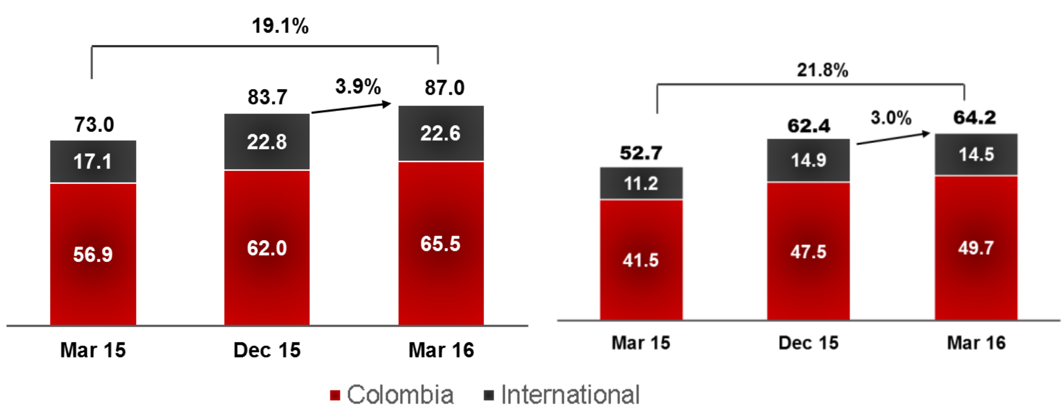
DAVIVIENDA ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2016

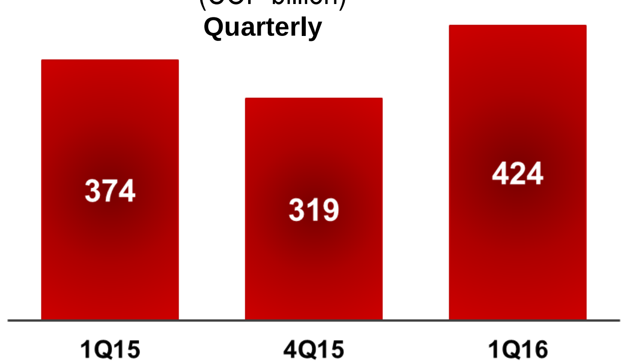
Bogotá, May 25, 2016 - Banco Davivienda (BVC: PFDAVVNDA), ("the Company", "Davivienda" or the "Bank"), a leading commercial bank in the Colombian financial market and a subsidiary of Grupo Bolivar, announced its consolidated results today for the first quarter of 2016 (1Q16) of the period ending on March 31, 2016. The results are provided in Colombian Pesos (COP), and were prepared based on the International Financial Reporting Standards approved for Colombia and instructions from the Colombian Financial Superintendence, herein after ACAFIS, in accordance with the Spanish version of January 1, 2013 and instructions given by the Colombian Financial Superintendence.

KEY FINANCIAL DATA PERFORMANCE

Assets (COP trillion)[1] **Net Portfolio** (COP trillion)



Consolidated Profits
(COP billion)
Quarterly



[1] Total assets include deletions and reclassifications on the foreign subsidiaries totaling COP 1.1 trillion for March 2015, December 2015 and March 2016.

SUMMARY OF CONSOLIDATED RESULTS FIRST QUARTER 2016 (1Q16)

- Financial income of 1Q16 grew 21% compared to 4Q15 and 38.5% compared to 1Q15, closing at COP 2.2 trillion. The revenue from the commercial loan portfolio stood out at COP 821.9 billion, up 25.1% compared to the previous quarter and 53.4% from 1Q15. In addition, the investment portfolio performed well during the quarter, generating COP 245.9 billion in revenue, up 103.5% from 4Q15 and 65.6% from 1Q15.

- Financial expenses closed at COP 785 billion, up 21% from 4Q15 and 56.7% from 1Q15, mainly due to the increase in term deposit, savings accounts and bond expenses. The gross financial margin closed at COP 1.4 trillion, up 21% from 4Q15 and 30% from 1Q15, based on which the NIM[2] closed at 6.6%, up 15 basis points from the NIM recorded in 4Q15.

- The net provision expense in 1Q16 was COP 444.8 billion, up 54.1% from 4Q15 and 76.2% from 1Q15, mainly due to the higher provision expense on the commercial loan portfolios in Colombia. Likewise, in international subsidiaries, the provision expense mainly increased in the commercial loan portfolios in Panama and Honduras as a result of the impairment of some clients.

- The efficiency indicator[3] in 1Q16 stood at 45.7%, a 116 basis-point improvement in the level of efficiency recorded at the end of 4Q15. Operating expenses of 1Q16 were COP 677.8 billion, down 4% from 4Q15, mainly due to the lower expenses on professional fees on software development, improvements and facilities, in addition to the 14.1% decrease in current taxes. Compared to 1Q15, operating expenses increased by 17.6%, mainly explained by the devaluation on the exchange rate peso/US, higher personnel expenses in Colombia and the incorporation of Leasing Bolívar after the merger.

- Net profit in 1Q16 was COP 424.2 billion, up 32.9% from 4Q15 and 13.4% from 1Q15.

- At the close of March 2016, assets totaled COP 87 trillion, up 3.9% from the end of 2015 and 19.1% compared to 1Q15, consisting mainly of the net portfolio representing 73.9% of the total assets, followed by the investment portfolio with a share of 10.1% and cash and interbank loans at 10.5%. The remaining 5.6% is represented in other assets.

- Profitability measured based on average assets[4] went from 1.58%, standing at similar levels to those reported at the end of 2015..

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[2] NIM: Accumulated gross financial margin (12 months) / average earning assets.
[3] Efficiency (12 months): operating expenses / (gross financial margin + net operating income - dividends + net exchange and derivatives + other net income and expenses).
[4] ROAA (12 months): accumulated net profit / average assets .

- The gross loan portfolio closed at COP 66.2 trillion, achieving increases of 3.3% compared to 4Q15 and 22.1% compared to 1Q15, emphasizing commercial loan portfolio performance, which grew 4.5% compared to 4Q15 and 27% compared to 1Q15. In Colombia, the gross loan portfolio grew 20.4% compared to 1Q15.

- The delinquent portfolio indicator[5] stood at 1.91%, up 29 basis points compared to 4Q15 and 10 basis points compared to the indicator recorded in 1Q15. In 1Q16, the portfolio provision of COP 2.0 trillion reached a level of coverage of 158.3%, up 61 basis points from 1Q15.

- Funding sources[6] were COP 73.3 trillion, up 3.4% from 4Q15 and 19.8% from 1Q15, reaching a portfolio to funding source ratio[7] of 87.6%, 36 basis points below that recorded in 4Q15.

- Equity ended March 2016 at COP 8.7 trillion, standing at levels similar to those recorded in 4Q15 and up 16.1% compared to 1Q15. Return on average equity (ROAE)[8] was 15.4%, compared to 15.3% in 4Q15. The translation adjustment of bonds was COP 188.0 billion, down COP 44.6 billion from 4Q15 and up COP 125.0 billion from 1Q15, as a result of the 15.5% devaluation of the official Colombian peso/US dollar exchange rate compared to 1Q15 and the 4.7% revaluation compared to 4Q15.

