



DAVIVIENDO

2012 First Quarter report

Warning

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These balance statements have been prepared in accordance with the accountability principles generally accepted in Colombia, and they are presented in nominal terms. The P & L statement corresponding to the quarter which ended on March 31st will not necessarily constitute an indication of the expected P & L for any other period.



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Agenda

- > Main Facts in the Quarter
- > First Quarter Results



Main Facts

Development aligned with strategical segments of the economy of the country

- > We reached 4,6 millions of costumers, including 500.000 new costumers from Daviplata Business
- > Growth over the 20% in strategic sectors:

	Balance March 2012 (COP billion)	Growth Mar 2011- Mar 2012
Mortgage	4,4	23%
SME*	2,4	24%
Agricultural	1,0	36%
Foreign Currency	1,6	27%
Infrastructure	1,2	50%

*SME includes agricultural
Mortgage include Home leasing



Main Facts

Innovation

- > DaviPlata is internationally recognized and receives the CIT Golden Card Award for its innovations in payment means and reaches 195 agreements with colombian companies and the Government.

Merge with Confinanciera

- > Last March, the Assembly approved the merge with Confinanciera. This merge is expected to be completed by the end of June.

International Rating Agencies

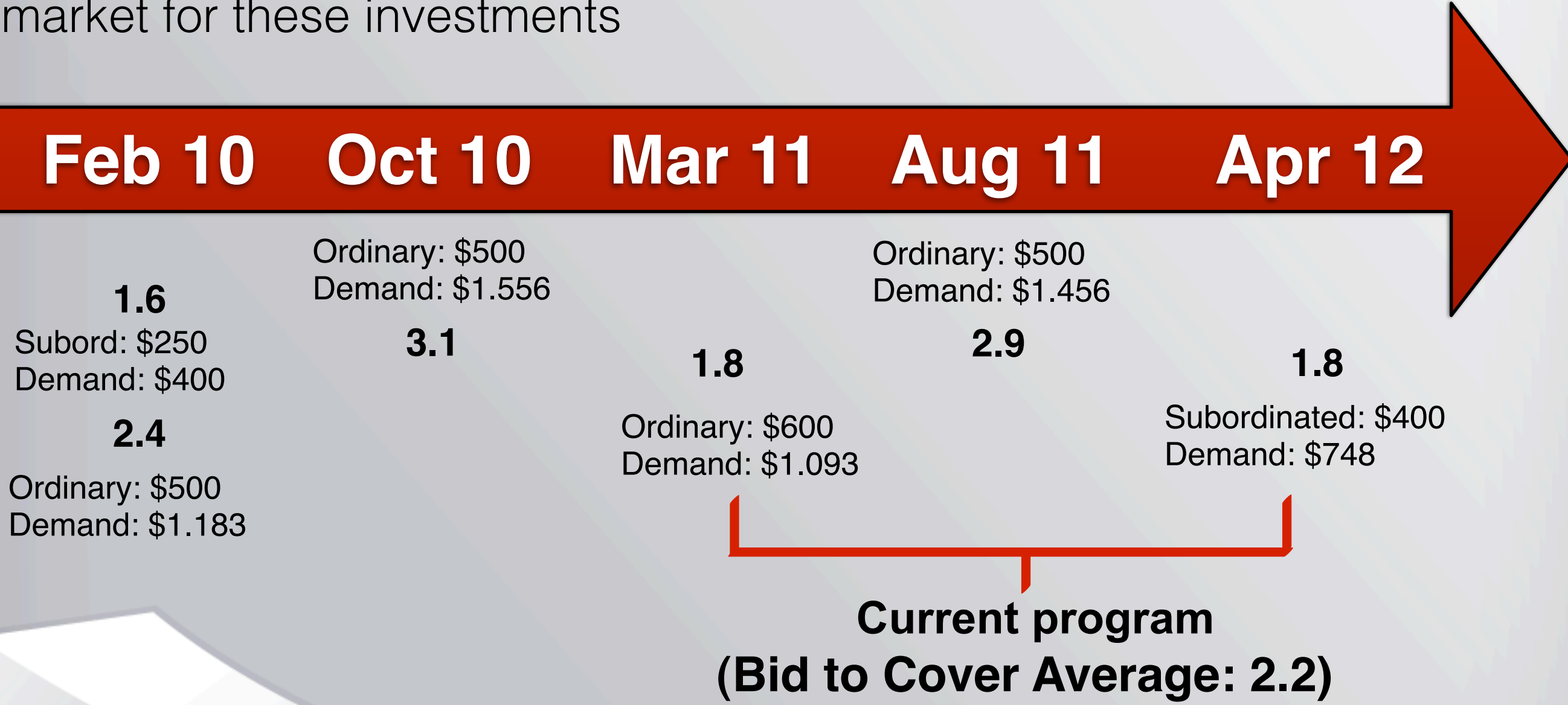
- > Following the announcement of adquisition of HSBC Central America, the rating agency S&P rated it with a '*Credit watch*' that was afterwards removed on may 14th 2012, meanwhile Moody's rated the purchase agreement with a negative perspective awaiting for the closure of the transaction . Moreover Fitch Ratings maintained the stable perspective.



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Subordinated Bonds emission

Davivienda completed the third bond emission within the program approved by the SFC with a COP 3 trillion quota. Yet, the demand is almost twice as double the offer, demonstrating the interest of the market for these investments



HSBC Acquisition Agreement in Central America

Advances:

- > The approval process in the different countries is expected to be completed during the third quarter 2012.
- > There is a project to launch the brand Davivienda in Central America.
- > There is a plan to make independent the operations in Central America from the rest of HSBC.

