that clearly define the Bank's risk levels, while establishing authority levels and the responsible ones that must perform the risk management. Based on the risk approach, the Board of Directors is the highest management organ and control of the risk management, which in turn is supported on a Corporate Risk Committee that incorporates in its assessment and control of all of the risk aspects identified in the organization.

Risk management runs through the Vice President of Risk and Financial Control and the Risk Investment Vice President who reports to the Corporate Risk Committee of the Bank it being a committee of the Board with two active members.

Boards of Directors

The members of the Boards of Directors of both Davivienda and its Subsidiaries, as main managers of corporate governance deeply assess the risks associated with the business and they support the work done by the oversight and control bodies.

The authority, guidance and oversight to senior management will come from the Board of Directors, so that its members will have adequate experience and knowledge about the activities, objectives and structure of the respective entity.

The Board is the body responsible for risk issues, like to:

- Evaluate, approve and oversee the management of corporate risks in the Bank and Subsidiaries
- Approve the appetite and risk tolerance of the institution and the general corporate risk scheme.
- Ensure that the risk management mechanisms of the entity will provide an appreciation of most of the risks related to the strategy and objectives.

Internal Audit

- Supervise the risk management model of the Bank and Subsidiaries
- Perform a follow up the recommendations that arise from the control process, or guidelines of the Risk Committee and Board of Directors or equivalent authority.
- Provide assistance to management by monitoring, reviewing, evaluating and reporting on risk management and recommending improvements regarding the adequacy and effectiveness of the ERM processes.

Corporate Risk committee

- Propose the risk appetite framework to be approved by the Board and ensure compliance.
- Perform comprehensive analysis of the different risks to which Banco Davivienda and its Subsidiaries are exposed to.
- Monitor risk exposures and contrast these exposures to risk levels approved by the Board.

Management Risk Model

The Bank's risk management is approached from the business done in personal, business and treasury banking, managing its risks within a clear segregation framework of duties that allow independence in the analysis and control of the associated risks. The vice president in charge of each business unit (personal, businesses and treasury) is responsible for the risks generated by decisions taken within the approved framework by the authorized bodies and committees, business boards and Board of Directors.

In addition, specialized areas at risk are responsible of promoting the appropriate control scheme of each of the risks. So, from the Risk and Financial Control Vice-presidency the financial risks to which the Bank is exposed to are valued. The granting policies are administered, the risk assessment for the massive portfolios, SMEs, business and corporate is done and a balance risk - profitability is maintained.

For the Personal Banking segment, the Personal Banking Credit Vice-Presidency is responsible for the assessment, management and collection of all credit lines. The approval is based on a pyramidal structure with defined power limits. Similarly, there are credit committees with collegiate decision. For these credit products, it has bestowal scores, which have been built based on their own historical information and evaluating customer variables, his behavior and indebtedness in the financial sector, the product and the warranty. There are also methods developed to segment the homogeneous groups the universe of credits and in this way be able to individually assign the risk levels.

In the SME and Corporate segment, the credit assessment lies with the Corporate Credit Vice Presidency, which is responsible for analyzing credit applications, of tracking current obligations, of assigning risk categories and arrange the recovery in cases that it merits.

The Corporate Credit Vice President is also responsible for granting credit terms to national and international companies whose economic activity is framed within the rules and conditions set forth by the Companies Superintendence, as well as by the Bank. To meet this goal a thorough analysis of the creditworthiness of the companies is done. A macroeconomic and microeconomic assessment of the conditions in which it operates, the culture, strategy, policies, procedures and the various quantitative, qualitative and size risks are analyzed as well as the importance of the economic sector in which it operates is discussed.

(Millions of Colombian Pesos (COP))

Finally, managing market and liquidity risk, as well as the Treasury is carried out from the Risk Investment Vice President. He has designed and implemented a robust structure of exposure limits to the various risks to control the portfolios and the activities undertaken to carry out their management thereof.

11. Balance sheet specific statement

11.1. Cash and cash equivalents

11.1.1. Details of the Available

The details of the Available in legal and foreign currency, reduced to legal currency, are as follows:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Legal currency			
Cash and balances with banks	3,071,229	2,309,385	2,429,833
Exchange and remittances in transit	21.820	21.961	26.622
Subtotal Legal currency	**3,093,049**	**2,331,346**	**2,456,455**
Foreign currency			
Cash and balances with banks	809.846	653.388	517.352
Exchange and remittances in transit	5.036	5.113	1.262
Subtotal Foreign Currency	**814.882**	**658.501**	**518.614**
Total Available	**3,907,931**	**2,989,847**	**2,975,069**

The Petty Cash and the Bank of the Republic balance in legal currency, compute for the required reserve purposes that the Bank must maintain on the deposits received from customers, according to the laws. These deposits do not have remuneration.

11.1.2. Reserve and Restricted Cash

On deposits and requirements we had restricted deposits that are intended to support the customer withdrawals in regulatory compliance with the reserve as follows:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Average reserve requirements	2,856,364	2,598,269	2,488,408
Average reserve available	2,883,521	2,612,059	2,515,794

Further in accordance with current regulations, the Miami Branch must maintain a cash reserve at the Federal Reserve Bank. The average amount was about USD$ 110 and USD$ 135 for 2015 and 2014, respectively.

11.1.3. Creditworthiness

The details of the creditworthiness determined by independent risk ratting agents of major financial institutions in which the Bank holds cash, is shown below:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Nation Guaranteed Republic Bank	1,797,399	1,231,630	1,518,904
Investment Grade	2,110,532	1,758,217	1,456,165
Total	**3,907,931**	**2,989,847**	**2,975,069**

(Millions of Colombian Pesos (COP))

11.2. Active positions in Money Market Operations

The following is the detailed information of the sold interbank funds and the resale agreements:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Foreign currency			
Overnight Foreign Banks	0	0	38.352
Interbank	60.486	46.686	0
	60.486	46.686	38.352
Legal currency			
Interbank	9.504	35.022	3.517
Simultaneous	245.614	241.948	339.001
	255.118	276.970	342.518
Total active positions in money market operations and related	**315.604**	**323.656**	**380.870**

The following is the detailed information of the interbank funds sold and the resale agreements:

December 31st, 2015

Entity	Amount in dollars	Rate Minimum - Maximum	Date Initiation	Due date	Amount in pesos	Due date (days)
Foreign currency						
Interbank	19,200,000	0.05% - 0.51%	06/27/2012	3/21/2016	60.486	91-1294
Legal currency						
Simultaneous*		2.5% - 7.0%	12/28/2015	1/19/2016	245.614	4 - 19
Interbank*		5.86%	12/28/2015	1/5/2016	9.504	5
Total active positions in money market operations and related					**315.604**	

December 31st, 2014

Entity	Amount in dollars	Rate Minimum - Maximum	Initiation	Date Due date	Amount in pesos	Due date Months
Foreign currency						
Overnight Foreign Banks						
Interbank*	19,510,035	0.1 - 1.0%	06/27/2012	3/10/2015	46.686	30 - 932
Legal currency						
Simultaneous*		4.5% - 4.85%	12/15/2014	1/14/2015	241.948	5 - 14
Interbank*		4.56 - 4.61%	12/23/2014	1/5/2015	35.022	2 - 5
Total active positions in money market operations and related					**323.656**	

* Includes cash equivalents for less than 90 days for $ 255,118 for 2015 and $ 293,245 for 2014.

(Millions of Colombian Pesos (COP))

January 01st, 2014

Entity	Amount in dollars	Rate Minimum - Maximum	Date Initiation	Date Due date	Amount in pesos
Foreign currency					
Overnight Foreign Banks	19,904,388	0.1 - 1%	06/27/2012	4/21/2014	38.352
Legal currency					
Simultaneous		3.25% - 4.50%	12/11/2013	1/14/2014	339.001
Interbank		3.25% -3.25%	12/26/2013	1/2/2014	3.517
Total active positions in money market operations and related					**380.870**

The following is a breakdown of credit quality for money market operations:

Creditworthiness	December 31st, 2015	December 31st, 2014
Nation Guaranteed Republic Bank	0	194.105
Investment Grade	315.604	129.551
Total	**315.604**	**323.656**

11.3. Investment Financial Instruments

11.3.1. Investment because of classification, species and provisions

The classification of the financial investment instruments because if species and provisions is detailed as follows:

Concept	December 31st, 2015 Cost	Provision	Net	December 31st, 2014 Cost	Provision	Net	January 01st, 2014 Cost	Provision	Net
Negotiables									
Private Debt Bonds	170.317	472	169.845	192.457	0	192.457	135.695	0	135.695
Public Debt Bonds Different to Treasury Securities (TES)	57.747	0	57.747	17.746	0	17.746	56.915	0	56.915
DCT	280.645	0	280.645	229.546	0	229.546	152.640	0	152.640
Mandatory investments	2.834	0	2.834	1.018	0	1.018	11.477	0	11.477
Credit Content Title	4.436	0	4.436	5.282	0	5.282	10.577	0	10.577
Mortgage bonds and Real Estate Securitizations	132.343	3.357	128.986	214.063	1.894	212.169	338.579	0	338.579
TES Bonds	2,422,722	0	2,422,722	2,002,943	0	2,002,943	2,089,121	0	2,089,121
Subtotal Negotiables	**3,071,044**	**3.829**	**3,067,215**	**2,663,055**	**1.894**	**2,661,161**	**2,795,004**	**0**	**2,795,004**
Available for sale									
Debt Bonds									
Private Debt Bonds	11.310	0	11.310	28.368	0	28.368	23.293	0	23.293
Mortgage bonds and Real Estate Securitizations	175.689	575	175.114	161.571	840	160.731	160.133	0	160.133
TES Bonds	1,225,440	0	1,225,440	1,950,490	0	1,950,490	1,613,433	0	1,613,433
Equity Instruments	114.160	4.375	109.785	109.411	4.375	105.036	127.823	17.818	110.005
Subtotal Available for sale	**1,526,599**	**4.950**	**1,521,649**	**2,249,840**	**5.215**	**2,244,625**	**1,924,682**	**17.818**	**1,906,864**
Subtotal Available for sale and negotiable	**4,597,643**	**8.779**	**4,588,864**	**4,912,895**	**7.109**	**4,905,786**	**4,719,686**	**17.818**	**4,701,868**
To keep till its due date									
Mandatory investments	671.081	0	671.081	709.376	0	709.376	759.145	0	759.145
Mortgage bonds and Real Estate Securitizations	543.515	801	542.714	466.871	332	466.539	469.453	2.222	467.231
Subtotal to keep till its due date	**1,214,596**	**801**	**1,213,795**	**1,176,247**	**332**	**1,175,915**	**1,228,598**	**2.222**	**1,226,376**
Total net investments	**5,812,239**	**9.580**	**5,802,659**	**6,089,142**	**7.441**	**6,081,701**	**5,948,284**	**20.040**	**5,928,244**

(Millions of Colombian Pesos (COP))

The detail of provisions is as follows:

Provisions detail	December 31st, 2015	December 31st, 2014	January 01st, 2014
Issuing Bank			
Foreign Banks	472	0	0
Securitization	4.732	3.066	6.595
Corporate	4.374	4.375	0
Financial Institutions	2	0	13.445
Total	**9.580**	**7.441**	**20.040**
Provisions detail			
Negotiables	**3.829**	**1.894**	**0**
Foreign Banks	472	0	0
Securitization	3.357	1.894	0
Available for sale	**4.950**	**5.214**	**17.818**
Corporate	4.375	4.375	4.373
Financial Institutions	2	0	13.445
Securitization	573	839	0
To keep till its due date	**801**	**333**	**2.222**
Securitization	801	333	2.222
Total	**9.580**	**7.441**	**20.040**

11.3.2. Investments classified according to the risk and provision classifier

The following is a breakdown of financial investment instruments by risk rating and provision:

Concept	December 31st, 2015			December 31st, 2014			January 01st, 2014		
	Cost	Partic. %	Provision	Cost	Partic. %	Provision	Cost	Partic. %	Provision
Long Term Qualification									
AAA	1,169,094	20%	0	443.823	7%	0	555.772	9%	0
AA+	177.904	3%	0	135.234	2%	0	77.000	1%	0
AA	14.718	0%	0	65.662	1%	0	153.242	3%	0
AA-	52.383	1%	0	35.197	1%	0	32.848	1%	0
A+	40.172	1%	0	70.096	1%	0	57.543	1%	0
A	91.671	2%	0	123.655	2%	0	160.526	3%	0
A-	50.050	1%	0	30.676	1%	0	17.385	0%	0
BBB+	126.632	2%	0	66.914	1%	0	57.425	1%	0
BBB	78.596	1%	0	120.221	2%	0	64.392	1%	0
BBB-	39.682	1%	516	61.693	1%	0	48.384	1%	0
BB+	5.847	0%	692	14.330	0%	1.589	12.720	0%	2.222
BB	17.638	0%	2.187	0	0%	0	0	0%	0
BB-	1.625	0%	169	4.660	0%	471	0	0%	0
B+	892	0%	326	902	0%	336	0	0%	0
B	3.035	0%	910	0	0%	0	0	0%	0
B-	1.334	0%	405	0	0%	0	0	0%	0
CCC	0	0%	0	1.334	0%	670	0	0%	0
Acciones	114.160	2%	4.375	109.411	2%	4.375	127.823	2%	17.818
Nación (*)	3,711,230	64%	0	4,080,739	67%	0	3,929,896	66%	0
Short Term Qualification									
1	96.028	2%	0	705.457	12%	0	634.187	11%	0
2	19.548	0%	0	19.138	0%	0	19.141	0%	0
Total Investments per Qualification	**5,812,239**	**100%**	**9.580**	**6,089,142**	**100%**	**7.441**	**5,948,284**	**100%**	**20.040**

(*) Do not present the calification because they correspond to bonds issued by the Colombian Finance Ministry, the issuer does not

(Millions of Colombian Pesos (COP))

11.3.3. Investments by issuer

The detail of the issuer Classification is as follows:

Concept	December 31st, 2015		December 31st, 2014		January 01st, 2014	
	Cost	Provision	Cost	Provision	Cost	Provision
Foreign currency						
Foreign Banks	76.361	472	81.820	0	48.006	0
Corporate	31.103	0	33.499	0	31.916	0
Foreign Governments	0	0	0	0	0	0
National Government	45.788	0	5.819	0	27.680	0
Regional Government and local authorities	0	0	0	0	0	0
Financial Institutions	10.905	0	15.880	0	14.429	0
Multilateral credit organisms	15.991	0	11.864	0	9.987	0
Legal currency						
Foreign Banks	30.676	0	0	0	0	0
Corporate	28.240	4.373	40.723	4.375	44.242	4.373
Foreign Governments	0	0	0	0	0	0
National Government	3,665,442	0	4,074,920	0	3,902,216	0
Regional Government and local authorities	0	0	223	0	669	0
Financial Institutions	1,056,186	2	981.268	0	900.973	13.445
Multilateral credit organisms	0	0	622	0	0	0
Securitization	851.547	4.732	842.505	3.066	968.165	2.222
Total Investments per Issuer	**5,812,239**	**9.580**	**6,089,142**	**7.441**	**5,948,284**	**20.040**

11.3.4. Qualification per Currency

Following the financial instruments of the investments for each currency is shown:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Pesos	3,507,186	4,372,080	5,442,332
Dollars	180.148	148.882	132.019
RVU(*)	2,124,905	1,568,180	373.933
Total Investments per Currency	**5,812,239**	**6,089,142**	**5,948,284**

(*) Real Value Unit

11.3.5. Classification by maturity of the Investment

The detail of the Classification by maturity of the investments is presented (not including equity securities):

December 31st, 2015

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Negotiables	1,019,929	1,572,730	251.066	227.318	3,071,043
Available for sale	119.248	1,001,648	207.780	83.764	1,412,440
To keep till its due date	671.081	0	333.869	209.646	1,214,596
Total	**1,810,258**	**2,574,378**	**792.715**	**520.728**	**5,698,079**

(Millions of Colombian Pesos (COP))

December 31st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Negotiables	430.396	1,552,967	552.164	127.528	2,663,055
Available for sale	345.690	1,499,273	211.703	83.762	2,140,428
To keep till its due date	699.903	9.473	79.356	387.516	1,176,248
Total	**1,475,989**	**3,061,713**	**843.223**	**598.806**	**5,979,731**

January 01st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Negotiables	373.262	1,529,219	342.008	550.515	2,795,004
Available for sale	406.077	1,053,801	245.210	91.771	1,796,859
To keep till its due date	654.310	112.377	116.937	344.974	1,228,598
Total	**1,433,649**	**2,695,397**	**704.155**	**987.260**	**5,820,461**

The following is a breakdown of creditworthiness for investments:

December 31st, 2015	**Fair Value**		**Amortized cost**
	Debt Bonds	**Equity Instruments**	
Creditworthiness			
Investment Grade	753.655	0	1,034,974
Issued and guaranteed by the Nation and/or the Central Bank	3,701,175	0	10.055
Speculation grade	28.653	0	1.719
Without a qualification or not available	0	114.160	167.848
Total	**4,483,483**	**114.160**	**1,214,596**

December 31st, 2014	**Fair Value**		**Amortized cost**
	Debt Bonds	**Equity Instruments**	
Creditworthiness			
Investment Grade	812.100	0	914.799
Issued and guaranteed by the Nation and/or the Central Bank	3,972,198	0	108.541
Speculation grade	19.186	0	2.039
Without a qualification or not available	0	109.411	150.868
Total	**4,803,484**	**109.411**	**1,176,247**

January 01st, 2014	**Fair Value**		**Amortized cost**
	Debt Bonds	**Equity Instruments**	
Creditworthiness			
Investment Grade	848.169	0	888.567
Issued and guaranteed by the Nation and/or the Central Bank	3,743,694	0	186.202
Speculation grade	0	0	12.720
Without a qualification or not available	0	127.823	141.109
Total	**4,591,863**	**127.823**	**1,228,598**

(Millions of Colombian Pesos (COP))

11.3.6. Provision (Deterioration) of the investments

The detail of the Provision (Deterioration) of the investments is as follows:

Concept	December 31st, 2015	December 31st, 2014
Initial Balance	7.441	20.040
Plus:		
Provision	2.249	2.973
Restatement	0	0
Minus:	-	-
Punishment	0	5.383
Reimbursement	110	10.189
Final balance	**9.580**	**7.441**

11.3.7. Investments in subsidiaries and associates

The detail of the investments in subsidiaries and associates is as follows:

December 31st, 2015

Corporate Namet	Partic. %	Acquisition cost	MPP	Adjusted cos	Cash Dividends
International Subsidiaries					
Banco Davivienda Panamá S.A.	100.00%	218.290	148.990	378.430	0
Banco Internacional Davivienda S.A. (Panamá)	100.00%	19.268	10.858	32.554	0
Grupo del Istmo Costa Rica S.A	100.00%	553.872	216.947	828.547	0
Inversiones Financieras Davivienda S.A.	96.12%	746.487	222.882	1,004,217	0
Banco Davivienda Honduras S.A.	94.22%	238.411	82.665	345.527	0
Seguros Bolívar Honduras S.A.	88.64%	60.373	4.662	75.337	5.382
		1,836,701	**687.004**	**2,664,612**	**5.382**
National Subsidiaries					
Corredores Davivivienda S.A.	91.64%	123.269	3.559	133.863	0
Fiduciaria Davivienda S.A.	94.70%	117.174	15.427	132.602	18.561
		240.443	**18.986**	**266.465**	**18.561**
Associates					
Multiactivos *	21.12%	4.319	0	4.319	0
Redeban Multicolor S.A.	26.04%	18.816	0	18.816	506
Titularizadora Colombiana S.A	26.85%	28.741	0	40.644	3.262
		51.876	**0**	**63.779**	**3.768**
		292.319	**18.986**	**330.244**	**22.329**
Total Investments in subsidiaries and associates		**2,129,020**	**705.990**	**2,994,856**	**27.711**

* In this company the bank has 2,548,940 shares and filed for grounds for liquidation as of December 29th, 2015

The Bank's compliance with the External Circular 034 of 2014 of the Colombian Financial Superintendence, records the investments in subsidiaries by the equity method from January 1st, 2015. Consequently, the uniformity in the application of the Accounting Standards and Financial Information accepted in Colombia are affected in the previous period.

(Millions of Colombian Pesos (COP))

The value of the assets, liabilities and equity homogenates are the calculating basis for the method of equity participation is as follows:

Company	Participation	Total assets	Total Liabilities	Total equity	(Profits/ Loss)
Subsidiaries)					
Fidudavivienda S.A	94.7%	156	18	139	26.190
Corredores Davivienda S.A	91.6%	102	36	66	3.888
Banco Davivienda Panamá Lic General	100.0%	4,241,303	3,827,082	414.221	25.623
Banco Davivienda Panamá Lic Internacional	100.0%	372.410	343.588	28.823	-7.011
Grupo del Istmo S.A	100.0%	6,940,620	6,313,714	626.905	68.664
Inversiones Financieras Davivienda S.A	96.1%	898.831	79.333	819.498	79.278
Banco Honduras Davivienda S.A	94.2%	3,388,432	3,072,046	316.386	44.380
Seguros Honduras S.A	88.6%	237.434	162.059	75.376	10.764
Total Investments in subsidiaries		16,079,288	13,797,875	2,281,413	251.777

Investments in subsidiaries were recognized as of December 2014 and ESFA (January 1st 2014) in accordance with the criteria set out in Chapter I of the Basic Accounting and Financial Circular of the Colombian Financial Superintendence outstanding at December 31st, 2014 and at the deemed IFRS 1 cost, respectively (See Note 3 and literal note).

December 31st, 2014

Corporate Namet	Partic. %	Acquisition cost	Valuation	Adjusted cos	Cash Dividends
International Subsidiaries					
Banco Davivienda Panamá S.A.	100.00%	237.559	91.927	343.064	0
Grupo del Istmo Costa Rica S.A	100.00%	553.872	32.654	644.254	8.216
Inversiones Financieras Davivienda S.A.	96.12%	746.487	4.044	858.343	65.789
Banco Davivienda Honduras S.A.	94.22%	238.411	18.398	281.261	15.585
Seguros Bolívar Honduras S.A.	88.64%	60.373	2.998	80.578	0
		1,836,702	**150.021**	**2,207,500**	**89.590**
National Subsidiaries					
Corredores Davivienda S.A.	94.90%	109.350	1.394	112.155	0
Davivalores S.A.	79.00%	13.919	(1.017)	12.903	339
Fiduciaria Davivienda S.A.	94.70%	117.175	6.380	123.554	15.975
		240.444	**6.757**	**248.612**	**16.314**
Associates					
Multiactivos	21.12%	4.319	0	4.319	0
Redeban Multicolor S.A.	26.04%	18.816	0	18.816	0
Titularizadora Colombiana S.A	26.85%	28.742	0	40.644	4.711
		51.877	**0**	**63.779**	**4.711**
		292.331	**6.757**	**312.391**	**21.025**
Total Investments in subsidiaries and associates		**2,129,023**	**156.778**	**2,519,891**	**110.615**

(Millions of Colombian Pesos (COP))

January 01st, 2014

Corporate Namet	Partic. %	Acquisition cost	Valuation and Commercial Credit	Adjusted cos
International Subsidiaries				
Banco Davivienda Panamá S.A.	99.99%	56.070	181.488	237.558
Grupo del Istmo Costa Rica S.A	100.00%	344.532	209.340	553.872
Inversiones Financieras Davivienda S.A.	96.12%	446.140	300.348	746.487
Banco Davivienda Honduras S.A.	94.22%	173.056	65.355	238.411
Seguros Bolívar Honduras S.A.	88.64%	54.485	5.888	60.373
		1,074,283	**762.419**	**1,836,701**
National Subsidiaries				
Corredores Davivienda S.A.	94.90%	43.148	66.202	109.351
Davivalores S.A	79.00%	7.046	6.873	13.920
Fiduciaria Davivienda S.A.	94.70%	100.305	16.869	117.175
		150.499	**89.944**	**240.446**
Associates				
Multiactivos	21.12%	2.937	1.382	4.319
Redeban Multicolor S.A.	26.04%	8.230	10.586	18.816
Titularizadora Colombiana S.A	21.12%	14.563	14.178	28.741
		25.730	**26.146**	**51.876**
		176.229	**116.090**	**292.322**
Total Investments in subsidiaries and associates		**1,250,512**	**878.509**	**2,129,023**

The following is the movement in the investments in associates:

	December 31st, 2015(*)	December 31st, 2014(**)
Balance at the beginning of the period	63.779	51.877
Purchase of shares	0	11.902
Balance at the end of the period	**63.779**	**63.779**

* The dividends received by December 31st, 2015 are $3.769
** The dividends received by December 31st, 2014 are $4.711

(Millions of Colombian Pesos (COP))

11.3.8. Participation in joint operations

The summary of shares in joint operations corresponding to participation in personal business presents as follows:

	December 31st, 2015			December 31st, 2014		
	Assets	Liabilities	% Participation	Assets	Liabilities	% Participation
Credit portfolio	23.094	0	50%	1.617	0	50%
Interests	305	0	0%	11	0	0%
Other charges applicable	144	0	0%	9	0	0%
Total	**23.543**	**0**	**50%**	**1.637**	**0**	**50%**

Holdings in joint operations assets include:

	December 31st, 2015	December 31st, 2014
In Colombian pesos		
Credit portfolio	23.094	1.617
Interests	305	11
Other charges applicable	144	9
Total assets	**23.543**	**1.637**

Holdings in joint operations do not include balances in liabilities.

