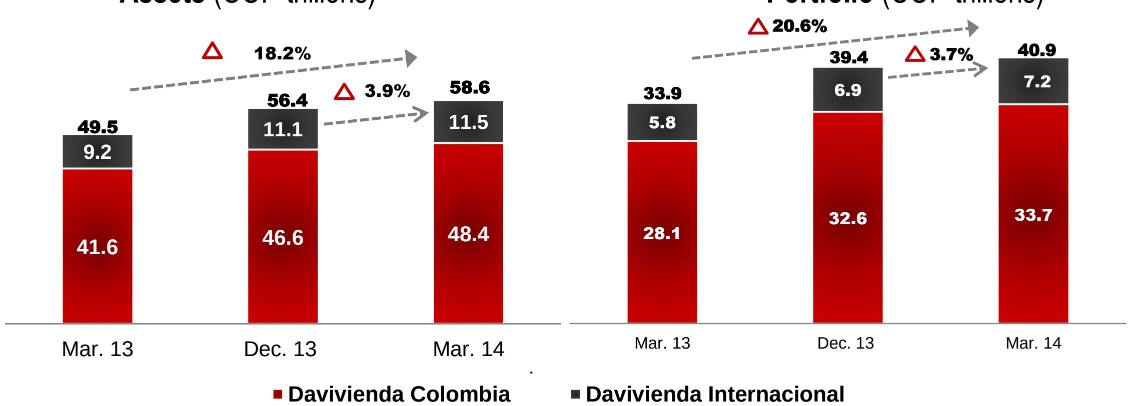
DAVIVIENDA ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2014

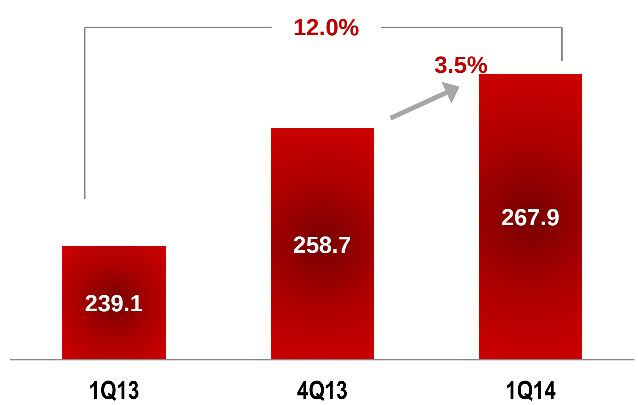
Bogota, Colombia, May 09, 2014 - Banco Davivienda (BVC: PFDAVVNDA), ("the Company", "Davivienda" or "the Bank"), a leading commercial bank in the Colombian financial market and a subsidiary of Grupo Bolivar, announces its consolidated results for the period ended March 31, 2014 (1Q14). The results are expressed in Colombian Pesos (COP) and were prepared in accordance with the accounting principles accepted in Colombia.

KEY FINANCIAL DATA PERFORMANCE

Assets (COP trillions)[1] **Portfolio** (COP trillions)



Consolidated Earnings Quarterly
(COP billions)



[1] Total assets includes deletions and reclassifications totaling COP 1.2 trillion for March 2013, COP 1.4 trillion for December 2013 and COP 1.3 trillion for March 2014.

MAIN CONSOLIDATED RESULTS
FIRST QUARTER 2014 (1Q14)

- The net profit for the first quarter of the year reached COP 267.9 billion, up 12% from 1Q13, mainly due to a 13.9% increase in the net financial margin for the same period. International subsidiaries contributed COP 22.4 billion to the period's results.

- NIM[2] closed the quarter at 6.6%, 40 basis points below the previous quarter and 154 basis points lower than 1Q13. The efficiency indicator stood at 54.5%, 68 basis points higher than 4Q13 and 327 basis points higher than 1Q13.

- Net profit per share[3] was COP 762.1 at the end of 1Q14, up 50% from 4Q13 and nearly 71% higher than 1Q13.

- Assets amounted to COP 58.6 trillion, 3.9% higher than 4Q13 and 18.2% more than 1Q13. Of these assets, net loan portfolio[4] maintained a share of 69.8% of the total assets, while investments[5] and cash stood at 13.8% and 9.3% respectively.

- The gross loan portfolio closed the quarter at COP 42.6 trillion, up 3.6% from 4Q13 and 19.8% up from 1Q13, the growth of the commercial loan portfolio stood out with a 3.5% increase compared to 4Q13 and 18.6% compared to 1Q13. Additionally, the mortgage portfolio maintained an annual growth rate of nearly 40% with a 6.6% increase compared to 4Q13.

- The delinquent portfolio quality indicator[6] was 1.64%, 24 basis points below the indicator reported in 1Q13. Portfolio provisions in the amount of COP 1.7 trillion, resulted in a coverage of 248%.

- The quarterly provision expense was COP 163.3 billion, a decrease of 20.8% compared to 4Q13 and 27.3% compared to 1Q13, explained by 20.9% decrease in consumer portfolio.

- Profitability measured based on average assets[7] went to 1.61% in 1Q14, from 1.71% in 1Q13 and 1.65% in 4Q13.

- Equity stood at levels similar to those reported in 4Q13, COP 6.1 trillion, increasing 11.3% YoY. Return on Average Equity (ROAE)[8] was 15.0% at the end of 1Q14 compared to the 15.1% reported in 4Q13 and 13.2% in 1Q13.

- Funding sources[9] were COP 50 trillion, resulting in a portfolio to funding source ratio[10] of 81.8%, 200 basis points below that reported in 4Q13, led by the growth of

[2] NIM: Accumulated gross financial margin (12 months) / average earning assets.
[3] Net profit per share in Banco Davivienda S.A.
[4] Net loan portfolio: gross loan portfolio – provisions.
[5] Investments after valuation and devaluation.
[6] Non-performing loans > 90 days.
[7] ROAA = net income (12 months) / average assets.
[8] ROAE = net utility (12 months) / average equity.
[9] Funding sources = total deposits + bonds + institutional loans.
[10] Ratio: net loan portfolio / (total deposits + bonds + institutional loans).

14.6% in savings accounts compared with 4Q13 and 28.8% compared to 1Q13, deposits increased at a rate of 26.3%, of which personal banking grew 14,6%.

