

DAVIVIENDA

Earnings Presentation
3Q13 Consolidated Results



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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 September 30, 2013 will not necessarily constitute an indication of the expected P&L for any other period.



Content

>>> *Third Quarter Highlights*

>>> *Third Quarter 2013 Results*



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Third Quarter Highlights



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Acquisition of Corredores Asociados

»»» On September 25, 2013, the acquisition of *Corredores Asociados* was completed for a total of **\$120** billion¹

»»» *Corredores Asociados* contributed **\$8.5** trillion of assets under management, representing a growth of **53%**² and reaching a total of **\$25.5** trillion

»»» At quarter end, total assets of *Corredores Asociados* closed at **\$125** billion and the accumulated net income totaled **\$2,149** million



All figures are in Colombian pesos (\$)

1. Generating a goodwill of \$ 75 billion. An initial amount of \$ 60 billion was paid, the remainder will be paid in five years
2. Compared to consolidated 2Q13



DaviPlata Recognized as Innovative Product

>>> The Latin American Federation of Banks (**FELABAN**) awarded the **Financial Innovation Award** to Davivienda

>>> **2,500** service points, **1,790** agreements with companies and **1.9 million** customers (**1.3** million entered the financial system for the first time)

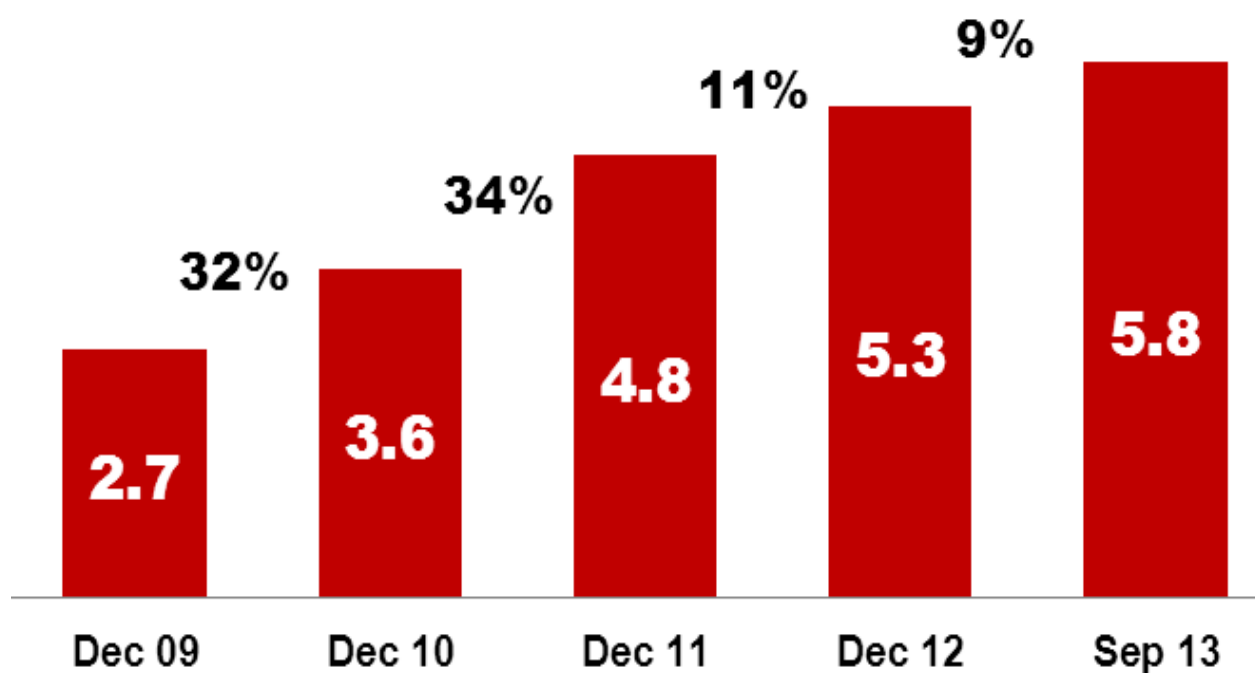
>>> From the subsidies initiated through DaviPlata, there have been **2.6 million** payments of the program “*Mas familias en acción*”



