DAVIVIENDA ANNOUNCES CONSOLIDATED RESULTS OF THE THIRD QUARTER 2017

Bogotá, November 20, 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 third quarter of 2017 (3Q17), period ended September 30, 2017.

- At the end of 3T17 Davivienda reported a consolidated net profit of $273.0 billion, which represents a decrease of 15.7% compared to the second quarter of 2017 (2Q17) and 24,8% compared to the 3Q16. Accumulated profit to September closed at $923.0 billion, showing a decrease of 22.4%, discounting income from the sale of CIFIN, profit decreases 18.5%.

- At the end of September 2017 the gross portfolio closed at $77.2 trillion, 9.2% more than the previous year.

- Accumulated portfolio revenues grew 11.4% compared to September 2016. In turn, quarterly portfolio revenues grew 7.5% compared to 3Q16. This growth is explained by higher portfolio volumes in consumer and mortgage portfolios.

- Accumulated financial expenses closed at COP 2.9 trillion, 9.6% more compared to the same period of the previous year. On the other hand, financial expenses in 3Q17 closed at $929 billion, 6.9% lower than 3Q16 and 5.6% less than in 2Q17.

- The gross financial margin for 3Q17 closed at COP 1.4 trillion, an increase of 14.5% compared to 3Q16. The net interest margin indicator (NIM)[1] closed the quarter at 6.4%, which represents an expansion of 7 bps compared to 2Q17.

- Total solvency ratio at the end of 3Q17 closed at 12.52%, 4 basis points lower than the one reported in the second quarter of 2017 (2Q17) and 95 basis points higher than the in 3Q16. Regarding Tier I at the end of 3Q17, it closed at 7.80%, 3 basis points lower than the one reported in the second quarter of 2017 (2Q17) and 86 basis points higher than the reported in 3Q16.

- By the end of September 2017 Davivienda was present in 6 countries and had 9.7 million customers[2], 17,405 employees, 753 branches, 2,407 ATMs.

[1] NIM (12 months): gross financial margin / average productive asset.
[2] Includes 3.8 million customers of DaviPlata and 1.1 million of subsidiaries.

SUMMARY OF FINANCIAL RESULTS

Balance sheet as of September 2017 (billions of pesos)					
ASSETS	Sep 16	Jun 17	Sep 17	Sep 17 / Jun 17	Sep 17 / Sep 16
Cash and interbank	**7.860**	**10.516**	**9.176**	**-12,7%**	**16,7%**
Investments	**9.172**	**9.947**	**9.749**	**-2,0%**	**6,3%**
Portfolio	**68.678**	**74.489**	**75.042**	**0,7%**	**9,3%**
Commercial	37.746	39.701	39.692	0,0%	5,2%
Consumer	17.868	20.170	20.266	0,5%	13,4%
Mortgage	15.111	16.677	17.286	3,7%	14,4%
Provisions	-2.048	-2.060	-2.203	6,9%	7,6%
Other assets	**5.025**	**4.630**	**4.591**	**-0,9%**	**-8,6%**
Total assets	**90.734**	**99.582**	**98.558**	**-1,0%**	**8,6%**
LIABILITIES					
Deposits	**58.147**	**63.406**	**62.195**	**-1,9%**	**7,0%**
Demand deposits	31.933	33.953	32.638	-3,9%	2,2%
Term deposits	26.214	29.452	29.557	0,4%	12,8%
Bonds	**9.708**	**11.003**	**10.835**	**-1,5%**	**11,6%**
Local	6.222	7.061	7.056	-0,1%	13,4%
International	3.485	3.943	3.779	-4,1%	8,4%
Credit entities	**8.128**	**8.575**	**9.027**	**5,3%**	**11,1%**
Other liabilities:	**5.380**	**6.337**	**6.026**	**-4,9%**	**12,0%**
Total liabilities	**81.363**	**89.320**	**88.083**	**-1,4%**	**8,3%**
EQUITY					
Total equity	**9.371**	**10.262**	**10.475**	**2,1%**	**11,8%**

Statement of Profits and Loss September 2017 (billions of pesos)							
	Quarterly					Accumulated	
	3Q16	2Q17	3Q17	3Q17 / 2Q17	3Q17 / 3Q16	September 2017	Variation (%)
Financial Income	**2.192**	**2.354**	**2.296**	**-2,5%**	**4,7%**	**7.013**	**7,8%**
Portfolio	**2.007**	**2.174**	**2.157**	**-0,8%**	**7,5%**	**6.511**	**11,4%**
Investments	169	160	120	-25,3%	-29,1%	448	-27,0%
Interbank funds and overnight	16	19	19	-4,2%	13,5%	54	28,1%
Financial Expenses	**998**	**984**	**929**	**-5,6%**	**-6,9%**	**2.925**	**9,6%**
Gross financial margin	**1.193**	**1.370**	**1.366**	**-0,3%**	**14,5%**	**4.089**	**6,6%**
Provisions	306	457	521	14,1%	70,3%	1.464	39,4%
Net Financial Margin	**887**	**913**	**845**	**-7,4%**	**-4,8%**	**2.625**	**-5,7%**
Operating Income	285	300	302	0,9%	6,0%	891	0,9%
Operational Expenses	697	799	782	-2,1%	12,1%	2.321	12,0%
Changes and net derivatives	49	59	12	-79,5%	-75,3%	97	-19,2%
Other income and expenses, net	0	-14	-2	-82,2%	10366,2%	-16	670,6%
Profit before tax	**524**	**458**	**375**	**-18,2%**	**-28,4%**	**1.276**	**-25,5%**
Taxes	161	134	102	-24,1%	-36,5%	353	-32,4%
Net income	**363**	**324**	**273**	**-15,7%**	**-24,8%**	**923**	**-22,4%**

