

DAVIVIENDA

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Earnings Presentation

3Q14 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, 2014 will not necessarily constitute an indication of the expected P&L for any other period.



Content

- > **Third Quarter Highlights**
- > **Third Quarter 2014 Financial results**



Third Quarter highlights



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Main Results

- > Net Income for 9M14¹ totaled **COP 754.3** billion, **27.3%** higher compared to 9M13.
- > ROAE² at September 2014 reaches **16.4%** from **13.5%** on 3Q13.
- > Efficiency³ reached **52.5% 218 bps.** Lower than in 3Q13.
- > Gross loan portfolio increased **21.3%** compared to 3Q13.
- > NPL⁴ up to 90 days was **1.59%, 5 bps** lower than last year.

1. Accumulated Net Income as of September 2014 (Consolidated).
2. ROAE (12 months) = Net Income 12 month/ Average Equity.
3. Eficiencia: ((Gastos Operaciones - Crédito Mercantil) / (Margen fin bruto + Ingresos Operacionales + Otros ingresos y egresos, neto))
4. Quality: Loans>90 days.



Consumer Loans

- > Mortgage loan portfolio grew **28.6%** compared to similar period last year.
- > Mortgage disbursements in Colombia were **COP 785** billion during the quarter, **47.9%** more than 3Q13.
- > Consumer loan portfolio grew **14.2%**, with a **28.7%** increase in payroll portfolio in Colombia compared to 3Q13.
- > Consumer loans grew significantly with 3Q14 disbursements of **COP 3.3** trillion, **19.2%** higher than in 3Q13.



Commercial Loans

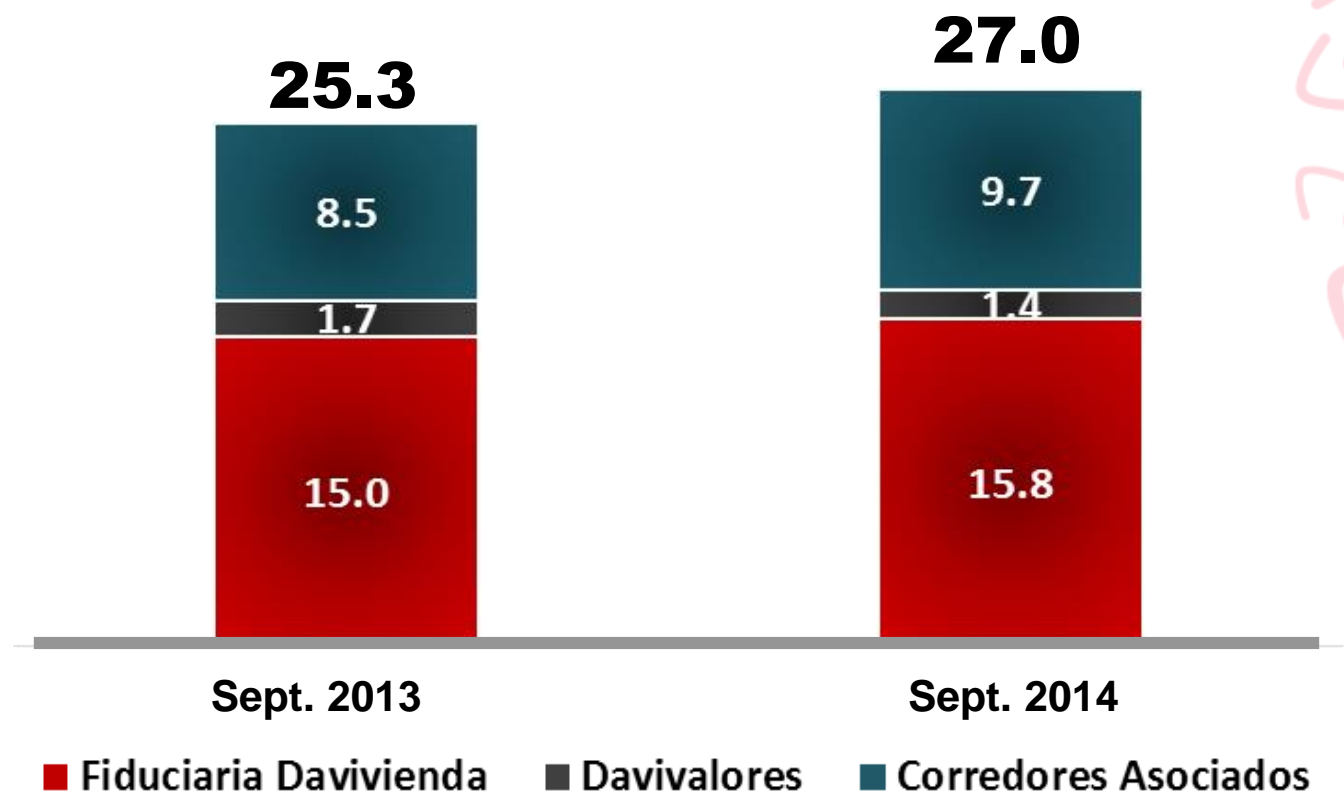
- > Commercial loans grew **21.7%** compared to 3Q13.
- > Corporate loan segment represents the largest state of loan portfolio, with a **20.9%** increase to 3Q13.
- > Constructor loan portfolio balance grows **34.7%** compared to 3Q13.
- > Disbursements in SMEs in Colombia totaled **COP 111** billion during 3Q14, **33.6%** higher than 3Q13.



Assets under Management

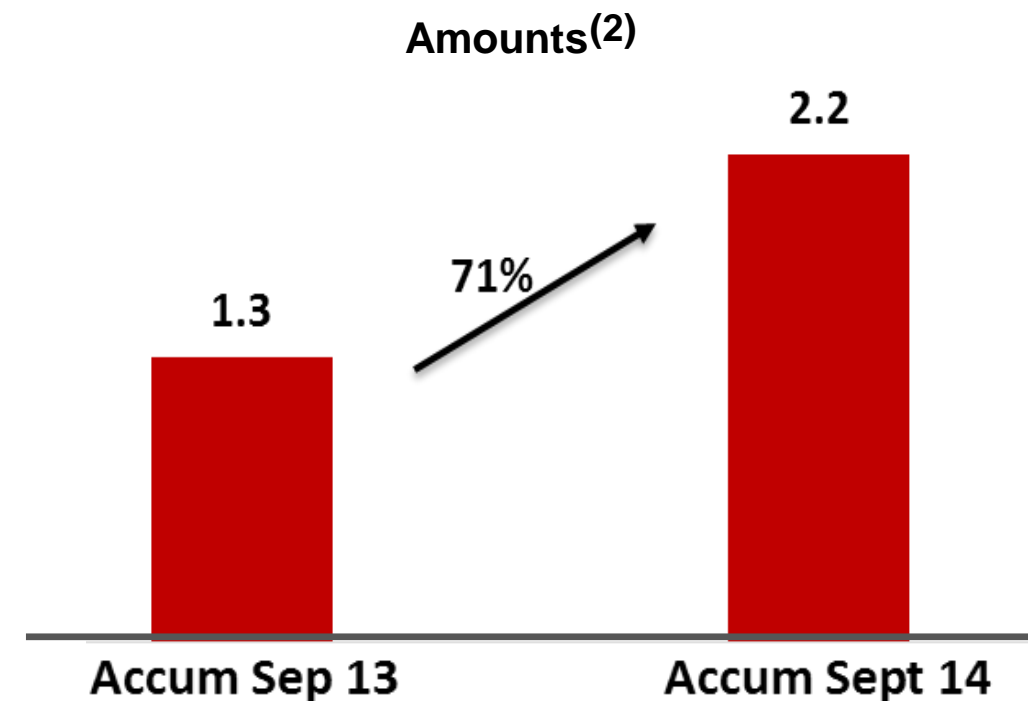
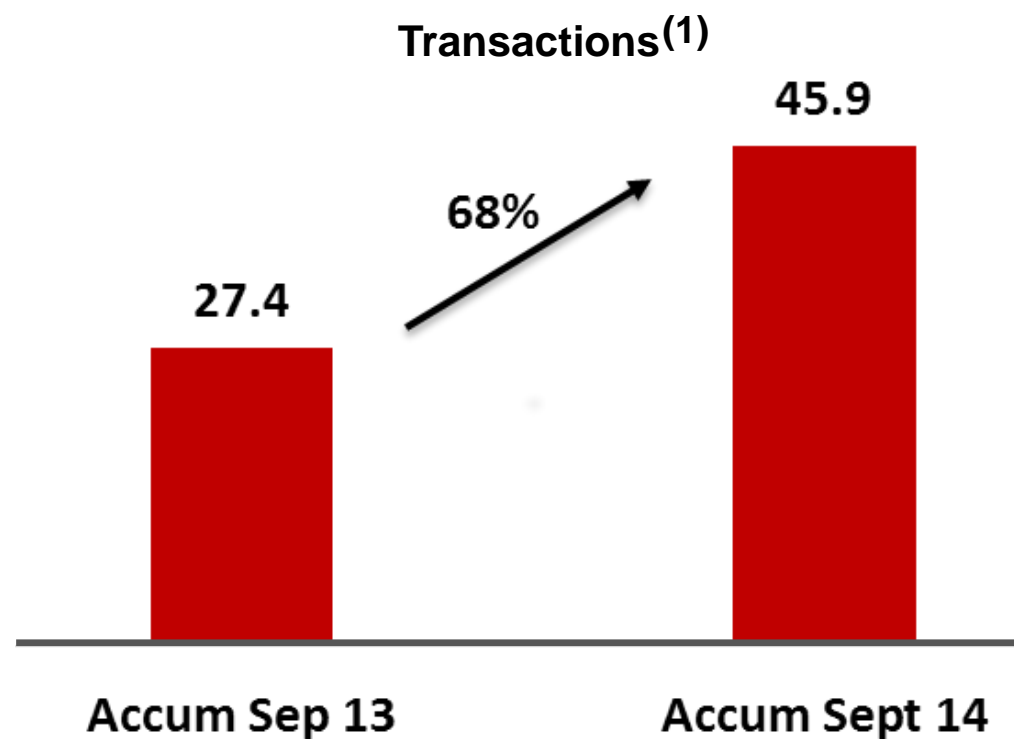
(In trillion pesos)

