Banco Davivienda S.A.

Third Quarter 2012 - 3Q12
Consolidated Results

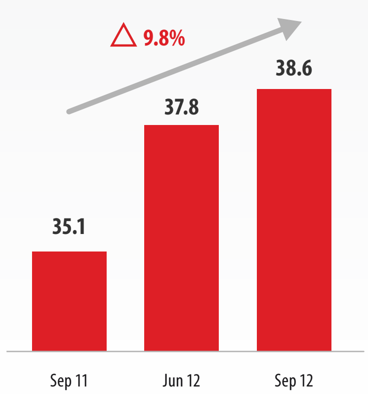
Due to changes in some of the information of third quarter 2012 (3Q12), please see **Fe de Erratas** on page 26

Banco Davivienda Announces Consolidated Results for the Third Quarter of 2012

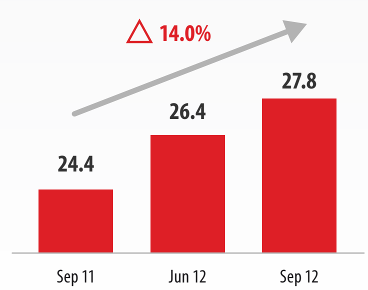
Bogota, November 8, 2012 – Banco Davivienda (BVC: PFDAVVNDA), ("Davivienda" or "the Bank"), a leading commercial bank in Colombia and a subsidiary of *Grupo Bolívar*, announced today consolidated results for the third quarter period ended September 30, 2012, ("3Q12"). Figures are presented in Colombian pesos ($) and were prepared according to generally-accepted accounting principles in Colombia (GAAP).

Evolution of main figures

Assets ($trillion)

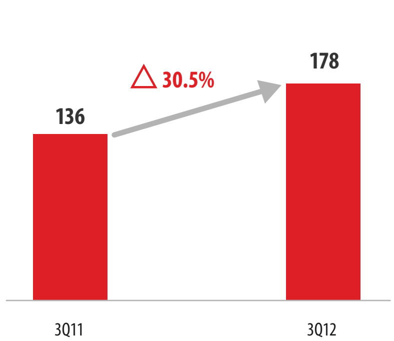


Net Portfolio ($trillion)

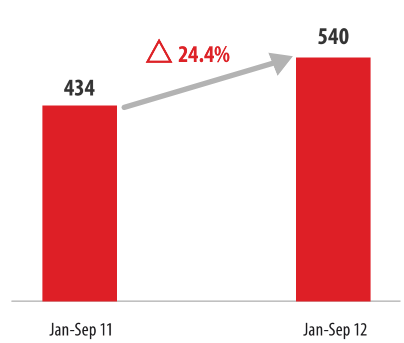


Net income ($billion)

Quarter



Accumulated



Main Results - Third Quarter 2012 - 3Q12

- Net income for 3Q12 reached $178 billion, 30.5% higher than in 3Q11 and an 12.2% increase compared to 2Q12. This growth was mainly explained by a higher net financial margin of 23.6% compared to 3Q11. The accumulated net income figure for the year reached $540 billion, 24.4% more than the figure for the prior year.

- Income from portfolio interest generated in the quarter was $929 billion, representing a growth of 21.6% when compared to 3Q11 and 8.1% when compared to 2Q12. Investment portfolio income closed at $107.6 billion 103.5% above the figure reported for 3Q11 and 51.2% higher than 2Q12.

- Consolidated assets at the end of the quarter were $38.6 trillion, an increase of 9.8% when compared with 3Q11, where net loans[1] for a value of $27.8 trillion represented 72.1% and net investments for a value of $4.7 trillion represented 12.2%.

- Gross portfolio for the quarter reached a value of $29.2 trillion with a growth of 13.4% compared with the balance registered in 3Q11, and 5.2% when compared with 2Q12, mainly driven by the housing portfolio and the commercial portfolio, respectively.

- The non-performing loan portfolio[2] was 1.59%, maintaining nearly the same levels as in 2Q12 (1.55%). The portfolio provisions of $1.4 trillion permitted a 302.1% coverage, thereby maintaining the coverage over the gross portfolio at 4.8%.

- Funding sources[3] reached $31.7 trillion, a growth of 9.4% compared with the prior year, which was mainly driven by the issuance of foreign bonds for US$500 million and a growth in CDs (term deposits) of 14.8% when compared to September 2011.

- The ratio of net loans over funding sources[4] reached 87.7% compared to 88.9% during the previous quarter. Compared to September 2011, this figure grew 120 basis points.

- Shareholders' Equity closed at $5.2 trillion, up 33.2% when compared to September 30, 2011 and up 1.4% when compared to June 30, 2012. The solvency increased in the quarter by 281 basis points, reaching 18.33%, due to the issuance of subordinated bonds.

- Assets under management grew by 11.8%, from $11.2 billion in September 2011, to $12.5 billion in September 2012.

- Net profit per share for 3Q12 was $356.4[5] representing a growth of 11.2% compared to $320.5 in 2Q12. Return on average equity (ROAE) as of September 30, 2012 was 15.7%[6].

- At the end of September 2012, Davivienda had 4.1 million clients, 570 branches with presence in 187 municipalities, 1,512 automated teller machines and 12,470 employees, which represents an increase of 12.9% compared to June 2012.

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1 Net loans = Gross Portfolio - Provisions
2 NPL portfolio >90 days
3 Funding sources = Total Deposits + Bonds + Credits with Entities
4 Proportion = Net loans / (Total Deposits + Bonds + Credits with Entities)
Note: credits with entities correspond to local rediscount credits and credits with correspondent banks.
5 Net income per individual share
6 ROAE = Net income (12 months) / average equity

Highlights

Progress in the HSBC acquisition process in Central America

To date, Davivienda has prepared the required processes to conduct the integration of the HSBC operation in El Salvador, Honduras and Costa Rica into Davivienda. Currently, we are waiting for the approval from the *Superintendencia Financiera de Colombia*, (Colombian Financial Superintendent), which is a requirement for the approval of the other countries; however, we have not received any objection regarding the process from the Costa Rican authorities.

Among the main attributes of HSBC Central America are the diversified loans, a ratio of loans on deposits of 80% and a wide coverage.

	HSBC	Davivienda	Total	% Growth
Clients (thousand)	834	4,548	5,382	18%
Branches	137	570	707	24%
Employees	3,871	12,470	16,341	31%

The main figures *Pro forma* of the Bank, after consolidation with HSBC, including the figures as of September 30 2012 would be as follows:

	Davivienda	HSBC CA	Davivienda consolidated HSBC CA*
Assets	**38.6**	**7.2**	**44.6**
Loans	29.2	4.4	33.5
Mortgages	4.8	1.3	6.1
Commercial	15.3	1.9	17.2
Consumer	9.1	1.1	10.3
Good Will	1.1	0.0	1.6
Liabilities	**33.4**	**6.1**	**39.5**
Deposits	23.5	5.0	28.5
Shareholders Equity	**5.2**	**1.1**	**5.1**
Net income acumulated	**540**	**57**	**545**
ROAE	**15.7%**	**6.6%**	**15.8%**

COP trillion / Net income in COP billion
*Includes eliminations and homogenization. Net income from the first half of HSBC CA ($40 billion) will not be reflected on the annual consolidated result.
Exchange rate as of September 30, 2012: 1 US$ / COP 1,800.5.

Debt Issuance Program

During the third quarter of 2012, Davivienda made a successful debut in the debt markets with the issuance of subordinated bonds, during the month of July, for US$500 million for 10 years and coupon rate of 5 7/8 with bi-annual payments. Offers for US$3 trillion from approximately 192 investors were received for this issuance.

At the domestic level, on August 15, 2012, ordinary bonds were placed for $500 billion with an average term of 11 years at a rate of 7 4/25 E.A. [7]. This issuance was also heavily oversubscribed and generated proceeds of $1.35 trillion.

Confinanciera Merger

On July 31, 2012, the merger was done through absorption between Davivienda and Confinanciera; this will permit the Bank to strengthen the private and productive vehicle credit strategies.

