

**CORPORATE GOVERNANCE REPORT
JANUARY - DECEMBER 2018**

Pursuant to Article 8 of the regulations governing the Corporate Governance Committee, we hereby present to the Banco Davivienda General Shareholders' Assembly the Corporate Governance Report for 2018.

I. COMPANY'S OWNERSHIP STRUCTURE

1. Company Capital

AUTHORIZED CAPITAL	SUBSCRIBED CAPITAL	PAID-IN CAPITAL
\$77,350,000,000.00	\$76,783,970,210.00	76,783,970,210.00
455,000,000 Shares	451,670,413 Shares	451,670,413 Shares
\$170 share value	\$170 share value	\$170 share value

2. Information regarding Shares

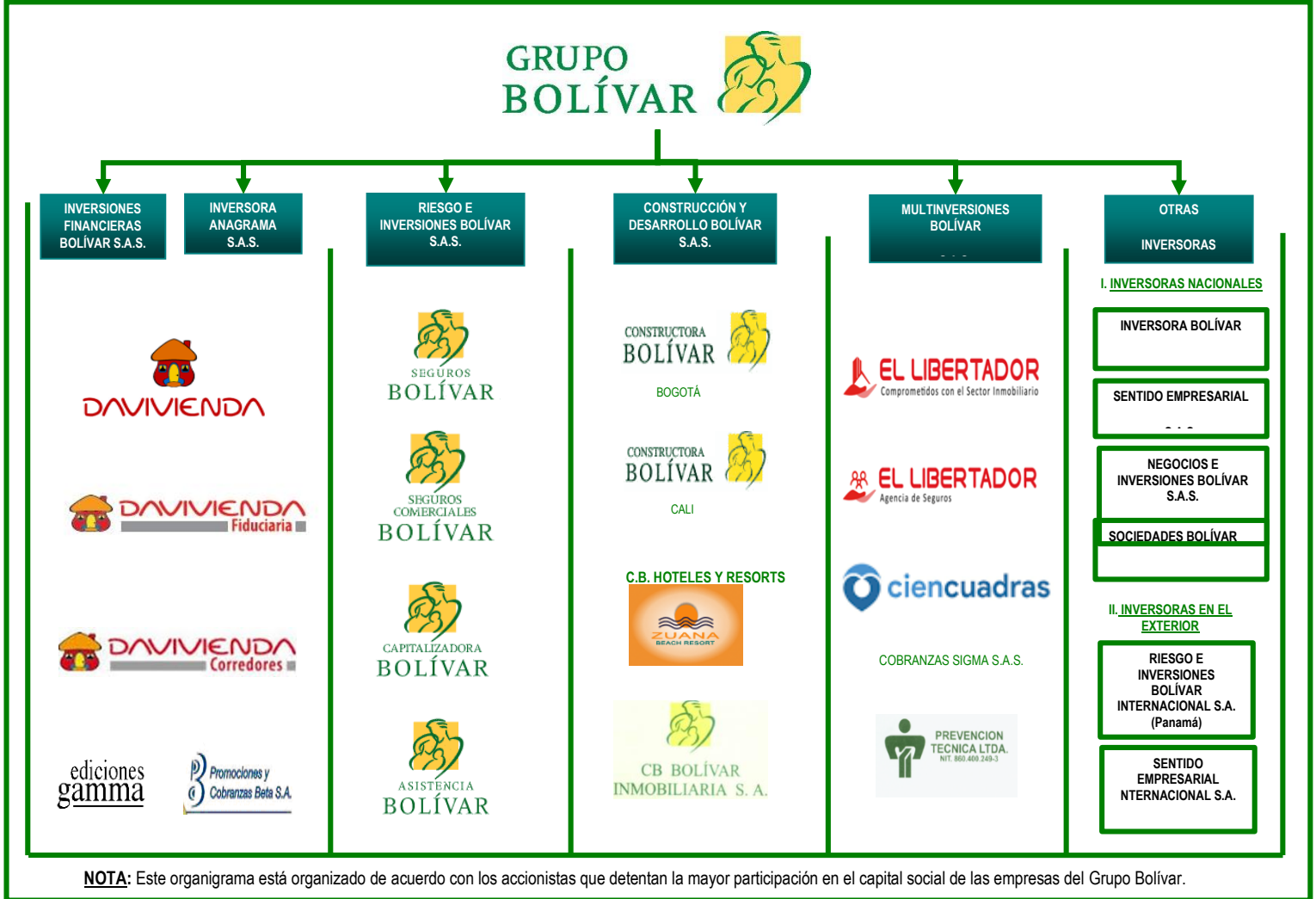
To date, Banco Davivienda has issued common and preferred shares.