- > Assets under management grew **6.2%** compared to 3Q13, mainly due to organic operations in Corredores Asociados in mutual funds.
- > The Board of Directors authorized the merger process of Davivalores and Corredores Asociados process that will be completed in 2015.



Daviplata Continues to Add Value

- > More than **2** thousand companies made payments through DaviPlata.
- > Income from payroll and supplier transactions grew **87.7%** compared to 3Q13.



1. Transactions in million COP
2. Transactions amounts in COP Trillion

Davivienda makes its debut on Dow Jones Sustainability Index

- > Acknowledgement made to companies with the highest sustainability standards globally.
- > In 2014 a total of **800** companies were invited to be considered for the DSJ. Only **86** entered. In Colombia, only **9** companies were included.
- > Davivienda presented the highest results in the key indicators measured in its industry.



Other Highlights



> IFC¹ disbursed¹ to Banco Davivienda S.A. a subordinated loan for **US\$172.5** million due in **9 years**.



> Securitization of **COP 266** billion of mortgage loans in September 2014.



> In October 2014 senior bonds were issued in the local market for **COP 600** billion.

1. Loan was disbursed on 31st of July, 2014. It is included on calculation of Tier 2.



Third Quarter 2014 Financial Results

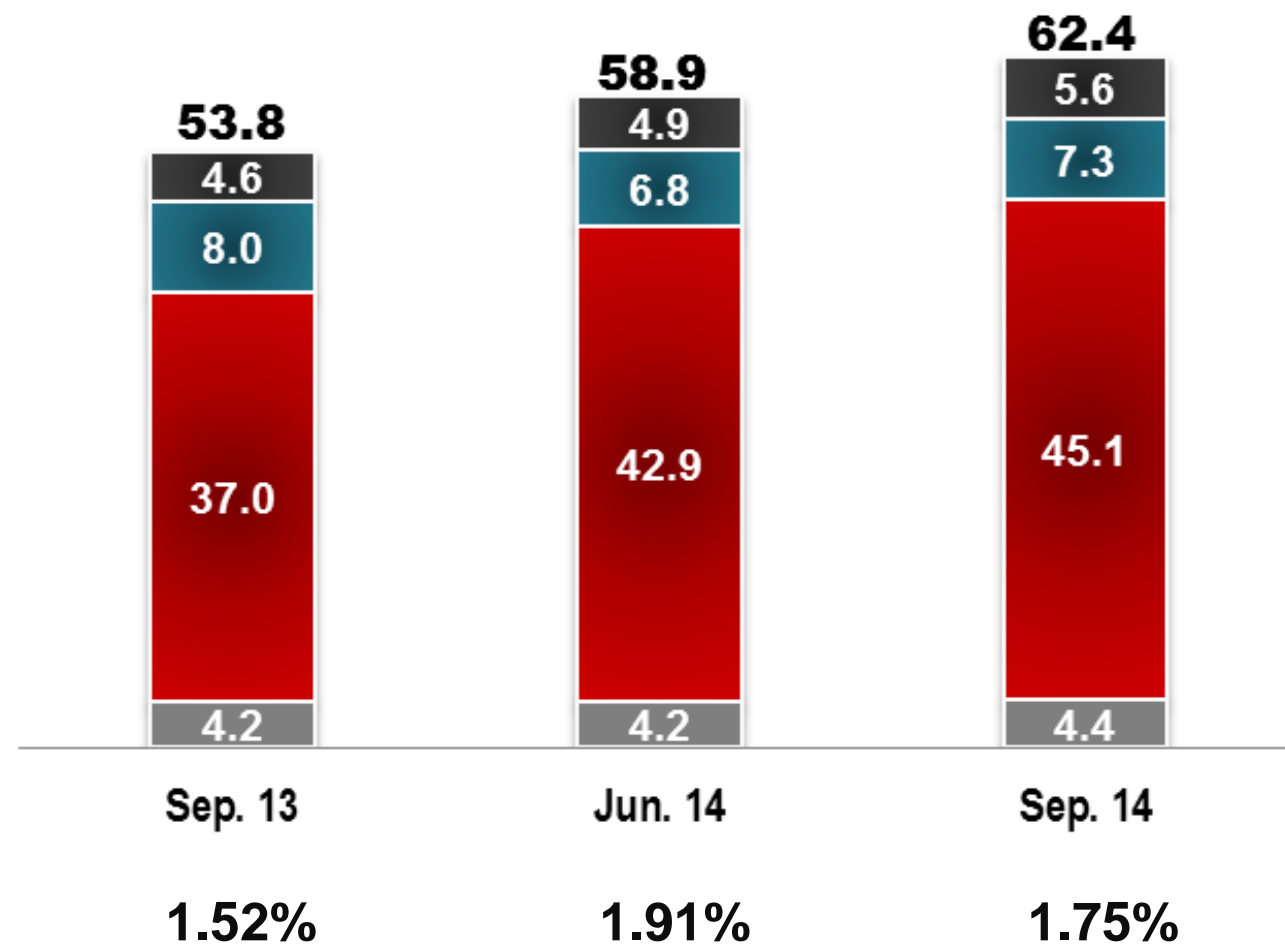


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Consolidated Assets

(COP Trillion)

| | Consolidated | |
|------------------|--------------|-------------|
| | Q/Q (%) | Y/Y (%) |
| Cash | 13.9 | 23.8 |
| Investments, net | 7.6 | -9.1 |
| Loans, net | 5.1 | 21.9 |
| Other assets | 4.7 | 4.2 |
| Assets | 6.1 | 16.0 |



| Assets | Sep. 13 | Jun. 14 | Sep. 14 | Q/Q (%) | Y/Y (%) |
|--------------------------|---------|---------|---------|---------|---------|
| Colombia | 44.6 | 48.7 | 51.4 | 5.7 | 15.3 |
| International (2) | 10.5 | 11.5 | 12.4 | 7.9 | 18.4 |

1. ROAA : Net Income (12 months) /Average assets

2. Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras. Depreciation in dollars discounted, assets in local homologated figures grow at 0.7% with respect to 2Q14 and 14.7% compared to 3Q13