The assets of Confinanciera reached $516 billion, of which $422 billion correspond to net loans.

As a result of this merger, 347,609 ordinary shares were issued granted to minority shareholders thereof. At present, Davivienda has 444,214,234 total shares outstanding.

Merger of Trust Companies

Fidudavivienda and Fiducafé Shareholders Assemblies approved the merger of the two Trust Companies; therefore the proceedings with the *Superintendencia Financiera de Colombia* are already underway. After the merger, this Trust Company will be the 4th largest in the country.

DaviPlata

Davivienda continues strengthening the transaction options through the Daviplata channel, launching the domestic money order services through the electronic purse at no additional cost from any Davivienda branch under the campaign *"giros nacionales al gratín"* (local transfers for free) during the month of August. Since the campaign was launched, 26,500 deposits have been made in branches for a total value of $6.2 billion.

The electronic purse at present has 614 thousand users of which 184 thousand are Bank clients. Since the launch of DaviPlata, over five million transactions have taken place, and important agreements with 651 entities have been signed.

On October 23, 2012 the Bank won the compensation payment management bid for close to one million families. The program, which is called *"Más Familias en Acción"* (More Families in Action) is through DaviPlata and will go into effect in February 2013.

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7 Equivalent to IPC + 4.01%

Thanks to this important agreement, Davivienda has become the number one mobile money platform in Latin America, with an active customer base of approximately 1.6 million and opening the doors of the financial system to thousands of colombian families. In this way, the presence of Davivienda increase from 187 to 500 colombian cities.

Davivienda Miami

During the third quarter of the year, Davivienda opened a customer service office at 1110 Brickell Avenue, in Miami's financial district, focused on Premium and Premium Plus Clients, with easy access and high visibility. Similarly, we launched the first automated teller machine (ATM) to allow clients of Davivienda Colombia to make cash withdrawals at no additional cost.

Financial Education

The Bank continued its employee training program for better personal finance management with payroll agreements as well as hosting, during this past quarter, the *Mis Finanzas Personales y Familiares* Conference (My Personal and Family Finances Conference) for more than 3,500 individuals.

In addition, during the month of September, the pilot session for financial education was conducted through the SENA – Davivienda alliance, whereby 3,000 members of the education services community were provided with tools for the correct handling of personal and family finances with the use of games and experiments.

Participation in the construction of equity of families and companies

Davivienda maintains its leadership position in the consumer sector with a market share of 14.3%[8]. The consumption portfolio balance grew 6.8% when compared to the 3Q11, mainly due to the growth of the payroll portfolio of 15.6% during this same period. Total disbursements during the quarter were 2.0% higher than those of the 2Q12 and 8.5% more than those of the 3Q11.

Regarding housing disbursements, these grew approximately 24.1% when compared to the previous quarter, mainly due to funding for social housing (a housing program for low income families), where disbursements grew by 37.0%.

Commercial portfolio grew by 15.5% compared to September of 2011, where funding of important projects such as *Oleoducto Bicentenario de Colombia*, *Ruta del Sol tramo II* (Colombia´s Bicentennial Pipeline and Ruta del Sol section II) are particularly significant, as well as funding of the regional expansion of a colombian client to Central America as well as an entrepreneurial group from Central America, among others.

8 Source: Superintendencia Financiera de Colombia, figures as of August, 2012, calculated regarding the banking system.

At present, the Bank continues to support small and medium-sized companies with disbursements of $729 billion during the quarter, benefitting over 6,500 companies and reaching a balance of $3.0 trillion, with a growth of 36.6% compared to September of the previous year.

We continue to be committed to the agricultural sector and have therefore developed a strategy that intends to join small producers of the sector through the *Tarjeta de Crédito Agropecuaria and Cafetera y Líneas de Crédito de Redescuento* (Agricultural Credit Cards and Credit Lines Coffee Rediscount), which have permitted the balance of the sector reach $1 billion with a growth of 28.3% compared to the 3Q11.

During the quarter, Davivienda continued focusing its growth in the following segments and products that are vital to its strategy:

	Growth	
	Disbursements[A]	Balance[B]
Payroll	44%	16%
Credit cards	6%	22%
Social Housing	12%	29%
SMEs	30%	37%

A. Growth of disbursements 3Q12 compared to disbursements 3Q11.

B. Growth of balance as of September 2012 compared to September 2011.

Banking correspondent branches

Seeking to bring greater access to more colombians in different regions of the country, on September 19, 2012, the Bank obtained the *Superintendencia Financiera's* approval for a banking correspondent channel that will be in force in a first phase with the company Conexred under the brand Punto Red, as strategic ally, initiating with the collection of online bar codes, which allows us to strengthen coverage at the domestic level as well as our presence in 150 new cities by the end of the year.

Macroeconomic Environment

Colombian GDP grew 4.9% a year during the second quarter of 2012, exceeding the average figure estimated by most analysts. The GDP variation for the second quarter exceeded the one for the first quarter of 2012 and was similar to the same period in 2011. The sectors with higherst growth were as follows: construction (18.4%), mines and quarries (8.5%), financial entities and services to companies (5.1%). The components of aggregate demand which accelerated between the first and the second quarter of this year were government expenses and investment.

Annual inflation at September 2012, presented a reduction of 16 bps from 3.23% in June, 2012 to 3.08%, mainly due to housing variations, which maintains stable inflation expectations.

In August the Board of Directors of the Treasury Department (*Banco de la República*) lowered the rate of intervention 25 bps to 4.75% after the review of the balance of results and evaluation of risks.

The domestic unemployment rate in September closed at 9.9%, a reduction of 8 bps when compared with the unemployment rate for June of 10.0%.

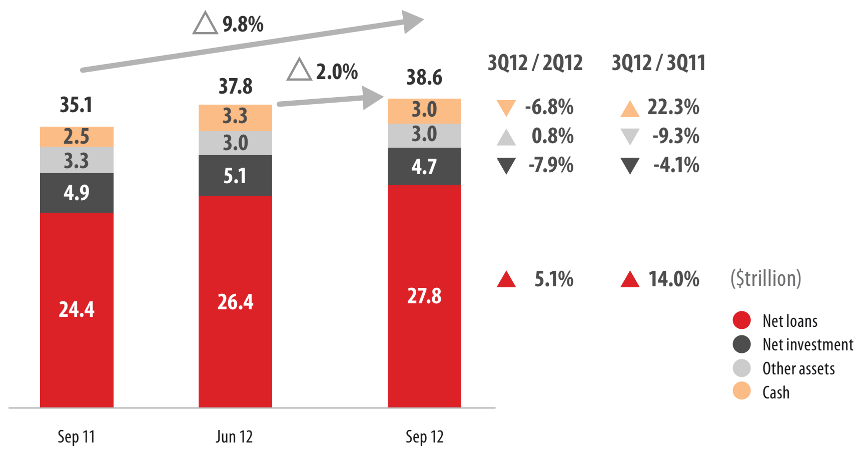
Regarding the exchange market, on September 11, 2012, *Banco de la República* announced that it would use treasury surplus to continue purchasing dollars; however it did not determine exact amounts or dates of intervention. As a result, *Banco de la República* purchased US$700 million, which were announced during its August meeting , distributed as follows: US$160.1 million during the last week of August and the remaining $539.9 million in September.

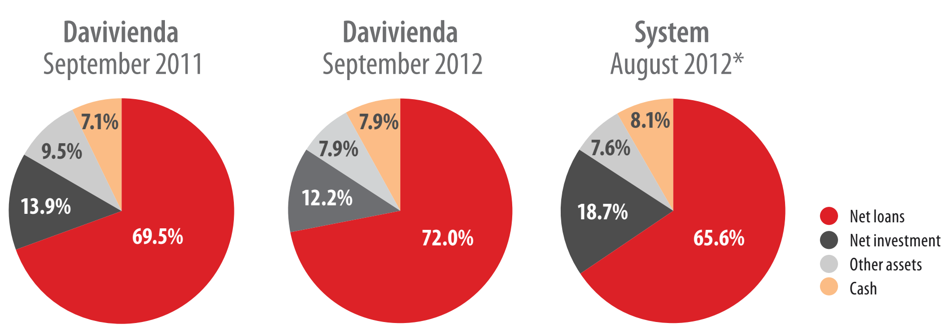
On September 30, 2012, the exchange rate compared to the US dollar closed at $1,800.52 pesos per US dollar representing a moderate revaluation for the quarter as a result of the participation of *Banco de la República* and the Federal Government.