**We Expect the closure of the transaction on
3Q 2012**



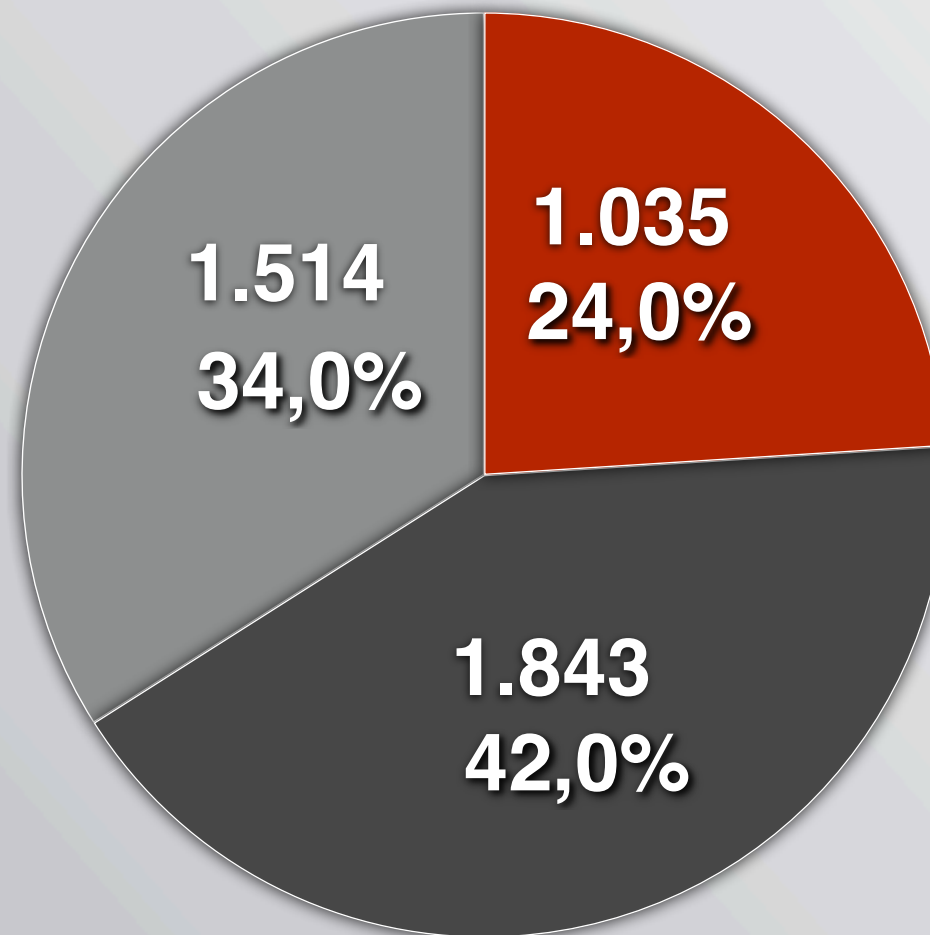
Assets

March 2012

**Total Assets
USD 4.392
million**

**Costa Rica
Banks 100%**

**Honduras
Banks 92,2%
Insurance 7,8%**



**El Salvador
Banks 98.4%
Insurance 1.6%**

Source: Superintendency of
each country.

● Honduras ● El Salvador ● Costa Rica

Data in USD Million



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Net income

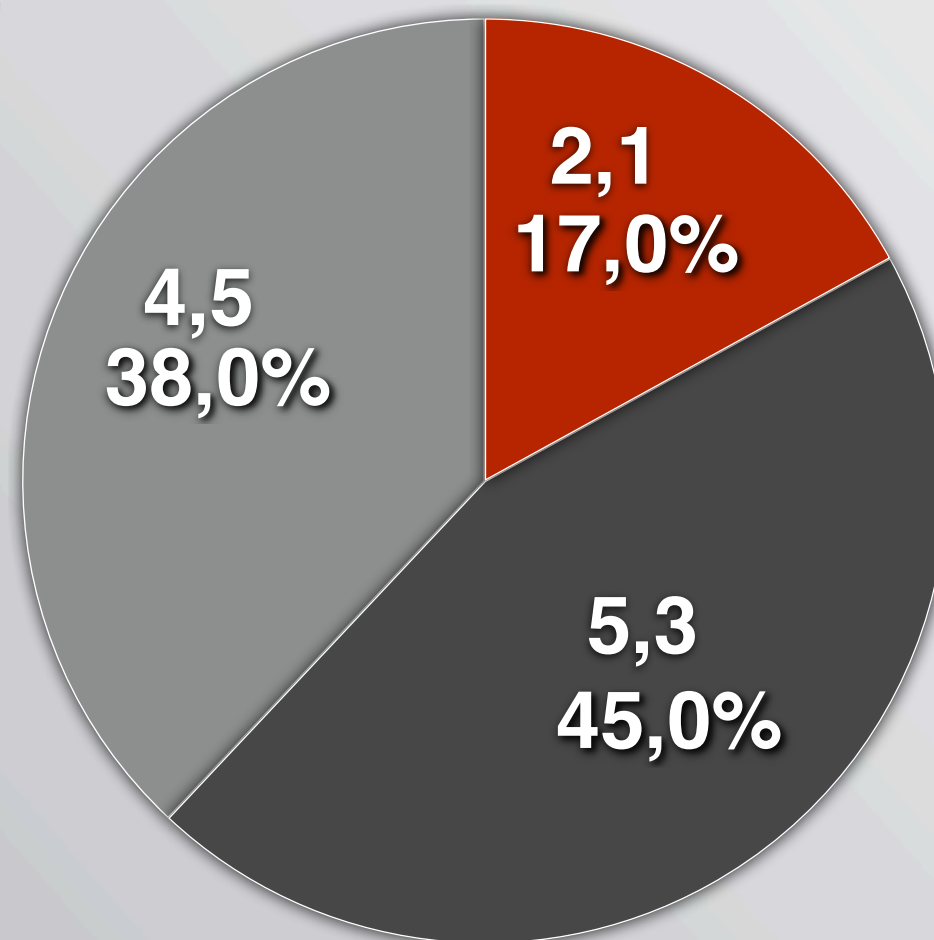
Acumulated to March 2012

**Net income
USD 11,8
million**

**Costa Rica
Banks 100%**

**Honduras
Banks 64,6%
Insurance 35,4%**

**El Salvador
Banks 87,1%
Insurance 12,9%**



Source: Superintendency of each country.