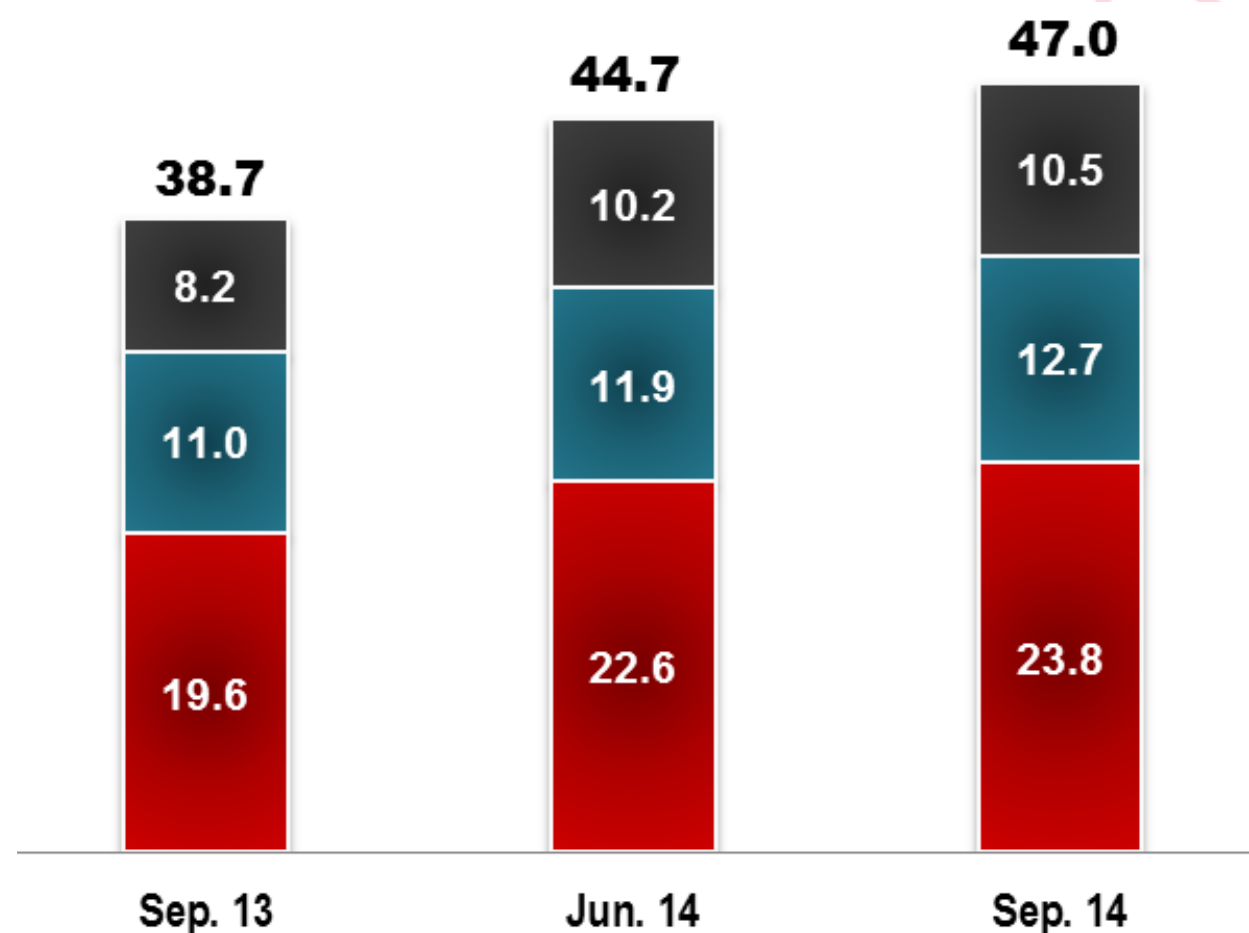


Consolidated

Gross Loans

(COP Trillions)

| | Consolidated | |
|-------------------|--------------|-------------|
| | Q/Q (%) | Y/Y (%) |
| Mortgage (1) | 3.3 | 28.6 |
| Consumer | 6.2 | 15.3 |
| Commercial (2) | 5.1 | 21.7 |
| Gross Loan | 5.0 | 21.3 |



| Gross Loan | Sep. 13 | Jun. 14 | Sep. 14 | Q/Q (%) | Y/Y (%) |
|-------------------|---------|---------|---------|---------|---------|
| Colombia | 32.0 | 37.3 | 38.8 | 4.1 | 21.3 |
| Internacional (3) | 6.7 | 7.5 | 8.2 | 9.8 | 21.4 |

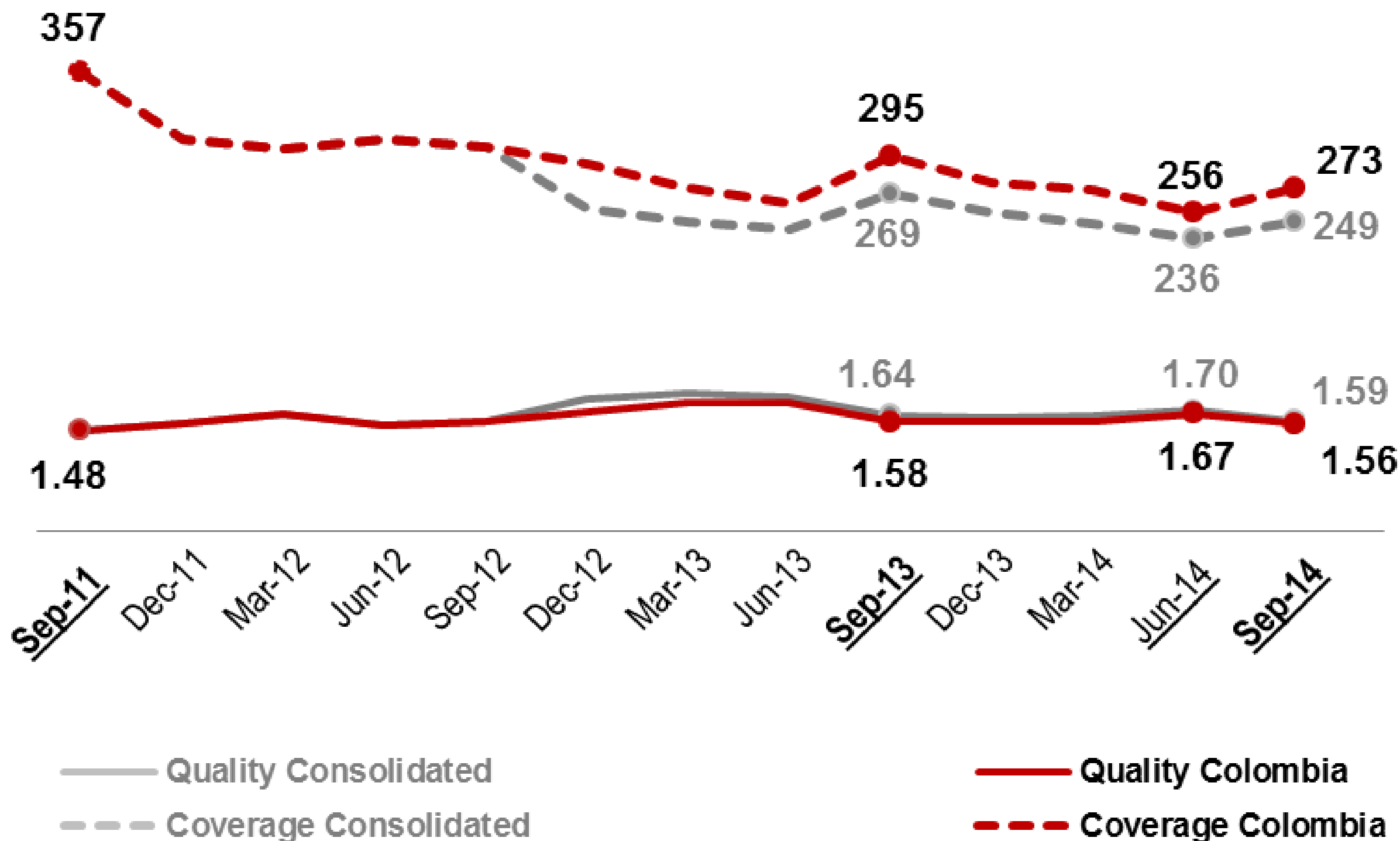
1. Mortgages includes leasing. Growth in mortgages including securitization was 21.5% (securitization balance was \$1,5 billion)