Balance Sheet

Assets

Assets increased 2.0% compared to 2Q12 and 9.8% compared to 3Q11, reaching $38.6 trillion. Compared to the previous quarter, the main growth occurred in the net loans which reached 5.1% and whose increase was 14.0% compared to the same quarter of 2011 maintaining the participation close to 72.1% of the total assets and ROAA[9] of 2.01% on the 3Q12, 29 bps higher compared with 1.72% of the 3Q11.





* Assets of the system grow 13.6% during the year and ROA reaches 1.96% (System individual figures as of August, 2012.)

Cash

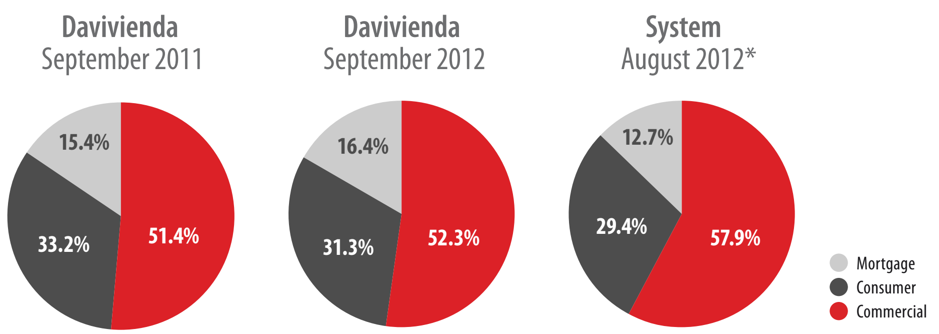
Available balance increased 22.3% when compared to the same quarter of the prior year mainly explained by the 178.7% increase in interbanking funds and higher Bank liquidity as a consequence of the issuance of bonds. Compared to the previous quarter, the availability of cash declined 6.8%, mainly explained by a 25.9%.reduction of interbanking funds.

9 ROAA= Profit (12 months)/ Average assets

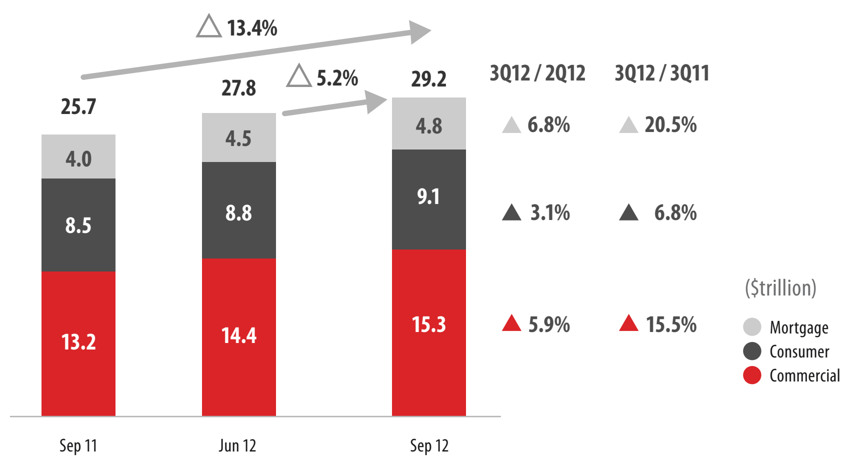
Gross Loan Portfolio

The total loan portfolio reached $29.2 trillion at the end of the quarter, $1.4 trillion higher than in 2Q12. Compared to the third quarter of 2011, the corporate banking and mortgage portfolio increased their participation over the total loan portfolio as a result of the dynamism during the period, with growth rates exceeding 15.0%, while the consumer portfolio grew by almost 6.8%.

Gross portfolio composition



* System individual figures as of August, 2012.
Housing includes housing leasing and commercial includes microcredit.



The commercial portfolio[10] represented 55.0% of the total net loans, an increase of 5.9% compared to the previous quarter and a growth of 15.5% compared to the same period of 2011.

In turn, the consumer portfolio reached $9.1 trillion, an increase of 3.1% compared to 2Q12 and 6.8% compared to the previous year. The Bank continues being a leader in the credit card segment with a participation per balance of 18.7%[11] and growing 6.1% compared to the previous quarter and 22.0% compared to 3Q11. Vehicle loans grew 7.7% compared to September, 2011. This moderate growth was

10 Includes microcredit
11 Individual figures as of August 2012

mainly the result of the behavior of the automobile sector whose sales have decreased around 6.0%[12] when compared to the same period of the year before.

Payroll grew 15.6% when compared to 3Q11 and had a participation regarding the consumption portfolio of 28.8%. Finally, free investment credits respond to the strengthening of the granting policies taken by the Bank with a reduction of 20.8% when compared to the year before.

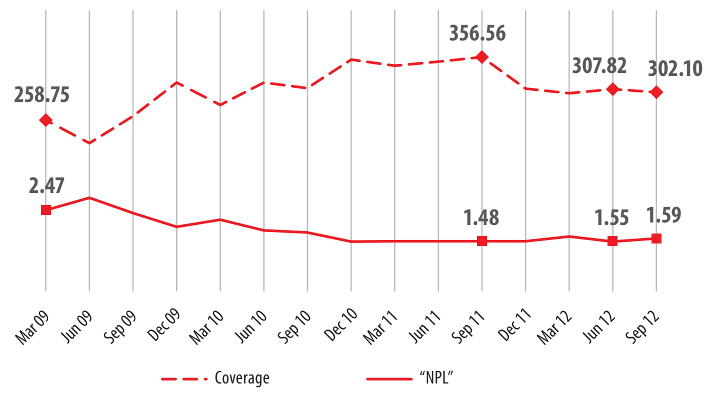
Mortgage portfolio[13] reached a balance of $4.8 trillion at the end of the quarter a growth of 6.8% compared to the previous quarter and 20.5% compared to the previous year. Annual growth of this portfolio would be 15.8% if the securitized loans were taken into consideration, which is $2.2 trillion, of which $156 billion were securitized on August 6 with *Titularizadora Colombiana*.

The non-performing loans portfolio[14] changed from 1.55% in June, 2012, to 1.59% at the end of September, 2012, maintaining the same levels of the second quarter for each one of the portfolios. Mortgages portfolio presented a deterioration of 20 basis points, mainly as a result of the securitization of the portfolio conducted in the quarter.

During the quarter (3Q12) adequate levels of coverage[15] were maintained at above 300% for consumer and commercial loans. During the quarter, charges off were conducted for a value of $179 billion. On the other hand, recoveries in the third quarter of 2012 were $30.4 billion for a net $149.1 billion (equivalent to 0.5% of the portfolio during the quarter. The total charge-offs during the year were 1.5% of the net loans).

