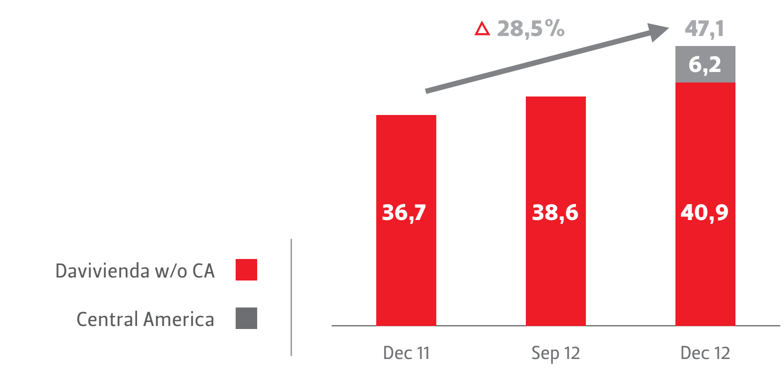
Banco Davivienda Announces Consolidated Fourth Quarter 2012 Results

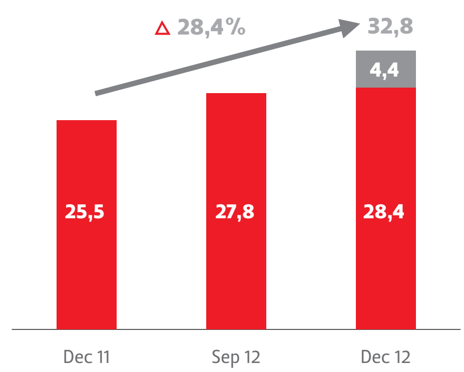
Bogota, March 8, 2013 - Banco Davivienda (BVC: PFDAVVNDA), ("the Company", "Davivienda" or the "Bank"), a leading commercial bank in Colombia and a subsidiary of Grupo Bolívar, announced today its consolidated results for the fourth quarter ("4Q12") period ended December 31, 2012 ("2012"). These results for the first time results from recent acquisitions in Costa Rica, El Salvador and Honduras[1]. Figures are presented in Colombian pesos ($) and prepared according to Generally Accepted Accounting Principles in Colombia- (GAAP).

Quarterly Highlights

Assets ($trillion)

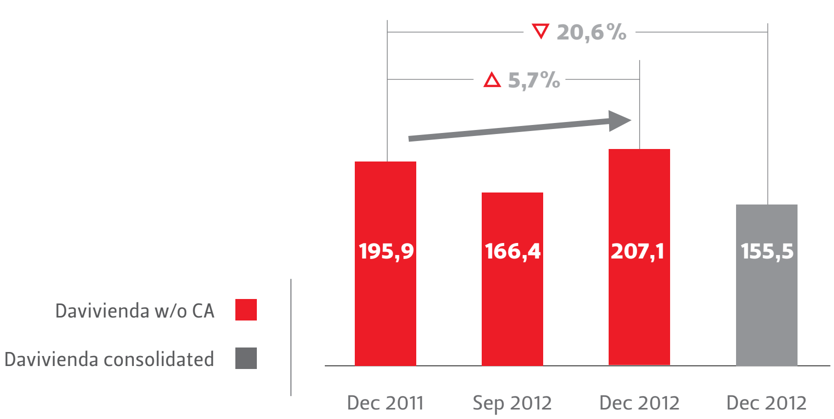


Net portfolio ($trillion)

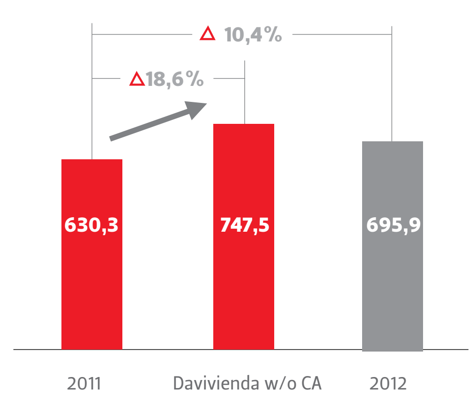


Net income ($billion)

Quarter



Annual



1 Central America (or CA) correspond to Costa Rica, El Salvador and Honduras

Main Results
Fourth Quarter 2012 (4Q12)

- Net income in 4Q12 excluding the recent Central American acquisitions totaled $207 billion, a 24.5% increase compared to 3Q12 and a 5.7% increase compared to 4Q11. This was mainly due to a10.5% increase in gross financial margin compared to the fourth quarter of the previous year.. Including Central America net income reached $155 billion and was mainly explained by the inclusion of the Central American subsidiaries with their respective initial homologation to accounting principles in Colombia.

Acumulated net income in 2012: $696 billions.

- Accumulated net income in 2012 excluding Central American operations was $747 billion, representing an 18.6% increase compared to 2011[2]. This was mainly due to a 21.9% increase in financial income. Including Central America, this figurereached $696 billion, or 10.4% higher than in 2011.

- Interest income generated from the loan portfolio during the quarter excluding Central America was $1.0 trillion, a 0.4% increase comprared to 3Q12 and 13.5% compared to 4Q11 due to the revenue increase in revenue commercial and mortgage portfolios. The income investment portfolio closed at $99.6 billion, a decline of 6.7% versus 3Q12, and an increase of 46.2% versus the same period the previous year. The latter was mainly explained by the 44.9% growth in fixed income investment comprared to 4Q11. Including Central America interest income was $1.3 trillion.

Consolidated assets at quarter–end totaled: $47.1 trillion.

- Consolidated assets at quarter-end totaled $47.1 trillion; of these, $6.2 trillion correspond to the acquisitions in Central America: which generated a 28.5% increase compared to 4Q11. The net portfolio[3] totaled $32.8 trillion, representing 69.6% of consolidated assets, while net investments totaled $6.2 trillion, or 13.1% of consolidated assets. Excluding Central American operations, assets grew by $2.4 trillion versus 3Q12 and by $4.3 trillion when compared to 4Q11 mainly as a result of the 32.7% increase in investments versus 3Q12 and of 30.2% versus 4Q11.

- Gross portfolio reached $34.4 trillion in 4Q12, $5.1 trillion of this amount are derived come from the new subsidiaries in Central America representing a growth of 28.3% when compared to the amount reported in 4Q11, and of 18.0% when compared to 3Q12. Excluding Central American operations, the gross portfolio grew by 2.2% compared to 3Q12 and by 11.2% compared to 4Q11 mainly due to the growth in the mortgage portfolio, which experienced higher expenditures of 14.8% during the quarter and by 25.1% versus the same period the previous year.

2 The consolidated P & L only considers results from Central America from the closing of transactions in each country: Costa Rica: November 23, El Salvador: November 30, and Honduras on December 7; and it includes the effects of standarization to Colombian accounting standards for $123.9 billion.

3 Net Portfolio = Gross Portfolio – Provisions

- The delinquent portfolio quality indicator[4], excluding Central American operations, was 1.63%, an increase of 4 bps versus the figure reported in 3Q12 (1.59%) principally due to the consumer loan portfolio. Taking into account the Central American acquisitions, the indicator was 1.83%. Portfolio provisions were $1.6 trillion which permited the Bank coverage of 258.4% while maintaining a 4.73%[5] coverage over the gross portfolio, $53.7 billion of these provisions corresponded to the higher generated value resulting from the initial standarizationstandarizations of the Central American subsidiaries to the accounting standards in Colombia.

- Funding sources[6] totaled $39.6 trillion; ofwhich $5.8 trillion stemmed from Central America: for an increase of 30.8% compared to the same quarter the previous year. Excluding Central American operations, funding sources were $33.8 trillion, an increase of 11.7% versus 4Q11.

- The ratio of net loans over funding sources[7] reached 82.8%, and excluding Central American operations, it reached 84.0% in 4Q12 compared to 87.7% in 3Q12. When compared to December 2011, this figure decreased by 40 basis points and was mainly explain by a higher growth dynamic of funding sources against the net portfolio loan.

Shareholders' equity totaled $5.3 trillion.

Solvency ratio: 15.20%

- Shareholders' equity totaled $5.3 trillion, an increase of 11.2% when compared to December 31, 2011, and an increase of 3.1% when compared to 3Q12. The solvency ratio decreased by 313 basis points during the quarter reaching 15.20%, mainly due the consolidation with Central America which increased the weighted assets by risk level by $5.9 trillion.

- Assets under management from third parties rose by 28.7%, going from $11.7 trillion as of December 31, 2011, to $15.1 trillion as of December 31, 2012. Of this amount, $15.4 billion were derived from Central America and was principally due to the increase in consortiums and funds under management.

- Earnings per share were $415.4[8] in 4Q12 representing an increase of 16.6% compared to $356.4 in 3Q12. Return on average equity (ROAE) as of December 31, 2012 was 14.6% without Central America and 13.6% with Central America and the standarization.

Davivienda reported 5.5 million clients, 720 branches, presence in 6 countries and 15,739 employees.

- At the end of December'2012, Davivienda reported 5.5 million clients, 718 branches, with presence in Panama, Miami, El Salvador, Honduras, Costa Rica and Colombia; The Company also reported 1,918 ATMs and 15,739 employees[9].

4 Unproductive Portfolio > 90 days

5 Provisions / Gross Loan Portfolio.

6 Funding Sources = Total Deposits + Bonds + Credits with Entities

7 Proportion = Net loans / (Total Deposits + Bonds + Credits with Entities)
Note: credits with entities correspond to local rediscount loans and credits with correspondent banks.

8 Net Earnings per Share

9 Including Central America

Highlights

Davivienda's Central American Consolidation

With the acquisition of Central America, Davivienda increased assets by $6.2 trillion, added 146 offices and 389 ATMs.

In the end of 2012[10] , Banco Davivienda signed an agreement to acquire subsidiaries in Honduras, El Salvador and Costa Rica. This landmark agreement allowed Davivienda to leverage its brand and establish itself as a multi-Latin entity also with a presence in Panama and Miami. The final transaction price was US$829.9 million[11], equivalent to $1.5 trillion; generating goodwill of $534 billion.

With this new acquisition, Davivienda increased assets by $6.2 trillion. Of this amount, $4.4 trillion correspond to the net portfolio and $1.4 trillion to available cash. Meanwhile, deposits grew by $4.8 trillion ; adding 146 offices, 389 ATMs and 3.680 employees to Davivienda's operation.

Fusion of Subsidiaries

Fiduciaria Davivienda: Assets under managment totaled 15.1 trillions.

On December 13 2012, a merger of the Bank's two trust entities, Fiduciaria Davivienda and the Fiduciaria Cafetera, took place, taking the name Fiduciaria Davivienda as its name. As a result, the company became seventh[12] largest trust in Colombia in terms of assets managed for third parties, totaling $13.0 billion, with total equity assets of $103 billion, of which the Bank controls 94.7%. This merger allows Davivienda to continue its expansion in the trust sector, and expands the Bank's range of client. Assets under managment totaled $15.1 trillions which represents an increase of 28,7% compared to the previous year.

Daviplata

DaviPlata: more than 850 thousand beneficiaries and a thousand paying or receiving companies.

Daviplata continued to successfully contribute to financial inclusion: As of December 31, 2012, Daviplata reported approximately 851,000 users, of which only 180,000 have other Bank products, and 1,006 releated companies that are either paying or receiving companies.

During the fourth quarter 2012, the Bank launched an initiative aimed at reaching the more than 900,000 beneficiaries of the "More Families in Action" program managed by the officer of the President's Department of Social Prosperity. The program wil use DaviPlata to realice payments, and begins in March 2013. As a result, Daviplata will become the third largest electronic wallet in the world in terms of number of customers, after M-Pesa (Kenya) and Wizzit (South Africa). This new program will be the first mass e-money platform in Latin America reaching 1.8 million clients.

