DAVIVIENDA ANNOUNCES CONSOLIDATED RESULTS OF THE SECOND QUARTER 2017

Bogotá, August 25, 2017 - Banco Davivienda (BVC: PFDAVVNDA), ("the company", "Davivienda" or the "Bank"), commercial bank leading in the financial market in Colombia and a subsidiary of the Grupo Bolivar, announces today its consolidated results for the second quarter of 2017 (2Q17), period ended June 30, 2017.

- At the end of the 2Q17 Davivienda reported a consolidated net profit of $324.0 billion, which represents a decrease of 0.6% compared to the first quarter of 2017 (1Q17) and 19.5% compared to the 2Q16.

- Portfolio revenues increased 12.2% compared to 2Q16. This growth is explained by higher volumes of portfolio in the consumer and housing portfolio.

- Total solvency ratio at the end of the 2Q17 closed at 12.6%, 24 basis points (bps) above those reported in the first quarter of 2017 (1Q17) and 72 bps above to the reported in 2Q16. As to Tier I at the end of the 2Q17 it closed at 7.83%, 29 bps below to those reported in the first quarter of 2017 (1Q17) and 43 bps above to the reported in 2Q16.

- The gross financial margin closed the 2Q17 at $1.4 trillion, an increase of 4.6% compared to the 2Q16. The net interest margin (NIM)[1] indicator closed the quarter at 6.3%. The net financial margin showed an annual reduction of 9.6% when closing at $ 913 billion.

- The cost of risk [2] closed at 1.87% compared to 1.74% in 1Q17, explained by a 12.4% increase in provisioning expense accumulated to 12 months in relation to 2Q16. The provisions expense increased by 52.9% in the quarter, compared to 2Q16, mainly due to the impairement in the consumer and commercial portfolio.

- The efficiency[3] indicator during 2Q17 stood at 47.1%, increasing 270 bps compared to June 2016. Expenses during the quarter were $799 billion, an additional 14.7% over 2Q16

- At the end of June 2017 Davivienda had presence in 6 countries, 9.2 million customers 17.447 officials,[4], 756 offices and 2,285 ATMs.

---

[1] NIM (12 months): gross financial margin / average productive assets.
[2] Net provision expense 12-month accumulated on gross portfolio.
[3] Efficiency (12 months) = Operating Expenses / (Gross financial margin + net operating income excluding dividends + changes and net derivatives + other net income and expenses).
[4] It includes 3.2 million DaviPlata customers and 1.1 million subsidiaries.

SUMMARY OF FINANCIAL RESULTS

Balance sheet to June 2017 (COP Billion)

ASSETS	June 16	Mar. 17	June 17	June 17 / Mar. 17	June 17 / June 16
Available and interbank	**8,337**	**9,311**	**10,516**	**12.9%**	**26.1%**
Investments	**8,628**	**9,388**	**9,947**	**6.0%**	**15.3%**
Portfolio	**66,562**	**71,550**	**74,489**	**4.1%**	**11.9%**
Commercial	36,603	38,079	39,701	4.3%	8.5%
Consumer	17,194	19,289	20,170	4.6%	17.3%
Housing	14,759	16,069	16,677	3.8%	13.0%
Provisions	-1,994	-1,888	-2,060	9.1%	3.3%
Other assets	**4,950**	**4,823**	**4,630**	**-4.0%**	**-6.4%**
Total assets	**88,476**	**95,073**	**99,582**	**4.7%**	**12.6%**
LIABILITIES					
Deposits	**56,757**	**61,604**	**63,406**	**2.9%**	**11.7%**
Demand deposits	31,649	34,468	33,953	-1.5%	7.3%
Term deposits	25,109	27,135	29,452	8.5%	17.3%
Bonds	8,828	9,683	11,003	13.6%	24.6%
Local	5,323	6,193	7,061	14.0%	32.6%
International	3,505	3,490	3,943	13.0%	12.5%
Credit entities	8,478	8,280	8,575	3.6%	1.1%
Other liabilities:	5,372	5,660	6,337	12.0%	18.0%
Total liabilities	**79,436**	**85,227**	**89,320**	**4.8%**	**12.4%**
EQUITY					
Total equity	**9,040**	**9,846**	**10,262**	**4.2%**	**13.5%**

Statement of results June 2017 (COP billion)

	2Q16	1Q17	2Q17	2Q17 / 1Q17	2Q17 / 2Q16
Financial Income	**2,195**	**2,364**	**2,354**	**-0.4%**	**7.3%**
Portfolio	1,937	2,179	2,174	**-0.2%**	**12.2%**
Investments	242	168	160	-4.8%	-33.9%
InterBank funds and overnight	15	16	19	17.7%	30.6%
Financial Expenses	**886**	**1,011**	**984**	**-2.7%**	**11.1%**
Gross financial margin	**1,309**	**1,353**	**1,370**	**1.2%**	**4.6%**
Provisions	299	486	457	-6.0%	52.9%
Net Financial Margin	**1,010**	**867**	**913**	**5.3%**	**-9.6%**
Operating Income	283	289	300	3.7.%	5.6%
Operational Expenses	697	740	799	8.0%	14.7%
Changes and net derivatives	11	26	59	129.4%	435.2%
Other income and expenses, net	-8	1	-14	100%	77.4%
Profit before tax	**600**	**443**	**458**	**3.5%**	**-23.6%**
Taxes	197	117	134	15.1%	-31.9%
Net income	**403**	**326**	**324**	**-0.6%**	**-19.5%**