Credit quality per type and coverage

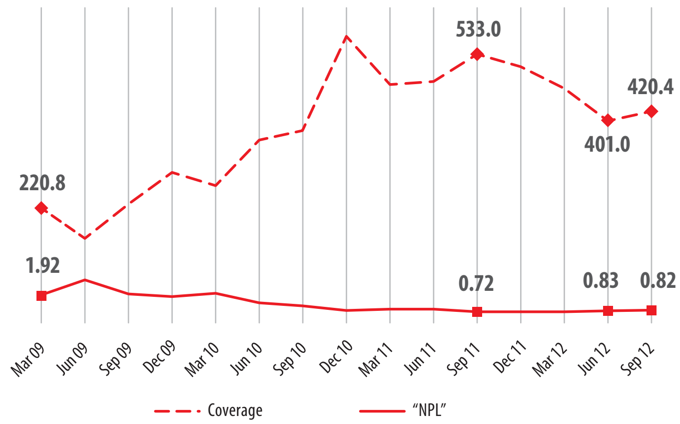
Total Loans



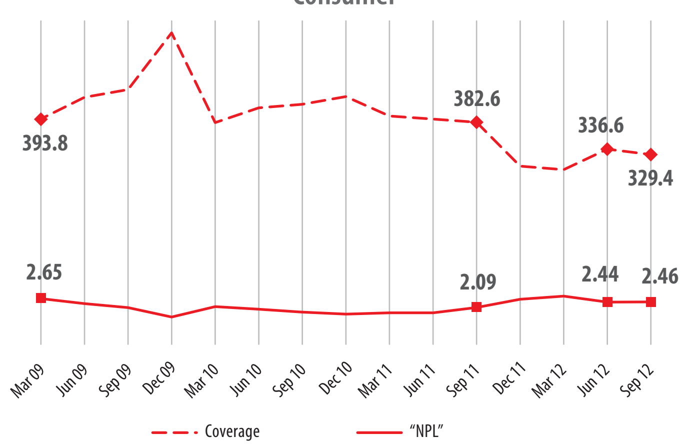
12 Source: ANDI, monthly statistics as of August 2012.
13 Includes housing leasing
14 Quality: Loans >90 days / Total
15 Coverage: Provisions / Loans >90 days. Commercial includes microcredit, housing includes housing leasing

Credit quality per type and coverage

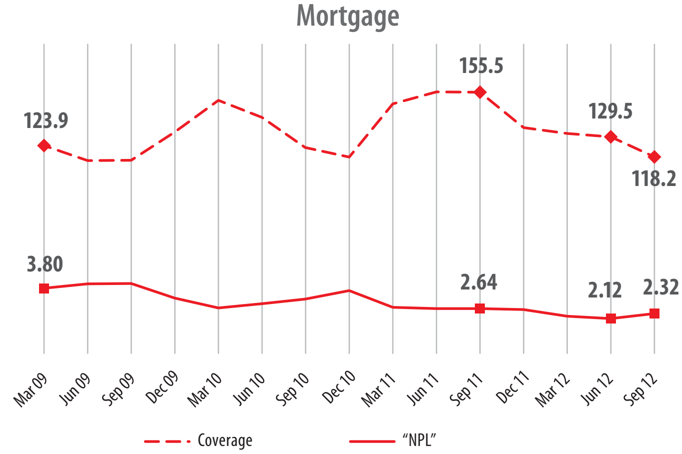
Commercial



Consumer



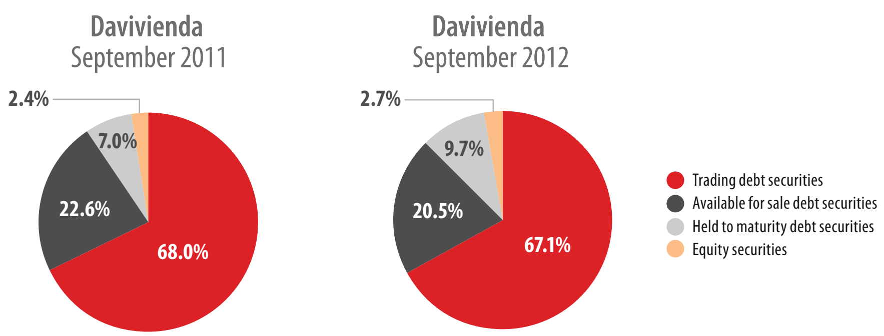
Mortgage



Net Investment Portfolio

Investment portfolio totaled $4.7 trillion at the end of the quarter; a reduction of 7.9% when compared to 2Q12 and 4.1% lower when compared to 3Q11. The reduction occurred mainly in negotiable debt certificates representing 67% of net investments and specially those classified as negotiable certificates that decreased by 12.4%, in response to the policies in private debt reduction.

Composition of the gross investment portfolio



Goodwill

On September 30, 2012, the balance of goodwill was $1.1 trillion, going from an amortization of $18.5 billion in the third quarter of 2011 to $11.8 billion in the third quarter of 2012 as a result of the end of goodwill generated by the purchase of Bansuperior, which was completely amortized in 2011.

Other Assets

Assets received in payment grew 14.9% during the quarter and 34.7% compared to 3Q11 reaching $48.7 billion.

Fixed assets including reappraisals totaled $895 billion presenting an increase of 0.7% with respect to the previous quarter and an increase of 2.3% when compared to the 3Q11. During the year, the valuation of assets reached $490.2 billion with a variation of 0.4% regarding the previous quarter and of 5.3% regarding the 3Q11.

Liabilities

On September 30, 2012, liabilities increased to $33.4 trillion registering a growth of 2.1% compared to 2Q12 and 6.9% when compared to 3Q11.

Deposits and rediscount obligations reached $31.7 trillion obtaining a net loans proportion regarding funding sources[16] of 87.7%. It is important to highlight that term funding sources[17] grew 12.3% in the quarter, while available deposits grew 1.3% compared to the previous quarter.

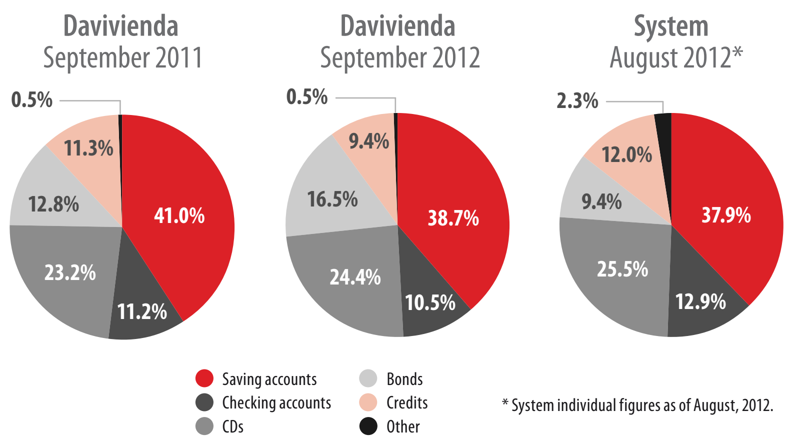
16 Proportion = Net loans / (Total Deposits + Bonds + Credits with Entities)
17 Term funding sources include CDs, bonds and credits with entities

Regarding available deposits, savings accounts grew 2.2% compared to the previous quarter and 3.4% compared to the third quarter of 2011. Current accounts declined by 1.5% compared to the previous quarter and grew by 2.8% compared to 3Q11.

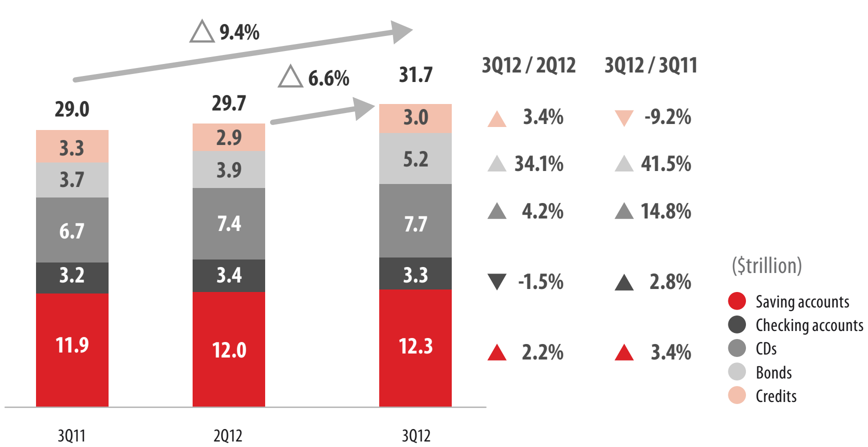
Regarding term funds, TDs grew by 4.2% compared to the previous quarter and by 14.8% when compared with September 2011, mainly explained by the increase in rates.

The balance of bonds reaches $5.2 trillion with a growth of 41.5% when compared to the 3Q11 and by 34.1% when compared to the second quarter of 2012, mainly explained by the issuance of foreign bonds during the quarter and local issuances.

Funding sources composition



* System individual figures as of August, 2012.



