DAVIVIENDA ANNOUNCES CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2016

Bogotá, March 24, 2017 - Banco Davivienda (BVC: PFDAVVNDA), ("the Company", "Davivienda" or the "Bank"), a leading commercial bank in the Colombian financial market and a subsidiary of Grupo Bolivar, announced its consolidated results today for the fourth quarter of 2016 (4Q16) of the period ending December 31, 2016.

- At the end of 4Q16, Davivienda reported a consolidated net profit of COP 534.7 billion, which represents an increase of 47.2% compared to the third quarter of 2016 (3Q16) and 67.6% compared to 4Q15. The accumulated income at the end of December 2016 totaled COP 1.7 trillion, up 39.5% from the same period of the previous year.

- Financial income increased 21.6% compared to 4Q15, explained by the higher placement volumes. Accumulated financial income amounted to COP 8.7 trillion, up 32.8% from December 2015.

- The net financial margin ended 4Q16 at COP 950.8 billion, up 12.1% from 4Q15, achieving a net interest margin (NIM)[1] indicator of 6.4%, which is similar to the levels recorded at the end of the previous year. The accumulated net financial margin achieved an annual increase of 19.8%, closing at COP 3.7 trillion.

- The cost of risk[2] ended the quarter at 1.69% compared to the 1.80% recorded in 4Q15, explained mainly by the 35.9% increase in the provision expense compared to 4Q15. The accumulated provision expense increased by 6.9%, mainly due to the impairment of corporate banking.

- The efficiency indicator[3] in 4Q16 stood at 45.1%, a 173 basis-point improvement compared to that recorded at the end of 4Q15. Accumulated expenses at December 2016 amounted to COP 2.9 trillion, up 16.3% compared to December 2015.

- Tier I ended 4Q16 at 6.5 %, so the solvency indicator stood at 11.0%, 202 basis points higher than the regulatory minimum.

- At the end of 4Q16, Davivienda was operating in six countries and had 8.8 million customers[4], 17,367 employees, 753 branches, and 2,238 ATMs.

[1] NIM (12 months): gross financial margin / average earning assets.
[2] Net provision expense (accumulated 12 months) / gross portfolio.
[3] Efficiency (12 months): operating expenses / (gross financial margin + net operating income without including dividends + net exchange and derivatives + other net income and expenses).
[4] This includes 3.2 million DaviPlata customers and 1.1 million subsidiary customers.

Summary of Financial Results

Consolidated Balance Sheet at December 2016
(COP billion)

ASSETS	Dec 15	Sep 16	Dec 16	Dec 16 / Sep 16	Dec 16 / Dec 15
Cash and interbank	**7,939**	**7,860**	**8,388**	**6.7%**	**5.7%**
Investments	**8,768**	**9,172**	**9,105**	**(0.7%)**	**3.8%**
Portfolio	**62,369**	**68,678**	**71,251**	**3.7%**	**14.2%**
Commercial	34,054	37,746	38,280	1.4%	12.4%
Consumer	16,322	17,868	18,862	5.6%	15.6%
Mortgage	13,722	15,111	15,788	4.5%	15.1%
Provisions	(1,729)	(2,048)	(1,678)	(18.0%)	(2.9%)
Other assets	**4,642**	**5,025**	**4,804**	**(4.4%)**	**(3.5%)**
Total assets	**83,718**	**90,734**	**93,548**	**3.1%**	**11.7%**
LIABILITIES					
Deposits	**52,849**	**58,147**	**59,645**	**2.6%**	**12.9%**
Demand deposits	32,132	31,933	33,980	6.4%	5.8%
Term deposits	20,717	26,214	25,665	(2.1%)	23.9%
Bonds	**9,253**	**9,708**	**9,587**	**(1.2%)**	**3.6%**
Local	5,533	6,222	5,932	(4.7%)	7.2%
International	3,719	3,485	3,655	4.9%	(1.7%)
Institutional loans	**8,769**	**8,128**	**8,914**	**9.7%**	**1.7%**
Other liabilities	**4,131**	**5,380**	**3,358**	**(0.4%)**	**29.7%**
Total liabilities	**75,002**	**81,363**	**83,503**	**2.6%**	**11.3%**
EQUITY					
Total equity	**8,716**	**9,371**	**10,045**	**7.2%**	**15.2%**

Consolidated Statement of Income at December 2016

	4Q 15	3Q 16	4Q 16	4Q16 / 3Q16	4Q16 / 4Q15	Accum Dec 16	Accum Dec 16 / Accum Dec 15
Financial income	**1,785**	**2,192**	**2,172**	**(0.9%)**	**21.6%**	**8,675**	**32.8%**
Portfolio	1,655	2,007	2,022	0.8%	22.2%	7,870	29.7%
Investments	121	169	139	(17.6%)	14.9%	752	74.3%
Interbank and overnight funds	10	16	11	(34.7%)	10.2%	53	61.6%
Financial expenses	**649**	**998**	**1,036**	**3.8%**	**59.5%**	**3,705**	**64.0%**
Gross financial margin	**1,137**	**1,193**	**1,136**	**(4.8%)**	**-0.1%**	**4,970**	**16.3%**
Provisions	289	306	185	(39.5%)	-35.9%	1,235	6.9%
Net financial margin	**848**	**887**	**941**	**7.2%**	**12.1%**	**3,735**	**19.8%**
Operating income	269	285	251	(12.1%)	-6.8%	1,133	14.7%
Operating expenses	706	697	863	23.8%	22.2%	2,935	16.3%
Net exchange and derivatives	4	49	59	20.2%	1267.5%	178	24.1%
Other net income and expenses	(5)	0	234	100.0%	100.0%	232	100.0%
Profit before taxes	**410**	**524**	**631**	**20.5%**	**54.0%**	**2,344**	**36.5%**
Taxes	91	161	96	(40.0%)	6.4%	619	29.0%
Net profits	**319**	**363**	**535**	**47.2%**	**67.6%**	**1,725**	**39.5%**