The following is the movement in the investments in joint businesses:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Balance at the beginning of the period	1.643	5	0
Accounts receivable and other concepts	23.543	1.638	5
Balance at the end of the period	**25.186**	**1.643**	**5**

11.4.Derivatives

The following is the summary of the derivatives held by the Bank:

December 31st, 2015

Product	Assets		Liabilities		Total
	National Amount	Fair Value	National Amount	Fair Value	
Cash transactions	0	204	0	10	194
Options Contracts	625.485	12.267	638.398	16.194	(3.927)
Future Contracts	97.349	0	97.349	0	0
Swap contracts	11,515,516	108.782	10,168,908	89.953	18.829
Forward Contracts	10,387,031	313.697	8,705,750	258.294	55.403
Total	**22,625,381**	**434.950**	**19,610,405**	**364.451**	**70.499**

(Millions of Colombian Pesos (COP))

December 31st, 2014

Product	Assets		Liabilities		Total
	National Amount	Fair Value	National Amount	Fair Value	
Cash transactions	0	0	0	2	(2)
Options Contracts	514.511	28.522	541.644	21.336	7.186
Future Contracts	66.500	0	66.500	0	0
Swap contracts	3,960,456	9.855	4,172,800	8.995	860
Forward Contracts	7,773,441	375.960	6,589,866	270.128	105.832
Total	**12,314,908**	**414.337**	**11,370,810**	**300.461**	**113.876**

January 1st, 2014

Product		Assets		Liabilities	Total
	National Amount	Fair Value	National Amount	Fair Value	
Cash transactions	0	4	0	1	3
Options Contracts	442	13.166	261	10.120	3.046
Future Contracts	64.189	0	64.189	0	0
Swap contracts	2,013,946	10.371	1,939,281	7.284	3.087
Forward Contracts	5,613,112	51.968	5,098,882	42.691	9.277
Total	**7,691,689**	**75.509**	**7,102,613**	**60.096**	**15.413**

The result of derivative speculations is as follows:

December 31st, 2015		Forward	Future	Swaps	Options	Total
Currency purchase	Rights	8,133,793	992.858	30.123	0	9,156,774
	Obligation	7,736,154	992.858	30.060	0	8,759,072
Sells on currencies	Rights	6,972,211	1,457,361	0	0	8,429,572
	Obligation	7,313,173	1,457,361	0	0	8,770,534
Purchase over bonds	Rights	24.063	83.490	0	0	107.553
	Obligation	24.020	83.490	0	0	107.510
Sells on bonds	Rights	164.195	4.893	0	0	169.088
	Obligation	165.512	4.893	0	0	170.405
On interest rates	Rights	0	0	23,263,918	0	23,263,918
	Obligation	0	0	23,245,152	0	23,245,152
Call Options	Purchase	0	0	0	1.968	1.968
	Sell	0	0	0	(15.374)	(15.374)
Put Options	Purchase	0	0	0	10.299	10.299
	Sell	0	0	0	(820)	(820)
Total rights		15,294,262	2,538,602	23,294,041	0	41,126,905
Total obligations		15,238,859	2,538,602	23,275,212	0	41,052,673
Total Net		**55.403**	**0**	**18.829**	**(3.927)**	**70.305**

(Millions of Colombian Pesos (COP))

December 31st, 2014

		Forward	Future	Swaps	Options	Total
Currency purchase	Rights	5,481,730	468.274	0	0	5,950,004
	Obligation	5,113,224	468.274	0	0	5,581,498
Sells on currencies	Rights	4,398,056	1,292,818	0	0	5,690,874
	Obligation	4,666,471	1,292,818	0	0	5,959,289
Purchase over bonds	Rights	77.409	60.895	0	0	138.304
	Obligation	77.468	60.895	0	0	138.363
Sells on bonds	Rights	898.326	30.411	0	0	928.737
	Obligation	892.525	30.411	0	0	922.936
On interest rates	Rights	0	0	512.639	0	512.639
	Obligation	0	0	511.779	0	511.779
Call Options	Purchase	0	0	0	28.306	28.306
	Sell	0	0	0	(20.978)	(20.978)
Put Options	Purchase	0	0	0	216	216
	Sell	0	0	0	(359)	(359)
Total rights		10,855,521	1,852,398	512.639	0	13,220,558
Total obligations		10,749,688	1,852,398	511.779	0	13,113,865
Total Net		**105.833**	**0**	**860**	**7.185**	**113.878**

January 01st, 2014

		Forward	Future	Swaps	Options	Total
Currency purchase	Rights	5,219,961	230.107	154.461	0	5,604,529
	Obligation	5,223,218	230.107	150.575	0	5,603,900
Sells on currencies	Rights	5,025,456	889.617	164.115	0	6,079,188
	Obligation	5,012,152	889.617	165.547	0	6,067,316
Purchase over bonds	Rights	0	29.995	0	0	29.995
	Obligation	0	29.995	0	0	29.995
Sells on bonds	Rights	535.705	47.430	0	0	583.135
	Obligation	536.475	47.430	0	0	583.905
On interest rates	Rights	0	0	136.565	0	136.565
	Obligation	0	0	135.933	0	135.933
Call Options	Purchase	0	0	0	10.226	10.226
	Sell	0	0	0	(3.511)	(3.511)
Put Options	Purchase	0	0	0	2.941	2.941
	Sell	0	0	0	(6.609)	(6.609)
Total rights		10,781,122	1,197,149	455.141	0	12,433,412
Total obligations		10,771,845	1,197,149	452.055	0	12,421,049
Total Net		**9.277**	**0**	**3.086**	**3.047**	**15.410**

(Millions of Colombian Pesos (COP))

The following is a breakdown of the maturity periods of assets and liabilities:

December 31st, 2015

	Less than a year	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Acceptance	0	0	0	0	0
Cash transactions	194	0	0	0	194
Options Contracts	(3.927)	0	0	0	(3.927)
Future Contracts	0	0	0	0	0
Swap contracts	1.244	16.150	1.752	(317)	18.829
Forward Contracts	55.415	(12)	0	0	55.403
Total	**52.926**	**16.138**	**1.752**	**(317)**	**70.499**

December 31st, 2014

	Less than a year	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Acceptance	0	0	0	0	0
Cash transactions	(2)	0	0	0	(2)
Options Contracts	7.186	0	0	0	7.186
Future Contracts	0	0	0	0	0
Swap contracts	367	252	241	0	860
Forward Contracts	106.220	(388)	0	0	105.832
Total	**113.771**	**(136)**	**241**	**0**	**113.876**

January 1st, 2014

	Less than a year	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Acceptance	0	0	0	0	0
Cash transactions	3	0	0	0	3
Options Contracts	3.046	0	0	0	3.046
Future Contracts	0	0	0	0	0
Swap contracts	3.879	(785)	(7)	0	3.087
Forward Contracts	9.294	(17)	0	0	9.277
Total	**16.222**	**(802)**	**(7)**	**0**	**15.413**

(Millions of Colombian Pesos (COP))

Creditworthiness of the derivatives

The creditworthiness of derivatives is presented:

December 31, 2015	Derivatives			
	Options Contracts	Future Contracts	Swap contracts	Forward Contracts
Creditworthiness				
Investment Grade	10.579	0	108.782	240.199
Issued and guaranteed by the Nation and/or the Central Bank	0	0	0	0
Speculation grade	0	0	0	0
Without a qualification or not available	1.688	0	0	73.498
Total	**12.267**	**0**	**108.782**	**313.697**

December 31, 2014	Derivatives			
	Options Contracts	Future Contracts	Swap contracts	Forward Contracts
Creditworthiness				
Investment Grade	13.358	0	8.469	304.232
Issued and guaranteed by the Nation and/or the Central Bank	0	0	0	0
Speculation grade	0	0	0	0
Without a qualification or not available	15.163	0	1.386	71.728
Total	**28.522**	**0**	**9.855**	**375.960**

January 1st, 2014	Derivatives			
	Options Contracts	Future Contracts	Swap contracts	Forward Contracts
Creditworthiness				
Investment Grade	9.930	0	10.371	45.477
Issued and guaranteed by the Nation and/or the Central Bank	0	0	0	0
Speculation grade	0	0	0	0
Without a qualification or not available	3.237	0	0	6.491
Total	**13.167**	**0**	**10.371**	**51.968**

11.5. Credit portfolio

11.5.1. Loan portfolio and financial leasing by type

The loan portfolio and financial leasing by type is detailed as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Commercial portfolio			
Corporate and builders	17,495,878	13,929,772	11,290,233
Other commercial lines	5,826,416	5,169,807	4,359,402
Financial Leasing	384.482	164.951	128.688
Credit Cards	350.942	351.006	338.315
Vehicles	590.284	460.750	313.390
Checking account overdrafts	138.561	172.788	170.075
	24,786,563	**20,249,074**	**16,600,103**

(Millions of Colombian Pesos (COP))

Housing portfolio (1):			
Housing portfolio	5,463,485	4,765,206	4,226,212
Housing leasing	5,351,760	4,447,482	3,556,862
	10,815,245	**9,212,688**	**7,783,074**
Consumer Portfolio			
Credit Cards	2,909,577	2,833,830	2,804,991
Other consumer lines	8,362,637	7,231,590	5,655,861
Vehicles	1,460,496	1,347,010	1,213,391
Checking account overdrafts	33.014	37.379	37.626
Financial Leasing	12.283	12.109	10.781
	12,778,007	**11,461,918**	**9,722,650**
Microcredit portfolio	**108.521**	**91.534**	**75.880**
Financial Leasing	1.029	906	1.056
Microcredit	107.492	90.628	74.824
Total Gross Portfolio	**48,488,336**	**41,015,214**	**34,181,707**
Minus individual provision (deterioration)	(1,928,514)	(1,663,996)	(1,452,231)
Subtotal	**46,559,822**	**39,351,218**	**32,729,476**
Minus general provision	(109.550)	(47.766)	(42.196)
Total Net Portfolio	**46,450,272**	**39,303,452**	**32,687,280**

(1) It includes Employees Portfolio $ 180,574 for December 31st, 2015, $ 158,492 for December 31st, 2014 and $ 82,541 for January 1st, 2014

11.5.2. Social Interest Housing

The Bank placed resources by $ 2,194,661, which correspond to individual credits for $ 1,059,382.86 and builder for $ 1,135,278 on December 31st, 2015, $ 1,813,226, corresponding to individual loans for $ 862.523 and constructor $ 950.702 for December 31st, 2014.

The balance and the amount of loans in the portfolio of social housing is as follows:

	December 31st, 2015		December 31st, 2014		January 01st, 2014	
	Number of Obligations	Value	Number of Obligations	Value	Number of Obligations	Value
Individuals	128.359	3,586,088	122.788	3,181,202	108.660	2,627,709
Builders	205	865.983	200	689.314	178	549.339
Leasing	439	8.022	561	10.055	631	11.893
	129.003	**4,460,093**	**123.549**	**3,880,571**	**109.469**	**3,188,941**

(Millions of Colombian Pesos (COP))

11.5.3. Portfolio with subsidized rate

The balances of the portfolio for subsidized rate are as follows:

December 31st, 2015

Decree	Property Value In Legal Minimum Monthly Wage (SMMLV)	Coverage of Rate %	Amount Of credits	Value Disbursement	Balance Capital
1143/2009	Vis till135	5%	29.174	838.127	639.078
	>135 up to 235	4%	4.557	279.205	194.364
	>235 up to 335	3%	3.145	274.761	183.757
	Total		**36.876**	**1,392,093**	**1,017,199**
1190/2012	Vis till 70	5%	12.139	270.826	258.495
	>70 up to 135	4%	33.103	1,379,183	1,311,841
	Total		**45.242**	**1,650,009**	**1,570,336**
0701/2013	>135 SMMLV up to 235 SMMLV >235 SMMLV up to 235 SMMLV	2.5%	8.805	818.204	729.392
2480/2014 161/2014	0-70 SMMLV	5%	2.835	63.340	63.571
Total			**93.758**	**3,923,646**	**3,380,498**

December 31st, 2014

Decree	Property Value In Legal Minimum Monthly Wage (SMMLV)	Coverage of Rate %	Amount Of credits	Value Disbursement	Balance Capital
1143/2009	Vis till135	5%	31.497	908.203	731.458
	>135 up to 235	4%	5.210	317.799	238.526
	>235 up to 335	3%	3.655	317.924	228.813
	Total		**40.362**	**1,543,926**	**1,198,797**
1190/2012	Vis till 70	5%	9.426	204.889	196.468
	>70 up to 135	4%	25.480	1,029,202	990.063
	Total		**34.906**	**1,234,091**	**1,186,531**
0701/2013	>135 SMMLV up to 235 SMMLV >235 SMMLV up to 235 SMMLV	2.5%	9.368	870.336	820.714
Total			**84.636**	**3,648,353**	**3,206,042**

(Millions of Colombian Pesos (COP))

January 01st, 2014

Decree	Property Value In Legal Minimum Monthly Wage (SMMLV)	Coverage of Rate %	Amount Of credits	Value Disbursement	Balance Capital
1143/2009	Vis till135	5%	33.933	981.138	834.356
	>135 up to 235	4%	5.891	358.677	286.253
	>235 up to 335	3%	4.299	372.644	284.971
	Total		44.123	1,712,459	1,405,580
1190/2012	Vis till 70	5%	7.453	156.675	152.909
	>70 up to 135	4%	15.502	608.037	593.591
	Total		22.955	764.712	746.500
0701/2013	>135 SMMLV up to 235 SMMLV >235 SMMLV up to 235 SMMLV	2.5%	5.863	553.866	543.532
Total			**72.941**	**3,031,037**	**2,695,612**

(Millions of Colombian Pesos (COP))

11.5.4. Loan portfolio and financial leasing by risk rating

The loan portfolio by risk rating is as follows:

December 31st, 2015

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS		
						CAPITAL	INTERESTS	OTHERS
COMMERCIAL								
A – Normal	23,080,361	183.548	7.607	23,271,516	18,122,585	(366.236)	(3.451)	(357)
B - Acceptable	694.835	7.526	632	702.993	425.653	(122.608)	(761)	(128)
C - Appreciable	274.842	4.492	373	279.707	214.202	(109.309)	(3.068)	(320)
D - Significant	230.686	9.670	2.130	242.486	323.476	(185.267)	(9.670)	(2.130)
E - Unrecoverable	121.357	1.894	307	123.558	187.344	(115.082)	(1.894)	(307)
	24,402,081	**207.130**	**11.049**	**24,620,260**	**19,273,260**	**(898.502)**	**(18.844)**	**(3.242)**
CONSUMPTION								
A – Normal	11,671,753	101.217	29.440	11,802,410	3,103,402	(348.306)	(3.846)	(1.385)
B - Acceptable	374.663	7.372	1.738	383.773	94.191	(46.697)	(1.573)	(617)
C - Appreciable	271.725	4.418	1.147	277.290	84.415	(52.881)	(4.089)	(1.086)
D - Significant	264.851	6.444	1.556	272.851	44.208	(230.220)	(6.444)	(1.556)
E - Unrecoverable	182.732	3.330	1.594	187.656	77.357	(173.133)	(3.330)	(1.594)
	12,765,724	**122.781**	**35.475**	**12,923,980**	**3,403,573**	**(851.237)**	**(19.282)**	**(6.238)**
HOUSING								
A – Normal	5,249,104	22.005	7.886	5,278,995	12,687,040	(53.341)	(1.596)	(1.213)
B - Acceptable	132.282	378	853	133.513	435.598	(5.360)	(378)	(853)
C - Appreciable	55.795	184	735	56.714	150.020	(5.720)	(184)	(735)
D - Significant	16.849	77	409	17.335	44.883	(5.195)	(77)	(409)
E - Unrecoverable	9.455	48	428	9.931	24.787	(9.455)	(48)	(428)
	5,463,485	**22.692**	**10.311**	**5,496,488**	**13,342,328**	**(79.071)**	**(2.283)**	**(3.638)**
General Provision (Housing Deterioration)	0	0	0	0	0	(54.947)	0	0
	5,463,485	**22.692**	**10.311**	**5,496,488**	**13,342,328**	**(134.018)**	**(2.283)**	**(3.638)**
MICROCREDIT								
A – Normal	100.686	976	392	102.054	146.305	(4.128)	(40)	(16)
B - Acceptable	2.424	16	21	2.461	3.688	(463)	(16)	(21)
C - Appreciable	1.120	7	11	1.138	1.530	(415)	(7)	(11)
D - Significant	772	5	16	793	1.469	(771)	(5)	(16)
E - Unrecoverable	2.490	26	75	2.591	3.057	(2.490)	(26)	(75)
	107.492	**1.030**	**515**	**109.037**	**156.049**	**(8.267)**	**(94)**	**(139)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(1.075)	0	0
	107.492	**1.030**	**515**	**109.037**	**156.049**	**(9.342)**	**(94)**	**(139)**
Total General Provision	0	0	0	0	0	(56.022)	0	0
TOTAL PORTFOLIO (*)	**42,738,782**	**353.633**	**57.350**	**43,149,765**	**36,175,210**	**(1,893,099)**	**(40.503)**	**(13.257)**

* Does not include Leasing Portfolio

(Millions of Colombian Pesos (COP))

December 31st, 2014

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS CAPITAL	PROVISIONS INTERESTS	PROVISIONS OTHERS
COMMERCIAL								
A – Normal	19,096,051	146.674	12.208	19,254,933	28,250,349	(315.706)	(2.898)	(533)
B - Acceptable	579.600	10.051	1.188	590.839	928.495	(82.948)	(989)	(415)
C - Appreciable	85.169	2.650	592	88.411	238.604	(19.705)	(2.168)	(509)
D - Significant	244.308	8.711	2.279	255.298	402.854	(207.357)	(8.716)	(2.279)
E - Unrecoverable	78.995	1.755	840	81.590	89.897	(78.984)	(1.755)	(840)
	20,084,123	**169.841**	**17.107**	**20,271,071**	**29,910,199**	**(704.700)**	**(16.526)**	**(4.576)**
CONSUMPTION								
A – Normal	10,491,795	87.920	17.739	10,597,454	2,889,754	(312.384)	(3.377)	(869)
B - Acceptable	339.456	6.092	1.056	346.604	82.690	(42.171)	(1.305)	(398)
C - Appreciable	245.184	3.750	757	249.691	77.479	(46.186)	(3.433)	(721)
D - Significant	222.899	5.070	1.052	229.021	36.115	(188.415)	(5.070)	(1.052)
E - Unrecoverable	150.475	2.610	964	154.049	53.810	(140.302)	(2.610)	(964)
	11,449,809	**105.442**	**21.568**	**11,576,819**	**3,139,848**	**(729.458)**	**(15.795)**	**(4.004)**
HOUSING								
A – Normal	4,568,206	19.722	8.049	4,595,977	11,239,678	(46.650)	(1.460)	(1.486)
B - Acceptable	132.469	427	1.039	133.935	359.379	(5.386)	(427)	(1.045)
C - Appreciable	49.977	146	800	50.923	134.826	(5.015)	(149)	(800)
D - Significant	13.843	40	416	14.299	39.135	(4.154)	(35)	(416)
E - Unrecoverable	711	1	26	738	2.733	(711)	(1)	(26)
	4,765,206	**20.336**	**10.330**	**4,795,872**	**11,775,751**	**(61.916)**	**(2.072)**	**(3.773)**
General Provision (Housing Deterioration)	0	0	0	0	0	(46.850)	0	0
	4,765,206	**20.336**	**10.330**	**4,795,872**	**11,775,751**	**(108.766)**	**(2.072)**	**(3.773)**
MICROCREDIT								
A – Normal	85.214	869	344	86.427	129.481	(3.494)	(36)	(14)
B - Acceptable	2.096	19	17	2.132	3.462	(328)	(19)	(17)
C - Appreciable	1.214	11	19	1.244	2.010	(426)	(11)	(19)
D - Significant	473	4	7	484	856	(473)	(4)	(7)
E - Unrecoverable	1.631	17	62	1.710	2.287	(1.631)	(17)	(62)
	90.628	**920**	**449**	**91.997**	**138.096**	**(6.352)**	**(87)**	**(119)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(906)	0	0
	90.628	**920**	**449**	**91.997**	**138.096**	**(7.258)**	**(87)**	**(119)**
4.13.6.1.General provision	0	0	0	0	0	(47.757)	0	0
TOTAL PORTFOLIO (*)	**36,389,766**	**296.539**	**49.454**	**36,735,759**	**44,963,894**	**(1,550,182)**	**(34.480)**	**(12.472)**

* Does not include Leasing Portfolio

(Millions of Colombian Pesos (COP))

January 01st, 2014

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS		
						CAPITAL	INTERESTS	OTHERS
COMMERCIAL								
A - Normal	15,700,837	115.103	7.019	15,822,959	17,407,005	(270.774)	(2.618)	(340)
B - Acceptable	440.411	8.463	604	449.478	419.698	(66.141)	(695)	(124)
C - Appreciable	82.717	2.059	326	85.102	104.878	(27.858)	(1.688)	(260)
D - Significant	181.534	7.507	1.294	190.335	255.189	(140.776)	(7.507)	(1.294)
E - Unrecoverable	65.916	1.522	251	67.689	100.509	(65.699)	(1.522)	(251)
	16,471,415	**134.654**	**9.494**	**16,615,563**	**18,287,279**	**(571.248)**	**(14.030)**	**(2.269)**
CONSUMPTION								
A - Normal	8,765,001	78.681	24.326	8,868,008	2,541,349	(264.766)	(3.019)	(1.094)
B - Acceptable	334.787	5.949	1.178	341.914	71.991	(42.137)	(1.699)	(459)
C - Appreciable	223.346	3.364	816	227.526	60.981	(42.601)	(3.072)	(783)
D - Significant	221.841	5.337	1.078	228.256	28.717	(188.635)	(5.337)	(1.078)
E - Unrecoverable	166.894	3.035	1.155	171.084	62.486	(157.876)	(3.035)	(1.155)
	9,711,869	**96.366**	**28.553**	**9,836,788**	**2,765,524**	**(696.015)**	**(16.162)**	**(4.569)**
HOUSING								
A - Normal	4,067,847	17.638	8.808	4,094,293	10,150,874	(41.891)	(1.260)	(1.733)
B - Acceptable	106.999	240	1.070	108.309	304.963	(4.322)	(240)	(1.070)
C - Appreciable	37.717	108	664	38.489	108.605	(3.793)	(108)	(664)
D - Significant	13.269	74	418	13.761	40.319	(3.982)	(74)	(418)
E - Unrecoverable	380	0	10	390	1.859	(380)	0	(10)
	4,226,212	**18.060**	**10.970**	**4,255,242**	**10,606,620**	**(54.368)**	**(1.682)**	**(3.895)**
General Provision (Housing Deterioration)	0	0	0	0	0	(41.437)	0	0
	4,226,212	**18.060**	**10.970**	**4,255,242**	**10,606,620**	**(95.805)**	**(1.682)**	**(3.895)**
MICROCREDIT								
A - Normal	72.002	752	293	73.047	110.203	(2.952)	(31)	(12)
B - Acceptable	1.193	10	11	1.214	2.144	(165)	(10)	(11)
C - Appreciable	333	3	5	341	319	(143)	(3)	(5)
D - Significant	412	2	13	427	866	(412)	(2)	(13)
E - Unrecoverable	884	9	43	936	1.141	(884)	(9)	(43)
	74.824	**776**	**365**	**75.965**	**114.673**	**(4.556)**	**(55)**	**(84)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(759)	0	0
	74.824	**776**	**365**	**75.965**	**114.673**	**(5.315)**	**(55)**	**(84)**
4.13.6.1.General provision	0	0	0	0	0	0	0	0
TOTAL PORTFOLIO (*)	**30,484,320**	**249.856**	**49.382**	**30,783,558**	**31,774,096**	**(1,368,383)**	**(31.929)**	**(10.817)**

(Millions of Colombian Pesos (COP))

Following the financial leasing is presented by risk rating:

December 31st, 2015

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS CAPITAL	PROVISIONS INTERESTS	PROVISIONS OTHERS
COMMERCIAL LEASING								
A - Normal	344.375	1.563	116	346.054	538.161	(5.688)	(37)	(6)
B - Acceptable	12.732	164	8	12.904	27.838	(509)	(7)	(1)
C - Appreciable	23.743	241	7	23.991	25.978	(11.030)	(165)	(7)
D - Significant	2.852	50	36	2.938	2.483	(1.801)	(50)	(36)
E - Unrecoverable	780	1	9	790	1.495	(635)	(1)	(9)
	384.482	**2.019**	**176**	**386.677**	**595.955**	**(19.663)**	**(260)**	**(59)**
CONSUMER LEASING								
A - Normal	11.339	77	19	11.435	501	(305)	(2)	(2)
B - Acceptable	319	2	2	323	0	(39)	0	(1)
C - Appreciable	257	3	4	264	0	(69)	(2)	(4)
D - Significant	68	0	0	68	0	(62)	0	0
E - Unrecoverable	300	7	18	325	0	(303)	(7)	(18)
	12.283	**89**	**43**	**12.415**	**501**	**(778)**	**(11)**	**(25)**
HOUSING LEASING								
A - Normal	5,231,361	21.322	6.198	5,258,881	11,756,484	(52.460)	(1.113)	(570)
B - Acceptable	78.646	367	383	79.396	164.594	(3.609)	(367)	(383)
C - Appreciable	23.723	178	227	24.128	46.639	(2.683)	(178)	(227)
D - Significant	8.359	65	251	8.675	19.519	(2.508)	(65)	(251)
E - Unrecoverable	9.671	144	953	10.768	22.271	(9.672)	(144)	(953)
	5,351,760	**22.076**	**8.012**	**5,381,848**	**12,009,507**	**(70.932)**	**(1.867)**	**(2.384)**
General Provision (Housing Deterioration)	0	0	0	0	0	(53.518)	0	0
	5,351,760	**22.076**	**8.012**	**5,381,848**	**12,009,507**	**(124.450)**	**(1.867)**	**(2.384)**
MICROCREDIT LEASING								
A - Normal	1.008	7	3	1.018	104	(41)	0	0
B - Acceptable	21	0	1	22	0	(21)	0	(1)
	1.029	**7**	**4**	**1.040**	**104**	**(62)**	**0**	**(1)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(10)	0	0
	1.029	**7**	**4**	**1.040**	**104**	**(72)**	**0**	**(1)**
4.13.6.1.General provision	0	0	0	0	0	(53.528)	0	0
TOTAL LEASING	**5,749,554**	**24.191**	**8.235**	**5,781,980**	**12,606,067**	**(144.963)**	**(2.138)**	**(2.469)**