Type of shares	TOTAL
Common	343,676,929
Preferred	107,993,484

3. Bolívar Group Companies - Group Organizational Chart

The main companies of the Bolivar Group are presented in the following chart:

Table No. 1. Bolívar Group Companies - Group Organizational Chart



PRESENCIA INTERNACIONAL	 DAVIVIENDA Salvador, Honduras, Costa Rica, Panamá	 DAVIVIENDA Corredores Panamá
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It is important to note that Grupo Bolívar S.A. is the parent company of the Group and Banco Davivienda one of its subordinates.

II. COMPLIANCE WITH THE GOVERNANCE SCHEME

1. General Shareholders Assembly.

During 2018, the General Shareholders' Assembly met on the following dates:

DATE	TYPE OF MEETING	Minutes No.
March 14	Ordinary	125
QUORUM	99.828%	No. OF SHARES REPRESENTED 343.085.836

The meeting was held in compliance with applicable regulations and the necessary information was provided for decision-making by the shareholders.

The call, the rights and obligations of the shareholders, the characteristics of the shares and the rules of operation for the Shareholders' Meeting were disclosed to shareholders and to the market in general through the website, www.davivienda.com.

In addition, developments in the meeting were transmitted online to the Bank's shareholders, in compliance with recommendations in the Code of Best Corporate Practices, Country Code, which establishes that electronic media are highly useful in disclosing information.

It is important to note that Banco Davivienda's shareholders and investors have an exclusive and personalized service channel in the Office of Shareholders and Investors Services, located at Avenida el Dorado No. 68C-61, Suite 901, Torre Central Davivienda Bldg. in Bogota. Additionally, they have contact lines (+57 1) 2203495, (1)3383838, 01 8000 123 838) and a link on the corporate website to which comments can be sent, as well as the email address: IR@davivienda.com.

Likewise, in compliance with the current regulations, the Bank's relevant information was published through the Financial Superintendence's website.

2. Board of Directors.

a. Composition of the Board of Directors

At the General Shareholders' Assembly held on March 22, 2017, the following persons were elected as members of the Board of Directors for the period 2017 - 2019:

LINE	NAME	POSITION TYPE
First Line	Carlos Guillermo Arango Uribe **	Principal
	Roberto Holguín Fety	Alternate
Second Line	Javier José Suárez Esparragoza	Principal
	Olga Lucía Martínez Lema	Alternate
Third Line	Álvaro Peláez Arango	Principal
	Federico Salazar Mejía	Alternate
Fourth Line	Andrés Flórez Villegas	Principal
	Victor Enrique Flórez Camacho	Alternate
Fifth Line	Karl Voltaire	Principal
	Héctor Gómez	Alternate

** President

b. Resumes of the Board Members and Legal Representatives

In order to disclose the suitability of the company's directors, the professional profile and the experience of each of the members of the Board, the President and his alternates are published on the corporate website. The resumes of the Board of Directors members' are published on the website, at the following link: www.davivienda.com / Information for investors / Corporate Governance / Board of Directors and Support Committees.

c. Board Meetings

During the year 2018, the Board met on the following occasions:

MINUTES No.	DATE	TYPE	QUORUM
956	30/01/2018	FACE-TO-FACE MEETING.	100%
957	12/02/2018	NON-CONTACT MEETING	100%
958	20/02/2018	FACE-TO-FACE MEETING.	100%
959	06/03/2018	FACE-TO-FACE MEETING.	80%
960	20/03/2018	FACE-TO-FACE MEETING.	100%
961	24/04/2018	FACE-TO-FACE MEETING.	100%
962	08/05/2018	FACE-TO-FACE MEETING.	60%
963	22/05/2018	FACE-TO-FACE MEETING.	80%
964	05/06/2018	FACE-TO-FACE MEETING.	80%
965	19/06/2018	FACE-TO-FACE MEETING.	80%
966	10/07/2018	FACE-TO-FACE MEETING.	60%
967	31/07/2018	FACE-TO-FACE MEETING.	100%
968	28/08/2018	FACE-TO-FACE MEETING.	100%
969	25/09/2018	FACE-TO-FACE MEETING.	100%