Main consolidated indicators			
	2Q16	1Q17	2Q17
Profitability and efficiency			
Net interest margin	6.8%	6.4%	6.3%
Portfolio NIM	5.85%	5.41%	5.44%
Investments NIM	0.97%	1.00%	0.87%
ROAA	1.7%	1.8%	1.6%
ROAE	17.0%	17.0%	15.7%
Fee ratio	17.7%	14.6%	14.8%
Efficiency	44.4%	46.4%	47.1%
Solvency ratio			
Tier I	7,4%	8,1%	7,8%
Tier II	4,4%	4,2%	4,7%
Solvency	11,8%	12,3%	12,6%
APNR/Total Assets	80.0%	82.0%	80.4%
Quality and coverage			
Portfolio quality > 90 days	1.93%	2.38%	2.67%
Commercial	1.5%	2.2%	2.6%
Consumer	2.6%	2.6%	2.7%
Housing	2.2%	2.5%	2.9%
Portfolio hedging > 90 days	150.8%	108.1%	101.0%
Commercial	188.9%	105.5%	98.8%
Consumer	187.7%	184.6%	179.3%
Housing	34.8%	18.0%	17.0%
Portfolio quality > 30 days	4.2%	5.0%	5.3%
Commercial	2.4%	3.3%	3.6%
Consumer	6.1%	6.4%	6.5%
Housing	6.5%	7.4%	7.8%
Portfolio hedging > 30 days	70.6%	52.1%	51.8%
Commercial	120.1%	71.0%	69.9%
Consumer	80.2%	74.9%	74.2%
Housing	15.6%	8.7%	9.2%
Cost of Risk	1.97%	1.78%	1.92%
Balance sheet structure			
Net portfolio / Funding sources	89.9%	89.9%	89.8%
Net portfolio/ Funding sources without bonds	102.0%	102.4%	103.5%
Net portfolio / Deposits	117.3%	116.1%	117.5%
Stock Markets			
Share Price	30.000	29.920	33.680
Book value of the share	1.36	1,37	1.55
Exchange rate peso dollar			
Closing exchange rate	$2,919.01	$2,885.57	$3,050.43
Average exchange rate	$3,120.59	$2,921.19	$2,921.28

ECONOMIC ENVIRONMENT

Colombia

During the second quarter of the year, the international economy was characterized by a recovery in activity indicators in Europe and the United States, which grew by 2.29% and 2.57%, respectively. These figures are higher than the 1.74% and the 1.24% annual growth for these countries in the first quarter of the year. The quarter also continued to present a high degree of uncertainty related to the ability of the new US administration to carry out its policies of stimulating the economy (mainly corporate tax cuts), so that full-year growth expectations in this economy deteriorated significantly. One of the most important consequences of this situation is that the dollar worldwide lost value by cutting much of the appreciation that had been obtained in the last quarter of 2016 and the first quarter of 2017.

During the second quarter commodities prices broke their upward trend to decrease 7%, although most of depreciation occurred in the month of June. Consequently, the quarter closed with a less constructive environment for emerging countries. In particular, the price of oil, the reference WTI, fell from USD51.84 in the first quarter to USD48.07 in the second, June being particularly critical of an average of USD45.20.

In terms of capital flows to emerging countries, the quarter was characterized by a significant variation in the volume of inflows of capital from abroad, a fact that contrasted sharply with that observed in the first quarter of the year. As will be seen later, in the month of June, for the first time this year, there was an outflow of foreign portfolio capital in our country.

The domestic environment was characterized by the continuation in the economic weakness that was observed in the first quarter of the year. Tax reform and high real interest rates - a product of greater than projected disinflation - continued to affect consumption. The DANE's growth figures for the second quarter of the year showed growth of just 1.3%, slightly higher than the 1.2% observed in the first quarter. By economic sectors, the most affected continued to be the mining sector with a 6% reduction. On the other hand, the weakness in export figures to neighboring countries, particularly Venezuela, continues to be noted.

The dollar, which in the first quarter of the year had reached an average value of $ 2,922.40, fell in the second quarter to $ 2,919.50 Although the average exchange rate decreased, volatility, measured by the difference between the minimum and maximum rate of the period, reached $216, higher than $152 of the first quarter of the year. To a large extent, this movement was determined by fluctuations in the capital flows received in the country. Although there were capital inflows in the quarter for USD $618 million, outflows were recorded in June for USD $455.
As we have been commenting, the deflationary trend started in August of last year and continued during the second quarter of the year. Indeed, the annual inflation that at the end of last year stood at 5.75% was reduced to 3.99% at the end of June, thus the indicator returned to the target range after 28 months of having been above. The main

source of this reduction was food inflation, which went from 7.22% in December to 1.37% at the end of the second quarter.

As a result of the improvement in inflation, expectations and the fear of excessive deceleration, monetary authorities continued to reduce their intervention interest rate from 7% at the end of the first quarter to 5.75%, adopted on June 30.