(Millions of Colombian Pesos (COP))

December 31st, 2014

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS CAPITAL	PROVISIONS INTERESTS	PROVISIONS OTHERS
COMMERCIAL LEASING								
A - Normal	140.150	900	102	141.152	162.342	(2.802)	(26)	(5)
B - Acceptable	3.651	83	7	3.741	3.502	(553)	(5)	(2)
C - Appreciable	6.915	169	17	7.101	17.394	(603)	(109)	(16)
D - Significant	14.142	131	47	14.320	9.213	(9.973)	(131)	(47)
E - Unrecoverable	93	0	0	93	266	(67)	0	0
	164.951	**1.283**	**173**	**166.407**	**192.717**	**(13.998)**	**(271)**	**(70)**
CONSUMER LEASING								
A - Normal	11.523	79	21	11.623	219	(303)	(2)	(2)
B - Acceptable	268	3	1	272	0	(26)	0	0
C - Appreciable	178	1	1	180	0	(41)	(1)	(1)
D - Significant	65	1	3	69	0	(59)	(1)	(3)
E - Unrecoverable	75	0	8	83	0	(75)	0	(8)
	12.109	**84**	**34**	**12.227**	**219**	**(504)**	**(4)**	**(14)**
HOUSING LEASING								
A - Normal	4,243,538	17.272	0	4,260,810	0	(122.404)	(900)	0
B - Acceptable	144.854	2.006	0	146.860	0	(6.598)	(237)	0
C - Appreciable	26.958	229	0	27.187	0	(2.774)	(222)	0
D - Significant	25.034	256	0	25.290	0	(10.055)	(256)	0
E - Unrecoverable	7.098	89	0	7.187	0	(5.102)	(89)	0
	4,447,482	**19.852**	**0**	**4,467,334**	**0**	**(146.933)**	**(1.704)**	**0**
	4,447,482	**19.852**	**0**	**4,467,334**	**0**	**(146.933)**	**(1.704)**	**0**
MICROCREDIT LEASING								
A - Normal	803	6	3	812	52	(33)	0	0
C - Appreciable	28	0	0	28	0	(28)	0	0
D - Significant	20	0	1	21	0	(20)	0	(1)
E - Unrecoverable	55	1	4	60	0	(55)	(1)	(4)
	906	**7**	**8**	**921**	**52**	**(136)**	**(1)**	**(5)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(9)	0	0
	906	**7**	**8**	**921**	**52**	**(145)**	**(1)**	**(5)**
4.13.6.1.General provision	0	0	0	0	0	(9)	0	0
TOTAL LEASING	**4,625,448**	**21.226**	**215**	**4,646,889**	**192.988**	**(161.580)**	**(1.980)**	**(89)**

(Millions of Colombian Pesos (COP))

January 01st, 2014

CLASSIFICATION	CAPITAL	INTERESTS	OTHERS	TOTAL	ACCEPTABLE GUARANTEE	PROVISIONS CAPITAL	PROVISIONS INTERESTS	PROVISIONS OTHERS
COMMERCIAL LEASING								
A - Normal	107.190	654	115	107.959	543.255	(2.712)	(23)	(5)
B - Acceptable	4.291	84	7	4.382	2.274	(590)	(7)	(1)
C - Appreciable	4.125	19	2	4.146	4.545	(834)	(10)	(2)
D - Significant	13.023	156	162	13.341	3.086	(7.527)	(156)	(162)
E - Unrecoverable	59	1	3	63	0	(48)	(1)	(3)
	128.688	**914**	**289**	**129.891**	**553.160**	**(11.711)**	**(197)**	**(173)**
CONSUMER LEASING								
A - Normal	9.709	56	17	9.782	559	(254)	(1)	(1)
B - Acceptable	420	6	3	429	0	(29)	0	0
C - Appreciable	251	4	2	257	0	(55)	(3)	(1)
D - Significant	70	1	1	72	0	(63)	(1)	(1)
E - Unrecoverable	331	6	29	366	45	(325)	(6)	(29)
	10.781	**73**	**52**	**10.906**	**604**	**(726)**	**(11)**	**(32)**
HOUSING LEASING								
A - Normal	3,408,647	14.223	4.608	3,427,478	7,807,192	(98.407)	(708)	(256)
B - Acceptable	110.315	1.577	484	112.376	249.740	(5.200)	(193)	(220)
C - Appreciable	18.333	188	134	18.655	41.667	(1.841)	(180)	(132)
D - Significant	18.424	188	465	19.077	39.965	(7.428)	(188)	(465)
E - Unrecoverable	1.143	7	27	1.177	2.733	(613)	(7)	(27)
	3,556,862	**16.183**	**5.718**	**3,578,763**	**8,141,297**	**(113.489)**	**(1.276)**	**(1.100)**
	3,556,862	**16.183**	**5.718**	**3,578,763**	**8,141,297**	**(113.489)**	**(1.276)**	**(1.100)**
MICROCREDIT LEASING								
A - Normal	980	9	2	991	178	(40)	0	0
B - Acceptable	21	1	1	23	0	(21)	(1)	(1)
C - Appreciable	21	0	0	21	0	(21)	0	0
E - Unrecoverable	34	0	0	34	0	(34)	0	0
	1.056	**10**	**3**	**1.069**	**178**	**(116)**	**(1)**	**(1)**
General Provision (Microcredit Deterioration)	0	0	0	0	0	(11)	0	0
	1.056	**10**	**3**	**1.069**	**178**	**(127)**	**(1)**	**(1)**
TOTAL LEASING	**3,697,387**	**17.180**	**6.062**	**3,720,629**	**8,695,239**	**(126.053)**	**(1.485)**	**(1.306)**

(Millions of Colombian Pesos (COP))

11.5.5. Loan portfolio and financial leasing by economic sector

The loan portfolio and financial leasing by economic sector is detailed as follows:

	December 31st, 2015						
Sector	**Commercial**	**Consumption**	**Housing**	**Financial Leasing**	**Microcredit**	**Total**	**% Particip.**
Agriculture, forestry and fishing	1,516,248	0	0	3.465	1.632	1,521,345	3.14%
Mining and quarrying	576.620	0	0	604	0	577.224	1.19%
Manufacturing Industries	3,709,310	0	0	64.046	2.141	3,775,497	7.79%
Electricity, gas, steam and air conditioning	1,829,380	0	0	3.373	60	1,832,813	3.78%
Water supply; sewage disposal, waste management and decontamination	50.071	0	0	2.572	187	52.830	0.11%
Building	5,092,137	0	0	28.773	535	5,121,445	10.56%
Wholesale and Retail; repair of motor vehicles and motorcycles	3,569,297	0	0	51.795	6.284	3,627,376	7.48%
Transport and storage	2,419,505	0	0	53.082	55.421	2,528,008	5.21%
Accommodation and food service activities	195.250	0	0	1.446	1.095	197.791	0.41%
Information and communication	579.551	0	0	8.942	491	588.984	1.21%
Financial and insurance activities	1,406,332	0	0	868	422	1,407,622	2.90%
Real estate	530.175	0	0	65.530	177	595.882	1.23%
Professional, scientific and technical activities	779.417	0	0	20.656	2.134	802.207	1.65%
Administrative and support services activities	627.523	0	0	18.690	7.591	653.804	1.35%
Public administration and defense; compulsory social security plans	476.294	0	0	419	126	476.839	0.98%
Education	202.054	0	0	3.453	583	206.090	0.43%
Human health care and social assistance activities	356.542	0	0	20.972	74	377.588	0.78%
Artistic, entertainment and recreation activities	54.025	0	0	612	182	54.819	0.11%
Other service activities	75.677	0	0	1.734	226	77.637	0.16%
Household activities as employers; Undifferentiated household activities as producers of goods and services for their own use	6.390	0	0	845	514	7.749	0.02%
Activities of extraterritorial organizations and bodies	0	0	0	0	125	125	0.00%
Employees	166.814	12,765,724	5,463,485	5,390,969	19.727	23,806,719	49.10%
Capital rentiers only for individuals:	183.469	0	0	6.708	7.765	197.942	0.41%
Total Portfolio by Economic Sector	**24,402,081**	**12,765,724**	**5,463,485**	**5,749,554**	**107.492**	**48,488,336**	**100%**

(Millions of Colombian Pesos (COP))

Sector	December 31st, 2014						
	Commercial	Consumption	Housing	Financial Leasing	Microcredit	Total	% Particip.
Agriculture, forestry and fishing	1,362,094	0	0	2.800	347	1,365,241	3.33%
Mining and quarrying	590.296	0	0	1.255	0	591.551	1.44%
Manufacturing Industries	3,439,241	0	0	16.603	927	3,456,771	8.43%
Electricity, gas, steam and air conditioning	1,188,168	0	0	1.910	0	1,190,078	2.90%
Water supply; sewage disposal, waste management and decontamination	35.728	0	0	2.107	2	37.837	0.09%
Building	3,544,651	0	0	9.081	30	3,553,762	8.66%
Wholesale and Retail; repair of motor vehicles and motorcycles	3,027,053	0	0	23.385	1.380	3,051,818	7.44%
Transport and storage	2,017,815	0	0	45.305	23.693	2,086,813	5.09%
Accommodation and food service activities	138.017	0	0	638	115	138.770	0.34%
Information and communication	793.832	0	0	24.479	275	818.586	2.00%
Financial and insurance activities	1,039,269	0	0	2.441	59	1,041,769	2.54%
Real estate	357.105	0	0	1.805	21	358.931	0.88%
Professional, scientific and technical activities	612.673	0	0	4.586	541	617.800	1.51%
Administrative and support services activities	525.332	0	0	17.385	1.712	544.429	1.33%
Public administration and defense; compulsory social security plans	409.304	0	0	423	59	409.786	1.00%
Education	179.818	0	0	1.203	133	181.154	0.44%
Human health care and social assistance activities	296.709	0	0	5.713	41	302.463	0.74%
Artistic, entertainment and recreation activities	35.153	0	0	186	53	35.392	0.09%
Other service activities	68.054	0	0	1.101	531	69.686	0.17%
Household activities as employers; Undifferentiated household activities as producers of goods and services for their own use	4.197	0	0	182	226	4.605	0.01%
Activities of extraterritorial organizations and bodies	0	0	0	0	0	0	0.00%
Employees	62.125	11,449,809	4,765,206	4,460,116	32.277	20,769,533	50.64%
Capital rentiers only for individuals:	357.489	0	0	2.744	28.206	388.439	0.95%
Total Portfolio by Economic Sector	**20,084,123**	**11,449,809**	**4,765,206**	**4,625,448**	**90.628**	**41,015,214**	**100%**

(Millions of Colombian Pesos (COP))

Sector	January 01st, 2014						
	Commercial	Consumption	Housing	Financial Leasing	Microcredit	Total	% Particip.
Agriculture, forestry and fishing	1,131,642	0	0	3.190	148	1,134,980	3.32%
Mining and quarrying	452.975	0	0	659	2	453.636	1.33%
Manufacturing Industries	2,922,127	0	0	13.078	820	2,936,025	8.59%
Electricity, gas, steam and air conditioning	946.609	0	0	2.750	0	949.359	2.78%
Water supply; sewage disposal, waste management and decontamination	33.432	0	0	183	0	33.615	0.10%
Building	3,095,186	0	0	4.466	85	3,099,737	9.07%
Wholesale and Retail; repair of motor vehicles and motorcycles	2,259,519	0	0	14.822	681	2,275,022	6.66%
Transport and storage	1,280,714	0	0	42.019	7.009	1,329,742	3.89%
Accommodation and food service activities	199.854	0	0	143	18	200.015	0.59%
Information and communication	994.966	0	0	958	113	996.037	2.91%
Financial and insurance activities	846.850	0	0	1.491	85	848.426	2.48%
Real estate	191.353	0	0	1.178	62	192.593	0.56%
Professional, scientific and technical activities	313.430	0	0	4.349	392	318.171	0.93%
Administrative and support services activities	497.554	0	0	19.922	375	517.851	1.51%
Public administration and defense; compulsory social security plans	457.352	0	0	496	45	457.893	1.34%
Education	108.965	0	0	1.468	165	110.598	0.32%
Human health care and social assistance activities	237.122	0	0	1.146	52	238.320	0.70%
Artistic, entertainment and recreation activities	35.045	0	0	420	66	35.531	0.10%
Other service activities	59.458	0	0	1.606	143	61.207	0.18%
Household activities as employers; Undifferentiated household activities as producers of goods and services for their own use	2.502	0	0	265	100	2.867	0.01%
Activities of extraterritorial organizations and bodies	0	0	0	0	0	0	0.00%
Employees	201.778	9,711,869	4,226,212	3,575,591	44.202	17,759,652	51.96%
Capital rentiers only for individuals:	202.982	0	0	7.187	20.261	230.430	0.67%
Total Portfolio by Economic Sector	**16,471,415**	**9,711,869**	**4,226,212**	**3,697,387**	**74.824**	**34,181,707**	**100%**

(Millions of Colombian Pesos (COP))

11.5.6. Total portfolio by geographic area

Following the financial leasing is presented by geographic area:

CONCEPT	December 31st, 2015	December 31st, 2014	January 01st, 2014
COMMERCIAL LEASING			
Bogotá	11,682,926	10,480,087	7,996,596
Antioquia	5,265,173	3,238,929	3,110,221
Northeast	3,736,545	3,219,938	2,816,097
Southwest	2,725,400	2,350,927	2,073,818
Total Colombia	**23,410,044**	**19,289,881**	**15,996,732**
Foreign (Miami)	992.037	794.242	474.684
	24,402,081	**20,084,123**	**16,471,415**
CONSUMER PORTFOLIO			
Bogotá	5,967,467	5,445,449	4,690,000
Antioquia	2,308,746	2,052,622	1,706,818
Northeast	2,742,460	2,423,064	2,031,310
Southwest	1,745,355	1,527,729	1,283,720
Total Colombia	**12,764,028**	**11,448,864**	**9,711,848**
Foreign (Miami)	1.696	945	21
	12,765,724	**11,449,809**	**9,711,869**
MICROCREDIT			
Bogotá	107.060	90.628	74.824
Antioquia	432	0	0
Total Colombia	**107.492**	**90.628**	**74.824**
HOUSING PORTFOLIO			
Bogotá	3,742,362	3,301,157	2,966,046
Antioquia	551.440	473.155	383.170
Northeast	661.643	534.127	477.767
Southwest	508.040	456.767	399.228
Total Colombia	**5,463,485**	**4,765,206**	**4,226,212**
Total portfolio by geographic area	**42,738,782**	**36,389,766**	**30,484,320**

(Millions of Colombian Pesos (COP))

Following the financial leasing is presented by geographic area:

CONCEPT	December 31st, 2015	December 31st, 2014	January 01st, 2014
COMMERCIAL LEASING			
Bogotá	259.107	119.209	88.966
Antioquia	41.331	11.243	2.478
Northeast	56.642	21.726	22.789
Southwest	27.402	12.773	14.455
Total Colombia	**384.482**	**164.951**	**128.688**
CONSUMER LEASING			
Bogotá	12.283	12.109	10.781
Total Colombia	**12.283**	**12.109**	**10.781**
MICROCREDIT LEASING			
Bogotá	1.029	906	1.056
Total Colombia	**1.029**	**906**	**1.056**
HOUSING LEASING			
Bogotá	2,512,453	2,118,297	1,690,555
Antioquia	1,182,564	984.596	790.137
Northeast	1,024,051	819.732	638.707
Southwest	632.692	524.857	437.463
Total Colombia	**5,351,760**	**4,447,482**	**3,556,862**
Total Leasing by geographic area	**5,749,554**	**4,625,448**	**3,697,387**

11.5.7. Loan portfolio and financial leasing by currency

The loan portfolio and financial leasing by monetary unit is detailed as follows:

December 31st, 2015

Concept	Legal currency	Foreign currency	RVU(*)	Total
Commercial	17,044,824	5,111,574	2,245,683	24,402,081
Microcredit	107.492	0	0	107.492
Consumption	12,674,316	91.408	0	12,765,724
Housing (1):	4,068,139	0	1,395,346	5,463,485
Financial Leasing (1)	5,304,573	0	444.982	5,749,554
Total	**39,199,344**	**5,202,982**	**4,086,011**	**48,488,336**

1) It includes employee portfolio.

December 31st, 2014

Concept	Legal currency	Foreign currency	RVU(*)	Total
Commercial	14,598,162	3,812,164	1,673,797	20,084,123
Microcredit	90.628	0	0	90.628
Consumption	11,373,691	76.118	0	11,449,809
Housing (1):	3,522,558	0	1,242,648	4,765,206
Financial Leasing (1)	4,293,709	0	331.739	4,625,448
Total	**33,878,748**	**3,888,282**	**3,248,184**	**41,015,214**

1) It includes employee portfolio.

(Millions of Colombian Pesos (COP))

January 01st, 2014

Concept	Legal currency	Foreign currency	RVU(*)	Total
Commercial	12,439,641	2,722,497	1,309,277	16,471,415
Microcredit	74.824	0	0	74.824
Consumption	9,666,589	45.280	0	9,711,869
Housing (1):	3,168,748	0	1,057,464	4,226,212
Financial Leasing (1)	3,421,827	0	275.560	3,697,387
Total	**28,771,629**	**2,767,777**	**2,642,301**	**34,181,707**

1) It includes employee portfolio.

11.5.8. Loan portfolio and financial leasing by maturing period

The loan portfolio by maturing period is as follows:

December 31st, 2015

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial	7,303,525	9,826,008	5,662,382	1,610,166	24,402,081
Consumption	1,125,748	8,610,426	2,906,034	123.516	12,765,724
Microcredit	4.145	96.769	6.578	0	107.492
Housing	9.184	170.249	865.052	4,419,000	5,463,485
Total	**8,442,602**	**18,703,452**	**9,440,046**	**6,152,682**	**42,738,782**

December 31st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial	5,557,982	8,485,291	4,981,341	1,059,509	20,084,123
Consumption	1,170,127	7,866,340	2,301,554	111.788	11,449,809
Microcredit	5.123	82.739	2.766	0	90.628
Housing	17.921	171.825	703.655	3,871,805	4,765,206
Total	**6,751,153**	**16,606,195**	**7,989,316**	**5,043,102**	**36,389,766**

(Millions of Colombian Pesos (COP))

January 01st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial	4,481,990	6,463,622	4,585,851	939.952	16,471,415
Consumption	167.708	7,920,787	1,517,455	105.919	9,711,869
Microcredit	5.238	66.442	3.144	0	74.824
Housing	21.297	169.073	649.708	3,386,134	4,226,212
Total	**4,676,233**	**14,619,924**	**6,756,158**	**4,432,005**	**30,484,320**

The financial leasing is presented by maturity, as follows:

December 31st, 2015

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial Leasing	6.089	221.175	123.586	33.632	384.482
Consumer Leasing	580	10.910	793	0	12.283
Microcredit Leasing	45	984	0	0	1.029
Housing Leasing	4.353	89.547	722.827	4,535,033	5,351,760
Total	**11.067**	**322.616**	**847.206**	**4,568,665**	**5,749,554**

December 31st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial Leasing	4.639	91.425	67.887	1.000	164.951
Consumer Leasing	483	11.111	515	0	12.109
Microcredit Leasing	40	866	0	0	906
Housing Leasing	3.095	84.368	621.745	3,738,274	4,447,482
Total	**8.257**	**187.770**	**690.147**	**3,739,274**	**4,625,448**

January 01st, 2014

Concept	From 0 to 1 years	From 1 to 5 years	From 5 to 10 years	More then 10 years	Total
Commercial Leasing	2.756	103.830	22.102	0	128.688
Consumer Leasing	487	10.114	180	0	10.781
Microcredit Leasing	32	1.024	0	0	1.056
Housing Leasing	2.270	73.009	546.296	2,935,287	3,556,862
Total	**5.545**	**187.977**	**568.578**	**2,935,287**	**3,697,387**

(Millions of Colombian Pesos (COP))

11.5.9. Restructured Portfolio Detail

The detail of the restructured portfolio is as follows:

Concept	December 31st, 2015			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Commercial	2.705	515.840	189.142	695.414
Microcredit	21	624	485	1.083
Consumption	43.514	852.477	205.952	55.291
Housing	4.696	116.309	9.311	373.108
Total	**50.936**	**1,485,250**	**404.890**	**1,124,896**

Concept	December 31st, 2014			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Commercial	2.925	423.457	164.447	593.101
Microcredit	23	456	262	711
Consumption	42.789	780.699	178.923	56.368
Housing	4.328	89.465	5.492	316.577
Total	**50.065**	**1,294,077**	**349.124**	**966.757**

Concept	January 01st, 2014			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Commercial	2.737	247.481	80.848	378.277
Microcredit	34	778	235	1.281
Consumption	44.784	804.396	193.240	74.752
Housing	4.505	90.613	5.202	316.557
Total	**52.060**	**1,143,268**	**279.525**	**770.867**

The detail of restructured financial leasing is as follows:

Concept	December 31st, 2015			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Commercial Leasing	22	2.483	724	170
Consumer Leasing	1	39	13	0
Housing Leasing	335	26.270	2.595	75.416
Total	**358**	**28.792**	**3.332**	**75.586**

Concept	December 31st, 2014			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Consumer Leasing	1	55	12	-
Housing Leasing	353	29.314	3.920	72.122
Total	**354**	**29.369**	**3.932**	**72.122**

(Millions of Colombian Pesos (COP))

Concept	January 01st, 2014			
	Number of Obligations	Restructured Ordinaries	Provision	Guarantee
Consumer Leasing	1	72	(14)	-
Housing Leasing	385	26.241	(3.040)	66.387
Total	**386**	**26.313**	**(3.054)**	**66.387**

11.5.9.1. Restructured loans by rating

The detail of the restructured portfolio is presented by score:

December 31st, 2015

Concept	Commercial		Consumption		Microcredit		Housing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A – Normal	794	138.467	25.975	492.791	4	49	2.724	58.917
B – Acceptable	457	188.149	4.067	83.591	2	71	815	23.779
C – Deficient	361	57.226	5.458	114.818	2	38	820	23.577
D – Significant	966	69.888	4.715	91.160	3	105	247	7.077
E – Irrecoverable	127	62.110	3.299	70.117	10	361	90	2.959
Total	**2.705**	**515.840**	**43.514**	**852.477**	**21**	**624**	**4.696**	**116.309**

December 31st, 2014

Concept	Commercial		Consumption		Microcredit		Housing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A – Normal	1.007	123.973	25.818	463.526	11	132	2.486	46.180
B - Acceptable	468	119.514	4.188	78.562	3	64	805	17.667
C - Deficient	389	46.047	5.356	99.870	1	13	768	18.290
D - Significant	961	85.026	4.406	81.258	2	55	260	6.951
E - Irrecoverable	100	48.897	3.021	57.483	6	192	9	377
Total	**2.925**	**423.457**	**42.789**	**780.699**	**23**	**456**	**4.328**	**89.465**

January 01st, 2014

Concept	Commercial		Consumption		Microcredit		Housing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A - Normal	1.211	65.546	26.751	460.538	18	397	2.591	49.334
B - Acceptable	417	93.692	4.723	89.392	10	166	823	16.416
C - Deficient	321	32.884	5.527	103.265	1	35	779	17.965
D - Significant	710	42.984	4.561	88.337	2	55	302	6.663
E - Irrecoverable	78	12.375	3.222	62.864	3	125	10	235
Total	**2.737**	**247.481**	**44.784**	**804.396**	**34**	**778**	**4.505**	**90.613**

(Millions of Colombian Pesos (COP))

The Detail of restructured leasing by score is as follows:

December 31st, 2015

Concept	Commercial Leasing		Consumer Leasing		Microcredit Leasing		Housing Leasing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A - Normal	0	0	0	0	0	0	232	16.318
B - Acceptable	0	0	0	0	0	0	50	3.954
C - Deficient	17	1.819	1	39	0	0	31	3.888
D - Significant	5	664	0	0	0	0	9	1.006
E - Irrecoverable	0	0	0	0	0	0	13	1.104
Total	**22**	**2.483**	**1**	**39**	**0**	**0**	**335**	**26.270**

December 31st, 2014

Concept	Commercial Leasing		Consumer Leasing		Microcredit Leasing		Housing Leasing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A - Normal	0	0	1	55	0	0	193	15.059
B - Acceptable	0	0	0	0	0	0	66	4.263
C - Deficient	0	0	0	0	0	0	42	4.825
D - Significant	0	0	0	0	0	0	42	4.207
E - Irrecoverable	0	0	0	0	0	0	10	960
Total	**0**	**0**	**1**	**55**	**0**	**0**	**353**	**29.314**

January 01st, 2014

Concept	Commercial Leasing		Consumer Leasing		Microcredit Leasing		Housing Leasing	
	No. Credit	Value	No. Credit	Value	No. Credit	Value	No. Credit	Value
A - Normal	0	0	0	0	0	0	232	15.705
B - Acceptable	0	0	0	0	0	0	81	4.721
C - Deficient	0	0	1	72	0	0	27	1.857
D - Significant	0	0	0	0	0	0	41	3.627
E - Irrecoverable	0	0	0	0	0	0	4	331
Total	**0**	**0**	**1**	**72**	**0**	**0**	**385**	**26.241**

(Millions of Colombian Pesos (COP))

11.5.9.2. Restructured loans by geographic area

The detail of restructured Portfolio by geographical area is as follows:

December 31st, 2015

Concept	Commercial	Consumption	Microcredit	Housing	Total
Bogotá	192.062	425.521	624	83.917	702.123
Antioquia	110.516	137.018	0	7.852	255.386
Northeast	183.574	183.164	0	14.472	381.210
Southwest	29.688	106.774	0	10.068	146.531
Total Colombia	515.840	852.477	624	116.309	1,485,250
Total	**515.840**	**852.477**	**624**	**116.309**	**1,485,250**

December 31st, 2014

Concept	Commercial	Consumption	Microcredit	Housing	Total
Bogotá	144.722	395.694	456	65.535	606.407
Antioquia	70.767	125.435	0	6.514	202.716
Northeast	178.817	158.848	0	9.674	347.339
Southwest	29.151	100.722	0	7.742	137.615
Total Colombia	423.457	780.699	456	89.465	1,294,077
Total	**423.457**	**780.699**	**456**	**89.465**	**1,294,077**

January 01st, 2014

Concept	Commercial	Consumption	Microcredit	Housing	Total
Bogotá	70.973	408.092	778	69.999	549.842
Antioquia	51.404	119.186	0	5.217	175.807
Northeast	110.533	167.070	0	7.913	285.516
Southwest	14.571	110.048	0	7.484	132.103
Total Colombia	247.481	804.396	778	90.613	1,143,268
Total	**247.481**	**804.396**	**778**	**90.613**	**1,143,268**

Detail of restructured financial leasing portfolio by geographic area:

December 31st, 2015

Concept	Commercial Leasing	Consumer Leasing	Microcredit Leasing	Housing Leasing	Total
Bogotá	2.483	39	0	13.006	15.528
Antioquia	0	0	0	5.121	5.121
Northeast	0	0	0	3.588	3.588
Southwest	0	0	0	4.555	4.555
Total Colombia	2.483	39	0	26.270	28.792
Total	**2.483**	**39**	**0**	**26.270**	**28.792**

(Millions of Colombian Pesos (COP))

December 31st, 2014

Concept	Commercial Leasing	Consumer Leasing	Microcredit Leasing	Housing Leasing	Total
Bogotá	0	55	0	15.522	15.577
Antioquia	0	0	0	4.403	4.403
Northeast	0	0	0	3.429	3.429
Southwest	0	0	0	5.960	5.960
Total Colombia	0	55	0	29.314	29.369
Total	**0**	**55**	**0**	**29.314**	**29.369**

January 01st, 2014

Concept	Commercial Leasing	Consumer Leasing	Microcredit Leasing	Housing Leasing	Total
Bogotá	0	72	0	13.714	13.786
Antioquia	0	0	0	3.211	3.211
Northeast	0	0	0	2.591	2.591
Southwest	0	0	0	6.725	6.725
Total Colombia	0	72	0	26.241	26.313
Total	**0**	**72**	**0**	**26.241**	**26.313**

11.5.10. Portfolio with shareholders and employees

Shareholder loans and housing loans granted to employees with benefit rate:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Shareholders*	124	278	200.244
Housing employees	89.256	80.158	55.629
Housing Leasing Employees Total	91.318	78.334	26.911
Total	**180.698**	**158.770**	**282.784**

* Shareholders holding more than 5%

The Bank in Colombia in applying IFRS 9 and NCIF 17, incorporated in its financial statements the profit rate that gives its employees in loans for house purchase recognizing income portfolio and personnel costs by $ 12,481 million by 2015 and $ 12,781 million.