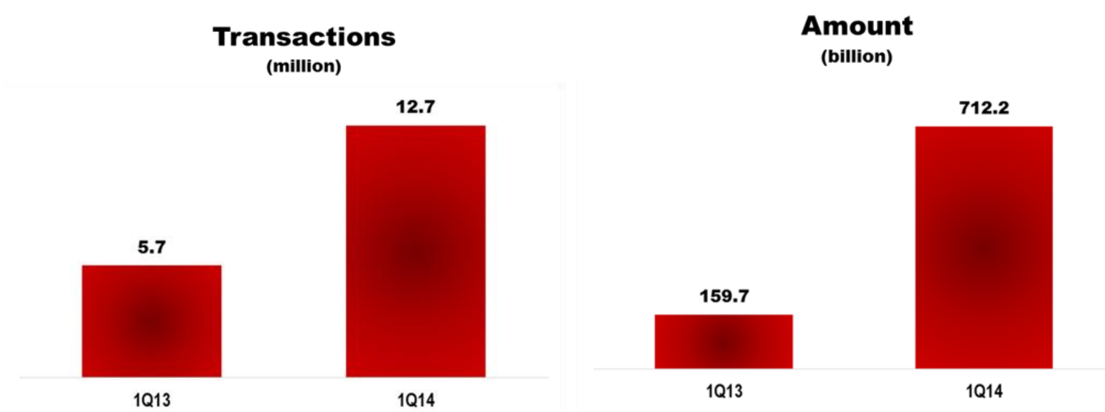
- At the end of March 2014, Davivienda was operating in 6 countries, with 6.7 million clients[11], 16.2 thousand employees, 724 offices, 2,016 ATMs and approximately 5.3 thousand banking correspondents through DaviPlata.

HIGHLIGHTS FOR THE QUARTER

DaviPlata continued its expansion

As of March 2014, DaviPlata reached nearly 2.1 million customers, of which 51.3% of which were bancarized through DaviPlata, in 823 municipalities in Colombia.

DaviPlata Transactions (millions)

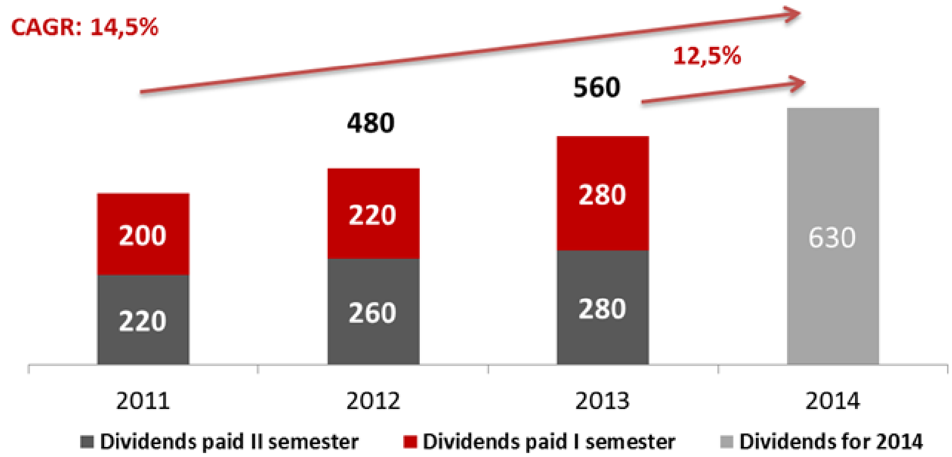


[11] This includes 2.1 million DaviPlata customers.

Dividend Payment

On March 26, the dividend payment of COP 630 per share was made, for a total of COP 280 billion, an annual increase of 12.5%.

Dividend per share (COP)



In addition, Davivienda received COP 118 billion in dividends from subsidiaries during the first quarter of 2014, of which 55.7% were dividends from Davivienda El Salvador, 13.5% from Fiduciaria Davivienda, 7.0% from Grupo del Istmo and 5.3% from Banco Davivienda Honduras. Due to the accounting consolidation process, COP 97.1 billion were eliminated.

Cultivarte continued its growth

During the first quarter of 2014, Davivienda opened 3 new branches of Cultivarte in the municipalities of Risaralda and Manzanares in Caldas and Obando in Valle del Cauca, for a total of 11 branches in 4 departments.

At the end of the quarter, the average number of users per day increased by 410, from 1,280 at the end of 2013 to 1,690 in March 2014.

Davivienda led the celebration of the International Financial Inclusion and Education Week, carrying out different activities at the branches of Cultivarte for children and young people. The main objective of the activities was to reflect on the importance of saving, the relationship with money and children's expectations in regards to Banking.

During the event approximately 7,400 children participated through Cultivarte. Furthermore, as a result of the celebration, "Monetarium," the children's section of the "Mis Finanzas en Casa" website, had more than 36,811 hits in the month of March.

MAIN BUSINESS RESULTS IN COLOMBIA

Mortgages

During the quarter, mortgage loan disbursements amounted to COP 859 billion, a 45.4% increase YoY, a COP 268 billion increase for the period.

It is important to point out the growth dynamic in low-income housing disbursements, reached an annual growth rate of 49.0%. Additionally, during the quarter, Davivienda disbursed $164 billion in loans with the interest rate benefit provided by the Government's FRECH 2014 program, achieving a 46.7%[12] share in the entire system and $734 million in the FRECH countercyclical 2014 program with a share of 35.2%[13]

Mortgage loans for the LIH higher housing increased 44.0% compared to 1Q13.

Commercial Loans

Construction loan disbursements were made in the amount of COP 449 billion, up 15.8% compared to 1Q13.

Small and medium-sized enterprise loan disbursements amounted to COP 700 billion, up 29.4% YoY.

The balance of the corporate loan portfolio grew by 18.6% compared to 1Q13 and 3.5% compared to 4Q13, with notable results in disbursements in energy[14], coffee and vehicle sectors over the quarter.

Finally, the growth of the commercial loan portfolio of international subsidiaries was 5.8% compared to 4Q13 and 23.6% compared to 1Q13.

Consumer Loans

During the quarter, consumer loan disbursements amounted to COP 2.6 trillion, up 11.6% compared to 1Q13, with notable increases in the disbursements of free investments and payroll loans at 59.1% and 31.9% respectively. Similarly, vehicle loan disbursements increased 8.7% compared to 1Q13.

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[12] Source: Report by Asobancaria as at March 2014.
[13] Source: Report by Asobancaria as at March 2014.
[14] Energy Generation and Distribution.

BALANCE SHEET

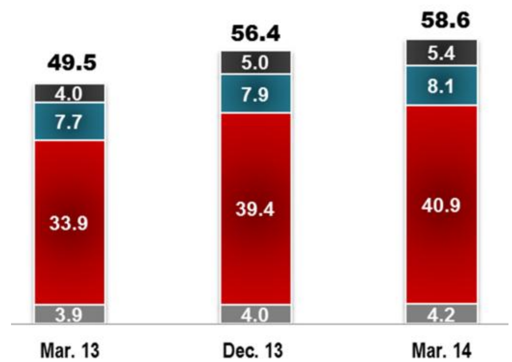
Assets

Assets as at March 2014 totaled COP 58.6 trillion, explained primarily by the increase of the net loan portfolio, which represented 69.8% of total assets, and grew 3.7% compared to 4Q13 and 20.6% compared to 1Q13.