2. Commercial includes microlending

3. Davivienda Internacional includes: El Salvador, Costa Rica, Panama and Honduras. Depreciation in dollars discounted, gross loan in local homologated figures grow at 2.2% with respect to 2Q14 and 19.1% compared to 3Q13



Quality and Coverage (%)

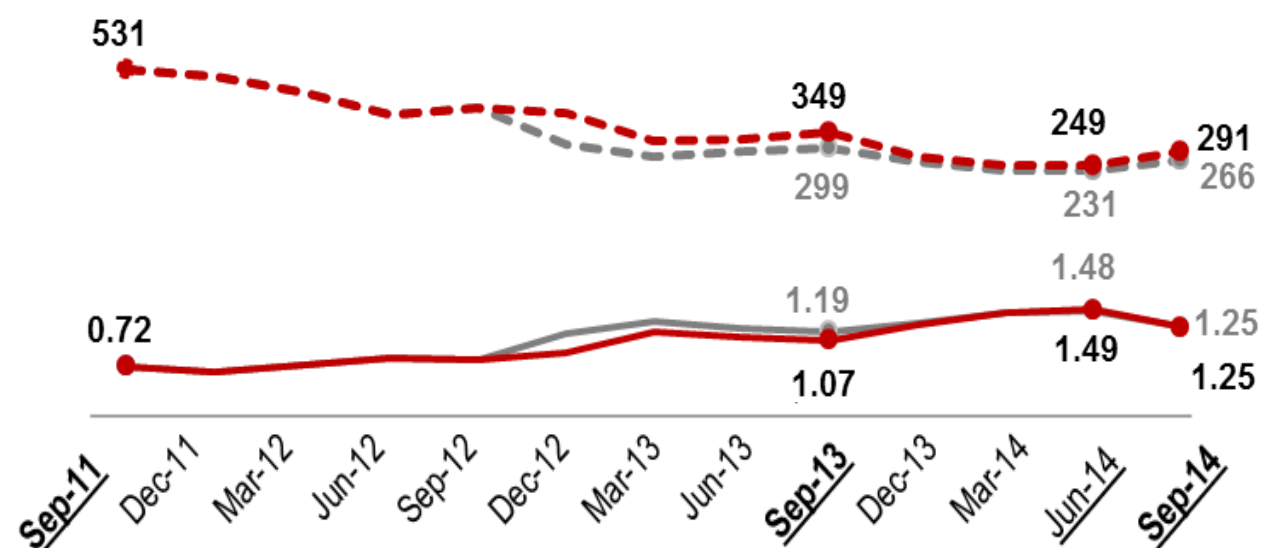


Quality: Loans >90 days
 Coverage: Allowances/ Loans >90 days

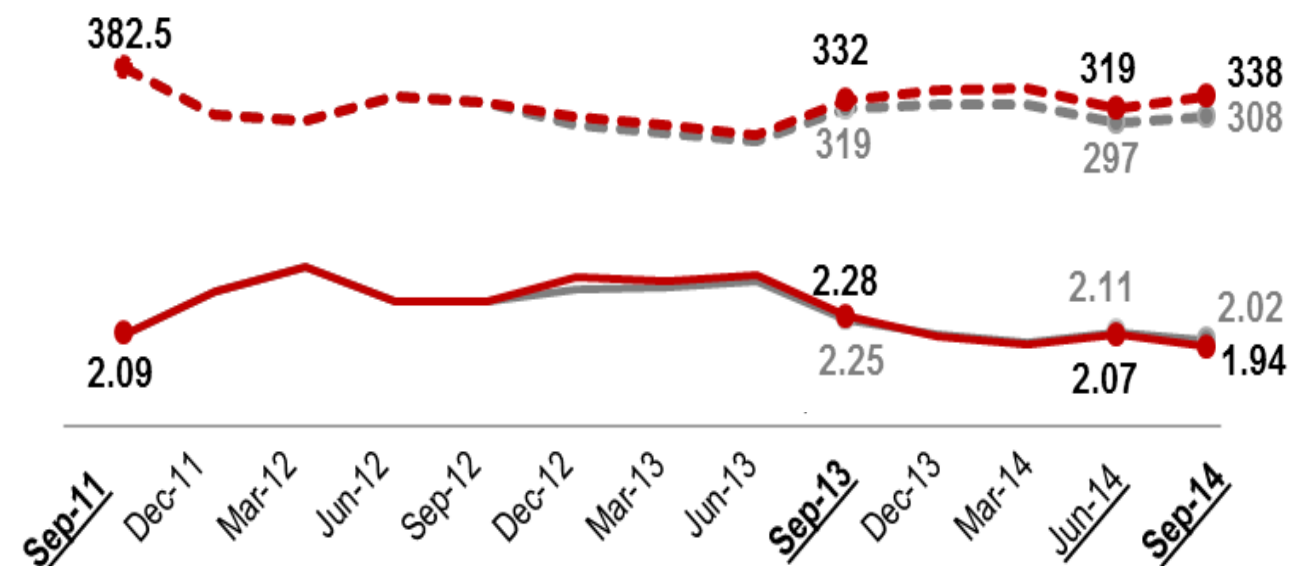


Quality and Coverage (%)

