During the third quarter of 2011, Daviplata, the new financial inclusion service of Banco Davivienda[1], continued growing reaching 500 thousand customers of which 77% corresponds to new customers for the bank who have performed in the year to date over 2 million transactions in money transfers, recharges, purchases, payment of salaries, subsidies, etc.

In August 2011 the second local bond issue was successfully made, when $500 thousand million were placed in ordinary bonds receiving a demand of 2.9 times this value.

On the other hand, during this quarter Banco Davivienda carried out the international rating process, receiving from three credit rating agencies the investment degree:

- Standard & Poor's: BBB-
- Moodys: Baa3
- Fitch: BBB-

On October 20, 2011 Banco Davivienda initiated the process of the second issue of preferential shares with an offer of 480,000 million pesos with a limit extendable to 800,000 million pesos. This process concluded with the award of $716.193 thousand million that correspond to 35,809,649 new shares for a total of 92,580,965 preferential shares outstanding.

In the month of August, Davivienda´s Bank Board approved the merger with the subsidiary Confinanciera, a process which is expected to culminate in the first half of 2012.

The General Stockholders' Meeting of Banco Davivienda of September 16, 2011, authorized the payment of dividends for $89 thousand million, at $220 per share.

[1]The information presented herein is exclusively of an informative and illustrative nature, and is not, or intends to be, source of legal or financial advice on any subject.
The financial information and forecasts presented are based on information and calculations made internally by DAVIVIENDA, which may be subject to changes or adjustments. Any change in the current circumstances may affect the validity of the information or of the conclusions presented.
The examples mentioned shall not be relied on as guarantee for future forecasts, and no obligation, either express or implied is assumed regarding the future expectations.
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DAVIVIENDA is not responsible for any contents proceeding from any third party. DAVIVIENDA may have disclosed, and may so disclose in the future, information that may be inconsistent with the information contained herein.
These financial statements have been prepared in accordance with accounting principles generally accepted in Colombia and are presented in nominal terms. The income statement of the quarter ended on September 30, 2011 will not necessarily be an indication of the results expected for any other period. All data in COP

Major results

Net accumulated profits as of the third quarter 2011 were $136 thousand million showing a growth of 8.0% as compared to the second quarter of the current year and of 25.6% when compared to the previous year

- Revenues from loan portfolio interest generated in the quarter were $764 thousand million, which represents a growth of 24.7% as compared to 3Q10 and of 8.5% when compared with the previous quarter 2011. Revenues from investment portfolio closed at $58 thousand million with a variation of -11.9% as compared to 2Q11.
- Consolidated assets at the closing of the quarter are $35.1 billion where the net portfolio for a value of $24.4 billion represents 69.4% and investments for a value of $4.9 billion represent 13.8%.
- The net loan portfolio closed the quarter with a value of $24.4 billion and a growth of 5.5% as compared to the balance recorded at the closing 2Q11 and of 23.4% when compared to the previous year, driven mainly by the consumer and corporate portfolio.
- The loan portfolio quality indicator by age[2] was 1.48%, loan portfolio provisions for a value of $1.4 billion permit a coverage of 356.6%. Provisions represent 5.3% of gross loan portfolio.
- Borrowings reach $25.7 billion with a growth of 19.5% when compared to the previous year, this driven mainly by savings accounts (∆YoY=40.3%) and bonds (∆YoY=44.1%).
- Net loan to borrowings ratio[3] reached 95%, as compared to 94% of the previous quarter. Taking into account the rediscount obligations this ratio is 84% at the closing of 3Q11.
- Equity closed at $3.9 billion with a growth of 1.3% in respect to 2Q11 and 12.3% when compared to the previous year. The solvency ratio increased in the quarter 0.19% to 12.53%.