Consolidated ROAA[15] at the close of 1Q14 was 1.61% compared to 1.65% reported in 4Q13 and 1.71% in 1Q13.

Changes in Consolidated Assets (trillions)

	Consolidated	
	Q/Q (%)	Y/Y (%)
Cash	8.5	34.3
Investments, net	1.7	5.3
Loans, net	3.7	20.6
Other assets (16)	4.1	6.8
Assets	**3.9**	**18.2**



Assets	Mar. 13	Dec. 13	Mar. 14	Q/Q (%)	Y/Y (%)
Colombia	41.6	46.6	48.4	3.8	16.4
International (17)	9.2	11.1	11.5	3.2	24.8

The net portfolio for the international subsidiaries was $7.2 trillion in 1Q14, with 62.6% of total assets. Of the 24.8% growth in assets of international subsidiaries compared to the same period of the previous year, 6.1% was explained by differential rates of exchange and 18.7% was organic growth.

Cash and Interbank Loans

Cash at the end of March 2014 was COP 5.4 trillion, mainly due to the 13.3% increase in Colombia compared to 4Q13 and 36.6% compared to 1Q13.

[15] ROAA = net income (12 months) / average assets.
[16] Other assets include: Property, plant and equipment; goods received in payment, net; prepaid expenses and deferred charges; goodwill; and others.
[17] Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras.

Net Investment Portfolio

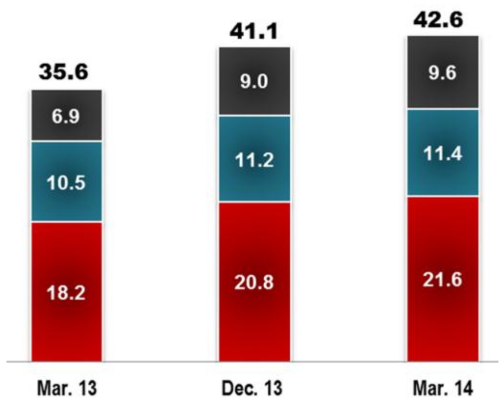
The net investment portfolio grew 5.3%, mainly due to a 75.4% increase in investments for negotiable debt securities in Panama, as a result of the purchase of registered securities available for sale and held to maturity.

The consolidated investment portfolio consisted mainly of debt securities, which represented 97.2% of total investments and 13.4% of total assets. These in turn consisted of 44.0% in negotiable securities, 29.0% in securities for sale and 27.0% in securities up to maturity. The other 2.8% of the investment portfolio was represented by equity investments, which were mostly equity securities for sale.

Gross Loan Portfolio

The gross loan portfolio reached COP 42.6 trillion for 1Q14, with notable performances in the mortgage and commercial loan portfolios.

Consolidated Gross Loan Portfolio Performance (trillions)



	Consolidated		Colombia		International	
	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y
Mortgages (18)	6.6%	40.4%	7.4%	45.9%	2.0%	14.4%
Consumer	1.5%	8.5%	1.1%	6.4%	3.9%	24.0%
Commercial (19)	3.5%	18.6%	2.9%	17.3%	5.8%	18.6%
Gross Loans	**3.6%**	**19.8%**	**3.4%**	**19.4%**	**4.6%**	**21.9%**

Gross Loans	Mar. 13	Dec. 13	Mar. 14	Q/Q (%)	Y/Y (%)
Colombia	29.5	34.1	35.2	3.4	19.4
International (20)	6.1	7.1	7.4	4.6	21.9

The commercial loan portfolio maintained its share of the gross loan portfolio, at 50.6% for 1Q14. Annual growth in Colombia was mainly explained by a 17.6% increase in corporate banking and the construction loan portfolio with a 44.9% increase. The

[18] The mortgage portfolio included residential leasing.
[19] The commercial loan portfolio included micro-loans.
[20] Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras.

commercial loan portfolio in international subsidiaries grew in all the countries, especially Panama and El Salvador with annual increases of 20.1% and 18.3% respectively.

The consumer portfolio accelerated its growth from 7.2% registered in 4Q13 to 8.5% in 1Q14, mainly due to payroll loans in Colombia, with annual growth rates of 26.6%.

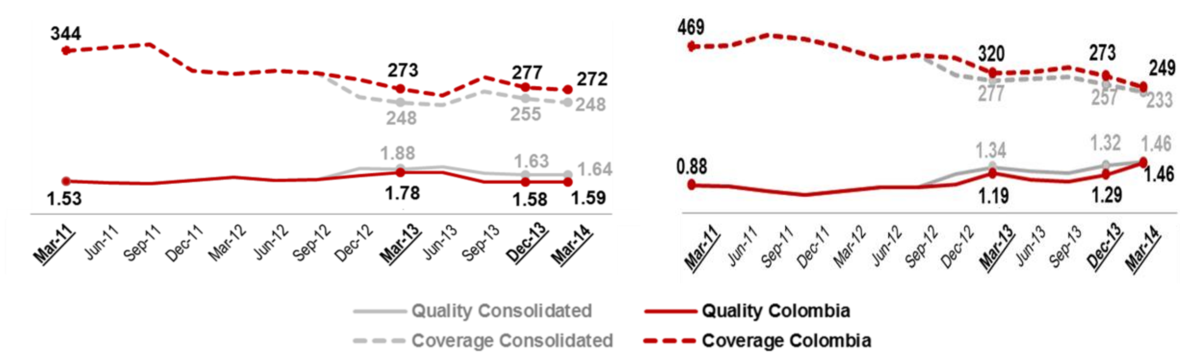
The mortgage portfolio increased mainly in Colombia with a 45.9% higher than 1Q13. Annual growth of mortgage loan portfolio, including a COP 1.4 trillion securitized loan portfolio, was 26.2%.