- Tier I closed 1Q16 at 7.1%, up 20 basis points from 4Q15; therefore, the solvency indicator closed at 12.2%, up 49 basis points from that recorded in the previous quarter.

- At the end of March 2016, Davivienda was operating in six countries and had 8.3 million customers[9], 17,016 employees, 752 branches, and 2,209 ATMs.

[5] Nonperforming loans > 90 days.
[6] Funding sources: total deposits + bonds + loans with institutions.
[7] Ratio: net loan portfolio / (total deposits + bonds + institutional loans).
[8] ROAE (12 months): accumulated net profit / average equity.
[9] This includes 2.8 million DaviPlata customers and 1.1 million subsidiary customers.

MOST SIGNIFICANT EVENTS

Merger with Leasing Bolívar

On January 4, the merger with Leasing Bolivar S.A. was approved. By the end of 2015, the Company had COP 1.2 trillion in assets, COP 1.1 trillion in net loan portfolio and liabilities of COP 1.1 trillion.

Dividend Payment

On March 10, the General Shareholders' Meeting approved a dividend payment of COP 390 billion at a rate of COP 864 per share as dividends, which represents a distribution of 32.1% of the individual profits. 50% of this dividend was paid on March 29, 2016 and the remaining 50% will be paid on September 21, 2016.

In addition, Davivienda received dividends for COP 4.2 billion in capital investments during the first quarter of the year.

Acquisitions

On April 19, 2016, the Board of Directors of Fiduciaria Davivienda approved the start of the acquisition process of Seguridad Compañía Administradora de Fondos de Pensiones de Inversión S.A, a Grupo Bolívar subsidiary.

By the end of 2015, this company had COP 9.7 billion in assets, COP 215 million in liabilities, an equity of COP 9.5 billion and recorded profits of COP 322 million. The managed fund on the same closing date was COP 96.9 billion, with 5,410 clients.

The implementation of the scheduled plan requires the approval of the Financial Superintendence and the Shareholders Meeting of Fiduciaria Davivienda. The integration is expected to take place in July 2016

ECONOMIC CONTEXT

Colombia

During the first quarter of 2016, the market situation was marked by tremendous international instability as a result of the uncertainty regarding the performance of the global economy in general. As a result of the impairment of global growth indicators, monetary authorities in the United States refrained from increasing their interest rates, which led to the depreciation of the US dollar on the international level and the improvement in the prices of commodities. Consequently, the quarter closed with a much more constructive setting for emerging countries.

Despite the upturn at the end of the quarter, the average price of oil, in the WTI benchmark, dropped even further in the first quarter of the year. In fact, during the first three months, the average price was just USD 33.22, which is lower than the USD 41.93 observed in the last quarter of last year.

The current account deficit, along with the higher international risk aversion in the first few weeks of the year, placed high pressure on the exchange rate with the US dollar, which reached the highest level in history on February 12 at COP 3,434.89. This rate was significantly higher than that of COP 3,149.7 observed at the end of the previous year. The increase in the exchange rate was accompanied by the drop in the price of oil, reaching its lowest price in over a decade (USD 26.14 in the WTI benchmark), as well as the increase in the country's risk premium. The 10-year Credit Default Swaps were traded at COP 386.68 on February 11, after which they showed noticeable improvement. As pointed out above, by the end of March, there was a major correction in oil prices and the exchange rate. The latter ended the quarter at COP 3,022.35.

As mentioned, the increase in the value of the US dollar, which made tradable goods more expenses, was added to the acute lack of rain caused by the El Niño phenomenon, such that total inflation continued to rise throughout the quarter, shocking analysts and even the monetary authority itself. The total inflation of 6.77% at the end of December rose to 7.98% by the end of March.

During the quarter, it was clear that the risk of higher inflation was much worse than a sudden slowdown in the economy, so the Central Bank continued its upward adjustment of the interest rate. The one-day repo transaction rate went from 5.75% at the end of 2015 to 6.5% by the end of the quarter. The minutes of the Central Bank's meetings are clear indicating that the joint managers were divided among those who wanted to raise 50 basis points and those who proposed a lower increase.

It is clear that the drop in oil prices has caused a significant adjustment in government revenue and, consequently, in its levels of spending. According to the GDP growth figures, by the end of the year, government consumption had grown 4%, after growing at rates of 8.3% in the first quarter of 2014. The other component of the demand with the largest adjustment has been the investment, which dropped to 0.02% in the last quarter of 2015 after growing at annual rates of 10.4% in the first quarter of 2014.

Domestic economic activity has shown unsuspected resilience. At February, the real annual variation of retail sales amounted to 4.6%, which is higher than the figure observed at the end of the year (0.2%). However, the bad news involves the production of oil, which dropped to 920 thousand barrels per day last March.

Central America

In the first quarter of 2016, the region's economic growth data for the end of 2015 were published. Economic growth accelerated for Costa Rica, El Salvador and Honduras; their GDP increased 3.6%, 2.5% and 3.6%, respectively, which were higher than the 2.9%, 1.9% and 3% increases reported in 2014. On the other hand, Panama reported a slowdown, with a growth of 5.8% in 2015, compared to 6% in 2014.

Economic activity in Costa Rica increased in February 2016: the Monthly Economic Activity Index (IMAE, for the Spanish original) grew 4.5% without a free trade zone, which is higher than the 2.9% growth reported in February 2015. The momentum in the first few months of the year was associated with greater dynamism in agricultural and manufacturing activities.

El Salvador's economic activity also accelerated. The growth of the Volume Index by Economic Activity (IVAE, for the Spanish original) was 1% at January, up from the -0.1% reported in the same month of 2015. The index was driven mainly by transportation, storage and communication. In turn, Honduras reported a slowdown at February 2016, growing 3% compared to a growth of 3.5% at February 2015.

As for inflation, Costa Rica, El Salvador and Honduras reported lower levels compared to those achieved in January 2016. The annual variations closing in March 2016 are -1.09%, 1.12% and 2.48%, respectively, while the variations in January 2016 were -0.17%, 1.82% and 3.08%. Downward inflation pressures remained due to the decrease in the price of oil in the first quarter of the year. In Panama, inflation was 0.59%, up from an annual inflation of 0.3% in January 2016.

The monetary policy in Costa Rica continued its expansionist trend; in January of this year, the country's Central Bank reduced the Monetary Policy Rate (MPR) from 2.25% to 1.75%. In Honduras, the Central Bank of Honduras also reduced the MPR from 6.25% to 5.75% in March.

