BBVA

Consolidated Report

2012

It is important for BBVA to be pro active and to be imaginative, not to wait until things are eventually resolved or for final deadlines, but to find mechanisms that restore credit lines quicker than economic cycles normally allow.

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Consolidated Financial Statements

BBVA is committed to a culture of continuous innovation, preserving its reputation based on integrity and transparency in its relationships with customers

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Opinion of the Fiscal Auditor

To the shareholders of:

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.:

I have audited the consolidated balance sheets of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and subsidiaries (BBVA Asset Management S.A., Sociedad Fiduciaria S.A. and BBVA Valores Colombia S.A. Comisionista de Bolsa) to December 31 2012 and 2011, and the corresponding consolidated statements of income, of changes in the equity of the shareholders and of cash flows for the years ended on those dates, and the summary of the main accounting policies and other explanatory notes.

The Administration is responsible for the preparation and correct presentation of these financial statements in accordance with accounting principles generally accepted in Colombia and instructions and practices established by the Superintendencia Financiera de Colombia (Colombian Banking Authority) -hereafter the Superintendencia. This responsibility includes designing, implementing and maintaining an internal control system suitable for risk management and the preparation and presentation of the consolidated financial statements, free of significant errors, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable given the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I received the information needed to perform my functions and to carry out my work in accordance with auditing standards generally accepted in Colombia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of significant errors. An audit of financial statements includes examining, on a selective basis, the evidence supporting the disclosures in the financial statements and figures. The auditing procedures selected depend on the professional judgement of the auditor, including his assessment of the risks of significant errors in the consolidated financial statements. In the risk assessment, the auditor considers the internal control of the entity that is relevant to the preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the accounting principles used and the significant accounting estimates made by the administration, as well as assessing the general presentation of the consolidated financial statements. I believe that my audits and the opinions of the Fiscal Auditors subsidiaries supplied to me provided me a reasonable basis for expressing my opinion.

In my opinion, the consolidated financial statements as mentioned above, present reasonably, in all aspects of material importance, the financial position of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and subsidiaries at December 31, 2012 and 2011, the results of its operations, changes in assets and its cash flows for the years ended on those dates in accordance with accounting principles generally accepted in Colombia and instructions and practices established by the Superintendencia, applied on a uniform basis.

The law that regulates the accounting principles generally accepted in Colombia allows different methods for the registration of expenditure, equity and surcharge tax. As indicated in note 23, in 2011 the Bank and its subsidiaries determined its equity tax obligation and its surcharge at $136.395 million, payable in eight equal installments between 2011 and 2014, which was registered in the accounting books in accordance with the accounting policy described in the literal r. Note 3. By December 31, 2012, the balance to be paid was $67.162 million.

GABRIEL JAIME LÓPEZ DIÉZ
Fiscal Auditor
Professional card number 12838-T
Appointed by Deloitte & Touche Ltda.

February 15, 2013

Banco Bilbao Vizcaya Argentaria Colombia S.A. and subsidiaries

Balance sheets consolidated to December 31, 2012 and 2011

(Colombian pesos, millions)

ASSETS	2012	2011
CASH (NOTE 6)	$ 3.357.643	$ 2.164.074
BALANCES WITH CENTRAL BANK AND OTHER FINANCIAL INTERMEDIARIES (NOTE 7)	649.599	465.448
Investments: (note 8)	4.211.583	3.562.470
• Negotiable	2.552.258	1.561.781
• Held to maturity	657.735	676.910
• Equity securities available for sale	69.621	78.021
• Debt securities available for sale	869.986	597.499
• Transfer of investment rights	61.983	648.259
Loan portfolio and leasing operations: (note 9)	21.165.647	18.748.451
• Commercial	7.812.477	8.045.049
• Consumption	7.329.292	5.670.769
• Mortgage	4.885.598	4.282.769
• Microcredit	96	243
• Leasing: (note 10)		
• Financial leasing	1.138.184	749.621
• Loan portfolio excluding provisions (note 9 and 10)	804.340	739.707
Total net portfolio	**20.361.307**	**18.008.744**
Derivatives financial instruments (note 12)	163.895	170.390
Accounts receivable, net (Note 13)	537.523	391.528
Foreclosure and returned assets (note 14)	5.601	5.041
Tangible assets, net (note 15)	267.417	251.427
Paid in advance, intangible assets and deferred charges (note 16)	482.518	643.356
Other assets (Note 17)	140.031	149.539
Valuation and impairment of assets, net (note 18)	361.973	297.173
TOTAL ASSETS	**$ 30.539.090**	**$ 26.109.190**
Contingencies accounts and debit order (Note 30)	**$ 178.489.241**	**$ 151.172.376**