DAVIVIENDA

Main consolidated indicators	3Q16	2Q17	3Q17
Profitability and efficiency			
Net interest margin	6.74%	6.31%	6.38%
Portfolio NIM	5.67%	5.44%	5.58%
Investments NIM	1.07%	0.87%	0.80%
ROAA	1.73%	1.60%	1.51%
ROAE	16.84%	15.70%	14.38%
Fee ratio	15.66%	14.55%	14.37%
Efficiency	44.56%	47.10%	47.28%
Solvency ratio			
Tier I	6.94%	7.83%	7.80%
Tier II	4.63%	4.74%	4.72%
Solvency	11.57%	12.56%	12.52%
APNR/Total Assets	81.31%	80.38%	83.10%
Quality and coverage			
Portfolio quality>; 90 days	2.13%	2.70%	2.87%
Commercial	1.84%	2.60%	2.81%
Consumer	2.58%	2.68%	2.68%
Mortgage	2.34%	2.94%	3.23%
Portfolio coverage>; 90 days	135.65%	99.84%	99.31%
Commercial	145.11%	98.06%	102.44%
Consumer	183.74%	178.81%	177.59%
Mortgage	54.40%	16.56%	16.84%
Portfolio quality>; 30 days	4.22%	5.30%	5.53%
Commercial	2.45%	3.67%	3.88%
Consumer	5.97%	6.47%	6.52%
Mortgage	6.58%	7.78%	8.16%
Portfolio coverage>; 30 days	68.62%	50.75%	51.54%
Commercial	108.99%	69.51%	74.25%
Consumer	79.51%	74.08%	72.98%
Mortgage	19.38%	6.26%	6.66%
Cost of Risk	1.89%	1.87%	2.13%
Balance sheet structure			
Net portfolio / Funding sources	90.4%	89.8%	91.5%
Net portfolio/ Funding sources without bonds	103.6%	103.5%	105.4%
Net portfolio / Deposits	118.1%	117.5%	120.7%
Stock Markets			
Share Price	29,500	33,680	33,260
Book value of the share	1.49	1.55	1.46
Exchange rate peso dollar			
Closing exchange rate	$ 2,880.08	$ 3,050.43	$ 2,936.67
Average exchange rate	$ 3,061.91	$ 2,921.28	$ 2,939.39

ECONOMIC ENVIRONMENT

Colombia.

During the third quarter of the year there was a continuous improvement in the indicators of international economic activity, in the world trade and a significant change in terms of perceptions regarding monetary policy adjustment in the United States. In effect, at the end of September the global PMI, a measure on the perception of entrepreneurs on economic activity worldwide, reached a value of 53.8, higher than the 51.1 obtained in April 2016. Figures on world trade also reflect an important improvement: at the end of the third quarter, growth in the movement of containers in the main ports of the world reached 7.5%, a growth that contrasts with the falls observed in the first months last year.

The improved economic situation in the world was reflected in the strong growth of the economy of the United States which, according to the first estimate, grew by 3% in the third quarter of the year. These better results, together with the statements of the Federal Reserve chairman and more favorable expectations regarding the approval of President Trump's tax reduction plan allowed the consolidation of the expectation of an increase in interest rates in December this year and broke the global devaluation trend of the dollar.

In reference to oil, during the quarter there were two opposing forces that allowed relative stability in prices. On the one hand, as a result of the global economic recovery, demand increased. On the other hand, some of the producing countries, especially Saudi Arabia and Libya, increased their production. In this way, the price of oil that in its WTI reference had reached USD 48.15 per barrel in the second quarter of the year reached USD 48.2 per barrel in the third.

The price stability of oil along with lower international risk aversion and the return of capital flows to emerging countries imposed a downward pressure on the exchange rate of the Colombian peso against the dollar. In effect, the dollar that began the third quarter in $3,050 pesos ended in $2,936. This result contributed to the evolution of the dollar exchange rate worldwide, which lost value against the rest of the world's currencies in most of the period analyzed.

Regarding growth, the DANE (National Administrative Department of Statistics) figures showed a recovery of the economy for the third quarter of the year that went from growing 1.2% the second quarter to 2% the third quarter. Growth of the agricultural sector by 7.1%, contributed again to this result. Additionally, it should be taken into account that the comparison base for the third quarter was low due to the truckers strike in June and July the previous year.

Although the mining sector continued to fall, -2.1%, one of the factors that contributed to improve economy dynamics is the oil production behavior which in the third quarter of the year increased to 856 thousand barrels per day with a 1.53% annual increase.

As far as inflation is concerned, the third quarter of the year continued recording better than expected results. Indeed, taking into account that negative inflation took place in

August and September 2016, it was thought that annual inflation could resume annual variations above 4% at the end of the quarter. However, this situation did not happen, basically, due to the greater reduction in food prices. The inflation that rose to 3.99% in June closed the quarter at 3.97%.

As a result of good inflation data, monetary authorities continued to reduce their interest rates. The third quarter began with a rate of 5.75% and at July and August meetings there were two more cuts, so that at the end of the quarter the rate stood at 5.25%.