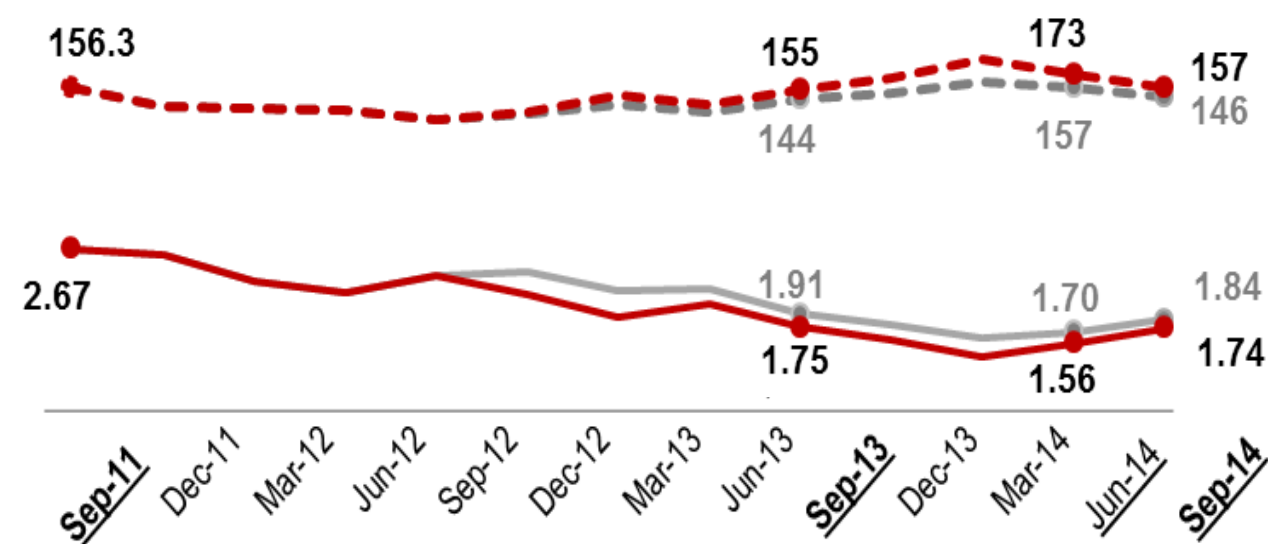
Commercial ¹



Consumer



Mortgages ²



Quality: Loans >90 days

Coverage: Allowances / Loans >90 days

¹ Commercial includes microlending

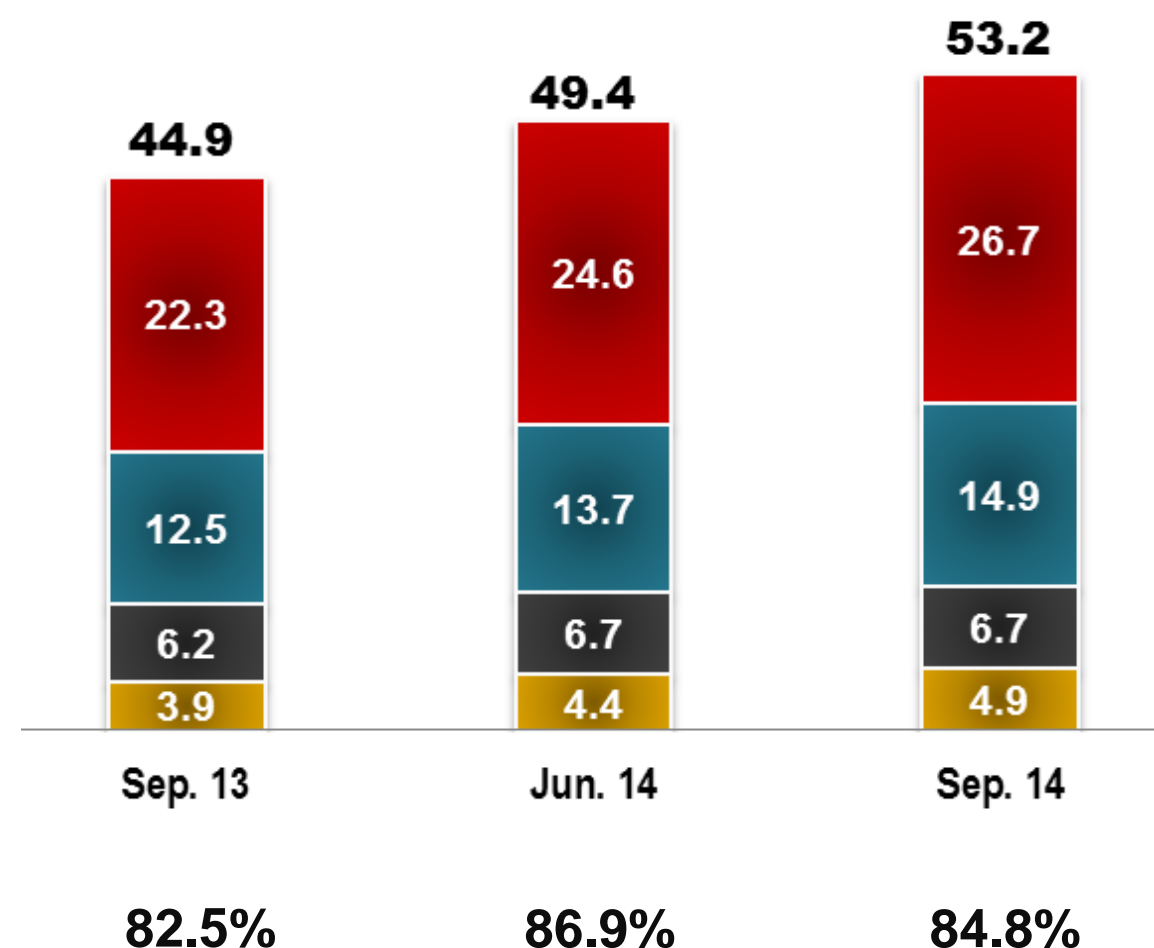
² Mortgages includes leasing for housing



Funding Sources

(COP Trillion)

| | Consolidated | |
|------------------------|---------------------|-------------|
| | Q/Q (%) | Y/Y (%) |
| Demand Deposits | 8.6 | 20.1 |
| Term Deposits | 9.0 | 19.6 |
| Bonds | -0.4 | 6.9 |
| Credits | 10.9 | 25.5 |
| Funding Sources | 7.7 | 18.6 |



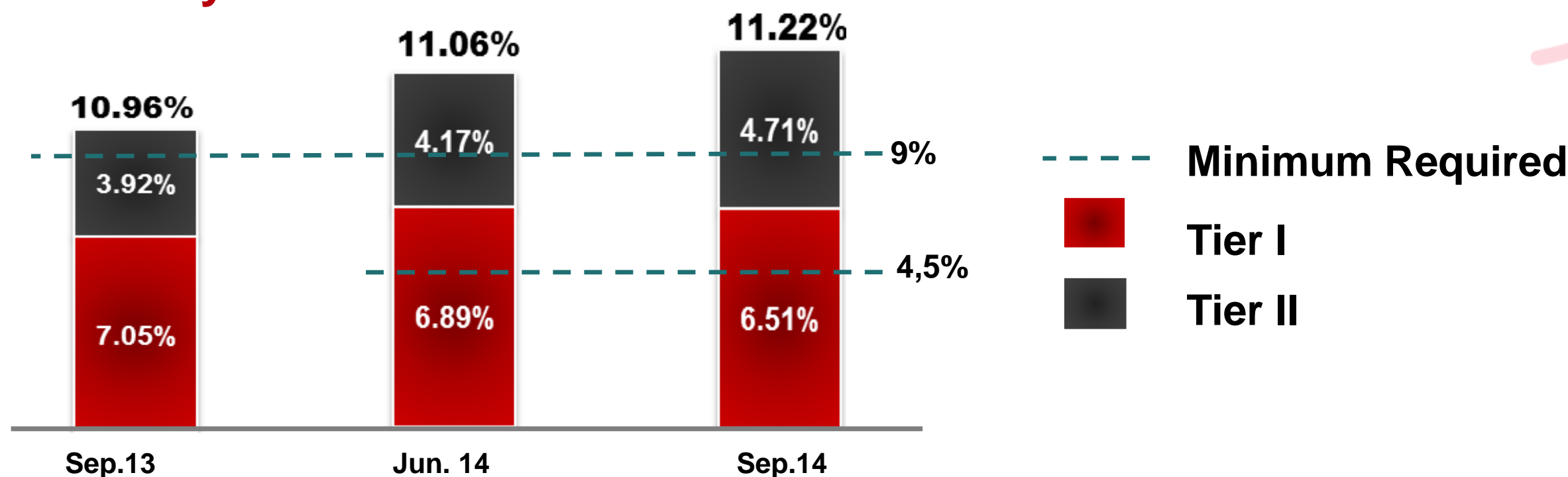
| | Loans, Net/ Funding Sources(1) | | | | |
|------------------------|---|----------------|----------------|------------|------------|
| Funding Sources | Sep. 13 | Jun. 14 | Sep. 14 | Q/Q | Y/Y |
| Colombia | 36.3 | 39.8 | 42.8 | 7.5 | 17.9 |
| International | 8.6 | 9.6 | 10.4 | 8.3 | 21.5 |

1. Funding Sources = Deposits + Bonds + other entities loans
2. Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras. Depreciation in dollars discounted, funding sources in local homologated figures maintain the same level during the quarter and 17.4% compared to 3Q13