LIABILITIES AND SHAREHOLDERS EQUITY	2012	2011
LIABILITIES		
Deposits: (note 19)		
Without interest:		
• Current accounts	$ 2.531.504	$ 2.676.261
• Others	319.973	294.984
Interests:	-	-
• Current account	1.063.986	620.654
• Simple deposits	4.248	2.559
• Term deposits	6.437.772	3.896.890
• Real value savings certificates	33.013	32.542
• Savings deposits	13.871.487	11.120.086
Total deposits	**24.261.983**	**18.643.976**
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE AND OTHER SHORT-TERM BORROWINGS (NOTE 20)	54.614	695.635
DERIVATIVE FINANCIAL INSTRUMENTS (NOTE 21)	180.135	239.492
OTHER BANK LOANS (NOTE 22)	867.359	1.503.293
ACCOUNTS PAYABLE (NOTE 23)	593.689	490.164
SENIOR AND SUBORDINATED DEBT (Note 24)	1.262.890	1.496.060
OTHER LIABILITIES (NOTE 25)	220.092	208.733
ESTIMATED LIABILITIES AND PROVISIONS (NOTE 26)	235.578	263.349
MINORITY INTEREST	5.510	4.478
TOTAL LIABILITIES	**27.681.850**	**23.545.180**
SHAREHOLDER EQUITY:		
Paid in Capital (note 27)	89.779	89.779
Retained earnings:		
• Reserves (note 28)	1.910.204	1.666.886
Earnings from previous years	15.297	13.897
Earnings for the year	453.654	486.428
Surplus for:		
• Valuation and impairment of assets, net	361.973	297.173
• Article 6 law 4 / 80	506	503
Outstanding gains or losses	25.827	9.344
TOTAL SHAREHOLDERS' EQUITY	**2.857.240**	**2.564.010**
TOTAL LIABILITIES AND EQUITY OF SHAREHOLDERS	**$ 30.539.090**	**$ 26.109.190**
CONTINGENCIES ACCOUNTS AND DEBIT ORDER ON THE OTHER HAND (Note 30)	**$ 178.489.241**	**$ 151.172.376**

The accompanying notes are an integral part of these financial statements.
As the subscribed legal representative and accountants we hereby certify that we have previously verified the statements contained in these financial statements and the same have been faithfully taken from the books of accounts of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

JOSÉ WILLIAM LONDOÑO MURILLO
General Accountant
T.P. No. 51445-T

GABRIEL JAIME LÓPEZ DIÉZ
Fiscal Auditor
T.P. No.12838 –T
(View my attached opinion)

Consolidated income statements

For the years ended December 31, 2012 and 2011
(Million Colombian pesos, except net profit per share)

INCOME AND EXPENSES	2012	2011
INTEREST INCOME:		
• Interest and amortized discount loan portfolio	$ 2.200.998	$ 1.721.612
• Deposits from Central Banks and credit institutions	21.483	26.681
• Others	48.257	50.860
Total interest income	**2.270.738**	**1.799.153**
INTEREST EXPENSES:		
• Deposit Certificates	313.381	161.868
• Savings deposits	435.811	269.631
• Current accounts	18.458	18.458
Total interest on deposits	**767.650**	**449.957**
• Obligations discounted by financial institutions	28.146	28.364
• Securities in Circulation	107.311	114.341
• Deposits from Central Banks and credit institutions	30.184	44.676
• Others	49	814
Total interest expenses	**933.340**	**638.152**
Net interest income	**1.337.398**	**1.161.001**
Loan impairment charges and other credit risk provisions (notes 9 and 10)	677.745	549.150
Accounts receivable provisions (Note 13)	27.140	29.496
Total provision for credit and accounts receivable portfolio	**704.885**	**578.646**
Net interest income after provisions for credit and accounts receivable portfolio	**632.513**	**582.355**
Interest other than income (note 32)	3.244.553	3.065.553
DIVIDEND INCOME	8.413	9.576
Income total other than interest and dividend income	**3.252.966**	**3.075.129**
Expenses other than interest (Note 33)	3.248.755	3.029.746
MINORITY INTEREST	1.502	1.028
Profit before tax provision	**635.222**	**626.710**
PROVISION FOR INCOME TAX	181.568	140.282
Net Profit	**$ 453.654**	**$ 486.428**
Net profit per share (in Colombian pesos)	**$ 31,53**	**$ 33,81**

The accompanying notes are an integral part of these financial statements.
As subscribed legal representative and accountant we hereby certify that we have previously verified the statements contained in these financial statements and the same have been faithfully taken from the books of accounts of the consolidated entities.

