

Earnings Presentation 4Q16 Consolidated Results

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> Fourth Quarter Highlights

> Fourth Quarter 2016 Financial Results



FOURTH *QUARTER* HIGHLIGHTS

Fourth Quarter Highlights Main Results

- Accumulated net income reached \$1.72 trillion, growing 39.5% compared to the same period last year.
- > At December ROAE¹ closed at **18.5%**, improving **322 b.p.** compared to 4Q15.
- > Accumulated net financial margin was \$3.74 trillion, growing at a rate of 19.8% compared to December 2015.
- Efficiency² ratio shows an improvement of **173 b.p.** when compared to last year, reaching **45.1%**.
- Gross Loan portfolio grew 13.8% during the year. In Colombia, our portfolio increased 17.2% while the system rose by 7.5% annually.
- > NPL ratio reached 1.93%, 31 b.p. above December 2015.



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

2. Efficiency: ((Operating expenses) / (Gross financial margin + Operating income + Net Exchange and derivatives + Others)).

Fourth Quarter Highlights Retail Loans

- > Retail loans¹ reached **\$34.6** trillion increasing **15.3%** compared to 4Q15.
 - Mortgage Loan Portfolio closed at \$15.8 trillion, growing 15.1% compared to the same quarter 2015. NPL indicator closed at 2.51%, 51 b.p. above december 2015 and a coverage indicator including total reserves of 97.3%.
 - Consumer loan portfolio reached \$18.9 trillion, representing a growth of 15.6% when compared to the same period last year.
 - > Unsecured personal loans in Colombia reached \$4.1 trillion, which represents a growth of 25.4% on a yearly basis.
 - > Annual growth of 32.6% on vehicle portfolio is highlighted in Colombia, closing at \$2.0 trillion.
 - > NPL ratio for consumer portfolio closed at 2.58%, which represents an impairment of 19 b.p. compared to 2015. Coverage indicator including total reserves reached 255.4%.
- Retail loans portfolio of international subsidiaries increased in USD 9.9% yearover-year, highlighting the growth in Costa Rica of 21.8%.





- Commercial¹ loans portfolio closed at \$38.2 trillion, a growth of 12.4% compared with 4Q15. This portfolio in Colombia grow 16.4% annually.
 - SME's portfolio in Colombia closed at \$5.6 trillion, a growth of 19.1% compared to 4Q15.
 - Construction loans in Colombia reached at \$3.6 trillion, a growth of 21.4% compared to the fourth quarter last year.
 - Commercial Leasing portfolio reached \$1.8 trillion, which represents a growth of 34.1% compared to the same quarter last year.
- > NPL for comercial loans portfolio reached 1.36%, which represents an impairment of 27 b.p. compared to 2015. Coverage indicator closed at 237.5%.
- Regarding our international subsidiaries, commercial loans portfolio grew in USD by 6.0% compared to the same period last year, highlighting the growth in Costa Rica by 18.7% annually.



1. Commercial loans portfolio includes Microcredit.





On November Banco Davivienda Salvadoreño issued ordinary bonds in the local market by US\$30 million.



On December 2016 we securitized mortgage loans by COP \$169 billion.



In the same month the Bank sold properties by COP \$637 billion, recognizing profits by COP \$200 billion.





On December Banco Davivienda received 1.4 million shares of Credibanco¹ due to the conversion to Sociedad Anónima², reaching a participation of 15.55%, which generated profits by COP \$107 billion.



On January 2017 a Diversified Payment Rights (DPR) was issued by USD \$150 million.



On February 2017 the Board of Directors of the Bank approved to capitalize its subsidiary Banco Davivienda Internacional (Panamá) by USD \$21 million³.



- 1. Specialized company in the development of low value transactional systems.
- 2. Sociedad Anónima is similar to a corporation.
- 3. In addition, it was approved the same subsidiary to capitalize Grupo del Istmo Costa Rica, subject to regulatory authorizations.