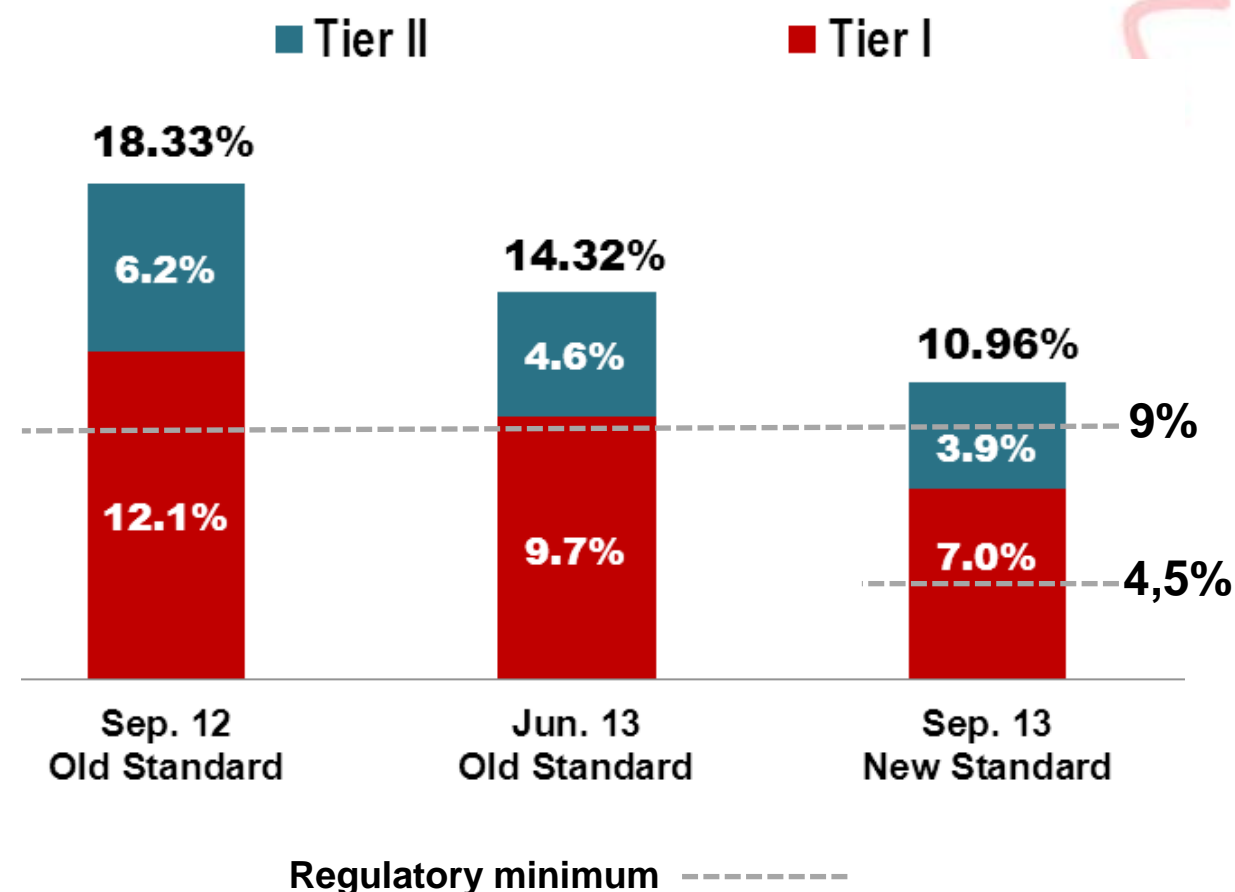
New Standard Capital Requirement

Equity totaled \$5.8 trillion up 12% from 3Q12. With the new solvency standard that took effect in August, the consolidated solvency closed at 10.96%

Equity
(COP trillions)



Consolidated Solvency



Other Relevant Events

- On **September 30, 2013**, a dividend of **\$280** per share was paid, for a total of **\$124** billion.
- The Colombian Financial Superintendence authorized the expansion of the Issuance and Placement of **Local** and Subordinated **Bond** Program, with an additional of **\$3.0 trillion**¹, which can be offered within **three years**.



1. Expanding the total quota to \$6 trillion of which \$3 trillion have been placed



Third Quarter Highlights

Main Results

Davivienda continues its strategy:

- >>> Accumulated Net Income¹: **\$592 billion**, growth of **9.6%** compared to last 9M12
- >>> Equity growth of **12%**, compared to September 2012
- >>> ROAE² rose from 10.7% to **13.5%**
- >>> Best performance in asset quality, from **1.84** in 2Q13 to **1.64** at quarter end

1. Accumulated Net Income January- September 2013
2. ROAE (12 months) = Net income 12 months/ Average Equity. ROAE of 10,7% corresponds to June 2013
3. Consolidated Quality: Loans>90 days



Key Commercial Results

»»» **Payroll** disbursements totaled **\$612** billion, **9.1%** higher than 2Q13 and **13.0%** higher than 3Q12.

»»» **Construction** disbursements totaled **\$472** billion, an increase of **35.4%** compared to 3Q12.

»»» **\$1.1** trillion was disbursed for **mortgage** loans with a growth of **54.8%** compared to 2Q13 and **75.5%** in relation to 3Q12



Third Quarter 2013 Results



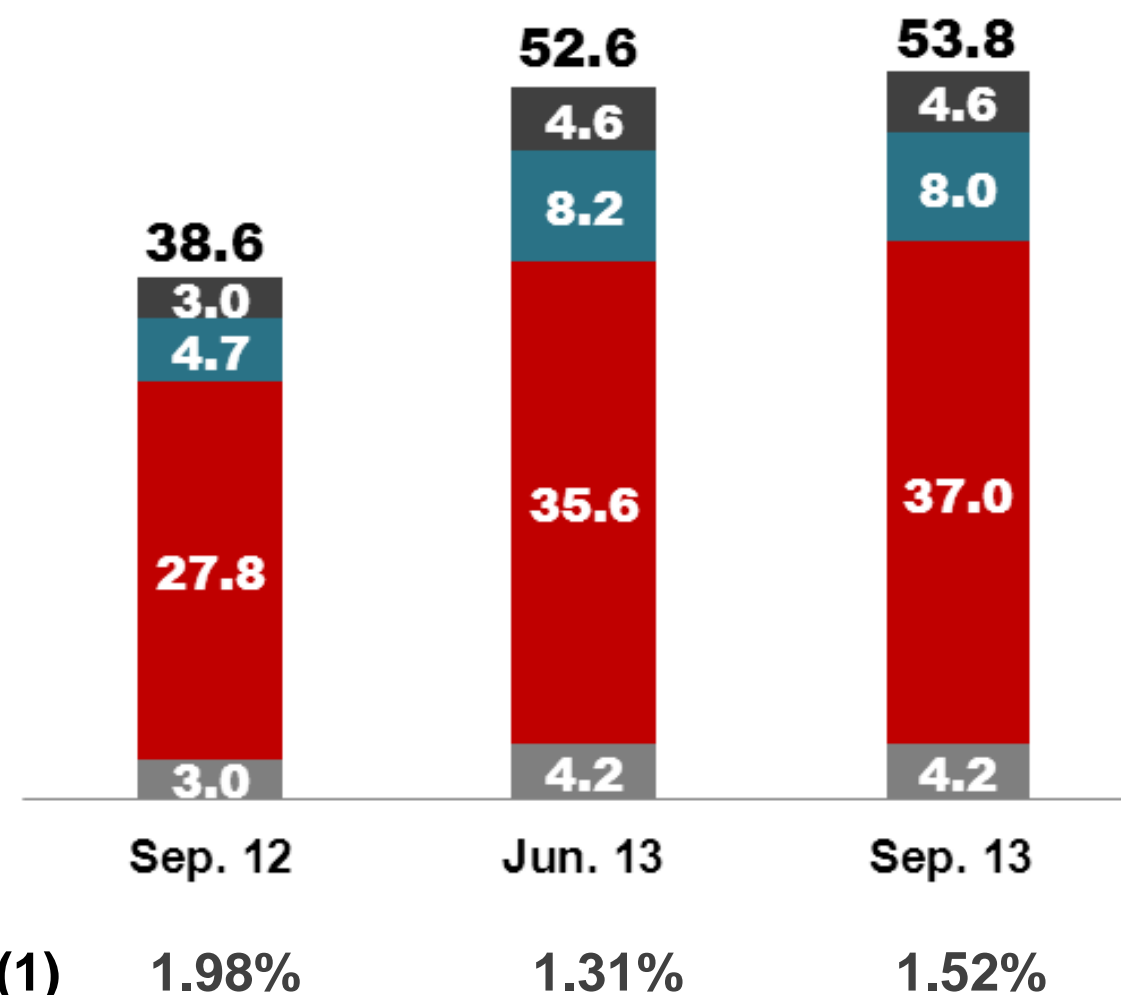
DAVIVIENDA

Consolidated

Assets

(COP trillions)