Main Consolidated Indicators			
	4Q15	3Q16	4Q16
Profitability and efficiency			
Net interest margin	6.43%	6.63%	6.44%
Portfolio NIM	5.73%	5.58%	5.40%
Investment NIM	0.70%	1.05%	1.04%
ROAA	1.59%	1.73%	1.92%
ROAE	15.3%	16.8%	18.6%
Fee ratio	17.5%	15.7%	15.2%
Efficiency	46.8%	44.6%	45.1%
Solvency ratio			
Tier I	6.9%	6.9%	6.5%
Tier II	4.8%	4.6%	4.6%
Solvency	11.7%	11.6%	11.0%
CRWA/Total assets	84.6%	86.8%	88.4%
Quality and coverage			
Quality of loans > 90 days past due	**1.62%**	**2.05%**	**1.93%**
Commercial	1.09%	1.74%	1.36%
Consumer	2.39%	2.52%	2.58%
Mortgage	2.00%	2.28%	251%
Coverage of portfolio > 90 days	**167.0%**	**141.3%**	**119.5%**
Commercial	242.2%	153.7%	137.5%
Consumer	188.6%	188.5%	182.8%
Mortgage	34.9%	56.0%	18.0%
Quality of loans > 30 days past due	**3.44%**	**4.21%**	**3.96%**
Commercial	1.62%	2.42%	2.07%
Consumer	5.43%	5.97%	5.84%
Mortgage	5.60%	6.57%	6.29%
Coverage of portfolio > 30 days	**79.7%**	**71.4%**	**59.1%**
Commercial	162.4%	110.0%	90.5%
Consumer	83.2%	79.5%	80.9%
Mortgage	16.1%	27.1%	10.1%
Cost of risk	1.80%	1.89%	1.69%
Balance structure			
Net portfolio / Funding sources	88.0%	90.4%	91.2%
Net portfolio / Funding sources without bonds	101.2%	103.6%	103.9%
Net Portfolio / Deposits	118.0%	118.1%	119.5%
Stock			
Share price	21,800	29,500	30,000
Carrying amount of the share	1.12	1.49	1.51
COP - USD exchange rate			
Closing exchange rate	3,149.47	2,880.08	3,000.71
Average exchange rate	2,745.46	3,061.91	3,050.57

ECONOMIC CONTEXT

Colombia.

In terms of economy, in many aspects, 2016 represented a continuity of the phenomena observed in 2015. In the international sphere, growth was surprisingly low, especially because of the economic slowdown of the US and emerging countries, based on which the lowest global growth was recorded following the international financial crisis of 2009. In Colombia, the GDP also continued its downward trend, a phenomenon consistent with the behavior observed in most emerging economies.

However, certain aspects showed significant improvement, particularly in the second half of the year. These aspects include the recovery of oil prices, the moderation of the U.S. dollar/Colombian peso exchange rate and the turning point in domestic inflation.

As far as the prices of commodities, in the first few weeks of the year, their downward trend worsened, but they hit rock bottom around February, ending the year with higher prices than those observed at the start. The Brent Crude price started out the year at USD 37.22 per barrel and reached USD 56.82 at the end of the year.

In July 2016, inflation reached 8.96%, the highest rate since October 2000. The behavior of the prices was strongly influenced by the rise in food prices driven by the El Niño phenomenon, and secondly, due to the effects of the exchange-rate pass-through. The stabilization of food prices in the second half of the year allowed the inflation rate to drop to 5.75% in December.

In 2016, an average exchange rate of COP 3,051 per USD 1 was achieved, and the exchange rate at the end of the year was COP 3,000.7. The average devaluation during the year was 11.2%, which was more moderate than that recorded in 2015, which exceeded 37.3%.

The growth of the Colombian economy dropped to 2.0% in 2016, after growing 3.1% in 2015. Seven of the nine major production sectors that make up the GDP showed positive growth, four of which obtained annual growth rates greater than those of the total GDP in the year. The economic sector with the worst performance was mining, which recorded a variation of -6.5%, while financial and real estate services had the highest increase at 5.0%.

Due to the increase in inflation, and with the additional goal of controlling the spending over revenue in the economy, which is expressed as a strong deficit in the checking account, the Central Bank continued over the greater part of the year the upward adjustment in its intervention rate, which started in September 2015. The indicator, which started the year at 5.75%, increased to 7.75% in August and remained the same until the middle of December, when a new process of decline began through a reduction of 25 basis points.

Central America.

Economic activity, measured based on the Gross Domestic Product, recorded slowdowns year-to-date up to the third quarter of 2016 in Panama and Costa Rica. On the other hand, El Salvador and Honduras showed upswings.

For the year 2016 recorded as a whole, average estimated growth, using different sources, would be 5.4% in Panama, the highest in the region, followed by Costa Rica at 4.3%, Honduras at 3.6% and El Salvador at 2.4%.

Inflation in the region in 2016 recorded a general change in trend from a downward behavior to an upward behavior in the second half of the year. These movements were driven by increases in the price of oil, following the low levels reached in the month of February.

