

During this current quarter, Davivienda¹ Bank successfully carried out its first issuing of preference shares in Colombia's Stock Exchange capitalizing on col\$419,354 million and involving 82,457 shareholders and a demand that surpassed 13 times the offer. This made possible for Davivienda to become the private company with the biggest number of shareholders in the country.

Among other important facts during this quarter, it is worth mentioning the strengthening of the brand Davivienda which was feasible due to the excellent campaign undertaken by "El Corresponsal" during the World Series and whose advertisements were seen in internet by more than 12 million visitors.

Furthermore, during this quarter, the OFR (the Office for Financial Regulation of State of Florida) and the FED approved the change of Bancafé International from "Edge Act Corporation" a current subsidiary of the Bank to a branch; this will allow to enhance the capacity to generate more businesses.

More recently, on October 7th, Davivienda carried out the last issuing of Bonds of the year by allocating col\$500 billion and receiving in return a demand 3 times this value. With this issuing, the Bank concluded its issuing plan for the year; this means that col\$1 billion was allocated in ordinary Bonds and col\$250 billion were allocated in subordinated Bonds.

MAIN RESULTS

- The cumulative individual profit for the current year- up to September- was col\$402,683 million, a growth of 13 % when compared to the same period last year.
- The Gross portfolio ended the quarter with a value of col\$19,983 billion and a growth of 6 % when compared to the quarter that ended in June 2010.

¹ The information presented here is exclusively informative and illustrative. It is not, nor does it pretend to be a source of legal or financial consultation regarding any issue.

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The examples given shouldn't be taken as a guarantee for future projections, and it is not expressly or implicitly assumed or obliged in relation with the reserves expected in the future.

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These balance statements have been prepared in accordance with the accountability principles generally accepted in Colombia, and they are presented in nominal terms. The P & L statement corresponding to the quarter which ended on September 30th 2010 will not necessarily constitute an indicator of the expected P & L for any other period.

- The portfolio quality indicator² continues to improve; it has reached 1.8 % and the coverage levels³ superior to 200 % are being maintained.
- The ratio of Net portfolio over deposits reached 94 % compared to 90 % the previous quarter.
- The owner's equity reached col\$3.449 billion and the solvency was of 15.2 %.
- The financial margin increased by 30 % with respect to that accumulated by September last year; despite a decrease in the rates, it reached col\$980 billion.

So far this year, the profits of the Bank were col\$45.862 million superior to those obtained during the same period the previous year. With this result, the 12 month profit per share was col\$1.231.

This growth has been constant during all the quarters this year, and specifically during the third quarter in which it grew by 18 % when compared to the same quarter last year producing as a result col\$155.852 million.

The consolidated cumulative profit⁴ was col\$468,657 where Davivienda results represents 86 %.

The return on equity in the last 12 months was 17.6 %. This indicator increases to 20% when the expenses due to the amortization of the mercantile credit related to the acquisition of Bancafé, Confinanciera and Bansuperior are excluded.

BALANCE SHEET

The assets increased by 6 % in the last quarter and by 15% in the last year reaching col\$27,302 billion. Their structure shows a high diversification with a higher participation of the commercial portfolio: 34 % followed by the consumption portfolio with 26 %.

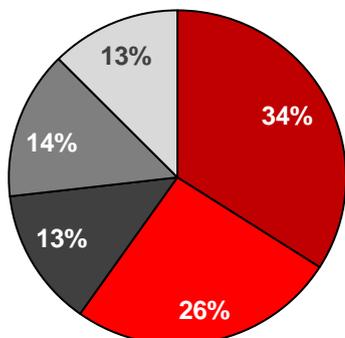
² The portfolio quality: Consumption due > 60 days, commercial due > 90 days and housing due > 120 days.

³ The coverage level is calculated as the provisions over the balance due for each portfolio. (consumption >60 days, commercial >90 days and housing >120 days.)

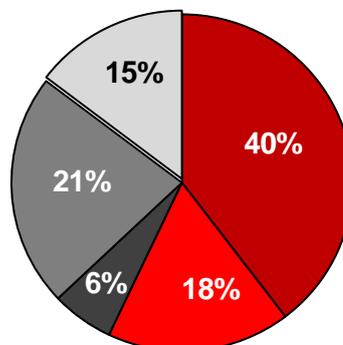
⁴ The consolidated information corresponds to the Bank's intermediate consolidated financial statements and its subordinated companies in which the Bank directly or indirectly has more than 50% of the proprietary shares with the right to vote.