	Consolidated	
	Q/Q	Y/Y
Cash	-1.0%	49.6%
Investments, net	-1.5%	71.4%
Loans, net	3.9%	33.2%
Other assets	0.6%	38.0%
Assets	2.3%	39.5%



Assets	Sep. 12	Jun. 13	Sep. 13	Q/Q	Y/Y
Colombia	37.2	43.2	44.6	3.3%	20.0%
International (2)	1.5	10.7	10.5	-2.0%	585.3%

1. ROAA : Net Income (12 months) / Average assets
2. Davivienda International: El Salvador, Costa Rica, Honduras, Panama

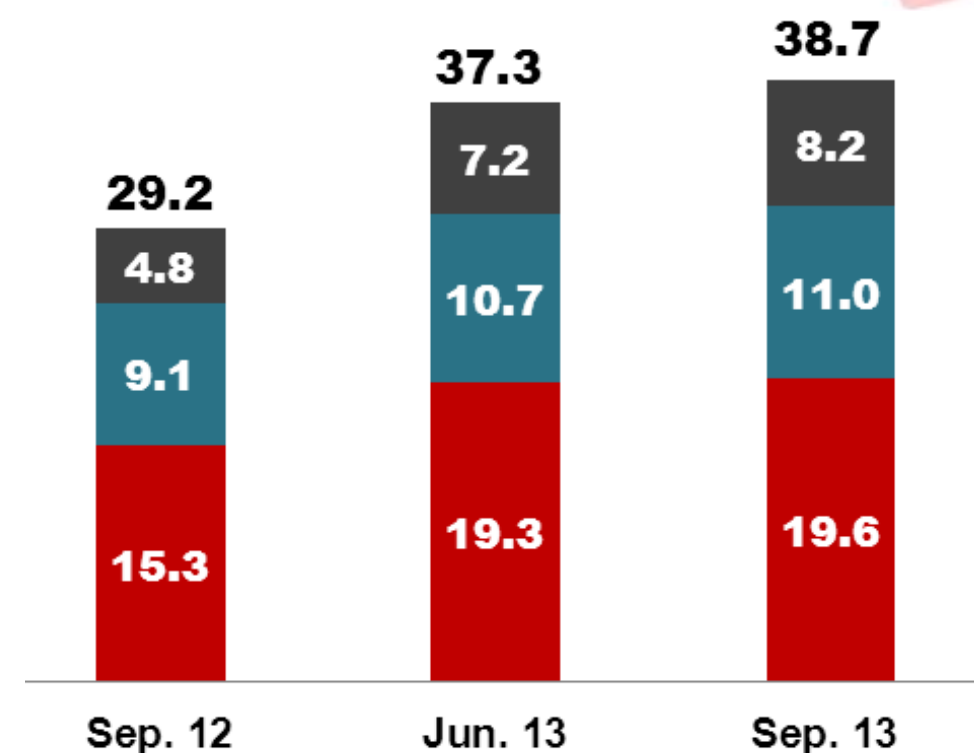


Consolidated

Gross Loans

(COP trillions)

	Consolidated		Colombia		International
	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q
Mortgages (1)	13.2%	70.8%	15.6%	43.7%	1.7%
Consumer	2.2%	20.4%	2.1%	5.0%	2.5%
Commercial (2)	1.2%	28.1%	1.0%	9.1%	1.8%
Total	3.8%	32.7%	4.2%	13.7%	1.9%