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Consolidated statements of changes in shareholders equity

For the years ended December 31, 2012 and 2011
(Colombian pesos million and shares x 1000)

Concept	Shares			
	With preferential dividend without voting rights		Ordinary	
	Number	Value	Number	Value
BALANCE AT DECEMBER 31, 2010	479.760	$ 2.994	13.907.929	$ 86.785
Deletions on consolidation	-	-	-	-
Appropriation to reserves approved by Assembly	-	-	-	-
Appropriation to other reserves	-	-	-	-
Dividends paid in cash	-	-	-	-
Profit for the period	-	-	-	-
Increase in valuations	-	-	-	-
Accumulated earnings (losses) not received in available-for-sale investments	-	-	-	-
Increase in devaluations of investments	-	-	-	-
BALANCE AT DECEMBER 31, 2011	479.760	2.994	13.907.929	86.785
Deletions on consolidation	-	-	-	-
Appropriation to reserves approved by Assembly	-	-	-	-
Appropriation to other reserves	-	-	-	-
Dividends paid in cash	-	-	-	-
Profit for the period	-	-	-	-
Increase in valuations	-	-	-	-
Increase in devaluations of investments				
Increase in dividends from other shares	-	-	-	-
Accumulated gains not realized on available investments	-	-	-	-
BALANCES AT DECEMBER 31, 2012	479.760	$ 2.994	13.907.929	$ 86.785

Equity							
Retained earnings		Earnings from previous years	Surplus by				Total shareholder assets
Appropriated	Earnings for the year		Appraisal of Assets	Devaluation of investments	Article 6 law 4 of 1980	Unrealized DPV investments	
$ 1.454.821	$ 424.325	$ 12.844	$ 276.578	$ (156)	$ 503	$ (4.970)	$ 2.253.724
-	2.059	1.053	-	-	-	(3)	(1.006)
222.273	(222.273)	-	-	-	-	-	-
(10.208)	10.208	-	-	-	-	-	-
-	(210.204)	-	-	-	-	-	(210.204)
-	486.428	-	-	-	-	-	486.428
-	-	-	20.781	-	-	-	20.781
-	-	-	-	(30)	-	-	(30)
-	-	-	-	-	-	14.317	14.317
1.666.886	486.428	13.897	297.359	(186)	503	9.344	2.564.010
-	(1.109)	1.400	-	-	-	(745-)	(454)
3.556	(3.556)	-	-	-	-	-	-
239.762	(239.762)	-	-	-	-	-	-
-	(242.001)	-	-	-	-	-	(242.001)
-	453.654	-	-	-	-	-	453.654
-	-	-	64.808	-	-	-	64.808
				(8)			(8)
-	-	-	-	-	3	-	3
-	-	-	-	-	-	17.228	17.228
$ 1.910.204	$ 453.654	$ 15.297	$ 362.167	$ (194)	$ 506	$ 25.827	$ 2.857.240

The accompanying notes are an integral part of these financial statements.

As subscribed legal representative and accountant we hereby certify that we have previously verified the statements contained in these financial statements and the same have been faithfully taken from the books of accounts of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

JOSÉ WILLIAM LONDOÑO MURILLO
General Accountant
T.P. No. 51445-T

GABRIEL JAIME LÓPEZ DIÉZ
Fiscal Auditor
T.P. No.12838 -T
(View my attached opinion)

Consolidated cash flow statements

For the years ended December 31, 2012 and 2011
(Million Colombian pesos)