As regards taxation, in Costa Rica at February 2016, there was a 12.3% annual increase in revenue a 10.6% increase in expenses. In El Salvador, there was an annual growth of 4.6% in revenue and 2.8% in expenses. Finally, in Honduras, there was a 14.2% growth in revenue and 5.4% in expenses. Despite the slight improvement in recent months, the tax situation of Costa Rica is still complex; therefore, Moody's provided a negative outlook to its Ba1 rating in February of this year and Standard & Poor's downgraded the rating to BB- that same month.

MAIN BUSINESS RESULTS

Consumer

At the end of March 2015, the consumer loan portfolio totaled COP 16.5 trillion, up 1.2% from 4Q15 and 15% from 1Q15, in which the free investment loans stood out with an annual increase of 17%.

In Colombia, this portfolio grew 2.3% compared to the previous quarter and 11.8% compared to 1Q15, where the performance of the free investment loans stood out with growths of 7.2% during the quarter and 31.4% compared to the same quarter of the previous year, closing at COP 2.4 trillion. In addition, in 1Q16, credit card billing in Colombia amounted to COP 1.9 trillion, up 10.2% from 1Q15.

The consumer loan portfolio in foreign subsidiaries increased 1.8% compared to 4Q15 and grew 13% compared to 1Q15 in US dollars, mainly in the Costa Rica and Honduras subsidiaries, achieving annual increases in this portfolio of 34.8% and 20.6%, respectively.

Mortgage

The mortgage loan portfolio closed 1Q16 at COP 14.1 trillion, up 3% compared to 4Q15, and 19.3% compared to 1Q15. In Colombia, the mortgage loan portfolios grew 4.4% compared to 4Q15 and 17.5% in relation to the same period last year, mainly in low-income housing, which represents 34% of the total mortgage portfolio.

In foreign subsidiaries, this portfolio grew 2.8% compared to 4Q15 and 10.1% compared to 1Q15 in US dollars, where the performance of this loan portfolio stood out in the Costa Rica and Panama subsidiaries compared to the rest.

Commercial

By the end of 1Q16, the commercial loan portfolio closed at COP 35.6 trillion, up 4.5% from 4Q15 and 27% compared to 1Q15. The merger with Leasing Bolívar contributed with 4.1% on the annual increase. The performance of the corporate loan portfolio in Colombia stood out, closing at COP 17.3 trillion, up 2.6% from 4Q15 and 19.4% from 1Q15.

In turn, the SME loan portfolio in Colombia closed at COP 4.9 trillion, growing 20.8% compared to 4Q15 and 45.7% from 1Q15. In addition, the balance of the construction portfolio in Colombia was COP 3 trillion, up 4.1% from the previous quarter and 35.9% from 4Q15.

The commercial loan portfolio in foreign subsidiaries grew 2.3% compared to 4Q15 and 11.4% compared to the same quarter of the previous year in US dollars, where the annual growth in Costa Rica stood out from the rest (34.8%).

BALANCE SHEET

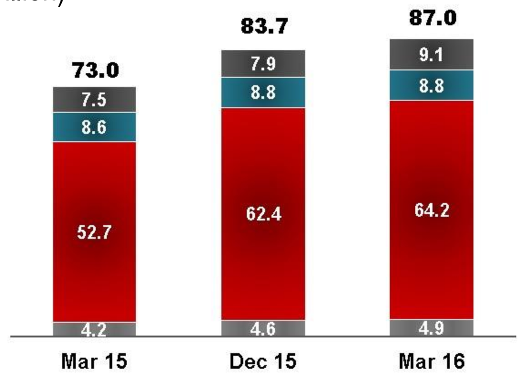
Assets

At March 2016, assets totaled COP 87 trillion, growing 3.9% with respect to 4Q15, and 19.1% compared to the same quarter of the previous year, explained by the performance of the net loan portfolio, which represents 73.9% of the total assets, and grew 3% from 4Q15 and 21.8% from 1Q15. In addition, cash and interbank loans grew by 14.6% compared to the previous quarter and 21.7% compared to 1Q15, reaching a 10.5% share in total assets; 98 basis points above 4Q15.

The consolidated ROAA[10] at the end of 1Q16 closed at 1.58%, standing at similar levels to those reported at the end of 2015.

Evolution of Consolidated Assets (in COP trillion)

	1Q16/4Q15	1Q16/1Q15
Cash	14.6%	21.7%
Investments, net	0.1%	1.9%
Loans, net	3.0%	21.8%
Other assets (11)	4.6%	15.8%
Assets	**3.9%**	**19.1%**



Assets	Mar 15	Dec 15	Mar 16	1Q16 / 4Q15	1Q16 / 1Q15
Colombia	56.9	62.0	65.5	5.6%	14.9%
International	17.1	22.8	22.6	-1.0%	31.7%
International USD$ (12)	6.6	7.2	7.5	3.9%	14.1%

Assets in foreign subsidiaries amounted to COP 22.6 trillion, growing mainly due to the performance of the net loan portfolio, which represents 64.2% of the total assets in foreign subsidiaries. In US dollars[13], the net loan portfolio grew 2.2% compared to the previous quarter, and 11.6% compared to 1Q15, mainly in the commercial loan portfolio, which represents 59.3% of the total portfolio in foreign subsidiaries.

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[10] ROAA (12 months): accumulated profit / average annual assets.

[11] Other assets includes: Property, plant and equipment; goods received in net payment; prepaid expenses and deferred charges; goodwill; and others.

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

[13] The official exchange rate of the US Dollar increased 15.5% compared to 1Q15. In relation to 4Q15, it decreased 4.7%.

Cash and Interbank

In March 2016, cash and interbank loans amounted to COP 9.1 trillion, up 14.6% from 4Q15, explained in Colombia by the increase in simultaneous transactions and interbank loans. Compared to 1Q15, cash and interbank grew 21.7%, mainly in foreign subsidiaries, particularly in Panama due to prepaid debt and a higher level of deposits during the period. This was also due to the effect of the Colombian peso/US dollar exchange rate variation during the period. In US dollars, cash grew 26.9% compared to 1Q15

Investments Portfolio

The consolidated investment portfolio closed at COP 8.8 trillion, which is similar to the level reported in 4Q15. It consists mainly of debt securities, which represent 97% of the total investments and have a share of 9.7% of the total assets. Compared to 1Q15, investments grew 1.9%, mainly in foreign subsidiaries, with a 29.7% increase in Colombian pesos compared to 1Q15 or 12.3% in US dollars.

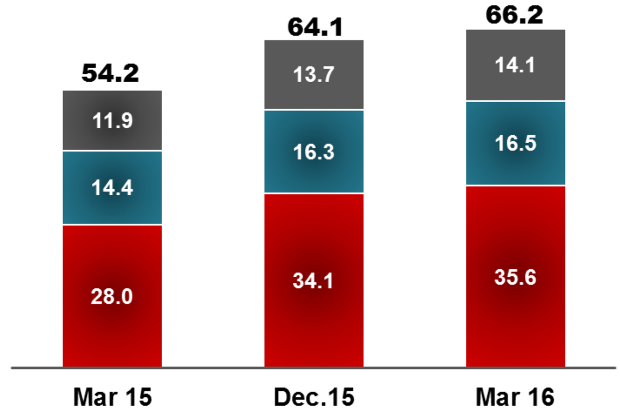
In Colombia, the investment portfolio totaled COP 7.4 trillion, which is the same as 4Q15 and down 6.4% from 1Q15, due to the performance of the trading portfolio.