Structure of the asset

Davivienda September 2010



Sectors September 2010



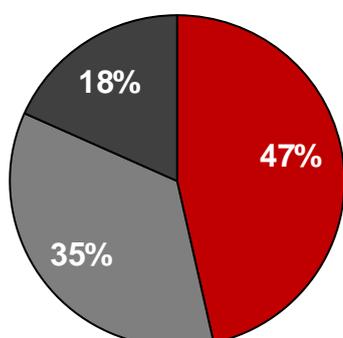
■ Commercial ■ Consumption ■ Housing ■ Investment ■ Others

The consolidated assets reached col\$28.692 billion where the Bank's assets represent 95 %.

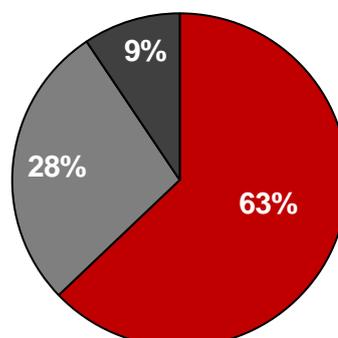
At the end of the quarter, the credit portfolio reached col\$19,983 million; col\$3,532 million more in relation to those obtained by the end of September 2009; this represents an increase of 21 % in the 12 months. The structure of the portfolio continues to be similar to that of the previous year thus reflecting a growth in all the types of portfolios and maintaining a more diversified portfolio in relation to the sector.

PORTFOLIO STRUCTURE

Davivienda September 2010



Sector September 2010



■ Commercial ■ Consumption ■ Housing

The portfolio with the highest growth was the Consumption one which reached col\$7,037 billion with an annual variation of 26.1 % versus a 16 % of the sector.

The second one is the Housing Portfolio⁵ with col\$3.655 billion. Here, the effects of the governmental policies related to the subsidy in the interest rate with an increase of 24 % versus 18.1 % of the sector are reflected. So far this year, col\$593 billion have been converted into securities, and of these, col\$281 billion were in July, and col\$104 billion were in October.

Finally, the Commercial Portfolio closes with col\$9,291 billion and grows by 15.2 % above the 12.3 % of the sector.

In relation to the quality of the portfolio, there is an improvement in the indicators for all types of portfolios when compared to September last year showing a result better to that of the sector in each one of them. The indicator of the total portfolio goes from a 2.5 % to a 1.8 % in the last year. Although the portfolio indicators show an improvement, the amount of credit graded in the portfolio as C, D and E due to overdue time shows an increase so far this year.

On the other hand, the coverage levels continue to be over 200 %; the Commercial Portfolio, which is the one that has the highest impact on the balance sheet, has the greatest coverage.

	Total		Consumption		Commercial		Housing	
	Sep-09	Sep-10	Sep-09	Sep-10	Sep-09	Sep-10	Sep-09	Sep-10
Quality of Portfolio								
Davivenda	2.5%	1.8%	3.7%	2.9%	1.8%	1.2%	2.3%	1.6%
Sector	3.1%	2.4%	5.0%	3.4%	2.1%	1.7%	4.3%	3.4%
Coverage of Portfolio								
Davivenda	247%	230%	267%	211%	254%	312%	169%	156%
Sector	186%	192%	154%	156%	220%	222%	210%	207%
Growth into 2009-2010								
Davivenda	20.7%		26.1%		15.2%		24.0%	
Sector	17.5%		16.0%		12.3%		18.1%	

Up to September 30th, the amount of credit in the goodwill is col\$1.307 billion and the current quarterly amortization is col\$26.022 million.

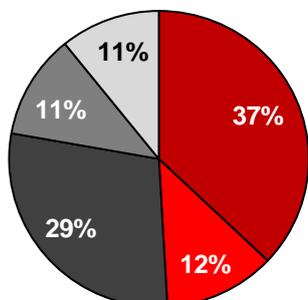
Liabilities reached col\$20 billion in deposits and bonds thus obtaining a ratio of net portfolio over deposits of 94 %. In relation to the composition of the funding, the amount of bonds is increased in an attempt to structure the financing of the assets with similar characteristics in terms and rates. Up to September, the principal funding source continues to be the savings accounts with 37 %.

⁵ Includes residential leasing.

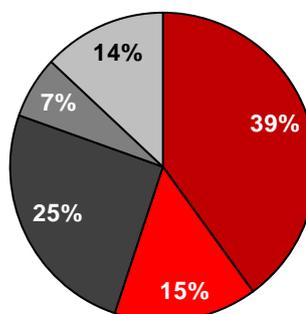
STRUCTURE OF FUNDING SOURCES

(deposits + bonds and credit)