Portfolio Loan Quality by Type and Coverage

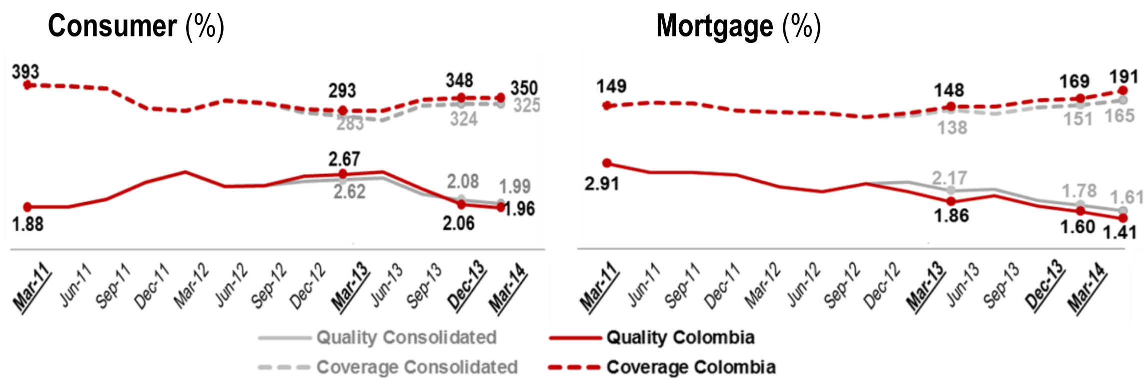
The portfolio indicator[21] at the end of 1Q14 was 1.64%, 1 basis point lower than 4Q13, mainly explained by a 16 basis point decrease in the mortgage loan portfolio index, a 9 basis point decrease in the consumer loan portfolio and a decrease of 14 basis points on the commercial loan portfolio, mainly in Colombia as a result of a decrease in the SMEs in the agriculture sector.

The consolidated level of coverage[22] at end of March 2014 was 248.0%, which is lower than 4Q13, due to the decrease mainly in Colombia, in the coverage of the commercial loan portfolio, which went from 273% to 249% due to the deterioration of the loan portfolio. Furthermore, in the provision of commercial loans, international subsidiaries were down 9.6% compared to 4Q13 as a result of the type of security recognition and improvements in the quality of the portfolio.

Total loan portfolio (%) **Commercial** (%)



[21] Quality: non-performing loans > 90 days / total portfolio.
[22] Coverage: provisions / non-performing loans > 90 days.



In the first quarter of 2014, there was a total of COP 126.4 billion in write-downs, 0.3% on the gross loan portfolio, decreasing 8.1% compared to 4Q13 and 30.1% compared to 1Q13, mainly due to an 8.8% decrease in write-downs compared to 4Q13 and 22.4% compared to 1Q13.

Goodwill

At the end of the first quarter of 2014, goodwill stood at COP 1.6 trillion, down 1.3% from 4Q13 as a result of the COP 19.4 billion amortization reported during the quarter: 67.8% of the amortization was due to goodwill from Granbanco, 16.5% from new subsidiaries in Central America and the remaining 15.8% from Corredores Asociados. Compared to 1Q13, goodwill decreased 2.8%.

Other assets

Net assets received as payment were valued at COP 79.5 billion, down 12.4% from 4Q13 and 2.3% from 1Q13. This was mainly due to the decrease of the assets received in lieu of payment in Colombia for $5.2 billion from sales. The international subsidiaries provisions increased 2.8 billion due to the increase in maturity of 2 to 5-year assets in Honduras and El Salvador.

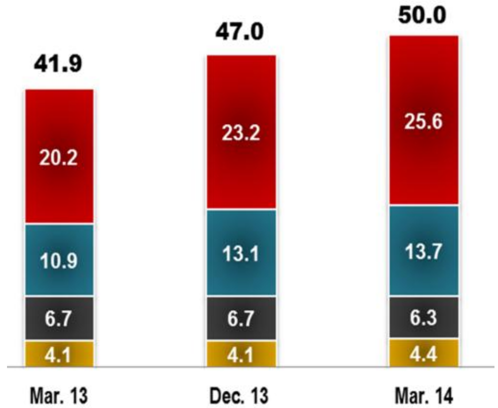
Liabilities

At the end of March, liabilities reached COP 52.5 trillion, a 4.3% growth compared to 4Q13, and 19.1% compared to 1Q13, explained by a growth in deposits, which represented 74.9% of the total liabilities, with a growth of 8.3% compared to 4Q13 and 26.3% compared to 1Q13.

In the international subsidiaries, liabilities totaled COP 10.1 trillion, with a 26.0% increase compared to 1Q13, where 8.8% was due to the exchange effect and 22.2% was organic growth.

Performance of Funding Sources (trillions)

	Consolidated	
	Q/Q (%)	Y/Y (%)
Demand Deposits	10.2	26.5
Term Deposits	5.1	25.8
Bonds	-5.8	-6.0
Credits	7.4	8.3
Funding Sources	**6.3**	**19.4**



	Mar. 13	Dec. 13	Mar. 14
Loans, Net/ Funding Sources(24)	**81.8%**	**83.8%**	**81.0%**

Funding Sources	Mar. 13	Dec. 13	Mar. 14	Q/Q	Y/Y
Colombia	34.3	37.9	40.4	6.7	17.9
International (23)	7.6	9.1	9.5	4.5	26.2

Deposits, bonds, rediscount loans and loans to banking correspondents reached COP 50 trillion, reaching a net portfolio to funding source ratio[24] of 81.8%; not including bonds, the ratio increased to 106.9%.

Demand deposits increased as a result of the 16.4% growth in deposits in savings accounts in Colombia compared to 4Q13 and 29.8% YoY.

Term deposits increased mainly explained by Colombia, with growth of 5.9% compared to 4Q13 and 24.0% compared to 1Q13.

Bonds totaled COP 6.3 trillion, Colombia accounted for 95.0% of the balance, 6.2% lower compared to 4Q13 and 8.2% lower compared to 1Q13, as a result of the maturity of US$175 million subordinated bonds issued for funding the acquisition of Granbanco (of which 20% was considered for Tier II capital calculation). Moreover the international debt was affected by the devaluation of the exchange rate (peso / dollar) by 2.0% during the quarter and 7.3% from the end of 1Q13.

Rediscount loans and loans to banking correspondents amounted to COP 4.4 trillion, a 7.4% increase compared to 4Q13 and 8.3% compared to 1Q13. This was explained by the increase in use of this funding source in Colombia and in international subsidiaries increasing 9.1% and 28.2%, respectively, compared to 1Q13.

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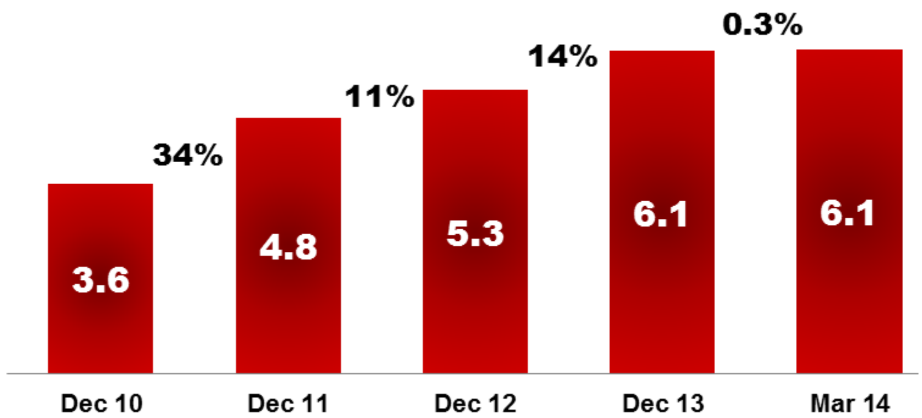
[23]Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras.

