Davivienda S.A. (BVC: PFDAVVNDA) reports consolidated net profits for the fourth quarter of 2010 for COP 111,000 million pesos.

Important facts

During this quarter Banco Davivienda[1] successfully finalized its first issue of preferential shares in the Colombian Stock Exchange, with a capitalization of $416 billion and reaching 82,457 shareholders and a demand that exceeded 13 times the offer, becoming the private entity with the largest number of shareholders of the country.

The last issue of bonds during the year took place on October 7th, placing $500 billion and receiving a demand 3 times this value. With this issue concluded its plan of issues for the year, whereby $1 trillion were placed in ordinary bonds and $250 billion in subordinate bonds. Also during this quarter Davivienda received the approval by the OFR (Florida Office of Financial Regulation) and the FED (Federal Reserve) for the conversion of Bancafe Internacional from "Edge Act Corporation", current affiliate of the Bank, to a branch called Davivienda S.A. Miami International Bank Branch. This step was carried out on January first, whereby the product and services portfolio is opened for customers in United States and Colombia.

In turn, the release into the market of the Transmilenio debit card, that allows all people in Bogota, on the one side to pay their ticket in this transportation media and, on the other, use all functionalities that we know of the debit card. It is also planned to enter the Barranquilla market with a very similar product.

In December the implementation of its new product Davivplata was concluded, within the financial inclusion program for Colombians, which will permit the handling of the e-cash purse through mobile phones.

---

[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.
DAVIVIENDA expressly provides that it shall not accept any responsibility of any kind in respect to actions or decisions made or omitted, based on the contents of this information. DAVIVIENDA does not accept any type of liability for losses arising from the performance of proposals or recommendations made.
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 December 31, 2010 will not necessarily be an indication of the expected results for any other period.

Finally, the bank successfully concluded the integration with Granbanco, which permits to extent the product offer to customers of both networks. This integration has permitted the Bank to consolidate as the third largest bank in Colombia, which is reflected in its consolidated assets for COP 29,610 billion, an equity of 3,569 billion and net portfolio amounting to 20,768 billion.

Major results

- Consolidated profits for the fourth quarter 2010 grew 48% as compared to the same period of the previous year, reached $111 billion.
- Net portfolio closed the quarter with a value of $20,768 billion and a growth of 5.1% compared to the results of September 2010.
- The loan portfolio quality continues[2] to improve reaching an indicator for commercial portfolio of 0.75% while consumer portfolio reached 2.65%, the coverage indicator[3] closed at 151.36% for the total loan portfolio.
- Borrowings reach $22,400 billion as of the fourth quarter 2010 with a growth of 4.3% as compared to the third quarter 2010.
- The Net Loans to deposits ratio reached 92.6%, as compared to 91.9% in the previous quarter.
- Equity closed at $3,600 billion with a growth of 32% as compared to 2009 and solvency was 13.1%.

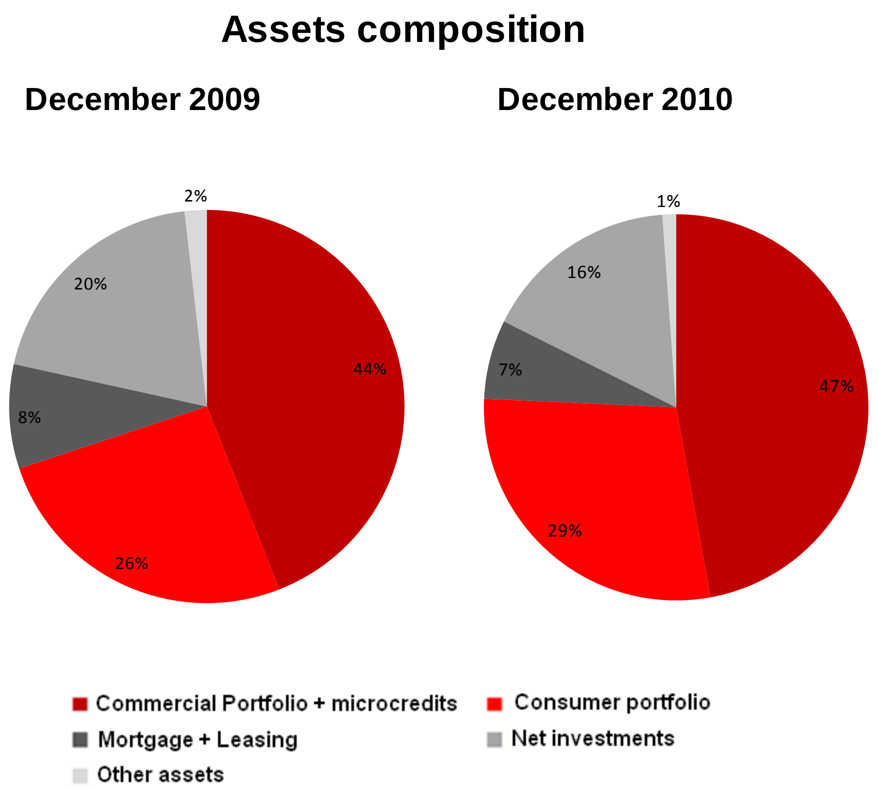
Consolidated accumulated profits[4] of 2010 were $579 billion, which corresponds to a growth of 26% in respect to 2009, where the results of Banco Davivienda represents 89%.