FOURTH QUARTER Financial Results 2016



				90.7	93.5	
			83.7	7.9	8.4	
			7.9	9.2	9.1	
	4Q16/3Q16	4Q16/4Q15	8.8			
Cash	6.7%	5.7%				
Investments, net	(0.7%)	3.8%		68.7	71.3	
Loans, net	3.7%	14.2%	62.4			
Other assets	(4.4%)	3.5%				
Assets ⁽¹⁾	3.1%	11.7%	4.6	5.0	4.8	_
			Dec. 15	Sep. 16	Dec. 16	

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

1. Includes deletions of Colombia under the international subsidiaries by COP 1.1 trillion. Devaluation of COP during 4Q16 was 4.2%. Revaluation was 4.7% on a yearly basis.



Consolidated Gross Loans (COP Trillion)

				70.7	72.9
			64.1	15.1	15.8
			13.7		
	4Q16/3Q16	4Q16/4Q15	16.3	17.9	18.9
Mortgage	4.5%	15.1%			
Consumer	5.6%	15.6%			
Commercial ⁽¹⁾	1.4%	12.4%	34.1	37.7	38.3
Gross Loans	3.1%	13.8%			

Dec. 15 Sep. 16

Dec. 16

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

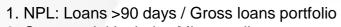
1. Commercial includes microcredit.

Devaluation of COP during 4Q16 was 4.2%. Revaluation was 4.7% on a yearly basis.



	NPL ¹ > 90 days				
	4Q15	3Q16	4Q16		
Commercial ²	1.09%	1.74%	1.36%		
Consumer	2.39%	2.52%	2.58%		
Mortgage	2.00%	2.28%	2.51%		
Total	1.62%	2.05%	1.93%		

	Coverage ³				Total Reserves Coverage		
	4Q15	3Q16	4Q16		4Q15	3Q16	4Q16
Commercial ²	242.2%	153.7%	137.5%	Commercial ²	312.7%	213.6%	237.5%
Consumer	188.6%	188.5%	182.8%	Consumer	256.3%	260.4%	255.4%
Mortgage	34.9%	56.0%	18.0%	Mortgage	112.6%	104.4%	97.3%
Total	167.0%	141.3%	119.5%	Total	238.3%	202.2%	204.2%



2. Commercial Includes Microcredit.

3. Coverage: P&L Allowances / Loans >90 days

4. Reserves: (P&L Allowances + Equity Allowances)/ Loans >90 days



Consolidated Funding Sources (COP Trillion)