Inflation in Costa Rica remained below the target range set by the Central Bank (2.0% to 4.0%) and ended the year with an annual variation of 0.76%. In Honduras, inflation ended the year at 3.31%, below the range set by the Central Bank (3.5% to 5.5%). In Panama, inflation ended the year at 1.46%. In El Salvador, there was a slowdown that took inflation to negative territory at the end of the year at -0.93%. The reason for this behavior was the upward adjustment of water rates in the last quarter of 2015, which generated higher positive inflations in the first three quarters of the year due to the base effect.

As regards the risk rating, Costa Rica and El Salvador showed impairment in 2016, mainly due to fiscal risks. Panama maintained its rating stable and Honduras' rating improved. Below are further details of this situation.

In Costa Rica, the Standard & Poor's rating agency reduced the rating from BB to BB- and the outlook regarding rating remains in negative territory. El Salvador was the country with the greatest decline in its risk rating in the region: Moody's downgraded from Ba3 to B3 and Standard & Poor's lowered its rating from B+ to B-. The reductions, according to the rating agencies, were attributed to the difficulty to issue long-term foreign debt, the absence of a political consensus to approve needed fiscal reforms, the decline in the tax situation and the little leeway to maneuver the government till. In Honduras, Moody´s assigned a better risk rating, going from B3 to B2 with a positive outlook, mainly due to progress in fiscal matters and compliance with the IMF's requirements in the current standby agreement. In Panama, the rating remained stable at BBB with stable outlooks.

CONSOLIDATED RESULTS OF 4Q16

BALANCE SHEET

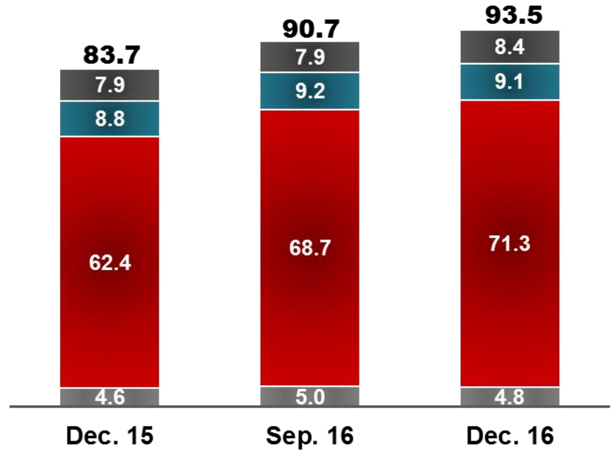
Assets

At December 31, 2016, consolidated assets amounted to COP 93.5 trillion, growing 3.1% quarterly and 11.7% annually, mainly due to the performance of the commercial and consumer portfolios.

The consolidated ROAA[5] closed 4Q16 at 1.92%, up 19 basis points from the end of 3Q16 and up 33 basis points from the end of 2015.

Evolution of Consolidated Assets (in COP trillions)

	4Q16/3Q16	4Q16/4Q15
Cash	6.7%	5.7%
Investments, net	(0.7%)	3.8%
Loans, net	3.7%	14.2%
Other assets (6)	(4.4%)	3.5%
Assets	**3.1%**	**11.7%**



Asset	Dec. 15	Sep. 16	Dec. 16	4Q16 / 3Q16	4Q16 / 4Q15
Colombia	62.0	70.0	72.0	2.9%	16.2%
International (7)	22.8	21.9	22.7	3.6%	(0.6%)
International USD$(8)	7.2	7.6	7.6	(0.5%)	4.3%

Colombia's assets account for 76.1% of the consolidated assets, closing at COP 72.0 trillion. They grew mainly due to the higher volumes of the commercial and consumer portfolios, with annual growths of 16.4% and 19.1%, respectively.

Assets in foreign subsidiaries account for 23.9% of the consolidated assets, closing at USD 7.6 billion. They stood at levels similar to those recorded in 3Q16 and grew 4.3% year over year, mainly due to the performance of the net portfolio, which closed at USD 5.1 billion.

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[5] ROAA (12 months): accumulated profit / average annual assets.
[6] Other assets include: 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] (in billions of USD) The official COP-USD exchange rate devaluated 4.2% compared to 3Q16 and revaluated 4.7% compared to the end of 4Q15.

Cash and Interbank

At the end of 4Q16, cash and interbank totaled COP 8.4 trillion, up 6.7% from 3Q16 and 5.7% from 4Q15. In Colombia, it closed at COP 4.6 trillion, up 18.7% compared to 3Q16 and 22.5% from 4Q15, explained by the increase in the balance of the Central Bank's accounts.

In foreign subsidiaries, cash and interbank totaled USD 1.3 billion, decreasing 8.8% compared to 3Q16 and 5.0% compared to 4Q15, mainly in Panama due to the withdrawal of deposits.

Investments Portfolio

In December 2016, the consolidated investment portfolio closed at COP 9.1 trillion, down 0.7% from 3Q16 and up 3.8% from 4Q15, driven mainly by the performance of investments in Colombia, which decreased 0.7% during the quarter and increased 6.3% during the year, closing at COP 7.8 trillion, triggered by the 4.5% increase in fixed-income and the incorporation of 1.404.627.384 shares of Credibanco since it became a a limited company, which left Davivienda with a 15.55% share in that company.