The net profit per share as of 3Q11 reported by the Bank was of $326.3 which represents a variation of 10.9% compared to 2Q11 and of -20.0% compared to the same period of the previous year, this due mainly to the increase of loan portfolio provisions by the change in procyclical and contracyclical provision

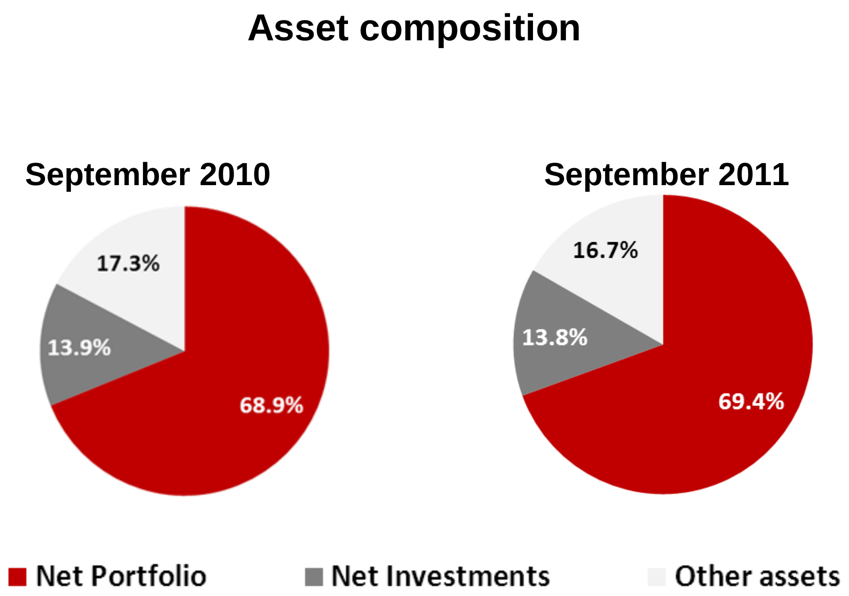
[2] >90 days
[3] Net Loan Portfolio = Gross Loan Portfolio – Provisions
Borrowings = Deposits and Current Liabilities + Bonds

policies given by the Financial Superintendence of Colombia. The return on average equity (ROAE) as of September 2011 was of 14.6%[4].

Balance Sheet

Assets

Assets increased by 7.0% in the quarter and 22.4% compared to 3Q10 reaching $35.1 billion. In respect to the previous quarter, the major growth occurs in investments that increases 17.6% while the growth in respect to the previous year is explained by the loan portfolio that grows 23.4% and continues representing close to 70% of total assets.

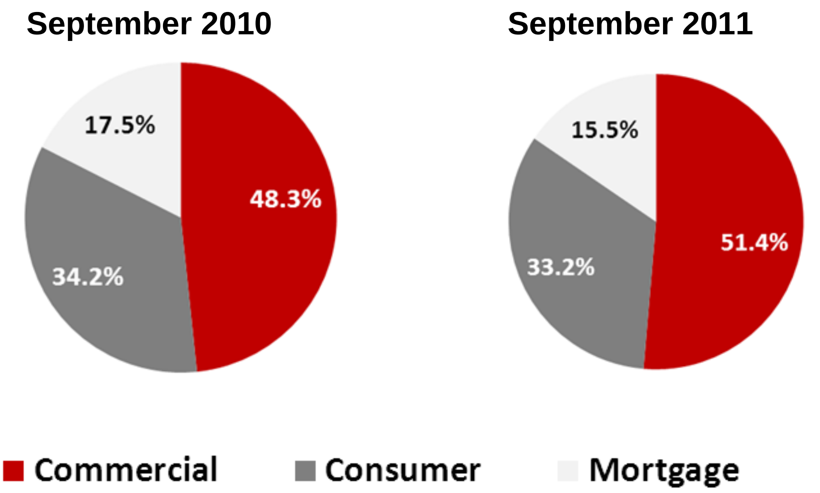


Gross credit portfolio

In reference to the loan portfolio, at the closing of the quarter it was $25.7 billion pesos, $1.4 billion more than 2Q11.

4 $ROAE \frac{12\ month's\ profit}{Average\ equity}$

Gross loan portfolio composition



The commercial[5] portfolio gains participation and corresponds 51.4% of the total loan portfolio, which has permitted to increase the participation in the system in this segment, exceeding that of the previous quarter (10.4%), reaching 11.3%[6]. It had an increase of 8.7% as compared to the previous quarter and of 30.7% in respect to the same period of the previous year.