Capital Structure

Solvency

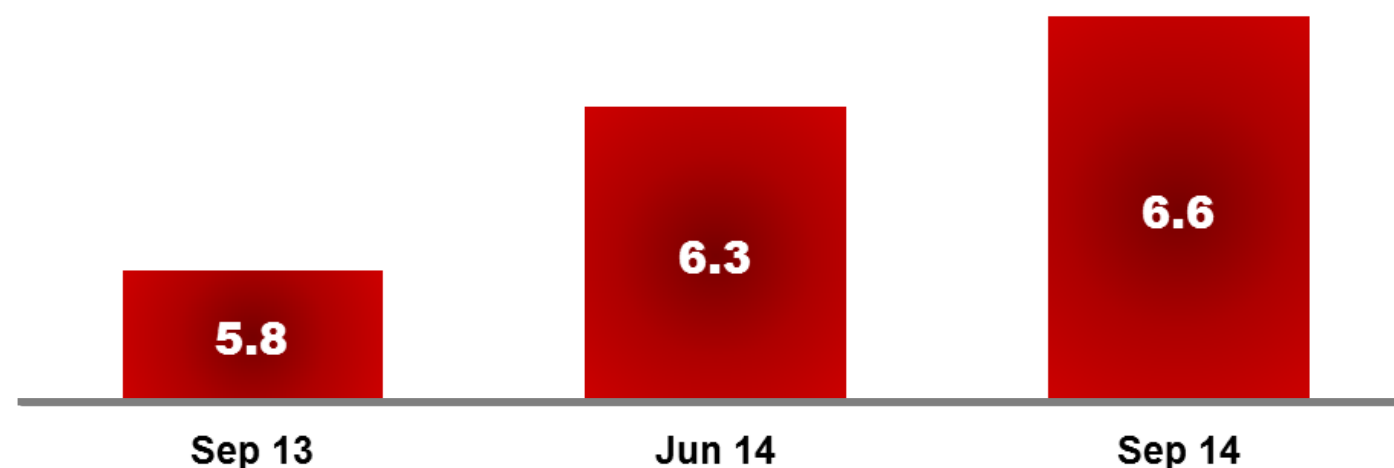


Shareholders' Equity

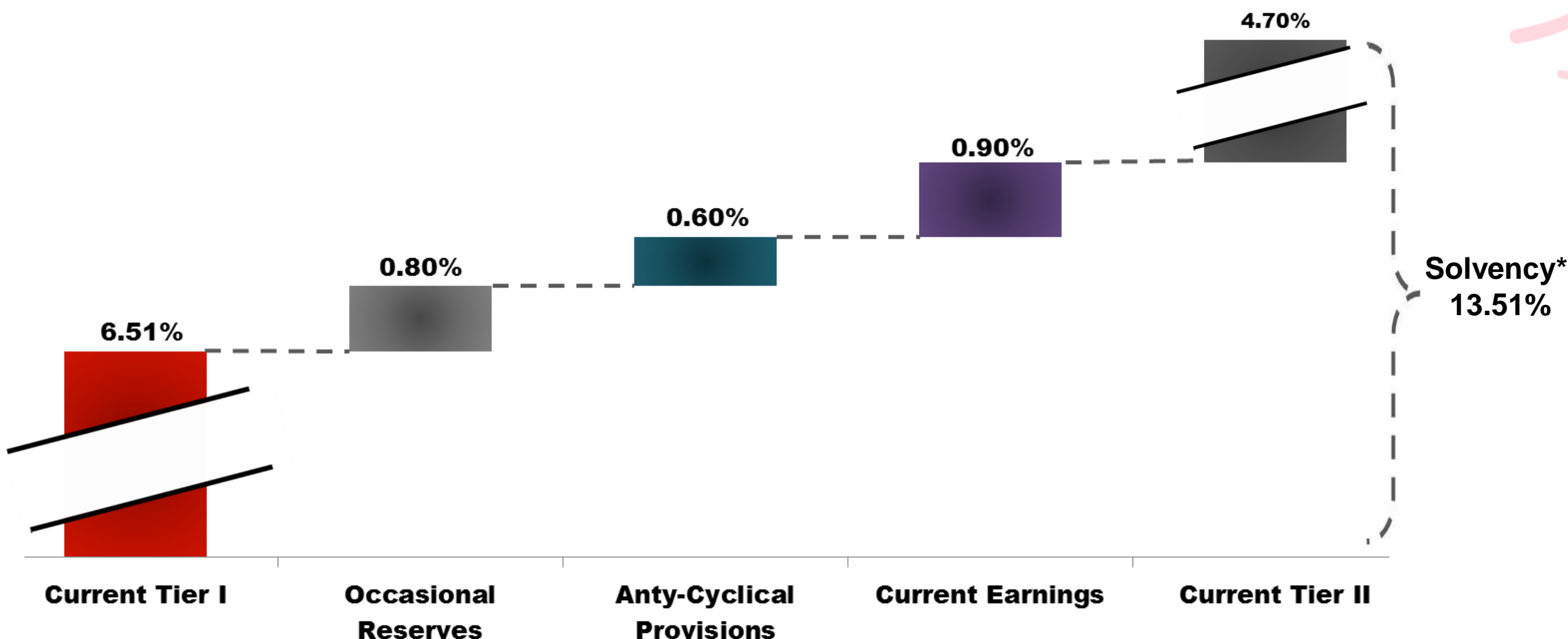
(In COP Trillion)

△ Q/Q: 4.4%

△ Y/Y: 13.4%



Solvency Comparative with International Standards



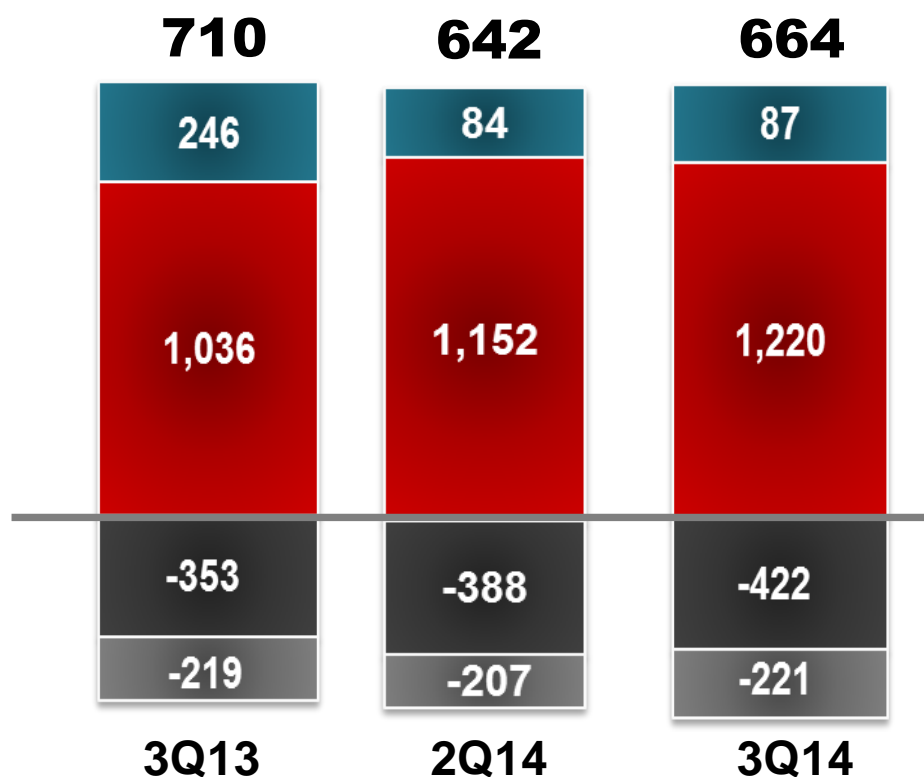
> Solvency¹ under international standards totalled **13,51%**. This ratio includes anti-cyclical provisions, current earnings, and occasional reserves.

1. Davivienda presents this diagram for informative purposes only and cannot anticipate regulators' decisions on international implementations in the country. Figures as of September 2014

Financial Margin, Net

(COP Billions)

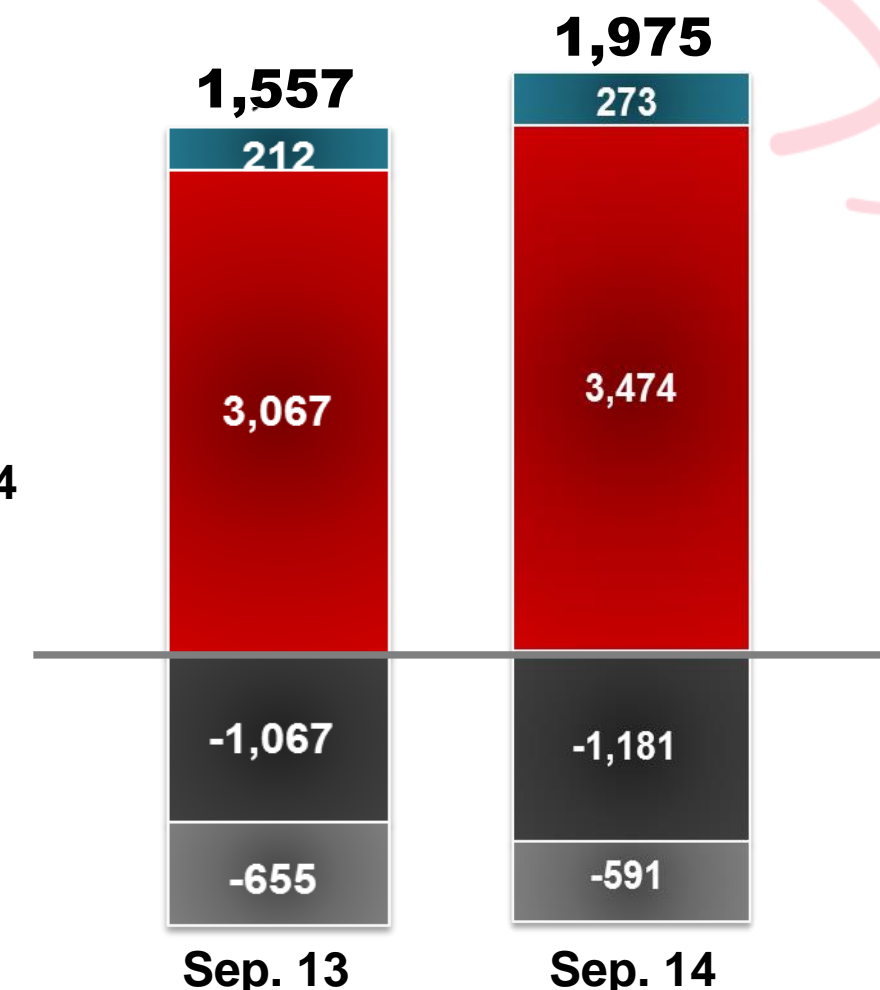
QUARTERLY



NIM(1)

| | | |
|---------|---------|---------|
| Sep. 13 | Jun. 14 | Sep. 14 |
| 7.2% | 7.1% | 6.7% |