Deposits, not including bonds, increased 2.3% when compared to 2Q12 and 6.8% compared to 3Q11. Financial obligations that support funding of commercial portfolio (credits with local rediscount and credits with banking correspondents) registered an increase of 3.4% in the quarter and a reduction of 9.2% compared with 3Q11. From these, foreign exchange obligations for a value of US$655 million register a reduction of 18.9% in the quarter and 36.6% compared to 3Q11.

Shareholders' Equity

Shareholders' Equity reached $5.2 trillion at the end of the quarter representing a growth of 1.4% compared to the previous quarter and 33.2% compared with 3Q11, mainly explained by the increase in reserves of 6.0% compared with 2Q12 and 37.1% compared with 3Q11. During 3Q12 a dividend distributed for the first half of 2012 for a total of $368 billion in capitalization for reserves and the payment of cash dividends of $115 billion. Also, there is an additional effect of $4.3 billion in share placement premium subscription for 347,609 shares for the merger with Confinanciera, thus explaining the variation of 6% in reserves. In comparison to 3Q11, there was issue of preferred shares, which increased the capital stock.

On September 27, 2012, Davivienda paid a dividend totaling $115 billion, corresponding to results for the first quarter of 2012, and equivalent to $260 pesos per share for the total number of shares outstanding (444,214,234 shares). ROAE was 15.7% as of September 30, 2012.

With this equity, the consolidated Bank reached a solvency of 18.33% compared to 15.52% for the previous quarter, more than twice the required amount in Colombia. On September 30, 2012, the proportion of basic equity to weighed assets per risk was 12.11%. Technical equity was $6.5 trillion at the end of the 3Q12, with a variation of 21.7% compared to 2Q12. This solvency increase was the result of the issuance of foreign bonds for US$500 million.

	Sep 11	Jun 12	Sep 12
Tier I	3.1	4.0	4.3
Tier II	1.0	1.3	2.2
Technical Equity	4.1	5.3	6.5
Risk-Weigthed Assets	29.9	32.3	33.6

COP trillion

On July 2012, the Department of the Treasury (*Ministerio de Hacienda y Crédito Público*) approved Decree 1548 through which the calculation of solvency was modified and will take into force on August 23, 2013, mainly with the following changes:

Basic Shareholders' Equity:

- Must be a minimum of 4.5%
- Includes committed reserves

- Deducts goodwill beginning June 2012 (the goodwill generated from the purchase of HSBC must be deduced from equity)
- Eliminates the calculation of: adjustments for inflation of assets and investments of capital in supervised entities

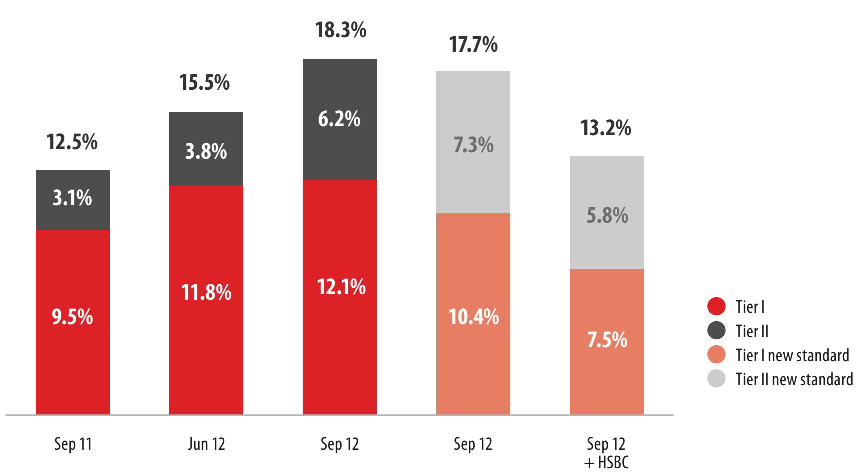
Additional Basic Equity:

- Contains the capital of shares classified as preferential

Additional Equity:

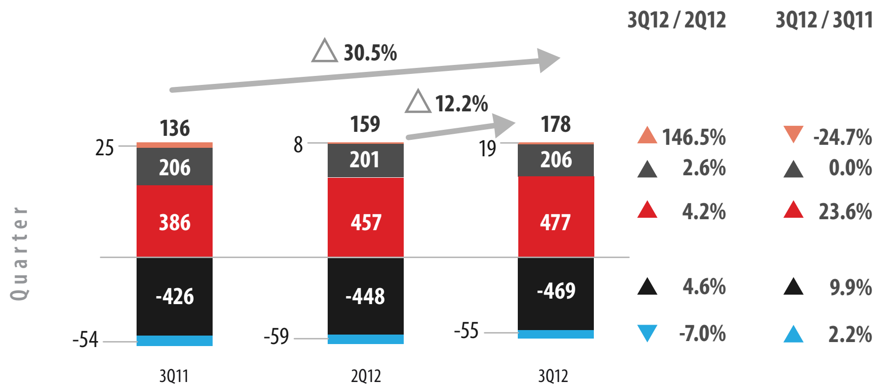
- The following calculations are eliminated: adjustments for inflation of assets, devaluations and valuation of direct and indirect investments of capital
- Calculates the minimum value between the balance of general provision and 1.25% of weighed assets per level of risk

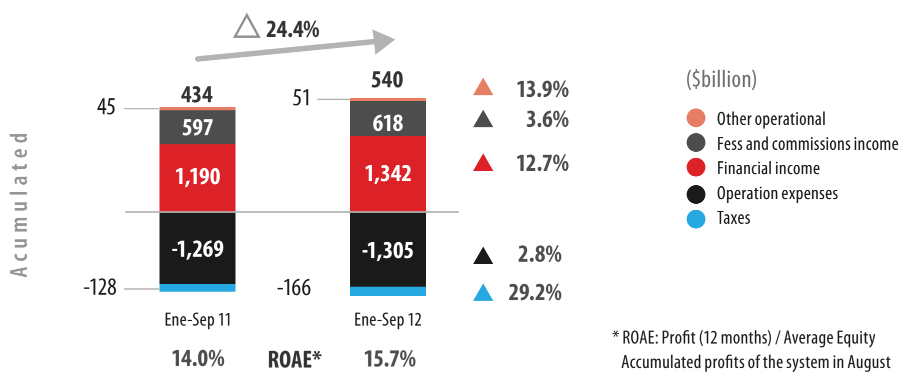
The indicator estimate of Solvency in the month of September with this new norm is as follows:



Income Statement

Net Income





* ROAE: Profit (12 months) / Average Equity
Accumulated profits of the system in August grow 13.5%, ROE of the system reaches 15.52%

Net profit reached $178 billion for the quarter, registering a growth of 12.2% when compared to the previous quarter and a growth of 30.5% when compared to 3Q11; this is mainly explained by the 23.6% increase in the net financial margin compared to 3Q11 as a result of the market rate increases during the previous year. Net income per share during the quarter was $356.4.

Accumulated income as of September 30, 2012, were $540 billion, growing 24.4% compared with September 30, 2011, mainly explained by the growth of the net financial margin, which closed at $1.3 trillion representing an increase of 12.7% compared to the same period the year before.

Interest Income

Interest Income was $1.0 trillion; a growth of 27.0% compared to the 3Q11 and of 10.8% compared to 2Q12. The quarterly increase was due to higher portfolio interest and mainly by the commercial portfolio interest ($50.2 billion compared to the 2Q12 and $116.1 billion compared to the 3Q11) and consumer portfolio ($14.0 billion compared with the 2Q12 and $27.3 billion compared with the 3Q11). The higher average earning loans was 3.3% compared to the previous quarter and 17.4% compared to 3Q11, while the average productive portfolio rate closed at 13.0% compared to 13.1% of the previous quarter and 12.4% in September 2011.

The increase of the commercial portfolio interest was 16.2% when compared to the previous quarter and 47.6% compared to 3Q11 and was mainly explained by the higher portfolio balance of 5.9% and 15.5%, respectively.