● Honduras ● El Salvador ● Costa Rica

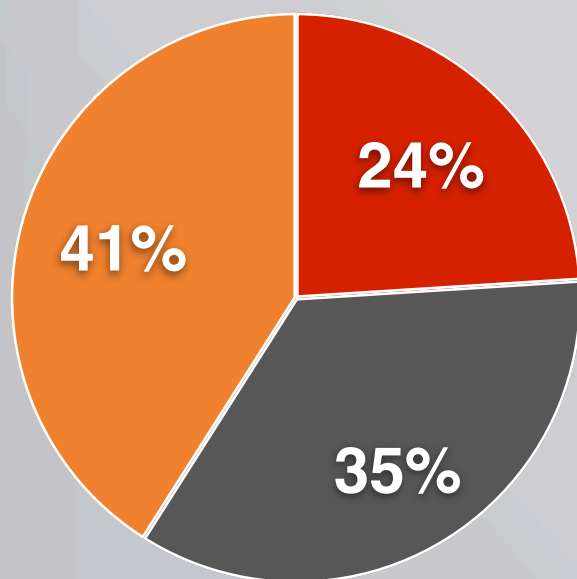
Data in USD Million



Portfolio Structure

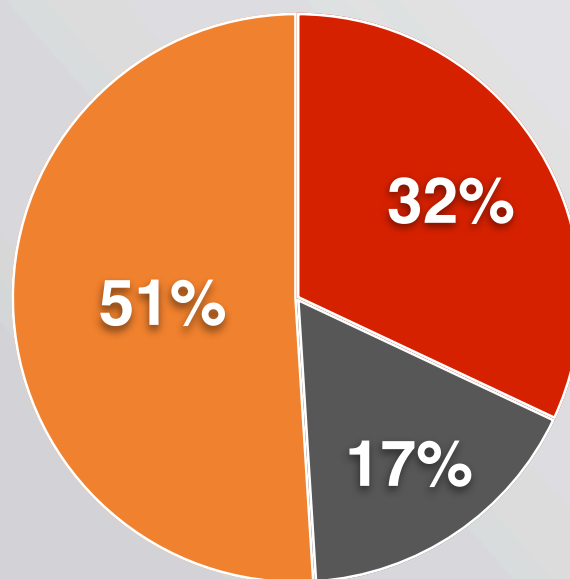
March 2012

Honduras



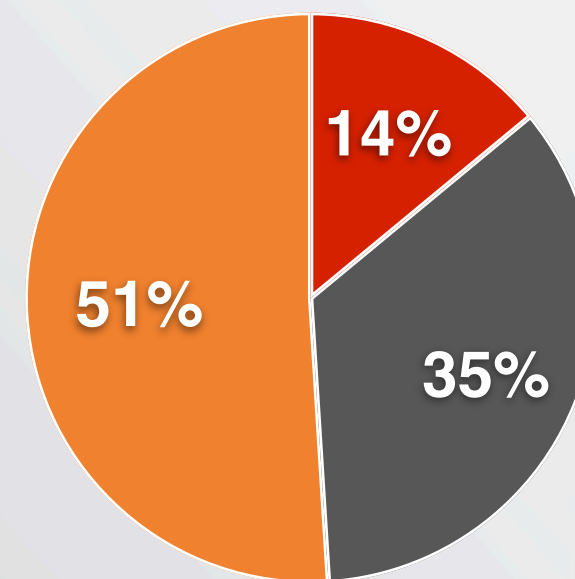
USD 587

El Salvador



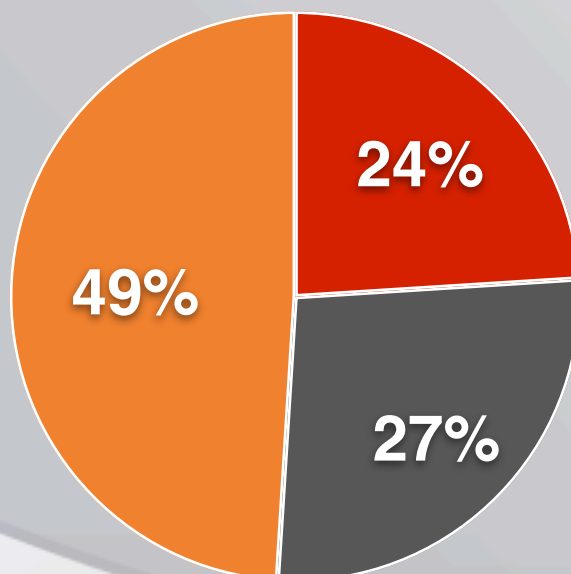
USD 1,251

Costa Rica



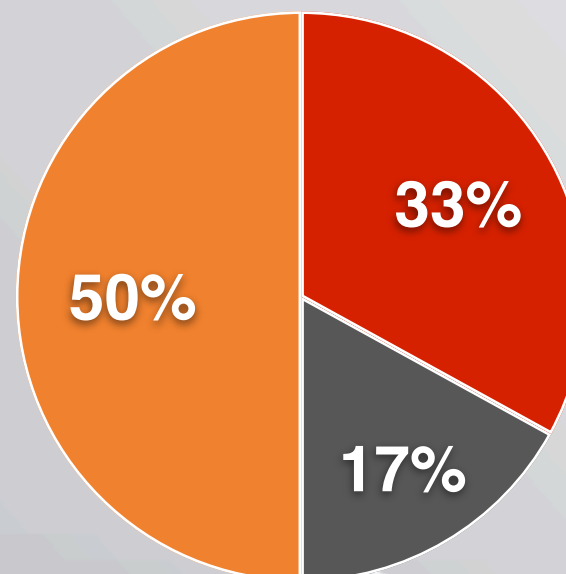
USD 855

Central America



USD 2,693

Davivienda



USD 15,178

Source: Superintendency of each country. Data in USD Million

- Consumer
- Mortgage
- Commercial



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Basis of HSBC Growth

Expectations of Growth once Davivienda finally acquires the operation of HSBC

	Year 1	Year 2	Year 3	Year 4
Assets	6%	8%	13%	13%
Portfolio	11%	11%	11%	11%
Deposits	12%	7%	11%	12%

Expectations of return of HSBC

USD Million

We expect to take to investment to returns higher than 11%

	Year 1	Year 2	Year 3	Year 4
Equity	621	719	823	925
Profits	60	88	101	112
ROE	8,4%	11,3%	11,5%	11,4%



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First Quarter Results



Summary of Results

- > The net profit grew **25.5%** with respect to the third quarter 2011 reaching **col\$215** billion.
- > The net portfolio closed at **col\$25.9** billion and had an **18.2%** growth versus 1T 2011.
- > The quality of the portfolio by height reached **1.66%** while the coverage reached **301.2%**.
- > The collocations reached **col\$27.6** billion during 1T12 showing an increase of 11.6% with respect to 1T11.
- > The net portfolio reason over collocations and bonds reached **96.1%**.
- > The equity reached **col\$4.9 billion**, showing an increment of **33.8%** with respect to 1T11; the solvency was situated at 14.26%.
- > **Col\$98** billion were paid in dividends; this means col\$220 per share.

Quality: Portfolio > 90 days

Coverage: Provisions/ Portfolio > 90 days

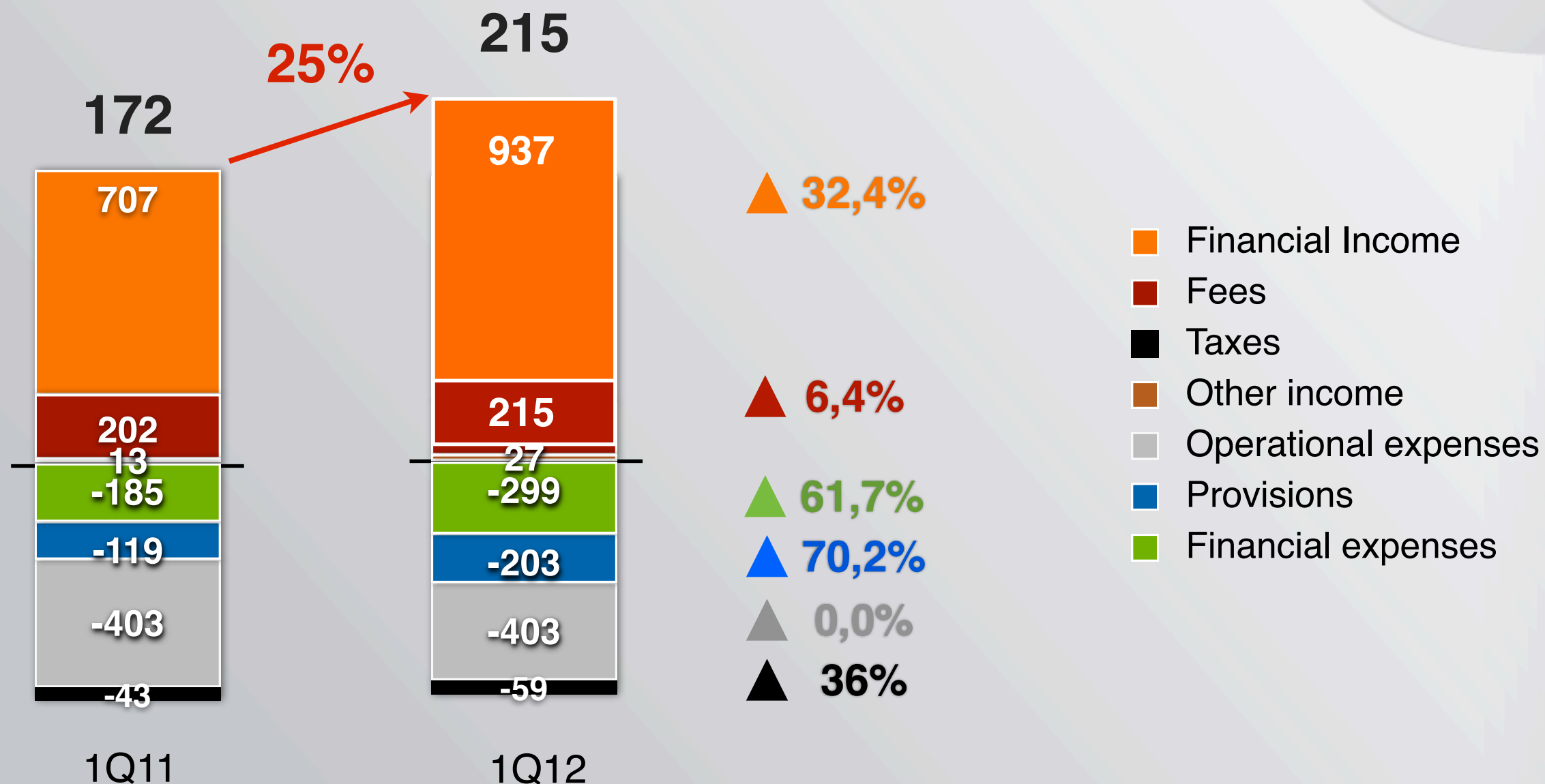
* Net Portfolio / (Deposits + Rediscounting Obligations)