(Millions of Colombian Pesos (COP))

11.5.11. Portfolio sales

The detail from sales of portfolio is presented:

December 31st, 2015

Titularizadora Colombiana S.A

Issuance	Date	Number	Rate	Capital	Interests	Other *	Total	Profit	Proceeds from the sale	Recovery provisions
TIPS Pesos N-11	10-June-2015	6100	11.2%	367.102	1.646	507	369.255	7.342	377.500	7.500
TIPS UVR U-1	Oct-15-2015	3665	11.1%	122.971	501	193	123.665	4.920	129.078	2.581
Total		**9765**		**490.073**	**2.147**	**700**	**492.922**	**12.262**	**506.578**	**10.081**

December 31st, 2014

Titularizadora Colombiana S.A

Issuance	Date	Number	Rate	Capital	Interests	Other *	Total	Profit	Proceeds from the sale	Recovery provisions
TIPS Pesos N-9	Sept-16-2014	2717	10.8%	265.557	1.129	281	266.967	2.946	270.885	5.345
TIPS Pesos N-10	Dic-10-2014	3638	11%	353.252	1.496	373	355.121	5.299	361.346	7.182
Total		**6355**		**618.809**	**2.625**	**654**	**622.088**	**8.245**	**632.231**	**12.527**

January 01st, 2014

Titularizadora Colombiana S.A

Issuance	Date	Number	Rate	Capital	Interests	Other *	Total	Profit	Proceeds from the sale	Recovery provisions
Pesos N-7	May-17-2013	3350	13.0%	303.605	1.756	268	305.629	15.296	322.101	6.195
Total		**3350**		**303.605**	**1.756**	**268**	**305.629**	**15.296**	**322.101**	**6.195**

11.5.12.Sales of written off portfolio

The detail from sales of written off portfolio is presented:

December 31st, 2015

Portfolio	Number of Credits	Capital	Interests	Other Concepts	Total	Sales price
1	6.315	30.286	1.316	433	32.035	2.307
2	6.066	28.317	839	276	29.432	2.268
3	6.775	31.727	971	324	33.022	2.665
4	6.735	30.875	952	312	32.139	2.351
2	7.096	32.567	959	337	33.863	2.498
Total	**32.987**	**153.772**	**5.037**	**1.682**	**160.491**	**12.089**

1. On February 19, 2015, a selling of written off portfolio is made through auction for a total value of $ 160,491 whose sale price amounted to $ 12,089, it was awarded to 2 of the offering entities and the payment was made within less than one month.

Portfolio	Number of Credits	Capital	Interests	Other Concepts	Total	Sales price
1	41	798	149	249	1.196	130
Total	**41**	**798**	**149**	**249**	**1.196**	**130**

(Millions of Colombian Pesos (COP))

2. On July 16, 2015, a selling of written off portfolio is made through auction for a total value of $1,197 whose sale price amounted to $130, it was awarded to one of the offering entities and the payment was made within less than one month.

Portfolio	Number of Credits	Capital	Interests	Other Concepts	Total	Sales price
1	5.993	30.413	1.585	487	32.485	2.281
2	5.748	30.492	1.368	537	32.397	2.073
3	6.050	30.539	1.325	466	32.330	2.229
4	5.716	31.275	1.342	543	33.160	2.252
Total	**23.507**	**122.719**	**5.620**	**2.033**	**130.372**	**8.835**

3. On November 24, 2015, a selling of written off portfolio is made through auction for a total value of $130.373 whose sale price amounted to $8.836, it was awarded to the two best offering entities and the payment is made under the terms established.

December 31st, 2014

Portfolio	Number of Credits	Capital	Interests	Other Concepts	Total	Sales price
1	7.810	43.317	1.915	505	45.737	3.898
2	7.946	43.381	2.038	587	46.006	3.211
3	8.046	43.194	1.963	496	45.653	3.455
4	8.064	43.434	1.842	587	45.863	3.215
5	8.026	43.333	1.922	476	45.731	3.686
6	2.374	23.274	3.285	733	27.292	233
Total	**42.266**	**239.933**	**12.965**	**3.384**	**256.282**	**17.698**

On April 25, 2014, a selling of written off portfolio is made through auction for a total value of $256.282 whose sale price amounted to $17.698, it was awarded to two of the offering entities and the payment is made under the terms established.

Portfolio	Number of Credits	Capital	Interests	Other Concepts	Total	Sales price
1	3.756	20.868	888	42	21.798	1.649
2	2.928	27.435	2.446	6	29.887	329
3	4.883	28.235	1.280	49	29.564	1.976
4	4.772	28.851	1.358	48	30.257	1.962
5	4.945	27.809	1.078	59	28.946	2.183
6	8.238	44.907	1.797	91	46.795	3.682
Total	**29.522**	**178.105**	**8.847**	**295**	**187.247**	**11.781**

On October 24, 2014, a selling of written off portfolio is made through auction for a total value of $187.247 is awarded to the highest bidder and payment is made under the terms established.

(Millions of Colombian Pesos (COP))

11.5.13.Punishments portfolio

The result of Write-off Ratio is as follows:

December 31st, 2015

Concept	Capital	Interests	Other Concepts	Total
Commercial	141.878	5.776	2.218	149.872
Consumption	611.746	19.586	4.130	635.462
Housing	5.425	27	327	5.779
Microcredit	1.638	17	102	1.757
Other Accounts receivable	0	0	937	937
Total	**760.687**	**25.406**	**7.714**	**793.807**

December 31st, 2014

Concept	Capital	Interests	Other Concepts	Total
Commercial	74.483	3.876	1.534	79.893
Consumption	538.606	17.143	4.449	560.198
Housing	13.750	95	685	14.530
Microcredit	688	9	50	747
Other Accounts receivable	0	0	913	913
Total	**627.527**	**21.123**	**7.631**	**656.281**

11.5.14. Purchases and portfolio holdings

The detail of purchases and portfolio holdings is as follows:
December 31st, 2015

The following is a breakdown of the portfolio purchase conducted by the Bank in 2015:

Number of Credits	Capital	Interests	Others	Total	Premium	Profit per purchase
975	16.767	94	212	17.072	81	431

It corresponds to purchase of portfolio with cash payment in 2015.

As of December 31, 2015, the balance of portfolio holdings with Miami is of $ 486,912 which correspond to credit operations where the Miami branch participates in the funding structure and its registration is in proportion to the transaction, therefore these transactions do not generate effect on the income statement.

Number of Credits	Capital	Interests	Total	Premium
9	486	2	488	0

Miami participated in the Panama portfolio with USD$ 59.2 million, an increase of $ 14.2 million, equivalent to 24% compared to the previous year.

(Millions of Colombian Pesos (COP))

December 31st, 2014

The following is a breakdown of the portfolio purchase conducted by the Bank:

Number of Credits	Capital	Interests	Others	Total	Premium	Profit per purchase
934	15.878	77	0	15.955	838	0

It corresponds to purchase of portfolio with cash payment in 2014.

As of December 31, 2014, the balance of portfolio holdings with Miami is of $ 371,972 which correspond to credit operations where the Miami branch participates in the funding structure and its registration is in proportion to the transaction, therefore these transactions do not generate effect on the income statement.

Number of Credits	Capital	Interests	Total	Premium
9	374	2	376	0

Miami participated in the Panama portfolio with USD$ 45.2 million, an increase of $34 million, equivalent to 75% compared to the previous year.

January 01st, 2014

As of January 1, 2014, the balance of portfolio holdings with Miami is of $ 205,772 which correspond to credit operations where the Miami branch participates in the funding structure and its registration is in proportion to the transaction, therefore these transactions do not generate effect on the income statement.

Number of Credits	Capital	Interests	Total	Premium
7	205	0.9	206	0

Miami participated in Panama’s portfolio with USD$ 11 million, an increase of 100% compared to the previous year since these operations did not exist.

11.5.15.Provision for loan portfolio and financial leasing

The movement of the credit portfolio provision is as follows:

December 31st, 2015

Concept	Commercial	Consumption	Microcredit	Housing	Total
Initial Balance December 31, 2014	718.696	729.963	7.403	255.700	1,711,762
Plus:					
Provision charged to operating expenses	704.178	1,060,222	6.771	129.797	1,900,968
Others	23	992	0	0	1.015
Provision charged to operating expenses Foreign Branch	342	0	0	0	342
Minus:					
Punished loans	(141.878)	(611.746)	(1.638)	(5.425)	(760.687)
Others	0	0	(75)	(457)	(532)
Re-credits to income	(363.197)	(327.415)	(3.046)	(121.145)	(814.803)
Final Balance December 31, 2014	**918.164**	**852.016**	**9.415**	**258.470**	**2,038,065**

(Millions of Colombian Pesos (COP))

From the month of January 2015 housing leasing portfolio that was classified as commercial portfolio stepped to be part of the housing portfolio.

December 31st, 2014

Concept	Commercial	Consumption	Microcredit	Housing	Total
Initial Balance December 31, 2013	582.341	696.741	5.431	209.912	1,494,425
Plus:					
Provision charged to operating expenses	518.310	885.075	4.994	82.531	1,490,910
Others	857	0	0	0	857
Provision charged to operating expenses Foreign Branch	953	0	0	0	953
Minus:					
Punished loans	(74.483)	(538.606)	(688)	(13.750)	(627.527)
Others	0	0	0	(113)	(113)
Re-credits to income	(309.282)	(313.247)	(2.334)	(22.880)	(647.743)
Final Balance December 31, 2014	**718.696**	**729.963**	**7.403**	**255.700**	**1,711,762**

The Bank in its provisions policy maintains a moderate risk level recognizing an indicator of PDI that is "unsecured" in the implementation of the benchmarks established in standard and in portfolio without models allocating additional percentages on the guaranteed portion; generating greater value of provision of $76,353 and $ 39,284 at December 2015 and 2014 respectively.

Provision commercial portfolio:

Qualified portfolio in D and E, with arrears of more than 360 days, is provisioned at 100%, except for housing leasing portfolio that is provisioned using the PDI of the MRC model corresponding to this type of guarantee.

Consumer portfolio Provision

The vehicle portfolio is provisioned using the PDI of "other suitable guarantees" and the portfolio with guarantee by promissory note "no suitable guarantee" PDI is applied.

In addition, methodology to rate consumer loans that have been restructured or standardized, which avoids the volatility in qualifying, is applied.

According to External Circular 026 of June 22, 2012 issued by the Financial Superintendence of Colombia, the additional provision of 0.05% for consumer loans in 2015 and 2014 was $43,067 and $37.587 respectively, generating an increase of 5,480.

Housing portfolio Provision

There are $55,803 for single provision, $43,939 of general provision and a refund of $46,361, as a result of the reclassification of housing leasing commercial portfolio (C.E.) 033 del 2013 issued by the Financial Superintendence of Colombia (SFC).

(Millions of Colombian Pesos (COP))

11.5.16. Maturity of financial leases

Maturity of financial leases follows:

	December 31st, 2015			
	0-1 years	**1-5 years**	**More then 5 years**	**Total**
Gross investment in finance leases	923	274.750	158.453	434.126
Unearned finance income from financial leases-interests	69	61.079	56.536	117.684
Total minimum financial lease payments receivable, at present value	854	213.671	101.917	316.442
	1.846	**549.500**	**316.906**	**868.252**

	December 31st, 2014			
	0-1 years	**1-5 years**	**More then 5 years**	**Total**
Gross investment in finance leases	456	83.039	44.691	128.186
Unearned finance income from financial leases-interests	10	16.929	17.162	34.101
Total minimum financial lease payments receivable, at present value	446	66.111	27.529	94.086
	912	**166.079**	**89.382**	**256.373**

	January 01st, 2014			
	0-1 years	**1-5 years**	**More then 5 years**	**Total**
Gross investment in finance leases	1.933	47.546	32.442	81.921
Unearned finance income from financial leases-interests	82	11.663	13.349	25.094
Total minimum financial lease payments receivable, at present value	1.851	35.883	19.093	56.827
	3.866	**95.092**	**64.884**	**163.842**

11.6. Accounts receivable

The following is a breakdown of the accounts receivable:

	December 31st, 2015	**December 31st, 2014**	**January 01st, 2014**
Interests	354.194	297.038	249.924
Financial component of financial leasing operations	24.191	21.229	17.181
Dividends and shares	0	1	0
Commissions	5.336	1.171	1.315
To Parent Company, subsidiaries, branches and associated	3.939	815	1.821
Deposits	17.725	16.610	3.625
Taxes	199.280	57.155	74.216
Advances for contractors and suppliers	76.397	61.927	28.459
To employees	2.009	2.270	2.546
Payments for account of customers	7.612	17.203	3.687
Payments for account of customer portfolio	65.582	49.669	55.495
Other	114.946	126.318	90.908
Accounts receivable	871.211	651.406	529.177
Impairment (Provision)	(63.517)	(53.937)	(49.408)
Accounts receivable, net	**807.694**	**597.469**	**479.769**

(Millions of Colombian Pesos (COP))

Maturation of accounts receivable, bellow:

December 31st, 2015

	0 to 1 year	1 to 5 years	More then 5 years	Total
Interests	350.689	3.505	1	354.195
Financial component of financial leasing operations	23.964	227	0	24.191
Commissions	5.336	0	0	5.336
To Parent Company, subsidiaries, branches and associated	3.939	0	0	3.939
Deposits	17.725	0	0	17.725
Taxes	199.280	0	0	199.280
Advances for contractors and suppliers	76.397	0	0	76.397
To employees	2.009	0	0	2.009
Payments for account of customers	7.612	0	0	7.612
Payments for account of customer portfolio	62.264	3.313	5	65.582
Other	114.945	0	0	114.945
Accounts receivable	864.160	7.045	6	871.211
Impairment (Provision)	(56.466)	(7.045)	(6)	(63.517)
Accounts receivable, net	**807.694**	**0**	**(0)**	**807.694**

December 31st, 2014

	0 to 1 year	1 to 5 years	More then 5 years	Total
Interests	292.895	4.142	0	297.037
Financial component of financial leasing operations	21.076	153	0	21.229
Dividends and shares	1	0	0	1
Commissions	1.171	0	0	1.171
To Parent Company, subsidiaries, branches and associated	815	0	0	815
Deposits	16.610	0	0	16.610
Taxes	57.155	0	0	57.155
Advances for contractors and suppliers	61.927	0	0	61.927
To employees	2.270	0	0	2.270
Payments for account of customers	17.203	0	0	17.203
Payments for account of customer portfolio	47.575	2.094	0	49.669
Other	126.319	0	0	126.319
Accounts receivable	645.017	6.389	0	651.406
Impairment (Provision)	(47.546)	(6.391)	0	(53.937)
Accounts receivable, net	**597.471**	**(2)**	**0**	**597.469**

(Millions of Colombian Pesos (COP))

January 01st, 2014

	0 to 1 year	1 to 5 years	More then 5 years	Total
Interests	247.395	2.529	0	249.924
Financial component of financial leasing operations	17.096	85	0	17.181
Commissions	1.316	0	0	1.316
To Parent Company, subsidiaries, branches and associated	1.821	0	0	1.821
Deposits	3.625	0	0	3.625
Taxes	74.216	0	0	74.216
Advances for contractors and suppliers	28.459	0	0	28.459
To employees	2.546	0	0	2.546
Payments for account of customers	3.687	0	0	3.687
Payments for account of customer portfolio	54.217	1.274	4	55.495
Other	90.907	0	0	90.907
Accounts receivable	525.285	3.888	4	529.177
Impairment (Provision)	(45.516)	(3.888)	(4)	(49.408)
Accounts receivable, net	**479.769**	**0**	**0**	**479.769**

The Bank to minimize credit risk which is exposed by the other receivables evaluates its behavior in each reporting period and applies an estimated provision based on the age of the items as protection to the risk of exposure.

Maturation of accounts receivable, bellow:

December 31st, 2015 Concept	Commercial	Consumption	Microcredit	Housing	Others	Total
Initial Balance December 31, 2014	21.443	19.820	213	7.549	4.912	53.937
Plus:						
Provision charged to operating expenses	20.170	39.530	261	8.311	6.794	75.065
Others	0	0	0	0	8	8
Provision charged to operating expenses Foreign Branch	0	0	0	0	0	0
Minus:						
Punished loans	(7.994)	(23.716)	(119)	(354)	(937)	(33.119)
Carrying value in lieu of payment	0	0	0	0	0	0
Others	0	(2)	0	0	0	(2)
Provision charged to operating expenses Foreign Branch	0	0	0	0	0	0
Re-credits to income	(11.215)	(10.076)	(121)	(5.336)	(5.623)	(32.372)
Final Balance December 31, 2014	**22.403**	**25.556**	**234**	**10.170**	**5.154**	**63.517**

From the month of January 2015 housing leasing portfolio that was classified as commercial portfolio stepped to be part of the housing portfolio.

(Millions of Colombian Pesos (COP))

December 31st, 2014 Concept	Commercial	Consumption	Microcredit	Housing	Others	Total
Initial Balance December 31, 2013	17.686	20.777	142	6.936	3.868	49.408
Plus:						
Provision charged to operating expenses	17.717	31.066	216	5.238	9.196	63.432
Others	0	0	0	0	2	2
Provision charged to operating expenses Foreign Branch	0	0	0	0	0	0
Minus:						
Punished loans	(5.411)	(21.592)	(59)	(780)	(913)	(28.754)
Carrying value in lieu of payment	0	0	0	0	0	0
Others	(21)	(2)	0	0	0	(23)
Provision charged to operating expenses Foreign Branch	0	0	0	0	0	0
Re-credits to income	(8.530)	(10.428)	(85)	(3.845)	(7.241)	(30.129)
Final Balance December 31, 2014	**21.443**	**19.820**	**213**	**7.549**	**4.912**	**53.937**

(Millions of Colombian Pesos (COP))

11.7. Assets held for sale

11.7.1. Assets held for sale

The detail of assets held for sale (AMV) is as follows:

	December 31, 2015			December 31, 2014			January 1st, 2014		
	Cost	Impairment	Total	Cost	Impairment	Total	Cost	Impairment	Total
Intended for housing	8.600	(471)	8.129	5.726	(1.489)	4.237	7.371	(3.241)	4.130
Different than housing	11.903	(1.177)	10.726	8.364	(3.005)	5.359	12.957	(3.871)	9.086
Property	4.227	(324)	3.903	725	(64)	661	1.418	(191)	1.227
Returned goods from Leasing contracts	11.015	(2.171)	8.844	8.477	(896)	7.581	4.763	(1.045)	3.718
Leasing Property	47.578	0	47.578	0	0	0	0	0	0
Total Assets held for sale	**83.323**	**(4.143)**	**79.180**	**23.292**	**(5.454)**	**17.838**	**26.509**	**(8.348)**	**18.161**

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
From			
Intended for housing			
Voluntary surrender	8.005	5.215	6.250
Awarding	595	511	1.121
Total intended for housing	8.600	5.726	7.371
Different than housing			
Voluntary surrender	11.754	5.217	9.944
Awarding	150	3.147	3.013
Different than housing	11.903	8.364	12.957
Property			
Vehicles	584	725	1.418
Rights	3.238	0	0
Others	404	0	0
Total Different than housing	4.227	725	1.418
Returned goods from Leasing contracts			
Property	10.545	6.169	4.763
Vehicles	470	2.308	0
Returned goods from Leasing contracts	11.015	8.477	4.763
Leasing Property	47.578	0	0
Subtotal	83.323	23.292	26.509
Provision (Deterioration)	(4.143)	(5.454)	(8.348)
Total	**79.180**	**17.838**	**18.161**

(Millions of Colombian Pesos (COP))

11.7.2. Movement of assets held for sale

The movement of assets held for sale is as follows:

December 31st, 2015

Concept	Intended for housing	Different than housing	Returned goods from Leasing	Leasing Property	Total
Cost					
Initial Balance	5.726	9.089	8.477	0	23.292
Additions (Received)	9.232	17.032	13.762	47.578	87.604
Withdrawals (Sales)	(2.328)	(2.084)	(10.184)	0	(14.596)
Transfers	(4.030)	(7.907)	(1.040)	0	(12.977)
Final balance	**8.600**	**16.130**	**11.015**	**47.578**	**83.323**
Impairment					
Initial Balance	(1.489)	(3.069)	(896)	0	(5.454)
Additions (Purchase)	(976)	(2.248)	(3.278)	0	(6.502)
Withdrawals (Sales)	651	283	1.609	0	2.543
Transfers	1.343	3.533	394	0	5.270
Final balance	**(471)**	**(1.501)**	**(2.171)**	**0**	**(4.143)**

December 31st, 2014

Concept	Intended for housing	Different than housing	Returned goods from Leasing	Leasing Property	Total
Cost					
Initial Balance	7.371	14.375	4.763	0	26.509
Additions (Received)	5.139	4.480	8.813	0	18.432
Withdrawals (Sales)	(6.784)	(9.766)	(5.099)	0	(21.649)
Final balance	**5.726**	**9.089**	**8.477**	**0**	**23.292**
Impairment					
Initial Balance	(3.241)	(4.062)	(1.045)	0	(8.348)
Additions (Purchase)	(1.998)	(3.402)	(1.274)	0	(6.674)
Withdrawals (Sales)	3.750	4.395	1.423	0	9.568
Final balance	**(1.489)**	**(3.069)**	**(896)**	**0**	**(5.454)**

11.7.3. Time of permanence of assets held for sale

The breakdown of assets held for sale, according to the time spent:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Up to a year	79.772	15.857	17.064
Between 1 and 3 years	3.551	7.136	8.838
Between 3 and 5 years	0	0	305
More then 5 years	0	299	302
Total	**83.323**	**23.292**	**26.509**

(Millions of Colombian Pesos (COP))

During this period, the Bank has carried out different strategies in the sale of non-current assets held for sale (ANCMV), with the following results:

Concept	December 31st, 2015		December 31st, 2014	
	Amount	Value	Amount	Value
Foreclosed assets	194	14.596	254	21.649
Total sales	**194**	**14.596**	**254**	**21.649**
Gain on sale		2.371		1.553
Depreciation of Deferred profit		840		352
Total profit sales		**3.211**		**1.905**
Loss on sale of foreclosed assets		350		928
Loss in sales		**350**		**928**
Net effect on results		**2.861**		**977**

11.7.4. Provision movements

The movement of the provision for assets held for sale, is as follows:

Concept	December 31st, 2015	December 31st, 2014
Initial Balance	(5.454)	(8.348)
Plus:		
Provision	(4.818)	(6.674)
Minus:		
Retiring	5.270	0
Reimbursement	859	9.568
Final balance	**(4.143)**	**(5.454)**

(Millions of Colombian Pesos (COP))