24 Funding sources = total deposits + bonds + institutional loans.

Equity

Equity reached COP 6.1 trillion in 1Q14, maintaining the same level reported in the previous quarter, with an annual increase of 11.3%.

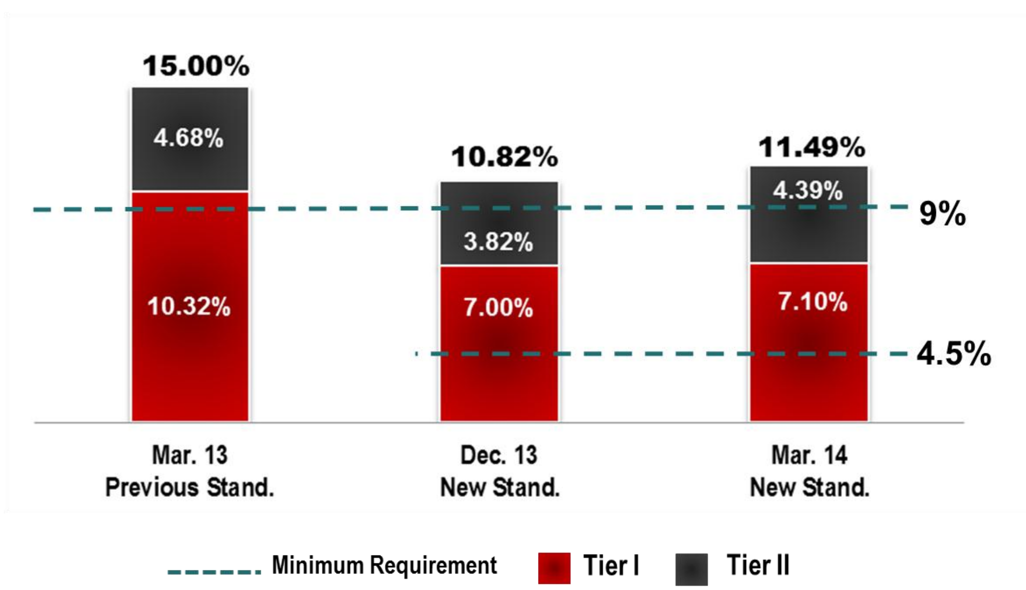
Equity (COP trillions)



Solvency stood at 249 basis points above the minimum solvency required in Colombia (9%), reaching 11.5%, mainly due the commitment of $473 billion for occasional capital and reserves available to shareholders, and an increase of legal reserve of $113 billion approved in the shareholders' meeting on March 12, 2014.

Technical capital reached COP 5.8 trillion and the ratio of core capital to assets weighted by risk level was 7.1%, 260 basis points above the required minimum (4.5%).

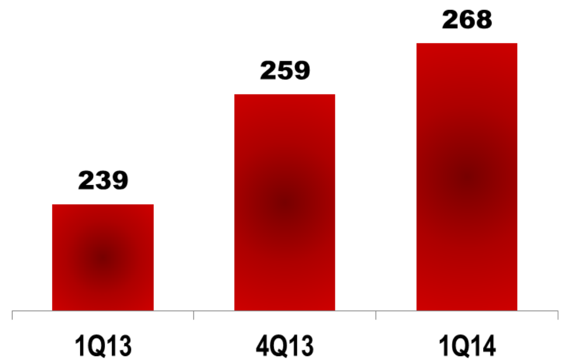
Solvency (%)



STATEMENT OF INCOME

Earnings

Earnings (billions)



	1Q14	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Financial Margin, net	669	-8.3	13.9
Fees & Commissions	314	2.3	13.0
Total Expenses	-612	-12.6	8.8
Other (26)	-13	-158.7	-15518.4
Taxes	-90	-11.0	41.8
Net Income	**268**	**3.5**	**12.0**

ROAE(25)

Mar. 13	Dec. 13	Mar. 14
13.2%	15.1%	15.0%

Net Income	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	207.4	206.0	245.5	19.2	18.4
International	31.7	52.7	22.4	-57.6	-29.3

Net profit increased compared to 4Q13 due to a 2.6% growth during the quarter in portfolio income and 2.3% in operating income. Additionally, operating expenses decreased 12.6% during the quarter.

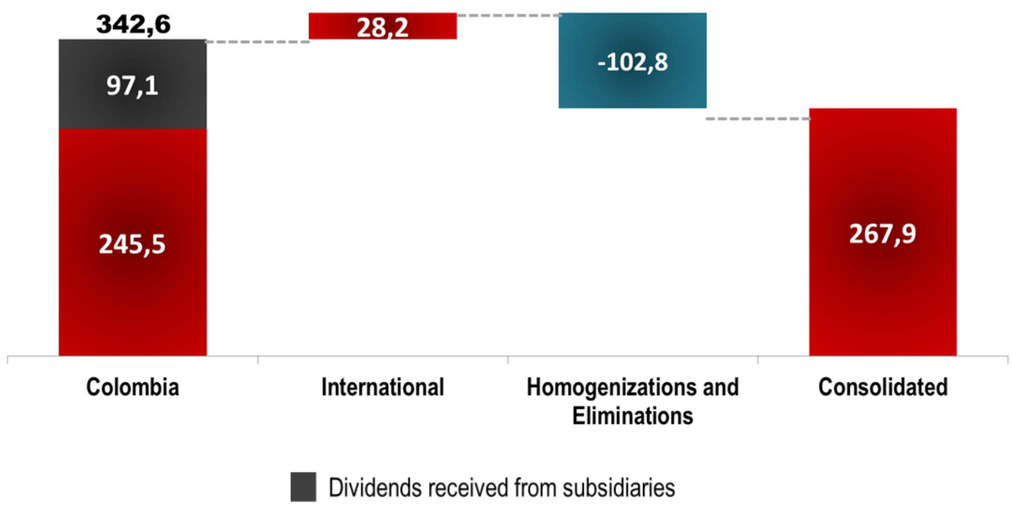
Net profit increased compared to 1Q13, mainly due to the 13.9% growth in the net financial margin, in which the international subsidiaries contributed COP 22.4 billion in profit and decreased 29.3%, mainly due to decrease of net income from the Costa Rica subsidiary, explained by the reduction in investment portfolio income of 36.9% and higher amortization expenses from investments in technology of US$2.4 million. Operating expenses increased 8.8% compared to 1Q13 due to the growth in personnel expenses, commission expenses and service, and deposit insurance.