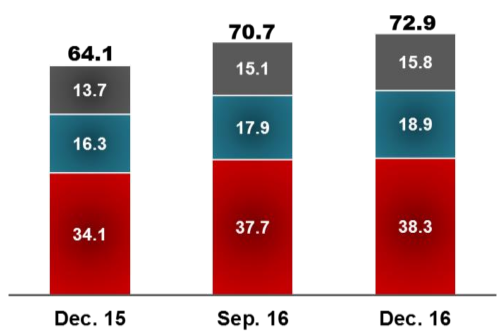
In foreign subsidiaries, investments closed at USD 1.0 billion, down 4.5% from 3Q16, explained mainly by the lower position in the portfolios of El Salvador and Honduras due to the sale of debt securities issued by the Goverment. In relation to 4Q15, investments increased by 2.4%

Gross Loan Portfolio

The gross loan portfolio closed at COP 72.9 trillion, driven by the growth dynamic of the three lines of business detailed below.

Consolidated Gross Loan Portfolio Performance (in COP trillions)

	4Q16/3Q16	4Q16/4Q15
Mortgage	4.5%	15.1%
Consumer	5.6%	15.6%
Commercial [9]	1.4%	12.4%
Gross Loans	**3.1%**	**13.8%**



Gross Loans	Dec. 15	Sep. 16	Dec. 16	4Q16 / 3Q16	4Q16 / 4Q15
Colombia	49.0	56.2	57.4	2.2%	17.2%
International	15.1	14.5	15.5	6.8%	2.7%
International USD$[10]	4.8	5.0	5.2	2.6%	7.8%

[9] The commercial portfolio includes microfinance loans.

[10] In billion of USD.

In Colombia, the gross loan portfolio totaled COP 57.4 trillion. The 2.2% quarterly increase is driven by the performance of the consumer portfolio (5.5%), mainly in credit cards, free investment loans, and the mortgage portfolio, which grew 3.7% compared to 3Q16. Compared to 4Q15, the increase was 17.2%, due to the performance of the commercial portfolio (16.4%), mainly in corporate and SME loans, and the improved growth dynamic of the consumer portfolio (19.1%).

In foreign subsidiaries, the gross loan portfolio totaled USD 5.2 billion, increasing 2.7% compared to the commercial portfolio from 3Q16 and 6.2% from 4Q15, closing at USD 3.0 billion, mainly in Costa Rica and El Salvador. It is also important to highlight the increased share of mortgage loans in the region, achieving a balance increase of 3.6% during the quarter and 13.7% compared to 4Q15, mainly in Costa Rica, El Salvador and Panama.

Portfolio Quality by Type and Coverage

	NPL > 90 days		
	4Q15	3Q16	4Q16
Commercial	1.09%	1.74%	1.36%
Consumer	2.39%	2.52%	2.58%
Mortgages	2.00%	2.28%	2.51%
Total	**1.62%**	**2.05%**	**1.93%**

	Coverage		
	4Q15	3Q16	4Q16
Commercial	242.2%	153.7%	137.5%
Consumer	188.6%	188.5%	182.8%
Mortgages	34.9%	56.0%	18.0%
Total	**167.0%**	**141.3%**	**119.5%**

	Total Reserve Coverage		
	4Q15	3Q16	4Q16
Comercial	312.7%	213.6%	237.5%
Consumo	256.3%	260.4%	255.4%
Vivienda	112.6%	104.4%	97.3%
Reservas	**238.3%**	**202.2%**	**204.2%**

The consolidated portfolio quality indicator[11] was 1.93%, down 12 basis points from 3Q16, mainly due to 48 basis-point in the commercial portfolio indicator in Colombia, driven by the write-offs in the corporate and business portfolio for COP 307.6 billion.

The consolidated consumer portfolio indicator increased by 6 basis points, closing at 2.58%, this increase is mainly explained by the Colombian portfolio in credit card and free investment portfolios, as a result of the economic situation observed in the country and the growth of these products during the year.

Finally, the indicator for the consolidated mortgage portfolio increased by 23 basis points, closing at 2.51%, mainly in Social housing and leasing products in Colombia. The first was influenced by the increase in the Real Value Unit (UVR) and by social housing

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

customers without access to the coverages granted by the government. In the case of housing leasing, the increase is focused on the segment of independent people with long-term financing. In the last six months of 2016, the origination policies were adjusted for the most risky niches both in the mortgage portfolios and in some consumer products.

The consolidated coverage level[12] as of December 2016 was 204,2%, down from 3Q16, mainly explained by the fact that during the second half of 2016, adjustments were made to the estimation of parameters for the calculation of impairment. Particularly for the morgtgages cases, the adjustments were finalized in the last quarter, fully recognizing the value of the guarantees backing the loans and adjusting the level of provisions to the historical loss of the portfolio. Although mortgage portfolio coverage, which includes only IFRS reserves, declined to 18.0%, the level of provisions fully covers the loan losses observed in the portfolio.

As for the level of consolidated coverage adding the difference of provisions model, it would close with a coverage of 204.2%, while the coverage indicator under losses incurred closed at 119.5%. This difference includes the provisions generated between the models of expected and incurred losses that are reflected in the Other Comprehensive Income account into the equity of the Consolidated Financial Statements; This difference includes the counter cyclical provisions of commercial and consumer portfolios that are constituted to recognize economic events and the general provision of mortgages that are only constituted into the Individual Financial Statement and are not included in the model of incurred losses by the Consolidated Financial Statements.

In 4Q16, there were write-offs amounting to COP 624.2 billion, 0.9% of the gross portfolio, which increased 118.8% compared to 3Q16, mainly due to the higher level of write-offs carried out during the quarter in the commercial portfolio in Colombia. Accumulated write-offs as of December 2016 comprise 2.1% of the gross loan portfolio, totaling COP 1.5 trillion, particularly in Colombia.