Central America

The economic growth of Honduras and Panama, measured through the Gross Domestic Product (GDP), accelerated in the second quarter of 2017 compared to the same period of the previous year, the annual growth figures were 4.4% and 5.4% respectively.

The economic growth of Honduras was driven mainly by the financial intermediation sector, due to an expansion of the banking intermediation[3] margin; and that of agriculture, forestry and fishing. In Panama, the main sectors that fuelled growth were transportation and communications, due to a greater dynamism of the activities of the Panama Canal, and construction.

On the other hand, for Costa Rica and El Salvador there were slowdowns in growth in the second quarter of the year: Costa Rica grew 4.0% and El Salvador 2.3%, annually.

The slowdown in Costa Rica was mainly due to lower contributions from the electricity, water and professional services sectors, accommodation activities and food services. For El Salvador, the sectors that had the greatest impact in the downturn were government services and agriculture, hunting, forestry and fishing.

On the other hand, indicators of monthly economic activity show a downturn in economic activity in Costa Rica, while accelerations are observed in El Salvador and Honduras. The average annual increase in July and August is 3.46% in Costa Rica, 2.79% in El Salvador and 5.99% in Honduras.

Regarding inflation at the end of the third quarter of 2017, Costa Rica recorded an annual increase of 1.6% in September, remaining below the Central Bank's target range of 3% +/- 1%. For El Salvador, inflation of the same month was 1.6% per year, in Honduras 3.7% and in Panama 0.8%. Inflation in Honduras remained within the target range of the Central Bank of 3.5% -5.5%.

Monetary policy rates remained constant in the third quarter of the year: 4.50% for Costa Rica and 5.50% for Honduras.
Regarding the behavior of currencies of the region, the colon in Costa Rica began the third quarter of 2017 in $573.11, then reached a maximum of $579.62, a minimum of

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[3]It measures the cost of financial intermediation, which is defined in Honduras according to the Central Bank as: (a) spread ex-ante to the difference between the rate or price that banks charge for loans and what they pay for deposits and (b) spread ex-post to the difference between the income that the banks receive for interest and expenses paid for the deposits

$571.99 and closed at $572.03. The devaluation of the year at the close of the third quarter was 2.85%. In Honduras, the lempira started the quarter at $23.6086, reached a maximum of $23.6207, a minimum of $23.5288 and closed at $23.5572. The devaluation of the year at the end of the third quarter was 0.23%, this is lower than the expected in the year by the Central Bank of Honduras.

Among the relevant news of the quarter it is worth mentioning that the Latin American Reserve Fund approved a line of credit for USD 1000 million to the Central Bank of Costa Rica (BCCR) to strengthen international reserves and in El Salvador progress was made in fiscal matters. Regarding the credit line approved, the president of the BCCR indicated that it has a preventive purpose, where the Bank shows its strength in reserves and a dissuasive one, against an eventual attack on the colon.

Lastly, El Salvador approved the pension reform and an external debt issue that reduced the short-term pressure on public finances. These decisions caused an improvement in sovereign risk ratings for El Salvador. Standard & Poor's upgraded to CCCI + from SD and Fitch to B- from CCC.

CONSOLIDATED RESULTS OF 3Q17

BALANCE SHEET

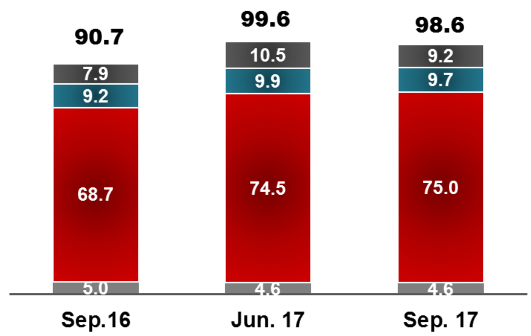
Assets

As of September 30, 2017, the consolidated assets totaled $98.6 trillion, decreasing quarterly, 1.0% and an annual growth of 8.6%, mainly due to the behavior of the commercial and consumer portfolios.

The ROAA[4] consolidated at the end of 3Q17 closed at 1.51%, 22 bps lower than the close of 3Q16 and 9 bps lower than that registered in 2Q17.

Consolidated Assets Evolution (in trillions of Pesos)

	3Q17/2Q17	3Q17/3Q16
Cash	(12.7%)	16.7%
Investments, net	(2.0%)	6.3%
Loans, net	0.7%	9.3%
Other assets [5]	(0.9%)	(8.6%)
Assets	**(1.0%)**	**8.6%**



Assets		Sep.16	Jun. 17	Sep. 17	3Q17/2Q17	3Q17/3Q16
Colombia		70.0	76.2	75.9	(0.3%)	8.5%
International [6]	COP	21.9	24.3	23.6	(2.9%)	7.8%
	USD$[7]	7.6	8.0	8.0	0.8%	5.7%

Colombia's assets represent 76.1% of consolidated assets, closing at $75.9 trillion, stable when compared to June 2017 and shows an increase of 8.5% compared to September 2016.

The assets in international subsidiaries represent 23.9% of the consolidated assets, closing at USD $8.0 billion, remaining stable compared to June 2017 and 5.7% higher compared to the same period the previous year.

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

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

[6] Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras.

[7] Figures in billions of dollars. TRM dollar peso was revalued 3.84% compared to 4Q16 and 3.83% compared to the close of 1Q16.