10 Costa Rica: November 23, El Salvador: November 30, and Honduras on December 7

11 This price can be adjusted when the revision period ends according to the sale agreement .

12 Source: Colombian Financial Superintendence figures as of December 2012

Additionally, Daviplata will extend its coverage to more than 300 municipalities where it had no previous presence with the implementation of Davired, a network which seeks to provide a new channel for transactional users via shopkeepers. This program will become operational in March 2013.

Financial Education

Financial education website to reach all of the Davivienda's customers.

During the fourth quarter 2012, the Bank launched financial education website "My Finances at Home".. This webpage allows Colombians to learn in an easy and friendly manner how the best manage their money and achieve their financial goals. With this initiative, Davivienda hopes to reach all of the Bank's customers, already.from November 15 to January 31 2013, the website received over 37.000 hits. This program complements the financial educational program for clients with promissory notes which was initiated in the previous year.

Areas of Well-Being: Cultivarte

In addition, "Cultivarte", a social well-being program was launched during the quarter. Cultivarte is a space designed to provide municipal residents where Davivienda is present with an alternative use of their spare time, providing areas of entertainment, culture and education. Within this space, the community can enjoy cinemas, playrooms, virtual classrooms and exhibition halls.

Debt Issuance Program

Successfully bond issuance in national and international debt markets.

During January 2013, Davivienda launched a second bond issuance in the international debt markets, with the successful placement of US$500 million in ordinary bonds for up to five years at a rate of 3.006%, and a coupon of 2.950%. This issuance represented the lowest rate in history for a Colombian financial issuer to date, with demand exceeding US$5.1 billion.

Domestically, on February 13, 2012, the Company issued $500 billion in ordinary bonds, with terms of 36,120 and 180 months, and demand for $1.36 trillion, thus completing the local issuance program for $3 trillion approved by the Colombian Financial Superintendence.

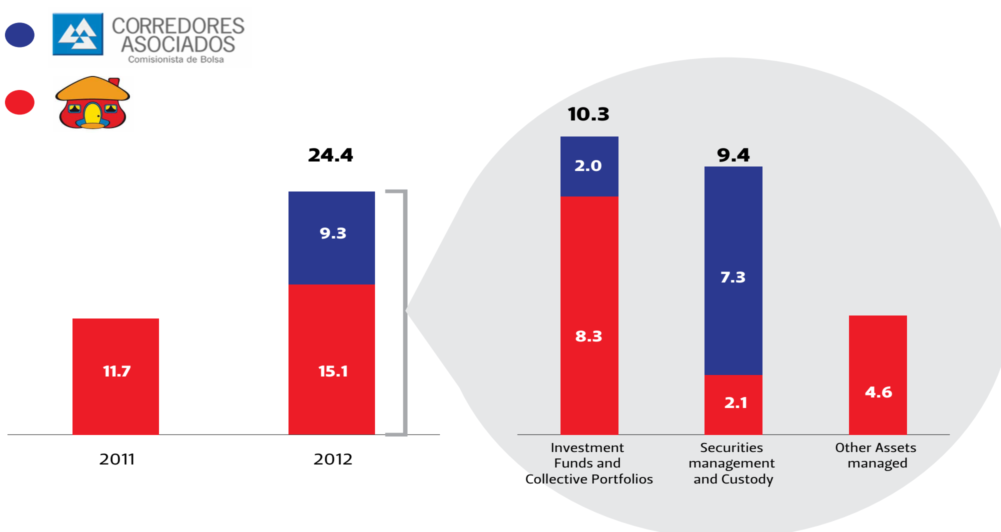
Acquisition of Corredores Asociados

Corredores Asociados: 26 thousand customers and $9.3 trillion administered assetss.

On February 28, an agreement with the shareholders of Corredores Asociados was reached to acquire 100% of this company and its subsidiary in Panama thus strengthening the supply of products and services to customers of both companies.

Corredores Asociados is a stock brokerage Colombian firm with more than 35 years experience. Up to December 31, it had approximately 26,000 customers with managed assets of $9.3 trillion and $58 billion in equity. In 2012, it generated revenues for $7,171 million, the country's second largest stock broker in terms of profits and the fourth in term of assets.

Assets under management



Participation in Building Equity for Colombian Families and Companies[13]

Davivienda leads the consumer sector with a market share of 14.1%.

Mortgage: disbursements reached $665 billion.

Personal Banking maintained its growth momentum and solid results. Davivienda continued to lead the consumer sector with a market share of 14.1%[14] and grew by 8.1% during 4Q12 compared to 4Q11 principally due to growth in credit cards (22.4%) and payroll (15.8%). Total disbursements during the quarter were $2.8 trillion, 4.6% higher than 3Q12 and 10.5% higher when compared to 4Q11.

Regarding mortgage, disbursements reached $665 billion, 24.2% more higher 4Q11, and 8.0% higher versus 3Q12, reaching more than 8,900 Colombian families during the quarter, of which nearly 54% had access to a new "Social Housing Program" home (Homes for the low income segment). Davivienda is a leader in Social Housing Program disbursements with 38.8% of the market share.

Finally, the commercial portfolio grew by 11.2% when compared to December 2011. Broken down by sectorSMEs grew by 34.9%, the agricultural sector grew by 32.8% and the construction sector grew by 52.9% versus the previous year.

13 Central America is not included.

14 Source: Colombian Financial Superintendence, banking system figures as of December 2012

Macroeconomic Environment

Colombia

Colombia's GDP grew by 2.1% in real terms during the third quarter 2012, representing a decrease of 0.7% when compared to the previous quarter; this behavior was mainly due to the slowdown in the mining sector and to a 12.3% decrease in the construction sector.

World highlights in 2012: european economic crisis, reduction in chinese growth, economical desacceleration worldwide and dollar devaluation.

During the nine months of 2012, combined GDP grew by 3.9%, while during the same period in 2011, the growth was 5.8%. The fastest growing activities in this period were: mining and quarrying (7.2%), financial (5.5%) and transportation (4.3%). Both the construction and manufacturing sectors reported the lowest growth: 0.6% and -0.02%, respectively. Full-year 2012 growth is expected to be 4.0% in real terms.

Inflation in 2012 was 2.44%, falling within the inflation target set by the Banco de la Republica, and well below the 3.73% recorded in 2011. This trend was mainly explained by the reduction of food prices due to weather, the decline in international oil prices, the appreciation of the exchange rate and weak domestic demand.

Meanwhile, as a result of the global economic slowdown and a decline in consumption and private investment in Colombia, the Central Bank cut the policy rate by 25 bps in November and December 2012, closing the year at 4.25%. Currently, the policy rate is 3.75%.

In Colombia:
GDP: 2.1% real annual
Inflation: 2.44%
Exchange rate: $1,768
Unemployment: 9.55%

At a national level, the unemployment rate closed 2012 at 9.55%, with a decrease of 39 bps compared to the unemployment rate in September 2012 of 9.94%. As for the legal minimum wage, the Labor Negotiation Committee failed to reach agreement on an increase. Due to this failure, the government decreed an increase of 4.02% for 2013.

Finally, regarding the foreign exchange market during the fourth quarter, the exchange rate went from $1,831 in early November 2012 to $1,768 as of December 31, 2012. This was explained by the devaluation of the dollar as a result of new securities purchases by the Fed, as well as uncertainty in the U.S. Congress regarding the 'fiscal cliff'.

Central America

While there is still no consolidated information on regardin the growth of the economies for 2012, quarterly GDP figures and the monthly economic activity index (MEAI) suggest that during the year there was a slowdown of economic activity in El Salvador and Honduras while it accelerated in Costa Rica and Panama[15] .

15 Due to lack of GDP figures for year-end in Panama, Costa Rica and El Salvador, and to the absence of quarterly GDP calculation in Honduras, we have chosen to refer to the Monthly Economic Activity Index of the respective countries.

In fact, between January and November 2012, the MEAI recorded a cumulative growth of 4.5% and of 1.3% in Honduras and El Salvador. These figures contrast with the 5.3% and the 2.7% achieved in these countries over the same period of 2011. On the other hand, Panama and Costa Rica went from 3.8% and 8.3% growth rate in 2011 to 5.1% and 9.6% in 2012.

Despite the aforementioned, the latter part of the year showed a significant slowdown in the case of Costa Rica which went from a growth rate of 8.15% in March to a growth rate of only 2.33% in November[16].

The causes of lower economic performance observed in the region are associated with deterioration in commodity prices and with slower global economic growth.

The causes reasons for the lower economic performance observed in the region are associated with deterioration in commodity prices and with slower global economic growth. In the case of Honduras and Costa Rica, the actual revaluation processes of their currencies contributed to the lower competitiveness of their products.

Annual inflation in Honduras at December 2012, was the highest of all economies with 5.4%, followed by Costa Rica and Panama with 4.6% per year. Finally, El Salvador experienced inflation of only 0.8% per year - the lowest in Latin America.

Finally, and as a result of the differential in interest rates between foreign currencies and colones, the flow of foreign currencies into Costa Rica generated a significant revaluation of the exchange rate during 2012 (the exchange rate almost reached the bottom of the exchange rate band which is 500 colones per dollar for the purchase). In this sense, in order to defend the exchange rate band, the Central Bank increased its international reserves by 44% between 2011 and 2012, while between 2010 and 2011 this accumulation was only 2%. Earlier this year, the exchange rate was 515.33 colones for sale and decreased to 505.16 in December. Similarly, the purchase exchange rate rose from 504.10 in January to 494.33 colones in December. Thus, the average exchange rate fell by 2% during 2012.

Meanwhile, in Honduras, the situation is quite different. In July 2011, the authorities abandoned the fixed exchange rate (in force for several years) and established a system of”drop-wise” devaluation. Since then, the Central Bank has allowed the currency to fluctuate within a band (+ - 7%) with respect to the daily a reference rate. The reference exchange rate in January 2012 was on average about 19.08 lempiras per dollar and rose as much as 19.92 lempiras last December. In that sense, the average devaluation of the currency between January and December was 4.5%.

New subsidiaries in Central America[17]

The main financial and operating figures which follow, reflect recent acquisitions of HSBC’s operations in Honduras, El Salvador and Costa Rica.

16 Moving average of order 3

17 The balances presented here do not include the impact of homogenizing.

Davivienda Costa Rica

Costa Rica: 194 thousand customers served by a network of 28 branches, 116 ATMs and 798 employees.

Grupo del Istmo (Costa Rica) SA is the Holding company in Costa Rica which was 100% acquired by Davivienda on November 23 2012. Its subsidiaries are Corporación Davivienda (Costa Rica) SA, (100%), Banco Davivienda (Costa Rica) SA, (99.99%), Davivienda Puesto de Bolsa (Costa Rica) SA, (99.99%), Davivienda Sociedad Agencia de Seguros (Costa Rica) SA. (99.99%). As of December 31, 2012, the Bank reported nearly 194 thousand customers served by a network of 28 branches, 116 ATMs and 798 employees.

At year end, the Bank ranked sixth within the Costa Rican banking system with market share of 5.7%[18] by assets level and 5.2% bye deposits level.

Based on local accounting regulation, total assets at the end of 2012 was US$1,314 million, liabilities reached US$1,115 million and equity closed at US$198 million.

Net income generated by Grupo del Itsmo during 2012 was -US$38.8 millions, this result includes total goodwill amortization of US$50 million. For the consolidation of Costa Rica there was take into account the US$122 thousand net income since its acquisition. After standarizations and eliminations, Costa Rica`s contribution to the bank consolidated results was US$1.0 million ($1,839 million).

Loan portfolio quality[19] during 4Q12 was 2.48%; commercial portfolio quality was 1.61%, consumer was 3.37% and mortgage was 3.29%, thus achieving coverage of 141.5%[20].