Similarly, consumer income rose 6.9% compared to 3Q11 and 3.4% compared to the previous quarter, mainly as a result of the higher credit card expenses of $9.5 billion, explained by the balance growth as well as the behavior of the market rates, where the usury rate increased 5 basis points compared to 2Q12 and 339 basis points compared to 3Q11, going from 27.95% in 3Q11 to 31.34% in 3Q12.

On the other hand, the increase of the housing and leasing portfolio interests were a consequence of higher placement of housing credits (a variation of the balance of 20.5% when compared to the 3Q11 and of 6.8% when compared to the 3Q12).

Accumulated financial income as of September 30, 2012, closed at $2.9 trillion with a growth of 25.1% compared with the same quarter of the year before. This growth was mainly the result of the growth of the consumer and commercial portfolio income of 38.5% and 12.0%, respectively.

Investment Portfolio income

Income generated by the investment portfolio grew by 51.2% during the quarter when compared to the second quarter of 2012 and 103.5% when compared with the same quarter of the year before. This was mainly explained by the increase of the average nominal rate that changed from 5.2% in the 3Q11 and 6.4% in June 2012, and 7.1% in September 2012, as well as the variation in average balance which grew 12.6% compared to September 2011 and 2.4% compared to 2Q12.

Accumulated investment income as of September 2012, closed at $260 billion, growing 55.2% compared to September of the year before, where investments in fixed rent with participation of 99.0% of the total income of investments grew 53.7% for the same period.

Financial Expenses

Financial expenses grew 9.5% compared to 2Q12 and 41.3% when compared to the same quarter the previous year. This was explained by the growth during the quarter in the TD balance of 4.2% and bonds of 34.1%, in addition to the increase in associated average costs of 12 bps for TDs when compared to the previous quarter. Compared to the 3Q11, expenses increased as a result of the market rates of DTs with an increase in average rates of 143 basis points –and in credits with entities whose rates increased 20 basis points. In addition, the growth of the DTs average balances was 1.9% compared with September 2011, and 26.2% for the credits with entities in the same period.

Accumulated financial expenses as of September 30, 2012, increased 47.0% when compared to September 30, 2011, mainly explained by the increase of expenses in deposits and in bonds as a result of the debt issuance of the last year, increasing expenses thereof in 30.5%.

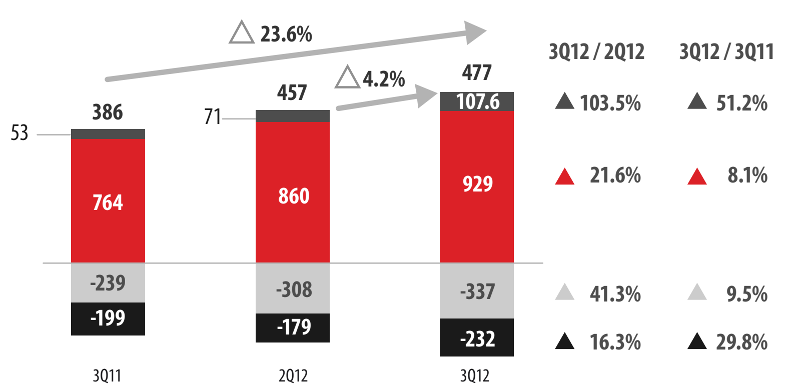
Net Allowances

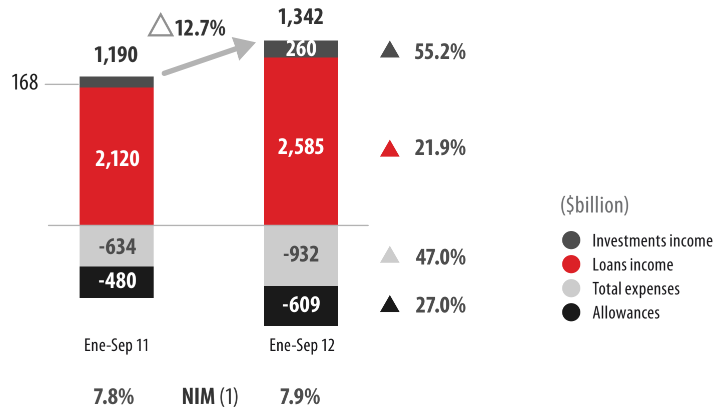
Expenses of net allowances of recoveries of the quarter closed in $231.8 billion, representing an increase in $53.2 billion compared with the previous quarter and an increase of $32.5 billion compared with 3Q11. The increase for the the quarter was mainly explained by the increase in $220.4 billion in portfolio provisions, mainly in the commercial portfolio which increase in 189.9% compared to 2Q12 and in the consumer loan which increase in 37.7% in the same period as provisions for certain economic sectors that could be affected by the phenomenon known as 'El Niño'.

Recoveries at the end of the quarter were $430 billion, presenting an increase of 113.9% compared to June 2012, and a growth of 33.5% compared to the third quarter of 2011. This was mainly explained by the growth of portfolio recoveries for $199.1 billion in the quarter, which represented an increase of 238.7% compared to 2Q12 and up 42.3% compared to 3Q11.

Accumulated net expense of allowances as of September 30, 2012, were $609 billion, 27.0% more than 3Q11, mainly as a result of the increase in portfolio provisions which grew 21.5% when compared to September 30, 2012. In turn, accumulated recoveries as of September 2012 grew by 18.5% compared to 3Q11.

Net Financial Margin



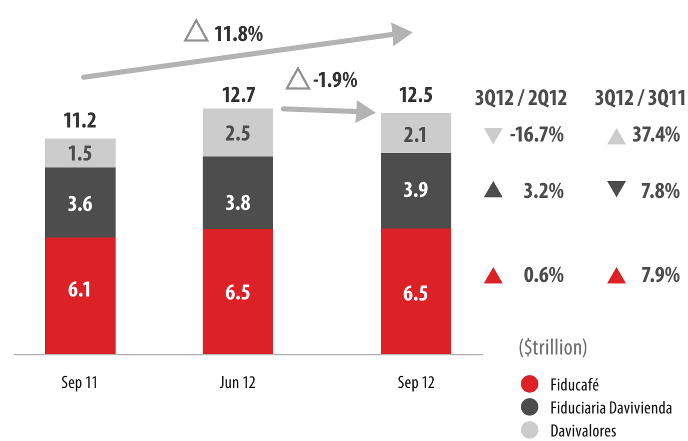


In spite of the increase in financial expenses compared with the results of the previous quarter, the dynamism presented in the housing portfolio and the growth of consumption, as well as a solid performance of the investment portfolio generated a growth in the net financial margin of $91 billion when compared to the same period of the year before, corresponding to a variation of 23.6%. This was reflected in the NIM indicator[18] of 7.9% compared with 7.8% of the 3Q11. According to the previous quarter, the increase in the financial margin was $19.3 billion representing a growth of 4.2%.

The accumulated net financial margin for the year was $1.3 trillion, presenting an increase of 12.7% when compared to the same period the year before.

Fees and Commissions Income

Fees and commissions income registered a value of $206.1 billion representing an increase of 2.6% when compared with the previous quarter and stable compared with the year before. This was mainly explained by the increase in vehicle commissions and commissions of the fiduciary as a result of the 1.6% increase in assets under management compared with 2Q12.