970	16/10/2018	FACE-TO-FACE MEETING.	100%
971	06/11/2018	FACE-TO-FACE MEETING.	80%
972	20/11/2018	FACE-TO-FACE MEETING.	100%
973	11/12/2018	FACE-TO-FACE MEETING.	100%

The participation in and timeliness of the meetings have allowed that body to guide the company's direction and to perform an adequate follow-up function.

The Board also carried out its functions based on the compliance program defined for this body, and has been supported by Committees that report on compliance with its guidelines, and propose modifications in accordance with regulatory and/or market requirements.

d. Appointment Process for the Board of Directors

According to Article 11 of the Board of Directors' Regulations, its members *"shall be appointed by the General Shareholders' Assembly in accordance with the provisions contained in law and in the bylaws, through the electoral quotient system or any other which the law provides. Alternates shall be personal.*

When a member of the Board of Directors is appointed for the first time, Banco Davivienda S.A. will provide him or her with the necessary information to have specific knowledge about the main activities of the Bank and its sector, as well as its obligations and attributions"

Prior to the election of the new member of the Board of Directors, the Corporate Governance Committee shall have the obligation to verify that the candidate complies with the requirements of the Financial Superintendency of Colombia and applicable regulations and report the results of the process to the Board of Directors.

e. Compensation for the Board of Directors

Compensation for the members of the Board of Directors was set at three million thousand pesos (\$3,000,000) for attendance at each meeting.

During 2018, the Board of Directors was paid a total of three hundred and fifty-nine million pesos (\$255,000,000), broken down as follows:

LINE	NOMBRE	COMPENSATION
First Line	Carlos Guillermo Arango Uribe	\$42.000.000
	Roberto Holguín Fety*	\$21.000.000
Second Line	Javier José Suárez Esparragoza	\$39.000.000
	Olga Lucía Martínez Lema*	\$27.000.000
Third Line	Álvaro Peláez Arango	\$39.000.000
	Federico Salazar Mejía *	\$0
Fourth Line	Andrés Flórez Villegas	\$48.000.000

	Víctor Enrique Flórez Camacho*	\$0
Fifth Line	Karl Voltaire	\$39.000.000
	Héctor Gómez*	\$0
Total:		\$255.000.000

*Alternates

f. Attendance data for meetings of the members of the Board of Directors

PRINCIPAL MEMBERS OF THE BOARD OF DIRECTORS	MEETINGS ATTENDED
Carlos Guillermo Arango Uribe	15 Meetings
Javier José Suárez Esparragoza	16 Meetings
Álvaro Peláez Arango	14 Meetings
Andrés Flórez Villegas	14 Meetings
Karl Voltaire	14 Meetings

g. External Consulting to the Board of Directors

Pursuant to Article 33 of the Board of Directors Regulations, its members may request hiring by the Bank of legal, accounting, technical, financial, commercial or other consultants for the analysis of particular issues or issues and those of special complexity, arising within Banco Davivienda S.A., and that must be analyzed in depth by the Board of Directors.

3. Composition of the Audit Committee

The Audit Committee is the body that supports the Board of Directors in its management, implementation and supervision of the Entity's Internal Control System.

This Committee is composed of three (3) Board members, two (2) of whom are independent.

Its members are:

Javier José Suárez Esparragoza	Member, Board of Directors
Andrés Flórez Villegas	Independent Member, Board of Directors
Álvaro Peláez Arango	Independent Member, Board of Directors

a. Meetings of the Audit Committee

MINUTES No.	DATE
95	February 12 th
96	March 6 th
97	June 5 th
98	August 08 th
99	October 16 th
100	December 12 th

The composition and functioning of this Committee follows the Internal Control System (ICS) guidelines and policies established in External Circular 038 of 2009, issued by the Superintendence of Finance, and other rules that modify or complement it.

In addition, the Committee developed its functions based on its rules and current regulations.