In turn, consumer loans closes at $8.5 billion, growing only 1.1% in the quarter and 19.4% compared to the previous year. These growths are lower than those of the system (Q/Q = 1.8%, Y/Y= 32.2%), due to a tightening of the policies for granting certain products and segments, which started to show excess indebtedness in the system.

Home Mortgage loans[7] reaches a balance of $4.0 billion at the closing of the quarter experiencing a growth of 5.4% as compared to the previous quarter and of 8.9% compared to the previous year. In 3Q11 a securitization took place for $149 thousand million, which generated profit in the sale for $4 thousand million. The annual growth of these loans would be of 17.9% if we consider the receivables that the bank has securitized as of this date which amount to $2 billion.

The quality of the loan portfolio by past due age shows an improvement in the indicators in respect to 2Q11. In fact, the total indicator of the loan portfolio improved passing from 1.80% at the closing of the third quarter 2010 to 1.48% at the closing of September 2011. On the other hand, the total portfolio

[5] Includes microcredit
[6] Source: Financial Superintendence of Colombia. Individual results as of September 2011 (does not include residential leasing).
[7] Includes Residential Leasing

coverage indicator is at 403.6% at the closing of the third quarter 2011 with a significant increased compared to 3Q10 (309.5%).

Loan portfolio quality[8] by type and coverage

	Total %		Consumer %		Commercial %		Mortgage %	
	Sep 10	Sep 11	Sep 10	Sep 11	Sep 10	Sep 11	Sep 10	Sep 11
Quality by age	1.80	1.48	1.88	2.09	1.18	0.72	3.32	2.64
Coveragy by portfolio	309.5	356.6	416.5	382.5	380.3	532.1	122.9	156.5
Growth *	22.7%		19.6%		29.9%		9.0%	

	Sep 10	Sep 11
Provissions/ Gross Portfolio	5.6%	5.3%

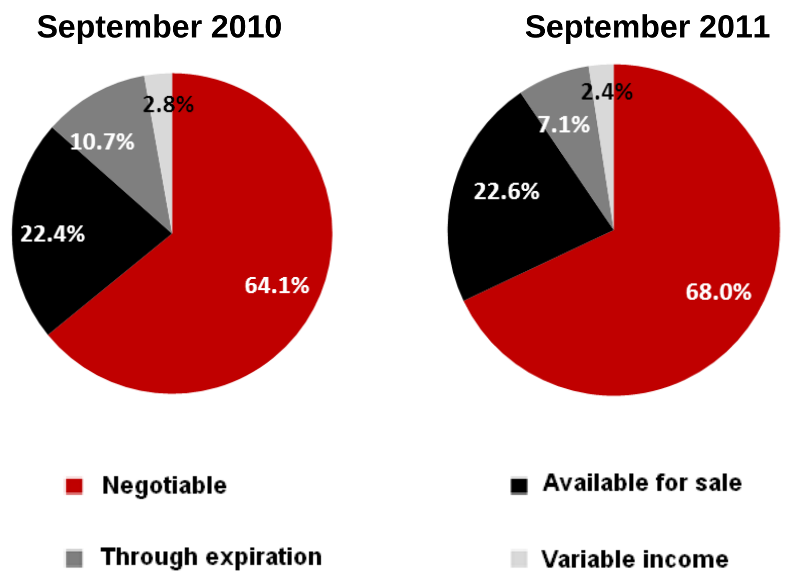
During the quarter (3Q11) the growth of provisions was 6.4% which increased the balance of reserves to $1.4 billion. In the quarter portfolio write-offs were made for a value of $150 thousand million, higher by $15 thousand million than the write-offs made in the previous quarter. On the other hand, recoveries made in the third quarter 2011 were $43 thousand million for a net of 108 million. In the third quarter of 2011 there were sales of written-off consumer portfolio for $257 thousand million that generated extraordinary income for $18 thousand million.