(Figures in thousand US)	Retained Net Income 2012	Net Income December 2012
Local accounting net income results		
Grupo del Itsmo	-38,837	122
Corporación S.A.	14,420	550
Banco S.A.	14,422	439
Puesto de Bolsa	427	65
Sociedad agencia de seguros	136	35
Standarizations, eliminations and minority interest		**-1,162**
Standarizations		-3,670
Eliminations		2,512
Minority interest		-4
Costa Rica`s contribution in the Consolidated		**-1,040**

18 Source Costa Rica Banking Superintendent, figures as of December 31, 2012, with participations calculated on bank's total; excluding the public sector, Davivienda Costa Rica ranks third with a market share of 13.2%.

19 Quality: Loan Portfolio > 90 days/ Total

20 Coverage: Provisions/ Loan Portfolio >90 days

Davivienda El Salvador

Davivienda El Salvador is the Holding where Davivienda owns 96.12%, and which was acquired on November 30 2012. Its subsidiaries include Banco Davivienda Salvadoreño S.A, (98.24%), Almacenadora Davivienda S.A. de CV (99.99%), Factoraje Davivienda S.A. de CV, (99.99%), Seguros Comerciales Bolivar S.A. El Salvador, (99.99%), Valores Davivienda El Salvador S.A., (99.99%), Seguros Bolivar S.A. and Seguros de personas de El Salvador (99.99%).

El Salvador: 382 thousand customers served by a network of 68 branches and 198 ATMs and a team of 1,682 employees.

The Bank is the fourth largest in the country with participation in terms of assets of 13.7% and of 13.5% in deposits. The insurance subsidiary is the seventh in the country with premiums totaling US$11 million[21]. El Salvador reported approximately 382 thousand customers served by a network of 68 branches and 198 ATMs and a team of 1,682 employees.

Based on local accounting regulations, total assets at the end of 2012 was US$1,992 million, liabilities reached US$1,731 million and equity closed at US$261 million.

Net income generated by financial investments during 2012 was US$17.1 million with a ROE of 6.5%. For the consolidation of El Salvador there was take into account the US$17.7 million net income since its acquisition. After standarizations and eliminations, El Salvador`s contribution to the bank consolidated results was -US$19.4 million ($34,266 million).

The portfolio quality indicator was 4.29%[22], consisting of 5.40% in commerce, 1.84% in consumer and 5.73% in housing. Coverage was 121.5%.[23]

21 Source: December 2012 El Salvador Banking Superintendent figures

22 Quality: Loan portfolio> 90 days/Total

23 Coverage: Provisions/Loan portfolio> 90 days

(Figures in thousand US)	Retained Net Income 2012	Net Income December 2012
Local accounting net income results		
Inversiones Financieras S.A.	17,058	17,667
Banco S.A.	16,154	-329
Almacenadora S.A.	55	2
Valores S.A.	-55	-3
Seguros S.A.	2,037	353
Vida S.A.	10	18
Factoraje S.A.	43	26
Standarizations, eliminations and minority interest		**-37,046**
Standarizations		-25,718
Eliminations		-10,510
Minority interest		-818
El Salvador`s contribution in the Consolidated		**-19,379**

Davivienda Honduras

Honduras: 267 thousand customers served by a network of 50 branches, 8 service counters, 75 ATMs and 1,200 employees.

On December 7, 2012, operations in Honduras were acquired. This operation was compromised by two entities: Banco Davivienda Honduras S.A., of which Davivienda owns 94.22%, ranking sixth in the country's financial system in terms of assets with market share of 7.1% [24], and Seguros Bolivar Honduras S.A., of which Davivienda owns 88.6%, and which as of December 2012 was the fifth largest insurance company in the country with premiums totaling US$31 million [25].

Honduras reported 267 thousand customers served by a network of 50 branches, 8 service counters, 75 ATMs and 1,200 employees.

Based on local accounting regulations, total assets at the end of 2012 was US$902 million, liabilities reached US$770 million and equity closed at US$132 million.

Net income generated by Honduras` Bank and insurance company during 2012 was US$10.7 million with a ROE of 8.1%. For the consolidation of Honduras there was take into account the US$1.1 million net income since its acquisition. After standarizations and eliminations, Honduras` contribution to the bank consolidated results was -US$0.9 million ($15,519 million).

24 Source: December 2012 Honduras Banking Superintendent figures

25 Source: December 2012 Honduras Banking Superintendent figures

The portfolio indicator was 1.51% [26]: for commerce was 0.72%, consumer was 3.07% and 1.50% in housing. Coverage was 188.5% [27].

(Figures in thousand US)	Retained Net Income 2012	Net Income December 2012
Local accounting net income results		
Banco S.A.	6,634	856
Seguros S.A.	4,067	250
Standarizations and minority interest		**-9,882**
Standarizations		-9,381
Minority interest		-502
Banco y Seguros Honduras contribution in the consolidated		**(8.8)**

26 Quality: Loan portfolio > 90 days / Total

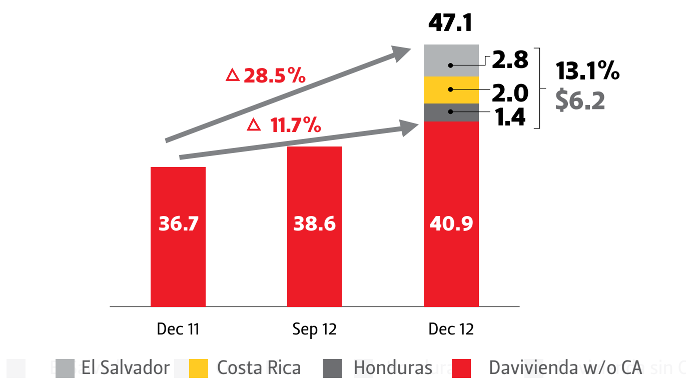
27 Coverage: Provisions/ Loan portfolio> 90 days

Balance Sheet

Assets

In 2012, consolidated assets closed at $47.1 trillion, of which $6.2 trillion represent the acquisition of Central America which generated a growth of 28.5% over the fourth quarter of 2011. Excluding Central America, assets grew by 6.2% in the quarter and 11.7% over the previous year.

Assets ($trillion)



ROAA (1)	2011	Sep 2012	2012 sin CA	2012	2012 ajustado[2]
	1,89%	1,98%	2,22%	1,78%	2,23%

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

(2) Standarizations of portfolio provisions, fixed assets depreciation and extraordinary Central America expenses are eliminated.

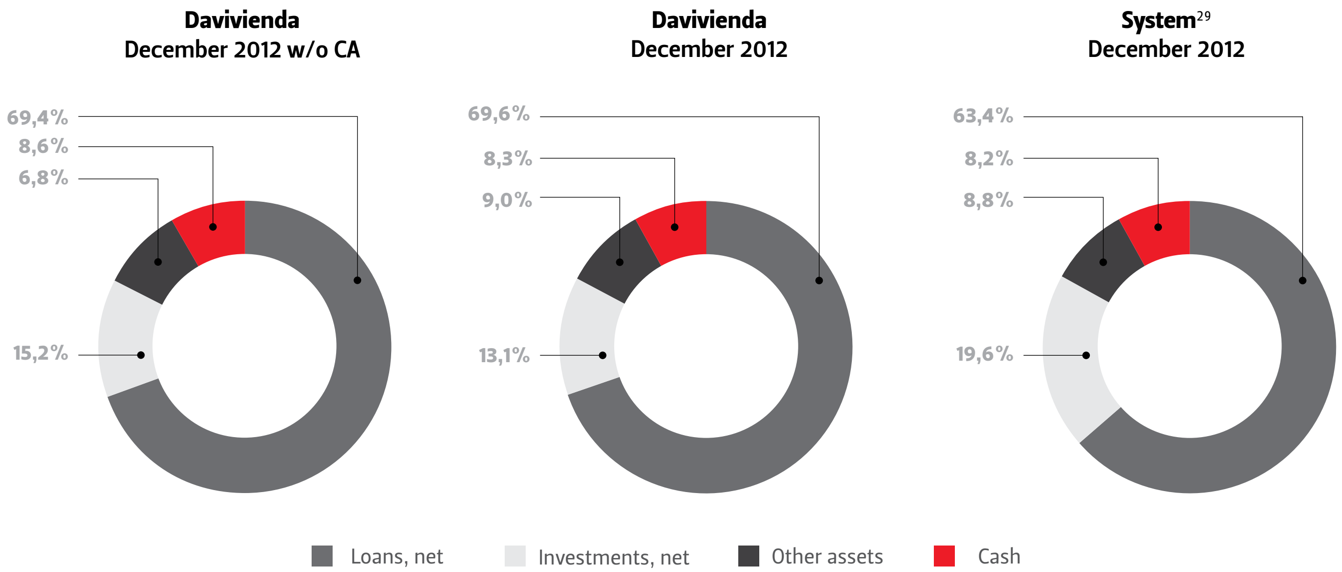
The consolidated net loan portfolio, representing 69.6% of total assets, totaled $32.8 trillion. Of these, 4 trillion correspond to Central America, a growth of 18.1% when compared to 3Q12 and of 28.4% compared to the same period the previous year. Excluding Central America, the net gross portfolio was 2.2% versus the previous quarter and 11.2% versus the previous year. Meanwhile, accumulated ROAA at year-end was 1.78% [28], and excluding Central America it was 2.22%.

Asset composition, after the inclusion of Central American operations, retained its distribution[29].

28 ROAA = Profit (12 months) / Average Assets

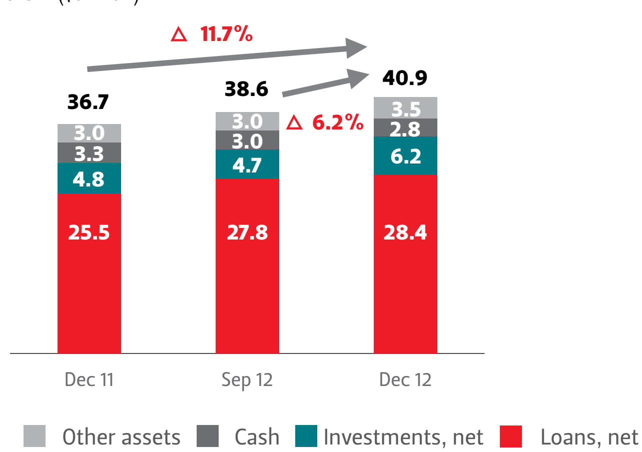
29 System assets grew 14.3% compared to December 31, 2011, reaching ROA of 12.31%. (Single figures)

Asset composition ($trillion)



Assets, without taking into account Central America were composed as follows: 69.4% in the net loan portfolio, which grew by 2.2% compared to 3Q12 and by 11.2% compared to 4Q11; net investments gained share at year end to reach 15.2% of total assets due to an increase of 32.7% compared to 3Q12 and 30.2% compared to 2011. This was mainly due to an increase of $573[30] billion in negotiable debt securities as a result of the liquidity strategy adopted by the Bank.

Asset composition ($trillion)



30 Does not include an increase in participatory securities as a result of the acquisition in CA.

Cash

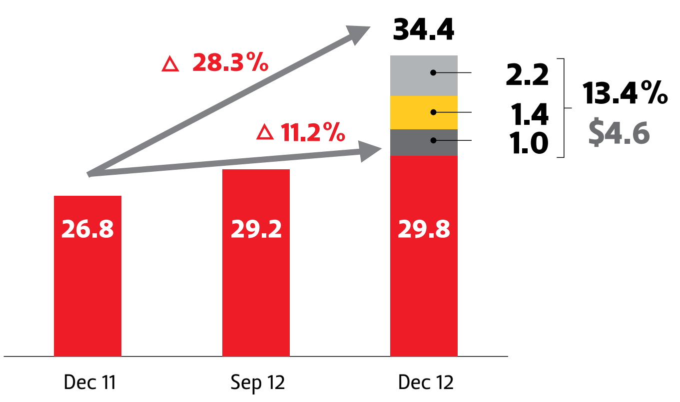
Available cash totaled $4.2 trillion represent a growth of 39.5% from third quarter 2012 and 27.3% when compared to the previous year. Without taking into account acquisitions of $1.4 trillion, available cash declined 8.2% and 16.3% respectively. The above is largely explained by the use of resources in the acquisition transaction.