Other Assets[13]

Other assets closed at COP 4.8 trillion, down 4.4% from 3Q16, driven by the real estate asset sale carried out in the month of December, in which a portfolio of commercial and administrative offices was sold in several cities in Colombia for COP 637 billion.

Compared to 4Q15, other assets increased 3.5% due to the advance payment of income tax to the DIAN and advance payments on contracts to suppliers on account of the merger with Leasing Bolívar.

Liabilities

At the end of 2016, consolidated liabilities totaled COP 83.5 trillion, up 2.6% from 3Q16 and 11.3% from 4Q15, mainly due to the performance of deposits and repo transactions, in addition to the two bond issuances during the year. Liabilities in Colombia totaled

[12] Coverage: reserves(Includes reserves registered in P&L and reserves included in Equity accounts) / portfolio > 90 days.

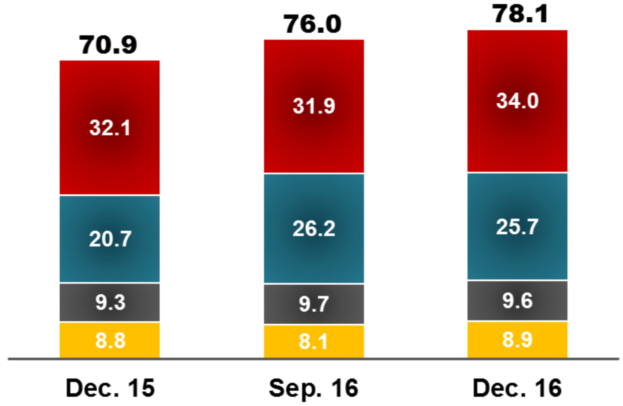
[13] Other assets include: Acceptances and derivatives, accounts receivable, property, plant and equipment, other non-financial assets and goodwill and intangibles.

COP 63.5 trillion, representing 76.0% of the consolidated liabilities, with quarterly and annual growth rates of 2.4% and 15.9%, respectively. In the liabilities of foreign subsidiaries closed at USD 6.7 billion, down 0.7% from 3Q16 and up 4.0% from 4Q15.

Consolidated funding sources[14] totaled COP 78.1 trillion, reaching a net portfolio to funding source ratio of 91.2% compared to the 90.4% recorded at the end of 3Q16; without including bonds, this ratio would increase to 103.9%.

Evolution of Funding Sources (in COP trillion)

	4Q16/3Q16	4Q16/4Q15
Demand Deposits	6.4%	5.8%
Term Deposits	(2.1%)	23.9%
Bonds	(1.2%)	3.6%
Credits	9.7%	1.7%
Funding Sources	**2.8%**	**10.3%**



Funding Sources	Dec. 15	Sep. 16	Dec. 16	4Q16 / 3Q16	4Q16 / 4Q15
Colombia	51.3	57.3	59.0	2.9%	14.9%
International	19.6	18.7	19.2	2.7%	(1.9%)
International USD$ [15]	6.2	6.5	6.4	(1.4%)	3.0%

Consolidated demand deposits totaled COP 34.0 trillion, growing mainly due to the increased volume in savings accounts in Colombia (6.0% compared to 3Q16 and 13.3% compared to 4Q15). In foreign subsidiaries, demand deposits remained at USD 2.4 billion.

Consolidated term deposits amounted to COP 25.7 trillion, down 2.1% from 3Q16, driven mainly by the 2.9% decrease in term deposits in Colombia and the decrease in term deposits in Panama. Compared to 4Q15, term deposits increased by 23.9%, growing 36.5% in Colombia and 6.9% in subsidiaries, mainly in Costa Rica and El Salvador.

Consolidated bonds totaled COP 9.6 trillion, down 1.2% from 3Q16, driven by the redemption of COP 276.6 billion during the quarter. Compared to 4Q15, bonds grew 3.6% as a result of the two local bond issuances carried out in the second half of the year in Colombia; the first in senior bonds for COP 600 billion in July and the second in subordinated bonds of COP 359 billion in September. In foreign subsidiaries, bonds closed at USD 202 million, slightly lower than 3Q16 due to matured bonds for USD 10.0 million in El Salvador and 3.9% compared to 4Q15 due to the issuances of standardized bonds in Costa Rica of USD 18.9 million in February 2016 and

[14] Funding sources = total deposits + bonds + institutional loans.

[15] (in billion of USD)

USD 3.6 million in July 2016. Regarding our operation in El Salvador, there was an issuance of senior bonds in the local market for USD 30 million in November.

Consolidated rediscount loans and banking correspondent loans amounted to COP 8.90 trillion, up 9.7% from 3Q16 and 1.7% from 4Q15, mainly due to the 10.9% quarterly and 6.7% annual increase in financial obligations incurred with entities abroad and whole banks in Colombia.

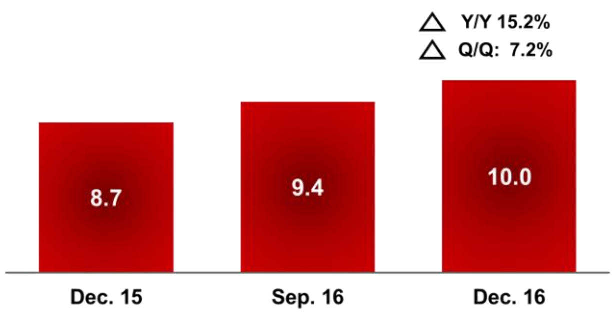
Regulatory Capital and Equity

Equity closed at COP 10.0 trillion, up 7.2% from 3Q16 and 15.2% from 4Q15. Tier I plus Tier II equity stood at levels similar to those recorded in 3Q15, closing at COP 9.4 trillion.