Central America

Economic growth in Panama and Honduras accelerated in the first quarter of 2017. For Panama, the annual increase in Gross Domestic Product (GDP) was 6.2%, driven mainly by increased traffic on the Canal and increased trade in the Colon Free Zone. In the case of Honduras, the annual increase in GDP was 4.9% and the sector that contributed most to the acceleration was the manufacturing industry, where the dynamism of the coffee benefit line is highlighted.

For Costa Rica and El Salvador, there was a slowdown in economic growth, with GDP growth in the first quarter of the year of 3.5% and 2.3%, respectively. In Costa Rica the growth was driven by the service sector and in El Salvador by the trade and turism sector.

Regarding economic activity in the second quarter of the year, the Monthly Indicator of Economic Activity (MIEA,IMAE for its acronym in Spanish) in Costa Rica and Honduras and the Index of Economic Activity Volume (IEAV, IVAE for its acronym in Spanish) in El Salvador indicate accelerations. For the months of April and May of 2017 indicators registered an average annual increase of 3.8% in Costa Rica, 2.1% in El Salvador and 5.0% in Honduras.

On the other hand, the annual inflation rate in the second quarter of 2017 recorded an increase in Costa Rica of1.77% in June, approaching the goal of the Central Bank's 3% +/-1%. In Honduras and Panama, reductions were recorded: at the end of June the figures were 3.65% and 0.68%, respectively. Honduras' inflation remains within the target of the Central Bank 3.5% - 5.5%. In El Salvador, June inflation was 0.93% per year.

In terms of monetary policy rates (MPR), in Costa Rica the rate was raised from 1.75% at the beginning of April to 4.50% at the end of June, while in Honduras it remained at 5.50% The increase in Costa Rica was part of a series of decisions taken by the Central Bank to stop the depreciation of the colon. In fact, the local currency in Costa Rica at the beginning of April stood at 562.21, reaching a high of 595.28 in May, but thanks to measures taken by the Central Bank and a reduction in demand for dollars, it closed the second quarter of the year in 573.11, with a devaluation compared to the closing of 2016 at 3.04%. For its part, the lempira in Honduras showed a devaluation in June compared to the closing of 2016 at 0.45%.

CONSOLIDATED RESULTS OF 2Q17

BALANCE SHEET

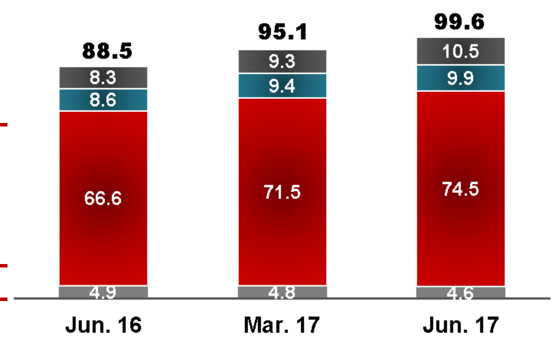
Assets

At 30 June 2017 consolidated assets totaled $ 99.6 trillion, grew 4.7% quarterly and 12.6% annually, mainly due to the behavior of the consumer and commercial portfolios.

The ROAA[5] consolidated at the end of 2Q17 closed at 1.63%, 11 bps lower than at the end of 2Q16 and 13 bps lower than at 1Q17.

Consolidated Assets Performance (COP trillion)

	2Q17/1Q17	2Q17/2Q16
Cash	12.9%	26.1%
Investments, net	6.0%	15.3%
Loans, net	4.1%	11.9%
Other assets [6]	(4.0%)	(6.4%)
Assets	**4.7%**	**12.6%**



Asset	Jun. 16	Mar. 17	Jun. 17	2Q17/1Q17	2Q17/2Q16
Colombia	67.6	73.3	76.2	3.9%	12.7%
International [7]	22.0	22.6	24.3	7.4%	10.5%
International USD$[8]	7.5	7.8	8.0	1.6%	5.7%

Colombia's assets represent 75.6% of the consolidated assets, closing at $76.2 trillion, growing 3.9% compared to March 2017 and 12.7% compared to June 2016.

The assets in international subsidiaries represent 24.4% of the consolidated assets, closing at USD $8.0 billion, growing 1.6% compared to March 2017 and 5.7% compared to the same period of the previous year.

Available and interbank amounts

At the end of June, available and interbank amounts totaled $10.5 billion, an additional 12.9% compared to March 2017 and 26.1% more than June 2016. In Colombia, it closed at $5.9 trillion, an additional 19.8% compared to March 2017 and 33.6% more than June

---

[5] ROAA (12 months): accumulated profit / average annual assets

[6] Other assets includes: Acceptances and derivatives, accounts receivable, property, plant and equipment, other non-financial assets and goodwill and intangibles.

[7] Davivienda international includes: El Salvador, Costa Rica, Panama and Honduras.

[8] Figures in billions of dollars. The TRM peso dollar revaluated 3.84% compared to 4Q16 and 3.83% in relation to the end of 1Q16..

2016, The growth of the available is due to the liquidity juncture; throughout 2017 Davivienda has had liquidity surpluses as a result of higher deposits of customer resources and a cheaper funding via liquidity operations given the reduction in the intervention rate of the Banco de la República since the end of 2016.