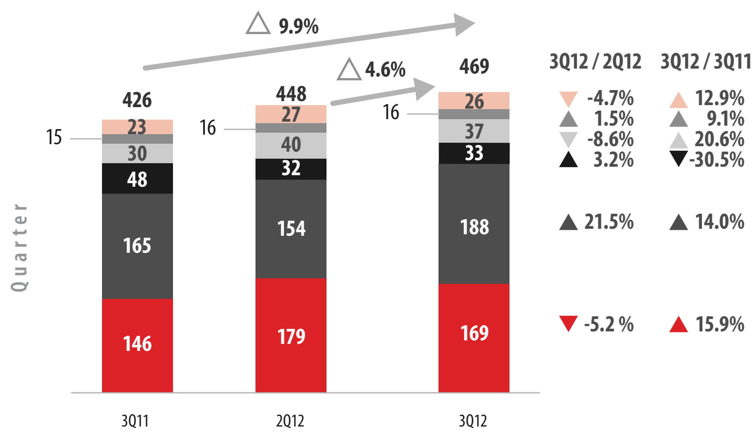


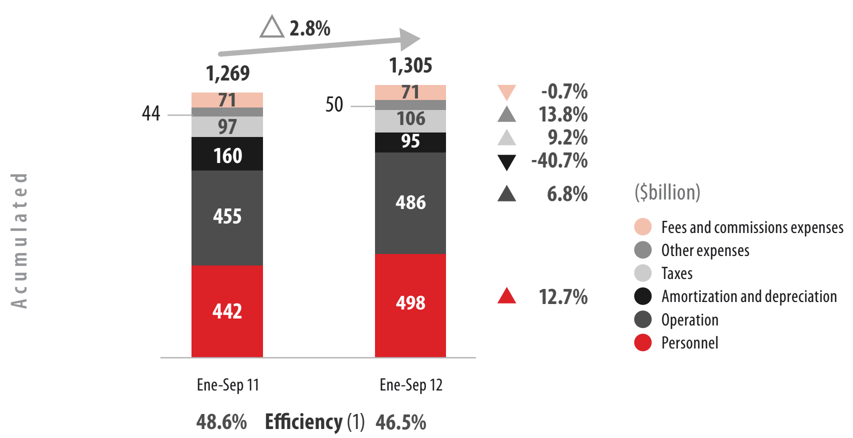
18 NIM = Gross financial margin / Average earning assets

Fees and commissions income during the year closed at $618.4 billion with an increase of 3.6% compared with the accumulated figure as of September 2011.

Commissions income compared with total income[19] was 18.9% in 3Q12, compared to 21.9% for 3Q11, and 19.9% in 2Q12.

Operating expenses





Operating expenses closed at $468.6 billion representing an increase of 4.6% when compared to the previous quarter and 9.9% when compared with the 3Q11.

The quarter increase of operating expenses was mainly explained by the increase of administrative expenses and mainly by expenses in advertising and marketing for $7.3 billion, fees for $6.0 and insurance for $2.7. Similarly, operating expenses increased 19.7% compared to 2Q12, mainly as a result of 39.3% higher expenses for electronic transactions. The main expenditure in electronic processes corresponds to electronic data processing that rose from $11.7 billion to $16.4 billion. This increase of $4.6

19 (Operational income + other income and net expenses)/(financial income + operational income + other income and net expenses)

billion is represented in external information processing, enterprise portal process, renting of software and data transmission.

On the other hand, personnel expenses decreased by 5.2% when compared to the previous quarter; mainly due to higher expenses incurred during the previous quarter and by the signature of the new union agreement and other labor benefits. However, when compared to the same quarter of the previous year, personnel expenses increased by 15.9%. Personnel expenses regardless premium expense extra-legal (collective agreement), which amounted a total of $15.9 billion, would show an increase of 4.0% compared to 2Q12.

Lastly, tax costs decreased by 8.6% when compared to the previous quarter and grew by 20.6% when compared to the same quarter of the year before.

Accumulated operating expenses as of September 2012, closed at $1.3 trillion where personnel and administrative expenses represented nearly 75% of total operating expenses, increases of 12.7% and 6.8%, respectively.

Other Income and Expenses, Net

For the third quarter of the year 2012, other net income were generated for a value of $37.9 billion representing an increase of 15.3% compared to the previous quarter and of 49.1% when compared to September, 2011, mainly explained by a higher exchange income and others (repos, simultaneous, cash operations and investments).

Minority Interests

Minority interests closed at $2.1 billion, an increase of 8.4% when compared to June 2012, and 4.5% when compared to 3Q11, due to results from subsidiary companies reflected as an increase in Shareholder's Equity.

Taxes

During the quarter, taxes decrease 7.0% when compared to 2Q12 as a result of lower taxable income. When compared to September 2011, taxes increased by 2.2%.

Subsidiaries Results

Subsidiaries	Assets 2012	Annual Growth	Liabilities 2012	Annual Growth	Equity 2012	Annual Growth	Net Income 2012	Annual Growth
Banco Davivienda	37,197	10.3%	32,020	7.3%	5,178	32.8%	158	18.9%
Bancafé Panamá	1,556	35.2%	1,361	38.0%	196	18.9%	7	17.6%
Fiduciaria Cafetera	86	6.4%	12	-3.5%	74	8.1%	3	77.9%
Fiduciaria Davivienda	63	2.5%	8	-17.6%	55	6.3%	4	9.7%
Davivalores	18	45.0%	1	24.4%	16	47.2%	1	30.8%
Total Bank and subsidiaries	**38,921**	**9.6%**	**33,402**	**6.9%**	**5,519**	**29.3%**	**174**	**16.2%**
Deletion and approvals	-366	-8.2%	-16	73.8%	-350	-10.2%	4	-128.4%
Consolidated	**38,555**	**9.8%**	**33,386**	**6.9%**	**5,169**	**33.2%**	**178**	**30.5%**
Davivienda Bank over the cosolidated total	96%		96%		100%		89%	

COP billion

Bancafé (Panamá)

At the end of the quarter, total assets reached US$864 million representing a 44.9% growth compared to the year before, with an important increase of US$221 in the portfolio, an increase of 63.0% when compared to the year before.

Bancafé (Panamá), S.A.'s funding on September 30th, 2012, comprises US$753 million in liabilities, which represented a growth of 50% versus the year before. Its main funding source is client deposits, mostly Colombian clients. Equity closed at US$109 million in equity, with an increase of 27% when compared with the year before.

Fiduciaria Davivienda

Net income for the quarter of the subsidiary company was $4.2 billion representing a growth of 9.7% when compared to September 2011, mainly explained by a reduction of 22.2% in administrative expenses and by an increase of 9.0% of the operating margin, with an increase of $242 million in structured trust income (2.2% compared with the 3Q11).

Total assets in September, 2012, reached $62.9 billion with a growth of 3% when compared with the year before. This was mainly explained by the increase of its own portfolio. Liabilities closed at $7.9 billion with a reduction of 17.6% and equity in $55.0 billion with a growth of 6.3% compared with accumulated net income.

The assets under management reached $3.9 trillion which represented and increase of 7.8% compared to 3Q11.

Fiduciaria Cafetera - Fiducafé

In September 2012, the net income for the quarter closed at $3.4 billion with an increase of 77.9% when compared with the year before, mainly explained by a growth of 47.0% in administrative balance in Rentacafé and Liquid Income and 44.1% in the structured trust, as a result of the increase of income of partnerships.

Operating expenses grew by 6.8% mainly as a result of management expenses from the merger.

Total assets grew by 6.4% closing in $86.3 billion, growing mainly in the investment and available portfolio. Liabilities closed in $11.9 billion representing a reduction of 3.5% when compared to the year before and equity closed in $74.4 billion with an increase of 8.1% as a result of accumulated net income and the increase in legal reserve.

The assets under management reached $6.5 trillion which represented and increase of 7.9% compared to 3Q11.

Davivalores

Net income for the quarter at September 2012, was $1.0 billion with an increase of 30.8% compared to the same quarter of the year before. This was mainly explained by an increase of the particular portfolio and specifically income obtained by the shares negotiation in the Colombian Stock Exchange (BVC).

On September 30, 2012, total assets were $17.7 billion, representing an increase of 45.0% when compared with the year before. Total liabilities were $1.5 billion and equity $16.3 billion with increases of 24.4% and 47.2%, respectively.

The assets under management reached $2.1 trillion which represented and increase of 37.4% compared to 3Q11.