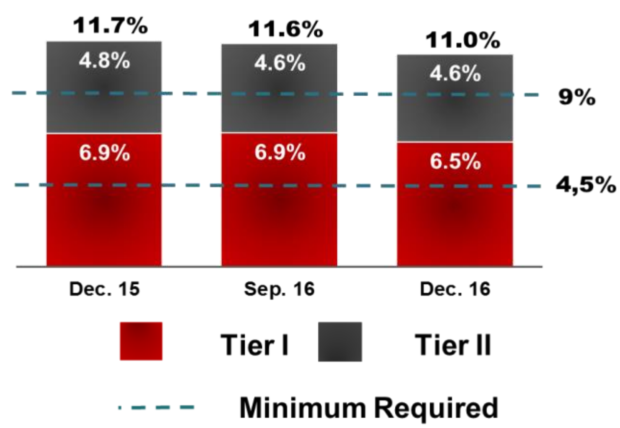
The solvency ratio stood at 202 basis points above the minimum solvency required in Colombia (9%), closing out at 11.0%. It decreased 0.5% compared to 3Q16, mainly due to the *tier I* decrease, going from 6.9% to 6.5%, driven mainly by the higher deduction of capital investments in supervised entities that are not consolidated due to the Credibanco shares.

Weighted assets by risk level amounted to COP 82.7 trillion, up 5.0% from the end of 3Q16, driven by the increase in portfolio, financial leasing transactions and the higher volume of contingencies due to the increase in bank guarantees

Equity (trillions of COP)



Solvency (%)

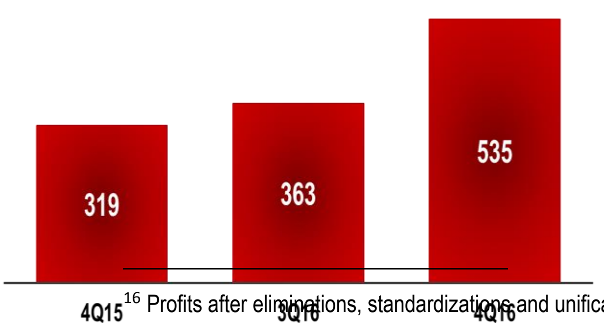


STATEMENT OF INCOME

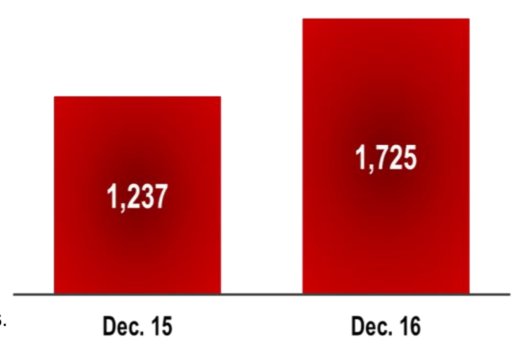
Profits

(billions of COP)

Quarterly



Accumulated



[16] Profits after eliminations, standardizations and unifications.

4Q16/3Q16	4Q16/4Q15		Dec. 16 / Dec. 15
%	%		$
7.2	12.1	Financial Margin, net	19.8
(12.1)	(6.8)	Operative Income	14.7
23.8	22.2	Operative Expenses	16,3
500.2	100.0	FX Changes, Derivatives and Others	203.1%
20.5	**54.0**	**Income before Tax**	36.5
(40,0)	6.4	Taxes	29.0
47.2	**67.6**	**Net Income(16)**	**39.5**

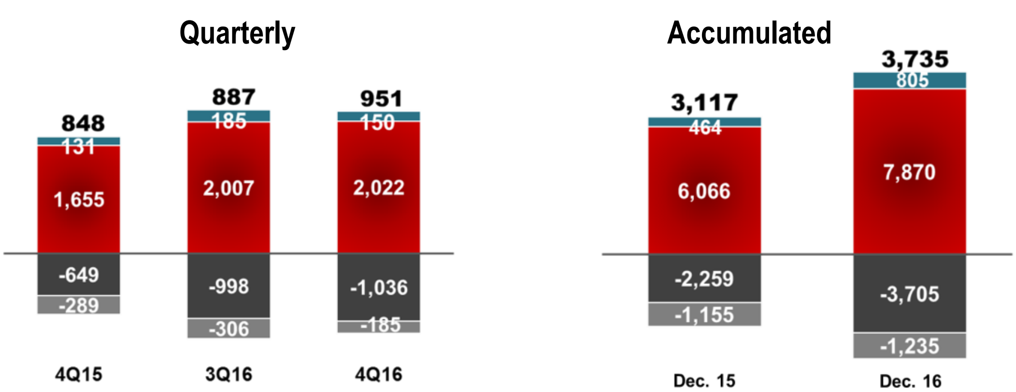
Net profit ended 4Q16 at COP 534.7 billion, up 47.2% from 3Q16 and 67.6% form 4Q15, mainly due to the annual increase in portfolio revenue (22.2%), the decrease in the impairment balance (35.9%) and the generation of other revenue due to the real estate sale, and the receipt of Credibanco shares.