In international subsidiaries, available and interbank amounts totaled USD $ 1.5 billion; they remain stable compared to March 2017 and increased by 12.6% compared to June 2016, mainly explained by an increase in Costa Rica and Panamá.

Investment Portfolio

During the second quarter of 2017, consolidated investment portfolio closed at $9.9 trillion, 6.0% higher than that registered in March 2017 and 15.3 % additional compared to June 2016, mainly explained by increase in the trading portfolio and the increase in the liquidity reserve portfolio.

In Colombia, investments increased 2.1% in the quarter and 13.2% more than in the previous year, closing at $ 8.1 trillion, given the growth in the net structural liquidity needs of the Balance Sheet.

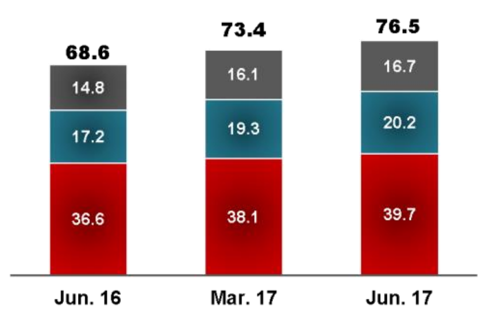
In international subsidiaries, investments closed at USD $1.0 billion, 7.9% higher than in March 2017, mainly explained by an increase in the Panama portfolio in line with interest rate expectations, and an increase in the portfolios of El Salvador and Honduras that are reinvesting anticipated redemptions of debt securities issued last quarter. Compared to June 2016, investments increased by 1.2%.

Gross Portfolio

The gross portfolio closed at $76.5 trillion, showing a quarterly growth of 4.2% and 11.7% compared to June 2016; the annual growth is explained by the greater growth dynamics of the three lines of business that were presented in the last semester of 2016.

Performance of the Consolidated Gross Portfolio (COP trillion)

	2Q17/1Q17	2Q17/2Q16
Mortgage	3.8%	13.0%
Consumer	4.6%	17.3%
Commercial [9]	4.3%	8.5%
Gross Loans	**4.2%**	**11.7%**



Gross Loans	Jun. 16	Mar. 17	Jun. 17	2Q17 / 1Q17	2Q17 / 2Q16
Colombia	54.0	58.4	60.5	3.6%	12.1%
International COP$	14.6	15.0	16.0	6.7%	10.1%
International USD$[10]	5.0	5.2	5.3	0.9%	5.3%

[9] Commercial includes microcredit
[10] Figures in millions of dollars

In Colombia, the gross portfolio closed in $60.5 billion with a quarterly increase of 3.6%, mainly explained by the variation of the commercial portfolio which grew 4.0%, where the largest variations are presented in corporate banking loans. On the other hand, the Consumer portfolio increased by 3.6% and housing grew by 2.7% compared to March 2017.

In relation to June 2016, the gross portfolio change was 12.1%, mainly driven by the consumer portfolio with an 18.6% change, where significant growth occurred in fixed-credit, credit card and payroll loans with growths of 35.7%, 21.8% and 12.0% respectively.

In the international subsidiaries, the gross portfolio totaled USD $ 5.3 billion, and grew mainly due to the housing portfolio with an increase of 2.6% compared to March 2017 and 12.2% compared to June 2016, closing at USD $ 1.1 billion. This behavior is mainly due to the dynamics presented in Costa Rica and El Salvador. Likewise, the growth of the consumer portfolio stands out, achieving an increase of 3.4% compared to March 2017, mainly in Costa Rica.

Portfolio NPL by Type and Coverage

	NPL > 90 days		
	2Q16	1Q17	2Q17
Commercial	1.51%	2.22%	2.58%
Consumer	2.59%	2.60%	2.67%
Mortgage	2.19%	2.50%	2.86%
Total	**1.93%**	**2.38%**	**2.67%**

	Coverage		
	2Q16	1Q17	2Q17
Commercial	188.9%	105.5%	98.8%
Consumer	187.7%	184.6%	179.3%
Mortgage	34.8%	18.0%	17.0%
Coverage	**150.8%**	**108.1%**	**101.0%**

	Total Reserves Coverage		
	2Q16	1Q17	2Q17
Commercial	244.4%	155.9%	143.6%
Consumer	246.1%	262.4%	255.6%
Mortgage	105.5%	91.0%	80.0%
Reserves	**211.0%**	**171.5%**	**158.3%**

The consolidated portfolio NPL[11] indicator was 2.67%, 29 bps higher than at the end of March 2017, an impairment mainly explained by the lower dynamics of the economy in Colombia.

The commercial portfolio closed with an indicator of 2.58%, showing an impairment of 36 bps compared to the last quarter, the impairment of the commercial portfolio is explained by the increase in the portfolio balance greater than 90 days in loans of some private clients in the portfolio of Colombia.

The indicator of the consolidated consumer portfolio closed at 2.67%, slightly up from 2.60% at the end of March 2017. As for the variation of the increase compared to the same period of the previous year is mainly explained in the Colombia portfolios of credit cards and free investment, as a result of the economic situation observed in the country and the growth of these products during the last 12 months. The Bank permanently

[11] Quality: portfolio > 90 days / gross portfolio.

monitors risk models by adjusting policies in these portfolios, recognizing the main problems of the economy.