Concept	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit	$ 453.654	$ 486.428
Adjustments for:		
• Depreciation	45.699	44.394
• Amortization	154.830	51.792
• Recovery provision for protection of the portfolio of loans and accounts receivable	704.886	578.646
• Reversal of the provision for protection of the portfolio of loans and accounts receivable	(399.886)	(300.457)
• Recovery of provision for protection of loan impairment charges and other risk provisions, net	(673)	-
• Provision for protection of assets received in payment and workable and restored property, net	-	1.983
• Provision of investment	5.268	821
• Tangible and other asset provision	5.137	9.076
• Provision for estimated liabilities	-	129
• Dividends received on shares	(3.998)	(4.610)
• Net profit on sale of investments	(20.326)	(3.852)
• Net profit from sale of portfolio	(1.407)	-
• Net loss from sale of portfolio	-	4.463
• Net profit from sale of foreclosed and returned assets	(894)	(535)
• Net profit from sale of Tangible assets	(1.290)	(2.526)
• Written off portfolio recovery	(88.960)	(127.844)
• Recovery provisions from other accrued liabilities	(18)	(10.846)
• Reinstatement provision of investment	(8.774)	-
• Reinstatement provision of other assets	(10.780)	(14.155)
• Reinstatement provision of Tangible assets	(7.084)	(1.647)
Cash generated from net profit reconciliation stamement	**825.384**	**711.260**
Variations in assets and operating liabilities accounts		
• Loan portfolio	(2.554.960)	(3.654.511)
• Accounts receivable	(158.231)	(111.697)
• Expenses paid in advance intangible and deferred charges	6.007	(141.630)
• Deposits and requirements	5.618.007	3.285.536
• Other assets	15.538	101.812
• Accounts payable	103.525	154.380
• Acceptances	(59.357)	85.947

Concept	2012	2011
• Increase in minority interest	1.032	508
• Other liabilities	11.359	(22.790)
• Estimated liabilities and provisions	(27.754)	9.772
• Other effects on equity from consolidation	(455)	(1.006)
Total net cash flows from by operating activities	**3.780.095**	**417.581**
CASH FLOW FROM INVESTMENT ACTIVITIES:		
• Investments	(604.054)	(161.873)
• Net of money market and related operations	(184.151)	578.455
• Derivative financial instruments	6.495	(45.656)
• Foreclosed and returned assets	1.008	1.216
• Tangible assets	(53.698)	(35.676)
Total net cash flows (used) from the investment activities	**(834.400)**	**336.466**
CASH FLOW FROM FINANCING ACTIVITIES:		
• Net of money markets and related operations	(641.021)	258.853
• Loans from banks and other financial obligations	(635.934)	9.029
• Dividends paid in cash	(242.001)	(210.204)
• Senior and subordinated debt	(233.170)	(67.516)
Total net cash flow used by financing activities	**(1.752.126)**	**(9.838)**
NET AVAILABLE CASH FLOW	1.193.569	744.209
FUNDS AVAILABLE AT THE BEGINNING OF THE YEAR	2.164.074	1.419.865
FUNDS AVAILABLE AT THE END OF THE YEAR	$ 3.357.643	$ 2.164.074

The accompanying notes are an integral part of these financial statements.
As subscribed legal representative and accountant we hereby certify that we have previously verified the statements contained in these financial statements and the same have been faithfully taken from the books of accounts of the consolidated entities.

OSCAR CABRERA IZQUIERDO
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JOSÉ WILLIAM LONDOÑO MURILLO
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Consolidated financial statement notes

Consolidated financial statement notes for the years ending December 31, 2012 and 2011

(In million Colombian pesos, except where otherwise indicated)

1. Reporting entity

The Bank Bilbao Vizcaya Argentaria Colombia S.A. BBVA Colombia (hereafter "Bank" or "BBVA Colombia S.A.") acting as parent of the Grupo Empresarial BBVA formed by BBVA Asset Management S.A. Sociedad Fiduciaria (formerly known as BBVA Fiduciaria S.A.) and BBVA valores Colombia S.A. Comisionista de Bolsa, reported consolidated financial statements for the following companies:

BBVA Colombia S.A. is a banking institution, constituted in accordance with Colombian law on April 17, 1956 by the No 1160 deed before the notary 3rd in Bogotá and with a term until 31 December of the year 2099; this period may be extended in accordance with the laws.

The Superintendencia Financiera de Colombia (hereafter "the Superintendencia" or "SFC") through resolution No. 3140 of September 24, 1993, renewed the working permit with finality.

The main activity of the Bank includes loans to public and private sector companies and individual loans. It also develops of international banking activities, privatization, financial projects and other banking activities in general.