Gross Loan Portfolio

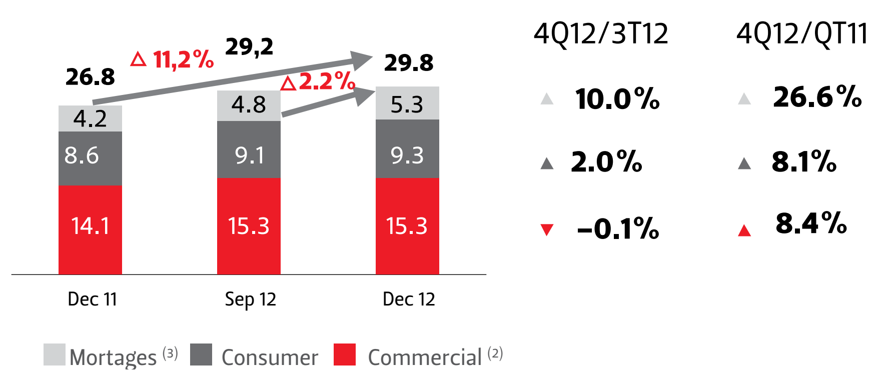
Consolidated loan portfolio totaled $34.4 trillion.

At the end of 2012, Davivienda's total loan portfolio totaled $34.4 trillion, which represented an increase of $5.3 trillion when compared to 3Q11. Of this amount, $4.6 trillion corresponded to the consolidation with Central America, where 49.1% represent commercial, 25.7% consumer and 25.2% mortgage housing. Portfolio growth, without taking into consideration the acquisition was 2.2% compared to 3Q12 and 11.2% versus 4Q11.

Gross loan portfolio ($trillion)



Gross portfolio composition without Central America ($trillion)



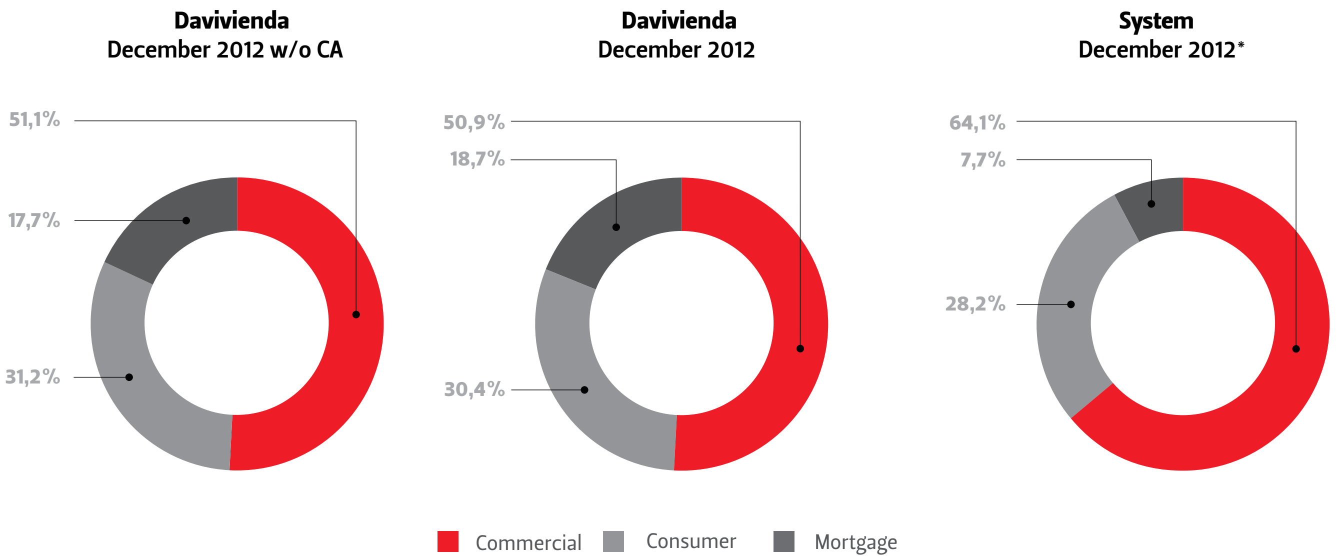
Gross loan portfolio growth by type of loan portfolio

	Davivienda w/o CA		System [1]	
	Q /Q	Y / Y	Q /Q	Y / Y
Commercial [2]	-0.1%	8.4%	**5.5%**	13.3%
Consumer	2.0%	8.1%	**3.9%**	17.3%
Mortgage [3]	10.0%	26.6%	**7.4%**	24.2%
Total	**2.2%**	**11.2%**	**5.2%**	**15.2%**

(1) System individual figures as of december 31, 2012
(2) Commercial includes microcredit
(3) Mortgage includes leasing

The new loan portfolio composition maintains a similar structure after the inclusion of Central American operations.

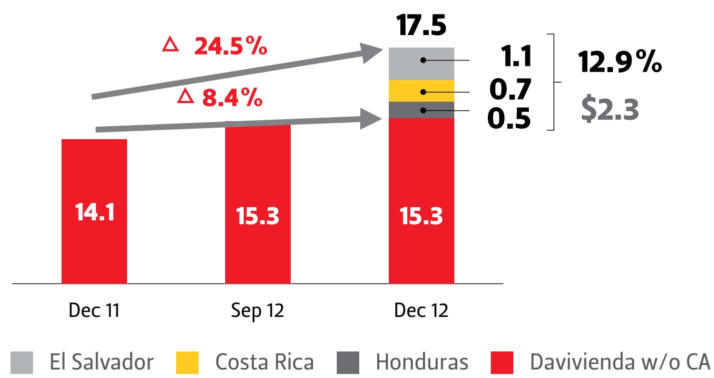
Gross Portfolio Composition ($Trillion)



Commercial includes microcredit; housing includes residential leasing.
* Individual figures.

The commercial portfolio reached $17.5 trillion of which $2.3 trillion correspond to Central America: or 50.9% of the total portfolio, an increase of 14.7% from 3Q12 and 24.5% from 4Q11. Excluding the acquisition, the commercial portfolio declined 0.1% versus the previous quarter and an 8.4% growth compared to 4Q11 mainly due to advance payments to corporate clients.

Commercial portfolio ($trillion)



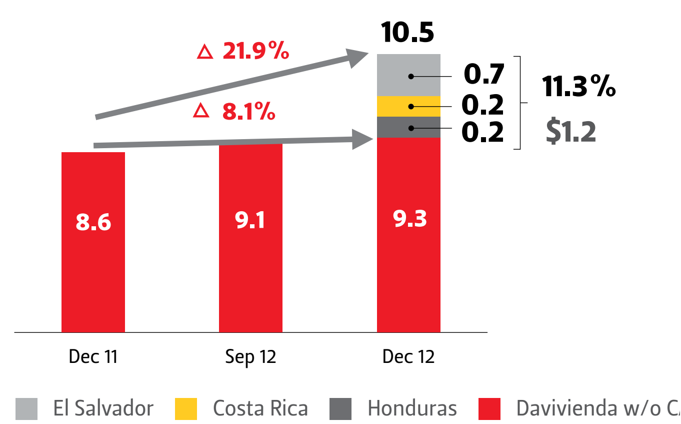
*Commercial includes microcredit

Commercial portfolio: $17.5 trillion. Consumer portfolio: $10.5 trillion.

In 4Q12, the consumer portfolio closed at $10.5 trillion of which $1.2 trillion correspond to contributions from Central America operations, a growth of 15.0% versus 3Q12 and of 21.9% with respect to 4Q11. Without taking into account Central America, the consumption portfolio growth was of 2.0% and 8.1% respectively, mainly due to 6.1% growth in credit cards during the quarter and 22.4% growth when compared to December 2011, maintaining leading position with a market share of 19.0%[31] for balance.

Meanwhile, car loans increased 13.3% compared to December 2011 and promissory notes increased 15.8%.

Consumption portfolio ($trillion)



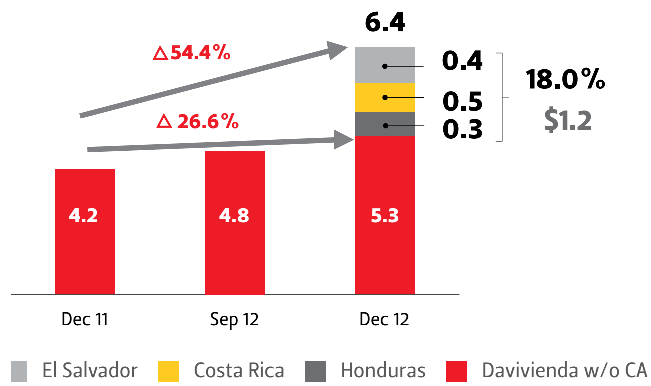
Mortgage portfolio 2012: $6.4 trillion and growth of 54.4% versus 2011.

The mortgage portfolio reached $6.4 trillion at year-end 2012, of which $1.2 trillion correspond to Central America registering growth of 34.2% compared to 3Q12 and of 54.4% when compared to 4Q11. Without taking into account Central American operations, the mortgage portfolio grew 10.0% and 26.6% respectively.

31 Source: Colombian Financial Superintendence. Figures as of December 31, 2012

Considering the portfolio the Bank securitized in 2012 (which amounted to $2.0 trillion) the annual growth of this portfolio would be 16,5%.

Mortgage portfolio ($trillion)



Portfolio loan quality by type and coverage

Without taking into consideration Central America, the non-performing loan portfolio[32] went from 1.59% in September 2012 to 1.63%, an increase of 4 bps mainly explained by deterioration in the consumption quality indicator of 16 bps due to a lower growthing in this portfolio. Taking into consideration Central America, the indicator stands at 1.83%.

Loan quality and coverage Central America

Loan portfolio	Quality	Coverage
Commercial	3.32%	121.3%
Consumer	2.37%	193.5%
Mortgage	3.60%	114.1%

The coverage level after the consolidation with Central America was 258.4%.

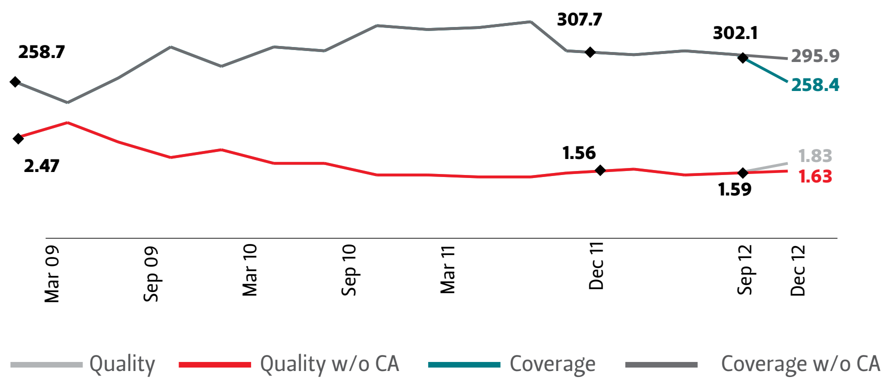
The coverage level [33] after the consolidation with Central America was 258.4%; this included additional provisions of $53.7 billion in the consolidated results related to the Central American portfolio as a consequence of the standarization with Colombian standards. During the fourth quarter 2012, coverage levels remained above 300% in the commercial and consumer portfolios. Mortgage loan coverage was 129.3%.