11.8. Property and equipment

The comparative summary of property and equipment is as follows:

	December 31st, 2015		
	Cost	**Depreciation**	**Total**
Land	285.962	0	285.962
Buildings and Improvements	567.139	(13.521)	553.618
Computer Equipment	77.019	(66.653)	10.366
Furniture and equipment	265.630	(125.323)	140.307
Vehicles	10.760	(4.482)	6.278
	1,206,510	**(209.979)**	**996.531**

	December 31st, 2014		
	Cost	**Depreciation**	**Total**
Land	285.697	0	285.697
Buildings	567.059	(6.800)	560.259
Computer Equipment	170.307	(118.525)	51.782
Furniture and equipment	118.613	(57.879)	60.734
Vehicles	10.295	(4.412)	5.883
	1,151,971	**(187.616)**	**964.355**

	January 01st, 2014		
	Cost	**Depreciation**	**Total**
Land	283.024	0	283.024
Buildings	561.337	0	561.337
Computer Equipment	169.906	(111.669)	58.237
Furniture and equipment	84.589	(47.150)	37.439
Vehicles	9.223	(3.941)	5.282
	1,108,079	**(162.760)**	**945.319**

(Millions of Colombian Pesos (COP))

The movement of property and equipment is as follows:

	Land	Buildings and Improvements	Computer Equipment	Furniture and equipment	Vehicles	Total
Cost:						
Balance as of January 1st, 2014	**283.024**	**561.337**	**169.906**	**84.589**	**9.223**	**1,108,079**
Additions	8.741	21.781	31.782	6.394	3.035	71.733
Purchase	8.741	21.781	31.782	6.394	3.035	71.733
Withdrawls	(4.559)	(17.545)	(31.793)	27.123	(1.963)	(28.737)
Sales	(5.657)	(21.825)	(13.270)	(1.027)	(1.963)	(43.742)
Removed from use and not classified as held for sale	1.098	4.280	(18.523)	28.150	-	15.005
Currency Restatement	-	-	270	312	-	582
Transfers	(1.509)	1.486	142	195	-	314
Balance as of the 31st of December 2014	**285.697**	**567.059**	**170.307**	**118.613**	**10.295**	**1,151,971**
Cumulative depreciation:						
Balance as of January 1st, 2014	**-**	**-**	**(111.669)**	**(47.150)**	**(3.941)**	**(162.760)**
Withdrawl	-	5.327	4.192	(4.746)	1.531	6.304
Sales	-	5.302	13.198	686	1.531	20.717
Removed from use and not classified as held for sale	-	25	(9.006)	(5.432)	-	(14.413)
Accumulated Movement Depreciation	-	(13.133)	(10.732)	(5.868)	(2.002)	(31.735)
Currency Restatement	-	-	(174)	(104)	-	(278)
Transfers	-	1.006	(142)	(11)	-	853
Balance as of the 31st of December 2014	**-**	**(6.800)**	**(118.525)**	**(57.879)**	**(4.412)**	**(187.616)**
Cost:						
Balance as of the 31st of December 2014	**285.697**	**567.059**	**170.307**	**118.613**	**10.295**	**1,151,971**
Additions	3.291	6.330	44.292	38.920	4.058	96.891
Purchase	3.291	6.330	44.292	38.920	4.058	96.891
Withdrawls	(1.678)	(5.826)	(35.828)	5.999	(3.593)	(40.926)
Sales	(2.661)	(5.730)	(14.367)	(15.231)	(3.593)	(41.582)
Disposal of assets designated at cost	-	-	(61)	(24)	-	(85)
Removed from use and not classified as held for sale	983	(96)	(21.400)	21.254	-	741
Currency Restatement	-	-	463	511	-	974
Transfers	(1.348)	(424)	(102.215)	101.587	-	(2.400)
Balance as of the 31st of December 2015	**285.962**	**567.139**	**77.019**	**265.630**	**10.760**	**1,206,510**
Cumulative depreciation:						
Balance as of the 31st of December 2014	**-**	**(6.800)**	**(118.525)**	**(57.879)**	**(4.412)**	**(187.616)**
Withdrawl	-	723	7.150	2.425	2.299	12.597
Sales	-	88	5.857	4.062	2.299	12.306
Disposal of assets designated at cost	-	-	61	24	-	85
Removed from use and not classified as held for sale	-	635	1.232	(1.661)	-	206
Accumulated Movement Depreciation	-	(7.604)	(15.704)	(8.952)	(2.369)	(34.629)
Currency Restatement	-	-	(374)	(257)	-	(631)
Transfers	-	160	60.800	(60.660)	-	300
Balance as of the 31st of December 2015	**-**	**(13.521)**	**(66.653)**	**(125.323)**	**(4.482)**	**(209.979)**
Book Value:						
Balance as of January 1st, 2014	**283.024**	**561.337**	**58.237**	**37.439**	**5.282**	**945.319**
Balance as of the 31st of December 2014	**285.697**	**560.259**	**51.782**	**60.734**	**5.883**	**964.355**
Balance as of the 31st of December 2015	**285.962**	**553.618**	**10.366**	**140.307**	**6.278**	**996.531**

(Millions of Colombian Pesos (COP))

11.8.1. Proceeds from the sale

The following is the breakdown of proceeds from the sale of Property and equipment:

	December 31st, 2015				
	Amount	**Value in Books**	**Sales Value**	**Profit**	**Loss**
Land	13	2.661	3.153	(492)	0
Buildings and Improvements	13	5.643	6.650	(1.007)	0
Computer Equipment - Furniture and fixtures	115	8.510	8.513	(10)	7
Furniture and equipment	6.331	11.169	9.932	(215)	1.452
Vehicles	38	1.294	1.216	(109)	186
	6.510	**29.277**	**29.464**	**(1.833)**	**1.645**

	December 31st, 2014				
	Amount	**Value in Books**	**Sales Value**	**Profit**	**Loss**
Land	4	5.657	6.136	(479)	0
Buildings and Improvements	4	16.523	17.923	(1.400)	0
Computer Equipment - Furniture and fixtures	3.123	73	184	(123)	12
Furniture and equipment	979	341	490	(224)	75
Vehicles	26	432	364	0	68
	4.136	**23.026**	**25.097**	**-2.226**	**155**

11.8.2. Restrictions on ownership of property and equipment

No ownership restrictions is presented for any of the periods reported

11.8.3. Transfers

The detail from sales of transfers of property and equipment:

	December 31st, 2015		
Concept	**Cost**	**Depreciation**	**Total**
Increase due to transfer to investment properties	101.587	(60.660)	40.927
Decrease due to transfer to investment properties	(103.987)	60.960	(43.027)
	(2.400)	**300**	**(2.100)**

	December 31st, 2014		
Concept	**Cost**	**Depreciation**	**Total**
Increase due to transfer to investment properties	1.681	(153)	1.528
Decrease due to transfer to investment properties	(1.367)	1.006	(361)
	314	**853**	**1.167**

(Millions of Colombian Pesos (COP))

11.8.4. Provision movements

No movement of provision as of December 31, 2015 and December 31, 2014 is presented.

11.9. Investment Property

The comparative summary of investment properties is as follows:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Cost	61.890	60.433	72.389
Depreciation	(698)	(397)	0
Provision	(24.087)	(19.787)	(9.561)
Total	**37.105**	**40.249**	**62.828**

The movement of investment properties is as follows:

	Investment Property
Cost:	
Balance as of January 1st, 2014	72.389
Additions	11.707
Purchase	11.707
Withdrawals	(22.516)
Sales	(23.925)
Removed from use and not classified as held for sale	1.409
Transfers	(1.148)
Balance as of the 31st of December 2014	**60.432**
Cumulative depreciation:	
Withdrawals	393
Sales	393
Accumulated Movement Depreciation	(772)
Transfers	(18)
Balance as of the 31st of December 2014	**(397)**
Cost:	
Balance as of the 31st of December 2014	60.433
Additions	10.484
Purchase	10.484
Withdrawals	(8.411)
Sales	(8.093)
Removed from use and not classified as held for sale	(318)
Transfers	(616)
Balance as of the 31st of December 2015	**61.890**
Cumulative depreciation:	
Balance as of the 31st of December 2014	(397)
Withdrawals	130
Sales	110
Removed from use and not classified as held for sale	20
Accumulated Movement Depreciation	(599)
Transfers	168
Balance as of the 31st of December 2015	**(698)**
Impairment (Provision)	
Balance as of January 1st, 2014	(9.561)
Balance as of the 31st of December 2014	(19.787)
Balance as of the 31st of December 2015	(24.087)
Book Value:	
Wednesday, January 1, 2014	**62.828**
Wednesday, December 31, 2014	**40.249**
Thursday, December 31, 2015	**37.105**

(Millions of Colombian Pesos (COP))

11.9.1. Provision movements

The movement of the provision of investment properties is as follows:

	December 31st, 2015	December 31st, 2014
Initial Balance	(19.787)	(9.561)
Plus:		
Provision	(8.511)	(10.257)
Minus:		
Retiring	210	0
Reimbursement	4.001	31
Final balance	**(24.087)**	**(19.787)**

The fair value of investment properties at December 31, 2015 amounted to $ 89,979.

11.9.2. Effect on Income Statement

The results recognized in the consolidated statement of income for the management of investment properties at December 31st, 2015 and 2014 are:

	December 31st, 2015	December 31st, 2014
Rental Income	1.453	1.622
Direct operating expenses arising from investment properties that generate rental income	194	211
Direct operating expenses arising from investment properties that so NOT generate rental income	554	495
Net	**705**	**916**

11.9.3. Proceeds from the sale

The product of sales of investment properties is as follows:

December 31st, 2015	Amount	Value in Books	Sales Value	Profit	Loss
Investment property	4	1.639	957	(132)	814
BRP's	23	6.344	5.324	0	1.020
		7.983	**6.281**	**(132)**	**1.834**

December 31st, 2014	Amount	Value in Books	Sales Value	Profit	Loss
Investment property	8	23.174	18.149	0	5.025
BRP's	2	359	363	(5)	0
		23.533	**18.512**	**(5)**	**5.025**

(Millions of Colombian Pesos (COP))

11.9.4. Transfers

Investment Property transfers are as follows:

December 31st, 2015

	Cost	Depreciation	Total
Increase due to transfer of property plant and equipment	(616)	168	(448)
	(616)	**168**	**(448)**

December 31st, 2014

	Cost	Depreciation	Total
Decrease due to transfer of property plant and equipment	(1.148)	(18)	(1.166)
	(1.148)	**(18)**	**(1.166)**

11.10. Goodwill

The detail of the goodwill generated in the purchase of Granbanco is as follows:

Name of the acquire	Granbanco
Date of acquisition	February 2007
% Participation	99.06%

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Cost	1,080,775	1,080,775	1,080,775
Total	**1,080,775**	**1,080,775**	**1,080,775**

For purposes of performing impairment tests, goodwill was allocated to the following cash generating units:

Business Line	Participation	Goodwill	Accumulated depreciation COLGAAP	Balance NCIF
Consumption	21.3%	292.103	61.276	230.827
Commercial	43.8%	600.872	126.049	474.823
SME	6.9%	95.195	19.970	75.225
Credit Cards	16.2%	222.395	46.653	175.742
Housing	11.2%	153.150	32.127	121.023
Branches	0.6%	8.743	5.608	3.135
Total	**100.0%**	**1,372,458**	**291.683**	**1,080,775**

An impairment test was performed as of December 31, 2015, by external consultants Deloitte Asesores y Consultores Ltda., giving as a result that the business lines generated no impairment loss.

The main projection assumptions used for impairment testing are presented:

	2015	2016	2017	2018	2019	2020
Placement interest rates (%)	12.3%	12.9%	12.8%	12.7%	12.8%	12.7%
Deposit interest rate (%)	2.6%	3.1%	2.9%	2.9%	2.9%	2.7%
Operating revenue growth	6.6%	7.4%	6.8%	6.6%	6.6%	6.6%
Growth other operating expenses (IPC)	5.7%	3.9%	2.7%	2.7%	2.9%	2.9%
Inflation	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Growth other operating expenses (IPC)	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

(Millions of Colombian Pesos (COP))

The discount rate to determine the cost of capital that generates the income source is determined by the weighted average cost of capital at market value cost of all sources of funding in the capital structure of the bank, it is estimated at 15 %, when performing sensitivity analyzes to value in use and the impairment test of each CGU identified for Capital Gains vs the discount rate it is at a greater allocation of risk in the discount rate would not generate deterioration in most of the CGU.

11.11. Intangibles

The balance of intangible assets is as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Licenses	15.488	13.577	9.610
Programs and software applications	57.031	28.674	4.571
Total	**72.519**	**42.251**	**14.181**

Concept	Licenses	Programs and software applications	Total
Balance as of January 1st, 2014	9.610	4.571	14.181
Annual acquisitions:	16.072	35.264	51.336
Accumulated amortization:	(12.105)	(11.768)	(23.873)
Reclassifications	0	489	489
Restatement	0	118	118
Final Balance December 31, 2014	**13.577**	**28.674**	**42.251**

Concept	Licenses	Programs and software applications	Total
Balance as of the 31st of December 2014	13.577	28.674	42.251
Annual acquisitions:	6.594	41.401	47.995
Accumulated amortization:	(3.285)	(10.146)	(13.431)
Reclassifications	(1.398)	(3.074)	(4.472)
Restatement	0	176	176
Final Balance December 31, 2015	**15.488**	**57.031**	**72.519**

11.12. Other non-financial assets

The other non-financial assets are listed below:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Assets received in lieu of payment	18.247	4.909	4.938
Prepaid expenses	56.519	57.000	63.808
Deferred tax asset	49.531	40.159	38.975
Deferred payment credit card	3.979	13.378	14.884
Trust rights	4.900	3.236	1.567
Works of art	2.276	2.426	2.340
Others	3.991	3.267	0
Impairment	(16.832)	(4.078)	(3.746)
Other non financial assets, net	**122.611**	**120.297**	**122.766**

(Millions of Colombian Pesos (COP))

The movement of the provision for other non-financial assets for sale is as follows:

	December 31st, 2015	December 31st, 2014
Initial Balance	4.078	3.746
Plus:		
Provision	8.667	332
Minus:		
Retiring	(5.480)	-
Reimbursement	1.394	-
Final balance	16.832	4.078

11.13. Deposits and current liabilities

Deposits and current liabilities are presented as follows:

	December 31st, 2015		December 31st, 2014		January 01st, 2014	
Concept	**Balance**	**Interest paid**	**Balance**	**Interest paid**	**Balance**	**Interest paid**
Deposits and current liabilities						
Interest-bearing liabilities						
Checking account	1,080,407	31.102	1,321,730	29.558	1,251,583	22.525
Saving accounts	18,901,209	429.579	16,752,473	346.180	14,388,859	288.857
Term deposits	13,381,917	9,502,734	11,043,409	8,072,750	9,282,716	386.224
Total Liabilities that bear interest	**33,363,533**	**9,963,415**	**29,117,612**	**8,448,488**	**24,923,158**	**697.606**
Liabilities that do not bear interest						
Checking account	3,967,781	0	3,767,003	0	3,307,802	0
Saving accounts	465.855	0	380.928	0	287.700	0
Current liabilities for services	507.549	0	490.512	0	341.391	0
Electronic deposits	53.075	0	34.855	0	75.690	0
Others*	156.711	0	89.612	0	113.800	0
Total Non Interest-bearing liabilities	**5,150,971**	**0**	**4,762,910**	**0**	**4,126,383**	**0**
Deposits and current liabilities	**38,514,504**	**9,963,415**	**33,880,522**	**8,448,488**	**29,049,541**	**697.606**

* Banks and correspondents, special deposits, collection service, affiliated establishments and canceled accounts

The maturity of financial liabilities follows:

December 31st, 2015

Concept	Less than a year	From 1 to 5 years	From 5 to 10 years	Total
Checking account	5,048,188	0	0	5,048,188
Saving accounts	19,367,064	0	0	19,367,064
Term deposits	11,173,974	1,762,337	445.606	13,381,917
Current liabilities for services	507.549	0	0	507.549
Electronic deposits	53.075	0	0	53.075
Others	156.711	0	0	156.711
Total	**36,306,561**	**1,762,337**	**445.606**	**38,514,504**

(Millions of Colombian Pesos (COP))

December 31st, 2014

Concept	Less than a year	From 1 to 5 years	From 5 to 10 years	Total
Checking account	5,088,733	0	0	5,088,733
Saving accounts	17,133,401	0	0	17,133,401
Term deposits	10,488,195	136.970	418.244	11,043,409
Current liabilities for services	490.512	0	0	490.512
Electronic deposits	34.855	0	0	34.855
Others	89.612	0	0	89.612
Total	**33,325,308**	**136.970**	**418.244**	**33,880,522**

January 01st, 2014

Concept	Less than a year	From 1 to 5 years	From 5 to 10 years	Total
Checking account	4,559,385	0	0	4,559,385
Saving accounts	14,676,559	0	0	14,676,559
Term deposits	4,294,969	4,987,747	0	9,282,716
Current liabilities for services	341.391	0	0	341.391
Electronic deposits	75.690	0	0	75.690
Others	113.800	0	0	113.800
Total	**24,061,794**	**4,987,747**	**0**	**29,049,541**

Deposits by currency and rate are as follows:

	December 31st, 2015		December 31st, 2014		January 01st, 2014	
Legal currency	Balance		Balance		Balance	
Deposits and current liabilities	Capital	% Implicit rate	Capital	% Implicit rate	Capital	% Implicit rate
Checking account	4,608,633	0.70%	4,693,237	0.71%	4,436,637	1.80%
Saving accounts	19,334,077	2.31%	17,101,474	2.07%	14,612,050	1.99%
Term deposits (TDC)	12,785,189	5.43%	10,291,190	4.85%	9,024,604	4.08%
Current liabilities for services	433.331		395.504		341.391	
Electronic deposits	53.075		34.855		75.690	
Others	137.226		88.152		113.800	
Total Liabilities	**37,351,532**		**32,604,412**		**28,604,171**	

	December 31st, 2015		December 31st, 2014		January 01st, 2014	
Foreign currency	Balance		Balance		Balance	
Deposits and current liabilities	Capital	% Implicit rate	Capital	% Implicit rate	Capital	% Implicit rate
Checking account	439.553		395.497		122.748	
Saving accounts	32.987	2.57%	31.927	1.88%	64.510	0.01%
Term deposits (TDC)	596.728	0.98%	752.219	1.10%	258.112	0.12%
Current liabilities for services	74.218		95.008		0	
Others	19.486		1.459		0	
Total Liabilities	**1,162,972**		**1,276,110**	**0.75%**	**445.370**	
Total liabilities Legal and Foreign Currency	**38,514,504**		**33,880,522**		**29,049,541**	

(Millions of Colombian Pesos (COP))

11.14. Money market deposit rates

The following is the detailed information of the sold interbank funds and the resale agreements:

Foreign currency	December 31st, 2015	December 31st, 2014	January 01st, 2014
Interbank	0	3.649	0
	0	3.649	0
Legal currency			
Interbank	160.045	260.056	252.037
Simultaneous	942.814	753.306	749.311
	1,102,859	1,013,362	1,001,348
Total liabilities positions in money market operations and related	**1,102,859**	**1,017,011**	**1,001,348**

The following is the detailed information of the sold interbank funds and the resale agreements:

December 31st, 2015

Entity	Rate Minimum - Maximum	Date Initiation	Due date	Market Value
Legal currency				
Interbank	5.75% - 5.79%	12/28/2015	1/4/2016	160.045
Simultaneous	1% - 5.75%	12/28/2015	1/5/2016	942.814
Total liabilities positions in money market operations and related				**1,102,859**

December 31st, 2014

Entity	Rate Minimum - Maximum	Date Initiation	Due date	Market Value
Foreign currency				
Interbank	12%	12/31/2014	1/2/2015	3.649
Legal currency				
Interbank	4.51% - 4.52%	12/26/2014	1/5/2015	260.056
Simultaneous	3% - 4.5%	12/29/2014	1/6/2015	753.306
Total liabilities positions in money market operations and related				**1,017,011**

(Millions of Colombian Pesos (COP))

January 01st, 2014

Entity	Rate Minimum - Maximum	Date Initiation	Date Due date	Market Value
Legal currency				
Interbank	3.22% -3.24%	12/27/2013	1/8/2014	252.037
Simultaneous	2.75% -3.25%	12/27/2013	1/3/2014	749.311
Total liabilities positions in money market operations and related				1,001,348

11.15. Bank loans and other obligations

The following is the detailed information of the financial obligations:

	Currency	Nominal interest rate	Maturity Year	Balance
Balance as of January 1st, 2014				**3,137,579**
New loans				**2,946,149**
	Dollars	0.36% - 7.75%	2011 TO 2022	2,216,033
	Pesos	0.19% - 14%	2014 to 2024	730.116
Payments for the period				**(2,986,642)**
	Dollars	0.36% - 7.75%	2011 TO 2024	(2,163,248)
	Pesos	0.19% - 14%	2014 to 2024	(823.394)
Other movements				**445.537**
Interest payable				98.077
Restatement				347.451
Others				9
Balance as of the 31st of December 2014				**3,542,622**
Balance as of the 31st of December 2014				**3,542,622**
New loans				**3,872,281**
	Dollars	0.36% - 4.75%	2015 to 2017	3,467,778
	Pesos	0.19% - 14%	2015 to 2027	404.503
Payments for the period				**(3,083,454)**
	Dollars	0.36% - 4.75%	2011 TO 2024	(2,314,978)
	Pesos	0.19% - 14%	2015 to 2027	(768.476)
Other movements				**668.247**
Interest payable				92.417
Restatement				575.822
Others				8
Balance as of the 31st of December 2015				**4,999,696**

(Millions of Colombian Pesos (COP))

The maturity of financial obligations, as follows:

December 31st, 2015

	Less than a year	Between 1 and 5 years	Between 5 and 10 years	More then 10 years	Total
Other entities in the country:					
Legal currency					
Bancoldex	20.470	139.447	35.891	0	195.808
Finagro	8.511	79.477	56.967	2.452	147.407
Findeter	44.043	255.804	401.547	335.621	1,037,015
Other banks and financial institutions of the country	8	0	0	0	8
Foreign currency					
Bancoldex	910	10.452	76.841	25.668	113.871
Findeter	481	0	77.781	74.472	152.734
Foreign Entities	2,391,779	417.790	0	543.284	3,352,853
Total	**2,466,202**	**902.970**	**649.027**	**981.497**	**4,999,696**

December 31st, 2014

	Less than a year	Between 1 and 5 years	Between 5 and 10 years	More then 10 years	Total
Other entities in the country:					
Legal currency					
Bancoldex	12.168	107.902	34.916	0	154.986
Finagro	4.437	97.382	56.921	7.172	165.912
Findeter	35.629	304.861	459.137	536.889	1,336,516
Other banks and financial institutions of the country	8	0	0	0	8
Foreign currency					
Bancoldex	1.238	36.232	79.442	19.499	136.411
Findeter	0	0	38.308	47.371	85.679
Foreign Entities	1,106,291	143.745	413.074	0	1,663,110
Total	**1,159,771**	**690.122**	**1,081,798**	**610.931**	**3,542,622**

January 01st, 2014

	Less than a year	Between 1 and 5 years	Between 5 and 10 years	More then 10 years	Total
Other entities in the country:					
Legal currency					
Bancoldex	5.984	57.580	14.946	0	78.510
Finagro	9.782	126.267	43.028	31.875	210.952
Findeter	4.345	333.972	525.900	501.112	1,365,329
Checking account overdrafts	9	0	0	0	9
Foreign currency					
Bancoldex	4.142	42.317	78.158	0	124.617
Findeter	0	0	104.295	0	104.295
Overdrafts in banks checking	4.618	0	0	0	4.618
Foreign Entities	1,135,153	114.096	0	0	1,249,249
Total	**1,164,033**	**674.232**	**766.327**	**532.987**	**3,137,579**

The entities of the country by legal and foreign currency, as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Entities of the country:			
Legal currency	**1,380,238**	**1,657,422**	**1,654,800**
Financial obligations	1,380,238	1,657,422	1,654,800
Foreign currency	**3,619,458**	**1,885,200**	**1,482,779**
Correspondent banks	0	0	4.618
Foreign Banks	3,352,853	1,663,110	1,249,249
Other obligations	266.605	222.090	228.912
Foreign Entities	**4,999,696**	**3,542,622**	**3,137,579**

(Millions of Colombian Pesos (COP))

11.16. Debt instruments

Securities emissions representing debt or capital of the entity, as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Balance bonds issued	8,621,165	7,332,640	6,398,156
Securities Interests issued	126.663	91.742	75.394
Amortized cost	(20.481)	(18.603)	(16.648)
Total	**8,727,347**	**7,405,779**	**6,456,902**

The movement of bonds is as follows:

	Date	Issuance value	Term (Months)	Performance	Due date	Balance
Balance as of January 1st, 2014						6,456,902
New issuances						
CPI	10/9/2014	109.350	60	CPI + 3.25 %	10/9/2019	109.350
CPI	10/9/2014	127.725	120	CPI + 3.96 %	10/9/2024	127.725
CPI	5/15/2014	183.359	60	CPI + 3.39%	5/15/2019	183.359
CPI	5/15/2014	160.955	120	CPI + 3.89%	5/15/2024	160.955
IBR	5/15/2014	255.686	36	IBR + 1.29%	5/15/2017	255.686
IBR	10/9/2014	90.235	36	IBR + 1.25%	10/9/2017	90.235
Fixed rate	10/9/2014	272.690	24	TF 5.89%	10/9/2016	272.690
						1,200,000
Redemptions						(770.563)
RMR Variation						465.630
UVR Variation						10.713
Interests						16.347
Amortized cost						26.750
Balance as of December 31st, 2014						**7,405,779**
Balance as of December 31st, 2014						**7,405,779**
New issuances						
CPI	5/13/2015	400.000	120	CPI+4.14%	5/13/2025	400.000
CPI	2/12/2015	187.241	60	CPI + 2.84%	2/12/2020	187.241
CPI	2/12/2015	134.003	120	CPI + 3.67%	2/12/2025	134.003
CPI	11/10/2015	148.956	60	CPI + 3.45%	11/10/2020	148.956
CPI	11/10/2015	273.623	120	CPI + 4.50%	11/10/2025	273.623
IBR	11/10/2015	177.421	24	IBR + 2.05%	11/10/2017	177.421
Fixed rate	2/12/2015	378.756	36	TF 5.94%	2/12/2018	378.756
						1,700,000
Redemptions						(1,195,210)
RMR Variation						757.010
UVR Variation						7.901
Interests						34.921
Amortized cost						16.945
Balance as of December 31st, 2015						**8,727,347**

(Millions of Colombian Pesos (COP))

The detail of debt instruments issued is as follows:

Issuance type	Date	Issuance value	Term (Months)	Performance	Due date	December 31st, 2015 Value in Books	December 31st, 2014 Value in Books	January 01st, 2014 Value in Books
Bonds issued in Colombia								
Secured Subordinated Bonds								
First issuance IFC - dollar Guarantee: Mortgage loans A rating and prepaid option for issuance every 3 monts - Series G	2/7/2007	368.641	84	Libor6 + 2.75	2/7/2014	0	0	318.576
Interests								4.104
Non Secured Subordinated Bonds								
CPI	Feb-19-08 - May-13-15	1,086,274	84 - 180	CPI+4.14 - CPI+6.65	Feb-19-15 - Apr-25-27	938.497	686.274	686.274
RVU(*)	Feb-19-08 - Feb-24-10	263.081	84 - 120	RVU + 5.50 - RVU+6.65	Feb-19-15 - Feb-24-20	136.276	320.154	309.442
Interests						15.352	10.571	9.307
In Dollars								
International Bonds	7/9/2012	895.125	120	TF 5.875	7/9/2022	1,574,735	1,196,230	963.415
Interests						44.325	33.671	27.118
				Total Subordinated Bonds		2,709,185	2,246,900	2,318,236
Ordinary Bonds (unsecured)								
CPI	Feb-05-09 - Nov-10-15	3,847,849	39 - 180	CPI+2.80 - CPI+5.50	Jun-10-14 - Feb-13-28	3,121,155	2,802,544	2,522,637
IBR	Dec-10-13 - Nov-10-15	839.157	24 - 36	IBR+1.25 - IBR+2.05	Dec-10-15 - Nov-10-17	523.342	661.736	315.815
Fixed rate	Feb-05-09 - Feb-12-15	970.028	24 - 60	TF 5.14% - TF 10.40%	Feb-05-14 - Feb-12-18	752.425	469.472	318.582
Interests						47.300	32.564	22.812
In Dollars								
Debt Bonds	1/29/2013	889.920	60	TF 2.95%	1/29/2018	1,574,735	1,196,230	963.415
Interests						19.687	14.935	12.053
				Total Ordinary Bonds		6,038,643	5,177,482	4,155,314
Amortized cost				Amortized cost		(20.481)	(18.603)	(16.648)
				Total Bonds		**8,727,347**	**7,405,779**	**6,456,902**

(Millions of Colombian Pesos (COP))

Liabilities designated in hedging

The Bank chose to manage hedge accounting by appointing liabilities for USD 500 million as a hedging instrument of net investments in foreign subsidiaries in Central America (hedged item) from January 1, 2015, considering the intention the administration has had to cover the exchange rate risk associated with such an investment. As of December 31, 2015 this coverage is effective according to tests conducted by the Administration.