Finally, the indicator for the consolidated housing portfolio closed at 2.86%, an increase of 36 bps from the previous quarter and 67 bps from the same period of the previous year. This behavior is mainly due to the increase in the level of risk outlined in the VIS housing portfolios without government coverage and Housing Leasing in Colombia. In addition to this, during the last year we have securitized a mortgage portfolio worth $772 billion pesos. This fact explains a deterioration of 13 bps, so if we were to remove this effect, the NPL ratio would be at 2.74%

The level of coverage[12] consolidated to June 2017 was 158.3%, lower than in March 2017, mainly explained by higher provisions for some corporate loans in the first quarter of $139.8 billion, and consumer of $353.1 billion.

During 2Q17, portfolio write-offs amounted to $351 billion, 0.5% of the gross portfolio, which increased 22.8% compared to the write-offs in 1Q17, explained by a higher level of write-offs in the quarter in the consumer portfolio in Colombia.

Other Assets[13]

Other Assets closed at $4.6 billion, 4.0% below March 2017 and 6.4% below June 2016. In Colombia Other Assets closed at 3.4 billion, 6.5% less compared to March 2017 and 9.5% below regarding the same period the year before. This decrease is due to the payment of accounts receivable due to the cancellation of the real estate sale that occurred in the last quarter of 2016. In the international subsidiaries Other Assets closed at USD $ 255 million, registering an increase of 1.0 % compared to March 2017 and 0.5% compared to June 2016.

Liabilities

At the end of June, consolidated liabilities came to a total of $89.3 billion 4.8% more than last quarter and 12.4% more in regards to the same period the previous year, mainly due to the behavior of the term deposits and demand deposits, which show an increase of 17.3% and 7.3% respectively. Additionally, we can see a growth in bonds due to emissions carried out during 2016 and the first semester of 2017.

Liabilities in Colombia came to a total of $67.7 billion and represent 75.8% of consolidated liabilities, with increase rates of 4.0% per quarter and 13.1% annually. On international affiliates, liabilities closed at USD$7.1 thousand million, 1.4% above compared to June 2016 and 5.8% more regarding the same period the previous year.

---

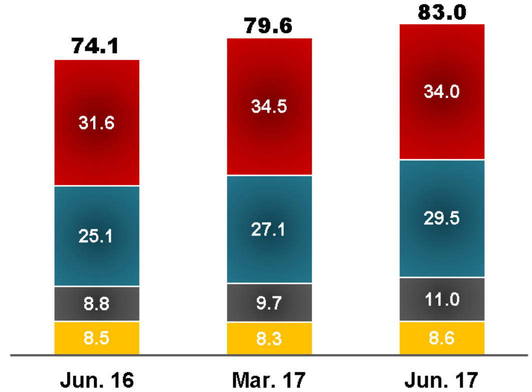
[12] Coverage: provisions (includes reserves recorded in the Income Statement and reserves included in equity) / portfolio> 90 days.

[13] Other assets include: acceptances, derivatives, accounts receivable, property plant and equipment, other nonfinancial assets and capital gains and intangibles.

Consolidated funding sources[14] came to a total of 83.0 billion, achieving a net portfolio relation over funding sources of 89.8% maintaining itself on the same levels registered on the comparative periods, without including bonds this relation increases up to 103.5%.

Evolution of funding sources (COP trillion)

	2Q17/1Q17	2Q17/2Q16
Demand Deposits	(1.5%)	7.3%
Term Deposits	8.5%	17.3%
Bonds	13.6%	24.6%
Credits	3.6%	1.1%
Funding Sources	**4.3%**	**12.0%**



Funding Sources	Jun. 16	Mar. 17	Jun. 17	2Q17/1Q17	2Q17/2Q16
Colombia	55.3	60.3	62.4	3.5%	12.7%
International	18.7	19.3	20.6	6.8%	10.0%
International USD$	6.4	6.7	6.7	1.0%	5.3%

Demand deposits came to a total of $34.0 trillion; these showed a decrease in the quarter mainly due to the lower volume in savings accounts in Colombia. In regard to June 2016, the balance of demand deposits had an increment of 7.3%. On international affiliates demand deposits came to a close of USD$2.5 billion.

Consolidated term deposits were of $29.5 trillion, 8.5% above the registered values for March 2017, mainly explained by an increment of 7.2% of CDTs in Colombia. With regard to June 2016, consolidated term deposits increased by 17.3%. In Colombia they grew 21.3% while in international affiliates the increment was of 3.6%.

Bonds came to a total of 11.0 trillion, 13.6% more than last quarter. This increment takes place mainly in Colombia due to the emission of ordinary bonds for a sum of $700 billion in the local market and for the emission of green bonds (ordinary) for $433 billion. With relation to June 2016, bonds grew 24.6% as a result of local bond emissions in Colombia carried out during the last 12 months.