The functions of the Audit Committee are published on the website www.davivienda.com, through the following link: Information for investors / corporate governance / Board of Directors and Support Committees.

b. Attendance to Audit Committee Meetings

AUDIT COMMITTEE MEMBERS	MEETINGS ATTENDED
Javier José Suárez Esparragoza	6 Meetings
Álvaro Peláez Arango	5 Meetings
Andrés Flórez Villegas	6 Meetings

4. Composition of the Corporate Governance Committee

This is a body made up of senior management and a member of the Board, which supports the Board of Directors management of good Corporate Governance practices and compliance with related policies.

Its members are:

Enrique Flórez Camacho	Member, Board of Directors
Ricardo León Otero	Executive Vicepresident for Risk
Mauricio Valenzuela Grueso	Vicepresident for Legal Affairs

The functions of the Corporate Governance Committee are published on the website www.davivienda.com, at the following link: Information for investors / corporate governance / Board of Directors and Support Committees.

a. Meetings of the Corporate Governance Committee

MINUTES No.	DATE
24	February 16 th
25	August 15 th

The Corporate Governance Committee performed its support duties to the Board of Directors regarding implementation of good governance practices established within the entity.

In addition, in 2018, the Committee fulfilled its functions within the parameters established by the Board of Directors and its regulations.

b. Corporate Governance Committee Attendance Data

CORPORATE GOVERNANCE COMMITTEE MEMBERS	ATTENDANCE
Enrique Flórez Camacho	2 Meetings
Ricardo León Otero	2 Meetings
Mauricio Valenzuela Grueso	2 Meetings

5. INTEGRATED COMMITTEE ON ACCOUNTING & TAXATION REGULATION AND DISCLOSURE

This Committee supports the Board of Directors in the analysis of accounting and tax policies and procedures, to ensure applicable regulatory compliance in Colombia. Likewise, it works to ensure and validate disclosure of the Financial Statements.

This Committee is composed of four principals, who are:

Juan Carlos Hernández	Vice President, Accounting and Taxation	principal
Ricardo León	Vice President Accounting and Taxation	principal
Adriana Darwisch	International Financial Vice President	principal

Reinaldo Romero	Vice President of Corporate Credit	principal
Anilsa Cifuentes	CFO	Alternate
William Clavijo	Tax Director	Alternate
Pedro Bohorquez	Director of Planning and Risks	Alternate
William Lenis	National Director of Standardization of Business Banking	Alternate

a. Meetings of the Integrated Committee On Accounting & Taxation Regulation And Disclosure.

MINUTES No.	ISSUES	DATE
02	Contables	February 13th
03	Contables	April 9
04	Tributarios	April 17th
05	Contables	May 10
06	Tributarios	August 7
07	Contables	August 10
08	Contables	November 14th

In addition, in 2018, the Committee fulfilled its functions within the parameters established by the Board of Directors and its regulations.

b. Integrated Committee On Accounting & Taxation Regulation And Disclosure Attendance Data.

INTEGRATED COMMITTEE ON ACCOUNTING & TAXATION REGULATION AND DISCLOSURE MEMBERS	ATTENDANCE
Juan Carlos Hernández	7 Meetings
Ricardo León	3 Meetings
Adriana Darwisch	5 Meetings
Reinaldo Romero	1 Meetings
Anilsa Cifuentes	3 Meetings
William Clavijo	1 Meetings
Pedro Bohorquez	1 Meetings
William Lenis	1 Meetings

6. Compensation Committee

This is a Group Committee whose function is to establish guidelines on the compensation of employees in Group companies, specifically its Presidents, seeking fairness and correspondence between their positions and their counterparts in the sector. It also strives for balance within each of the companies, without prejudice to what each Board establishes.

It is composed of a minimum of four principal members of the Board of Directors, appointed by the Board of Directors of Grupo Bolívar S.A., two (2) must be independent members.

In accordance with the provisions of its Internal Operating Regulations, this Committee met once during 2018.

7. Corporate Risk Committee

This is a supporting body for the Board of Directors, in charge of defining risk management guidelines and keeping the Board of Directors and Senior Management informed of the corporate risks affecting the Bank and its subsidiaries.

To carry out this comprehensive function, there are other risk committees specializing in issues such as credit, market and liquidity, operational, and fraud, among others.