32 Quality: Loan portfolio> 90 days / Total.

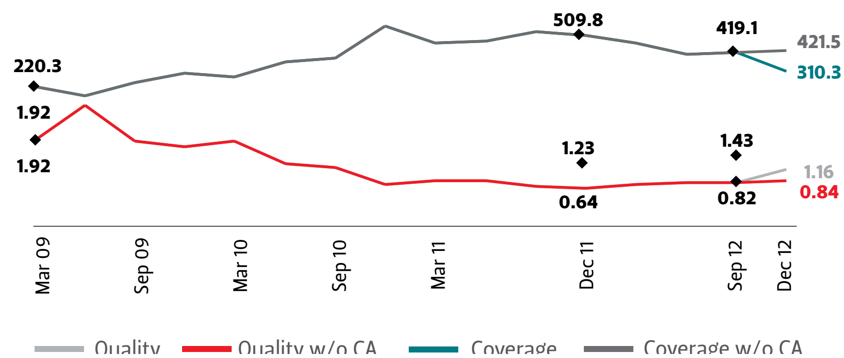
33 Coverage: Provisions / Loan portfolio> 90 days. Commercial includes microcredit; mortgage includes leasing.

DAVIVIENDA

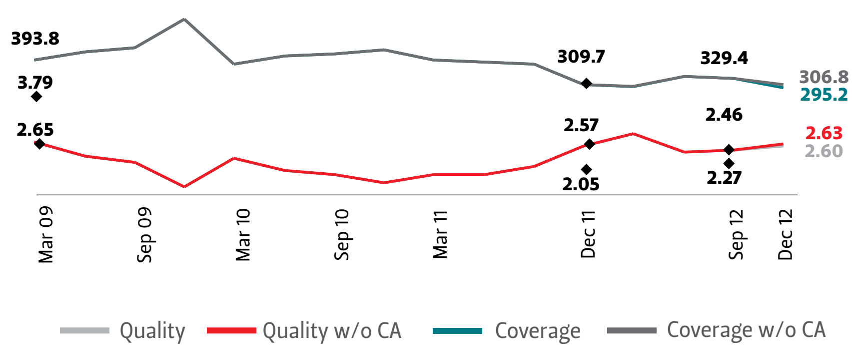
Total loan portfolio (%)



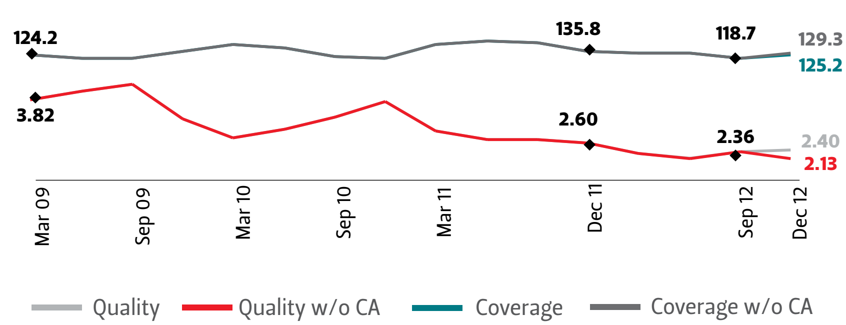
Commercial (%)



Consumer (%)



Mortgage (%)



During the fourth quarter 2012, charges-offs[34] totaling $206 billion were undertaken, with recoveries totaling $47.1 billion, leading to a net of $158.8 billion, equivalent to 0.5% of the portfolio during the fourth quarter; total write-offs during 2012 represented 0.7% of the net portfolio.

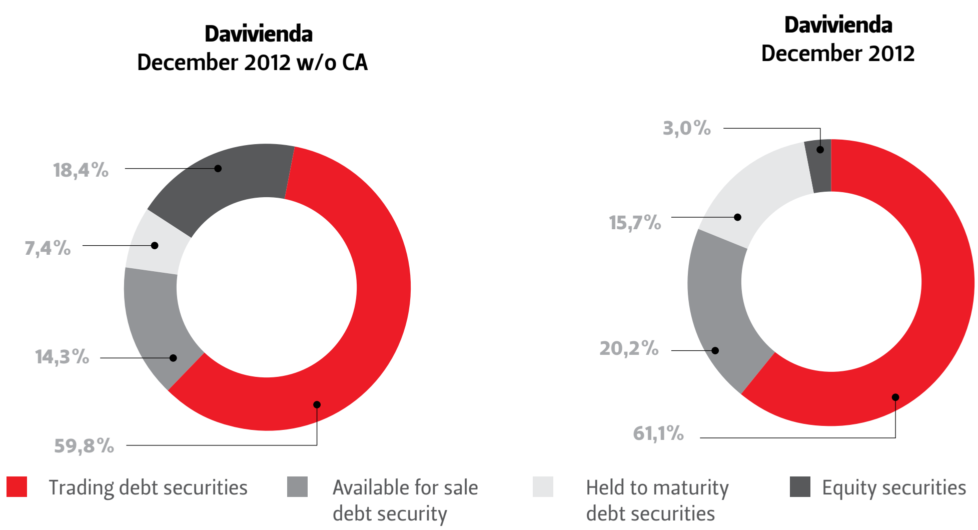
Net Investment Portfolio

Net invesment portfolio in 2012: $6.2 trillion.

At year end, the investment portfolio totaled $6.2 trillion, up 31.6% in the quarter and 29.1% in 2011, mainly due to an increase in debt securities of $1.3 trillion. Without taking into account Central American operations, the balance of net investments increased $1.5 billion, a growth of 32.7% compared to 3Q12 and 30.2% compared to 4Q11. In addition, the Bank reported an increase in investments in equity securities mainly due to the Bank's investment in Central America subsidiaries.

After the consolidation of Central American operations, investments increased a similar composition.

Composition of the gross investment portfolio



Goodwill

Goodwill was $1.7 trillion, due to the inclusion of the goodwill from Central America operations.

At the end of 2012, commercial credit was $1.7 trillion, an increase of 45.5% from the previous quarter mainly due to the inclusion of commercial credit for $534 billion from Central American operations, which is amortized over 20 years, representing an annual amortization of $13.2 billion.

34 Includes extraordinary charges-offs

Other Assets

Assets received as net payment totaled $89.1 billion, growing 82.9% during the quarter and 129.5% compared to the fourth quarter 2012, mainly due to the consolidation with Central America wich contributed $54 billion. Without Central American operations, assets received as net payment diminished, from $48.7 billion in September 2012 and $38.8 billion in December 2011 to $34.9 billion as 2012 year end.

Fixed assets, including valuations, totaled $1.0 billion, an increase of 14.8% from the previous quarter and 16.8% compared to the fourth quarter 2012 with Central American operations contributing $134 billion. Thus far in 2012, asset valuations reached $527.6 billion, a variation of 7.6% compared to 3Q12 and of 9.9% versus fourth quarter 2011.

Liabilities

Liabilities 2012: $41,8 trillion. Deposits and rediscounting obligations totaled $39.6 trillion.

At December 31, 2012, liabilities totaled $41.8 trillion, with an increase of 25.2% when compared to 3Q12 and of 31.2% compared to 4Q11. Liabilities for Central America contributed $6.2 trillion Consolidated liabilities without Central American operationsincreased 6.5 % during the quarter and 11.6 % versus 4Q11.

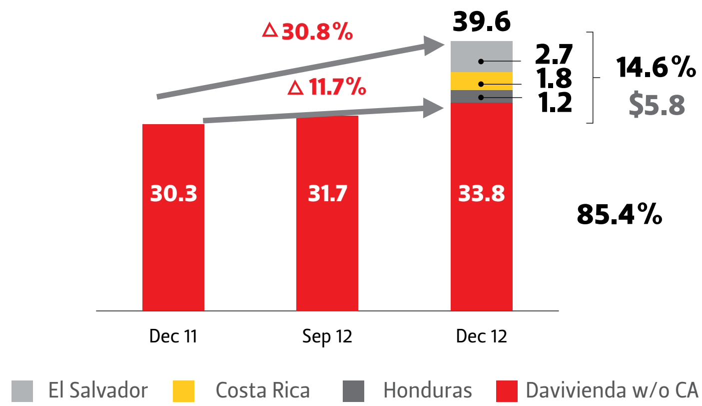
Deposits and rediscounting obligations totaled $39.6 trillion, achieving a ratio of net loans to funding[35] sources of 82.8%, mainly explained by the growth of demand deposits with the contribution from Central America of $2.8 trillion an increase of 30.2% compared to 3Q12; while term founding sources, with the contribution of $3.0 trillion from Central America, increased 19.8%[36] compared to from the previous quarter.

Without taking into account Central American operations, deposits and rediscounting obligations were $33.8 trillion, achieving a portfolio ratio of 84.0%; demand deposits rose 12.5%, while term deposits rose 1.0% versus 3Q12.

35 Ratio = Net Portfolio / (Total Deposits + Bonds + Credits with Entities)

36 Term funding sources include CDT's, bonds and credits with institutions.

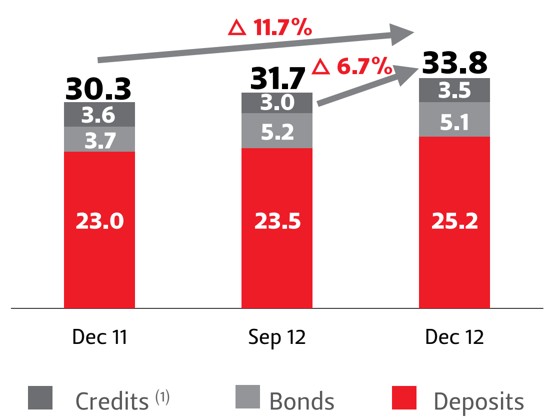
Funding sources ($trillion)



Cartera neta / Fuentes de fondeo	Dic 2011	Sep 2012	Dic 2012 sin CA	Dic 2012
	84,4%	87,7%	84,0%	82,8%

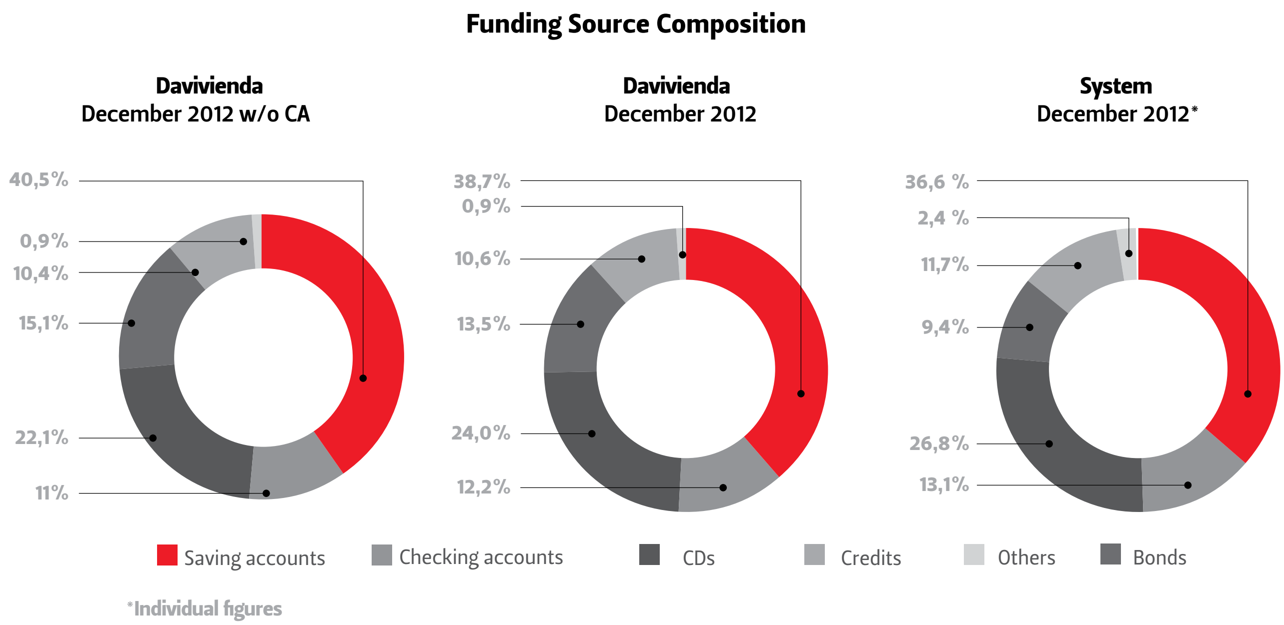
Demand deposits and savings accounts grew 24.8% when compared to 3Q12 and current accounts increased 45.8%.