Cash and interbank

At the end of September, cash and interbank amounts came to a total of $9.2 trillion, 12.7% less than in June 2017 and 16.7% more compared to September 2016. In Colombia, it closed at $4.6 trillion, 22.3% lower in regard to June 2017 and 18.8% more than September 2016, the growth of cash is due to the liquidity situation, throughout the year 2017 and a cheaper funding through liquidity operations given the reduction of the intervention rate of the Banco de la República since the end of 2016.

In international subsidiaries, cash and inter-bank amounts came to a total of USD $1.6 billion, an increase of 3.4% compared to June 2017 and increased 12.6% with regards to September 2016, mainly explained by an increase in Costa Rica and Panama.

Investment Portfolio

At the end of the third quarter of 2017, the consolidated investment portfolio closed at $9.7 trillion, 2.0% lower than that registered in June 2017 and an additional 6.3% compared to September 2016.

In Colombia, investments remained stable compared to the previous quarter and 3.0% more compared to the previous year, closing at $8.1 trillion, mainly due to increase of trading portfolio.

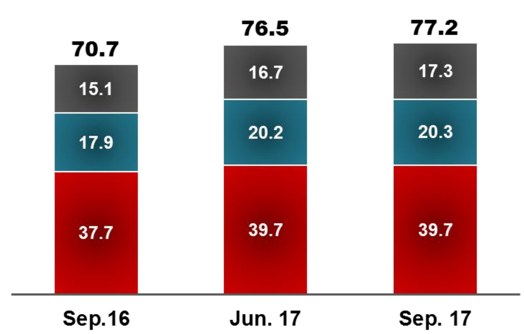
In international subsidiaries, investments closed at USD $1.0 billion, 1.6% lower than in June 2017 mainly explained by Honduras. In relation to September 2016, investments increased by 2.9% explained by Panamá due to the increase of funding raising of clients.

Gross Loan Portfolio

The gross loan portfolio closed at $77.2 trillion, showing a quarterly growth of 0.9% and 9.2% compared to September 2016.

Evolution of the Consolidated Gross Loan Portfolio (in billions of Pesos)

	3Q17/2Q17	3Q17/3Q16
Mortgage	3.7%	14.4%
Consumer	0.5%	13.4%
Commercial [8]	0.0%	5.2%
Gross Loans	**0.9%**	**9.2%**



Gross Loans		Sep.16	Jun. 17	Sep. 17	3Q17/2Q17	3Q17/3Q16
Colombia		56.2	60.5	61.7	2.0%	9.9%
International	COP	14.5	16.0	15.5	(3.3%)	6.6%
	USD$[9]	5.0	5.3	5.3	0.5%	4.6%

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

In Colombia, the gross loan portfolio closed at $61.7 trillion, with a quarterly increase of 2.0%, mainly explained by the variation in the mortgage portfolio, which grew 4.6%, where the largest variations are shown in the mortgage loans which are greater than Social Housing. Meanwhile, the consumer portfolio grew 0.9% and commercial showed an increase of 1.5% compared to June 2017.

In relation to September 2016, the variation of the gross loan portfolio in Colombia was 9.9%, mainly driven by the consumer portfolio with a growth of 14,1% where significant growth occurred in the fixed rated loan portfolios, credit card and payroll with increases of 26.7%, 13.5% and 11.0% respectively.

In international subsidiaries, the gross loan portfolio totaled USD $5.3 billion, growing 0.5%, stable compared to June 2017 and 4.6% in relation to September 2016. 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 in the balance of 3.4% compared to June 2017, mainly in Costa Rica and El Salvador.

Portfolio NPL by Type and Coverage

	NPL > 90 days		
	3Q16	2Q17	3Q17
Commercial	1.84%	2.60%	2.81%
Consumer	2.58%	2.68%	2.68%
Mortgage	2.34%	2.94%	3.23%
Total	**2.13%**	**2.70%**	**2.87%**
Mortgage[10] (120)	1.71%	2.19%	2.35%
Total[11] (120)	**2.00%**	**2.53%**	**2,67%**

	Coverage		
	3Q16	2Q17	3Q17
Commercial	145.1%	98.1%	102.4%
Consumer	183.7%	178.8%	177.6%
Mortgage	54.4%	16.6%	16.8%
Total	**135.6%**	**99.8%**	**99.3%**

	Total Reserve Coverage		
	3Q16	2Q17	3Q17
Commercial	201.7%	142.5%	140.7%
Consumer	253.8%	254.8%	257.1%
Mortgage	101.4%	77.8%	71.9%
Total	**194.1%**	**156.6%**	**151.9%**

The consolidated NPL indicator [12] was 2.87%, 18 bps higher than the one recorded at the end of June 2017 and 74 bps higher compared to the same period of the previous year, deterioration explained mainly by the lower dynamics of the economy in Colombia.

The commercial portfolio closed with an indicator of 2.81%, showing a deterioration of 21 bps compared to the last quarter and 97 bps higher compared to 3Q16. The deterioration is explained by the increase in the balance of the portfolio greater than 90 days past due in loans from some particular clients in the Colombian portfolio.

The indicator of the consolidated consumer portfolio closed at 2.68%, remaining stable in regard to the one registered at the end of June 2017 and a deterioration of 10 bps

[10] Mortgage (120) >120 days/ gross loan portfolio
[11] Total (120) includes >120 days; Commercial> 90 days, Consumer> 90 days / gross loan portfolio
[12] Total NPL> 90 days / gross loan portfolio

compared to 3Q16, mainly due to a deterioration in vehicle products and unsecured personal loans.