Its members are:

Javier José Suárez Esparragoza	Principal, Board of Directors
Roberto Holguín Fety	Alternate, Board of Directors
Olga Lucía Martínez Lema	Alternate, Board of Directors

a. Meetings and Attendance of the Corporate Risk Committee

MINUTES No.	DATE
13	March 06
14	May 25
15	July 07
16	September 15
17	November 23

b. Corporate Risks Committee Attendance Data

CORPORATE RISK COMMITTEE MEMBERS	MEETINGS ATTENDED
Javier José Suárez Esparragoza	4 Meetings
Roberto Holguín Fety	3 Meetings
Olga Lucía Martínez	5 Meetings

8. Strategic Committee

This is a supporting body for Senior Management that ensures execution and monitors strategic and risk management within Banco Davivienda, in accordance with the guidelines set by the Board of Directors.

Among its main functions is to define the main priorities of the strategic programs of Banco Davivienda and its Subsidiaries, as well as sustainability, innovation, environmental risk and efficiency, among others.

Its members are:

President of Banco Davivienda	Efraín Enrique Forero Fonseca
Legal Vice President	Mauricio Valenzuela Grueso
Vice President of Auditing	Danilo Cortés
Executive Vice President of Personal Banking and Marketing	Maritza Pérez Bermúdez
Executive Vice President for Risk	Ricardo León Otero
Corporate Executive Vice President	Álvaro Carrillo Buitrago
International Executive Vice President	Pedro Alejandro Uribe Torres
Executive Vice President for Human Talent	Martha Luz Echeverí
Executive Vice President for Media	Patricio Melo Guerrero
Vice President of compliance	Liliana Alvis Cruz
Commercial executive vice president	Jorge Rojas Dumit

a. Meetings of the Strategic Committee

MEETING No.	DATE
01	January 15
02	January 22
03	February 05
04	February 12
05	February 19th
06	March 5
07	March 12

08	March 26th
09	April 2
10	April 9
11	April 23rd
12	April 30th
13	May 7
14	May 21th
15	May 28
16	June 12
17	June 25th
18	July 6
19	July 16th
20	July 30
21	August 2
22	17 of August
23	August 27th
24	September 7
25	September, 17th
26	24th September
27	October 1
28	October 16
29	November 6
30	November 19th
31	December 3

b. Strategic Committee Attendance Data

STRATEGIC COMMITTEE MEMBERS	MEETINGS ATTENDED
Efraín Enrique Forero Fonseca	30 Meetings
Mauricio Valenzuela Grueso	30 Meetings
Danilo Cortés Cortés	31 Meetings
Maritza Pérez Bermúdez	25 Meetings
Ricardo León Otero	29 Meetings
Álvaro Carrillo Buitrago	31 Meetings
Pedro Alejandro Uribe Torres	31 Meetings
Martha Luz Echeverí	31 Meetings
Patricio Melo Guerrero	26 Meetings
Liliana Alvis Cruz	31 Meetings
Jorge Rojas Dumit	31 Meetings

III. Functions of the Chairman of the Board of Directors

Pursuant to Article 42 of the Bank's Articles of Association and Article 18 of the Board Regulations, the Chairman of the Company's Board of Directors has the following duties:

- 1) Under the Bylaws:
 - a) Chair the meetings of the Board of Directors and manage the debates.
 - b) Ensure the execution of the Board decisions and follow up on its orders and resolutions.
 - c) Monitor the active participation of the members of the Board of Directors.
 - d) Lead the annual evaluation process of the Board of Directors and its Committees, except for its own evaluation.
- 2) Under the Board of Directors' Regulations:
 - a) Preside over the meetings of the Board of Directors.
 - b) Submit to the Board such proposals as it deems appropriate for a good performance by the Bank, especially those related to the functioning of the Board and other company bodies, whether prepared by the Board or by another Board member.
 - c) Make the necessary recommendations to the Board of Directors on issues related to good Corporate Governance.

The above are without prejudice to the duties established in current regulations.