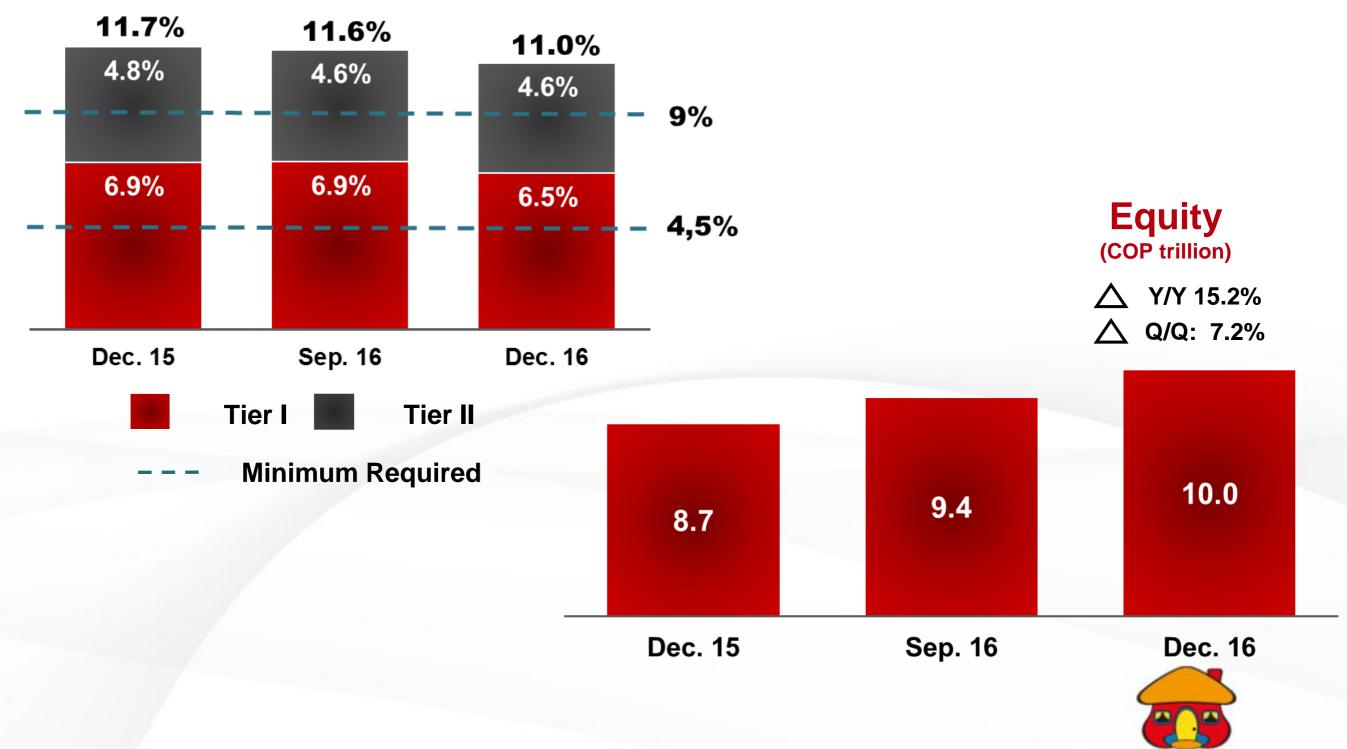
				70.0	76.0	78.1
	4Q16/3Q16	4Q16/4Q	15	70.9 32.1	31.9	34.0
Demand Deposits Term Deposits Bonds	6.4% (2.1%) (1.2%)	5.8% 23.9% 3.6%		20.7	26.2	25.7
Credits Funding Sources	9.7% 2.8%	1.7% 10.3%		9.3 8.8	9.7 8.1	9.6 8.9
	Net Loan / Fundi	ng Sources		Dec. 15 88.0%	Sep. 16 90.4%	
Funding S	ources I	Dec. 15 S	Sep. 16	Dec. 16	4Q16 / 3Q16	4Q16 / 4Q15
Colombia		51.3	57.3	59.0	2.9%	14.9%
Internation	al COP\$	19.6	18.7	19.2	2.7%	(1.9%)
Internation	al USD\$	6.2	6.5	6.4	(1.4%)	3.0

Devaluation of COP during 4Q16 was 4.2%. Revaluation was 4.7% on a yearly basis.