First Quarter Results 2012

Profits

COP Billion



ROAE March 2012:

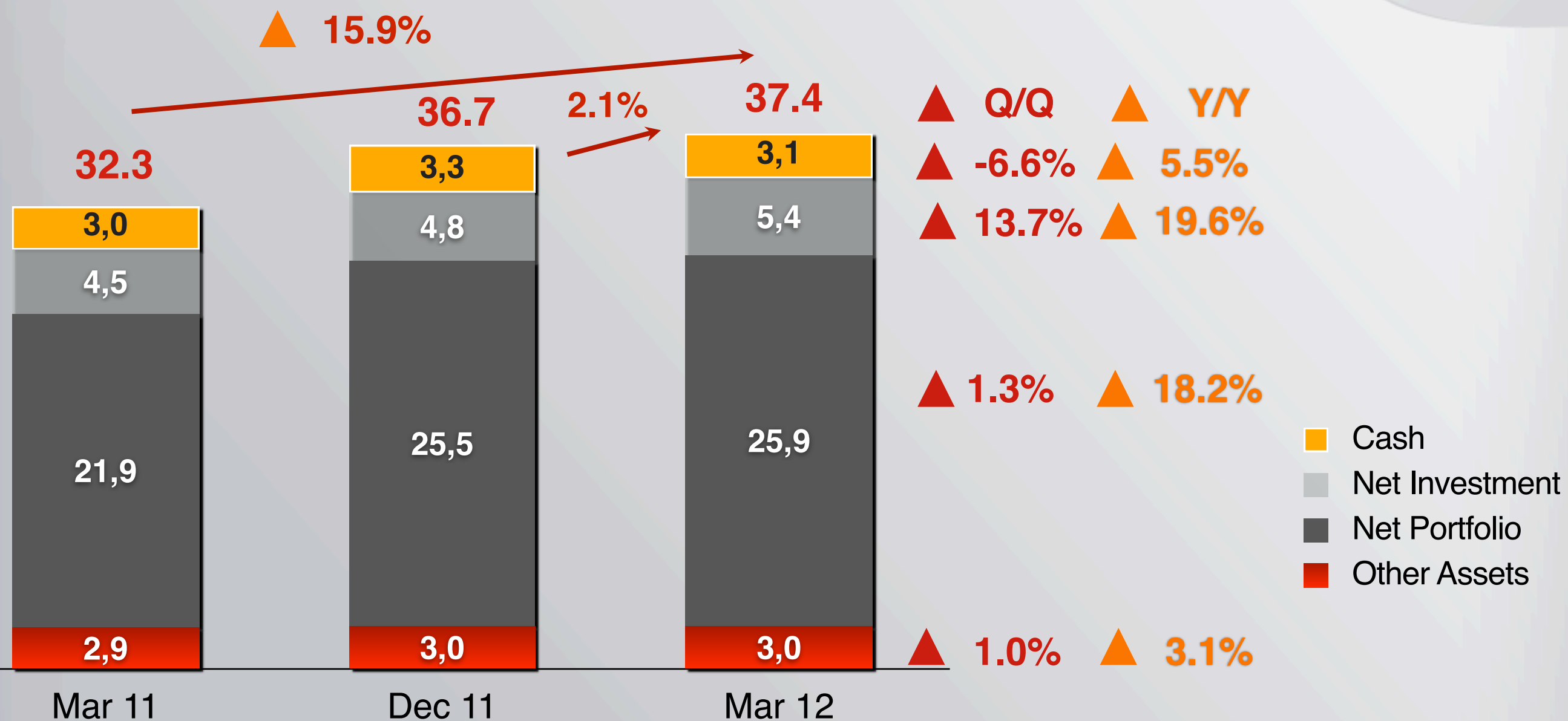
Davivienda: 15,5%

Davivienda*: 15,3%

First Quarter Results 2012

Assets

COP Trillion

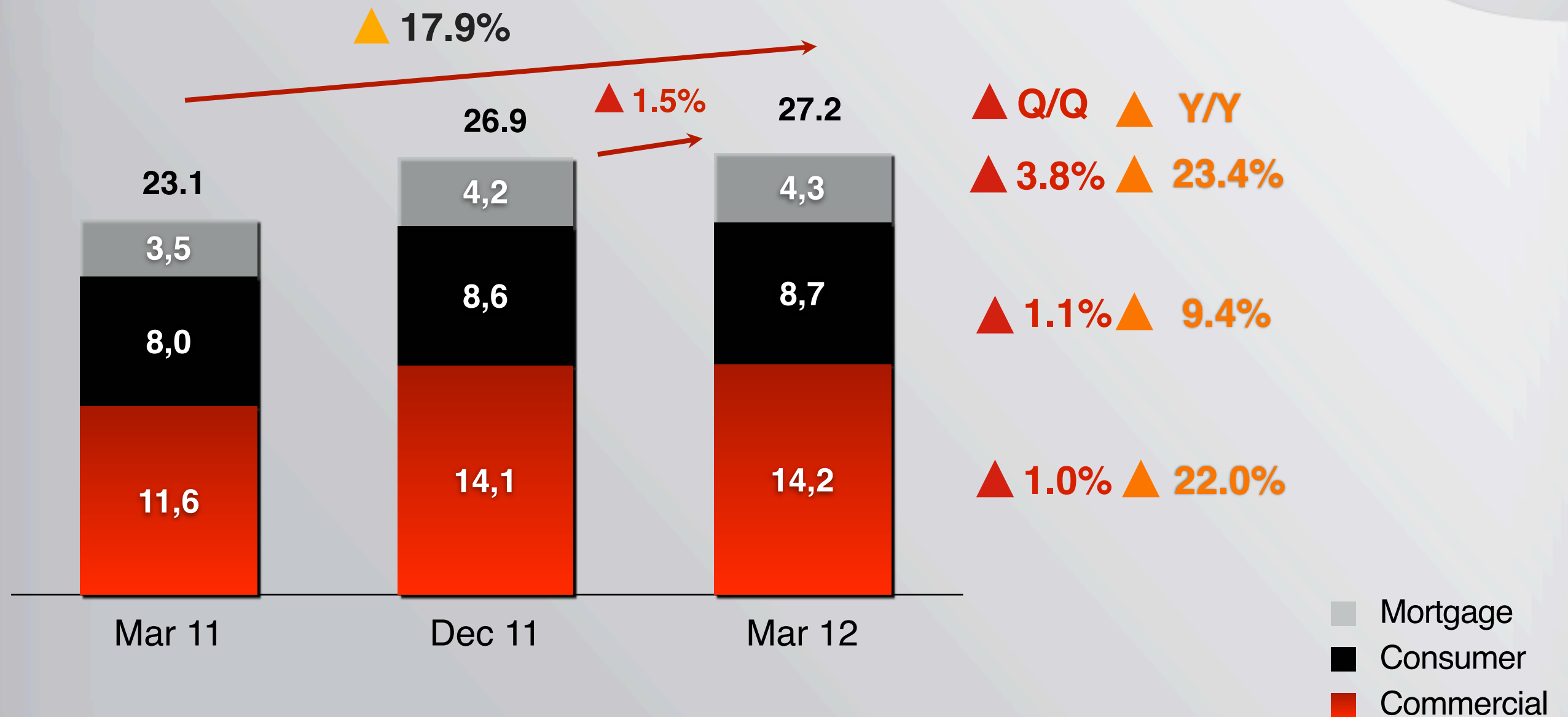


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First Quarter Results 2012

Gross Portfolio

COP Trillion

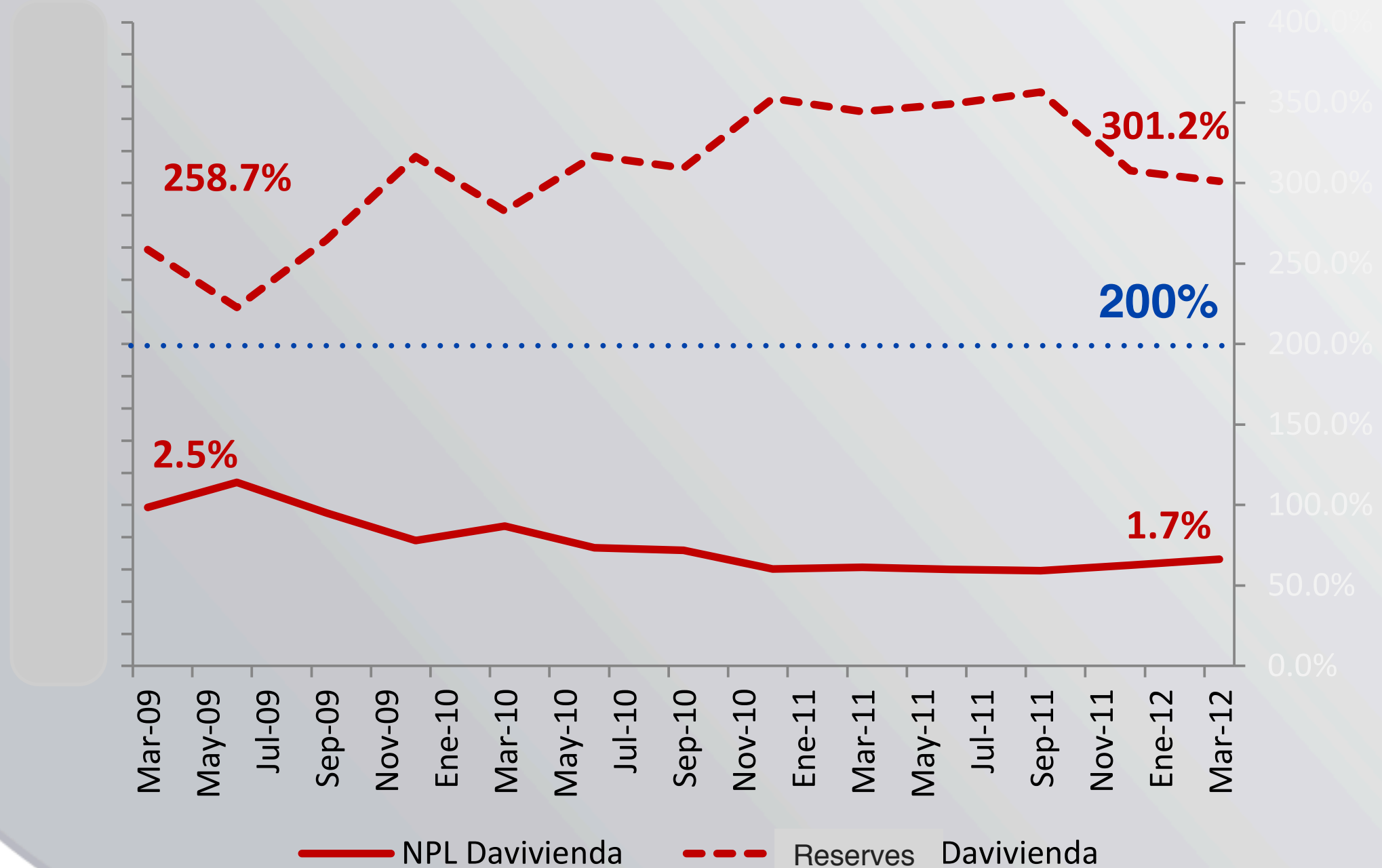