Accumulated profit at December 2016 totaled COP 1.7 trillion, up 39.5% from the same period of the previous year as a result of the 29.7% increase in portfolio revenue, mainly the commercial portfolio, and the 74.3% increase in revenue generated by the investment portfolio.

In view of the above, the Return on Average Equity (ROAE) [17] at the end of 4Q16 was 18.6%, compared to the 16.8% recorded in 3Q16 and 15.3% reached at the end of 4Q15.

Net Financial Margin

(billions of COP)



4Q16 / 3Q16	4Q16 / 4Q15		Dec. 16 / Dec. 15
(%)	(%)		(%)
0,8	22,2	Loan Income	29,7
(19,1)	14,6	Investment Income, Interbanks	73,4
(0,9)	**21,6**	**Financial Income**	**32,8**
3,8	59,6	Financial Expenses	64,0
(39,5)	(35,9)	Allowances	6,9
7,2	**12,1**	**Financial Margin, net**	**19,8**

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

The net financial margin ended the quarter at COP 950.8 billion, growing due to the lower level of impairment recorded during the quarter and the increase in portfolio revenue, mainly the commercial portfolio.

The accumulated net financial margin was COP 3.7 trillion, which showed an increase due to the increasing financial income generated particularly by the commercial and consumer portfolios and the results obtained by the investment portfolio. As a result, the NIM[18] ended 4Q16 at 6,4%, down 19 basis points from 3Q16, standing at levels similar to those recorded at the end of 4Q15.

Income from Interest on Loans

Income from interest on loans for the quarter totaled COP 2 trillion, growing mainly due to the performance of the commercial and consumer portfolios. The balance of the average performing loans grew 3.2% compared to 3Q16 and 18.1% in relation to 4Q15 and the implicit rates increased 18 and 101 basis points, respectively.

In 4Q16, income from interest on commercial loans totaled COP 912.1 billion, up 1.5% from 3Q16 and 38.9% from 4Q15, due to the results in Colombia (with an 0.8% quarterly and 53.8% annual growth), mainly in the corporate segment. In foreign subsidiaries, the commercial portfolio generated USD 63.1 million in revenue, up 1.8% from 3Q16 and 2.1% from 4Q15, particularly in Costa Rica and El Salvador.

The income from the consumer portfolio reached COP 719.1 billion, up 6.4% from 3Q16 and 22.4% from 4Q15, mostly in Colombia, whose income grew 6.7% compared to 3Q16 and 25.7% compared to 4Q15, particularly in credit cards and free investment loans. In foreign subsidiaries, income from the consumer portfolio amounted to USD 24.9 million, remaining at stable levels.

Quarterly income from the mortgage portfolio amounted to COP 391.0 billion, down 9.7% from 3Q16 and 3.5% from 4Q15 due to the impairment in the quality of several low-income mortgage loans in Colombia, disbursed without the interest free benefit and in UVR in 2012 and leasing. In foreign subsidiaries, revenue from the mortgage portfolio amounted to USD 25.4 million, up 2.9% from 3Q16 and 6.2% from 4Q15, mainly driven by Costa Rica and Panama.

As a result, the accumulated income of the consumer portfolio as of December 2016 totaled COP 7.9 trillion, up 29.7% from the accumulated amount recorded at the same period of the previous year, where the 45.6% increase in income from the commercial

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

portfolio stood out. Accumulated income from the mortgage and consumer portfolios grew 19.1% and 20.2%, respectively.

Income from Investments and Interbank Funds

Quarterly income from the investment portfolio and interbank funds totaled COP 149.6 billion, down 19.1% from 3Q16 driven by the decrease in the position of securities in UVR in Colombia. Compared to 4Q15, income from investments increased 14.6%, mainly due to the UVR investments bought indexed to UVR, given the inflation expectations for the first half of 2016 in Colombia.

So far this year, the strategies implemented in the interbank and investment portfolio have allowed a total accumulated income of COP 805.5 billion at the end of December 2016, up 73.4% compared to the same period of the previous year.

Financial Expenses

Financial expenses of 4Q16 ended at COP 1.04 billion, mainly due to the increased volume of term deposits, savings accounts and bond issuances in Colombia.

In Colombia, financial expenses totaled COP 889.0 billion, up 3.6% from the previous quarter and 69.8% from 4Q15, mainly due to the higher cost of term deposits (up 85.3% from 4Q15), mostly in long term deposits. In addition, the cost of deposits in savings accounts increased by 19.8% compared to 3Q16 and 106.6% compared to 4Q15, closing at COP 256.3 billion. Finally, as a result of the two local bond issuances during 3Q16, interests increased 32.7% compared to 4Q15.

In foreign subsidiaries, financial expenses totaled USD 48.7 million, up 2.3% from 3Q16 and 18.3% from 4Q15, due to the increase in the expenses of savings accounts and loans with financial entities.

Accumulated financial expenses at the end of the year totaled COP 3.7 trillion, up 64.0% from the same period of the previous year, mainly due to the performance of term deposits and savings accounts, which recorded growths of 66.8% and 96.0% in the accumulated cost, respectively.

Net Provision Expenses

Net provision expenses in 4Q16 totaled COP 185.0 billion, down 39.55% from 3Q16 and 35.9% from 4Q15, due to the 36.8% decrease during the quarter in Colombia and 45.0% decrease compared to 4Q15, closing at COP 134.2 billion, mainly in the mortgage portfolio. As a result, the cost of risk[19] stood at 1.69%, down 20 basis points from that recorded at the end of 3Q16.