Gross Loan Portfolio

The gross loan portfolio closed at COP 66.2 trillion, up 3.3% compared to 4Q15 and 22.1% compared to 1Q15, emphasizing commercial loan performance, which reached an annual increase of 27%, while the mortgage and consumer loan portfolios grew 19% and 15%, respectively.

Evolution of Consolidated Gross Loan Portfolio (in COP trillion)[14]

	1Q16/4Q15	1Q16/1Q15
Mortgage	3.0%	19.3%
Consumer	1.2%	15.0%
Commercial [(14)]	4.5%	27.0%
Gross Loans	**3.3%**	**22.1%**



Gross Loans	Mar 15	Dec 15	Mar 16	1Q16 / 4Q15	1Q16 / 1Q15
Colombia	42.8	49.0	51.5	5.2%	20.4%
International	11.4	15.1	14.7	-2.6%	28.8%
International USD$ [(15)]	4.4	4.8	4.9	2.3%	11.5%

In Colombia, the gross loan portfolio totaled COP 51.5 trillion, up 5.2% from 4Q15, and up 20.4% with respect to 1Q15, mainly due to the commercial loan portfolio's performance, which grew 7% with respect to 4Q15, and 26.5% with respect to 1Q15, closing at COP 26.8 trillion, particularly in the corporate segment.

The consumer loan portfolio in Colombia closed at COP 13.3 trillion, up 2.3% from 4Q15 and 11.8% compared to 1Q15, which is mainly explained by the unsecured personal loans which grew 7.2% compared to 4Q15, and 31.4% compared to 1Q15. In addition, payroll loans increased 10.4% compared to 1Q15.

Lastly, the mortgage portfolio in Colombia closed at COP 11.4 trillion at March 2016, which represents a 4.4% increase with respect to 4Q15 and 17.5% compared to the same period of the previous year.

In foreign subsidiaries, the gross loan portfolio totaled COP 14.7 trillion. In US dollars, the loan portfolio increased by 2.3% compared to 4Q15 and 11.5% compared to 1Q15, mainly due to the good performance of the commercial loan portfolio and an improved growth dynamic of the consumer loan portfolio.

The commercial loan portfolio in foreign subsidiaries grew 2.3% compared to 4Q15 and 11.4% in relation to the same period of the previous year in US dollars, mainly in Costa Rica, where the commercial loan portfolio grew 34.8% compared to 1Q15.

The consumer loan portfolio in foreign subsidiaries grew 1.8% compared to 4Q15 and 13% in relation to the same period of the previous year in US dollars, mainly in Costa Rica and Honduras, with annual increases of 34.8% and 20.6%, respectively.

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[14] The commercial loan portfolio includes micro-loans.

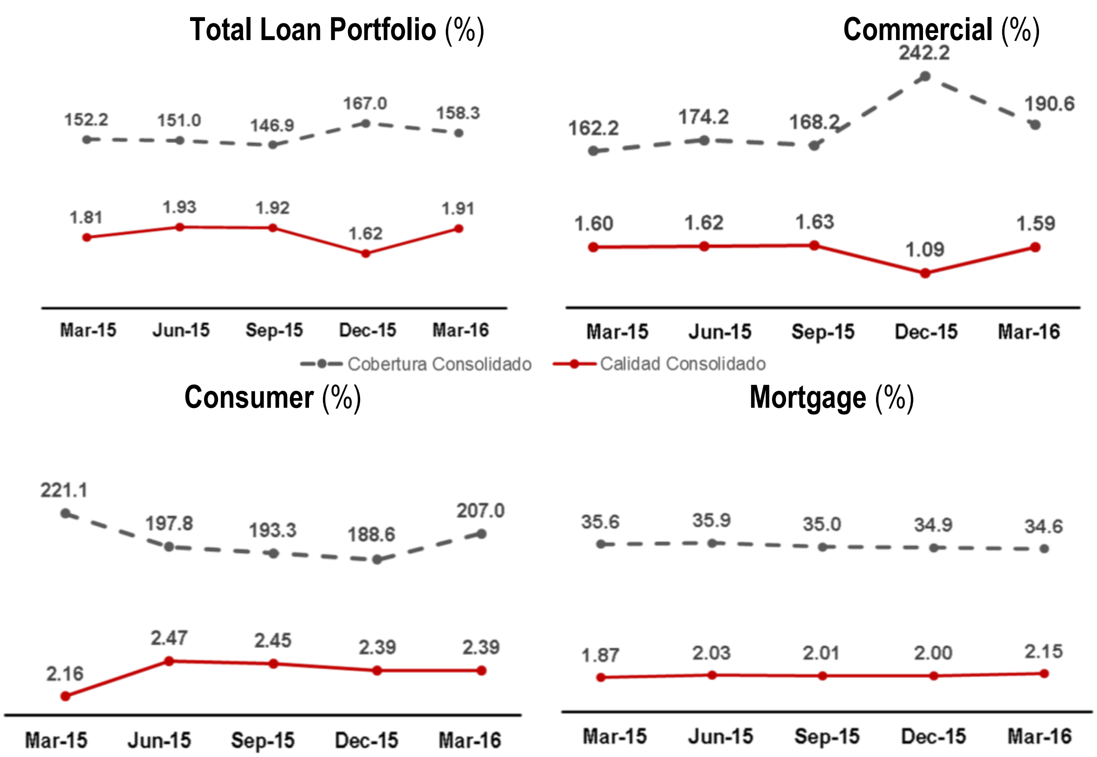
[15] Davivienda International includes: El Salvador, Costa Rica, Panama and Honduras.

Finally, the mortgage portfolio in foreign subsidiaries increased by 2.8% compared to 4Q15, and 10.1% with respect to 1Q15 in US dollars, mainly in the Panama and Costa Rica subsidiaries, where this portfolio achieved growths of 41.5% and 19.9%, respectively.

Portfolio Quality by Type and Coverage

The loan portfolio indicator[16] at the end of 1Q16 was 1.91%, up 29 basis points from the end of 4Q15, mainly explained by the impairment of the commercial loan portfolio indicator by 50 basis points with respect to the previous quarter, particularly in Colombia. In addition, the mortgage portfolio indicator closed 1Q16 at 2.15%, up 15 basis points from 4Q15. In turn, the consumer loan portfolio indicator stands at the same level as that reported at the end of 4Q15.

The consolidated coverage level[17] at March 2016 was 158.3%, down from 4Q15, mainly explained by the performance of the commercial loan portfolio indicator.



In 1Q16, there were net write-offs for COP 245 billion, up 59.7% compared to 4Q15 and 26.1% compared to 1Q15, explained mainly by the increase in consumer loan portfolio write-offs in Colombia. Write-offs in 1Q16 reached a share of 0.4% of the total gross loan portfolio.