Demand deposits and savings accounts grew 24.8% when compared to 3Q12 and 22.6% compared to 4Q11; current accounts increased 45.8% when compared to 3Q12, and 34.8% from 4Q11 due to the consolidation of Central American operations. Excluding Central America, the savings accounts growth was 11.6% in the quarter and 9.6% compared to 4Q11, while current accounts increased 12.1% and 3.7%, respectively.



(1) Correspond to local discount credits and credits with correspondent banks.

The composition of funding sources was retained after including Central American funding.



The bond balance reached $5.4 trillion where Central America added $244 billion, an increase of 2.5% when compared to the third quarter 2012 and of 45.0% when compared to the fourth quarter 2011. Without taking into account Central American operations, bonds declined 2.1% versus 3Q12, but grew 38.4% versus 4Q11, as a result of an international issuance of subordinated bonds for US $500 million in 3Q12 along with the Bank's local issuance program.

Deposits, excluding bonds, increased by 28.0% compared to 3Q12 and by 30.5% compared to 4Q11. Without Central American operations, deposits excluding bonds rose by 7.3% and by 9.4%, respectively.

Financial obligations supporting part of the commercial portfolio funding (local rediscount loans and credits with correspondent banks) increased by 41.0% compared to 3Q12, and by18.2% compared to 4Q11. Of these, foreign currency obligations for US$1.3 billion increased by 88.5% compared to 3Q12, mainly due to a $525 billion increase of obligations purchased in Central America. Without considering the purchase, credit with entities rose by 17.3% during the quarter, but decreased by 1.7% compared to the same period from previous the year.

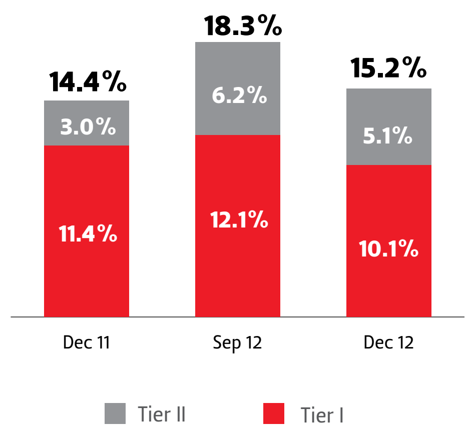
Equity

Davivienda equity totaled $5.3 trillion.

Davivienda equity totaled $5.3 trillion at the end of 2012, an increase of 3.1% compared to 3Q12 and of 11.2% compared to 4Q12, mainly due to the Bank's operating results.

Given Davivienda's assets, the consolidated Bank reached a solvency of 15.20% versus 18.33% in the previous quarter, and 622 bps above the level required in Colombia. As of December 31, 2012, the ratio of core capital to risk weighted assets was 10.06%. Technical capital stood at $6.7 trillion at the end of the fourth quarter, with a variation of 36.1% compared to the previous quarter. The decrease in the quarter was mainly due to the effect of the consolidation of Central American operations, as risk weighted assets rose to $5.9 trillion.

Solvency ($trillion)

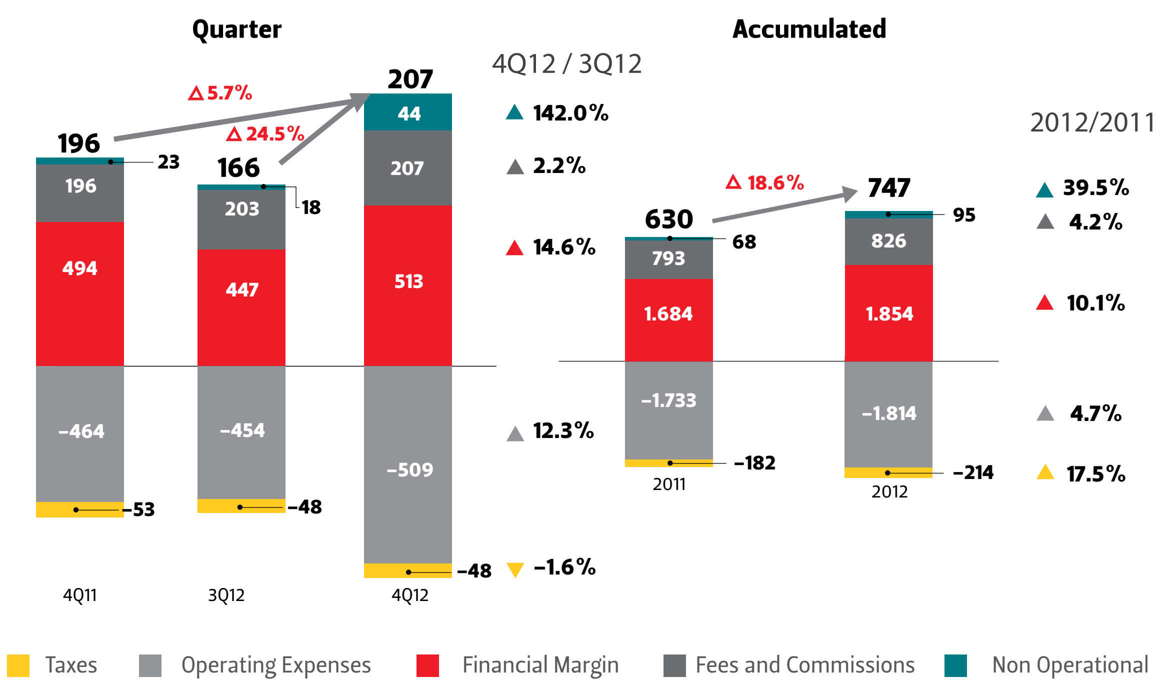


Income Statement

In the Elaboration of the Consolidated Financial Statements the Company took into consideration second half 2012 results for each of their subsidiaries in Central America. However as these entities where acquired at the end of 2012, Net Income added to consolidated results correspond to December. Taking this into consideration, Net Income for Central America from July to November was eliminated only over other income no operating, not over each of the line items that compose the consolidated financial statements.

Therefore, pro-forma financial statements elaborated did not include the effects of subsidiaries in Central America, consequently all presented analysis were based on this. However results and variations were kept on the published Consolidated Financial Statements.

Net Income ($billions)

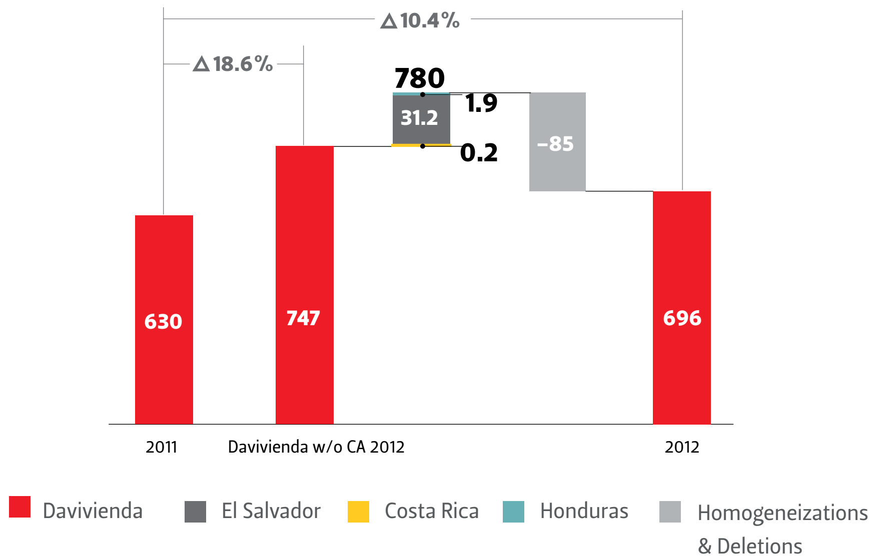


Net income in the 4Q12: Including Central America $155 billion. Without Central America: $207 billion.

In 4Q12 net income without taking into account Central American operations was $207 billion, up 24.5% from the previous quarter and 5.7% versus the same period last year, mainly due to an increase in the gross financial margin of 10.5% compared to 4Q11. Earnings per share for the quarter reached $415.4 [37]. Including Central America the net income in the 4Q12 totaled $155 billion, a decrease of 6.5% compared to 3Q12 and 20.6% compared to 4Q11.

37 Net Income per Share

Accumulated net Income ($billion)



ROAE	2011	2012 w/o CA	2012	2012 adjusted[2]
	15.1%	14.6%	13.6%	14.7%

ROAE : Net Income (12 months) / Average Equity
Accumulated Net Income of System as of December 2012 increased 18.2%compared to December 2011 while ROE reached 13.6%
Standarizations of portfolio provisions· fixed assets depreciation and extraordinary Central America expenses are eliminated

Accumulated net income without taking into account Central American operations was $747 billion, an increase of 18.6% versus 2011 due to an increase in financial income by 21.9% mainly to the loan portfolio income that grew by 19.0%.

Accumulated net income with central America $696 billion. Without Central America $747 billion.

Income for subsidiaries in Central America included in Davivienda's financial results correspond to those revenues generated since the acquisition date, which were $33.4 billion, that when consolidated with Davivienda`s results reached $780.4 billion.These results included initial standardizations and eliminations made to adjust to Colombian accounting principles, totaling $85.0 billion, for a final accumulated income figure of $696 billion, 10.4% higher than 4Q11.

These standardizations mainly corresponded to an adjustment in provisions throughout the portfolio of $53.7 billion and an adjustments of fixed assets amortization of $20.1 billion. These important standardizations were performed on the initial consolidation of results. Going forward, this standardization will be implemented only with regards to portfolio growth and fixed assets.

Return on average equity (ROAE) as of December 31, 2012 without Central America was 14,6% and including this operation with its standarization was 13.6%, compared to the financial system´s [38] ROE was 14.8%. Accumulated profits increased 7.3%.

38 Individual figures.

Interest on loans

Interest on loans income in 4Q12: $0.9 trillion.

Interest income without taking into consideration contributions from Central America was $0.9 trillion, 1.8% higher to the previous quarter, and 11.2% higher than in 4Q11. Performance in the quarter was due to a 2.2% increase in revenue generated by the commercial portfolio balance and by a 4.9% increase in revenues generated by the mortgage portfolio versus 4Q11.

Without taking into account Central American operations, the average portfolio grew by 3,0% when compared to 3Q12, and 14.8% compared to 4Q11, while the productive average assets closed at 12.6% while maintaining the same levels of 3Q12 and increasing 44 bps compared to 4Q11.

Interests of the commercial portfolio grew $7.2 billion without Central America, 2.2% compared to the previous quarter and 20.8% over the same period last year mainly due to an increase in this portfolio balance equivalent to 8.4% compared to 4Q11.

Likewise consumer income without Central American operations increased by 0.4% versus 3Q12 the previous quarter and 3.7% when compared to 4Q11, mainly due to a 3.1% increase in credit cards revenues in 3Q12 and 25.7% compared to 4Q11. This was due to a 6.1% growth in balances versus the previous quarter and of 22.4% when compared to 4Q11, as well as the behavior of market rates because the usury rate rose 5 basis points from 3Q12 and 225 basis points, from 29.1% in the fourth quarter of 2011 to 31.3% in the same period 2012.

Finally, revenues from the mortgage interest not including Central American operations increased 4.9% compared to 3Q12 and 14.0% compared 4Q11, due to a higher allocation of housing and leasing portfolio (a 10.0% variation in the balance over the third quarter 2012 and 26.6% over the fourth quarter of 2011).

Without Central American operations, accrued interest income grew 19.0% comprared to 2011, closing at $3.5 trillion, mainly due to growth in revenues from commercial banks by 33.3% and 9.7% in consumer portfolio.