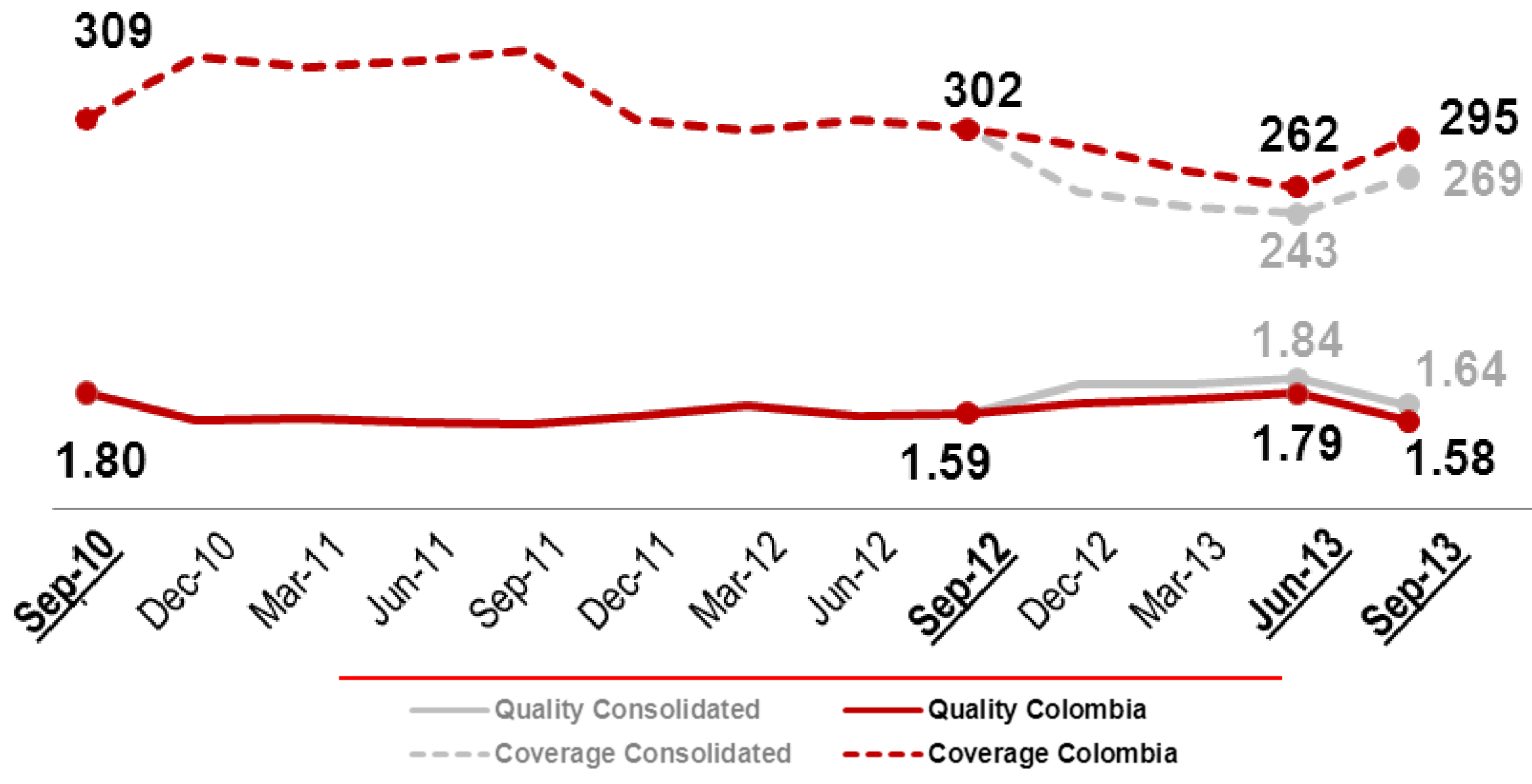


Gross Loans	Sep. 12	Jun. 13	Sep. 13	Q/Q	Y/Y
Colombia	28.1	30.7	32.0	4.2%	13.7%
International (3)	1.0	6.6	6.7	1.9%	547.3%

1. Mortgages includes leasing
2. Commercial includes microcredit
3. Davivienda International: El Salvador, Costa Rica, Honduras, Panama



Quality and Coverage (%)