Finally, the NPL ratio of the mortgage portfolio greater than 90 days past due closed at 3.23%, showing an increase of 29 bps compared to the previous quarter and 89 bps in regard to the same period the previous year. If we observe the indicator greater than 120 days past due, which closes at 2.35%, we observe that it shows a deterioration of 16 bps compared to the previous quarter and 64 bps compared to 3Q16. This behavior is mainly due to increases in the level of risk showed in the social housing portfolio without Government coverage. With regards to Housing Leasing and residential loans, independent clients have boost the impairment in Colombia. In addition to this, during the last year we have securitized a mortgage portfolio worth $771 billion pesos. This fact generates a deterioration of 14 bps. If we discount this effect, the NPL ratio would have been 3.09%. NPL ratio greater than 120 days past due, let us analyze in a better way the mortgage portfolio risk considering the payment performance of clients.

Consolidated coverage level[13] as of September 2017 was 151.9%, lower than the one registered in June 2017, mainly explained by new impairments which implies new provisions for some corporate loans in the second quarter, $159,1 billion, and consumer, $392,6 billion.

During 3Q17, portfolio write-offs were carried out for $429.8 billion, 0.6% of the gross loan portfolio, which increased 22.4% against write-offs made in 2Q17, explained by a higher level of write-offs in the quarter in the consumer portfolio in Colombia.

Other Assets[14]

Other Assets closed at $4.6 trillion, 0.9% below June 2017 and 8.6% below September 2016. In Colombia, other assets closed at $3.3 trillion, lower 1.2% from June 2017 and 12.3% lower than the same period of the previous year. This decrease occurs as a result of the payment of accounts receivable due to the receivable due to the sale of Real Estate during the last quarter of 2016.

Other Assets closed at USD $265 million in the international subsidiaries, recording an increase of 4.0% in regard to June 2017 and 2.4% in regard to September 2016.

Liabilities

At the end of September, consolidated liabilities came to a total of $88.1 trillion, 1.4% less than last quarter and an additional 8.3% with regards to the same period the previous year, mainly due to the behavior of term deposits and demand deposits, which

[13] Coverage: Provisions P&L + Provisions Equity/ Portfolio> 90 days.

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

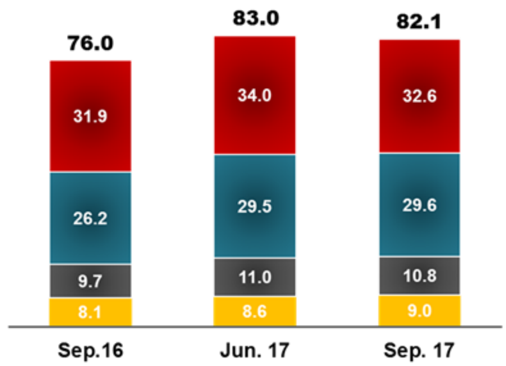
present an increase of 12.8% and 2.2% respectively. Additionally, a growth in bonds due to the issuance made during the last 12 months, increasing by 11.6%.

Liabilities in Colombia came to a total of $67.2 trillion and represent 76.3% of consolidated liabilities, decrease 0.8% per quarter and an 8.4% growth annually. In the international subsidiaries, liabilities closed at USD $7.1 billion, 0.5% higher than in the previous quarter and an additional 5.8% compared to the same period the previous year.

Consolidated funding sources[15] came to a total of $82.1 trillion, achieving a net portfolio ratio over funding sources of 91.5%, keeping the same levels as those recorded in the comparative periods; excluding bonds, this ratio increases to 105.4%.

Evolution of funding sources (in billions of Pesos)

	3Q17 / 2Q17	3Q17/3Q16
Demand Deposits	(3.9%)	2.2%
Term Deposits	0.4%	12.8%
Bonds	(1.5%)	11.6%
Credits	5.3%	11.1%
Funding Sources	**(1.1%)**	**8.0%**



Funding Sources		Sep.16	Jun. 17	Sep. 17	3Q17 / 2Q17	3Q17/3Q16
Colombia		57.3	62.4	61.8	(1.0%)	7.8%
International	COP$	18.7	20.6	20.3	(1.6%)	8.5%
	USD$	6.5	6.7	6.9	2.3%	6.4%

Demand deposits came to a total of $32.6 trillion; these showed a decrease in the quarter mainly due to the lower volume in savings accounts of institutional clients in Colombia. In regards to September 2016, the balance of demand deposits had an increment of 2.2%. On international affiliates demand deposits came to a close of USD $2.6 billion.

Consolidated term deposits were $29.6 trillion, 0.4% higher than that recorded in June 2017, mainly explained by the 3.0% increase in CDTs of institutional clients in Colombia. Compared to September 2016, consolidated term deposits increased 12.8%; in Colombia they grew 17.5% while in international subsidiaries they decreased 0.7%.

Bonds came to a total of $10.8 trillion, 1.5% less against the last quarter and 11.6% higher regarding the same period the previous year. This increase in Colombia is mainly due to the issuance of ordinary bonds of $700 billion in the local market and the issuance of green bonds (ordinary) for $433 billion.

[15] Funding Sources: total deposits, bonds and credits with entities.

Bonds closed at US $281 million in international subsidiaries, showing an increase of 36.7% with regards to the third quarter of the previous year due to the issuance of bonds in the local markets of El Salvador and Costa Rica.