The Bank carries out its activities in its registered office in Bogota and 414 offices including branches, inhouse, service centers, agencies, box extensions and mini-banks located in 95 cities throughout Colombia, whose distribution is:

Office type	Quantity
Branches	327
In house	41
Service centers	15
Agencies	15
Box extensions	8
Mini-banks	8
Total offices	**414**

Additionally, it has 3 contracts for the provision of financial services through non-banking correspondents (CNB) with 250 service points.

It has the following subsidiaries:

Subsidiary	Participation (%)	Location
BBVA Asset Management S.A. Sociedad Fiduciaria	94,51	Bogotá
BBVA Valores Colombia S.A. Comisionista de Bolsa	94,44	Bogotá

The business group to which the entity belongs is registered in the commercial register as Grupo Empresarial BBVA Colombia.

BBVA Asset Management S.A. Sociedad Fiduciaria (formerly BBVA Fiduciaria S.A and hereafter "the trust"), is a private anonymous financial services business entity, legally constituted through 679 notary deed by the 13 notary of Bogotá on April 5, 1976. The trust statutes have been reformed by public deed 2145 of 2 May 1978 by the 4 notary of Bogotá, by notary deed 3675 of August 2, 1982, of the 1 notary of Bogotá, by notary deed 8381 of August 30, 1996, of the 29 notary of Bogotá, by notary deed on 27 May 1998 the 13 notary of Bogotá-2372, by notary deed 5408 of July 29, 1999, of the 29 notary of Bogotá, by notary deed 8897 of November 7, 2001, of the 29 notary of Bogotá, by notary deed 3971 on April 9, 2003 by notary 29 of Bogota, by writing public 4897 on May 2, 2003, of the 29 notary of Bogotá, by writing public 4065 of April 14, 2004 of notary 29 of Bogota, by notary deed 16127 of November 13, 2007, of the 29 notary of Bogotá, by notary deed 3348 of April 8, 2009 by notary 72 of Bogota, by notary deed 4878 of June 5, 2009, by the 72 notary of Bogotá.

By notary deed 3742 of April 29, 2010, by the 72 notary of Bogotá, formalized the name change to BBVA Asset Management S.A. Sociedad Fiduciaria; this can be used for all legal effects as the name for BBVA Asset Management or BBVA fiduciaria.

The trust is subordinate to Banco Bilbao Vizcaya Argentaria Colombia S.A., and has its main base in Bogotá. Up to December 31, 2012 and 2011 it had 81 and 81 employees respectively. It will operate until May 27 of 2098 and has an operating permit from the Superintendencia, according to resolution 223 of January 12, 1979.

The main object of the Fiduciaria consists of contracts of mercantile trust and fiduciary mandates and non translational domain, in accordance with the legal provisions. In development of its objectives, the trust primarily can acquire, dispose of, tax and manage movable and immovable property, legally represent bondholders, act as debitor or creditor in all sorts of credit operations , accept, endorse, charge and generally negotiate all types of securities.

BBVA Valores Colombia S.A. Comisionista de Bolsa (hereafter referred to as "the broker") was constituted on 11 April 1990, authorized by the Superintendencia. Its corporate purpose is the execution of commission contracts for the purchase and sale of securities listed in the national registry of values, the development of management contracts for equity funds of national clients and foreign operations both solely and with capital market advice.

The commission agency belongs to Grupo BBVA Colombia S.A., has its main domicile and exerts its commercial activity in the city of Bogotá, D.C. Its term expires on April 11 in the year 2091. To December 31, 2012 and 2011 it had 18 and 21 employees respectively.

The Bank and its subsidiaries have at the national level a staff which at the end of December 2012 and 2011 amounted to 4,907 and 4,667 officials respectively.

Until 31 December 2012 and 2011 the composition of the balance of the consolidated entities was as follows:

	2012			2011		
Entity	Active	Passive	Equity	Active	Passive	Equity
BBVA Colombia S.A	$ 30.540.886	$ 27.683.546	$ 2.857.240	$ 26.102.653	$ 23.538.642	$ 2.564.011
BBVA Asset Management S.A.	95.283	9.417	85.866	79.292	8.925	70.367
BBVA Valores Colombia S.A	17.380	3.301	14.349	12.760	1.661	11.099

2. Basis of presentation of financial statements

Consolidation - The Bank and its subsidiaries compile its independent accounting records and prepare its financial statements in accordance with accounting principles generally accepted in Colombia and instructions and accounting practices established by the Superintendencia. All these provisions are considered by law as accounting principles generally accepted in Colombia for financial institutions.