Return on average equity (ROAE) was 15.0%, 12 basis points lower than 4Q13.

[25] ROAE = net utility (12 months) / average equity.

[26] Others include: other net income and expenses, other net non-operating provisions and minority interest.

Detailed Accumulated Income (billions)[27]



Income from Interest on Loans

Income from interest on loans increased 2.6% during the quarter and 9.2% compared to 1Q13, mainly due to a 7.2% growth in average performing loans compared to 4Q13 and 27.5% compared to 1Q13. The average rate of the performing loans reached 11.4% in 1Q14 compared to 11.3% in 4Q13 and 13.4% in 1Q13.

Interest on commercial loans increased 2.6%, going from COP 383.8 billion at the close of 4Q13 to COP 393.9 billion in the 1Q14, due to a 3.5% increase in the balance of this portfolio. For the international subsidiaries, the income from the commercial loan portfolio was COP 85.3 billion, 3.5% higher than the previous quarter. Compared to 1Q13, consolidated interest from the commercial loan portfolio increased 5.5%, due to the 18.7% increase in the balance of this portfolio, in which international grew to 23.6%.

Income from the consumer loan portfolio were COP 449.1 billion in 1Q14, 0.8% lower than the previous quarter and 1.7% higher than 1Q13, as a result of the increase in the balances of free investment loans.

Income from the mortgage portfolio were COP 259.3 billion in 1Q14, a growth of 9.1% compared to 4Q13 and 33.0% compared to 1Q13, as a result of increased mortgage lending and residential leasing.

[27] Colombia includes individual net income and local subsidiaries; international includes Panamá, El Salvador, Costa Rica and Honduras in Colombian GAP accounting system. Homogenizations include international subsidiary homogenizations to Colombian GAP, eliminations from net income, and subsidiaries' dividends eliminated.

Investment Portfolio Income

Income from the investment portfolio totaled COP 96.9 billion, down 34.7% compared to 4Q13, and YoY 38.8% less as a consequence of better income behavior translated in valuation income on comparison base period from 2013.

Financial Expenses

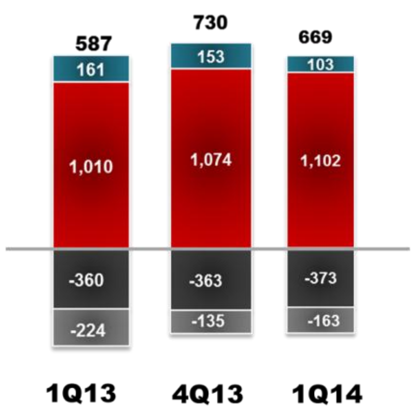
Financial expenses closed at COP 373.1 billion, up 2.9% from 4Q13 and 3.8% from 1Q13, mainly due to the growth of the balance of term deposits and savings accounts.

Net Provisions

Expenses from net provisions for the quarter totaled COP 163.3 billion during 1Q14, up 20.8% compared to 4Q13, explained by a COP 40.1 billion increase in portfolio provisions. Compared to 1Q13, expenses from net provisions dropped 27.3% as a result of a decrease in 20.9% in provisions in the consumer portfolio, mainly in Colombia, due to an improvement in the quality indicator of this portfolio by 72 basis points. Additionally in the international subsidiaries provisions decreased 19.4% compared to 1Q13, due to a change in the provision model used in the previous quarter.

Net Financial Margin

Net financial margin (billions)



	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Loan Income	2.6	9.2
Investment Income, Overn.	-32.7	-36.2
Subtotal Financial Income	**-1.8**	**2.9**
Financial Expenses	2.9	3.8
Allowances	20.8	-27.3
Financial Margin, Net	**-8.3**	**13.9**

Financial Margin, Net	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	499.2	610.0	563.2	-7.7	12.8
International	87.8	119.6	105.6	-11.7	20.3

The net financial margin closed the quarter at COP 668.8 billion, 8.3% lower compared to 4Q13, due to higher income from the investment portfolio in 4Q13..

Compared to 1Q13, the financial margin grew 13.9% explained by the 9.2% increase in portfolio income and the 27.3% decrease in net provisions.

The NIM was 6.6%, compared to the 7.0% reported in 4Q13 due to the decrease in the gross financial margin over the quarter and the growth of average earning assets.

Fee and Commission Income

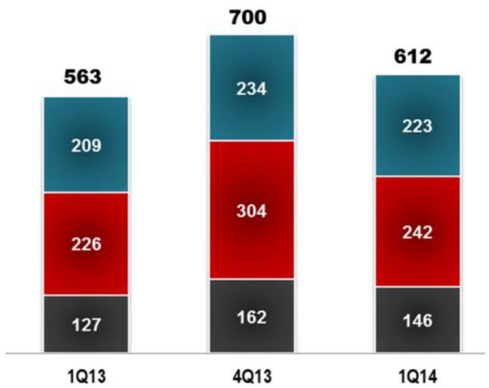
Fee and commission income closed at COP 314.3 billion, up 2.3% compared to 4Q13 and 13.0% compared to 1Q13, as a result of an increase 13.6% increase in the fee and commission income in Colombia compared to 1Q13, mainly due to the increase in security commissions (514.1%), transaction commissions (34.7%) and handling fees (6.8%). DaviPlata had notable results within the transaction commissions with an increase of COP 6.5, 141.8% higher than 1Q13.

The fee and commission income on total income indicator [28] reached 21.3%, 172 basis points higher than 1Q13.

[28] Fee and commission income (12 months) / total income.

Operating Expenses

Operating Expenses (billions)



	1Q14/4Q13 (%)	1Q14/1Q13 (%)
Personnel Expenses	-4.5	6.8
Operating Expenses	-20.3	7.2
Other Expenses (30)	-9.6	14.8
Total Expenses	**-12.6**	**8.8**

Efficiency(29)

Mar. 13	Dec. 13	Mar. 14
51.2%	53.8%	54.5%

Expenses	1Q13	4Q13	1Q14	Q/Q (%)	Y/Y (%)
Colombia	446.2	548.8	465.3	-15.2	4.3
International	116.5	151.0	146.7	-2.9	25.9

Total expenses for 1Q14 were COP 611.9 billion. The increase compared to 1Q13 was primarily due to a 6.8% increase in personnel expenses, mainly explained an increase of 20.1% from the international subsidiaries, principally in El Salvador (19.8%) and Costa Rica (18.8%)[31].

Additionally, fee and commission expenses increased 27.8% compared to 1Q13, mainly in Colombia, due to the payment of DaviPlata commissions for COP 3.9 billion, up 120.3% higher than 1Q13, also due to the commissions from vehicle loans for COP 3.6 billion, up 52.1% YoY. Lastly, deposit insurance expenses increased 25.4% in Colombia.