Following the Bonds are listed by currency:

	December 31, 2015	December 31, 2014	January 01st, 2014
Legal currency	5,393,359	4,658,252	3,872,715
Foreign currency	3,196,072	2,425,141	2,273,263
RVU(*)	137.916	322.386	310.924
	8,727,347	**7,405,779**	**6,456,902**

The Bonds by maturing period are as follows:

	December 31, 2015	December 31, 2014	January 01st, 2014
Less than a year	0	0	750.714
Between 1 and 5 years	3,510,980	3,068,517	2,947,710
Between 5 and 10 years	4,413,191	3,536,617	2,119,886
Greater than 10 years	803.176	800.645	638.592
	8,727,347	**7,405,779**	**6,456,902**

Following the redemption of the bonds are as follows:

December 31st, 2015

Issuance Date	Issuance type	Term	Rate	Maturity date	Value
2/19/2008	First issuance - Series C	84	CPI+6.65	2/19/2015	151.383
2/19/2008	First issuance - Series D	84	UVR+6.65	2/19/2015	195.978
2/12/2010	Second issuance - Series 5	60	CPI+3.98	2/12/2015	218.921
10/7/2010	Third issuance - Series C5	60	CPI + 3.14	10/7/2015	122.389
3/10/2011	First issuance - Series C120	48	CPI+3.60	3/10/2015	91.575
12/10/2013	Fifth issuance - Series B	24	IBR + 2.00	12/10/2015	317.640
8/15/2012	Second issuance - Series E3	36	TF 6.5%	8/15/2015	97.324
					1,195,210

December 31st, 2014

Date	Issuance type	Term	Rate	Maturity date	Value
2/7/2007	First issuance IFC - dollar	84	Libor6 + 2.75	2/7/2014	339.318
7/16/2009	First issuance - Series G5	60	CPI+4.79	7/16/2014	218.827
3/10/2011	Forth issuance - SeriesC39	39	CPI+2.80	6/10/2014	87.577
2/5/2009	Second issuance - Series F5	60	TF 10.40%	2/5/2014	124.842
					770.564

Evaluation coverage of net investment abroad

The Bank's hedging instrument for net investment abroad with different exchange rates (Lempira, CRC and US dollar) for which it only uses the US dollar starting from the economic relationship between the behavior of the currencies of emerging economies in the same region, they tend to move in unison with respect to the US dollar in the medium and long term. The above effect is because the Central American economies as well as the Colombian one share among others the following features:

Political and institutional democratic schemes

Dependence generating raw materials

Important share of remittances on local economies

Similar levels of GDP / per capita and economic development.

Moreover, the exchange rate policies prevailing in the economies of Costa Rica and Honduras are based on an exchange rate band regime that limits fluctuations in the value of currencies against the dollar.

Based on the historical behavior of exchange rates in question with the Colombian peso, a strong correlation between the three currencies is observed, ratifying the high level of coverage provided by the dollar for items denominated in CRCes and lempiras, where correlations are presented (Correlations of daily returns for a sample of three years) above 70%, as follows.

Correlations

	USD	HNL	CRC
USD	100%	99.7%	95.8%
HNL	99.7%	100%	94.1%
CRC	95.8%	94.1%	100%

Likewise, it is evident that relations are maintained through time.

The amounts of the hedged items denominated in Costa Rican CRCes, lempiras and US dollars are as follows:...

Branch investments	Investment value Foreign currency	Value USD investment	Coverage Amount USD	Overdraft Amount USD
Costarican CRCs	89,836.9	176.8	148.5	28.3
Lempiras	2,625.4	131.8	110.7	21.1
Dollars	240.9	240.9	240.9	-
Total		**549.5**	**500.0**	**49.5**

Figures in millions.

Hedge effectiveness

The items being hedged are denominated in CRCes, lempiras and dollars, and the hedging instrument denominated in dollars. In assessing retrospectively the effectiveness of the hedge, linking the effect on changes in currency versus the Colombian peso of the items hedged, with the effect on changes of the hedging instrument we get the following result:

	Hedging Efficiency Ratio 2015
Total	**93%**

(Millions of Colombian Pesos (COP))

The coverage efficiency ratio reflects the strong relationship between the currencies of emerging economies. The result of efficiency also reflects the perfect hedging for items denominated in US dollars, whenever the assets and liabilities are exposed to the same currency.

It is important to note that this is not a perfect hedge to the extent that each local market presents a particular dynamic, however, in the absence of a market for deep derivatives and sufficient liquidity, which will maintain a coverage system in the medium and long term, assuming high correlation between currencies justifies the declaration of coverage to the extent that the efficiency ratio has shown to remain in tolerable range through recent years.

11.17. Accounts payable

The detail of the accounts payable is as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Commissions and fees	3.736	4.219	4.879
Taxes	34.456	27.274	80.133
Dividends and Surplus	3.306	3.222	3.174
Tax transactions	13.243	9.909	25.046
Promising buyers	5.744	4.087	14.912
Suppliers and services payable	281.632	283.330	212.394
Withholdings and labor contributions	74.026	66.187	85.812
Account payable Parent Company - Subordinadated	12.415	2.520	3.322
Diverse	145.441	161.771	136.910
Available Balance Prepaid VISA	12.482	14.271	13.648
Account Payable Nation Law 546	33.724	31.492	30.285
Deposit Insurance	50.388	44.690	21.157
Outstanding disbursement checks	75.649	7.101	3.864
Labor liabilities (1)	73.361	49.305	43.133
Total accounts payable	**819.603**	**709.378**	**678.680**

(1) (1)The breakdown of labor obligations is as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Consolidated Severance	17.908	15.775	13.468
Interest on severance pay	2.112	1.851	1.583
Consolidated vacation fee	35.267	31.679	28.082
Other employee benefits (*)	18.074	0	0
	73.361	**49.305**	**43.133**

	December 31st, 2015	December 31st, 2014	January 01st, 2014
(*)Provisions for Employee Benefits	18.074	0	0
	18.074	**0**	**0**

(Millions of Colombian Pesos (COP))

11.18. Other non-financial liabilities and estimated liabilities

Other non-financial liabilities and estimated liabilities is presented in detail, as follows:

Concept	December 31st, 2015	December 31st, 2014	January 01st, 2014
Interests originated in restructuring	27.573	30.852	27.797
Other Provisions (1)	26.277	19.400	13.679
Litigations, Claims and Compensation (2)	25.339	26.676	26.308
Sanctions Financial Superintendence of Colombia	130	50	350
Subtotal	**25,469**	**26,277**	**26,658**
Anticipated revenues	18.738	19.186	23.554
Deferred Payment Credit Card	3.979	13.378	14.884
Deferred payments	3.692	5.811	6.856
Diverse	58.779	64.043	47.544
Total other non-financial liabilities and estimated liabilities	**164.507**	**179.396**	**160.972**

(1) The most significant provision relates to the provision for differential rate of the mortgage loans, that the Bank covers for additional 8 years, worth $ 22,877.

The following is the movement of the provision:

December 31st, 2015	Provisions for legal proceedings	Other miscellaneous provisions
Initial Balance	26.726	19.400
Plus:		
Provision	14.101	94.707
Minus:		
Retiring	0	87.797
Reimbursement	15.358	33
Final balance	**25.469**	**26.277**

December 31st, 2014	Provisions for legal proceedings	Other miscellaneous provisions
Initial Balance	26.658	13.680
Plus:		
Provision	13.129	70.404
Minus:		
Retiring	0	64.629
Reimbursement	13.061	55
Final balance	**26.726**	**19.400**

(Millions of Colombian Pesos (COP))

(2) Fines and penalties for litigation

The processes that generate passive contingency to the Bank have been discriminated as follows:

a. Disputes covered by Fogafín

These are processes from Granbanco S.A. Fiduciaria Cafetera S.A, Bancafé Panamá S.A. hoy Davivienda Panamá and Bancafé International Corporation hoy Davivienda Internacional, that existed at January 31, 2007 and which were notified after on February 16, 2007 until February 16, 2010, which are in force and are expressly guaranteed by Fogafín.

Processes for civil, administrative and special that are covered by the guarantee contract of Fogafín, provisions of 15% are constituted; taking into account the guarantee coverage on the value of the respective contingency according to their qualification and only for routine and special processes. When dealing with work processes, it is 10%.

Process	December 31st, 2015			December 31st, 2014			January 01st, 2014		
	No. Processes	Provision	Claim	No. Processes	Provision	Claim	No. Processes	Provision	Claim
Tributaries	0		0	4		18.291	5		18.240
Labor	1		373	1		340	1		307
Ordinary	71		15.425	102		20.593	154		23.436
Total Fogafín	**72**	**16.099**	**15.798**	**107**	**14.252**	**39.224**	**160**	**13.912**	**41.983**

b. Bank litigations

These are other processes that generate passive contingency to the Bank.

The summary of provisions and contingencies for litigation is as follows:

	December 31st, 2015			December 31st, 2014			January 01st, 2014		
Type of process:	Amount of processes	Provision value	Claim Value	Amount of processes	Provision value	Claim Value	Amount of processes	Provision value	Claim Value
Litigations covered by the Fogafín Guarantee contract	72	16.099	15.798	107	14.252	39.224	160	13.912	41.983
Tax processes	1	659	659	10	2.568	2.568	11	2.914	2.914
Labor demands	16	3.095	3.095	19	3.261	3.261	20	3.034	3.034
Ordinary processes	111	5.487	5.487	81	6.595	6.595	65	6.448	6.448
Total	**200**	**25.340**	**25.039**	**217**	**26.676**	**51.648**	**256**	**26.308**	**54.379**

The following is the possible deadline for payment or settlement of the dispute:

December 31st, 2015

	1 year	1 to 3 years	3 to 5 years	Total
Disputes covered by Fogafín	0	16.099	0	16.099
Tax processes	659	0	0	659
Labor demands	2.068	1.027	0	3.094
Ordinary processes	2.304	3.184	0	5.488
Total	**5.031**	**20.310**	**0**	**25.340**

December 31st, 2014

	1 year	1 to 3 years	3 to 5 years	Total
Disputes covered by Fogafín	0	0	14.252	14.252
Tax processes	0	2.568	0	2.568
Labor demands	1.310	1.952	0	3.261
Ordinary processes	6.499	95	0	6.595

(Millions of Colombian Pesos (COP))

Total	**7.809**	**4.615**	**14.252**	**26.676**

January 01st, 2014

	1 year	1 to 3 years	3 to 5 years	Total
Disputes covered by Fogafín	0	0	13.912	13.912
Tax processes	0	2.914	0	2.914
Labor demands	98	2.358	578	3.034
Ordinary processes	184	6.009	255	6.448
Total	**282**	**11.281**	**14.745**	**26.308**

The proceedings instituted by the Bank may be:

Criminal

Provided that in criminal proceedings the Bank is linked as a third party liable. As of 31 December 2015, there is one process with this condition; the amount does not exceed $ 70.

Ordinary civil, special, contentious-administrative and labor.

This type of process generates passive contingency to the Bank regardless of the procedural step it takes for the effect, in general because of their eventual contract or extra-contractual liability and also on the occasion of fines or penalties imposed by competent entities in the performance of their duties. Each of these processes has a corresponding rating and provision, if necessary.

Judicial processes that can generate greater economic impact to the Bank are as follows:

c. Tax processes

Estate Tax fiscal year 2007

By Record judgment internal number 18759 of February 26, 2015 , the Council of State confirmed the first instance verdict handed down by the Dispute Court of Cundinamarca in favor of the National Tax and Customs Department.

In this process the decision to host the special condition of payment under Article 149 of Law 1607 of December 2012 was made, canceling the tax value plus 20% of the interest. Under this action on August 16, 2013 the Bank had paid the sum of $ 6,409, which includes the 20% of the interests valued at $ 1,925; being in good standing with the Tax Administration for this item.

Taxation to Financial Movements fiscal year 2005

For tax obligations under judgment 18592 of November 1, 2012, the Bank filed a special payment term, based on the law 1607 of 2012. In this regard, $794 was canceled decreasing the contingency in $1,371.

Without prejudice to the special conditions of payment and approval of settlement agreements by the State Council, these benefits are subject for two years to timely payment of tax obligations under penalty of automatic loss of the benefit, as provided for the same Act 1607 of 2012.

Processes ICA

For processes in Medellin, developed in performances or tax reviews of Industry and Trade (ICA) in the administrative proceedings by the local authorities in previous years, the procedural process took effect, and in cases where official settlements were filed the respective appeal was filed. In this sense administrative actions made the required procedures and processes were exhausted both in first and second instance, so they were finished.

At the end of 2015, one (1) process with an amount of $194 is currently in force, which had first instance judgment of the Administrative Tribunal of Antioquia on 29 March 2011, partially favorable to the claims of the Bank. This sentence was subsequently challenged by the Municipality of Medellin, questioning the tax base of the ICA.

The Bank filed an appeal with the State Council. So from November 6, 2013, the process is for judgment of second instance. At the closing date of this process it is qualified as probable.

d. Guarantee Contract of Passive Contingencies with Fogafín.

During the privatization process of Granbanco S.A., on December 12, 2006 a contract of guarantee of passive contingencies with Fogafín was held, which entered into force on 16 February 2007

By virtue of that contract, Fogafín, in the terms of the agreement, guarantees the payment of certain passive contingencies to the Bank specifically identified in this document. Coverage is 85% and exceptionally 90%, with respect to labor and pension obligations of Banco Cafetero S.A. in liquidation, as enshrined in its clauses.

In the contract the existence of a contingency account consisting of provisions that Granbanco S.A. Bancafé and its subsidiaries had formed as of 31 January 2007, which amounted to $21,067, was envisaged. Any sentence or concept guaranteed by Fogafín until exhausting such amount must be previously deducted. Once exhausted, Fogafín is obliged to reimburse the corresponding net economic effect to the Bank under the terms of the contract concerned. The existence of that account with the provisions that existed at that time, determines that any losses on guaranteed legal sanction processes does not affect the status of income of the Bank.

At December 31, 2015, the processes covered by Fogafín are 72 with $16,099 of provision and $15,798 of claim.

According to the above, the Bank recognizes the reality of their contingent liabilities taking into account the contract with Fogafín.

At the reporting date there are 72 open processes with claims for $ 15,798, 11 of which are classified as probable, for a total amount of $ 1,506; 4 qualified as possible for $ 368, and 57 as remote for $ 13,924. During 2015 it was resolved in favor of the Bank, as follows:

Income Tax year 2003-Bancafé

The process was terminated by a judgment of the State Council 19661 of June 11, 2015, where 310662007000048 Resolution of 25 July 2007 which imposed sanctions for unfair return was partially revoked. As restoration of the right in favor of DIAN only reimbursement of $ 3,814 is ordered.

On the occasion of the final ruling on the 2003 Bancafé Rent Process there was a withdrawal of the lawsuit against administrative acts that refused conciliation, which was accepted by the Administrative Tribunal of Cundinamarca in hearing October 23, 2015.

Given that the Bank had canceled the $3,814 when it requested conciliation, is currently in good standing with the tax authority for this item.

e. Processes that generate passive contingencies with greater impact

Popular and group actions are legal procedures established for the protection of rights belonging to a large number of people. While popular actions have purposes of prevention, cessation and restoration of collective rights, the group ones seek compensation for damage caused by the attack on homogeneous individual rights. The risk of these lawsuits is considered remote; however, the nature of the rights which are discussed and the plurality of disputants make them important judicial proceedings for the bank, which is why it has decided to reveal them.

1. <u>Legal proceedings concerning extinct UPAC.</u>

1. 1.Alberto Botero Castro began popular action against Davivienda because he considers that the Bank made overbilled charges to the Nation in respect of the relief provided in Law 546 of 1999 in favor of the debtors of UPAC obligations. He requests, consequentially, the return of the amounts collected in excess to the public purse. The process is in preliminary stages. Although the demand does not specify the amount, in its terms it would be worth more than $ 5,000 million. The contingency was rated as remote considering that there is no piece of evidence that proves the alleged irregularities and inconsistencies that the Bank incurred.

2. The National Association of Users Committee Upac – (UPAC) along with other individuals made popular action against the Banco Davivienda S.A. and other financial institutions in order to declare that the defendants repaid erratically reliefs granted to mortgagors under Law 546 of 1999. They requested, in addition, that the defendants shall be ordered to return the public purse the TES that so far has not been returned despite the fact that the legal grounds for it were established. The process is done before the Administrative Tribunal of Cundinamarca, the preliminary objections made by the Bank pending to be definitively resolved. The amount in question is not determined by demand, rating the contingency as a remote one.

3. Mrs. Clara Cecilia Murcia and others led group action in the 5th Administrative Court of Bogotá, against courts that did not comply with the provisions of Law 546 of 1999 upon completion of the corresponding mortgage business processes. Among the requests of demand it is asked to order such courts the termination of such matters. The Bank is linked to the process for submitting, at the time, the relevant executive demands. The process is pending to start the probationary period. The contingency scored as remote.

4. 1.Mr. Fredy Alarcon with others sued the Bank through a group action claiming that the compensation for damages suffered during the alleged excessive charges that they were victims as debtors of mortgage loans in UPAC. The process is pending the appeal which was raised by the counterparty against early sentence favorable to the Bank. The contingency scored remote and its amount, for the moment, cannot be determined.

5. In the Civil court No. 5 of the Bogota Circuit Mr. Henderson Sepúlveda and others, file a group action against the Bank by excessive interest charges on credit card operations. The case is in the investigation stage and there are no valid elements of judgment to calculate the amount of the claims. The contingency was classified as remote.

2. <u>Legal Issues linked to the recovery of financial services.</u>

1. 1. Mr. Oscar Zambrano Parada and other led a group action that is processed in the Civil Court 31 of the Bogotá Circuit with which they are seeking recognition for damages for the alleged improper collection of fees for financial and banking services. The process is in

(Millions of Colombian Pesos (COP))

preliminary stages. There are still no objective parameters to measure the amount of the claims, reason why it has been classified as undetermined. The risk of contingency was classified as possible.

11.19.Equity

Includes all concepts and values that represent the contributions or shareholders' rights for the share capital, appropriated earnings from previous year's profits by mandate of the Assembly, with the goal of meeting legal, statutory or special purpose provisions, Surplus and dividends are declared on shares as paid-in capital.

11.19.1.Capital Stock

As of December 31, 2015 and December 31, 2014, the Bank´s authorized capital is in the amount of $72,800 represented by 455,000,000 and 520,000,000 shares with a nominal value of $160 and $140 respectively. The Ordinary Shareholders' Meeting held on March 13, 2015, approved the amendment of the Bank Statutes to increase the nominal share value from $140 to $160 (pesos per share).

The subscribed and paid capital at December 31, 2015 and 2014 amounts to: $71,074 and $62,190.

The authorized, subscribed and paid capital is represented in the following shares and other equity information at the end of each year as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Subscribed and paid ordinary shares	343,676,929	343,676,929	343,676,929
Preferential right Shares subscribed and paid	100,537,305	100,537,305	100,537,305
Total shares outstanding	**444,214,234**	**444,214,234**	**444,214,234**
Nominal value at the date	160	140	140
Equity Value	7,718,516	6,834,866	5,875,706
Intrinsic Value (in pesos)	**17,375.66**	**15,386.42**	**13,227.19**

Bank shares are registered shares, stock capital, and may be: a) ordinary, b) privileged, c) with preferential dividend and no voting rights; the latter may not represent more than fifty percent (50%) of the subscribed capital.

Shares with preferential dividend will give their holders the right to receive a minimum preferential dividend corresponding to zero point five percent (0.5%) per semester on the subscription price of the program´s first issuance, this is (COP 80.65) to be paid by decision of the Assembly preferentially compared to the corresponding ordinary shares. The minimum preferential dividend is not cumulative and not guaranteed.

The payment of the minimum dividend will take place with the frequency and manner determined by the General Assembly of Shareholders, in Colombian pesos. Currently, Davivienda´s accounting period is annual.

Should the distributable profits be sufficient to pay the Ordinary and Preferred shareholders a dividend equal to or greater than the minimum preferential dividend, profits will be distributed pro rata among the preferred shareholders and ordinary shareholders in accordance with decisions made by the assembly

11.19.2.Paid-in shares

There has been accounting of the values in the placement of shares for the higher amounts obtained on the nominal value of the share and for the capitalization of occasional reserves obtained in the distribution of profits from previous years with increased nominal value, determined by the decisions of the General meeting of shareholders.

(Millions of Colombian Pesos (COP))

The detail of the premium in placement of shares that make up the assets is as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2015
For paid-in ordinary shares	2,582.567	2,006,908	2,006,908
For premium on placement of preferred shares	1,551,099	1,382,699	1,382,699
Total paid-in	**4,133,667**	**3,389,608**	**3,389,608**

11.19.3.Reserves

By decision of the General Assembly of Shareholders there have been appropriations made of profits earned during fiscal years.

The breakdown of the figures in reserves that make up the assets is as follows:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Legal Reserve			
By appropriating profits	652.469	475.695	- 362.766
Statutory and occasional reserves:			
For the Board's provision	0	0	5.972
For the Assembly's provision and commitment	549.272	877.982	505.934
For tax provisions	14.611	25.071	55.221
	563.883	**903.053**	**567.127**
Total Reserves	**1,216,352**	**1,378,748**	**929.893**

Earnings per share

Earnings per share on the closing date of 31 December 2015 and 2014 were $2.734 and $ 2.466, respectively calculated based on the profit on the closing of each period divided by the weighted average number of shares outstanding.

In Ordinary Meeting of Shareholders held on March 13, 2015, the following decisions were approved:

Result distribution

The distribution of the results at the end of 2014 for $1,001,151 was approved, as follows:

a) Constitution Legal Reserve for $166,315, which corresponds to $160,285 untaxed and $6,030 taxed.
b) Payment of cash dividends for $ 350,041 at the rate of $788 pesos per share paid on March 26, 2015.
c) Increase untaxed occasional reserves if capitalized at the Assembly's disposal for future capitalizations or legal reserve increases in $ 484.795.

Other decisions:

- ✓ Release investment tax reserves and increase the taxed legal reserve tax in the value of $10,459 pursuant to decree 2336/95. The value of the fiscal reserve at year-end 2015 is $14,611.