Rediscount credits and credits with consolidated correspondents banks were of $9.0 trillion, 5.3% higher than in the previous quarter and 11.1% compared to September 2016.

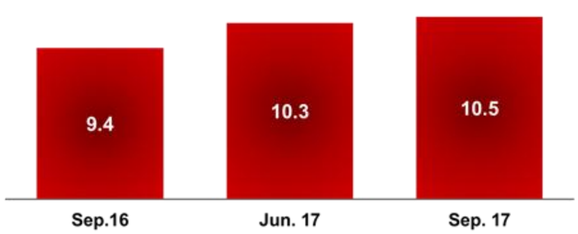
Equity and Regulatory Capital

Equity closed at $10.5 trillion, 2.1% above to the value reported in the previous quarter and 11.8% more than in September 2016. Technical equity remained stable compared to the last quarter closing at $11.0 trillion.

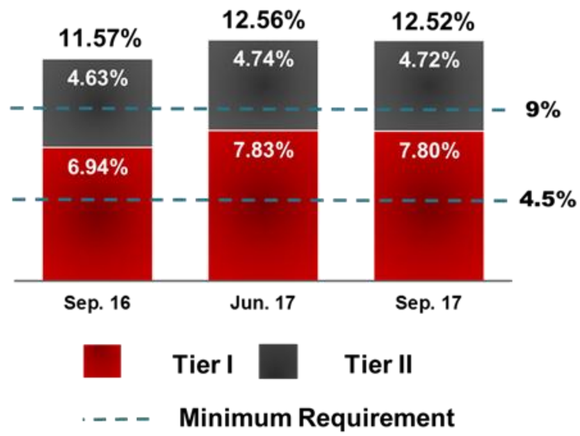
Solvency ratio was 352 bps above the minimum solvency required in Colombia (9%), closing at 12.5%. In relation to September 2016 the total solvency grows 95 bps, as a result of an increase in Tier I, going from 6.9% to 7.8% due to the capitalization made on March by $1.4 trillion.

Risk Weighted Assets level were $85.0 trillion compared to the same period the previous year, showing an increase of 7.9%, explained by portfolio growth, financial leasing operations and the higher volume of contingencies due to the increase in bank guarantees.

Equity (billions of pesos)



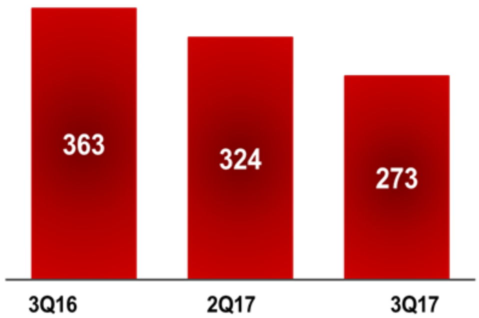
Solvency (%)

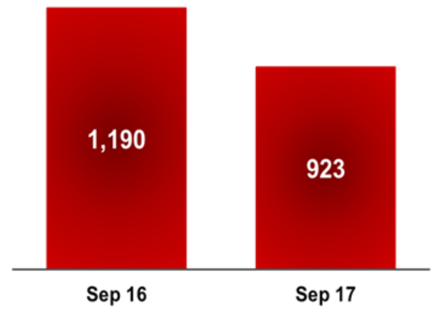


STATEMENT OF PROFIT AND LOSS

Profits

(Thousands of millions of pesos)





3Q17 / 2Q17	3Q17 / 3Q16		Sep 17 / Sep 16
%	%		%
(7.4)	(4.8)	Financial Margin, net	(5.7)
0.9	6.0	Operating Income	0.9
(2.1)	12.1	Operating Expenses	12.0
(78.7)	(80.3)	FX changes, Derivatives and Others	(31.0)
(18.2)	**(28.4)**	**Income before tax**	**(25.5)**
(24.1)	(36.5)	Taxes	(32.4)
(15.7)	**(24.8)**	**Net Income[16]**	**(22.4)**
		Recurring Net Income	**(18.5)**

Net profit for 3Q17 closed at $273.0 billion, 15.7% less than 2Q17, mainly explained by an increase in provisions expenses that increased by 14.1% and by the reduction in financial income by 2.5% compared to the previous quarter. Compared to the results of 3Q16, income decreased by 24.8%, mainly explained by the increase in the provision expense net that in the quarter was $521.1 billion, increasing 70.3% due to the materialization of specific risks in the commercial portfolio.

Accumulated profit to September closed at $923 billion, 22.4% lower than the reported in the same period the previous year, as a result of the increase in provision expenses of 39.4%, operational expenses increase 12% and because of the extraordinary income for the sale of CIFIN in the first half of 2016. If we exclude this effect, profit would fall 18.5%.

As a result of this, the return on average equity (ROAE)[17] at the end of 3Q17 was 14.4%, compared to 15.7% registered in 2Q17 and 16.9% in 3Q16.