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[16] Quality: portfolio > 90 days / gross loans portfolio.

[17] Coverage: reserves / portfolio > 90 days.

Goodwill and Intangibles

At the end of 1Q16, Davivienda's consolidated goodwill closed at COP 1.6 trillion, maintaining the same levels recorded in 4Q15 and up 0.3% compared to 1Q15, explained by the adjustment in the Goodwill of Corredores Asociados due to the advance on the variable payment for COP 5.6 billion made on April 30, 2015.

Intangible assets for 1Q16 closed at COP 129.3 billion, up 1.1% compared to 4Q15 and 36.7% from 1Q15; the latter is explained mainly in foreign subsidiaries with a 52.3% increase due to the acquisition of software licenses and programs and the effect of the devaluation of the US dollar in foreign subsidiaries. The amortization of intangible assets in 1Q16 was COP 6.3 billion, up 21% from 4Q15 and 104.9% from 1Q15, mainly in Costa Rica.

Other Assets

Property, plant and equipment closed at COP 1.3 trillion, which is similar to the levels reported in 4Q15 and 6% higher than the same quarter of the previous year, mainly in Colombia due to the acquisition of new office equipment. In foreign subsidiaries, property, plant and equipment grew 18%, mainly due to the effect of the devaluation of the US dollar.

In turn, accounts receivable grew 24.4% compared to 4Q15 and 45.5% compared to 1Q15, closing at COP 766.6 billion, due to the increase in accounts receivable in Banco Davivienda Colombia due to contracts and suppliers advances mainly explained by the merge with Leasing Bolívar generating an increase of COP 43.1 billion and its favor for current taxes from the DIAN.

Finally, derivatives and cash transactions totaled COP 512.1 billion, up 15.9% from 4Q15 and 74.9% from 1Q15, explained by the performance of swaps in Colombia, which showed an annual increase of 674%. Furthermore, forward contracts increased by 36.2% in Colombia.

Liabilities

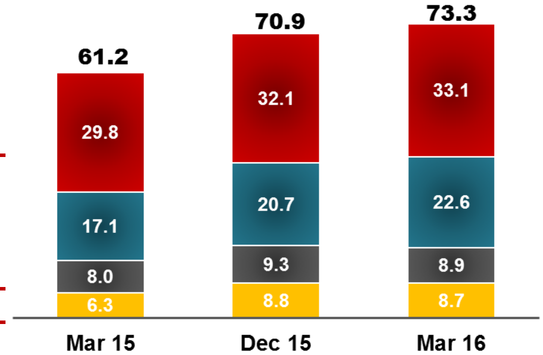
At the end of March 2016, consolidated liabilities totaled COP 78.3 trillion, up 4.3% from 4Q15 and 19.4% from 1Q15, mainly explained by the performance of deposits, which represented 71.3% of total liabilities and grew 5.5% and 18.9%, respectively. In addition, rediscount loans and banking correspondent loans grew 38.3% compared to 1Q15.

Deposits, bonds, rediscount loans and loans to foreign consolidated banking correspondents totaled COP 73.3 trillion, reaching a net portfolio to funding source ratio[18] of 87.6% compared to the 88% recorded at the close of 2015; without including bonds, this ratio would increase to 99.7%.

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

Evolution of Funding Sources (in COP trillion)

	1Q16/4Q15	1Q16/1Q15
Demand Deposits	3.2%	11.3%
Term Deposits	9.2%	32.0%
Bonds	-4.0%	10.7%
Credits	-1.3%	38.3%
Funding Sources	**3.4%**	**19.8%**



Funding Sources	Mar 15	Dec 15	Mar 16	1Q16 / 4Q15	1Q16 / 1Q15
Colombia	46,7	51,3	54,0	5,3%	15,6%
International	14,5	19,6	19,3	-1,4%	33,2%
International USD$[19]	5,6	6,2	6,4	3,5%	15,3%

In Colombia, liabilities were COP 58.2 trillion, up 6.2% from 4Q15 and 15.5% compared to 1Q15. Liabilities in foreign subsidiaries totaled COP 20.1 trillion, up 4.2% compared to 4Q15 and 14.8% compared to 1Q15 in US dollars.

Consolidated demand deposits totaled COP 33.1 trillion, up 3.2% from 4Q15 and 11.3% compared to 1Q15. In Colombia, demand deposits grew 4.6% compared to 4Q15 and 5.7% compared to 1Q15, mainly due to the performance of savings accounts, which grew 5.3% compared to 4Q15 and 6.1% compared to 1Q15, in addition to the 4.6% annual increase in checking accounts. For foreign subsidiaries, demand deposits grew 3.5% in US dollars compared to 4Q15 and 18.2% compared to 1Q15, mainly in Panama in savings accounts, and Costa Rica in checking accounts.

Consolidated term deposits were COP 22.6 trillion, 9.2% higher than in 4Q15 and 32% compared to 1Q15. Term deposits in Colombia grew 14.7% compared to 4Q15 and 38.7% in relation to 1Q15, closing at COP 15.1 trillion, mainly due to the increase in Time Deposits in the personal segment during the quarter. In turn, term deposits in foreign subsidiaries were up 4.5% compared to 4Q15 and 4.1% compared to 1Q15 in US dollars, mainly due to the performance of Time Deposits in Costa Rica and El Salvador.

Bonds totaled COP 8.9 trillion, down 4% from 4Q15 as a result of the 4.7% revaluation of the Colombian peso/US dollar exchange rate during the quarter and the redemption of bonds for COP 229.1 billion. Compared to 1Q15, the bonds increased by 10.7% due to local issues in Colombia in May and November 2015 for a total of COP 1.0 trillion. In addition, an issuance for USD 19 million was made on the local market of Costa Rica for a term of 2 years, and in July 2015, a senior issuance bond was made for USD 25 million.

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

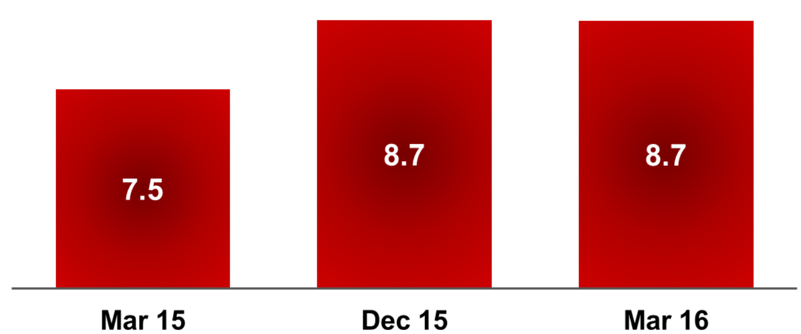
In Colombia, there was a 4.6% decrease in bonds compared to 4Q15, and an 8.9% increase compared to 1Q15; the latter is explained mainly by the effect of devaluation on bonds abroad issued in US dollars for a total of USD 1,000 million. In foreign subsidiaries, the balance of bonds in US dollar grew 9.7% compared to 4Q15 and 22% in relation to 1Q15.