- ✓ On qualifying equity accounts established in Decree 1771 of 2012 for the calculation of technical equity, the Assembly establishes the irrevocable commitment to capitalize or increase the legal reserve at the end of 5 years for a value of $425,000 million, generated from net profits of 2014.

- ✓ Authorized the release of untaxed reserves if capitalized with commitment at a value of $472,963 and free reserves not taxed at the disposal of the Assembly of $279,981 for payment of share dividends for $752,943 at the rate of $ 1,695 pesos per share. To that effect, the nominal value was increased by $ 20 pesos increasing it from $ 140 to $ 160 pesos per share and $ 1,675 pesos difference corresponded to paid-in capital.

11.19.4.Capital Management

Davivienda Bank defines its capital as the level of own funds with which it could face a scenario of losses resulting from the materialization of financial risks to which it is exposed. The Bank's policy is to maintain sufficient levels of solvency that allow it to develop its various activities with a capital commensurate with the risks taken, looking out for the organization´s sustainability in the long run.

Based on the above, the Bank is governed by the provisions of Colombian law, in which the standards for calculating capital and limits of credit institutions are defined. According to articles 2.1.1.1.2 and 2.1.1.1.3 of Decree 2555, as amended by Decree 1771 of 2012 and 1648 of 2014, the minimum level of total solvency is 9% and the basic solvency ratio must exceed 4.5%. Thus, the Bank meets the minimum levels of both technical equity as well as ordinary basic assets, with which it is possible to establish the capital adequacy ratios of full and basic solvency, respectively.

The Technical Equity is the sum of Regular Basic Assets (PBO for its Spanish acronym), the Additional Basic Assets (PBA for its Spanish acronym) and Additional Assets (PA for its Spanish acronym), minus PBO deductions, according to the guidelines of Decree 2555 of 2010. For their part, the percentages established by the Financial Superintendence of Colombia for assets weighted by risk level and including market risk according to the established methodology, are applied.

The following is the Bank´s solvency ratio to January 1, 2014, December 31, 2014 and December 31, 2015:

In millions of pesos

Calculation of Technical Equity	December 31st, 2015	December 31st, 2014	January 01st, 2014	Variation Dec 2015- Dec 2014
Technical equity	**7,994,396**	**6,256,165**	**5,625,065**	**1,738,230**
Ordinary Share (OS)	4,263,463	3,339,446	3,239,852	924.017
Deductions	(593.747)	(588.047)	-574.712	(5.700)
Capital Addition	3,730,932	2,916,719	2,385,212	814.213
Bonds and subordinated debt	0	0	0	0
Weighted assets by risk level	271.949	253.986	253.287	17.963
Weighted assets by risk level	53,258,541	45,878,671	38,398,120	7,379,870
Total solvency ≥ 9%	**14.20%**	**12.85%**	**13.65%**	**1.36%**
Basic solvency ≥ 4.5%	**7.58%**	**6.86%**	**7.86%**	**0.72%**

The Bank has complied with the minimum requirements established in Decree 2555 of 2010, while maintaining capital levels that exceed the minimum total solvency by about 486 billion COP on average, taking into account the last six quarterly closings.

During the last six quarterly closings, the Bank has complied with the requirements established by a total solvency level that exceeds the regulatory minimum 545 basis points on average.

Additionally, capital levels are monitored monthly in order to identify possible changes in current solvency ratios and take corrective action in a timely manner. In the same manner, for purposes of strategic planning, in the budget process and business projection, the Bank relies on tools that allow you to measure future levels of capital and establish the actions required to ensure compliance with solvency levels needed to develop the strategies proposed.

12. Specific statement results

12.1.Investment Income

The following is a breakdown of investment income:

Concept	December 31st, 2015	December 31st, 2014
Debt Instruments		
Valuation of investments at fair value, net	**232.560**	**206.916**
Profit	529.768	433.324
Loss	(297.208)	(226.408)
Valuation of investments at amortized cost, net	**80.151**	**58.085**
Profit	80.827	59.038
Loss	(676)	(953)
Sale of investments, net	**4.318**	**12.531**
Profit	40.297	60.971
Loss	(35.979)	(48.440)
Investment income	**317.029**	**277.532**

(Millions of Colombian Pesos (COP))

12.2. Income from fees and services

The breakdown of fees and income from services is as follows:

Net Fees and Services

Concept	December 31st, 2015	December 31st, 2014
Net Fees and Services	862.151	811.957
Expenses Fees and Services	181.656	166.330
Total	**680.495**	**645.627**

The main concepts of these commissions arising from operations: Transactional, payment, insurance banking, foreign trade, among others.

12.3. Personnel expenses

The detail of staff costs is as follows:

Concept	December 31st, 2015	December 31st, 2014
Wages and Benefits	554.086	514.680
Incentives	109.135	96.904
Personnel Benefits	147.012	109.664
Total Personnel Expenses	**810.233**	**721.248**

12.4. Operating expenses

The detail of operating expenses is as follows:

Concept	December 31st, 2015	December 31st, 2014
Maintenance and Adaptations	93.194	69.539
Cleaning and Security Services	90.414	91.212
Advertising, Advertisement and Public Relations	66.106	65.820
Insurance	61.532	66.553
Contributions and Others	78.612	76.533
Leases	80.553	77.953
Electronic data processing	55.462	65.388
Fees	147.239	133.184
Transportation	79.159	72.325
Taxes	124.085	105.016
Deposit insurance	95.591	85.755
Others	54.029	59.569
Operating expenses	**1,025,976**	**968.847**
Amortizations and depreciations	34.878	30.766
Total Operational Expenses	**1,871,087**	**1,720,861**

(Millions of Colombian Pesos (COP))

12.5. Other Income and Expenses

The detail of other income and expenses is as follows:

Concept	December 31st, 2015	December 31st, 2014
Other operating income		
Operational Risk Insurance Recovery	9.410	3.714
Judicial Recoveries and Other	5.875	878
From the sale of assets held for sale	4.998	4.021
Reversals of impairment losses	16.432	16.555
Other income	27.578	52.743
	64.293	**77.911**
Total Operational Expenses		
Operational risk losses	17.167	25.100
Judicial Loses and Other	7.996	6.386
From the sale of assets held for sale	4.378	6.108
Reversals of impairment losses	29.550	27.807
Total Other Expenses	**59.089**	**65.401**
Total other operating income and expenses, net	**5.204**	**12.511**

12.6.Taxes

Elements of expense from income tax:
The expense for income tax for the periods ended December 31, 2015 and 2014 includes the following:

	December 31st, 2015	December 31st, 2014
Income tax	227.133	149.217
Income tax CREE	95.274	69.626
Income tax surcharge CREE	52.930	0
Tax discount	(22.082)	(19.126)
Total current Taxes	**353.255**	**199.717**
Current equity taxes	0	0
Deferred taxes	55.750	132.691
Total Income tax	**409.005**	**332.408**
Recovery of prior periods	(14.695)	(2.231)
Total Income tax	**394.310**	**330.177**

In 2015 and 2014 the reimbursement of the provision for income tax was recognized and for tax CREE as a lower value than the income tax expenses in accordance with the tax returns for 2014 and 2015 fiscal years respectively.

Law 1607 of 2012 in Article 165, provided that for tax purposes the references contained in the tax rules to accounting standards remain in effect for the next 4 years after the entry into force of the International Financial Reporting Standards - IFRS – therefore, for the period up to and including 2015 to the year 2018, tax returns are prepared and presented based on current tax regulations with reference to applicable GAAP until 2014.

The restatement of financial liability designated as a hedge of net investment abroad recorded in Equity for accounting purposes, in this sense the corresponding current tax is recorded in equity in consideration of provisions of paragraph 61 of IAS 12. From 2015, pursuant to Article 66 of Law 1739 of 2014, the adjustment for exchange difference on growth equity investments abroad, only has fiscal impact at the time of realization or settlement.

(Millions of Colombian Pesos (COP))

Reconciliation of effective taxation rate:

The following is a breakdown of the reconciliation between income tax calculated at current tax rates and the tax expense actually recorded in the Income Statement:

	December 31st, 2015	Effective Rate	December 31st, 2014	Effective Rate
Income before income	**1,608,573**		**1,425,655**	
Income tax	402.143		356.414	
Income tax CREE	144.772		128.309	
Income tax surcharge CREE	80.429		0	
Nominal fee tax 2015 (39%) - 2014 (34%)	**627.344**		**484.723**	
Tax discount	(22.082)		(19.126)	
Non-deductible expenses and tax revenues	79.095		45.211	
Tax deductions and untaxed income	(79.950)		(28.917)	
Exempt income	(175.683)		(149.956)	
Adjustment rate on temporary differences	(19.719)		473	
Income tax	**409.005**		**332.408**	
Recovery of prior periods	(14.695)		(2.231)	
Total income tax expense	**394.310**	**25%**	**330.177**	**23%**

The applicable income tax rate for the years 2014 and 2015 was 25%. The 1607 Law created the income tax for CREE equity which has a rate of 9 %. In addition the 1739 law of 2014 created a CREE tax surcharge enforceable for four years from 2015, as follows: 2015-5 %, 2016-6 %, 2017-8 % and 2018-9 %.

In compliance with their tax obligations the Bank recognizes the amount of other national and local taxes and duties and contributions as follows:

Industry and commerce tax	52.823	48.404
Financial transactions tax	61.505	46.798
Wealth Tax	60.563	45.735
Sales tax	55.499	43.444
Fiscal contributions	96.392	96.182
Other (Property-Vehicles-Stamps)	9.807	9.738
Total Other taxes	**336.589**	**290.301**

Deferred taxes

The differences between the basis of the assets and liabilities for IFRS purposes and the their bases for tax purposes give rise to temporary differences that generate deferred taxes calculated and recorded to December 31, 2015 and 2014 taking into account tax rates for the years in which those temporary differences are reversed.

(Millions of Colombian Pesos (COP))

Year 2015

	December 31st, 2014	Financial Impact	Effect on Assets	December 31st, 2015
Deferred taxes Assets				
Fixed income investments	6.991	19.636	0	26.627
Industry and commerce	7.433	257	0	7.690
Deferred assets	10.685	(10.685)	0	0
Provisions	10.352	1.882	0	12.234
Others	4.698	(1.718)	0	2.980
	40.159	**9.372**	**0**	**49.531**
Deferred taxes Liabilities				
Equity investments	12.196	(7.113)	0	5.083
Derivatives operations	44.411	(15.383)	0	29.028
Property, equipment and investment assets	159.734	3.587	0	163.322
Goodwill	349.505	78.580	0	428.085
Residual rights	51.295	5.773	0	57.068
Others	8.941	(323)	0	8.618
	626.082	**65.121**	**0**	**691.204**
Total	**585.923**	**55.749**	**0**	**641.673**

Year 2014

	January 01st, 2014	Effect on Income	Effect on Equity	December 31st, 2014
Deferred taxes Assets				
Fixed income investments	8.291	5.268	(6.568)	6.991
Industry and commerce	6.240	1.192	0	7.433
Deferred assets	11.713	(1.027)	0	10.685
Provisions	7.691	2.660	0	10.352
Others	5.040	(342)	0	4.698
	38.975	**7.751**	**(6.568)**	**40.159**
Deferred taxes Liabilities				
Equity investments	15.527	(10.000)	6.669	12.196
Derivative operations	5.241	39.171	0	44.411
Property, equipment and investment assets	151.375	8.359	0	159.734
Goodwill	249.303	100.201	0	349.504
Residual rights	46.566	4.729	0	51.296
Others	10.958	(2.017)	0	8.941
	478.970	**140.443**	**6.669**	**626.082**
Total	**439.995**	**132.692**	**13.237**	**585.923**

(Millions of Colombian Pesos (COP))

Effect of current and deferred taxes on account components of other comprehensive income in equity

December 31st, 2015	Amount before tax	ORI element activity	Current Tax	Deferred tax	Reclassifications	Net
Financial instruments measured at fair value	10.776	(24.072)	0	8.506	0	(4.791)
Difference in Exchange for investments in associates	0	574.980	0	0	0	574.980
Exchange difference in net investment hedging abroad	0	(381.269)	148.695	0	0	(232.574)
Financial instruments measured at equity variation	158.744	(150.219)	0	7.611	0	16.136
Surplus due to the equity participation method	0	(84.870)	0	0	0	(84.870)
Adjustments of first time IFRS implementation	748.757	(14.348)	0	0	0	734.409
Reclassification of realized profits	0	0	0	(16.117)	16.117	0
	918.277	**(79.798)**	**148.695**	**0**	**16.117**	**1,003,290**

During 2015 $ 16,117 of deferred taxes on profits made was recognized, corresponding to taxes associated with dividend payments, sale of fixed assets and making investments available for sale.

December 31st, 2014	Amount before tax	ORI element activity	Deferred tax	Reclassifications	Net
Financial instruments measured at fair value	11.384	4.011	(4.619)	0	10.776
Financial instruments measured at equity variation	15.514	151.848	(8.617)	0	158.744
Adjustments of first time IFRS implementation	737.437	0	11.320	0	748.757
Reclassification of realized profits	0	0	(11.320)	11.320	0
	764.335	**155.859**	**(13.236)**	**11.320**	**918.277**

For 2014 $11,320 in deferred taxes were made due to dividend payments made in adopting IFRS for the first time.

January 01st, 2014	Amount before tax	Deferred tax	Net
Financial instruments measured at fair value	11.384	0	11.384
Financial instruments measured at equity variation	17.462	(1.948)	15.514
Adjustments of first time IFRS implementation	887.135	(149.698)	737.437
	915.981	**(151.646)**	**764.335**

Uncertainties in open tax positions

For Statements of Financial Position with a cutoff date of December 31, 2015 and 2014, we have analyzed the tax positions adopted in the statements still subject to review by the tax authorities, with the object of identifying uncertainties associated with a difference between such positions and those of the Tax Administration. According to the assessment, no facts have been identified that should be disclosed under this item.

Deferred taxes regarding subsidiary companies, associates and joint ventures

In applying paragraph 39 of IAS 12, the Bank recognizes deferred tax for investments in associates on accumulated profits susceptible to distribution as taxed. For this purpose for 2015 and 2014, the value of the temporary difference between the book value of investments and their equivalent tax cost of $1,109,473 and $566,495 respectively, deferred tax is not recognized, to the extent that you can control the moment such differences reverse and it is not expected to happen in the foreseeable future.

13. Related areas

The Bank may carry out transactions, agreements or contracts with related parties, on the understanding that any such transactions will be made with reasonable values, taking into account, among other things, the following criteria:

- The conditions and rates of the existing markets wherever the transactions take place
- The activity of the company involved
- The growth perspective of the respective business.

The following are considered related parties:

1. Group Companies
Subsidiaries: Fiduciaria Davivienda, Corredores Davivienda, Banco Davivienda Panamá, Banco Davivienda Panamá Licencia Internacional, Banco Davivienda Honduras, Seguros Honduras, Inversiones Financieras Davivienda Salvador, Grupo del Istmo Costa Rica.
Grupo Empresarial Bolivar companies: Capitalizadora Bolívar, Seguridad Compañía Administradora de Fondos de Inversión, Leasing Bolívar, Compañía de Seguros Bolivar, Seguros Comerciales Bolívar, Sociedades Bolívar, Investigaciones y Cobranzas el Libertador, Multinversiones Bolívar, Asistencia Bolívar, Riesgo e Inversiones Bolívar, Construcción y Desarrollo Bolívar, Inversora Bolívar, Ediciones Gamma, Promociones y Cobranzas Beta, Constructora Bolívar Bogotá, Constructora Bolivar Cali, CB inmobiliaria, CB Hoteles y Resorts, Prevención Técnica, Riesgo e Inversiones Bolívar Internacional, Cobranzas Sigma, Delta Internacional Holding, Sentido Empresarial, Sentido Empresarial Internacional.

2. Associated companies: Multiactivos, Redeban and Titularizadora
3. Key Personnel: Managers
4. Other: Shareholders > at 10%, Shareholders between 5% and 10%, ACH, Deceval and Finagro; companies where the bank has a greater than 10% share.

Bank managers and companies where managers have direct or indirect participation, greater or equal to ten percent (10%) of the outstanding shares or of their payments or parts of social interest.

Other shareholders with less than ten percent (10%) and more than five percent (5 %) (or equal to 5%) of participation of the capital of the Bank (Inversiones Cusezar and Inversiones Meggido).

The bank has office network conventions and business collaboration agreements with Corredores Davivienda. Fiduciaria Davivienda, Capitalizadora Bolívar and Leasing Bolívar; real estate lease contracts with Fiduciaria Davivienda, Promociones y Cobranzas Beta, Ediciones Gamma, Seguros Comerciales Bolívar and Constructora Bolívar Bogotá; commercial agreements with Asistencia Bolívar; collections management contracts with Promociones y Cobranzas Beta; and editing and commercialization agreement of magazines with Ediciones Gamma; administration and support contract of portal Davivienda empresarial Multilatina between Banco Davivienda el Salvador and Banco Davivienda Colombia.

There are also agreements of placement and collection of insurance policies and commercialization contracts Banking Insurance with Seguros Bolivar and Seguros Comerciales Bolivar insurance companies.

All operations were carried out at market prices; deposit rates are between 0.1 % and 6.39% and placement rates are between 0.01 % and 28.92 % including housing loans to key management personnel with UVR and UVR+2 % rates; agreed as employee benefits.

As of December 2015 there are no loans with interest rates, terms, guarantees and other conditions other than those agreed with third parties for loans approved to affiliates, subsidiaries and other companies that make up the related parties of the Bank.

(Millions of Colombian Pesos (COP))

At the close of December 31, 2015 there are no portfolio transactions with shareholders whose stake is less than 10 % of the share capital of the Bank, and which represent more than 5% of the technical equity.

Through regulatory provision the bank should carry out and maintain mandatory investments in securities issued by the Finance Fund for the Agricultural Sector like TDA (for its Spanish Acronym) - Titles of Agricultural Development for $ 663,765; for class A issued at a nominal rate of 2.06 % nominal previous quarter and for Class B 4.02 % nominal previous quarter; which does not correspond to market rates.

Likewise, the Bank conducted Rediscount operations with Finagro, which are listed below:

Rediscount operations	December 31st, 2015
Small Warranty rediscount	145.668
Interests for paying rediscount	1.734
Rediscount interest expense	6.315

These operations correspond to the portfolio funding aimed at the agricultural sector at preferential rates.

The following are transactions with the Related Parties:

December 31, 2015

	Group Companies	Associated companies	Key personnel (1)	Others	Total
Assets (2)	**355.674**	**252**	**4.064**	**99**	**360.089**
Cash	242.621	0	0	0	242.621
Investments	4.980	0	0	0	4.980
Loan portfolio and Financial Leasing operations	92.076	222	4.024	0	96.322
Accounts receivable	3.938	30	41	0	4.009
Other assets	12.058	0	0	99	12.157
Liabilities (3)	**359.795**	**32.881**	**4.453**	**64.507**	**461.637**
Financial liabilities	346.136	12.000	4.400	64.277	426.813
Accounts payables	12.381	20.881	53	230	33.545
Others	1.278	0	0	0	1.278
Income	**167.072**	**110.571**	**404**	**4.110**	**282.157**
Commissions	105.217	93.278	7	0	198.502
Interests	5.458	21	371	0	5.850
Dividends	23.944	3.769	0	3.700	31.413
Others	32.453	13.504	27	410	46.393

(Millions of Colombian Pesos (COP))

Expenses	**52.466**	**61.171**	**694**	**12.527**	**126.857**
Commissions	1.311	54.194	0	4.881	60.386
Others	51.155	6.977	694	7.645	66.471

(1) According to the NCIF 24 key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly: Members of Strategic Committee and Members of Board of Directors of the Bank.

It includes all transactions with key management personnel, excluding employee benefits which are described below.

(2) Assets: The most significant transactions with related parties in the assets included housing loans with labor benefit, placement rate to UVR or UVR + 2.0% approved by Board of Directors with a 15 year term with eligible collateral and consumer loans at 28.92% maximum market rates.

Working capital loans, builder credit and corporate loans and credit card to Group Companies with rates between 0.01% and 28.92%.

(3) Liabilities: The most significant transactions in liabilities were: With Group companies bank accounts a rate of 0.0%, Savings Accounts with interest rate of 0.1 % to 6.0 % and CDTs with interest rates ranging from 4.2% and 5.8%. With Other Shareholders Savings accounts with an interest rate of 3.7%. belonging to shareholders with less than 10% and greater than or equal to 5% of the Bank's capital and bank accounts with a 0.0% rate and savings accounts with interest rate of 5.3% of shareholders with participation equal to or greater than 10% of the bank´s capital.

December 31, 2014

	Group Companies	Associated companies	Key personnel (1)	Others	Total
Assets (2)	**225.718**	**380**	**5.144**	**31**	**231.273**
Cash	184.132	0	0	0	184.132
Investments	5.034	0	0	0	5.034
Loan portfolio and Financial Leasing operations	20.856	371	5.124	0	26.351
Accounts receivable	841	9	20	0	870
Other assets	14.855	0	0	31	14.886
Liabilities (3)	**107.978**	**32.779**	**1.360**	**197.877**	**339.993**
Financial liabilities	101.749	13.465	1.311	197.833	314.359
Interbank	3.649	0	0	0	3.649
Accounts payables	2.520	19.314	49	43	21.925
Others	60	0	0	0	60
Income	**232.560**	**94.139**	**410**	**1.061**	**328.170**
Commissions	89.689	85.472	10	881	176.052
Interests	7.916	61	372	0	8.349
Dividends	105.905	0	0	0	105.905
Others	29.049	8.606	28	180	37.863

(Millions of Colombian Pesos (COP))

Expenses	**52.390**	**67.370**	**310**	**16.402**	**136.472**
Commissions	1.462	53.665	0	3.406	58.533
Others	50.928	13.705	310	12.996	77.939

(1) According to the NCIF 24 key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly: Members of Strategic Committee and Members of Board of Directors of the Bank.

It includes all transactions with key management personnel, excluding employee benefits which are described below.

(2) Assets: The most significant transactions with related parties in the assets included housing loans with labor benefit, placement rate to UVR or UVR + 2.0% approved by Board of Directors with a 15 year term with eligible collateral and consumer loans at 28.63% maximum market rates.

Working capital loans, builder credit and corporate loans and credit card to Group Companies with rates between 0.01% and 28.63%.

(3) Liabilities: The most significant transactions in liabilities were: With Group companies bank accounts a rate of 0.0%, Savings Accounts with interest rate of 0.1 % to 4.4% and CDTs with interest rates ranging from 4.2% and 4.44%. With Other Shareholders Savings accounts with an interest rate of 3.7%. belonging to shareholders with less than 10% and greater than or equal to 5% of the Bank's capital and bank accounts with a 0.0% rate and savings accounts with interest rate of 4.2% of shareholders with participation equal to or greater than 10% of the bank´s capital.

January 01st, 2014

	Group Companies	Associated companies	Key personnel (1)	Others	Total
Assets (2)	**389.447**	**1.308**	**6.042**	**31**	**396.827**
Cash	150.711	0	0	0	150.711
Investments	10.001	0	0	0	10.001
Loan portfolio and Financial Leasing operations	208.125	1.304	6.013	0	215.443
Accounts receivable	2.567	3	28	0	2.599
Other assets	18.042	0	0	31	18.073
Liabilities (3)	**152.889**	**36.005**	**2.981**	**233.862**	**425.737**
Financial liabilities	149.380	13.750	2.968	233.610	399.708
Accounts payables	3.501	22.254	14	252	26.021
Others	8	0	0	0	8

(1) According to the IAS 24 key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly: Members of Strategic Committee and Members of Board of Directors of the Bank.

It includes all transactions with key management personnel, excluding employee benefits which are described below.

(2) Assets: The most significant transactions with related parties in the assets included housing loans with labor benefit, placement rate to UVR or UVR + 2.0% approved by Board of Directors with a 15 year term with eligible collateral and consumer loans at 29.68% maximum market rates.

Working capital loans, builder credit and corporate loans and credit card to Group Companies with rates between 0.01% and 29.68%.

(3) Liabilities: The most significant transactions in liabilities were: With Group companies bank accounts a rate of 0.0%, Savings Accounts with interest rate of 0.1% to 3.75% and CDTs with interest rates ranging from 3.95% and 4.1%. With Other Shareholders Savings accounts with an interest rate of 3.7%. belonging to shareholders with less than 10% and greater than or equal to 5% of the Bank's capital and bank accounts with a 0.0% rate and savings accounts with interest rate of 3.25% of shareholders with participation equal to or greater than 10% of the bank´s capital.

(Millions of Colombian Pesos (COP))

Transactions with key management personnel are as follows:

	December 31st, 2015		December 31st, 2014		January 01st, 2014	
	Maximum balance	Closing balance	Maximum balance	Closing balance	Maximum balance	Closing balance
Mortgage loans and other secured loans	852	3.292	894	4.228	935	4.615
Credit Cards	26	248	34	244	27	314
Other loans	171	484	192	652	375	1.085
	1.050	**4.024**	**1.120**	**5.124**	**1.338**	**6.013**

Below are detailed payments to key personnel:

	December 31st, 2015	December 31st, 2014
Short term benefits	1.550	1.012
Remuneration to key management personnel		
Salaries	4.301	4.006
	5.851	**5.018**

In 2015 expenditures to managers who have authority and responsibility for planning, directing and controlling the activities of the entity, amounted to $ 5.8 million pesos

There were no significant transactions completed for the period ending December 31, 2015, between Banco Davivienda and other entities under the influence or in the interest of Sociedades Bolivar S.A. nor Sociedades Bolivar S.A. and other entities of interest to Davivienda.

There were no major decisions taken by the Banco Davivienda or neglected due to influence or in the interest of Sociedades Bolivar S.A., nor decisions made or neglected by Sociedades Bolívar S.A. in the interest of Davivienda .