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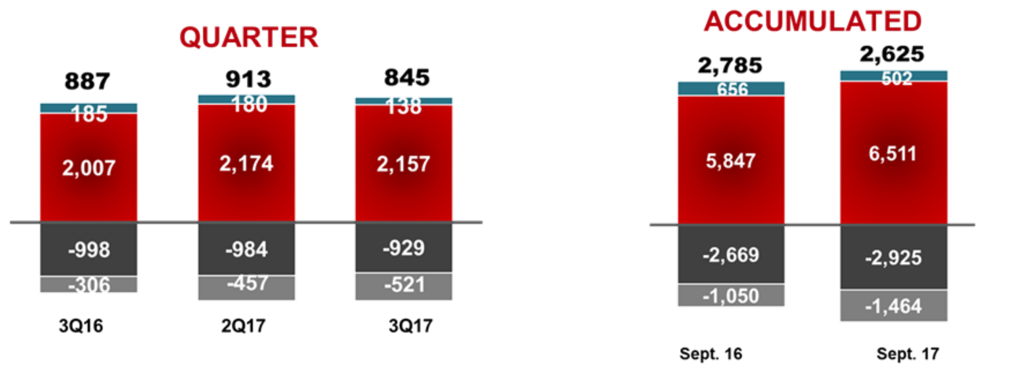
[16] Profits after eliminations, homologations and homogenizations.

[17] ROAE (12 months): Accumulated Net Income / Average Equity.

Net Financial Margin

(Thousands of millions of pesos)



3Q17 / 2Q17 (%)	3Q17 / 3Q16 (%)		Sept. 17 / Sept. 16 (%)
(0.8)	7.5	Loan Income	11.4
(23.0)	(25.3)	Investment Income + Overnight	(23.4)
(2.5)	**4.7**	**Financial Income**	**7.8**
(5.6)	(6.9)	Financial Expenses	9.6
14.1	70.3	Allowances	39.4
(7.4)	**(4.8)**	**Financial Margin, net**	**(5.7)**

Net financial margin closed the quarter at $845 billion pesos. Compared to 2Q17, it was reduced by 7.4% due to the higher provision expense recorded during the quarter and to lower financial income, which decreased 2.5%.

Accumulated net financial margin was $2.6 trillion, 5.7% lower than the one reported in September 2016 as a result of the 39.4% increase in accumulated provisions expense, mainly due to the impairments presented in the consumer and commercial portfolio. As a result of the above, the NIM[18] closed 3Q17 at 6.4%, 7 bps higher than in 2Q17. With regards to 3Q16, it shows a decrease of 36 bps.

Income due to Interest Loan Portfolio

Income due to portfolio interest closed at $2.2 trillion at the end of 3Q17, decreasing 0.8% when compared to the previous quarter, mainly due to lower income from the mortgage portfolio. The balance of the average productive portfolio increased 2.2% with regards to 2Q17 and 11.5% regarding 3Q16.

During 3Q17, income due to interest of the commercial portfolio came to a total of $893.7 billion, showing a decrease of 1.0% regarding 2Q17 and 0.5% less with regards to 3Q17, explained by the dynamics of the commercial portfolio in Colombia (where it decreased -3.5% per quarter and 2.7% annual). In international subsidiaries, commercial portfolio generated revenues of US $66.3 million, 7.4% more than in 2Q17 and 7.1% more than in 3Q16.

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

Consumer portfolio income reached $794.0 billion, 3.4% above 2Q17 and 17.5% more compared to 3Q16, mainly in Colombia, whose income grows by 3.2% compared to 2Q17 and 18.9 % with regards to 3Q16, particularly due to a higher credit card billing and “other personal credits” credits. In international subsidiaries, consumer portfolio income was US $25.8 million, showing an increase of 3.5% regarding 2Q17 and 4.8% regarding 3Q16.

Quarter income for the mortgage portfolio closed at $469.7 billion, 6.8% lower than in 2Q17 and 8.5% higher than in 3Q16. The above is explained by mortgage portfolio income in Colombia, decreasing by 9.2% and increasing 7.9% respectively. For international subsidiaries, the income for the mortgage portfolio was USD $27.2 million, an additional 4.6% with regard to that of 2Q17 and 10.4% above regarding 3Q16, mainly explained by Costa Rica and Panama.

Therefore, portfolio accumulated revenues at the close of September 2017 ended at $6.5 trillion pesos, 11.4% more than at the close of the same period of the previous year, highlighting the income of the consumer portfolio that shows a 19.5% growth.

Income due to Investments and Interbank Funds

Quarter income for the investment and interbank fund portfolio came to a total of $138.2 billion, 23% lower than the value reported for 2Q17 and 25.3% below that of 3Q16.

Accumulated income to September decrease 23.4%, compared to the previous year.

Financial Expenses

Financial expenses of 3Q17 closed at $929,4 billion, continuing with the trend of the previous quarter by decreasing 5,6 % in comparison to 2Q17, mainly due to the lower cost in savings accounts and term deposits.

In the case of Colombia, financial expenses were $765.3 billion, -7.7% lower compared to the previous quarter and an increase of 10.8% compared to 3Q16. In regard to the previous quarter, the decrease is mainly due to the lower cost of deposits in savings accounts, which is 26.1% lower than in 2Q17, closing at $150.5 billion.

In international subsidiaries, financial expenses came to a total of USD $55.2 million, 4.0% more than in 2Q17 and an additional 16.0% in regard to 3Q16, due to the increase in expenses of certificates of term deposits and interest of credits obtained with other banks, mainly in Costa Rica and El Salvador.

Accumulated financial expenses at the end of September 2017 came to a total of $2.9 trillion, showing an increase of 9.6% compared to the same period the previous year. This increase is mainly due to the increase in the costs of term deposits certificates; however the pressure for the increase in rates has been reduced in the last three quarters by the reduction of the intervention rate of the Banco de la República.