The Return on equity of the past 12 months was of 16%[5].

Balance Sheet

[2] Loan Portfolio Quality: Consumer default > 60 days/Total Portfolio, Commercial default > 90 days/Total Portfolio and Mortgage default > 120 days/Total Portfolio.
[3] Coverage level is calculated as provisions on the past due balance for each type of loan (Consumer > 60 days, Commercial > 90 days and Mortgage > 120 days)
[4] Consolidated information corresponds to the consolidated financial statements of Banco Davivienda and its subordinated companies, in which it owns directly or indirectly over 50% of the stock ownership entitled to vote.
[5] Consolidated ROE = Accumulated profit 2010 / Equity closing December 2010.

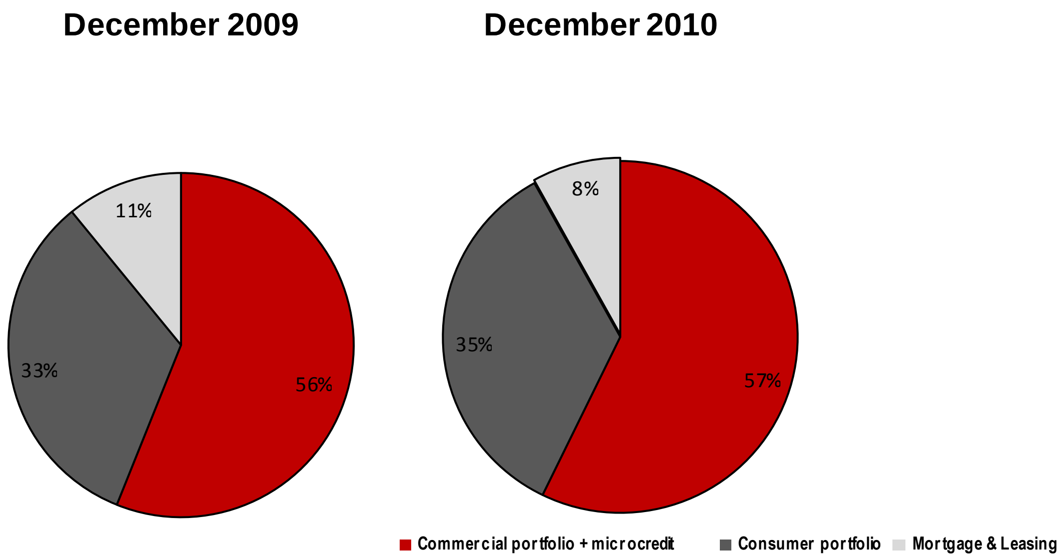
Assets increased 3.2% in the last quarter and 13.2% in the last year reaching $29,610 billion. This increase is due to a large extent to the high growth experienced by the loan portfolio (∆QoQ%=5,1% and ∆YoY%=21,6%) that represents 70.1% of assets.