Compared to 4Q13, total expenses decreased 12.6% mainly in Colombia due to the decrease in 50.1% in fee expenses and decrease in 6.5% in personnel expenses related to the payment of bonuses and other employment related benefits at the end of 2013.

Total expenses of international subsidiaries reached COP 146.7 billion, 2.9% lower than 4Q13 and 25.9% higher than 1Q13. YoY the change was due to an increase in personnel expenses (20.1%), fee expenses (199.8%) and expenses from claims from the Honduras insurance companies (24.2%).

[29] Efficiency (12 months): operating expenses - goodwill / (gross financial margin + operating income + other net income and expenses).
[30] Other expenses include fees, goodwill, depreciation, tax and deposit insurance
[31] Of the annual increases in personnel expenses in El Salvador and Costa Rica, 8.3% was explained by the international conversion rates.

Other Net Income and Expenses

For 1Q14, other net expenses reached COP 20.9 billion, due to a 144.8% increase in Colombia in expenses for derivatives compared to 4Q13 and 40.2% increase compared to 1Q13, as a result of the increase in Forward operations and a decrease in revenue from purchase and sale of securities.

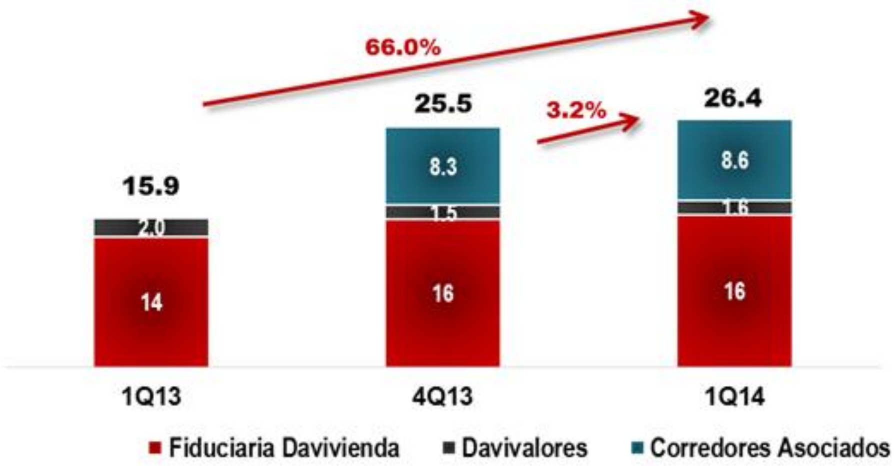
Taxes

During 1Q14, Davivienda reported taxes of COP 89.9 billion in taxes, 11.0% lower than 4Q13, mainly in Colombia, as a result of the distribution of untaxed dividends and the increase in exempt income primarily in Leasing and Low-income housing. Compared to 1Q13, taxes were 41.8% higher as a result of an increase in profit.

RESULTS OF SUBSIDIARIES

Subsidiaries in Colombia

Performance of Third-Party Managed Assets (trillions of COP)



The third-party managed asset portfolio increased compared to the 4Q13, mainly due to the increase in managed assets through the Fiduciaria Davivienda's and Corredores Asociados collective portfolios, with an increase of 17.6% and 18.2% respectively. In addition, the managed assets grew 1.5% during the quarter with increases of 2.8% in Davivalores and 1.3% in Corredores Asociados.

Main Figures (billions)

	Assets			Equity			Income	
	Mar. 14	Q/Q	Y/Y	Mar. 14	Q/Q	Y/Y	Q/Q	Y/Y
Fidudavivienda	148	6.6%	15.2%	114	-8.2%	4.0%	10.4%	13.1%
Davivalores	18	-4.3%	-9.9%	17	-2.5%	-9.1%	-1.1%	-219.1%
Corredores Asociados	198	39.1%	N/A	45	-0.9%	N/A	-42.2%	N/A
Total	**363**	**21.3%**	**145.1%**	**176**	**-5.9%**	**37.1%**	**9.1%**	**-24.2%**

The net profit of Fiduciaria Davivienda increased compared to 4Q13, mainly due to the increase in the revenue of the structured trust fund, as a consequence of the positive result in the portfolio's valuation and the increased number of businesses in the trust's management. Compared to 1Q13, the increase in profit was primarily due to the decrease in provisions from reconciliation entries during the period and the recovery of accounts receivable from real estate administration fee.

In Davivalores profit decreased mainly due to a decline in 29.5% from equity commissions and a decrease in 52.9% in custody of securities.

The net profit of Corredores Asociados decreased during the quarter as a result of a fluctuation in market prices.

International Subsidiaries

Main Figures (Millions of USD)[32]

	Assets			Equity			Income	
	Mar. 14	Q/Q	Y/Y	Mar. 14	Q/Q	Y/Y	Q/Q	Y/Y
El Salvador - Banco	2,048	0.7%	10.0%	267	-8.3%	-1.9%	-22.1%	-3.6%
El Salvador - Seguros	27	-13.3%	13.0%	13	-21.6%	-18.2%	-15.2%	-1.6%
Costa Rica - Banco	1,465	-0.7%	12.7%	162	-6.7%	-7.0%	414.9%	-48.6%
Panamá - Banco	1,201	0.6%	31.5%	127	4.4%	10.0%	58.0%	-15.1%
Panamá - Corredores As	0.6	-34.5%	N/A	0.6	-32.1%	-	21.3%	-
Honduras - Banco	938	3.5%	19.4%	101	1.0%	5.7%	-41.4%	168.1%
Honduras - Seguros	73	-11.7%	-2.4%	27	-23.3%	-17.7%	-34.7%	-36.1%
Total	**5,752**	**0.5%**	**15.4%**	**697**	**-5.6%**	**-1.2%**	**5.6%**	**-17.9%**

Portfolio Loan Quality (%)[33]

International	Quality		Coverage	
	4Q13	1Q14	4Q13	1Q14
Commercial	1.40%	1.43%	199.0%	169.8%
Consumer	2.18%	2.22%	182.6%	190.7%
Mortgage	2.76%	2.84%	91.5%	86.8%
Total	**1.83%**	**1.86%**	**163.8%**	**151.6%**

Net profit of Davivienda El Salvador decreased compared to 4Q13 mainly due to the 5.2% decline in the portfolio income. Compared to 1Q13, the decrease was due to a decline in 13.5% in operating income, explained by changes to a lower managed commission policy.

Davivienda Costa Rica's net profit increased, over the quarter mainly due growth of 15.2% in net income margin and 53.4% in other net income. The latter was explained by the income in assets received in lieu of payment sale. Compared to 1Q13, net income decreased, as a result of a decline in 5.6% in financial income. This was mainly due to a decrease in 36.9% in investment portfolio income, impacted by devaluation in market prices and a decrease in 6.3% in the balance of the investment portfolio due to available-for-sale debt securities.