Gross investment portfolio

The investment portfolio totaled at the closing of the quarter $4.9 billion, experiencing a increase of 17.4% in the quarter and a growth of 22.2% as compared to the previous year. The increase takes place in fixed income securities that represent 97.6% of total investments and especially those classified as negotiable securities that already represent 68.0% of the portfolio support the bank’s liquidity strategy.

[8] Quality: >90 Days. Coverage: Provisions/ Unproductive for default age
* Loan portfolio balance growth

Gross Investment portfolio composition



Commercial Credit

As of September 30th the balance of Commercial Credits is $1.2 billion and the quarterly repayment is of $30 thousand million. During this quarter the repayment of the commercial credit for the purchase of Banco Superior was completed, and for this reason the repayment of the following quarter will only be of $13 thousand million

Other assets

Goods received in payment decreased 2.5% in the quarter and 29.2% compared to 3Q10 reaching $36 thousand million.

Fixed assets totaled $409 thousand million showing an increase of 3.1% from the previous quarter and of 8.6% as compared to 3Q10. In the year to date the appreciation of these assets reach 465 thousand million with a variation of -1% in respect to the previous quarter and of 17% in respect to 3Q10.

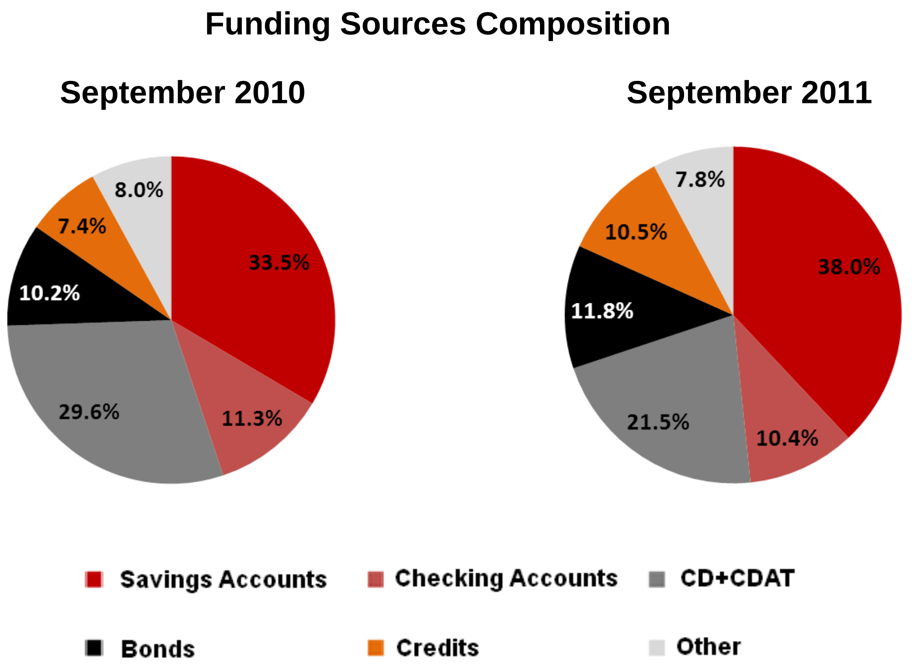
Liabilities

As of September 30, 2011 liabilities amounted to $31.2 billion showing an increase of 7.8% in the quarter and of 23.8% compared to the previous year.

Deposits and bonds reached $25.7 billion obtaining a net loans to deposits ratio[9] of 95%. In respect to the funding composition, savings accounts increased 4.6% as compared to the previous quarter and 40.3% in respect to the third quarter of 2010 and thus it continues to be the main funding source.

[9] Deposits include savings accounts, checking accounts, CDs and Bonds.

The instrument that loses share are CDs which are now only 21.5%. This funding structure change responds a financial efficiency strategy.