Consolidated rediscount loans and banking correspondent loans were COP 8.7 trillion, down 1.3% from 4Q15 and up 38.3% from 1Q15. In Colombia, they closed at COP 4.9 trillion, up 0.8% from 4Q15 and 26% from 1Q15, explained by the increase in the use of loans with banking correspondents and the effect of devaluation on the balance. In foreign subsidiaries, institutional loans in US Dollars, increased by 0.7% compared to 4Q15 and 37.5% compared to 1Q15, the latter mainly due to borrowings of USD 175 million in El Salvador in July 2015 and the loans disbursed by the IFC in Costa Rica for a total amount of USD 69 million.

Equity

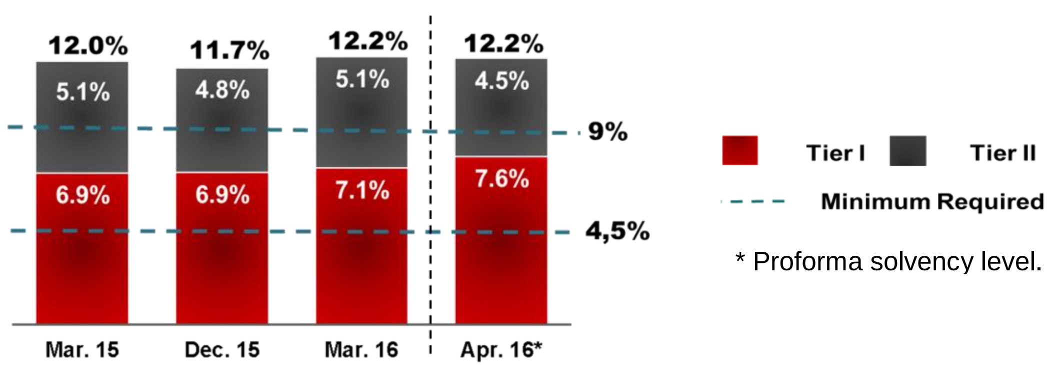
Equity closed at COP 8.7 trillion, maintaining the same level as that reported at the end of 2015. Compared to 1Q15, equity increased by 16.1%.

Equity (COP trillion)



At the end of 1Q16, solvency stood 319 basis points above the minimum solvency required in Colombia (9%) closing at 12.2%; technical equity closed at COP 9.3 trillion, up 7.6% from 4Q15, while assets weighted by risk level increased just 3.2%, closing at COP 73.1 trillion. The ratio of core capital to assets weighted by risk level was 7.1%, 262 basis points above the required minimum (4.5%).

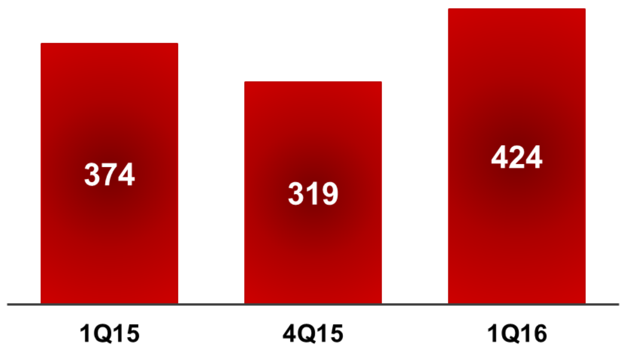
Solvency (%)



STATEMENT OF INCOME

Profits

Profits (COP billion)



	1Q16	1Q16 / 4Q15	1Q16 / 1Q15
	$	%	%
Financial Margin, Net	931	9,8	15,5
Operative Income	271	0,7	14,2
Operative Expenses	(678)	-4,0	17,6
FX Changes, Derivates and Others	66	1.292,3	3,7
Income before Tax	**589**	**43,7**	**11,1**
Taxes	(165)	81,7	5,8
Net Income[20]	**424**	**32,9**	**13,4**

Net profit for 1Q16 closed at COP 424.2 billion, up 32.9% from 4Q15, explained by the 21% increase in financial income, mainly due to the performance of portfolio income, which explains 13.9% of the total growth in revenue; the remaining 7.1% is explained by the results of the investment portfolio, which grew 103.5% during the quarter. Compared to 1Q15, net profit increased by 13.4% explained by the 15.5% growth of the net financial margin and the 14.2% increase in operating income, mainly due to commissions in Colombia.

As a result, the return on average equity (ROAE)[21] was 15.4% at the end of 1Q16, compared to 15.3% in 4Q15.

Income from Interest on Loans

Income from interest on loans increased 15.0% compared to 4Q15 and 35.6% compared to 1Q15 closing at COP 1.9 trillion, mainly due to the performance of the commercial and mortgage loan portfolios; the balance of average performing loans increased 5.1% compared to 4Q15 and 24.4% compared to 1Q15.

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[20] Profits after eliminations, standardizations and unifications.

[21] ROAE (12 months) = accumulated net profit / average equity.

Consolidated interest of the commercial loan portfolio totaled COP 821.9 billion in 1Q16, up 25.1% from 4Q15 and 53.4% from 1Q15 due to the 4.5% growth of the portfolio balance compared to 4Q15 and 27% compared to 1Q15. Foreign subsidiaries generated COP 204.2 billion in revenue from the commercial loan portfolio during the quarter, up 9% from 4Q15 and 51.8% from 1Q15[22].

The income from the consumer loan portfolio in 1Q16 closed at COP 616.6 billion, up 5.0% from 4Q15 and 19.3% from 1Q15 as a result of the 1.2% increase in the balance of the consumer loan portfolio compared to 4Q15 and 15% compared to 1Q15, particularly in free investment loans in Colombia. In foreign subsidiaries, income from the consumer loan portfolio was COP 78.2 billion, up 4.2% from 4Q15 and 56.5% from 1Q15[23].

Quarterly income of the mortgage loan portfolio amounted to COP 464.6 billion, up 14.6% from 4Q15 and 32% from 1Q16, explained by the increase in mortgage loans, mainly in Colombia.

Investment Portfolio Income

Quarterly income of the investment portfolio at the end of 1Q16 totaled COP 245.9 billion, up 103.5% from 4Q15 and 65.6% from 1Q15, due to the higher valuation of the fixed income portfolio due to the movement of the TES and TIPS curves.

Financial Expenses

Financial expenses for 1Q16 closed at COP 785 billion, up 21% from 4Q15 and 56.7% from 1Q15, mainly due to the increase in the balance of term deposits, generating an 18.3% increase in cost compared to 4Q15 and 55.9% compared to 1Q15. In addition, the expenses generated by demand deposits grew 33.3% compared to 4Q15 and 67.3% compared to 1Q15, mainly due to savings accounts in Colombia, which grew 53.7% from 1Q15.