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[19] Provision expense (accumulated 12 months) / gross portfolio.

The accumulated net provision expenses at the end of 2016 amounted to COP 1.2 trillion, up 6.9% from the end of 2015, including the increase in the mortgage portfolio provisions due to the updated variables to estimate the calculation of provisions in September 2016.

Net Operating Income

Operating expenses in 4Q16 totaled COP 250.6 billion, down 12.1% from 3Q16 and 6.8% from 4Q15, driven mainly by the reclassification of the sale of CIFIN for COP 57 billion to equity.

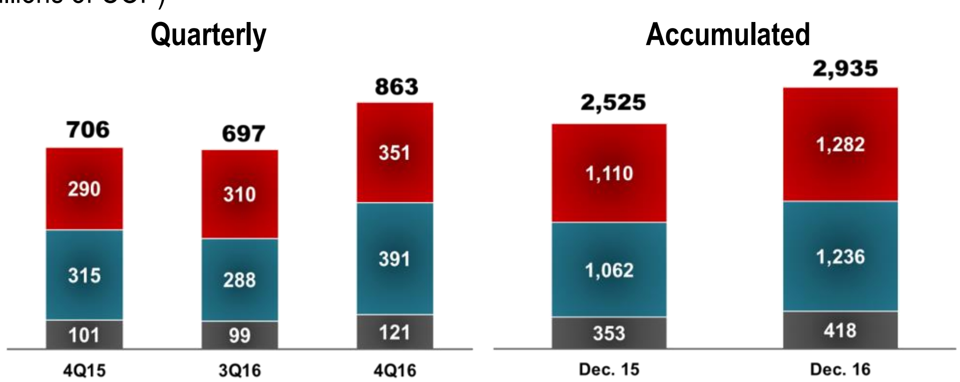
Operating income in Colombia amounted to COP 178.5 billion, down 18.2% from 3Q16 as a result of reclassification of the profit generated by the sale of CIFIN, which is recognized in retained earnings, without affecting the period results, which represents a reduction of COP 57.5 billion compared to 4Q15, consolidated operating income decreased by 14.6%, also due to the reclassification of profit because of sale of CIFIN at fair value.

In foreign subsidiaries, operating income ended at USD 23.9 Million, up 5.8% from 3Q16 and 19.0% from 4Q15 as a result of lower commission expenses mainly in Costa Rica and El Salvador.

Accumulated operating income totaled COP 1.13 billion, up 14.7% from December 2015.

Operating expenses

(billions of COP)



[20] Other expenses include amortization and depreciation, amortization of intangible assets, taxes and deposit insurance.

4Q16/3Q16 (%)	4Q16/4Q15 (%)		Dec. 16/ Dec. 15 (%)
13.0	21.0	Personnel expenses	15.4
35.9	24.2	Operating expenses	16.4
22.1	19.2	Other expenses[20]	18.5
23.8	**22.2**	**Total expenses**	**16.3**

Operating expenses in 4Q16 totaled COP 863.1 billion, up 23.8% from that recorded in 3Q16 and 23.8% from 3Q16 and grow 22.2% compared to 4Q15, mainly driven by the increase in personnel expenses (21.0%), higher administrative expenses (20.9%) and a tax increase (30.3%) mainly explained by Industry and Comerce because of higher profits and registration of the real estate sale.

In Colombia, the quarter's operating expenses totaled COP 662.7 billion, up 29.8% from 3Q16, driven by the 48.2% increase in operating expenses, mainly administrative expenses, which grew 52.8% due to software development and professional fees for risk management, business intelligence and fraud prevention consultancy services, investment at Davivienda mobile app and transactional monitoring of debit and credit cards. Compared to 4Q15, operating expenses in Colombia increased by 26.8%, mostly due to the higher administrative (21.2%) and employee benefit expenses (35.9%), particularly due to the COP 28.9 billion payment of seniority bonuses.

In foreign subsidiaries, operating expenses ended at USD 666.4 million, up 5.0% from 3Q16 and 9.3% from 4Q15, due to the higher expense on advertising campaigns, particularly in El Salvador and Costa Rica.

Therefore, accumulated operating expenses at December 2016 amounted to COP 2.9 trillion, up 16.3% compared to the same period of the previous year, which caused Efficiency[21] to closed at 45.1% compared to the 46.8% recorded at the end of 2015.

Net Foreign Exchange and Derivatives

In 4Q16, COP 58.7 billion were generated in income from net foreign exchange and derivatives, up 20.2% from 3Q16 and 100% from 4Q15, explained by the short position held in foreign currency through derivative financial instruments, accordingly with the exchange hedging strategy of the consolidated balance sheet, which generated a positive effect on the income statement given the scenario of revaluation of the Colombian peso that prevailed during the analysis period, close to 4.7%

Accumulated income from net exchange and derivatives at December 2016 amounted to COP 178.2 billion, up 24.1% from the end of the same period of the previous year.

[21] Efficiency (12 months): operating expenses / (gross financial margin + operating income + other net income and expenses).

Taxes

In 4Q16, Davivienda recorded taxes for COP 96.5 billion, down 40.0% from 3Q16, driven mainly by reimbursement of deferred tax due to the sale of fixed assets in December. Compared to 4Q15, taxes increased by 6.4%, mainly due to the higher profit. Therefore, accumulated tax as of December 2016 totaled COP 619.3 billion, up 29.0% from the previous year.

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These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia, and are presented in nominal terms. The statement of income for the quarter ended on December 31, 2016 is not necessarily indicative of the results expected for any other period.

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