- Financial Tables follow -

Consolidated Balance Sheet as of September 2012 (COP billion)

Assets	Sep 11	Jun 12	Sep 12	3Q12/2Q12	3Q12/3Q11
Cash	**2,488**	**3,266**	**3,043**	**-6.8%**	**22.3%**
Investment	**4,892**	**5,094**	**4,692**	**-7.9%**	**-4.1%**
Loans	**24,383**	**26,426**	**27,786**	**5.1%**	**14.0%**
Commercial	13,221	14,419	15,272	5.9%	15.5%
Consumer	8,541	8,849	9,120	3.1%	6.8%
Mortgage + Leasing	3,977	4,487	4,794	6.8%	20.5%
Provisions	-1,356	-1,328	-1,399	5.4%	3.2%
Fixed assets	**409**	**400**	**405**	**1.1%**	**-1.1%**
Reappraisal	**465**	**488**	**490**	**0.4%**	**5.3%**
Other assets	**2,472**	**2,121**	**2,140**	**0.9%**	**-13.5%**
Total Assets	**35,111**	**37,796**	**38,555**	**2.0%**	**9.8%**
Liabilities					
Deposits	**21,982**	**22,953**	**23,475**	**2.3%**	**6.8%**
Saving Accounts	11,868	12,007	12,275	2.2%	3.4%
Checking Accounts	3,235	3,377	3,325	-1.5%	2.8%
Term Deposits	6,719	7,399	7,711	4.2%	14.8%
Others	161	170	164	-3.9%	1.8%
Long term-debt	**3,699**	**3,905**	**5,235**	**34.1%**	**41.5%**
Local	3,381	3,609	4,037	11.9%	19.4%
International	319	296	1,198	305.3%	276.1%
Development fund borrowings	**3,285**	**2,885**	**2,982**	**3.4%**	**-9.2%**
Other Liabilities	**2,264**	**2,958**	**1,694**	**-42.7%**	**-25.2%**
Total Liabilities	**31,231**	**32,701**	**33,386**	**2.1%**	**6.9%**
Equity					
Capital	51	55	56	0.1%	8.9%
Retained earnings	3,138	4,057	4,301	6.0%	37.1%
Surplus	516	549	565	3.0%	9.6%
Results from previous periods	39	60	70	15.8%	78.2%
Results	136	374	178	-52.4%	30.5%
Total stockholder's equity	**3,880**	**5,095**	**5,169**	**1.4%**	**33.2%**
Total liabilities and stockholders	**35,111**	**37,796**	**38,555**	**2.0%**	**9.8%**

P&L as of September 2012 (COP billion)

	Sep 11	Jun 12	Sep 12	3Q12 / 2Q12	3Q12 / 3Q11	Accum Sep 11	Accum Sep 12	Accum 12 / Accum 11
Total income	**824**	**944**	**1,046**	**10.8%**	**27.0%**	**2,304**	**2,883**	**25.1%**
Loans	764	860	929	8.1%	21.6%	2,120	2,585	21.9%
Commercial + Microcredits	244	310	360	16.2%	47.6%	672	930	38.5%
Consumer loans	395	408	422	3.4%	6.9%	1,099	1,231	12.0%
Mortgage Loans + Leasing	125	141	147	3.6%	17.0%	349	424	21.5%
Mortgage	80	88	90	2.0%	13.0%	218	263	20.4%
Leasing	45	53	56	6.2%	24.2%	131	161	23.4%
Investments	53	71	108	51.2%	103.5%	168	260	55.2%
Interbanks	6	13	9	-31.1%	40.9%	16	38	133.3%
Total expenses	**239**	**308**	**337**	**9.5%**	**41.3%**	**634**	**932**	**47.0%**
Deposits in checking accounts	5	5	5	-1.0%	2.9%	14	16	13.2%
Deposits in saving accounts	71	95	82	-13.9%	15.3%	154	274	77.2%
Deposits in certificates	75	99	111	11.3%	46.7%	220	291	32.3%
Credits with entities	25	34	40	15.8%	56.7%	66	106	60.8%
Bonds	60	70	86	22.7%	42.2%	173	226	30.5%
Repos	1	4	14	274.9%	864.3%	5	17	256.8%
Interbank Funds	0	1	1	26.6%	97.3%	1	2	49.1%
Gross financial margin	**585**	**636**	**708**	**11.4%**	**21.1%**	**1,670**	**1,951**	**16.8%**
Allowances Net	199	179	232	29.8%	16.3%	480	609	27.0%
Net interest margin	**386**	**457**	**477**	**4.2%**	**23.6%**	**1,190**	**1,342**	**12.7%**
Comissions and fees income	206	201	206	2.6%	0.0%	597	618	3.6%
Operating expenses	426	448	469	4.6%	9.9%	1,269	1,305	2.8%
Other income and expenses, net	25	33	38	15.3%	49.1%	55	111	100.7%
Operational income	**191**	**243**	**252**	**3.7%**	**32.3%**	**573**	**766**	**33.7%**
Other provisions	4	1	1	97.3%	-72.6%	15	4	-77.1%
Non operatives	6	-23	-16	-30.6%	-371.8%	10	-50	-592.9%
Income before taxes and minority interest	**192**	**220**	**235**	**7.0%**	**22.3%**	**568**	**713**	**25.4%**
Minority interest	2	2	2	8.4%	4.5%	5	7	21.0%
Taxes	54	59	55	-7.0%	2.2%	128	166	29.2%
Net Income	**136**	**159**	**178**	**12.2%**	**30.5%**	**434**	**540**	**24.4%**

Fe de erratas
Third Quarter 2012-3Q12
Consolidated results

Change	Page	Information	Previous data	New data
1	1	Accumulated Net income Jan-Sep 12	$ 552 billion	$ 540 billion
2	1	Accumulated Net income Growth Jan-Sep 12/ Jan-Sep 11	27.1%	24.4%
3	2	Accumulated Net income (Sep 2012)	$ 552 billion	$ 540 billion
4	2	Growth, accumulated Net income as of September 2012 compared to September 2011	27.1%	24.4%
5	3	Davivienda, accumulated Net income in Davivienda + HSBC C.A table	$ 552 billion	$ 540 billion
6	16	Accumulated Net income chart	-	-
7	16	Accumulated Net income (Sep 2012)	$ 552 billion	$ 540 billion
8	16	Growth, accumulated Net income as of September 2012 compared to September 2011	27.1%	24.4%
9	16	Growth, accumulated net interest margin as of September 2012 compared to September 2011	15.2%	12.7%
10	17	Growth, accumulated financial income as of September 2012 compared to September 2011	27%	25.1%
11	17	Growth, accumulated consumer portfolio income as of September 2012 compared to September 2011	43.8%	38.5%
12	17	Growth, accumulated commercial portfolio income as of September 2012 compared to September 2011	12.5%	12.0%
13	17	Accumulated Investment portfolio income as of September 2012	$261 billion	$260 billion
14	17	Growth, accumulated Investment portfolio income as of September 2012 compared to September 2011	55.7%	55.2%
15	17	Growth, accumulated Investments in fixed rent income September as of 2012 compared to September 2011	54.2%	53.7%
16	18	Growth, accumulated Financial expenses as of September 2012 compared to September 2011	48.9%	47.0%
17	18	Accumulated net expense of allowances as of September 2012	$611.1 billion	$609 billion
18	18	Growth, Accumulated net expense of allowances as of September 2012 compared to September 2011	27.4%	27.0%
19	18	Growth, accumulated portfolio provision as of September 2012 compared to September 2011	24.7%	21.5%
20	18	Growth, accumulated recoveries as of September 2012 compared to September 2011	19.9%	18.5%
21	19	Accumulated net financial margin chart	-	-
22	19	Accumulated net financial margin as of September 2012	$1.4 trillion	$1.3 trillion

23	19	Growth, Accumulated net financial margin as of September 2012 compared to September 2011	15.2%	12.7%
24	20	Accumulated Fees and Commissions income as of September 2012	$621.6 billion	$618.4 billion
25	20	Growth, accumulated Fees and Commissions income as of September 2012 compared to September 2011	4.2%	3.6%
26	20	Accumulated Operating expenses chart	-	-
27	21	Growth, accumulated personnel expenses as of September 2012 compared to September 2011	13.8%	12.7%
28	21	Growth, accumulated administrative expenses as of September 2012 compared to September 2011	7.8%	6.8%
29	25	Column Accum Sep 12 P&L as of September 2012 (COP Billion)	-	-
30	25	Column Accum 12/Accum 11 P&L as of September 2012 (%)	-	-

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