Davivienda Panama's net profit increased in 1Q14 compared to 4Q13 mainly as a result of the 18.2% increase in the net financial margin. Compared to 1Q13, profit decrease mainly due a decline in 66.9% in other net income and expenses, as a result of a lower income in available-for-sale debt securities.

Davivienda Honduras' net profit decreased in 1Q14 compared to 4Q13 as a result of a decline in 4.8% in net income margin and the decrease in 12.2% in commission revenue from international trade services. Compared to 1Q13, net profit increased explained by

[32] Homogenized figures, non-consolidated results, exchange rate: USD 1 per 546.08 Colones and USD 1 per 20.75 Lempiras in March 2014, US$1 per 501.41 Colones and US$1 per 20.60 Lempiras; and US$1 per 492.72 Colones and US$1 per 20.18 Lempiras.

[33] Quality and coverage of the portfolio > 90 days.

a 27.0% growth in revenue from consumer portfolio and 16.4% from revenues in the mortgage portfolio, due to the growth in these portfolios.

Net income consolidation detail

Subsidiaries	Local Accounting 1Q13	Local Accounting 1Q14	%Var	Homogeneizations to Colombian accounting	Results in Colombian accounting
Banks	**29.6**	**26.2**	**-11%**	**-4.9**	**21.3**
El Salvador	10.8	11.2	4%	2.6	13.7
Costa Rica	10.4	5.8	-44%	-2.3	3.5
Panama	7.6	6.9	-9%	-5.9	1.1
Honduras	0.8	2.3	180%	0.7	3.0
Other	**3.7**	**2.0**	**-48%**	**-0.8**	**1.1**
Total	**33.3**	**28.2**	**-15%**	**-5.8**	**22.4**

Balance Sheet as of March 31, 2014
(COP Billions)

	Consolidated				
ASSETS	**Mar 13**	**Dec 13**	**Mar 14**	**Mar 14 / Dic 13**	**Mar 14 / Mar 13**
Cash	**4,039**	**4,997**	**5,423**	**8.5%**	**34.3%**
Investments	**7,657**	**7,925**	**8,059**	**1.7%**	**5.3%**
Loans	**33,917**	**39,427**	**40,895**	**3.7%**	**20.6%**
Commercial	18,191	20,843	21,568	3.5%	18.6%
Consumer	10,518	11,242	11,411	1.5%	8.5%
Mortage Loans+ Leasing	6,871	9,047	9,646	6.6%	40.4%
Allowances	-1,663	-1,705	-1,729	1.4%	4.0%
Fixed assets	**492**	**496**	**489**	**-1.4%**	**-0.7%**
Reappraisal	**542**	**695**	**724**	**4.1%**	**33.6%**
Other assets	**2,889**	**2,834**	**2,978**	**5.1%**	**3.1%**
Total Assets	**49,536**	**56,374**	**58,568**	**3.9%**	**18.2%**
Liabilities					
Deposits	**31,131**	**36,286**	**39,314**	**8.3%**	**26.3%**
Saving accounts	15,014	16,871	19,335	14.6%	28.8%
Checking accounts	5,021	5,930	5,962	0.6%	18.7%
Time deposits	10,912	13,064	13,732	5.1%	25.8%
Other	183	421	284	-32.5%	55.0%
Long term debt	**6,665**	**6,651**	**6,264**	**-5.8%**	**-6.0%**
Local	4,530	4,406	4,295	-2.5%	-5.2%
International	2,135	2,245	1,969	-12.3%	-7.8%
Development fund borrowings	**4,060**	**4,095**	**4,397**	**7.4%**	**8.3%**
Other liabilities	**2,218**	**3,283**	**2,514**	**-23.4%**	**13.3%**
Total liabilities	**44,074**	**50,316**	**52,489**	**4.3%**	**19.1%**
Equity					
Capital	56	62	62	0.0%	12.0%
Retained earnings	4,561	4,421	4,974	12.5%	9.1%
Surplus	606	725	748	3.2%	23.5%
Results from previous periods	0	0	27	-	-
Results	239	851	268	-68.5%	12.0%
Total stockholder´s equity	**5,462**	**6,059**	**6,079**	**0.3%**	**11.3%**
Total liabilities & stockholders	**49,536**	**56,374**	**58,568**	**3.9%**	**18.2%**

P&L as of March 31, 2014
(COP Billions)

	Quarterly Consolidated				
	1Q13	4Q13	1Q14	1Q14 / 1Q13	1Q14 / 4Q13
Total income	**1,171**	**1,227**	**1,205**	**2.9%**	**-1.8%**
Loans	1,010	1,074	1,102	9.2%	2.6%
Commercial	373	384	394	5.5%	2.6%
Consumer	442	453	449	1.7%	-0.8%
Mortgage Loans+ Leasing	195	238	259	33.0%	9.1%
Mortagage	128	153	165	29.5%	8.1%
Leasing	67	85	94	39.6%	11.0%
Investments	158	148	97	-38.8%	-34.7%
Interbanks	3	5	6	109.2%	28.9%
Financial Expenses	**360**	**363**	**373**	**3.8%**	**2.9%**
Deposits in checking accounts	5	7	7	53.2%	7.3%
Deposits in saving accounts	81	82	86	6.7%	5.0%
Deposits in certificates	134	143	147	10.2%	2.9%
Credits with entities	47	40	40	-14.2%	2.0%
Bonds	90	85	88	-2.2%	3.4%
Repos	3	4	2	-35.2%	-60.0%
Interbank funds	1	2	2	184.7%	40.5%
Gross financial margin	**811**	**865**	**832**	**2.5%**	**-3.8%**
Allowances net	224	135	163	-27.3%	20.8%
Net interest margin	**587**	**730**	**669**	**13.9%**	**-8.3%**
Comissions and fees income	278	307	314	13.0%	2.3%
Operating expenses	563	700	612	8.8%	-12.6%
Other income and expenses, net	11	12	-21	-293.3%	-275.9%
Operational income	**313**	**349**	**350**	**11.8%**	**0.4%**
Other allowances	10	7	7	-30.4%	-2.2%
Non operatives	0	21	16	3141.0%	-24.9%
Income before taxes and minority interest	**304**	**363**	**359**	**18.2%**	**-1.0%**
Minority interest	1	3	1	-5.0%	-59.3%
Taxes	**63**	**101**	**90**	**41.8%**	**-11.0%**
Net income	**239**	**259**	**268**	**12.0%**	**3.5%**

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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 profit and loss statement for the quarter ending on March 31, 2014 is not necessarily indicative of the results expected for any other period.

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