Mortgage includes Home leasing and Commercial includes Micro-credits

First Quarter Results 2012

Gross Portfolio

Quality and Coverage



Quality: Portfolio > 90 days

Coverage: Provisions / Portfolio > 90 days

Commercial includes micro-credit

Growth of balance of mortgage portfolio + Home leasing



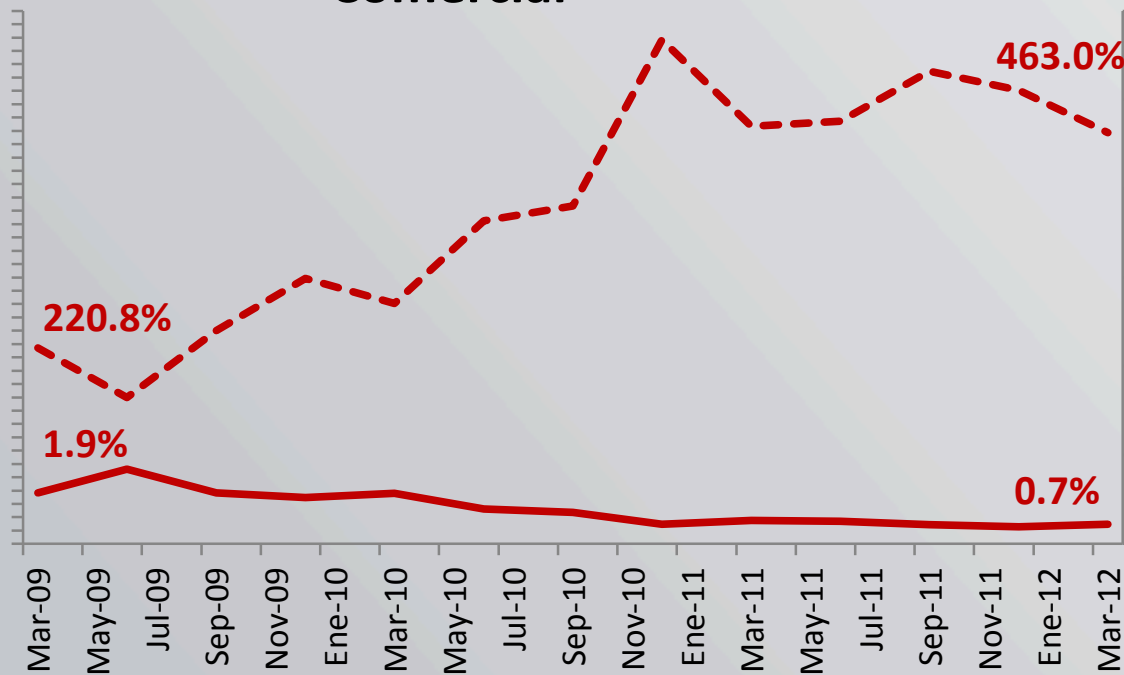
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First Quarter Results 2012