In turn, expenses for debt issuances were up 12.5% from 4Q15 and 46.6% compared to 1Q15, mainly due to local debt issuances in Colombia for COP 1.0 trillion in May and November 2015.

Finally, the greater use of loans with banking correspondents, mainly in foreign subsidiaries, generated an increase in interest on this account of 14% compared to 4Q15 and 59.3% compared to 1Q15 in US dollars, mainly in El Salvador on the USD 175 million loan disbursed in July 2015 and in Costa Rica on the loan with the IFC for a

[22] The annual increase in income from the commercial loan portfolio in foreign subsidiaries was 15.6% in US dollars.

[23] Income from the consumer loan portfolio in foreign subsidiaries grew 19.1% compared to 1Q15 in US dollars

total of USD 69 million disbursed at December 2015. In Colombia, loan expenses with banking correspondents and other entities were up 25.1% from 4Q15 and 42.5% from 1Q15.

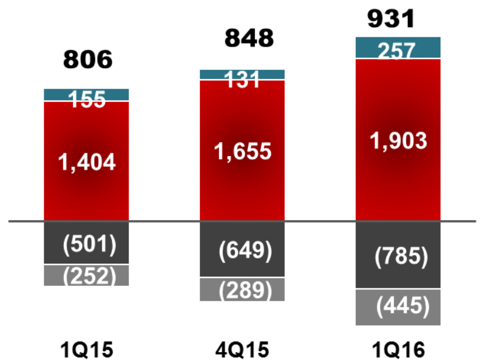
Net Provision Expenses

The net provision expense in 1Q16 was COP 444.8 billion, up 54.1% from 4Q15 and 76.2% from 1Q15, due to the higher provision expense on the consumer and commercial loan portfolios in Colombia. In the meantime, the provision expense in foreign subsidiaries was COP 67 billion, up 50.4% from 4Q15 and 155.3% from 1Q15, as a result of the higher provision expense, particularly in Panama and Honduras due to the impairment of some clients from the commercial segment.

Net Financial Margin

Net Financial Margin (COP Billion)

	1Q16	1Q16/4Q15	1Q16/1Q15
	$	(%)	(%)
Loan Income	1,903	15.0	35.6
Investment Income, Overnight	257	97.0	65.4
Financial Income	**2,160**	**21.0**	**38.5**
Financial Expenses	(785)	21.0	56.7
Allowances	(445)	54.1	76.2
Financial Margin, net	**931**	**9.8**	**15.5**



Financial Margin, net	1Q15	4Q15	1Q16	1Q16/4Q15	1Q16/1Q15
Colombia	653	646	741	14.7%	13.5%
International	153	202	190	-6.1%	24.0%
International USD$	62	74	58	-20.6%	-5.6%

The net financial margin of 1Q16 closed at COP 930.6 billion, up 9.8% from 4Q15 and 15.5% from 1Q15, mainly explained by the increase in the income from the commercial and mortgage loan portfolios in Colombia and foreign subsidiaries. In addition, the portfolio of investments in debt securities in Colombia contributed to a 134.8% growth compared to 4Q15. As a result, the NIM[24] ended 1Q16 at 6.6%, up 15 basis points from the NIM reported in 4Q15.

[24] NIM (12 months): Accumulated gross financial margin / average earning assets.

Net Operating Income

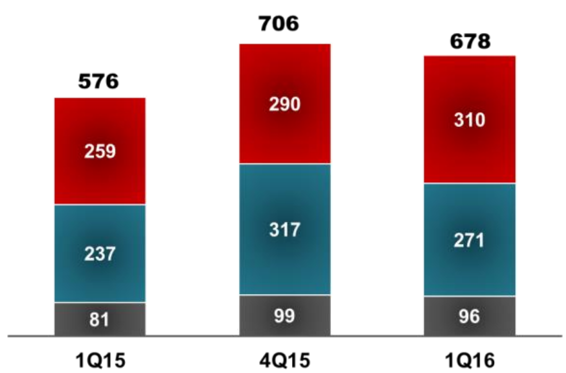
Operating income in 1Q16 totaled COP 270.7 billion, up 0.7% from 4Q15 and 14.2% from 1Q15, due to the increase in net income on account of commissions and fees in Colombia for COP 21.5 billion from 4Q15, mainly from commissions on the collection of insurance policies, as well as those from debit and credit cards. In addition, other net income of the insurance company's transactions in foreign subsidiaries increased by COP 7.0 billion compared to 1Q15 mainly due to the acquisition of Seguros Bolìvar Aseguradora Mixta in October 2015..

The fee and commission income indicator on total revenue[25] stood at 16.7%, down 80 basis points from that reported at the end of 4Q15.

Operating expenses

Operating Expenses (COP billion)

	1Q16 $	1Q16/4Q15 (%)	1Q16/1Q15 (%)
Personnel Expenses	310	6.9	19.9
Operational Expenses	271	-14.4	14.6
Other Expenses[26]	96	-2.5	19.2
Total Expenses	**678**	**-4.0**	**17.6**



Expenses	1Q15	4Q15	1Q16	1Q16 / 4Q15	1Q16 / 1Q15
Colombia	429	522	487	-6.7%	13.5%
International	147	184	191	3.7%	29.6%
International USD$	60	67	59	-12.3%	-1.4%

Operating expenses in 1Q16 totaled COP 677.8 billion, down 4% from 4Q15, mainly due to the 30.1% decrease in administrative expenses in Colombia because of the lower expense on professional fees for the development of software, and advertising.

Compared to 1Q15, operating expenses increased by 17.6%, explained mainly by the 19.9% increase in personnel expenses, particularly in Colombia, due to the salary increase of CPI + 2% as of January 2016, declared in the latest collective agreement and new benefits included in the collective agreement as of July 1, 2015. Aditionally, the annual increase is also explained by the devaluation of the exchange rate peso/US and the incorporation of Leasing Bolívar after the merger.

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25 Fee ratio (12 months): Fee and commission income / total revenue.

26 Other expenses include amortization and depreciation, amortization of intangible assets, taxes and security deposits.

In turn, other expenses increased by 19.2% compared to 1Q15, particularly in Colombia due to the 22.3% growth in the current tax expense, mainly on account of the industry and commerce tax and the payment of property taxes. Additionally, computer depreciation expenses increased by COP 5.9 billion.

Finally, operational expenses rose 14.6% compared to 1Q15 as a result of the increase in expenses relating to professional fees of 58.4% in Colombia mainly for the development of software. In the foreign subsidiaries, mainly in Costa Rica and El Salvador, operating expenses increased by 117%.

At the close of 1Q16, Efficiency[27] closed at 45.7% compared to the 46.8% reported at the close of 4Q15.

Net Exchange and Derivatives

In 1Q16, income was generated by net exchange and derivatives for COP 59.7 billion, up COP 55.4 billion compared to 4Q15, explained by the lower expenditure in Colombia due to the restatement resulting from the 4.7% revaluation of the US dollar/Colombian peso exchange rate compared to the previous quarter and the COP 20.9 billion increase in income from derivatives in foreign subsidiaries. Compared to 1Q15, income from currency exchange and derivatives increased by COP 4 billion, explained by the variation in the exchange rate.