Net Provision Expense

Net provision expense during 3Q17 came to a total of $521 billion increasing 14.1% with regards to 2Q17 and 70.3% regarding 3Q16 due to lower dynamics in the Colombian economy. In Colombia provision expenses increased 2.3% during the quarter and 115.9% with regards to 3Q16, closing at $458.5 billion, mainly due to consumer and commercial portfolios.

The accumulated net provision expense closed at $1.5 trillion, presenting an increase of 39.4% in regard to the reported to September 2016. As a result of the above, the risk cost[19] was placed at 2.13%, 26 bps more than the value registered at the end of 2Q17 and was reduced by 24 bps in regard to the value registered in 3Q16.

Net operational Income

Operational income during 3Q17 came to a total of $302.3 billion, 0.9% more than 2Q17 and 6.0% more than in 3Q16, mainly explained by the increase in Service Revenues, which grew 3.9% in regard to 2Q17 and 13.2% in regard to 3Q16.

Operational income in Colombia was $240.9 billion, up 1.8% compared to 2Q17 and 10.4% more than in 3Q16.

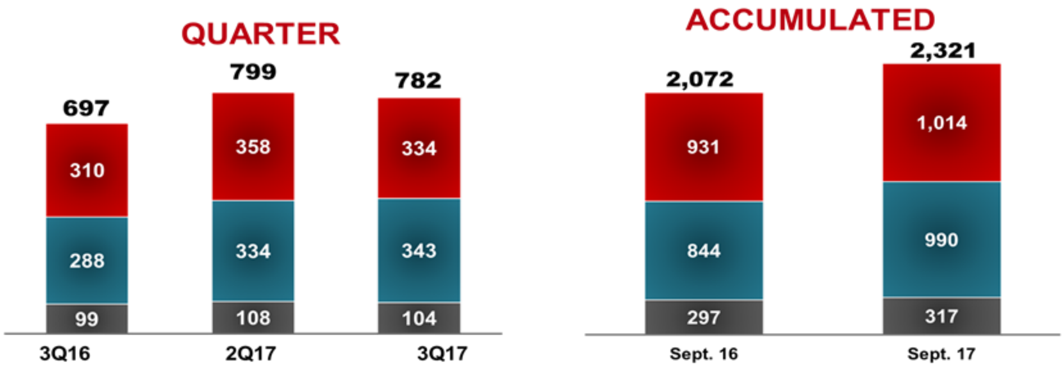
In international subsidiaries, operational income closed at US $ 20.7 million, 4.2% less than in 2Q17 and 8.4% less than in 3Q16 as a result of higher commission expense mainly in El Salvador.

Accumulated net operational income closed at $ 890.6 billion, showing a slight increase of 0.9% in regard to the same period the previous year.

[19] Provision expense accumulated 12 months over gross portfolio.

Operational Expenses

(Thousands of millions of pesos)



3Q17 / 2Q17 (%)	3Q17 / 3Q16 (%)		Sep 17 / Sep 16 (%)
(6.6)	7.6	Personnel Expenses	8.9
2.9	19.3	Operating Expenses	17.2
(3.1)	5.5	Other Expenses	6.9
(2.1)	**12.1**	**Total Expenses**	**12.0**

Operational expenses in 3Q17 came to a total of $782.0 billion, showing a 2.1% reduction compared to the 2Q17, mainly explained by the reduction in staff expenses in Colombia. Operational expenses were $343.4 billion, increasing 2.9% when compared to 2Q17, mainly explained in Colombia by the increase in rent expenses of premises and offices $2.8, transport $2.7 and affiliation expenses $2.2 billion.

Operational expenses for the quarter in Colombia were $598.4 billion, 3.4% less than 2Q17, mainly due to extralegal bonuses and commissions. The reduction in incentives, seniority premium and advertising and publicity. In regard to 3Q16, operational expenses increased by 17.2% mainly due to higher personal expenses which increased 4.3% and operational expenses increasing 12.4%, mainly due to rent expenses, maintenance, publicity and technology and training fees.

In international subsidiaries, operational expenses closed at USD $61.7 million, 0.2% more than in 2Q17. With regards to 3Q16, operating expenses decreased 2.4% as a result of lower advertising expenses in El Salvador, Honduras and Panama and a decrease in the cost of electronic data processing in Panama.

Therefore, the operational expenses accumulated to September 2017 were $2.3 trillion, showing an increase of 12.0% compared to the same period of the previous year, whereby efficiency closed at 47.3% compared to 44.6% from the same period the previous year.

Net Foreign Exchange and Derivatives

The exchange rate exposure of the Bank is mainly explained by the US-COP exposure. The result of net changes and derivatives decrease 75.3% compared to the same quarter of 2016 due to the volatility reduction of exchange rate 2017. During This year the Colombian peso has revaluated 2.1% while in the same period of 2016 it was revaluated 8.5%.

Income from changes and net derivatives accumulated to September 2017 was $96.6 billion, showing a reduction of 19.2% compared to the same period the previous year.

Taxes

During 3Q17, Davivienda recorded an income tax for $102.0 billion, 24.1% less than in 2Q17, mainly explained by a reduction of the operational margin during the quarter. The accumulated effective tax rate as of September 2017 was 27.7%, 284 bps less compared to September 2016.

Accumulated taxes as of September 2017 closed at $353.3 billion, 32.4% lower to the value reported in the same period the previous year.

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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 31, 2017 shall not be necessarily indicative of results expected for any other period.

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