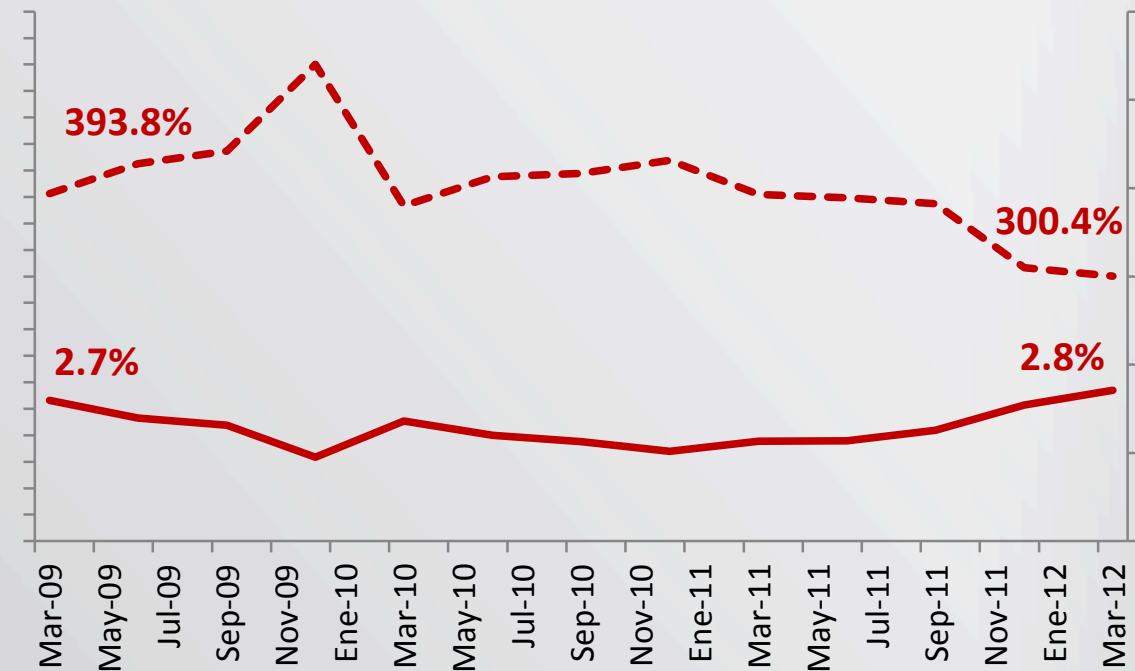
Types of Portfolio

Quality and Reserves

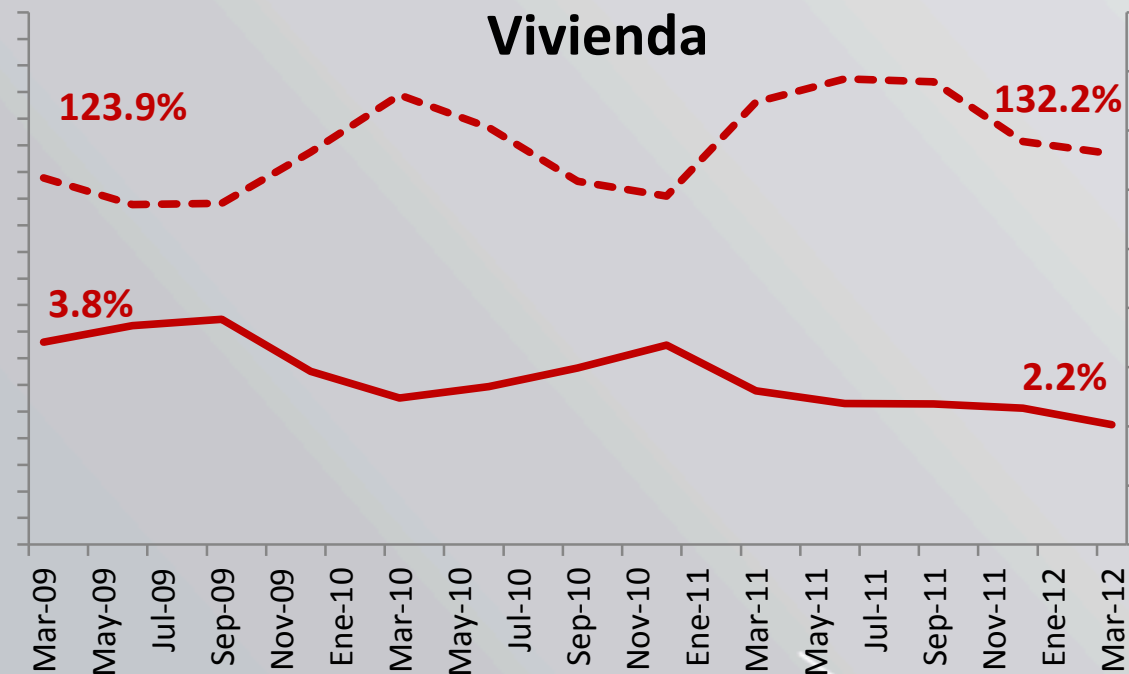
Comercial



Consumo



Vivienda



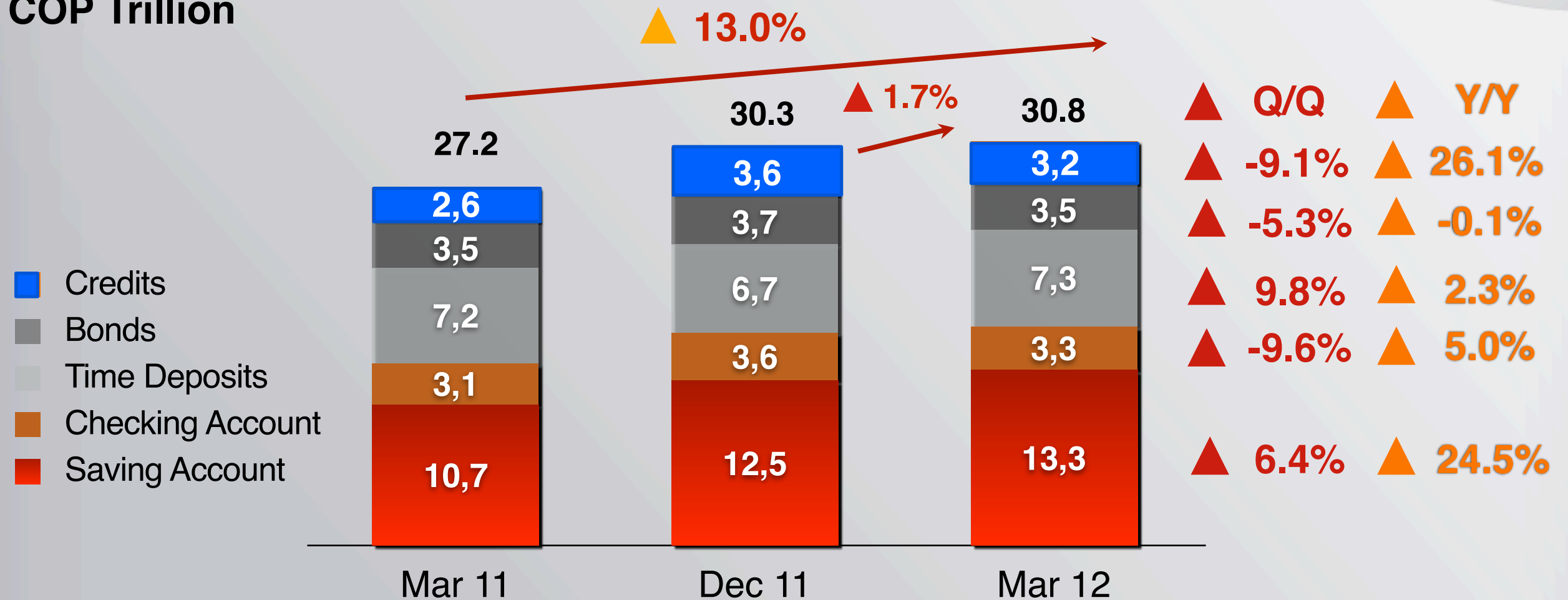
Quality: Portfolio > 90 days
Coverage: Provisions / Portfolio > 90 days
Commercial Portfolio includes micro-credit
Growth of balance of mortgage portfolio +
Home leasing