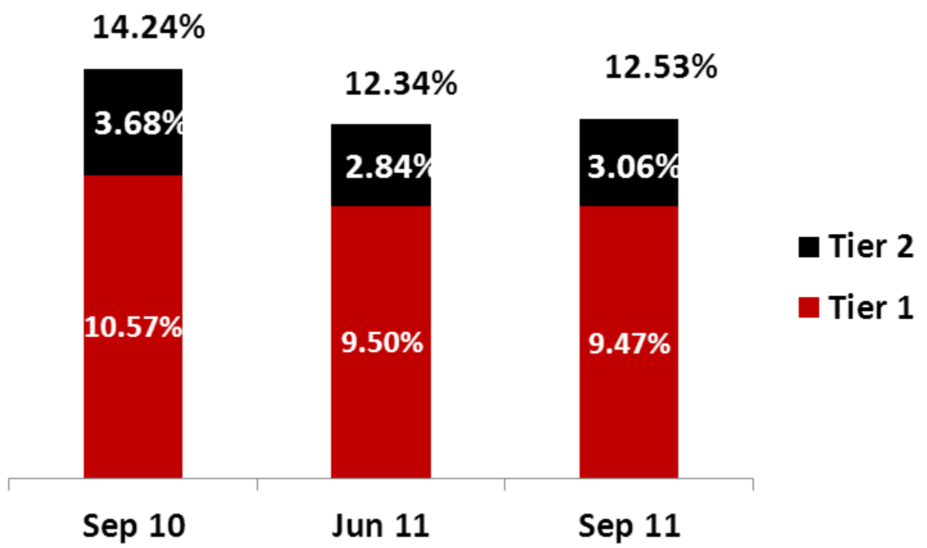
CDAT = Short Term Savings Deposit Certificate

Deposits show a growth of 3.7% in the quarter and of 16.2% in the year. Financial obligations that support the funding of commercial loans show a growth of 20.9% in the quarter and of 75.6% in the year. Of these, obligations in foreign currency for a value of USD$ 998 million show a growth of 16.4% in the quarter and of 90.3% in the year due to the bank's strategy for credits of this type. In August, a successful placement of local ordinary bonds was made for an amount of 500 thousand million pesos and an excess demand was obtained of up to 2.9 times the amount placed, making the Bank the highest issuer of bonds in the local market with $3.4 billion.

Equity

Equity totaled $3.9 billion at the closing of the quarter showing a growth of 1.3% in respect to the previous quarter, which is explained mainly by capitalization of results through the creation of reserves for $180 thousand million. Annual growth was 12.3%.

With this equity, the bank's consolidated reaches a solvency of 12.53% compared to 12.34% of the previous quarter, this ratio is 353 base points above the 9% required in Colombia. As of September 30, 2011 the basic equity to assets ratio weighted by risk was of 10.4%, notwithstanding the growth of the portfolio. The qualifying was 4.1 billion at the close of 3Q11, with a variation of 9.5% in respect to 2Q11.



	Sep 10	Jun 11	Sep 11
Basic equity	2.7	2.9	3.1
Supplementary equity	1.0	0.9	1.0
Qualifying capital	3.7	3.7	4.1
Assets weighted by risk level	24.6	28.2	29.9

Income Statement

Net profit totaled $136 thousand million in the quarter, showing an increase of 8% as compared to the previous quarter. Net profit per share in the quarter is of $326.3 showing an increase of 10.9% compared to the previous quarter.

Interest income

Interest income generated in the quarter was of $823 thousand million, which represents a growth of 16.9% in respect to 3Q10 and of 6.7% when compared to the previous quarter of 2011. The growth in the quarter is explained by the increase mainly in commercial portfolio, mortgages, and the rate grow as a consequence of the increase in 140 basic points of the usury rate for this quarter. In addition to this, revenues in the commercial portfolio increased 8.9% as compared to the previous quarter and 20.8% in respect to the same quarter of the previous year, explained mainly by the growth in the loan portfolio (8.7% and 30.6%). Furthermore, revenues from mortgage loan portfolio increased as a consequence of a higher placement of leasing credits (variation of 5.5% as compared to 2T11).

Revenues from Investments

Revenues generated by the investment portfolio decreased 11.9% in respect to the second quarter and 36.1% as compared to the previous year as a consequence of the increase of rates that has taken place in the year.