In international affiliates, bonds came to a close of USD$276 million, showing an increase of 35.0% with regards to the previous quarter due to the emission of local bonds in Costa Rica for CRC $6 billion (USD$ 10 million) and due to the emission of investment certificates for USD$ 60 million in El Salvador. Compared to June 2016, bonds grew 29.6% due to emissions in the local markets of El Salvador and Costa Rica.

Rediscount credits and consolidated credits with bank correspondents were of $8.6 trillion pesos, 3.6% above in regard to last quarter and 1.1% compared to June 2016.

[14] Funding sources: total deposits, bonds and credits with entities .

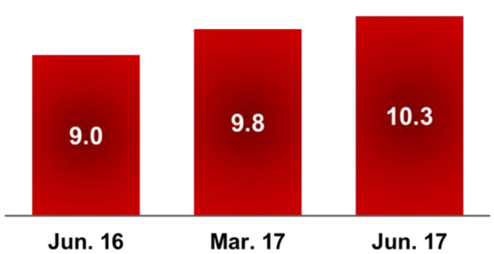
Equity and Regulatory Capital.

Equity closed at $10.3 trillion , 4.2% above the value reported last quarter and 13.5% more than that of June 2016. Technical equity rose 6.0% during last quarter closing at $11.1 trillion, explained due to the emission of subordinated bonds for a value of $399 billion in Colombia.

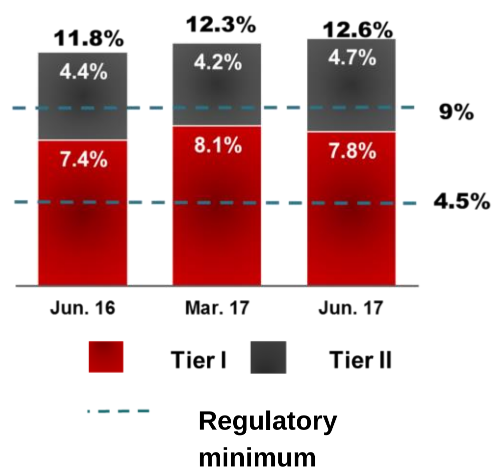
Solvency relation was placed at 356 bps above the minimum solvency required in Colombia (9%) closing at 12.6%. With relation to June 2016 it grew 6.8% as a result of an increase in the *tier I,* changing from 7.4% to 7.8%.

Average assets by risk level were $85.1 trillion, 3.7% above the value registered in the last month of March. Said increment is due to a rise in value of the portfolio and investments. With regards to June 2016, an increase of 14.2% is shown, explained by a growth in portfolio, financial leasing operations and a rise in volume of contingencies due to an increment of banking warranties .

Equity (trillions of pesos)



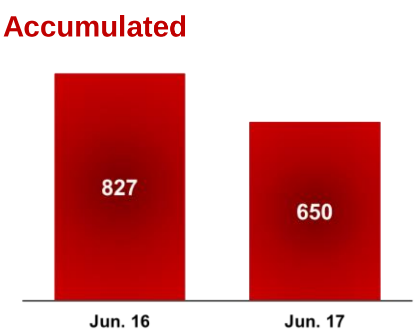
Solvency (%)



INCOME STATEMENT

Net Income

(COP Billion)



2Q17 / 1Q17 %	2Q17 / 2Q16 %		Jun. 17 / Jun. 16 %
5.3	(9.6)	Financial Margin, net	(6.2)
3.7	5.6	Operative Income	(1.5)
8.0	14.7	Operating Expenses	11.9
70.8	100	FX changes, Derivates and Others	4.0
3.5	**(23.6)**	**Income before tax**	**(24.2)**
15.1	(31.9)	Taxes	(30.6)
(0.6)	**(19.5)**	**Net Income[15]**	**(21.4)**

Net profit of 2Q17 closed at $324.0 billion, 0.6% less than that of 1Q17 mainly explained by an increase in operative expenses that rose 8.0% and an increase in taxes of 15.1% with regards to last quarter. Regarding results from 2Q16, net income decrease 19.5%, mainly explained by an increase in net provision expenses for a total of $456.7 billion during the quarter, represented at 52.9% due to the materialization of specific risks in the commercial portfolio.

Accumulated profit for the first semester of the year closed at $650 billon, 21.4% lower than the value reported in the first semester of 2016, consequence of lower treasury income and the income from the sale of CIFIN in the first semester of 2016. If we consider such effect, the accumulated profit for the semester would have decreased 15.5%. Regarding the previous quarter, the profit remained stable showing as slight decrease of 0.6%

Because of the above, returns over average equity (ROAE) [16] by the end of 2Q17 was of 15.7%, compared to 17.0% registered during 1Q17 and 2Q16.

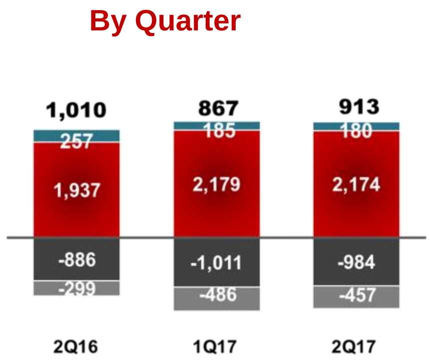
---

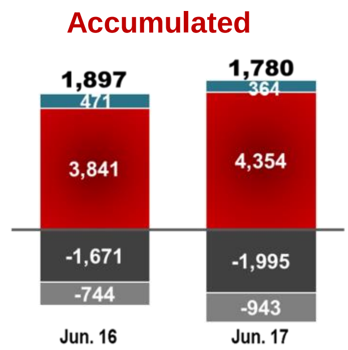
[15] Net Income after eliminations, homologations and homogenizations.