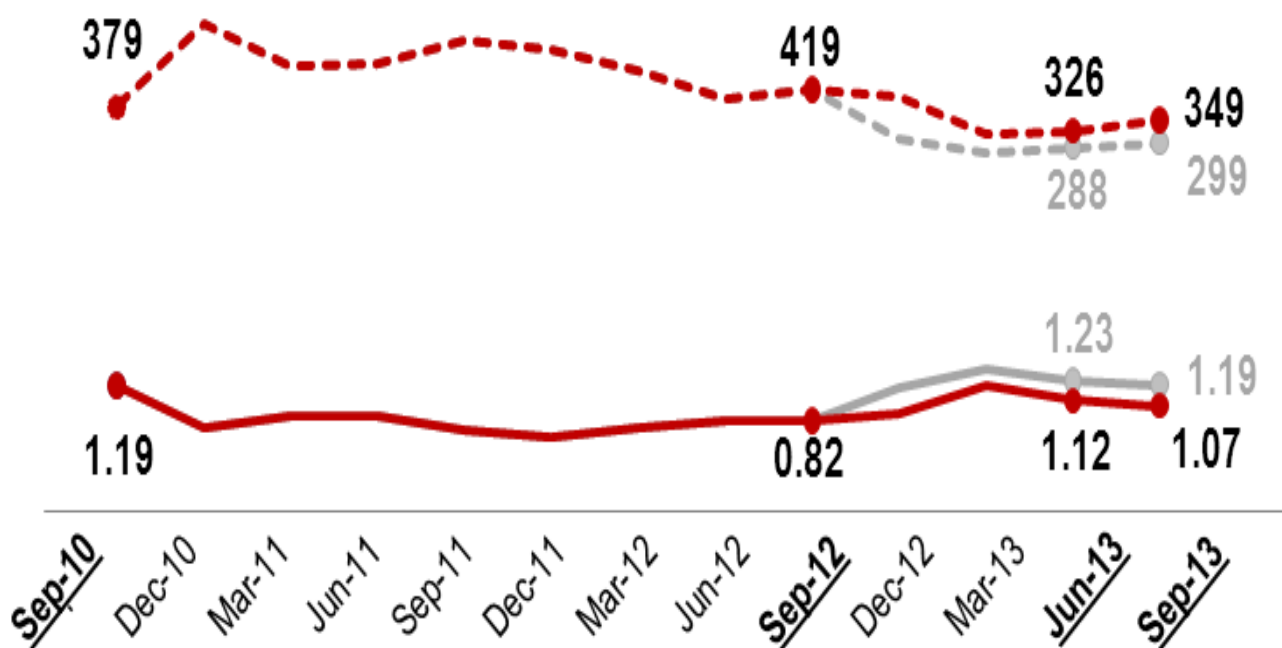


Quality: Loans > 90 days
 Coverage: Allowances / Loans > 90 days

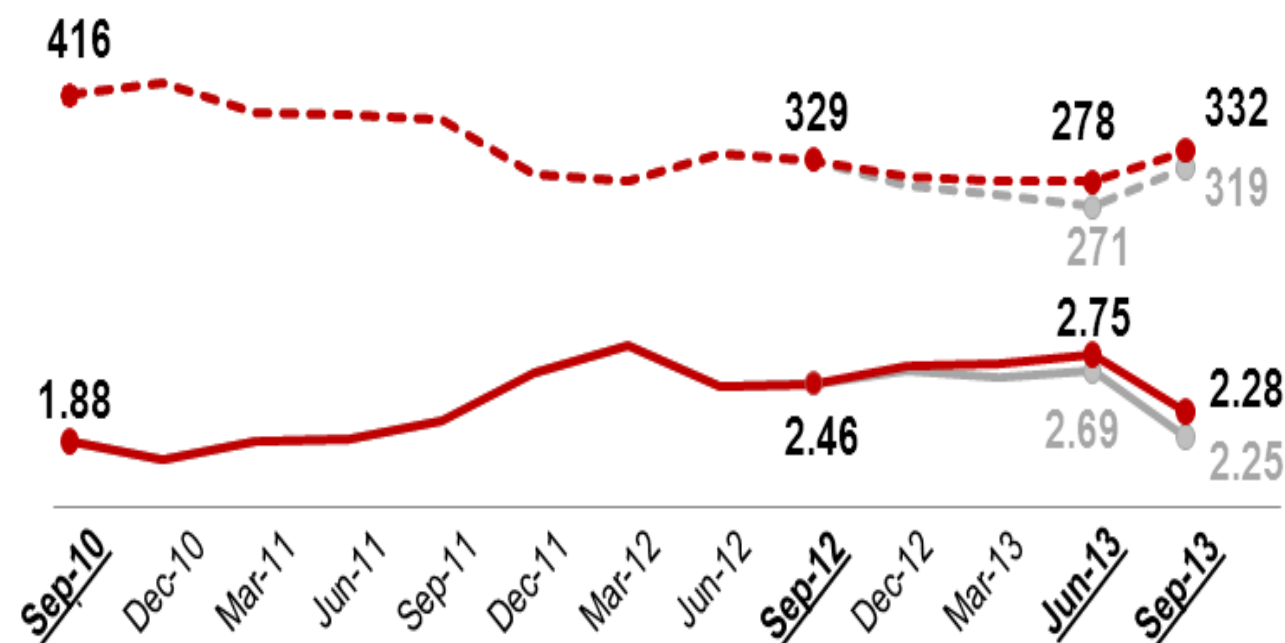


Quality and Coverage (%)

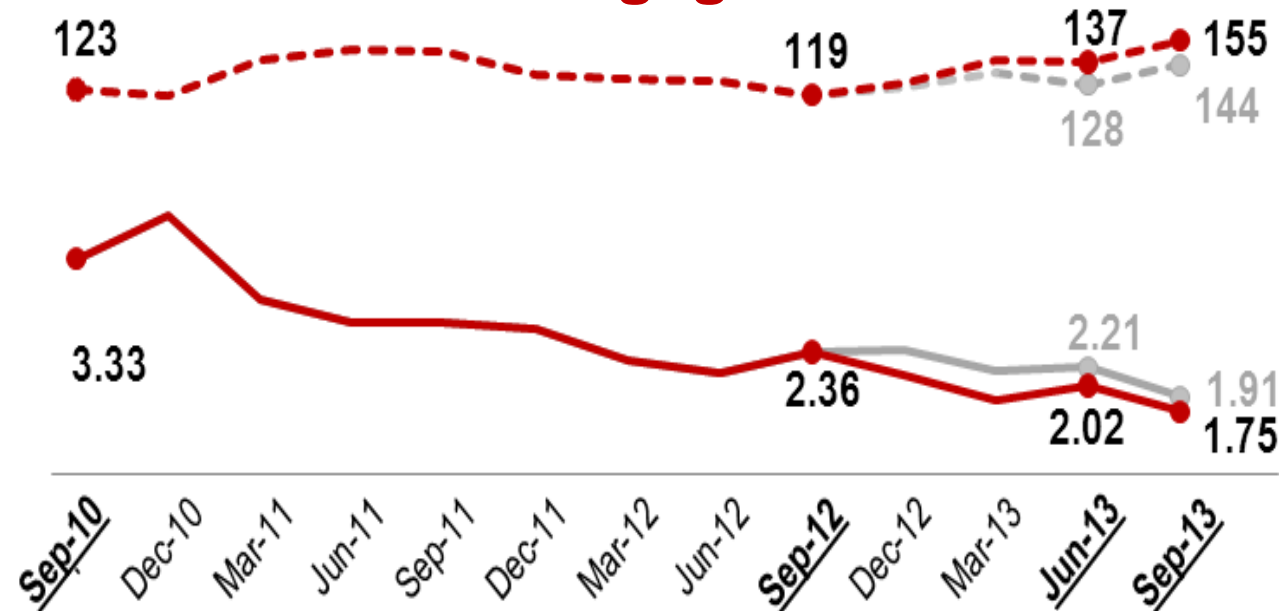
Commercial ¹



Consumer



Mortgage ²



Quality: Loans > 90 days

Coverage: Allowances / Loans > 90 days

¹ Commercial includes microcredit

² Mortgages includes leasing

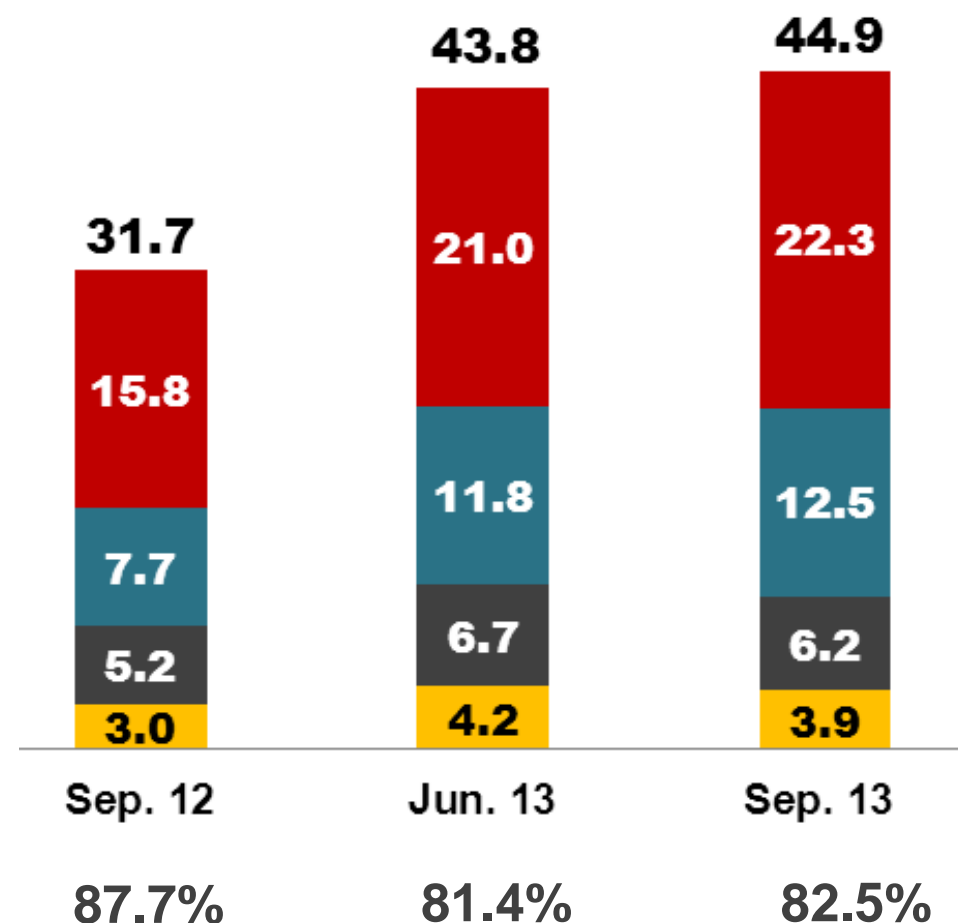


Funding Sources

(COP trillions)