Davivienda September 2010

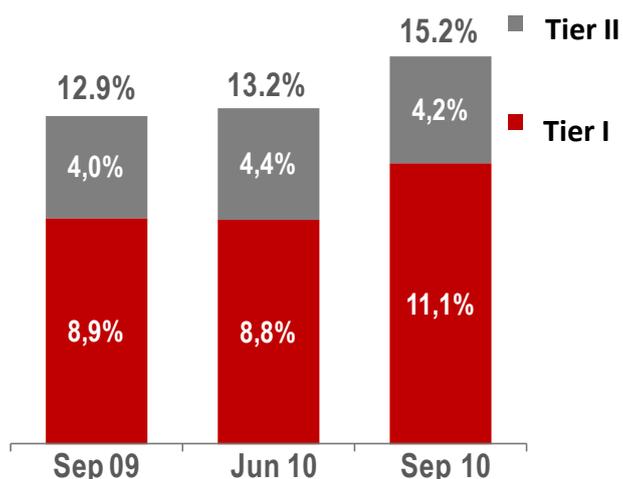


Sector September 2010



■ Saving Accounts ■ Current Accounts ■ CDT ■ Bonds ■ Credit and other

Following the capitalization process that came into effect in September, the equity of Davivienda closed the quarter with col\$3.449 billion, 18 % over that registered by the end of June, and 35 % more than the one registered in September last year. This capitalization causes the decrease in the ROE when compared to other previous periods, and together with the results obtained in the quarter, produces an increase in the intrinsic value of the share which goes from col\$7.626 in June to col\$8.452 in September. With this equity, the Bank reaches a solvency of 15.2 % versus the 13.2 % reached during the quarter which ended June 2010. By September 2010, the Basic Equity corresponds to 11.1 %.



A total of 25.6 ordinary shares were converted into preference shares by the shareholders last October 5th. This action left a total of 51.6 million preference shares available for purchase at the stock exchange.

The Consolidated Equity is col\$3.456 million.

RESULTS

In the analysis of the financial statements, the cumulative net financial margin up to September shows an increase of col\$225 billion when compared to the same period last year; the above, in spite of a decrease in the interest rate during the year. The income generated by the portfolio was col\$1.708 billion and the one corresponding to investments was col\$211 billion.

This growth is due, among other factors, to an improvement in the portfolio quality indicators. Although the portfolio increases and the coverage levels are maintained, the expenditure on provisions decreased by col\$207 billion when compared to the previous year.

The interest net margin⁶ over assets is of 6.9 % versus the 7.3 % the previous year, and it is superior to that of its equals⁷.

The income due to commissions shows a slight 3 % increase when compared to that of the previous year, but it continues to be an important item within the Bank's incomes as it represents 19.7 % and has coverage of operational expenses⁸ of 46.6 % versus a 42.5 % from the sector.

The expenditure had an 18 % increase when compared to the previous year; and it represents 54.2 % of the net margin plus the income for services in the nine months. Up to September, this indicator was similar to that of the sector.

The personnel expenditures were col\$445.738 billion which represent a 21 % increase. This increase is explained, to a great extent, by the compensation variable part which is related to results like the portfolio growth and an improvement in the quality of the portfolio. Up to September 2010, the administrative expenditures reached col\$633.754 reflecting a 17 % growth. These expenditures include col\$78 billion mercantile credit amortization expenditures. During the year, new expenditures such as the tax over equity and the financial transaction tax which Davivienda did not have last year because of its tax stability contract had to be paid.

BRANCHES

⁶ Net financial margin without taking into account income due to dividends over average assets.

⁷ Bancolombia, BBVA and Bogotá are considered as equals.

⁸ The expenditure excludes the mercantile credit amortization.

During the year, the branches had a good behavior; they made possible a growth of 15 % in assets and of 21 % in profits.

RESULTS AS OF SEPTEMBER 2010 FOR EACH ONE OF THE BRANCHES

Entity	Assets	Liability	Equity	Accumulated Profit
Banco Davivienda S.A.	27,302	23,853	3,448	402
Bancafé Panamá S.A. - 99.9%	1,003	853	149	22
Confinanciera S.A. - 94.9%	419	353	65	10
Bancafé Int. Corporation S.A. - 100%	205	183	22	-0.5
Fiduciaria Cafetera S.A. - 94.01%	77	9	68	6
Fiduciaria Davivienda S.A. - 60%	56	7	48	11
Davivalores S.A. - 79%	10	0.2	10	0.2
Total Bank and Branches	29,075	25,261	3,813	453
Homologation and elimination	-382	-25	-357	15
Consolidated	28,692	25,236	3,456	468
September 2009	25,048	22,489	2,559	386
Variation	15%	12%	35%	21%

- During the year, the Bank has received dividends for col\$16.583 million from its branches. They are all the result of the 2009 practices; this amount entered the Bank in March.

Matrix, Branches and Subsidiaries	16,583
Fiducafe S.A.	10,104
Fiduciaria Davivienda S.A.	5,429
Confinanciera S.A.	1,051