Assets have had a significant change in their classification from 2009 to 2010, mainly in investments, which reduced the participation passing from 20% to 16& in these periods, while the participation of commercial portfolio increased by 3% reaching 47% in 2010.

Regarding the net loan portfolio, it was $20,768 billion pesos at the closing of the quarter, $1,011 billion more than the third quarter of 2010, which represents an increase of 5.1%. Commercial portfolio gains participation which reflects the dynamism of disbursements of this segment.

Loan Portfolio Composition



The commercial portfolio had the highest growth reaching $12,600 billion with a variation in respect to the third quarter of 10%.

Next is the consumer portfolio which closes at $7,600 billion and grows 6.35% in the quarter (∆YoY%=26.5%).

Finally there is the mortgage portfolio[6] with $5,400 billion which reflects the government policy related to the interest rate subsidy; the total portfolio balance includes $2,200 billion of securitized portfolio.

In respect to the loan portfolio quality, the bank and affiliates show an improvement in the indicators for all types of loans as compared to December of the previous year. In fact, the total portfolio indicator improves by passing from 4.34% at the closing of 2009 to 3.62% as of December 2010. On the other hand, the total portfolio the total portfolio coverage indicator increases from 145.87 in 2009 to 151.36% in 2010.

	Consumer		Commercial		Mortgage	
	Dec-09	Dec-10	Dec-09	Dec-10	Dec-09	Dec-10
Portfolio quality	2.8%	2.7%	1.7%	0.8%	2.1%	2.0%
Portfolio coverage	114.1%	118.6%	215.8%	233.4%	111.4%	121.6%

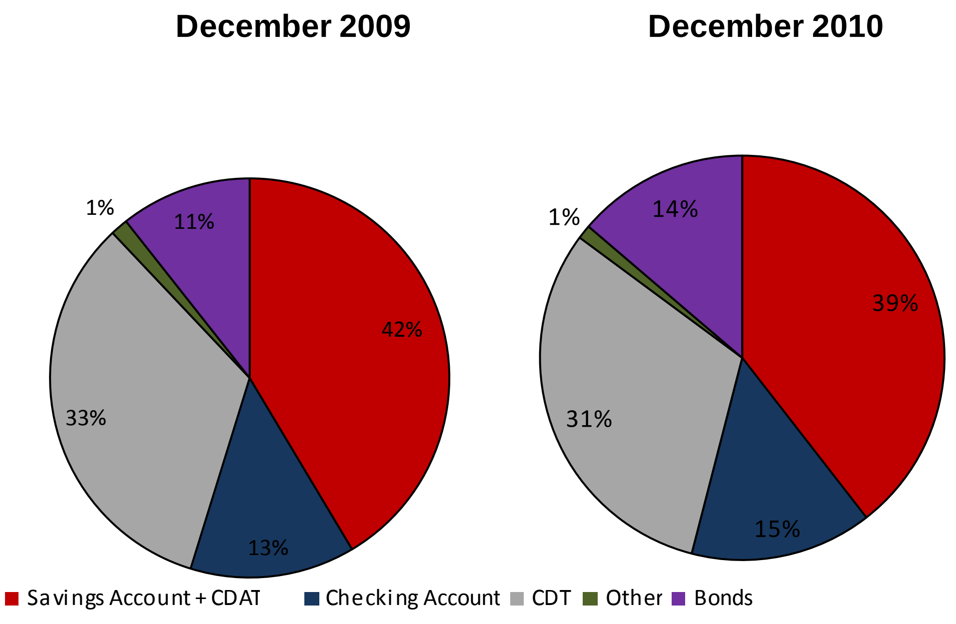
[6] It includes Home and securitized Leasing

In 2010 portfolio write-offs were made for a value of $429 billion, lower by $148 billion than the write-offs made in 2009, which evidences an improvement in total portfolio write-offs in these periods. These write-offs are made according to delinquency aging of credits, according to Board of Directors' policies and in some cases by risk level analysis.

As of December 31st, the Commercial Credit balance is of $1,300 billion and the current quarterly amortization is of $26,022 million. The accumulated annual amortization for this item was of $103,849 million.

In the liabilities, deposits and bonds reach $22,400 billion reaching a net loans to deposit ratio of 92.6&. Regarding funding composition, bonds are increased, seeking to structure the financing of assets with similar characteristics in term and rate. As of December the main funding source continues to be savings accounts with 39%.