Financial Expenses

Financial expenses grow 13.6% during the quarter and 40.6% in respect to the same quarter of the previous year. This is explained by the growth of balances, especially bonds and credits with other entities. And by the increase in rates that is reflected in the higher expense in savings accounts.

Provisions

Provisions expense for the quarter corresponds mainly to credit portfolio that amounted to $519 thousand million, which represents an increase of $183 thousand million in respect to the previous quarter and an increase of $119 thousand million compared to the results of the same quarter in the previous year. This growth responds generally to the growth of the credit portfolio and specifically and particularly to a higher level of coverage of specific segments of free investment consumer credits, where there have been deteriorations and have been left with a higher coverage level.

Financial Margin

Notwithstanding the good performance in the placements of portfolio credits and the increase in market rates, the net financial margin of the quarter shows a slight decrease of $9 thousand million (ΔQoQ%=-2.4%) in respect to the previous quarter given the growth of provisions (ΔQoQ%=18.3%). The financial margin variation in respect to the 3Q10 is of -14.6%

Commissions and income from services

Income and commissions for services for a value of $206 thousand million showed a growth of 12.8% in respect to the same quarter of the previous year.

The commissions of personal banking originated in the Bank represent 77.8% of this income and showing the placement product a growth of 28.2% in respect to the previous year. On the other hand, borrowing products close with a significant increase of 40.3% as compared to the second quarter of this year.

Commissions of SME banking show an increase of 3.8% compared to the previous quarter and the corporate banking presents an increase of 2.2% compared also with the second quarter of 2011.

Commissions from trust activities totaled $10 thousand million in the quarter showing an increase of 1.6% and growth of 9.1% compared to the previous year.

Operating Profits

Operating Expenses

Personnel expenses were $146 thousand million which represent a variation of -2.1% in respect to the previous quarter; the annual variation of -0.1% does not have much relevance.

Operating expenses increased by 7.8% over the previous quarter mainly due to the acquisition of a new internet fraud insurance and the adaptation and remodeling of some offices and branches. Additionally, there was a decrease in depreciation and amortization for 4 billion, amortization of goodwill and taxes 9 billion by 4 billion. These declines correspond to the completion of the payment of goodwill by Banco Superior.

Other incomes and expenses, net

The balance of this account includes operating income of $ 796 billion, corresponding to the utility on valuation of derivatives and useful restatement changes, dividends received and other non-operating income. To understand the operations of derivatives, we look comprehensively the effect of the loss on valuation of derivatives, change in TRM and other non-operating expenses of $ 789 billion.

Taxation

During the quarter there was an increase in the tax value of 70% compared to the same quarter last year due to increased revenue and higher expenses recorded deductible.

BANCO DAVIVIENDA S.A AND SUBORDINATES
MAJOR CONSOLIDATED FIGURES
3Q11 – 2Q11
(Thousands of millions of pesos)

Companies	Assets	Liabilities	Equity	Profits Sep/11
Banco Davivienda S.A.	33,737	29,840	3,898	133
Bancafé Panamá S.A. - 99.9%	1,151	986	164	6
Confinanciera S.A. - 94.9%	467	391	76	4
Fiduciaria Cafetera S.A - 94.01%	81	12	69	2
Fiduciaria Davivienda S.A. - 60%	61	10	52	4
Davivalores S.A. - 79%	12	1	11	1
TOTAL BANK & AFFILIATES	**35,509**	**31,240**	**4,270**	**150**
ELIMINATIONS & HOMOLOGATIONS	**(399)**	**(9)**	**(389)**	**(13)**
CONSOLIDATED 3Q11	**35,111**	**31,231**	**3,880**	**136**
CONSOLIDATED 2Q11	**32,812**	**28,980**	**3,831**	**126**
CONSOLIDATED 3Q10	**28,692**	**25,236**	**3,456**	**183**
VARIATION 3Q11/2Q11	**7%**	**8%**	**1%**	**8%**
VARIATION 3Q11/3Q10	**22%**	**24%**	**12%**	**-26%**
Banco Davivienda over total consolidated	**96%**	**96%**	**100%**	**98%**