	Consolidado	
	Q/Q	Y/Y
Demand Deposits	5.8%	41.2%
Term Deposits	5.1%	61.5%
Bonds	-6.6%	18.8%
Credits	-6.8%	31.4%
Funding Sources	2.5%	41.5%

Loans Net/
Funding
Sources(1)



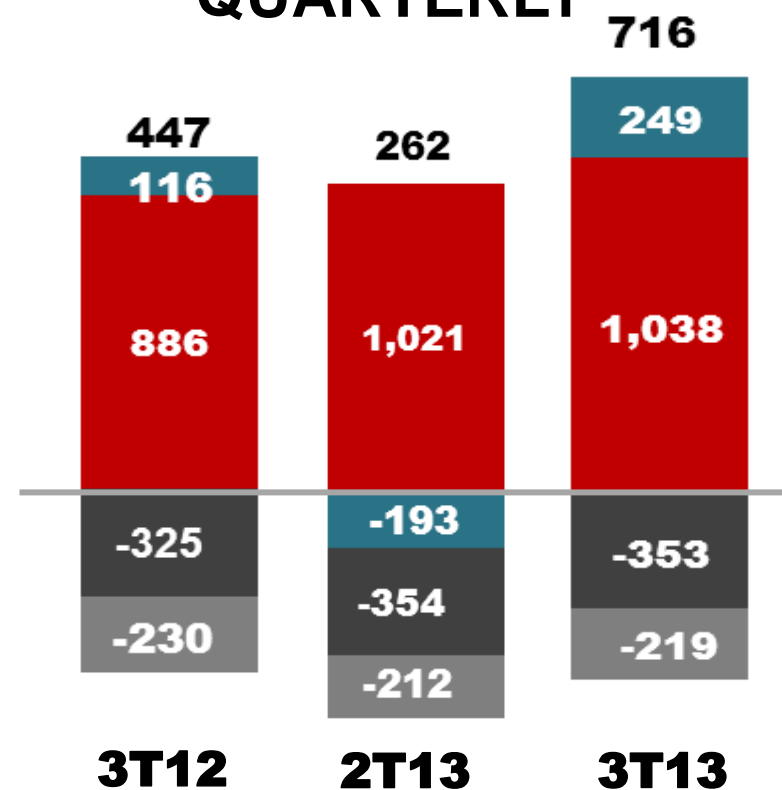
Funding Sources	Sep. 12	Jun. 13	Sep. 13	Q/Q	Y/Y
Colombia	30.4	35.0	36.3	3.7%	19.5%
International	1.3	8.8	8.6	-2.2%	541.8%



Financial Margin, net

(COP billions)

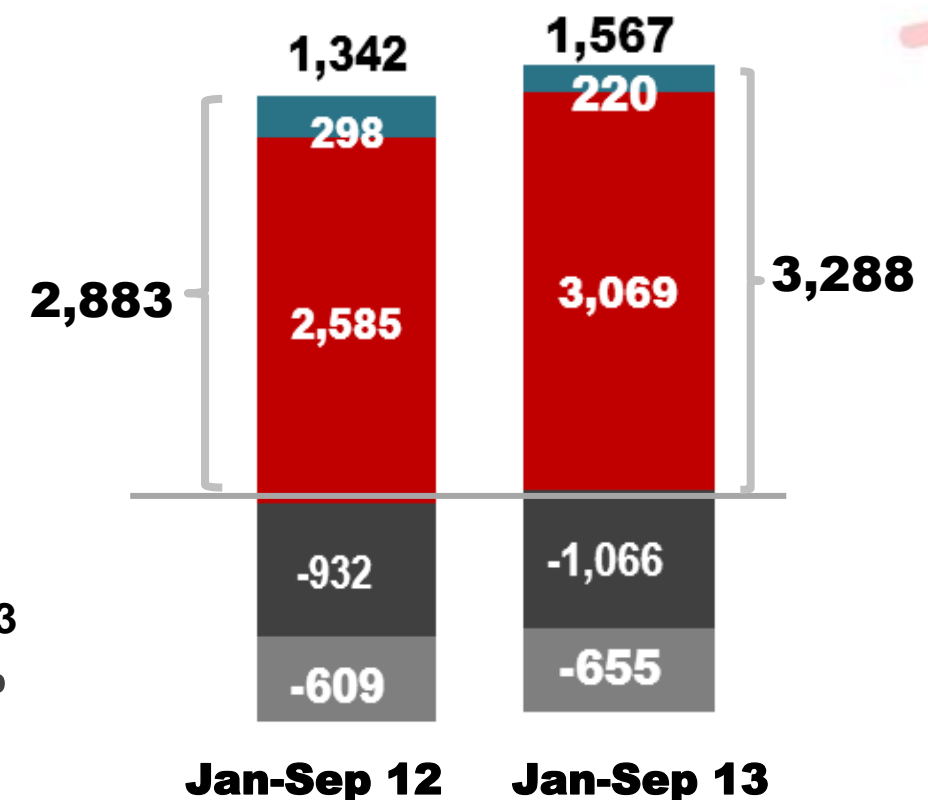
QUARTERLY



NIM(1)

Sep. 12 7.8% Jun. 13 7.1% Sep. 13 7.2%

ACCUMULATED



Consolidated

3Q13/2Q13
(%)

1.7	Loan Income
N/A	Investment Income, Overn.
55.4	Subtotal Financial Income
-0.4	Financial Expenses
3.2	Allowances
172.8	Financial Margin, Net

Consolidated

Accum 13/Accum
12 (%)

18.7
-26.3
14.1
14.4
7.5
16.8

Colombia

Accum 13/Accum
12 (%)