Other Net Income and Expenses

In 1Q16, other net income of COP 5.8 billion was generated, up COP 10.7 billion from 4Q15 due to the greater income generated through higher recoveries in Colombia. Compared to 1Q15, other net income decreased by 22.6% as a result of the increased expenses due to the impairment of the value of other assets in foreign subsidiaries mainly explained by Costa Rica due to the impairment of assets received as payment and that Under IFRS are not classified as available for sale.

Taxes

In 1Q16, Davivienda reported COP 164.8 billion in taxes, up 81.7% from 4Q15 explained by the lower value paid during the last quarter of 2015 due to the decrease on deferred tax as a consequence of the lower valuation of fixed income investments during the period. Additionally, tax-exempt income from Social Housing portfolio increased 5.7%. Finally, higher goodwill amortization on the investments in Central America was registered.

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[27] Efficiency (12 months): operating expenses / (gross financial margin + operating income + other net income and expenses).

In relation to 1Q15 taxes increased 5.8% due to the sale of CIFIN, generating a higher taxed income by $42.1 billion, generating COP 6.6 billion taxes, 4.2% of the annual taxes increase.

Balance Sheet at March 2016
(COP billion)

	Consolidated					Colombia	
ASSETS	**Mar 15**	**Dec 15**	**Mar 16**	**Mar 16 / Dec 15**	**Mar 16 / Mar 15**	**Mar 16 / Dec 15**	**Mar 16 / Mar 15**
Cash and interbank	**7,475**	**7,939**	**9,098**	**14.6%**	**21.7%**	**24.9%**	**5.1%**
Investments	**8,610**	**8,764**	**8,772**	**0.1%**	**1.9%**	**0.3%**	**-6.4%**
Portfolio	**52,738**	**62,369**	**64,238**	**3.0%**	**21.8%**	**4.8%**	**19.9%**
Commercial	28,017	34,054	35,578	4.5%	27.0%	7.0%	26.5%
Consumer	14,360	16,322	16,521	1.2%	15.0%	2.3%	11.8%
Mortgage	11,852	13,722	14,139	3.0%	19.3%	4.4%	17.5%
Provisions	-1,492	-1,729	-2,001	15.7%	34.1%	17.8%	35.7%
Property, plant and equipment	**1,191**	**1,268**	**1,262**	**-0.5%**	**6.0%**	**1.1%**	**3.3%**
Other assets	**3,006**	**3,377**	**3,596**	**6.5%**	**19.6%**	**10.0%**	**23.7%**
Total assets	**73,020**	**83,718**	**86,965**	**3.9%**	**19.1%**	**5.6%**	**14.9%**
Liabilities							
Deposits	**46,906**	**52,849**	**55,759**	**5.5%**	**18.9%**	**8.1%**	**15.9%**
Saving accounts	22,055	23,128	24,228	4.8%	9.9%	5.3%	6.1%
Checking accounts	7,082	8,186	8,258	0.9%	16.6%	5.1%	4.6%
Certificates of deposit	17,137	20,717	22,613	9.2%	32.0%	14.7%	38.7%
Other deposits	633	818	661	-19.2%	4.4%	-20.2%	1.3%
Bonds	**8,028**	**9,253**	**8,885**	**-4.0%**	**10.7%**	**-4.6%**	**8.9%**
Local	5,024	5,514	5,301	-3.9%	5.5%	-3.9%	5.5%
International	3,004	3,739	3,584	-4.1%	19.3%	-5.8%	15.5%
Institutional loans	**6,258**	**8,769**	**8,653**	**-1.3%**	**38.3%**	**0.8%**	**26.0%**
Other liabilities	**4,324**	**4,131**	**4,960**	**20.0%**	**14.7%**	**20.5%**	**14.0%**
Total liabilities	**65,516**	**75,002**	**78,257**	**4.3%**	**19.4%**	**6.2%**	**15.5%**
Equity							
Total equity	**7,504**	**8,716**	**8,708**	**-0.1%**	**16.1%**	**1.0%**	**10.5%**
Total liabilities and equity	**73,020**	**83,718**	**86,965**	**3.9%**	**19.1%**	**5.6%**	**14.9%**

Statement of Income at March 2016
(COP billion)

	Consolidated					Colombia	
	1Q 15	4Q 15	1Q 16	1Q16 / 4Q15	1Q16 / 1Q15	1Q16 / 4Q15	1Q16 / 1Q15
Financial income	**1,559**	**1,785**	**2,160**	**21.0%**	**38.5%**	**24.3%**	**36.3%**
Portfolio	1,404	1,655	1,903	15.0%	35.6%	17.0%	32.8%
Commercial	536	657	822	25.1%	53.4%	31.6%	53.9%
Consumer	517	587	617	5.0%	19.3%	5.1%	15.3%
Mortgage	352	405	465	14.6%	32.0%	16.7%	31.3%
Net of portfolio sale	-1	5	0	-100.0%	-100.0%	-100.0%	-100.0%
Investments	149	121	246	103.5%	65.6%	134.8%	69.4%
Interbank and overnight funds	7	10	11	16.4%	61.8%	11.6%	59.1%
Financial expenses	**501**	**649**	**785**	**21.0%**	**56.7%**	**22.0%**	**55.8%**
Deposits in checking accounts	8	8	11	38.0%	35.9%	38.0%	35.9%
Deposits in savings accounts	110	141	187	33.0%	69.6%	22.6%	53.7%
Certificates of deposit	201	265	314	18.3%	55.9%	31.1%	74.8%
Credits with entities	51	66	85	29.4%	67.4%	25.1%	42.5%
Bonds	117	152	171	12.5%	46.6%	12.3%	44.4%
Market transactions	14	17	17	-2.4%	22.4%	-13.1%	12.2%
Gross financial margin	**1,058**	**1,137**	**1,375**	**21.0%**	**30.0%**	**25.7%**	**27.2%**
Provisions	252	289	445	54.1%	76.2%	54.7%	67.0%
Net financial margin	**806**	**848**	**931**	**9.8%**	**15.5%**	**14.7%**	**13.5%**
Operating income	237	269	271	0.7%	14.2%	1.6%	9.0%
Operating expenses	576	706	678	-4.0%	17.6%	-6.7%	13.5%
Net exchange and derivatives	56	4	60	1292.3%	7.2%	2197.6%	-11.0%
Other net income and expenses	7	-5	6	-217.7%	-22.6%	-135.3%	-163.3%
Income before taxes	**530**	**410**	**589**	**43.7%**	**11.1%**	**54.5%**	**10.8%**
Taxes	156	91	165	81.7%	5.8%	139.4%	7.6%
Net profits	**374**	**319**	**424**	**32.9%**	**13.4%**	**34.7%**	**12.2%**

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www.davivienda.com
atencionainversionistas@davivienda.com
Telephone (57 -1) 220-3495, Bogotá