Results third quarter 2011 Affiliates

Panamá: Bancafé (Panamá)S.A. in the third quarter of 2011 obtained authorization from the Banking Superintendence of Panama for operation through a single license called “General License”, which will permit it to maintain its services to international and Panamanian customers with a lower operating burden and higher administrative efficiency. Regarding its results, it showed an increase in assets of 7.0% in respect to the previous year arriving at US$595.9 million, where the growth of net loans is outstanding, which was 28% thus reaching US$344.1 million. The liability with the public was US$482 million, representing a growth of 5.0% in respect to the previous year. Capital funds as of September 30, 2011 were US$84.6 million, with a growth of 2.0% in respect to 3Q10.

Confinanciera: The merger of the affiliate Confinanciera with Banco Davivienda was determined in August. It is expected that this process will take place in the first half of 2012.

New vehicle sales dynamics during 2011 have recovered as the best year in history. At the closing of the third quarter these sales reached 242,3999 units (173,888 at the same closing of 2010) and thus it is expected that the 253,869 vehicles sold the previous year will be amply exceeded. Confinanciera continued to participate very actively both of this market and of the used vehicle market disbursing in the first 9 months $220,854.0 million that represent 28.30% more than the credits granted in the same period of the previous year.

Moreover, in the productive vehicle segment Confinanciera takes a good portion of the growth, reaching disbursements for the sum of $152,108.9 million that represent an increase of 42.70%.

Regarding the asset quality, the past due receivables index by age continues to show its downward trend, by being 2.97% at the closing of the month of September that compares well with 6.02% of twelve months before.

Thanks to these dynamics, the portfolio quality and the administrative efficiency, the entity shows at the closing of the third quarter profits for $19,038.5 million that compared to those obtained in the same period of the previous year for $10,630.4 million represents an increase of 79.09%.

Fidudavivienda: At the closing of September 2011, Fidudavivienda manages assets for over $3.5 billion, that represents a growth of 14.1% compared to the previous year and generated profits for a value of $8 thousand million. Due to the low profitability of the portfolios managed, profits decreased 0.9% during the quarter

Fiducafé: At the end of the third quarter of 2011, it manages assets for $6 billion with a decreaded of -3.4% and generated profits for $2 thousand million, which reflect a decrease of 10.1% because of the volatility of the rates that affected the yield of those assets managed.

Davivalores: At the closing of the third quarter of 2011, Davivalores shows an important growth of the assets managed as compared to the same period of the previous year (81%), reaching over 1.9 billion pesos; this growth has taken place as a consequence of its participation in the share issue processes together with the network of Davivienda offices, processes that have been very dynamic throughout the year in the Colombian stock market. As a consequence of a higher business volume, the firm increased its operating income by 46% in respect to the same period of the previous year, reaching 3.404 million pesos; the fulfillment of customer orders through the brokerage commission was the business line that represented the higher percentage of this income with 48%, followed by the administration of securities with 34%.

In respect to profits, the company obtained a result of 384 million pesos, which represents a growth of 38% in respect to the same period of the previous year. This result is consequence of the combination of higher dynamics in the company's income lines and expenses associated to the operation and to investments that the firm has been making in order to have a physical, human and technological infrastructure that will adequately support its growth and the performance of its strategic plan.