4.2
-44.1
-0.6
-0.2
3.6
-2.9

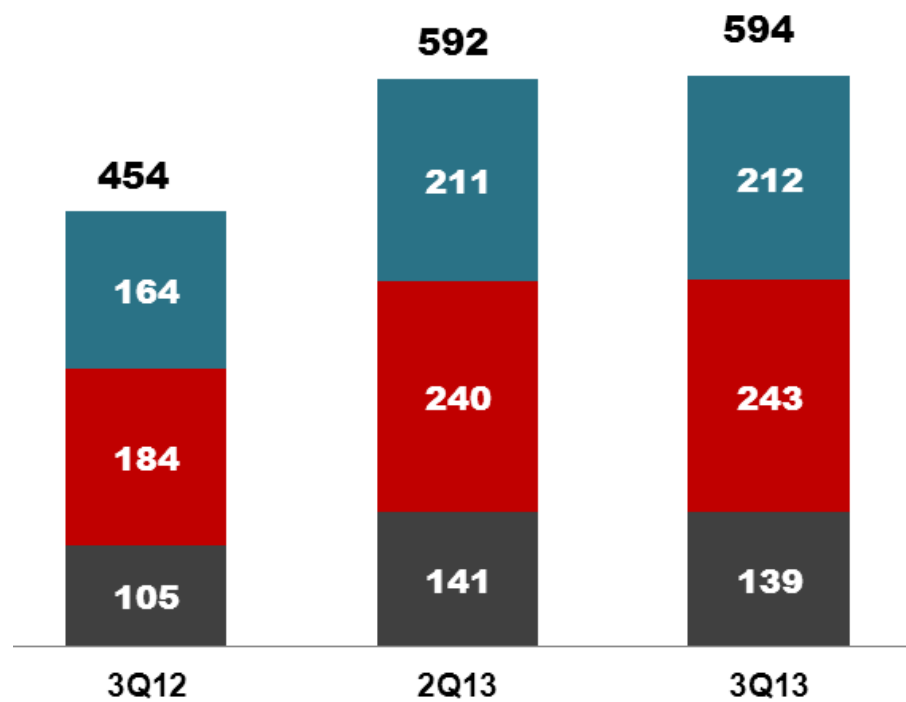
1. NIM: 12 months Gross Financial Margin / Average Interest Earning Assets



Consolidated Expenses

(COP billions)

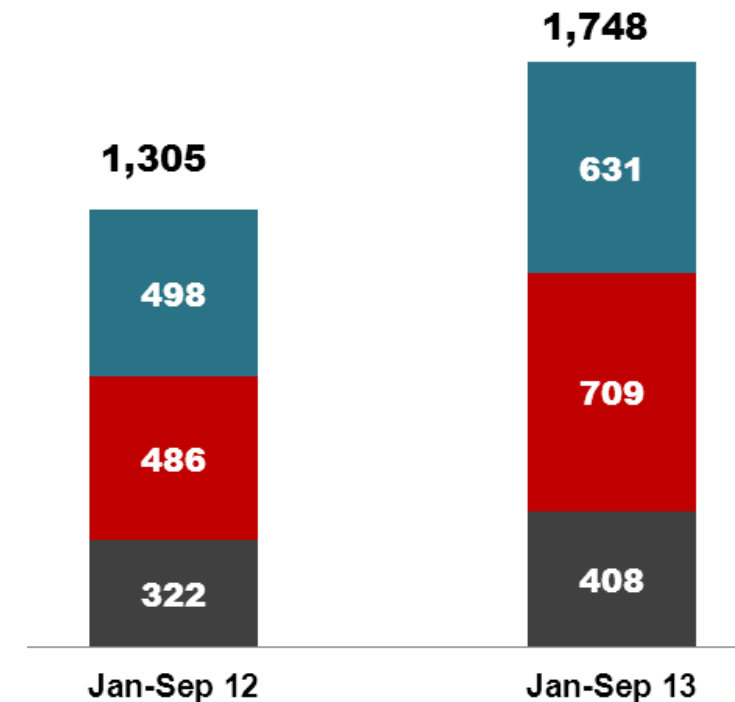
QUARTERLY



Efficiency(1)

Sep. 12	Jun. 13	Sep. 13
47.7%	55.7%	54.7%

ACCUMULATED



Consolidated

3Q13/2Q13
(%)

0.5	Personnel Expenses
1.3	Operating Expenses
-1.0	Other Expenses (2)
0.4	Total Operating Expenses

Consolidated

Accum 13/Accum 12
(%)

26.9
46.1
26.7
34.0

Colombia

Accum 13/Accum 12
(%)

2.2
7.7
8.8
5.9

1 Efficiency (12 months) = Operation expenses Good Will /(Gross Financial Margin + operating income + other income and expenses)

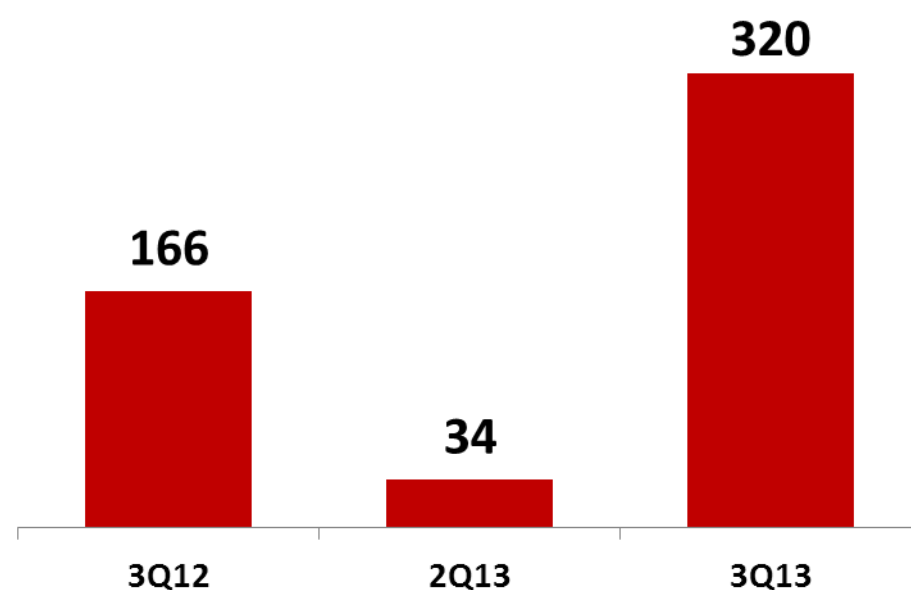
2. Other expenses includes fees, goodwill, depreciation, taxes and deposit insurance



Net Income

(COP billions)