Composition of Deposits plus Bonds and Credit

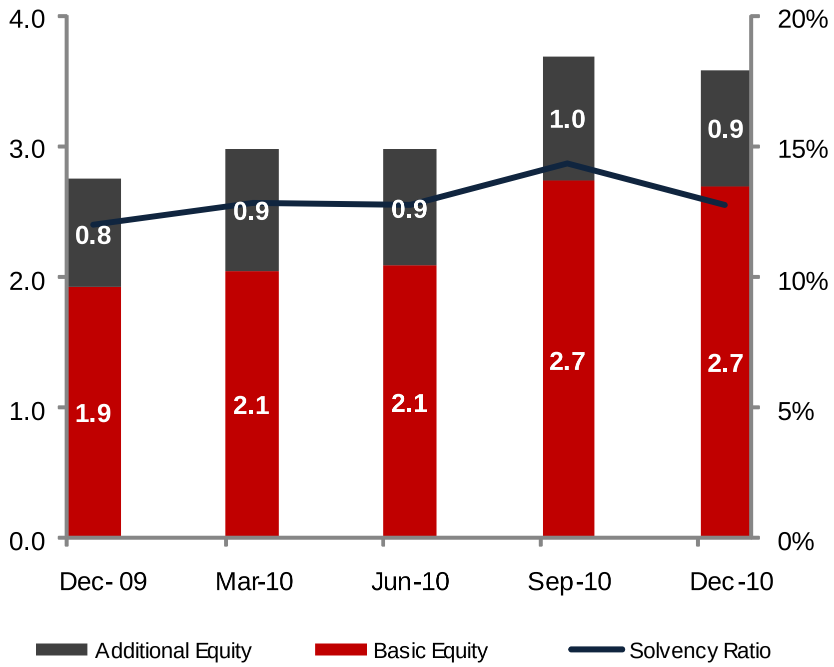


CDAT = Term Savings Certificates CDT = Term Deposit Certificates

After the capitalization that was made effective in September, the quarter closed with an equity balance of $3,600 billion, 3.3% above the previous quarter and 32.3% higher than as of December 2009. This capitalization explains the decrease of ROE as compared to previous periods and together with the results obtained in the quarter, produces an increase of the intrinsic value of the share from $8,452 in September to $8,745 in December.

A total of 25.6 million common shares were converted by the shareholders into preferential shares last October 5th, which left a total of 51.6 million floating preferential shares.

With this equity, the bank's consolidated reaches a solvency of 13.1% as compared to 14.2% of the third quarter. As of December 2010, the basic equity corresponds to $2,700 billion.



	4Q09	1Q10	2Q10	3Q10	4Q10
Solvency	12,0%	12,9%	12,8%	14,3%	13,1%

Income Statement

From detailed review of the financial statements, the net financial margin of the fourth quarter shows a growth of $32 billion (ΔQoQ%=3.6%) in respect to the previous quarter, notwithstanding the reduction of interest rates.

Total income amounted to $896 billion in the fourth quarter. Income generated by the loan portfolio was $633 billion, with a 3% growth as compared to the results of the third quarter of the year.

Provisions for the quarter that correspond mainly to credit portfolio amounted to $70 billion, which represents a decrease by $17 billion in respect to the previous quarter.

The net margin of interest[7] on assets is of 8.8% as compared to 8.5% of the previous year.

Income for services in the fourth quarter was $193 billion with a growth of 29.46% in respect to the same period of 2009.

Personnel expenses were $149 billion which represent an increase of 2.2% as compared to the previous quarter. This increase is explained to a large extent by the variable portion of compensation which is related to results, such a portfolio growth and portfolio quality improvement.

These expenses include amortization of commercial credit which expense is of $104 million in the year. During the year there were new expenses such as the equity tax and the tax on financial transactions which did not apply last year as a result of the legal stability agreement that expired in 2009.

[7] Net Financial Margin excluding income for dividends, on average assets

Results of the Bank and its Affiliates. Fourth Quarter 2010.