— NPL Davivienda - - - Reserves Davivienda

First Quarter Results 2012

Deposits

COP Trillion



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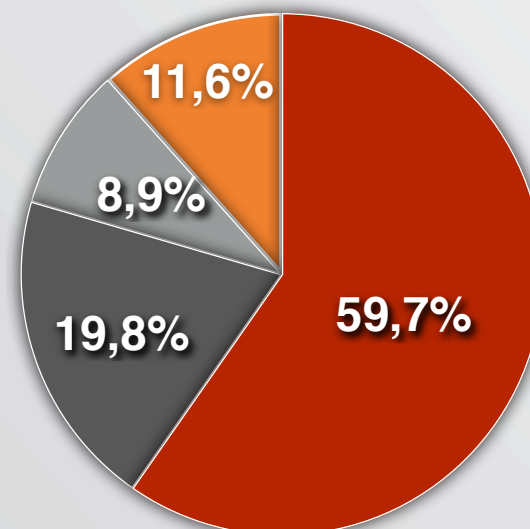
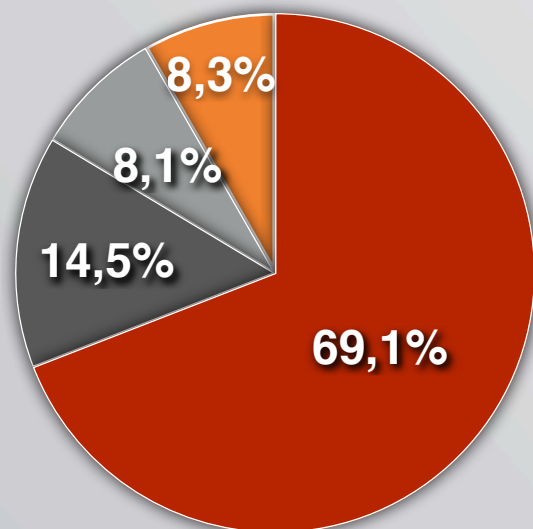
First Quarter Results 2012

Davivienda's Composition vs System

March 2012 Davivienda

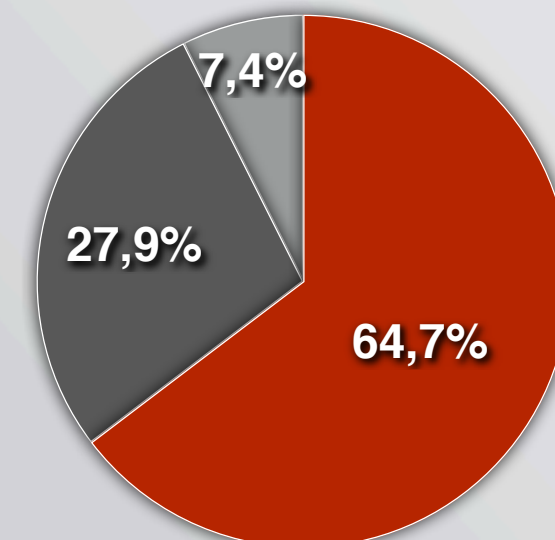
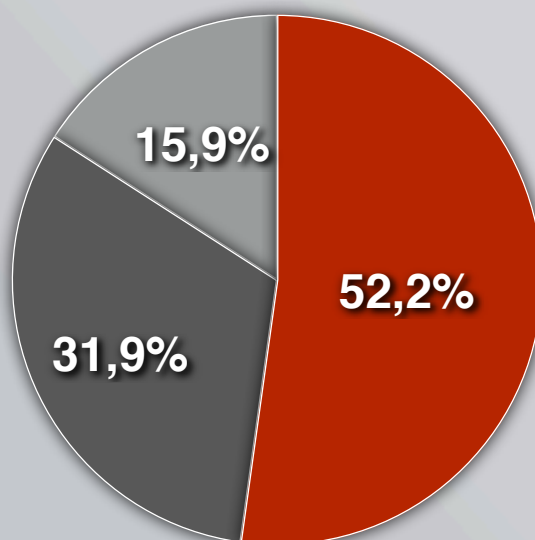
March 2012 System*

Assets



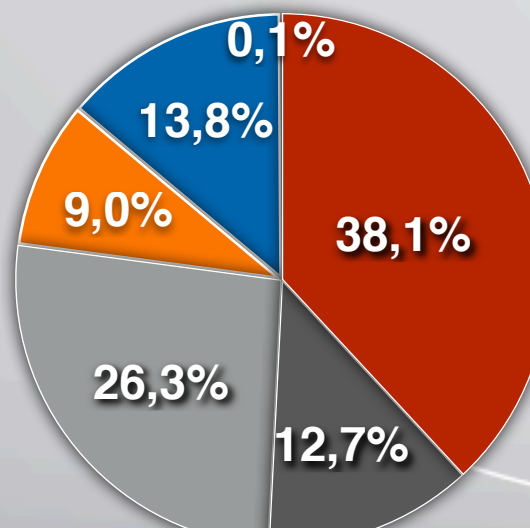
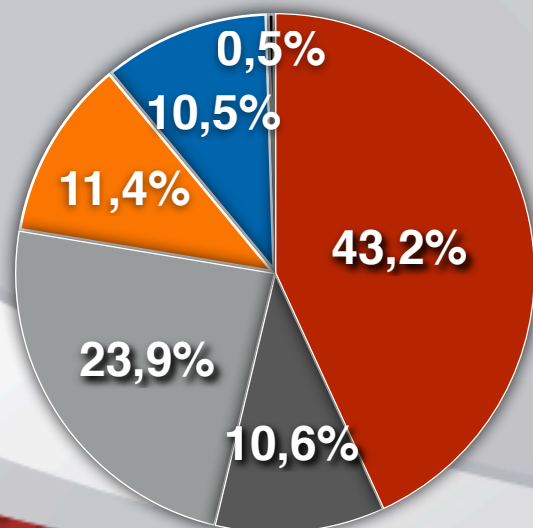
- Net Portfolio
- Net Investment
- Other Assets
- Cash