IV. Functions of the Secretary of the Board of Directors

In accordance with Article 20 of the Board of Directors' Regulations, the Secretary of the company's Board of Directors has the following duties:

- a) Coordinate with the Bank President the organization of Board meetings and attend them.
- b) Coordinate, together with the Bank President and the persons appointed by him, the collection and transfer of information to be analyzed by the Board of Directors.
- c) Custody of company documents. Duly reflect in the minutes the developments in the sessions and attest to the agreements made in the course of the meetings.
- d) Ensure compliance with the legal norms applicable to the Board of Directors and its members.

e) Channel, in a general way, the Bank's relations with its directors in all matters related to the functioning of the Board of Directors, in accordance with instructions given by the Company's President.

f) Process directors' requests regarding information and documentation of those matters that fall under the Board of Directors' purview.

g) Act as Secretary at the General Shareholders' Meetings, unless otherwise decided by the highest corporate body.

h) Inform the Board of Directors and promote the adoption of developments and trends in Corporate Governance.

The foregoing is without prejudice to provisions in the bylaws and current regulations.

V. REMUNERATION MODEL FOR THE PRESIDENT, SENIOR MANAGEMENT OF BANCO DAVIVIENDA SA

1. CRITERIA A. REMUNERATION OF THE PRESIDENT

The president of BANCO DAVIVIENDA S.A. is entitled to receive a fixed amount, approved by the Board of Directors, and a variable remuneration in accordance with the Bank's annual results determined mainly by the following variables: economic results, compliance with the strategy, efficiency and quality of service.

2. REMUNERATION OF THE MEMBERS OF THE SENIOR MANAGEMENT

a. **Fixed Compensation of Senior Management:** The members of the Senior Management have the right to a fixed monthly salary, which increases on the date of completion of the work anniversary. The increase approved for 2018 was 5.9%. In exceptional cases, the Administration may submit additional increases for merit to the Board of Directors for consideration.

b. **Variable Compensation of Senior Management:** The members of the Senior Management will be entitled to receive a variable additional remuneration, which may be up to four (4) salaries per year.

VI. INTERNAL CONTROL SYSTEM

The Bank currently has a control system composed of principles for self-control, self-regulation and self-management, which identifies the elements of the internal control system throughout the organization's structure.

VII. MANAGEMENT OF CONFLICTS OF INTEREST

In order to avoid conflicts of interest arising in decisions that have to be taken by shareholders, directors, senior executives and Bank officials in general, rules of conduct have been defined so that decisions taken in all cases are carried out with the highest objectivity and for the benefit of the Bank.

Accordingly, the Manual on Conflicts of Interest and the Code of Ethics contain a catalog of possible conflicts of interest, and the mechanisms for managing them.

Regarding the Bank's brokerage activities in the securities market, the manual includes principles and policies that allow the detection, prevention and management of potential conflicts of interest.

VIII. TRANSACTIONS BETWEEN RELATED PARTIES

Banco Davivienda S.A. Informs the general public of transactions carried out with related parties in accordance with applicable legal regulations, in particular those established for the disclosure of information in the notes to the financial statements.

The notes to the Financial Statements are published on the website, at the following link: www.davivienda.com / Financial Information / Notes and Financial Statements.

IX. INFORMATION PROVIDED TO THE MARKETS.

During 2018, the Bank disclosed to shareholders, investors and the market in general timely and accurate information regarding the company, its financial performance, the corporate governance system and general relevant information. The Bank provides this information through institutional channels and through a space on its website, www.davivienda.com.

X. COMPLAINTS ON COMPLIANCE WITH THE CODE OF GOOD GOVERNANCE

During 2018, no claim was reported regarding a breach of the Bank's Code of Good Governance.

XI. OTHER RELEVANT INFORMATION

The Bank is not aware of the existence of contracts with members of the Board of Directors, Directors, Principal Executives or Legal Representatives, including their relatives and partners, of a relevant nature and not arising from the ordinary course of business.

The Bank does not have evidence that any of its Board of Directors members is in direct or indirect conflict with the company's interests.

This Corporate Governance Report has been submitted to the Bank's Board of Directors.

The present report can be consulted through the corporate website, www.davivienda.com, and has been unanimously approved by the members of Corporate Governance Committee.

XII. REPORTS ON CORPORATE BEST PRACTICES - COUNTRY CODE

In compliance with External Circular 028 of 2014 from the Financial Superintendence of Colombia, the Report on Best Corporate Practices (Country Code) is published on the company's website.

The Report on Best Corporated Practices (Country Code 2018) can be consulted through the corporate website, at the following link: www.davivienda.com / Information for investors / Corporate Governance / The Report on Best Corporated Practices (Country Code 2018).