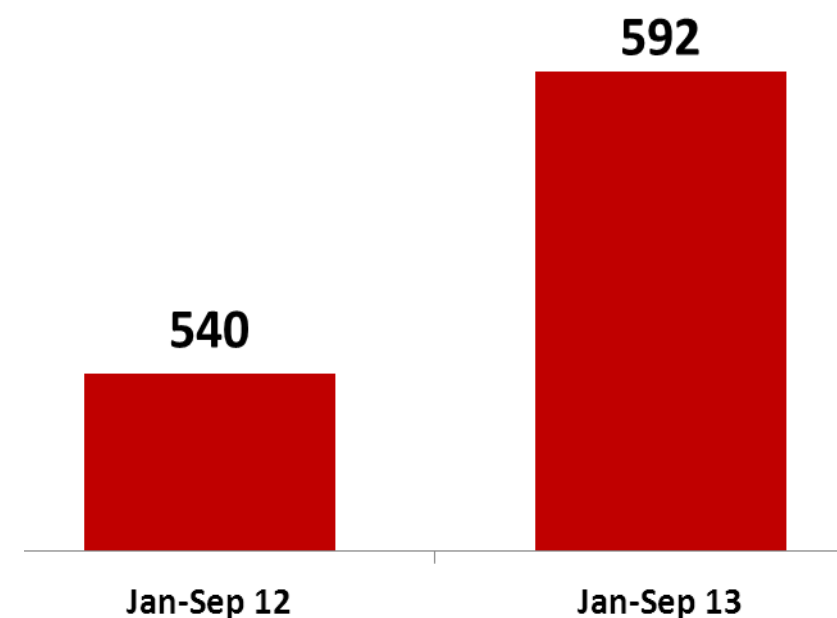
QUARTERLY



ROAE(1)

Sep. 12	Jun. 13	Sep. 13
15.4%	10.7%	13.5%

ACCUMULATED



Consolidated			Consolidated		Colombia
3Q13	3Q13/2Q13 (%)		Accum 13	Accum 13/Accum 12 (%)	Accum 13/Accum 12 (%)
716	172.8	Financial Margin, net	1,567	16.8	-2.9
280	0.7	Fees & Commissions	837	35.3	4.4
-594	0.4	Total Oper. Expenses	-1,748	34.0	5.9
14	-74.6	Non operational, net	69	34.2	33.5
-97	-	Taxes	-132	-20.4	-35.9
320	846.5	Net Income	592	9.6	-3.2

1 ROAE (12 months) = Net income 12 months/ Average Equity

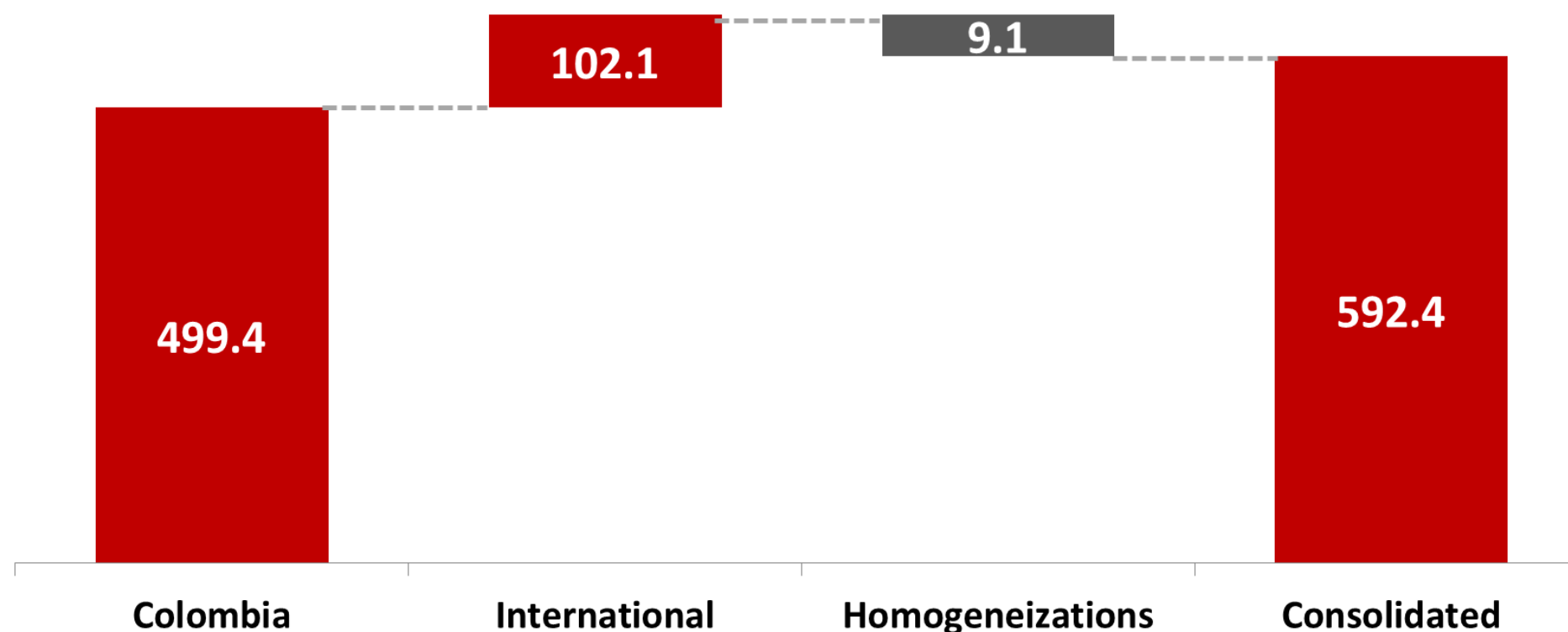
Accumulated Net Income of the System rose 3%, while ROE reached 13%. Source: Financial Superintendence of Colombia



Consolidated

Accumulated Net Income

(COP billions)



Accum. Net Income	Sep 12	Sep 13	Sep 13/ Sep 12
Colombia	516.0	499.4	-3.2%
International	21.7	102.1	371.5%
Homogeneizations	2.7	-9.1	-
Subtotal International	24.4	93.0	281.3%
Total	540.4	592.4	9.6%

Colombia includes Davivienda's individual net income, local subsidiaries and deletions; International includes Panama, El Salvador, Costa Rica and Honduras before standardization. Homogeneizations correspond to homogeneizations to Colombian accounting from the international subsidiaries.





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Thank You!

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