Consolidated Balance Sheet

Consolidated Balance Sheet as of Septiembre 2011					
Assets	Sep10	Jun 11	Sep 11	Var Sep 11/Jun11	Var Sep 11/ Sep 10
Cash	2,100	2,550	2,488	-2.4%	18.5%
Investments	3,977	4,133	4,860	17.6%	22.2%
Loan Portfolio	19,757	23,108	24,356	5.4%	23.3%
Commercial	10,114	12,157	13,218	8.7%	30.7%
Consumption	7,152	8,450	8,541	1.1%	19.4%
Mortgage	3,655	3,776	3,980	5.4%	8.9%
Provisions	1,164	1,275	1,383	8.5%	18.8%
Property, plant & equipment	377	397	409	3.1%	8.6%
Appreciations	425	499	501	0.4%	18.1%
Other assets	2,058	2,125	2,496	17.5%	21.3%
Total assets	28,692	32,812	35,111	7.0%	22.4%
Liabilities and Equity	Sep10	Jun 11	Sep 11	Var Sep 11/Jun11	Var Sep 11/ Sep 10
Deposits & liabilities	18,923	21,193	21,982	3.7%	16.2%
Savings accounts	8,457	11,341	11,868	4.6%	40.3%
Checking accounts	2,864	3,112	3,235	4.0%	12.9%
CDs+ CDAT	7,469	6,572	6,719	2.2%	-10.0%
Bonds	2,567	3,491	3,699	6.0%	44.1%
Local	2,269	3,198	3,699	15.7%	63.0%
Foreign	298	293	319	8.8%	7.0%
Credits with entities	1,871	2,717	3,285	20.9%	75.6%
Other liabilities	1,875	1,579	2,264	43.4%	20.7%
Total liabilities	25,236	28,980	31,231	7.8%	23.8%
Capital	41	40	51	28.4%	25.2%
Reserves	2,773	2,957	3,138	6.1%	13.2%
Surplus	455	513	516	0.6%	13.3%
Profits from previous periods	4	24	39	63.3%	908.8%
Profit for the period	183	126	136	8.3%	-25.6%
Total equity	3,456	3,831	3,880	1.3%	12.3%
Total liabilities and equity	28,692	32,812	35,111	7.0%	22.4%

Consolidated Income Statement

Consolidated Income Statement As Of Sep 2011	3Q10	2Q11	3Q11	3Q11/2Q11	3Q11/3Q10	ACUM. 3Q10	ACUM. 3Q11	ACUM 11/ACUM 10
Total income	705	773	824	6.5%	16.9%	1,996	2,304	15.4%
Loan portfolio	613	704	764	8.6%	24.7%	1,783	2,120	18.9%
Commercial	199	221	241	9.0%	20.8%	586	663	13.1%
Consumer	301	366	395	8.0%	31.1%	877	1,099	25.3%
Mortgage	112	117	128	9.6%	14.7%	320	357	11.6%
Investments income	91	66	58	-11.9%	-36.1%	211	180	-14.7%
Total expenses	169	209	237	13.5%	40.6%	542	629	16.1%
Checkings	5	5	5	-2.0%	1.5%	13	14	7.7%
Savings	28	51	71	39.3%	152.9%	113	154	36.3%
Time deposits	77	72	75	4.7%	-2.4%	239	220	-7.9%
Credits	16	23	25	9.6%	53.0%	47	66	40.4%
Bonds	42	59	60	2.2%	43.5%	129	173	34.1%
Financial Margin	536	564	586	4.0%	9.4%	1,454	1,675	15.2%
Provissions	87	172	203	18.2%	132.9%	298	495	66.1%
Net interest margin	449	392	383	-2.3%	-14.6%	1,156	1,180	2.1%
Comissions and fees	183	194	206	6.2%	12.6%	1,432	2,022	41.2%
Operational expenses	381	412	404	-1.9%	6.0%	1,080	1,119	3.6%
Other income and expenses	-17	-14	8	-157.1%	-147.1%	1,080	1,119	3.6%
Income before taxes	232	160	192	20.2%	-17.2%	590	568	-3.7%
Taxes	48	32	54	68.0%	11.3%	117	128	9.4%
Net income	183	126	136	8.3%	-25.6%	469	434	-7.5%
ROAE	18.4%	16.3%	14.6%					
ROAA	2.0%	1.9%	1.7%					
Fees Income	24.9%	24.7%	25.6%					
NIM	8.5%	8.2%	8.0%					
Eficciency	53.4%	55.0%	51.3%					

ROAA and ROAE (12 Months)

Efficiency= Expenses(excludes goodwill) / (Gross financial margin + Income for commissions and services)

Income for services/ Total income = Income for commissions and services / (Gross financial margin + Income for commissions and services)

NIM= Gross financial margin / Average productive assets