Investment Portfolio Income

Without the acquisitions in Central America, income generated by the investment portfolio in 4Q12 was $100 billion; a decrease of 6.7% compared to 3Q12 and 46.2% compared to 4Q11, mainly explained by an increase of 2.6% in the average balance of 2.6% compared to 3Q12 and 11.2% comprared to 4Q11, while the average rate closed at 7.2% in 4Q12.

Without taking into account Central American operations, the accrued investment income was $360.0 billion, an increase of 52.6% compared to 2011, mainly explained by an increase in investment income by fixed rent of 51.2% during the same period.

Financial Expenses

Excluding expenses from Central America, financial expenses decreased by 0.9% when compared to 3Q12 and 20.2% growth when compared to 4Q11, mainly due to increased in bond expeditures with regard to bond issuances during the year with 3.3% growth when compared to 3Q12 and 32.5% when compared to 4Q11, and to increased expenditures on savings deposits by 9.3% compared 3Q12 and 18.1% comprared to 4Q11. In 4Q12 expenses generated by credits by entities grew 2.2% compared to 3Q12 and 20.8% compared to 4Q11 explained by loans with national entities.

In 4Q12, accrued financial expenses excluding Central America, increased 39.1% compared to 4Q11, mainly due to growth in expenditures on savings accounts by 57.7%, bonds by 31.0% and CDTs by 27.7% comprared accrued results in 4Q11 last year.

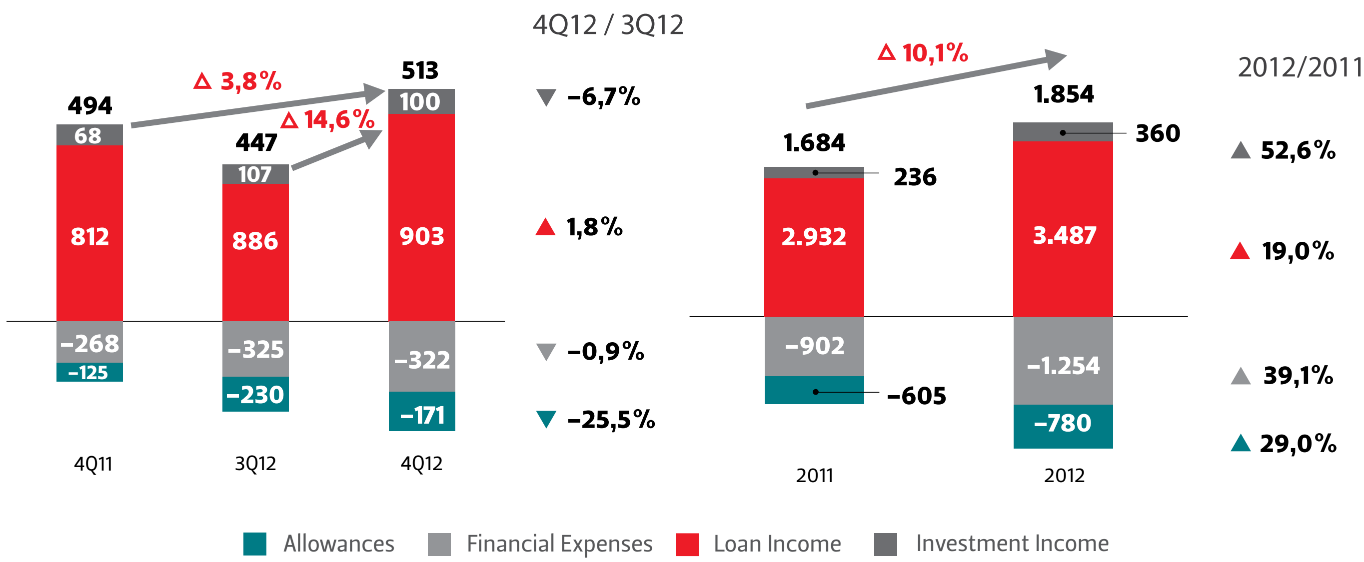
Net Allowances

Without Central America, net provisions expenses was $171.3 billion, decreasing by 25.5% when compared to 3Q12 and increasing by 36.9% compared to 4Q11 mainly due to a decrease in loan provisions of 35.6% compared to 4Q11.

In 4Q12 recoveries without taking the account Central American operations were $214.9 billion, a decrease 48.6% less than in the previous quarter and 35.6% lower than 4Q11, mainly due to a reduction in portfolio recoveries 54.6% compared to 3Q12 and 39.9% compared to 4Q11.

Without Central America accumulated net provision expenseswere $780.4 billion, an increase of 29.0% versus 4Q11, mainly due to increase of 11.8% in loan provisions reaching $207 billion. Accumulated recoveries as of December 31, 2012 was $1.2 billion, growing 2.7% when compared to 4Q11.

Net Financial Margin ($billions)



	2011	2012 w/o CA
NIM(1)	7.8%	7.8%

(1) NIM: 12 months. Gross Financial Margin / Average Interest Earning Assets.
* NIM system as of December 2012 was 7.8%. Individual data.

Without taking into account Central American operations, despite the increase in financial expenses in 4Q12 compared to 3Q12, the dynamism in commercial and housing portfolios, along with the good performance of the investment portfolio generated a $65.4 billion increase in the net interest margin from the previous quarter and $18.9 billion compared to 4Q11. This was reflected in a NIM[39] indicator of 7.8% maintaining same levels from December 2011.

Net financial margin for the year without taking into account Central American operations was $1.9 trillion, an increase of 10.1% compared to 4Q11.

Fee and Commission Income

Revenues and service fees without the acquisition in Central America closed at $207.4 billion, growing by 2.2% compared to 3Q12 and 5.7% when compared to 4Q11, mainly explained by an increase in transactional revenues and credit card fees.

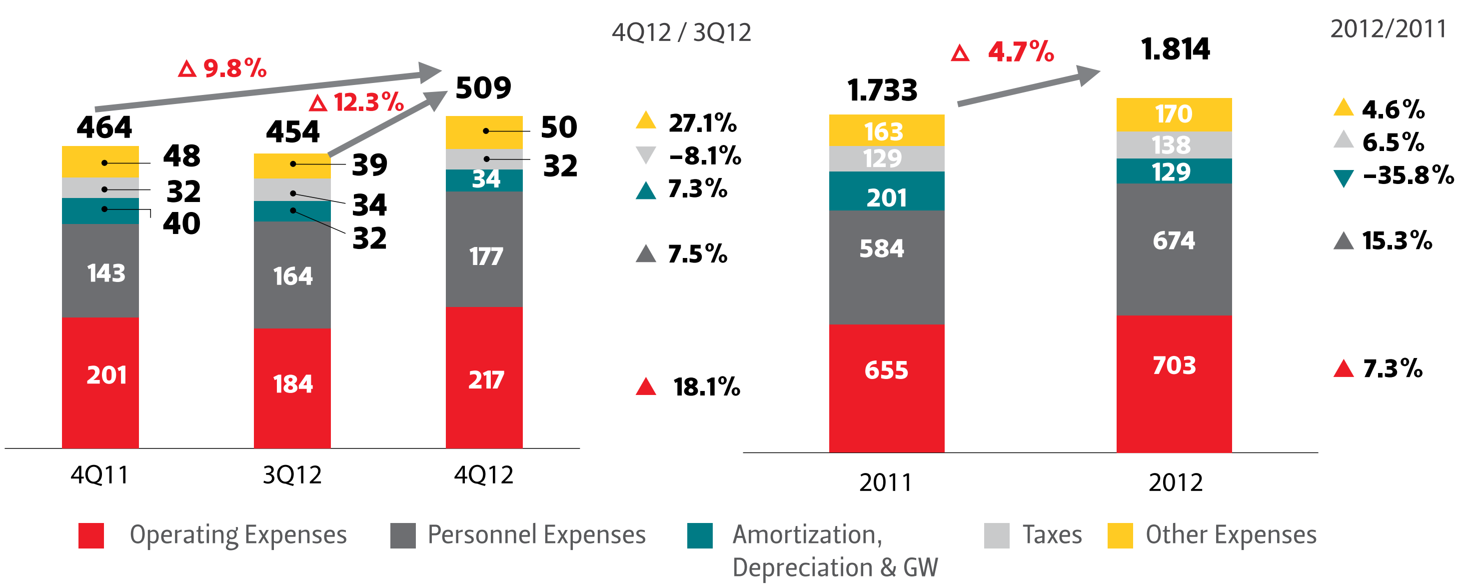
39 NIM= Financial gross margin / average productive assets.

Income due to commission and accumulated services without Central America, closed at $825.8 billion, growing by 4.2% when compared to 4Q11. Income from commissions and services on total revenues was 19.4%, decreasing from 20.0% in 3Q12 to 21.3% in 4Q11.

Operating Expenses ($billion)

Operating expenses in the 4Q12 without Central America were $509.4 billion, growing by 12.3% when compared to the previous quarter and by 9.8% when compared to December 2011 mainly due to the increase in other labour expenses, legal and financial consulting fees generated by international bonds issuance and central America subsidiaries acquisition. Extraordinary expenses generated by the integration with Central America totaled $9.6 billion of which $4.4 billion were registered in Colombia, in addition an annual $3.6 billion defered expense is estimated for the next 5 years; of which around $2.4 billions will be assumed by Colombia.

Without taking into account Central America, efficiency ratio 12 months accumulated goes form 47.7% in 3Q12 to 48.7% in 4Q12, taking into account Central America the efficiency ratio was 50.7% and making an estimate indicator excluding the extra costs of the integration of Central America, it would be at 48.4%.



* 12 month Efficiency
System Efficiency as of December 2012 was 54.4%

	2011	2012 w/o CA	2012 adjustment (2)
EFFICIENCY(1)	50.9%	48.7%	48.4%

(1) EFFICIENCY (12 months) = Operation Expenses ex. Goodwill / (Gross Financial Margin + Operating Income + Other Income Expenses)
(2) Without Central America extraordinary expenses of integration with Central America are eliminated.

Personnel expenses in 4Q12 without the acquisition of Central America closed at $176.5 billion, growing by 7.5% comprared to 3Q12 and 23.6% over the same period last year.

Moreover, administrative expenses without Central American operations were $152.8 billion, 19.7% high than 3Q12 and 6.1% compared to 4Q11, mainly due to the increase in fee expenses of 60.4% comprared to 3Q12 and 17.7% compared to 4Q11.

Operating expenses in 4Q12 without taking into account Central America were $64.6 billion, growing by 14.4% versus 3Q12 and 14.2% versus 4Q11, mainly explained by an increase in other operating expenses of $3.3 billion. Finally, tax expenditures without taking into account Central America closed at $31.6 billion, a decrease of 8.1% compared to 3Q12 and an increase of 1.5% compared to 4Q11.

Accrued operating expenses as of December 2012 2012 excluding operating expenses from Central America were $1.8 billion, growing 4.7%.

Other Income and Expenses, Net

During the fourth quarter of 2012 without taking into account Central American operations, other net income and expenses were $1.2 billion, decreasing by 97.0% compared to the third quarter 2012 and by 93.2% versus 4Q11, mainly due to recovery Fondo Ganadero Caqueta's fraud case for $34 billion.

Without Central America net accrued income and expenses, for 2012 was $112.2 billion an increase of 55.5% compared to 2011's accumulated results.

Minority Interest

Minority interest reached $1.0 billion, a decrease of 148.8% versus 3Q12 and 147.3% compared to 4Q11 as at the result of the fusion with the fiduciary entities.

Taxes

During 4Q12, without taking into account Central America the taxes were $47.6 billion, a decrease of 1.6% versus 3Q12 and 10.8% versus 4Q11.