[16] ROAE (12 months): net accumulated profit / average equity.

Net Financial Margin

(COP Billon)





2Q17 / 1Q17 (%)	2Q17 / 2Q16 (%)		Jun. 17 / Jun. 16 (%)
(0.2)	12.2	Loan Income	13.4
(2.8)	(30.2)	Investment income ,Overnight.	(22.7)
(0.4)	**7.3**	**Financial Income**	**9.4**
(2.7)	11.1	Financial Expenses	19.4
(6.0)	52.9	Allowances	26.7
5.3	**(9.6)**	**Financial Margin, net**	**(6.2)**

Net financial margin closed the quarter at $912.9 billon, increased mainly due to the lower financial cost, a product of the decrease in fundraising rates, which showed a decrease of 2.7% and also due to lower provision expenses of the portfolio showing a decrease of 6.0% from that of 1Q17.

Accumulated net financial margin was $1.8 trillion, 6.2% lower than the value reported in the first semester of 2016. As a consequence of the above, the NIM[17] closed 2Q17 at 6.3%, 10 bps lower with regards to 1Q17 and with regards to 2Q16 it shows a decrease of 34 bps.

Income from Interest on Loans

Income due to portfolio interest for the quarter closed at $2.2 trillion, keeping stable when compared to the previous quarter mainly due to lower commercial income. The balance of the average productive portfolio increased by 2.7% with regards to 1Q17 and 13.2% regarding 2Q16 and the implicit rates kept stable during the quarter and show an increase of 45 bps when compared to 2Q16.

During 2Q17, income due to interest of the commercial portfolio came to a total of $902.3 billon, showing a decrease of 4.0% regarding 1Q17 and 6.6% more with regards to 2Q16, explained by the dynamics of the commercial portfolio in Colombia (where it decreased 2.8% per quarter and it grew 9.1% annually) on international affiliates the commercial portfolio generate income for USD$61.7 million, 8.5% less with regards to 1Q17,

[17] NIM (12 months): gross accumulated financial margin / average productive assets.

particularly in El Salvaador and Panamá. And remain stable compared to 2Q16 in Honduras and Panamá.

Consumer portfolio income reached $767.9 billon, 3.2% above 1Q17 and 20.4% more compared to 2Q16, mainly in Colombia whose income grows by 3.2% compared to 1Q17 and 22.8% with regards to 2Q16, particularly on free investment credits and due to a higher billing on credit cards. For international affiliates, consumer portfolio income was USD$24.9 million, showing an increase of 3.2% regarding 1Q17 and 4.3% regarding 2Q17.

The quarter income for the housing portfolio had a positive dynamic closing at $504.1 billon, 1.7% more than the value of 1Q17 and 11.3% regarding 2Q16. For international affiliates the income for the housing portfolio was USD$26.1 million, 1.4% more with regards to that of 1Q17 and 8.1% above regarding 2Q16, explained by Costa Rica and Panamá.

Because of the above, the portfolio's accumulated income at the close of the first semester of 2017 ended at $4.4 trillion pesos, 13.4% more than the first semester 2016, featuring the income of the consumer portfolio that shows a growth of 20.5%.

Income from Investments and Interbank Funds

Quarter income for the investment and interbank fund portfolio came to a total of $160.2 billon, 4.8% lower than the value reported for 1Q17 and 33.9% below that of 2Q16.

Accumulated income for the first semester decreased by 26.2% compared to the first semester of 2016.

Financial Expenses

Financial expenses of 2Q17 closed at $984.2 billon, continuing with the trend of the previous quarter by decreasing 2.7% in comparison to 1Q17, mainly due to the lower costs of demand deposits.

In Colombia's case, financial expenses was $829.2 billon, 4.2% lower than the previous quarter and rose by 10.6% with regards to 2Q16. Regarding the previous quarter, said decrease is due mainly to the lower cost of deposits in savings accounts that is reduced by 19.3% with regards to 1Q17 which closed at $203.7 billon.

For international affiliates financial expenses came to a total of USD$53.1 million 6.4% more than 1Q17 and 17.0% with regards to 2Q16, due to an increase of expenses of term deposit certificates and also to bond emissions mainly in Costa Rica and El Salvador.

Accumulated financial expenses of the first semester of the year came to a close at $2.0 trillion showing an increase of 19.4% with regards to the first semester 2016. This increment happens mainly due to the increase on the cost of savings accounts and term deposits; however the pressure for the increase of the rates has been diminished on the last two quarters due to the reduction of the central bank's intervention rate.

Net Provision Expense

Net provision expense during 1Q17 came to a total of $456.7 billon decreasing 6.0% with regards to 1Q17 and rose by 52.9% regarding 2Q16 due to lower dynamics in the Colombian economy. In Colombia provision expenses increased 4.7% during the quarter and 64.0% with regards to 2Q16, closing at $448.5 billon, mainly due to consumer and commercial portfolios.