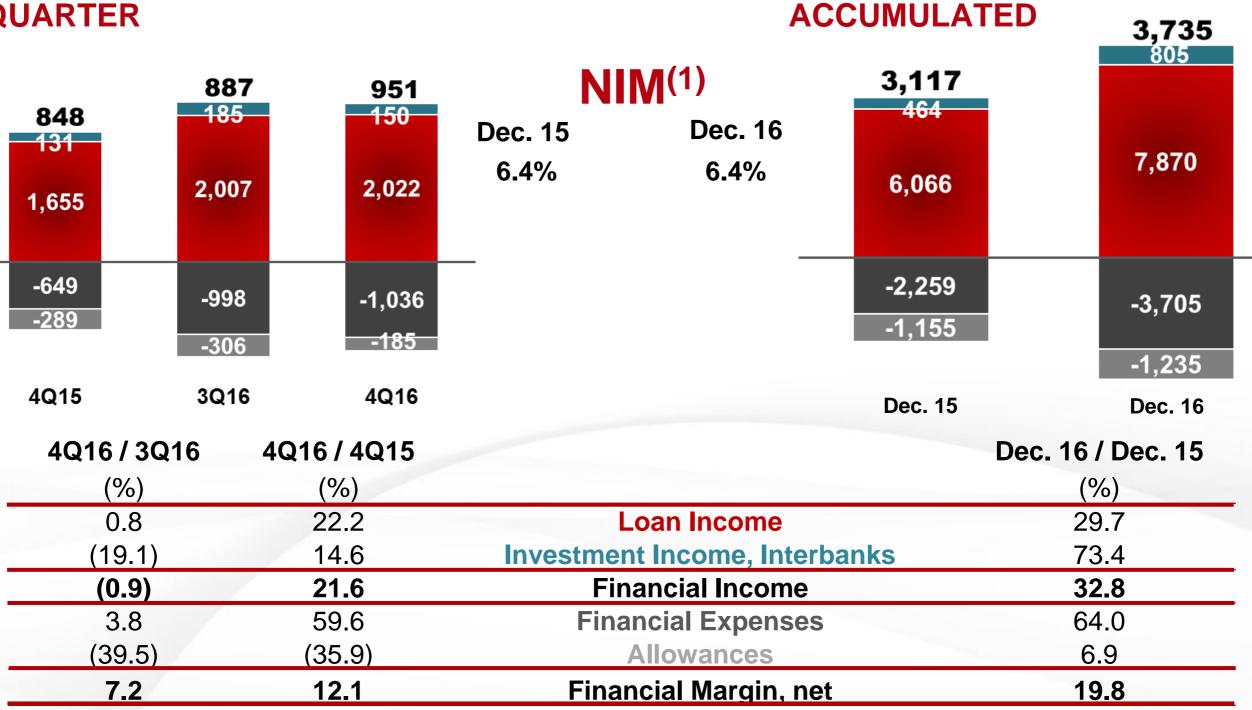
Consolidated Capital Structure

Solvency



Consolidated Financial Margin, Net (COP Billion)

QUARTER





1. NIM: Gross Financial Margin (12 months) / Average Productive Assets. Devaluation on average exchange rate was 11.1% Y/Y. Revaluation was 0.4% Q/Q. Consolidated Expenses (COP Billion)

QUARTE	R				ACCUMULA	
		863	Effici	ency ⁽¹⁾	2,525	2,935
706	697	0.54	Dec. 15	Dec. 16		1,282
290	310	351	46.8%	45.1%	1,110	1,202
315	288	391			1,062	1,236
101	99	121			353	418
4Q15	3Q16	4Q16			Dec. 15	Dec. 16

4Q16/3Q16 (%)	4Q16/4Q15 (%)		Dec. 16 / Dec. 15 (%)
13.0	21.0	Personnel Expenses	15.4
35.9	24.2	Operational Expenses	16.4
22.1	19.2	Other Expenses ⁽²⁾	18.5
23.8	22.2	Total Expenses	16.3

1. Efficiency (12 months) = Operative Expenses / (Gross Financial Margin + Operational Income + Other incomes and Expenses net).

2. Other expenses includes amortization and depreciation, intangibles amortization, taxes and deposits insurance.

Devaluation on average exchange rate was 11.1% Y/Y. Revaluation was 0.4% Q/Q.



Net Income (COP Billion)

Consolidated

QUARTER

ACCUMULATED

319	3	63	535	Dec. 15 ROAE ⁽¹⁾ 15.3% ROAA ⁽²⁾ 1.59%	Dec. 16 18.6% 1.92%	1,237		1,725
Q15	30	216	4Q16			Dec. 15		Dec. 16
4Q16	/3Q16	4Q16/4Q	15				Dec. 16	6 / Dec. 15
C	%	%						%
7	.2	12.1	1000	Financial N	/largin, net		1	9.8
(12	2.1)	(6.8)		Operative	e Income		1	4.7
23	3.8	22.2		Operative	Expenses		1	6,3
50	0.2	100.0		FX Changes, Deriv	vatives and	Others	2	03.1
20	0.5	54.0		Income b			3	86.5
(4(D,O)	6.4		Тах			2	29.0
	7.2	67.6		Net Inc	ome ⁽³⁾			39.5

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

2. ROAA: Net Income (12 months) / Average Assets.
3. Net income after eliminations, homologations and homogenizations.

Thank you!

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