Loans



- Commercial
- Consumer
- Mortgage

Deposits



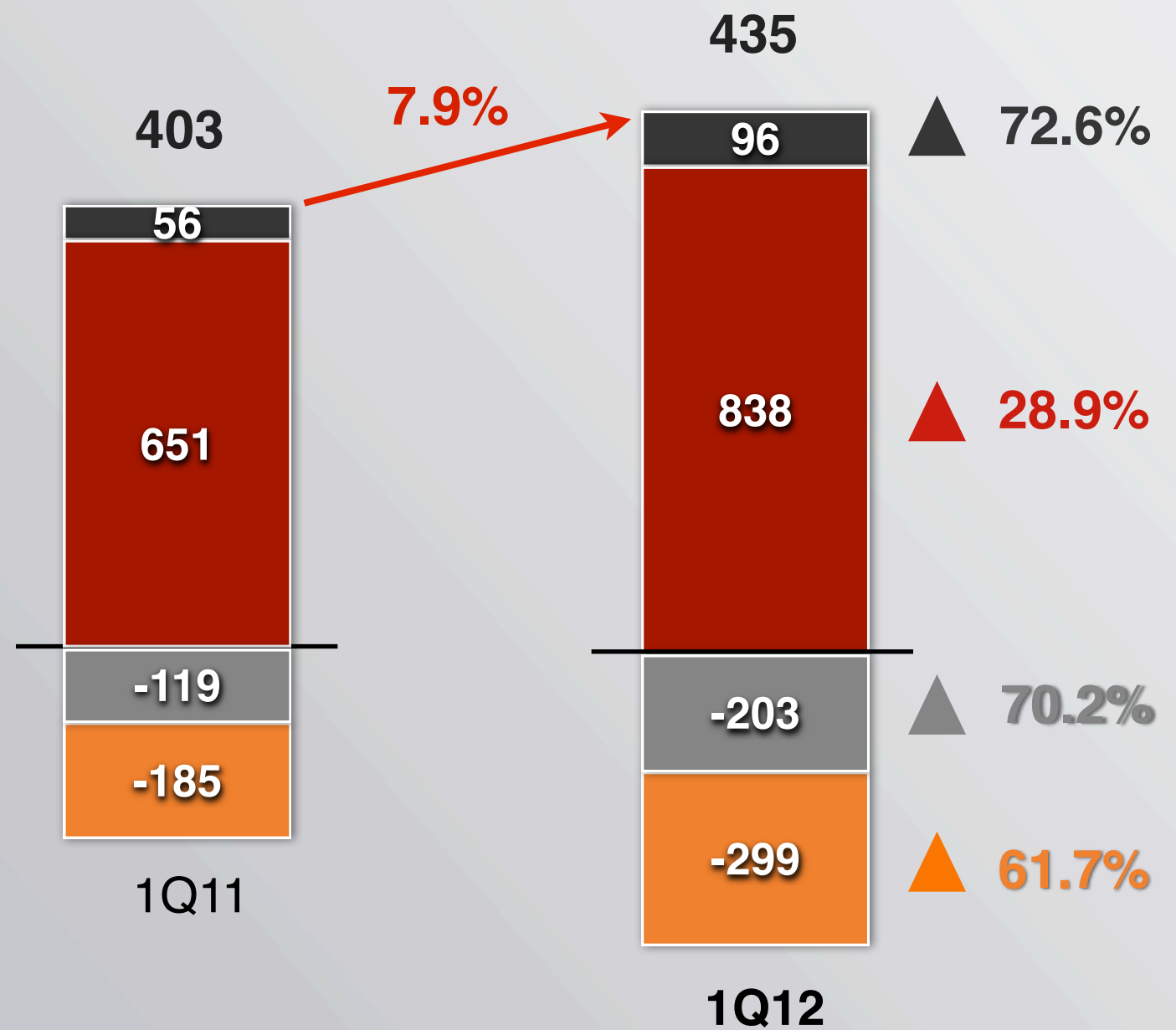
- Saving account
- Checking Account
- Time Deposits
- Bonds
- Credits
- Others

* Individual Information
Source: SFC

First Quarter Results 2012

Financial Margin

COP Billion



■ Provisions
■ Portfolio Income

■ Financial expenses
■ Investment Income

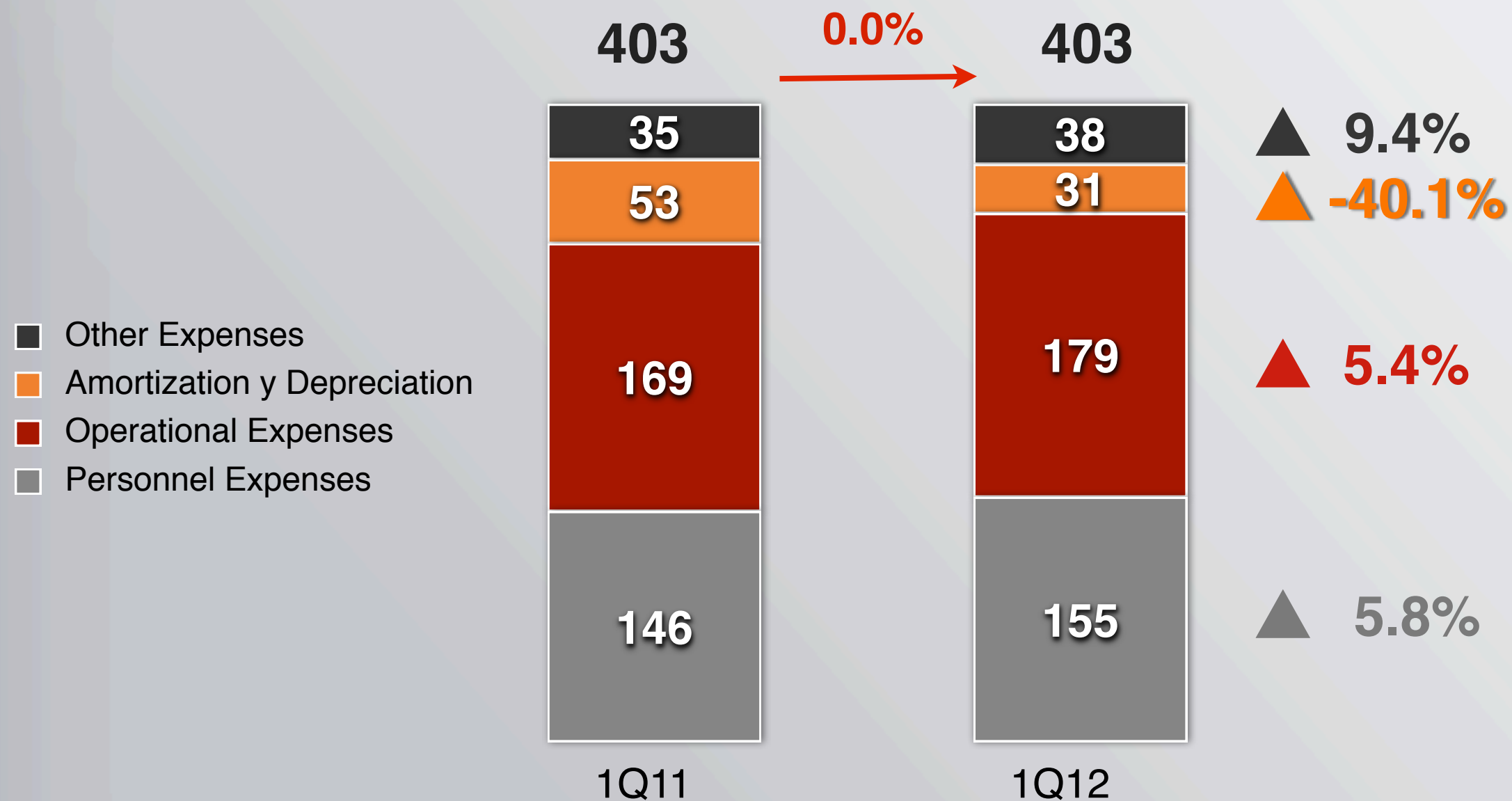


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First Quarter Results 2012

Expenses

COP Billion



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Main figures



Davivienda individual results and Subsidiaries

Enterprices	Assets	Annual Growth	Liabili ties	Annual Growth	Equity	Annual Growth	March Profits	Annual Growth
Banco Davivienda	35.857	15%	30.944	13%	4.913	34%	226	25%
Bancafé Panamá	1.385	37%	1.208	37%	177	43%	8	6%
Confinanciera	493	14%	415	13%	78	20%	7	-17%
Fiduciaria Cafetera	84	3%	15	-11%	69	5%	2	125%
Fiduciaria Davivienda	66	-2%	19	-19%	47	7%	4	-5%
Davivalores	16	47%	1	198%	15	46%	2	196%
Total Bank and Subsidiaries	37.900	16%	32.602	14%	5.298	33%	249	24%
Deletions and Approvals	-455	31%	-56	56%	-399	29%	-34	17%
Consolidated	37.445	16%	32.546	14%	4.900	34%	215	25%
Banco Davivienda over the consolidated total	96%		95%		100%		105%	



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Thanks for your attention!