ACCUMULATED



| 3Q14 | 3Q14/2Q14 | 3Q14/3Q13 | | Accum. Sep 14 | Sep 14/ Sep 13. |
|--------------|------------|-------------|----------------------------------|---------------|-----------------|
| \$ | (%) | (%) | | \$ | (%) |
| 1,220 | 5.9 | 17.8 | Loan Income | 3,474 | 13.3 |
| 87 | 3.1 | -64.5 | Investment Income, Overn. | 273 | 28.6 |
| 1,307 | 5.7 | 2.0 | Subtotal Financial Income | 3,747 | 14.3 |
| -422 | 8.8 | 19.5 | Financial Expenses | -1,181 | 10.6 |
| -221 | 7.1 | 1.2 | Allowances | -591 | -9.7 |
| 664 | 3.5 | -6.5 | Financial Margin, Net | 1,975 | 26.9 |

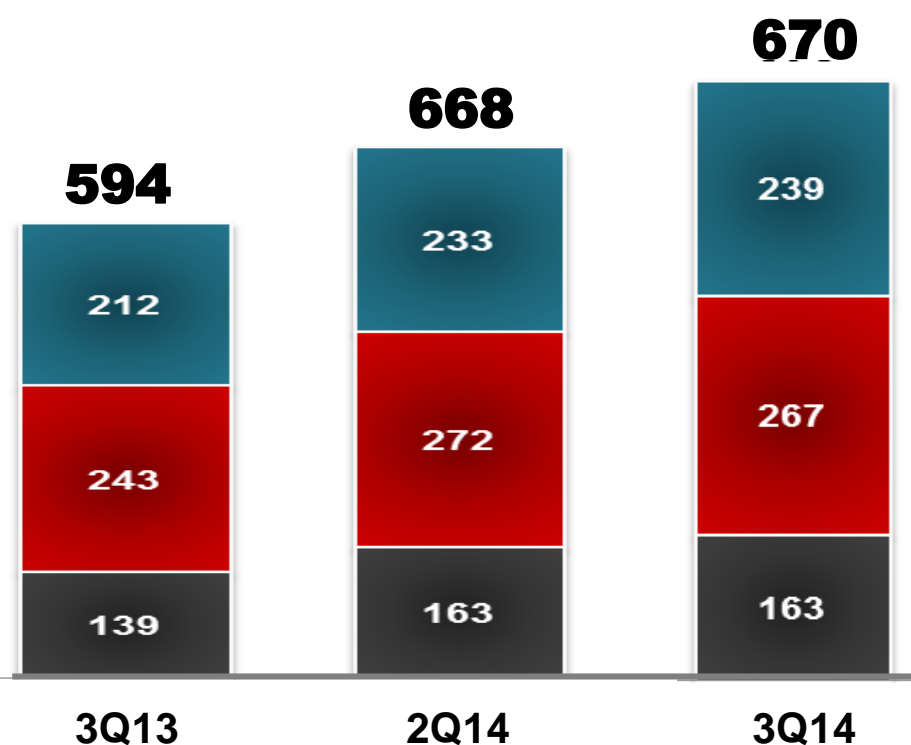
1. NIM: Gross Financial Margin (12 months)/ Average Productive Assets.



Consolidated Expenses

(COP Billions)

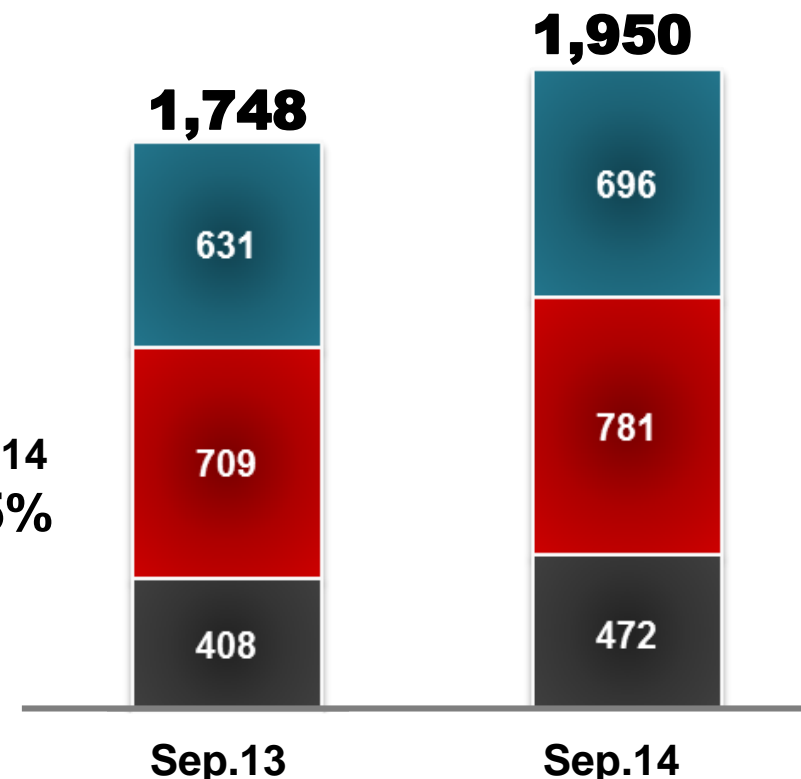
QUARTERLY



Efficiency(1)

| | | |
|---------|---------|---------|
| Sep. 13 | Jun. 14 | Sep. 14 |
| 54.7% | 51.5% | 52.5% |

ACCUMULATED



| 3Q14 | 3Q14/2Q14 | 3Q14/3Q13 | | Accum. Sep 14 | Sep 14/ Sep 13. |
|------------|------------|-------------|-----------------------|---------------|-----------------|
| \$ | (%) | (%) | | \$ | (%) |
| 239 | 2.6 | 13.2 | Personnel Expenses | 696 | 10.3 |
| 267 | -1.8 | 9.9 | Operating Expenses | 781 | 10.2 |
| 163 | 0.4 | 17.1 | Other Expenses (2) | 472 | 15.8 |
| 670 | 0.3 | 12.7 | Total Expenses | 1,950 | 11.5 |

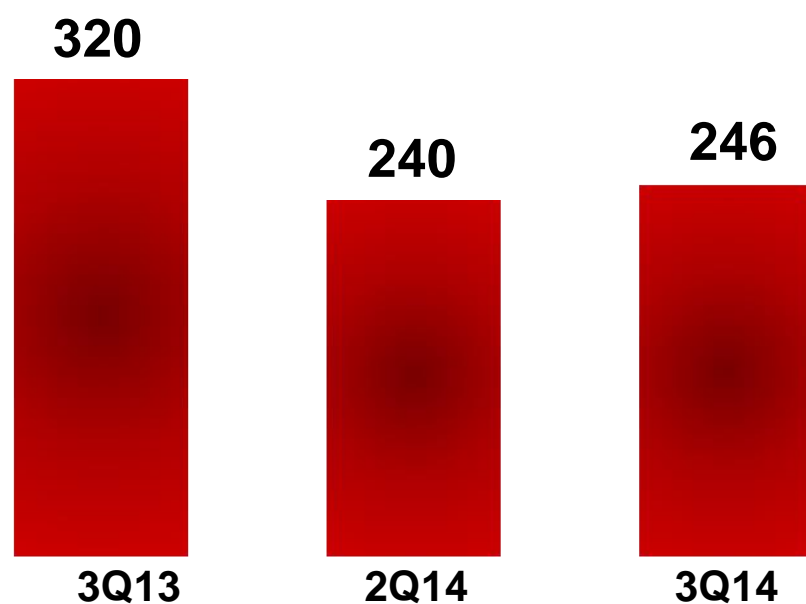
1. Efficiency (12 months) = Operative Expenses w/o Goodwill / (Gross Financial Margin + Operational Income + Other incomes and Expenses NET)
2. Other expenses includes fees, goodwill, depreciation, taxes and deposits insurance