Accumulated net provision expenses closed at 942.6 billon showing an increase of 26.7% compared to the second semester of 2016. The product of the above cost risk[18] was placed at 1.84%, 14 bps more than the registered value at the close of 1Q17 and it was reduced 4 bps when compared to the value registered on 2Q16.

Net operational Income

Operational income during 1Q17 came to a total of $299.5 billon, 3,7% more than in 1Q17 and 5.6% more in relation to 2Q16, explained mainly by the increase in commissions that grew 4.4% regarding 1Q17 and 10.1% regarding 2Q16.

Operational income in Colombia was $236.5 billon, increasing 2.7% with regards to 1Q17 and 2.5% more than the one presented on 2Q16.

For international affiliates operational income closed at USD$21.6 million, 7.8% more with relation to that of 1Q17 and 22.3% more than that of 2Q16, a product of lower expenditure in commissions principally in El Salvador.

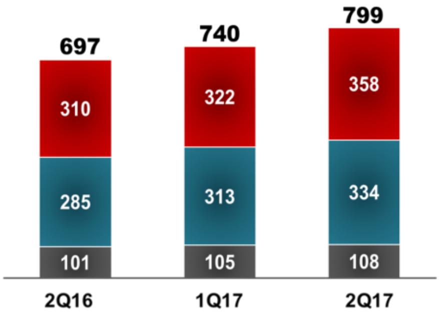
Accumulated net operational income closed at $588.3 billon, showing a slight decrease of 1.5% compared to the same period the previous year.

[18] Provision expenses accumulated 12 months over gross portfolio.

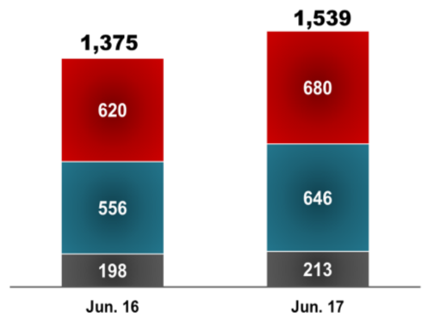
Operational Expenses

(COP Billion)

By Quarter



Accumulated



2Q17 / 1Q17 (%)	2Q17 / 2Q16 (%)		Jun. 17 / Jun. 16 (%)
11.1	15.2	Personnel Expesnes	9.5
6.7	17.1	Operating Expenses	16.2
2.6	6.3	Other Expenses	7.6
8.0	**14.7**	**Total Expenses**	**11.9**

Operational expenses on 2Q17 came to a close at $799.0 billon, showing an increase of 8.0% compared to the value registered on 1Q17, explained mainly by an increase in staff expenses in Colombia, which grew by 14.4% due to increase in salaries, incentives and seniority premiums. Operational expenses were of $333.6 billon increasing by 6.7% when compared to those of 1Q17. The growth of management expenses was 17.1% when compared to 2Q16 figures.

In Colombia operational expenses for the quarter were of $619.1 billon, 10.4% more than 1Q17, mainly due to the increase of expenses in fees that increases 25.5% because of software developments, adjustments and installations it increases 46.5% for remodeling, maintenance and locative repairs in several administrative and commercial offices. In relation to 2Q16, operating expenses increased by 14.7%, mainly due to the higher administrative expenses of 17.1%, explained by the lease of properties sold at the end of 2016.

For international affiliates operational expenses closed at USD$61.6 million, 0.6% more than the registered value of 1Q17 and 7.2% with regards to that of 2Q16.

Because of the above, operational expenses accumulated up to June 2017 were $1.5 trillion, showing an increment of 11.9% with relation to the same period the previous year, to which the value of efficiency closed at 47.1% compared to the 44.4% from the previous year.

Net Changes and Derivatives

During 2Q17 $58.9 billon of income was generated due to net changes and derivatives, 129.4% more than that of 1Q17 and 435.2% more than 2Q16. The exchange rate revaluation trend that occured during 1Q17 was reversed in the second quarter of the year, with a 5.7% devaluation, which generated a gain on derivative instruments offset by a lower exchange restatement income at the end of June.

Income due to accumulated net changes and derivatives up to June 2017 was of $84.6 billon, showing an increase of 19.5% compared to the same period of the previous year, due to a revaluation of 7.31% that generated a positive result in derivatives.

Taxes

During 2Q17 Davivienda registered rent tax for $134.4 billon, 15.1% more than the one for 1Q17 explained by an increase in the operational margin during the quarter and due to lower taxes originated in the previous quarter regarding nontaxable dividends received by national affiliates. Compared to 2Q16 it shows a decrease of 19.5% explained mainly due to lower profit registered during the period.

Accumulated taxes up to June 2017 closed at $251.3 billon, 30.6% lower than the value reported on the same period the previous year.

These financial statements have been prepared in conformity to accounting principles generally accepted in Colombia and are presented in nominal terms. The result statement for the closed quarter on June 30, 2017 shall not be necessarily indicative of results expected for any other period.

www.davivienda.com
atencionainversionistas@davivienda.com
Telephone (57-1) 220-3495, Bogotá