Company	Assets	Liabilities	Equity	Profit 4Q10	Profit Year 2010
Banco Davivienda S.A.	28.237	24.668	3.569	114	517
Bancafé Panamá S.A. - 99.9%	1.007	850	158	-2,3	29,0
Confinanciera S.A. - 94.9%	417	346	71	5,2	16,0
Bancafé Int. Corporation S.A. - 100%	198	175	23	-0,6	-0,5
Fiduciaria Cafetera S.A - 94.01%	76	7	69	1,2	7,0
Fiduciaria Davivienda S.A. - 60%	58	6,0	52	3,4	15,0
Davivalores S.A. - 79%	12	1,2	11	0,1	0,4
Total Bank & Affiliates	**30,006**	**26,053**	**3,953**	**120,986**	**584**
Eliminations & Homologations	**-396**	**-12**	**-384**	**-10**	**-4,3**
Consolidated 2010	**29,610**	**26,041**	**3,569**	**111**	**579**

- During the year the Bank received dividends from affiliates for $16,583 million and $16,383 from other legal persons.

Parents, Affiliates & Subsidiaries	**16,583**
Fiducafe S.A.	10,104
Fiduciaria Davivienda S.A.	5,429
Confinanciera S.A.	1,051

BANCO DAVIVIENDA S.A. & SUBORDINATES

Consolidated Balance Sheet
4th Quarter 2010 -2009
(Figures in Billions of Pesos)

	4Q09	4Q10	Variation $	Variation %
Assets				
Cash, net	1.549	1.492	-57	(3,7)
Asset positions in monetary market and related operations	55	192	136	246,9
Investments, net	4.576	4.392	(184)	(4,0)
Credit Portfolio and Financial Leasing, net	17.075	20.768	3.693	21,6
Acceptances, cash operations & derivatives	-18	74	93	510,2
Accounts receivable, net	358	337	(21)	(5,9)
Realizable goods, received in payment and not used, net	56	60	4	6,7
Properties and equipment, net	376	370	(5)	(1,4)
Other assets, net	1.705	1.487	(218)	(12,8)
Appreciations	427	437	10	2,4
Total assets	**26.159**	**29.610**	**3.451**	**13,2**
Liabilities				
Deposits and current liabilities	18.342	19.348	1.006	5,5
Liability positions in monetary market and related operations	516	58	(458)	(88,8)
Bank acceptances outstanding	2	82	80	3.681,8
Bank credits & other financial obligations	1.400	2.400	1.000	71,5
Accounts payable	618	672	54	8,7
Investment securities outstanding	2.183	3.083	900	41,2
Other liabilities	267	281	14	5,2
Estimated liabilities and provisions	132	116	(16)	(12,2)
Total liabilities	**23.461**	**26.041**	**2.580**	**11,0**
Equity				
Capital stock	45	47	2	3,9
Reserves	1.971	2.769	798	40,5
Surplus	433	446	13	3,0
Profit from previous periods	29	13	(17)	(56,7)
Results for the period	219	294	75	34,3
Total equity	**2.698**	**3.569**	**871**	**32,3**
Total Liabilities & Equity	**26.159**	**29.610**	**3.451**	**13,2**

BANCO DAVIVIENDA S.A. AND SUBORDINATES

Consolidated Income Statement

4th Quarter 2010 -2009

(Figures in Billions of Pesos)

	4O09	4O10	Variation $	Variation %
Direct operating income	1.133	1.072	(61)	(5,4)
Direct operating expenses	609	541	(68)	(11,2)
Direct Operating Result	**524**	**531**	**7**	**1,3**
Other direct operating income	185	360	175	94,4
Other direct operating expenses	269	390	120	44,7
Operating result before provisions, depreciations & amortizations	**440**	**501**	**62**	**14,0**
Provisions	347	341	(6)	(1,7)
Depreciations – Goods for own use	9	12	3	31,9
Amortizations	22	37	15	70,2
Net Operating Result	**63**	**112**	**49**	**78,4**
Non operating income net	61	89	28	45
Non operating expenses net	37	47	11	29
Net Non Operating Result	**88**	**154**	**67**	**76,1**
Income tax	13	43	31	236,2
NET PROFIT	**75**	**111**	**36**	**48,3**