Summary results 4Q12

	2011	2012 w/o CA	2012 w/o CA/2011	2012	2012 / 2011
Assets	36,658	40,938	11.7%	47,122	28.5%
Loans, net	25,547	28,392	11.2%	32,811	28.4%
Deposit	23,024	25,199	9.4%	30,040	30.5%
Equity	4,795	5,376	12.1%	5,331	11.2%
Accumulated income	630	747	18.6%	696	10.4%
Loan portfolio quality (1)	1.56%	1.63%	-	1.83%	-
Coverage (2)	308%	296%	-	258%	-
ROAE (3)	15.1%	14.6%	-	13.6%	-

(1) Unproductive portfolio > 90 days
(2) Allowances / Gross Loan Portfolio
(3) ROAE 12 months

Davivienda and Subsidiaries Results ($billion)

	Paticipation	Assets	Contribution	Liabilities	Equity	Net income (1)	Contribution
Davivienda	-	39,657	81.6%	34,240	5,416	723	89.0%
Panama	100.0%	1,605	3.3%	1,405	200	30	3.7%
Fidudavivienda	94.7%	119	0.2%	16	103	27	3.3%
Davivalores	79.0%	18	0.0%	1	17	4	0.5%
Costa Rica	100.0%	2,323	4.8%	2,017	306	0	0%
El Salvador	96.1%	3,269	6.7%	2,812	456	31	3.8%
Honduras - Banco	94.2%	1,462	3.0%	1,288	174	1.5	0.2%
Honduras - Seguros	88.6%	131	0.3%	73	59	0	0%
Bank & Subsid.	-	48,584	100%	41,852	6,731	812.5	100%
Deletions	-	(2,619)	-	(175)	(2,444)	29	-
Homogenizations	-	(71)	-	8	(78)	(113)	-
Consolidated	-	47,122	-	41,791	5,331	696	-

(1) Central America net income corresponds to the last month since acquisition.

Davivienda Panama

In December2012, the bank launched the Davivienda brand in the region, renaming Bancafé Panama to Davivienda Panama. The bank also opened two new offices in Los Pueblos and El Dorado in Panama City. At year-end, total assets totaled US$907.4 million, which represented 38.2% growth over the previous year and 5.0% compared to 3Q12. This was mainly due to growth in the loan portfolio of US$230 million comprared to 4Q12, and, US$75 million growth compared to 3Q12 as a result of the Bank's strategy aimed primarily at the corporate credit and commercial segments of the Colon Free Trade Zone, and the opening of new offices. Portfolio quality at year-end was 0.01%, achieving coverage of 315.7%.

Liabilities as of December 31, 2012 were US$794.5 million, up 40.6% compared to 4Q11 and 5.1% compared to 3Q12. Equity as of December 31, 2012 totaled US $113 million, an increase of 22.9% over the previous year and 3.9% compared to 3Q12. Retained earnings at year 2012 totaled US$17.0 million, representing growth of 46.6% compared 4Q11.

Fidudavivienda

The merger with Coffee Trust (Fiduciaria Cafetera) provided expertise in the establishment, contract agreements and structured trust business management, along with a specialization of real estate products with a focus on builders thus providing an ample product offering for real estate banking.

At the end of 2012, the totaled assets held in trust at Fiduciaria Davivienda totaled $13.1 trillion, an annual increase of 39.5%[40], mainly due to the 132.2% growth of trusts administered by Consortia which in turn have the largest share of total assets held in trust (39.8%), followed by management trusts (18.3%) and real estate trusts (11.1%), which grew 22.0% and 1.7%, respectively.

As of December 31, 2012, trust assets totaled $119 billion, a decrease of 17.0% compared to 4Q11 mainly due to the transfer of $33.5 billion in investments to Sociedades Bolivar as a result of the merger. Liabilities were $15.6 billion, a decrease of 6.5% compared to 2011 due to decreased decline in consortium liabilities.

Equity reached $103 billion at the end of December, 2012, a decrease of 18.4% compared to 2011. Accrued profits at year end 2012 were $26.8 billion, of which Fiducuaria Cafetera provided $10.2 billion in earnings up to November, representing 18.9% over the previous year.

40 For comparison effects after fusion the information of the fiduaciaries was consolidated.

Davivalores

2012 was a year of significant progress with regards to the consolidation of the stock exchange brokerage firm as a major player in the Colombian market, with the company placing 7th among the Top-24 brokerage firms in Colombia, measured by accrued profits[41].

At year-end 2012, Davivalores operating revenues rose 53.0% from 2011; 66.0% of these revenues were derived from the execution of client orders through commission contracts worth $4.0 billion. The value of management activity that was generated was $3.0 billion, placing primary issues totaling $401.0 million and collective portfolio management of $59.0 million.

Assets under management were composed primarily of shares was $2.1 trillion. The result of Davivalores management, as well as the management with regards to its own investment portfolio, allowed the company to close 2012 with profits of $4.3 billion, growth of 115.0% compared to 2011.

41 Source: Superintendencia Financiera de Colombia figures as of December 31, 2012

DAVIVIENDA

Consolidated balance sheet DECEMBER 31, 2012

($billion)

	Consolidated without Central America					Consolidated with Central America		
ASSETS	2011	Sep. 12	2012*	4T12* / 3T12	4T12* /4T11	2012	4T12/3T12	4T12/4T11
Cash	**3.335**	**3.043**	**2.792**	**-8,2%**	**-16,3%**	**4.245**	**39,5%**	**27,3%**
Investment	**4.783**	**4.692**	**6.228**	**32,7%**	**30,2%**	**6.176**	**31,6%**	**29,1%**
Loans	**25.547**	**27.786**	**28.397**	**2,2%**	**11,2%**	**32.811**	**18,1%**	**28,4%**
Commercial loans+ small business loans	14.066	15.272	15.252	-0,1%	8,4%	17.515	14,7%	24,5%
Consumer loans	8.606	9.120	9.305	2,0%	8,1%	10.490	15,0%	21,9%
Mortgage+Leasing	4.167	4.794	5.276	10,0%	26,6%	6.435	34,2%	54,4%
Allowances	-1.292	-1.399	-1.435	2,6%	11,1%	-1.629	16,4%	26,1%
Property, Plant and equipment	**400**	**405**	**404**	**-0,2%**	**1,1%**	**500**	**23,6%**	**25,1%**
Reappraisal	**480**	**490**	**489**	**-0,2%**	**2,0%**	**528**	**7,6%**	**9,9%**
Other assets	**2.113**	**2.140**	**2.629**	**22,8%**	**24,4%**	**2.862**	**33,8%**	**35,4%**
Total Assets	**36.658**	**38.555**	**40.938**	**6,2%**	**11,7%**	**47.122**	**22,2%**	**28,5%**
LIABILITIES								
Deposits and liabilities	**23.024**	**23.475**	**25.199**	**7,3%**	**9,4%**	**30.040**	**28,0%**	**30,5%**
Saving deposits	12.497	12.275	13.694	11,6%	9,6%	15.320	24,8%	22,6%
Checking accounts	3.596	3.325	3.728	12,1%	3,7%	4.847	45,8%	34,8%
CDs	6.689	7.711	7.468	-3,2%	11,6%	9.516	23,4%	42,3%
Others	242	164	309	89,0%	28,0%	357	118,1%	47,7%
Bonds	**3.701**	**5.235**	**5.123**	**-2,1%**	**38,4%**	**5.367**	**2,5%**	**45,0%**
Local	3.380	4.037	3.946	-2,2%	16,8%	4.190	3,8%	24,0%
International	321	1.198	1.177	-1,8%	266,4%	1.177	-1,8%	266,4%
Development fund borrowings	**3.557**	**2.982**	**3.498**	**17,3%**	**-1,7%**	**4.206**	**41,0%**	**18,2%**
Other liabilities	**1.580**	**1.694**	**1.742**	**2,9%**	**10,3%**	**2.178**	**28,6%**	**37,8%**
Total liabilities	**31.863**	**33.386**	**35.562**	**6,5%**	**11,6%**	**41.791**	**25,2%**	**31,2%**
Stockholder´s equity								
Capital	55	56	102	83,3%	83,5%	56	0,0%	0,1%
Retained earnings	3.847	4.301	4.210	-2,1%	9,4%	4.362	1,4%	13,4%
Surplus	515	565	576	2,0%	11,9%	592	4,8%	14,9%
Results from previous periods	45	82	116	42,4%	157,1%	0	-100,0%	-100,0%
Results	332	166	371	123,2%	11,7%	322	93,5%	-3,2%
Total stockholder´s equity	**4.795**	**5.169**	**5.376**	**4,0%**	**12,1%**	**5.331**	**3,1%**	**11,2%**
Total liabilities & stockholder´s	**36.658**	**38.555**	**40.938**	**6,2%**	**11,7%**	**47.122**	**22,2%**	**28,5%**

Consolidated P&L DECEMBER 31. 2012
($billions)

	Consolidated without Central America							
	4Q11	3Q12	4Q12 *	4Q12*/3Q12	4Q12*/4Q11	2011	2012*	2012*/ 2011
Total income	**887**	**1.002**	**1.006**	**0.4%**	**13.5%**	**3,191**	**3,889**	**21.9%**
Loans	812	886	903	1.8%	11.2%	2,932	3,487	19.0%
Commercial	274	324	331	2.2%	20.8%	946	1,261	33.3%
Consumer	403	416	418	0.4%	3.7%	1,502	1,648	9.7%
Mortgage Loans+ Leasing	135	147	154	4.9%	14.0%	484	578	19.4%
Mortagage	87	90	92	2.1%	6.2%	305	355	16.4%
Leasing	48	56	62	9.4%	28.1%	179	223	24.7%
Investments	68	107	100	-6.7%	46.2%	236	360	52.6%
Interbanks	7	9	4	-56.1%	-42.8%	23	41	80.7%
Total expenses	**268**	**325**	**322**	**-0.9%**	**20.2%**	**902**	**1,254**	**39.1%**
Deposits in checking accounts	6	5	5	7.6%	-12.8%	20	21	5.2%
Deposits in saving accounts	76	82	90	9.3%	18.1%	230	363	57.7%
Deposits in certificates	84	101	97	-4.2%	15.7%	304	388	27.7%
Credits with entities	31	37	38	2.2%	20.8%	97	144	47.9%
Bonds	67	86	89	3.3%	32.5%	240	315	31.0%
Repos	4	14	3	-74.9%	-10.8%	9	21	139.4%
Interbank funds	0	1	1	-15.4%	97.2%	2	3	60.0%
Gross financial margin	**619**	**677**	**684**	**1.0%**	**10.5%**	**2,289**	**2,635**	**15.1%**
Allowances net	125	230	171	-25.5%	36.9%	605	780	29.0%
Net interest margin	**494**	**447**	**513**	**14.6%**	**3.8%**	**1,684**	**1,854**	**10.1%**
Comissions and fees income	196	203	207	2.2%	5.7%	793	826	4.2%
Operating expenses	464	454	509	12.3%	9.8%	1,733	1,814	4.7%
Other income and expenses. net	17	38	1	-97.0%	-93.2%	72	112	55.5%
Operational income	**243**	**234**	**212**	**-9.7%**	**-12.8%**	**816**	**978**	**19.8%**
Other allowances	0	1	0	-131.5%	-202.7%	15	3	-79.0%
Non operatives	9	-17	42	-346.7%	364.8%	19	67	249.9%
Income before taxes and minority interest	**252**	**217**	**254**	**17.0%**	**0.9%**	**820**	**1,041**	**27.0%**
Minority interest	2	2	-1	-148.8%	-147.3%	8	6	-27.5%
Taxes	53	48	48	-1.6%	-10.8%	182	214	17.5%
Net income	**196**	**166**	**207**	**24.5%**	**5.7%**	**630**	**747**	**18.6%**

Machado y Molina / Marzo 2013

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These financial statements have been prepared according to the accounting principles generally accepted in Colombia, and they are presented in nominal terms. The statement of results of the quarter ended on December 31th, 2012, will not necessarily indicate the results expected for any other period.

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atencionainversionistas@davivienda.com

www.davivienda.com