14. Contingent accounts

The following is a detailed breakdown of the contingent accounts, both creditors and debtors:

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Creditors:			
Undisbursed approved loans	6,158,184	7,784,763	6,404,595
Credit Cards	10,861,853	9,922,082	8,639,177
Diverse	3,478,244	3,501,753	3,530,733
	20,498,281	**21,208,598**	**18,574,504**

	December 31st, 2015	December 31st, 2014	January 01st, 2014
Debtors:			
Interest Loan Portfolio	90.352	77.814	64.518
Financial Leasing interests	481	5.729	3.475
Price level restatement loan portfolio	6.753	3.905	2.742
Restatement of Financial leasing operations	1.345	555	464
Royalties Receivable	487.196	197.393	171.904
Purchase transactions receivable	629.577	446.201	856.273
Diverse	23.400	31.037	32.706
	1,239,102	**762.635**	**1,132,081**

(Millions of Colombian Pesos (COP))

15. Events or Subsequent Events

Integration with Leasing Bolívar

On January 4, 2016 the formalization of the merger agreement took place between Davivienda Bank S.A. and Leasing Bolívar S.A., which had been approved by the Board of Directors in the meeting held on June 30, 2015, in order to reap the benefits to be derived from the transaction in terms of portfolio and commercial area growth, as well as further deepening and consolidation of markets. Integration is a complement to the business and SME strategy.
The percentage of instruments with the right to acquired votes was 100% of the ordinary shares.

a) The Bolívar business Group has considered it convenient to promote the merger between Banco Davivienda S.A. (absorbing entity) and Leasing Bolívar S.A. (absorbed entity), in order to advance a technically and economically efficient management of the companies that comprise it.
b) This process is intended to complement the bank´s Corporate Banking strategy, strengthening the supply of financing of productive assets for companies and individuals with business when joining the products, the knowledge and experience of Leasing Bolivar to the capacities, structure, network and skills of Davivienda. By integrating the two commercial forces their ability to serve customers of different segments of the Bank increases.
c) On the other hand, Leasing Bolívar customers now Davivienda customers, may receive a more complete range of products and increase their connections with the company.

d) With the merger, it is expected that Davivienda Bank, increase its competitiveness and current market share, which will allow it to continue with the expansion of their business. The efficiency achieved with this merger will come from synergies in support areas, improved funding costs compared to Leasing Bolívar´s current system, increased customer linkage and an efficient use of the commercial network to serve different segments.
e) Manner in which control was obtained.- Through the signing of a "Merger Commitment" signed between Leasing Bolivar and Banco Davivienda they agreed to merge to Bolívar Leasing S.A. Finance Company, with Banco Davivienda S.A. This decision was approved by the Extraordinary Shareholders' Meetings held on September 23, 2015 made with the shareholders of Banco Davivienda S.A. and Leasing Bolívar S.A. In the signed commitment it was determined that Leasing Bolivar shareholders would receive 0.31040 shares of Banco Davivienda S.A. for each common or preferred share of Leasing Bolivar recorded in the shareholder´s register. In this manner, they issued 7,456,179 preferred shares of Banco Davivienda to acquire control of Leasing Bolivar S.A.

There will be no goodwill recognized due to the particular conditions of this merger process, in which the absorbed entity is currently under the control of Grupo Bolívar´s parent company, -Sociedades Bolívar S.A., therefore, the provisions contained in NIF3 regarding the Business Combination shall not be applied.

The amount of assets and liabilities included in the process, are:

Assets		Liabilities	
Cash and equivalents	62.817	Public Deposits	768.547
Investments	9.407	Entities Loans	272.677
Net Portfolio	1,063,465	Accounts payable	47.869
Other assets	106.894	Other liabilities	13.474
Total assets	**1,242,584**	Total Liabilities	**1,102,567**

The assets acquired in the merger process totaled $1,242,584 and correspond to the following items: cash and cash equivalents, $62,817, Investments $9,407, Net portfolio $1,063,465 and Other Assets $106,894. Furthermore, the integrated liabilities totaled $1,102,567 and are represented by the following concepts: Public deposits $768,547, Entity Loans $272,677, $47,869 Accounts payable and other liabilities worth $13,474

The fair value on the date of acquisition of the total consideration transferred and the fair value on the date of acquisition for each major class of consideration, does not apply pursuant to paragraph B64 of IFRS 3 business combination for being a business combination with common control. No contingencies or credits to be revealed were identified.

CIFIN Participation Sale

On February 8 the Bank signed an agreement with TransUnion Netherlands II B.V. for the sale of one hundred percent (100%) of its shareholding in CIFIN S.A., qualified as a Society of Technical and Administrative Services, accredited as a financial, credit, trade and services information operator.
On this same date, the sale of 68,735 common shares corresponding to 71% was perfected. The value received for each share was COP $629,563.37.

The carrying amount at 8 February was $2,448 and the sale was made for $57,599 of which the amount of $43,273 was received on that date. In May 2016 the fine-tuning of the remaining sale, subject to compliance with special conditions, is to take place.

16. Transition to IFRS for separate financial statements

The Bank prepared the report on first time adoption of the International Financial Reporting Standards (IFRS) as of 1 January 2014 in accordance with Accounting and Financial Reporting Standards applied in Colombia (NCIF) effective 1 January 2013, adopted in the country by Law 1314 issued on 13 July 2009 and Decree 3023 of December 27, 2013 which defines the legal framework applicable to Group 1 entities and the standards issued by the Financial Superintendence of Colombia (SFC). The Bank was classified in this group for being an entity of public interest and an issuer of securities.

For the presentation of the separate financial statements, implementation of the technical regulatory framework provided in the annex to Decree 2784 of 2012 updated by Decree 3023 of 2013, except for IAS 39 and IFRS 9 regarding the treatment of the loan portfolio and its deterioration (Decree 1851, article 2); the classification and valuation of the investment portfolio (External Circular 034 of 2014 issued by the SFC) and the provisions for assets received in lieu of payment (BRP's), which should be kept independent of the classification of the goods received in payment, according to seniority as established by external Circular 036 of 2014 issued by the SFC, maintaining the application of chapters II, I-1, and III of the Basic Financial Accounting Circular respectively.

Law 1739 of 2014 Art.10 established the accounting treatment of the wealth tax charged to capital reserves without affecting results for the period.

According to the provisions of paragraph 23 of the IFRS1, the following shows how the transition from previous accounting principles applied in Colombia (COLGAAP) have affected the financial situation, comprehensive income and cash flows previously presented, with the purpose of providing information related to the significant adjustments to enable an understanding of the financial statements shown here, adjustments resulting from the convergence to NCIF are presented in a separate account in other comprehensive income, according to SFC provisions of external Circular 036 of 2014:

At the transition date, the Bank applied the following IFRS exceptions and exemptions as required by IFRS 1 "First-time Adoption of International Financial Reporting Standards"

Exceptions

1. Calculation of Estimates

Estimates at the date of transition are consistent with estimates at that time under the COLGAAP, unless there is evidence of error in these estimates.

All estimates at the date of convergence are in harmony with the accounting policies defined at the NCIF transition date, except for the following accounting policies that were different as established by the NCIF:

a) Amortized cost of financial instruments – Liabilities.
b) Useful lives and appraisals of fixed assets.
c) Employee Benefits.
d) Deferred and current tax.
e) Deterioration of portfolio, investments, fixed and intangible assets.
f) Litigation provisions

2. Discharge in assets and liabilities accounts

The Bank applied the discharge requirements of IFRS 9 prospectively, in accordance with the provisions in IFRS 1, for transactions taking place beginning 1 January 2014.

On the date of transition to NCIF cancelation took place of assets and financial liabilities directly related with each other, generated by transactions legally authorized to Colombian securities issuers for repurchase of Certificates of Deposit (CDT), without involving the extinction of title due to confusion. As of 1 January 2014 they had registered $16,431 in the investment portfolio and CDT's to correspond to assets and liabilities originating in holdings of the same bank.

3. Classification and measurements of financial assets and liabilities

Financial assets

The classification of financial instruments in the investment portfolio took place according to the business model defined by the Bank and following regulations of the Financial Superintendence of Colombia classification and measurement are maintained for fixed income investments and uncontrolled variable income, also the classification and provision of loan portfolio.

Financial liabilities
For the designation of previously recognized financial instruments, analysis of the option to designate , at the date of transition to NCIF any financial liability as at fair value with changes in results, and a determination was made not to use the exemption proposed in the IFRS1 . So that all liabilities were measured at amortized cost except for derivatives which are measured at fair value with changes in outcomes as was done in the COLGAAP.

4. Embedded derivatives

In the transition to NCIF, embedded derivatives in other contracts are to be treated as separate assets or liabilities unless they meet certain criteria. These assets and liabilities are measured at fair value and changes in fair value are recognized in results.

The COLGAAP did not require the identification and separate recognition of embedded derivatives.

As a result the assessment found no embedded derivative in contracts for procurement of goods or services.

Exemptions

5. Attributed Cost – Property and Equipment and Intangibles

Real estate: Land and buildings owned by the Bank as at 1 January 2014 were recognized at fair value being the equivalent to the attributed cost at the date of transition to NCIF, for which the carrying value was taken plus appraisals under the COLGAAP.

The option of deemed cost was applied for Bank properties with appraisals that meet the requirements of international standards, $560,982 being recognized as a greater value of the fixed assets. These valuations were registered in the surplus equity account and were transferred to the adjustments account for the first time.

For office furniture the carrying value was chosen complying with COLGAAP.

In the case of computer equipment retrospective application was given to the IAS16 for equipment that under COLGAAP was totally disregarded and were in use, as if the IAS 16 had always been enforced; therefore, adjustments to depreciation were made due to changes in the estimation of new useful lives with an effect of $48,376

Intangibles: their carrying value was chosen complying with COLGAAP, for software and licenses.

6. Use of deemed cost for Investments in subsidiaries, joint ventures and associates

For investments in subsidiaries and associates we chose to apply the deemed cost that IFRS 1 allows, the carrying amount under COLGAAP at 1 January 2014. The cost includes the balance of goodwill by $543,437 plus valuations for $335,072. These valuations were registered in the surplus equity account and were transferred to the adjustments account for the first time.

7. Business combinations

The Bank opted not to retroactively apply the requirements of IFRS 3 for business combinations recorded in the books, as goodwill kept the carrying value at the date of transition to NCIF according to COLGAAP, keeping the record in Colombian pesos.

As a result there was no retroactive application of the effects of variations in exchange rates of foreign currency to fair value adjustments nor to the goodwill that has emerged in business combinations that occurred before the transition to NCIF, recognizing the goodwill generated by the purchase of investments in Central America in the currency of the country of each acquired entity and restated in pesos with the TRM of the date of transition to NCIF, this is January 1, 2014.

Under COLGAAP the amortization of goodwill was carried out, which unlike NCIF is only contemplated when there is deterioration for goodwill and intangibles.

Separate Financial Statements Reconciliation.

The following is a detailed report of the reconciliations between COLGAAP and NCIF, which include: a) Statement of Financial Position to the transition date, January 1, 2014, b) Statement of Comparative Financial Position at December 31, 2014, c) Equity Comparative reconciliations at 1 January 2014 and 31 December 2014, d) Reconciliation of Income Statement as of December 31, 2014, e) Notes to reconciliations explaining the adjustments and reclassifications between COLGAAP and NCIF.

All originated adjustments were recorded in the "Adjustments in the first application of IFRS" account, included in the category called Other Comprehensive Income (OCI) in accordance with the instructions issued by the SFC in External Circular 036 of 2014

Reconciliation of Separate Financial Statements as at 1 January 2014 (Transition date)

December 1, 2014 (Amounts in millions of pesos)	Note	Bank COLGAAP Reclassifications	Reclassifications	NCIF transition effect	NCIF
Asset					
Cash and cash equivalents	a	2,974,255	68	746	2,975,069
Active money market operations and related		380.854	15		380.870
Financial investment instruments		4,596,042	120.160	(14.335)	4,701,868
Derivatives Assets		75.509	1		75.510
Loan portfolio and financial leasing operations	b	32,605,953	119.604	(38.276)	32,687,281
Accounts receivable, net	c	390.271	80.839	8.660	479.769
Assets held for sale	d	0	(4.673)	22.834	18.161
Assets received in payment and assets rest		42.681	(42.681)		0
Investments measured at amortized cost		1,226,377			1,226,377
Investments in subsidiaries and associates		1,353,184	775.838		2,129,023
Property and Equipment, Net	e	384.988	523.733	36.599	945.319
Investment properties, net	f	0	7.912	54.917	62.828
Capital gain		1,098,730	(17.955)		1,080,775
Intangibles		0	14.181		14.181
Other non financial assets, net	g,h	1,778,001	(1,577,041)	(78.196)	122.764
Total assets		46,906,844	1	(7.051)	46,899,794
Liability					
Deposits and liabilities	i	28,791,992	273.979	(16.431)	29,049,540
Passive money market operations and related		1,001,310	38		1,001,348
Liabilities derivatives		60.095	1		60.096
Bank loans and other obligations	j	3,125,388	12.192		3,137,580
Debt instruments issued	k	6,398,156	75.363	(16.617)	6,456,902
Accounts payable		1,039,184	(361.572)	1.068	678.680
Deferred income tax, net		321.987		156.983	478.970
Other non-financial liabilities and estimated liabilities	l	171.509		(10.537)	160.972
Total liabilities		40,909,620	1	114.466	41,024,087
Equity					
Capital and reserves (1)		4,381,691			4,381,691
Surplus - Gains or unrealized losses	m	885.852		(858.955)	26.898
Adjustments in the first time application		0		737.437	737.437
Retained earnings from previous years		729.680			729.680
Net income		0			0
Total assets		5,997,224	0	(121.517)	5,875,707
Total liabilities and equity		46,906,844	1	(7.051)	46,899,794

Reconciliation of Separate Financial Statements as at 31 December 2014 (Comparative)

Adjustments for transition to NCIF to January 1, 2014 were recognized in equity and for comparative purposes adjustments were included to December 31, 2014 in the income statement and in other comprehensive income, as appropriate:

31 December of 2014 (Amount in millions of pesos)	Note	Bank COLGAAP Reclassifications	Reclassifications	NCIF transition effect	NCIF
Asset					
Cash and cash equivalents	a	2,989,503	73	271	2,989,847
Active money market operations and related		323.626	30		323.656
Financial investment instruments		5,009,725	9.447	(113.386)	4,905,786
Derivatives Assets		414.335	2		414.336
Loan portfolio and financial leasing operations	b	39,224,475	116.521	(37.544)	39,303,452
Accounts receivable, net	c	517.819	76.737	2.913	597.469
Assets held for sale	d	0	3.069	14.769	17.838
Assets received in payment and assets rest		37.159	(37.159)		0
Investments measured at amortized cost		1,175,915			1,175,915
Investments in subsidiaries and associates		1,581,552	977.538	(39.200)	2,519,890
Property and Equipment, Net	e	388.906	585.906	(10.458)	964.354
Investment properties, net	f	0	11.086	29.164	40.249
Capital gain		1,073,231	(46.024)	53.569	1,080,775
Intangibles		0	42.251		42.251
Other non financial assets, net	g,h	1,897,028	(1,783,646)	6.915	120.297
Total assets		54,633,274	(44.170)	(92.987)	54,496,117
Liability					
Deposits and liabilities	i	33,773,536	315.122	(208.136)	33,880,522
Passive money market operations and related		1,016,956	56	(1)	1,017,012
Liabilities derivatives		300.459	2		300.461
Bank loans and other obligations	j	3,526,919	15.704		3,542,623
Debt instruments issued	k	7,332,640	85.041	(11.902)	7,405,779
Accounts payable		1,130,266	(460.095)	39.206	709.377
Deferred income tax, net		425.909		200.172	626.082
Other non-financial liabilities and estimated liabilities	l	187.806		(8.410)	179.397
Total liabilities		47,694,492	(44.170)	10.929	47,661,250
Equity					
Capital and reserves (1)		4,830,546			4,830,546
Surplus - Gains or unrealized losses	m	1,107,086		(937.566)	169.520
Adjustments in the first time application		0		748.757	748.757
Retained earnings from previous years		0		(9.434)	(9.434)
Net income		1,001,151		94.327	1,095,478
Total assets		6,938,783	0	(103.916)	6,834,867
Total liabilities and equity		54,633,274	(44.710)	(92.987)	54,496,117

Reconciliation of equity

With the implementation of NCIF, the SFC defined that there must be acknowledgement in the equity in the accounts of "Adjustments in first application of IFRS" and " Retained earnings process of convergence to IFRS" adjustments to January 1 and 31 December 2014, respectively. Below the Reconciliation of Equity:

		January 1st, 2014	December 31st, 2014
Equity Balance under COLGAAP (Amount in millions of pesos)	**Note**	**5,997,224**	**6,938,783**
Investments			
Investments in equity securities		2.096	2.096
Property and equipment			
Deemed cost of property and equipment	5	42.663	(27.979)
Depreciation, inflation and provision of property and equipment	5	34.638	45.146
Assets received in lieu of payment (BRP 's)			
Transfer to investment property	f	3.406	3.742
Reversal of provision	f	(707)	(2.150)
Deferred			
Deferred charges , social clubs, prepayments	h	(34.447)	(34.447)
Wealth tax	h	(45.735)	2.209
Goodwill amortization	7		79.022
Deferred tax			
Deferred tax	g	(151.646)	(183.437)
Portfolio			
Deferred tax Alliance -Prima Frech - profit employees	g		3.568
Estimated liabilities and provisions			
Customer Loyalty Program	l		(1.776)
Litigation provision	l	9.470	3.531
Others			
Furniture and equipment assets discharged	2	(91)	(91)
Real art and culture unrecognized authors	h	(3.949)	(3.949)
Provisions (Accounts receivable and other assets available)	l	12.837	3.315
Amortized cost financial liabilities - bonds	k	9.948	11.490
Others			(4.205)
Convergence adjustments		**(121.517)**	**(103.917)**
Heritage balance Under NCIF		**5,875,706**	**6,834,866**

The following reclassifications within equity were made by transferring the revaluation surplus of investment $337,021 and fixed assets $521,933 per option of deemed cost, being recognized in the Adoption for the first time account, for a total value of $858,954, leaving a net effect on the adoption for the first time account of $737,437, once including convergence adjustments ($121.517).

Reconciliation of Results to 31 December 2014. (Transition year).

Profit under Colgaap (Amount in millions of pesos)	**Note**	**(1,001,151)**
Portfolio		
Employees benefit	b	(3.568)
Property and equipment		
Profit / Loss adjustment for Sale	5	8.736
Drawback provisions	5	4.220
Asset Depreciation Adjustment	1 - 5	(13.284)
Estimated liabilities and provisions		
Customer loyalty	l	1.776
Litigation provision	l	5.938
Other Assets		
Accounts receivable provision	c	9.522
Goodwill amortization	7	(79.022)
Deferred tax	g	16.635
Deferred Tax assets	h	(47.943)
Other minor	h	4.205
Liabilities at amortized cost		
Amortized cost Bonds	h	(1.542)
Total effect of transition to NCIF		**(94.327)**
Profit under NCIF		**(1,095,478)**

Notes to the Reconciliations

Indicated below are the explanation notes to the adjustments and reclassifications between COLGAAP and IFRS applicable to the separate financial statements in Colombia at 1 January 2014 and 31 December 2014.

a) Cash equivalent

By applying the NCIF the Bank canceled the provision required under COLGAAP for reconciling items of a debtor type with more than 30 days pending regularization, which were adjusted with impact on the equity capital.

According to IAS 7 financial instruments that are highly liquid, readily convertible into cash and subject to insignificant risk of changes in value are classified and presented in cash and cash equivalents. Those that do not meet this definition are classified as receivables.

b) Portfolio

Under COLGAAP loans to employees were recognized in other assets and under the NCIF they are reclassified to the credit portfolio, in addition by applying NCIF the recognition of a deferred tax asset is generated by the estimated profit rate benefit to employees of those loans with preferential rates, in addition in results of the transition period there is recognition of portfolio income that under COLGAAP was accounted for as deferred revenue.

c) Accounts receivable

The Bank canceled the provision made under COLGAAP for items with more than 180 days overdue, which were adjusted with impact on the equity capital.

d) Assets held for sale.

In application of IFRS 5 assets held for sale, which are expected to sell in their present condition and have a high probability of sale are classified in this category, under the COLGAAP these assets were classified in the category of realizable property, received in donation, payment and returned, according to external Circular 036 of 2014 issued by the Financial Superintendence of Colombia, assets received in lieu of payment or restored should be provisioned, regardless of their accounting classification, following the instructions set out in chapter III of the accounting and financial Basic Circular .

The Bank reclassified to investment property and other assets those fixed assets that that did not meet the criteria to be classified under IFRS 5 and IAS 16, including the respective provision, according to instructions from the Financial Superintendence of Colombia.

e) Property and equipment

Under COLGAAP Regulations property had been recognized that was not in use and in the adoption of NCIF were reclassified as investment properties.

f) Investment properties

Below are the effects of transitioning to NCIF, presented in the new category of investment properties, which did not exist under the COLGAAP

Concept	January 1st, 2014
BRP´s Net reclassification to investment properties	15.815
Reclassification of land and buildings, net investment properties	47.013
Total reclassifications	**62.828**

g) Deferred Tax

In Colombia, the deferred income tax is generally recognized based on temporary differences generated by revenues, costs or expenses that are recognized according to accounting rules in a different fiscal period and these differences are classified in: permanent differences and temporary differences, this tax being measured with the current on the date of recognition of the permanent difference.

According NCIF, enforcement must be given to IAS 12 "Income Taxes" on those temporary differences arising from the liability method of differences between the accounting and tax bases of assets and liabilities and are recognized at the rate expected for the timing of the reversal.

How they are expecting to recover or settle the carrying amount of assets and liabilities determines the tax consequences which are reflected in deferred taxes. Deferred tax assets was recognized due to temporary differences arising from the implementation of NCIF generated by the write-off of deferred assets that are fiscally kept, also deferred tax liabilities generated, mainly by the attributed cost option for property and equipment was recognized.

h) Other Assets

The following adjustments were determined in implementing the NCIF, because under those rules the listing of deferred assets does not exist: i) through computer programs, ii) discount placement in investment securities, iii) remodeling own offices, iv) improvements to property taken out on lease, v) property tax and vi) other deferred items that do not correspond to the definition of assets under NCIF, as well as provisions that were required under COLGAPP and are not required by the NCIF.

The Bank made the following reclassifications in applying the NCIF, from the balance of other assets to the following items: i) employees portfolio, ii) computer programs that are reclassified to the intangibles listing and iii) goodwill and other lesser ones.

COLGAAP had amortization of goodwill and NCIF only contemplates deterioration amortization.

Under COLGAAP culture and art assets were recognized in the listings of other assets, by applying the NCIF only the works of renowned actors are recognized, generating an adjustment of unknown authors with equity impact.

i) <u>Deposits and liabilities</u>

Under COLGAAP the interest on deposits and current liabilities were recorded in accounts payable, according to IFRS 9 "Financial Instruments", financial liabilities are measured at amortized cost using the effective interest method, which includes estimating cash flows of the instrument taking into account all contractual terms thereof, and commissions and interest paid or received between parties to the contract are included, giving rise to the reclassification of accounts payable of interest on deposits and current liabilities.

j) <u>Banks credits and other financial liabilities</u>

In application of IFRS 9 "Financial Instruments", to recognize financial liabilities at amortized cost reclassification of interest payable on loans with banks was carried out, and the obligations of the Bank arising from the banking services which were recognized under COLGAAP in the category of deposits and current liabilities being reclassified to other financial liabilities.

k) <u>Debt instruments issued</u>

The Bank recognized liabilities for bonds issued in the area of investment securities in circulation and interest payable were recorded in separate categories, the above according to COLGAAP. As established in IFRS 9 "Financial Instruments", these financial liabilities should be measured at amortized cost including commissions and interest established in contracts, as part of the effective interest rate, as well as transaction costs and all other premiums or discounts. This resulted in an adjustment to recognize transaction costs by issuing bonds with equity impact and the reclassification of interest payable to the category of debt instruments issued.

l) Estimated liabilities and provisions

The COLGAAP required to record the estimated value to be paid of disputes considering the qualification as established in Decree 2649 of 1993, when applying IAS 37 "Provisions, liabilities and contingent assets" only provisions should be recognized for those disputes where according to professional judgment there is virtually certain payment, generating an adjustment to cancel provisions that did not meet the requirements of NCIF with impact on equity.

Customer loyalty programs that issue points to be redeemed for prizes once the program requirements are met were recognized under COLGAAP in the category of estimated liabilities and provisions, in accordance with IFRIC 13 "Customer loyalty programs" the credit awards are components to be recognized separately from the sales transaction that generate them and recognized as deferred income at fair value of each credit award issued, and be recognized in period results when the customer redeems the points. The application of IFRIC 13 resulted in a reclassification of the estimated liability for loyalty programs to other liabilities.

m) Other integral results

During 2014 recognized under COLGAAP were valuations of unrealized gains on investments available for sale in order to have comparative figures under NCIF.

n) Reconciliation of cash flows

Below are the impacts on cash flows according to COLGAAP and cash flows under NCIF, at December 31, 2014

31 of December 2014 (Amounts in millions of pesos)	**Bank COLGAAP Reclassifications**	**Adjustments and reclassifications**	**NCIF**
Net cash (used in) provided by operating activities	(1,374,880)	540.976	(833.904)
Net cash used in investing activities	(626.138)	743.650	117.512
Net cash provided by financing activities	1,972,911	(1,624,427)	348.484
Effect of exchange difference in cash and cash equivalents	0	0	0
Net decrease in cash and cash equivalents	(28.106)	(339.802)	(367.908)
Effect of variation of the difference in changes on cash	0	675.931	675.931
Cash and cash equivalents at beginning of period	3,341,236	(366.167)	2,975,069
Cash and cash equivalents at end of period	3,313,129	(30.037)	3,283,092