Net Income

(COP Trillion)

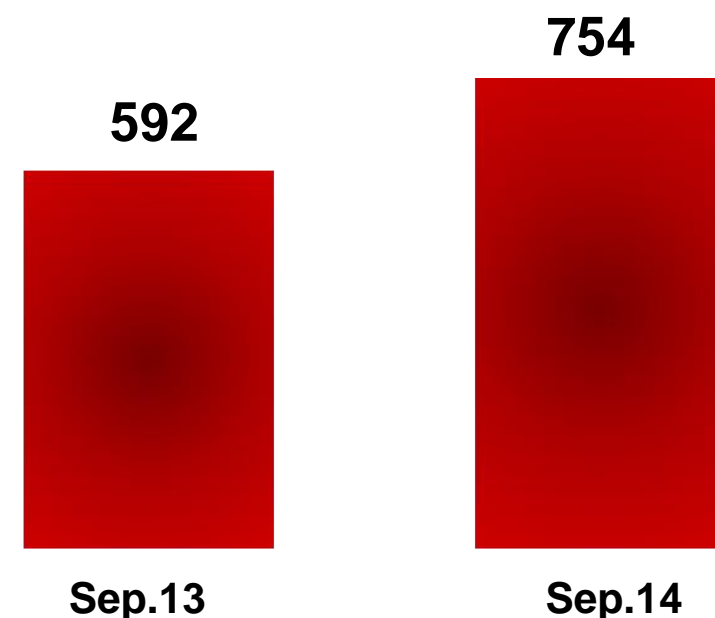
QUARTERLY



ROAE(1)

| | | |
|---------|---------|---------|
| Sep. 13 | Jun. 14 | Sep. 14 |
| 13.5% | 16.5% | 16.4% |

ACCUMULATED



| 3Q14 | 3Q14 / 2Q14 | | Sep 2014 | Sep. 14/ Sep. 13 |
|------------|-------------|-----------------------|------------|------------------|
| | (%) | | | (%) |
| 664 | 3.5 | Financial Margin, net | 1,975 | 26.9 |
| 311 | 1.5 | Fees & Commissions | 931 | 11.3 |
| -670 | 0.3 | Total Expenses | -1,950 | 11.5 |
| 30 | -21.2 | Other (2) | 55 | -30.5 |
| -89 | 14.4 | Taxes | -257 | 94.5 |
| 246 | 2.3 | Net Income (3) | 754 | 27.3 |

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

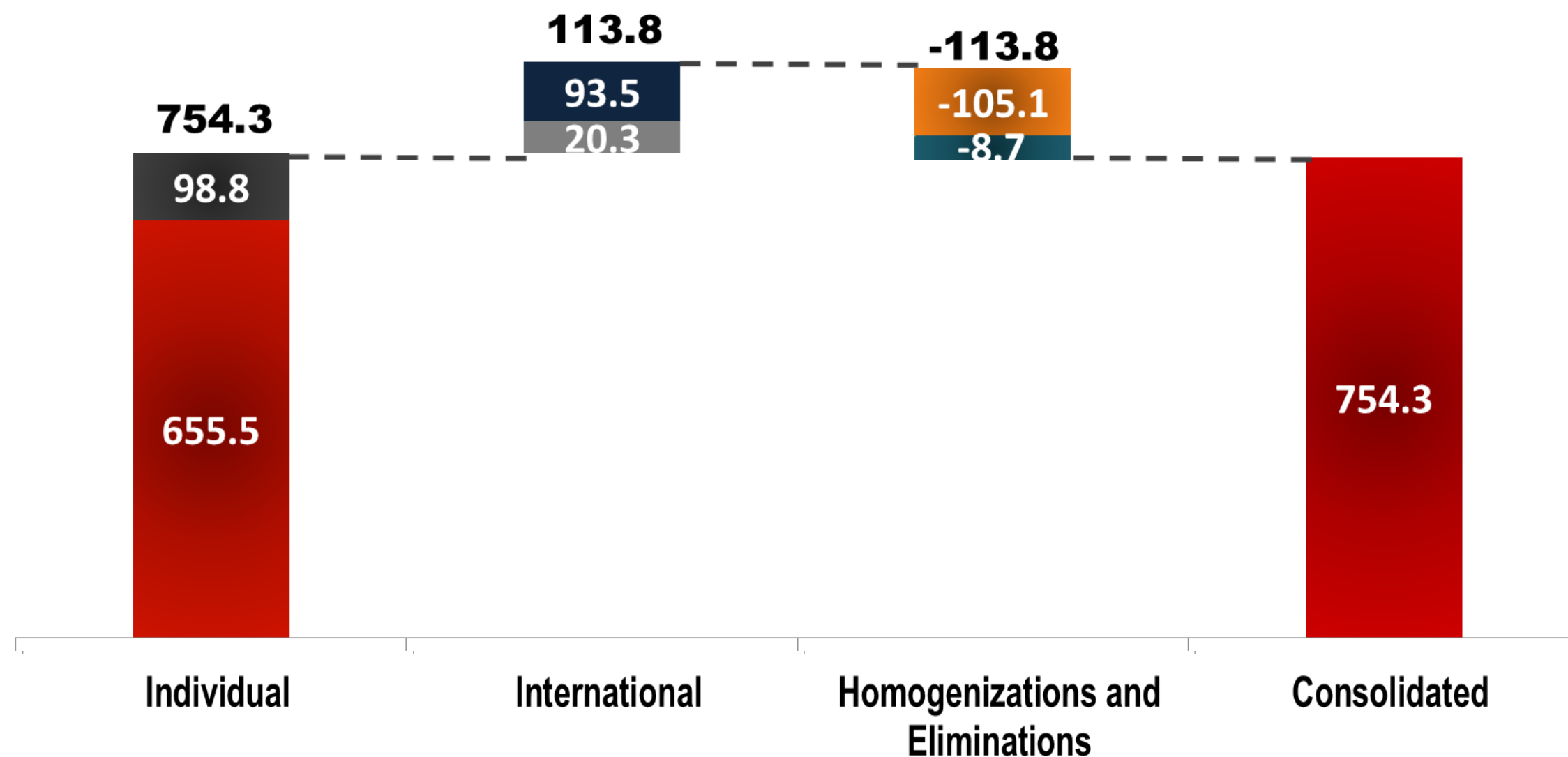
2. Other includes: other income and expenses, other provisions, non-operating net and minority interest.

3. Net income after eliminations, homologations and homogeneizations.



Accumulated Net Income

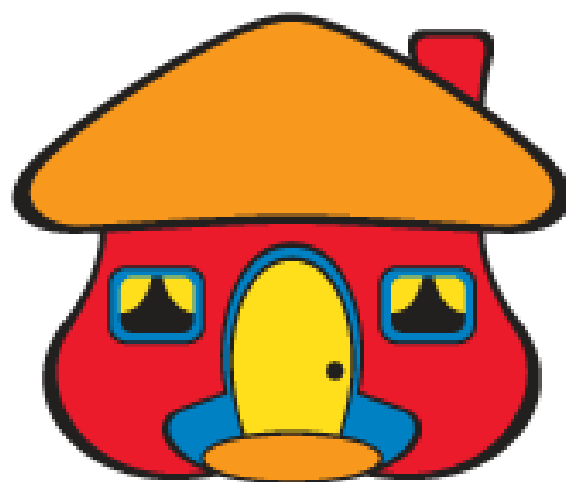
(COP billions)



- Dividends received from internacional subsidiaries
 Net Income from International Subsidiaries
- Net Income Local Subsidiaries
 Deletions
 Homogenizations

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





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Thank You!

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