In addition, the commercial code requires the preparation of consolidated financial statements of general purpose in fiscal periods, which are presented to the meeting of shareholders, as supplementary information, but do not provide the basis for distribution of dividends or appropriation of profits.

These consolidated financial statements have been prepared on the basis of requirements prescribed by the Superintendencia, with elimination of accounts and transactions between related companies.

The consolidated financial statements include the national financial subsidiaries supervised by the Superintendencia, in which the Bank owns either directly or indirectly 50% or more of the outstanding voting shares. All the entities in which the Bank owns (directly or indirectly) less than 50% are recorded at cost in the caption "Investments available for sale in equity securities" in the consolidated financial statements.

The Bank consolidated its subsidiaries which at December 31 had the following participation:

Location	Name	Percentage of participation to Dec 31		Month of acquisition or start date
			2011	
Colombia	BBVA Valores Colombia S.A. Comisionista de Bolsa	94,44	94,44	April 1990
Colombia	BBVA Asset Management S.A. Sociedad Fiduciaria	94,51	94,51	December 1989

Adjustments for inflation - through the external circular 014 of April 17, 2001 issued by the SVS, the application of the system of comprehensive adjustments for inflation for accounting purposes from January 1, 2001, in the Bank and the trust company, and from January 1, 2002 in the broker was eliminated. The 1111 law of December 27, 2006 eliminated them for tax purposes.

The inflation adjustment value made since January 1, 1992, to December 31, 2000 for the Bank and the trust company and until December 31, 2001 for the broker, is part of the balance of the non-monetary assets and equity for all accounting actions.

3. Main policies and accounting practices

For the process of identification, registration, preparation and disclosure of financial statements, the Bank and its subsidiaries apply the accounting rules set out in the basic accounting circular and financial notes (hereafter "CBCF") and in matters not provided for therein applies accounting principles generally accepted in Colombia, established in Decree 2649 from 1993 and complementary standards, below is a summary of the main accounting policies of the Bank and its subsidiaries:

a. **Interbank Funds -** are loans granted by the Bank and its Subsidiaries to another financial institution or loans recieved directly, without a transfer agreement for investment or portfolio credit, used for the purpose of serving as a mechanism for the transfer of liquidity..

On January 8, 2008 The Banking Association created the banking indicator reference (IBR) scheme with the participation of the Ministerio de Hacienda y Crédito Público y el Central Bank , which seeks to establish a short term interest rate of reference for the Colombian inter-bank market, reflecting the price that participating agents are willing to offer or to raise resources in the market.

The scheme of formation of the RBI for the overnight period and one month, consists of each of the eight participants listing a nominal rate "choice" that reflects its liquidity for the term positions both overnight and monthly, with which the Central Bank calculates the median for each term, and establishes participating providers of resources whose contribution rate is less than the median, and the demanding participant when the rate is higher. The total nominal amount on which the RBI operates for the overnight and a monthly terms, will be $20,000 divided between 4 institutions ($5,000 each) granted by the bidders to the plaintiffs. Generated yields are credited or charged to earnings, as appropriate, under the system of causation, according to the Superintendency Circular external 001 of 2008.

Operations of repurchase agreements (or repo), simultaneous and temporary transfer of values - are money market operations which are delivered or receive a guarantee title for loans granted or received. The external circular 018 of 2007 changed the accounting treatment for each operation, and added the concept of closed and open, repo, which establishes that the object values of operation repo can be or not immobilized, respectively.

Temporary transfer of securities operations - corresponds to the loan granted or received from a specific title, and another title in support of the transfer operation is received or delivered with similar characteristics or the cash equivalent.

b. **Investments in securities -** investments are classified, they are valued and accounted for in accordance with the provisions of chapter I of the CBCF, and collects in a single document the rules and instructions in force as issued by the Superintendencia.

Classifications of investments - investments are classified as marketable investments, investments held to maturity and investments available for sale. At the same time, negotiable investments and investments available for sale, equity securities and in general any type of asset that can be part of the investment portfolio.

BBVA Colombia placed in the capital market, bonds subordinated for $365,000 million in installments of 10-15 years

Defined as debt securities or bonds, those that grant the holder of the corresponding security or bond the creditor status of issuer.

Understood as participatory securities or bonds those that grant the holder of the respective security or bond the staus of co-owner of the issuer. They are part of the securities or equity securities, from mixed titles of securitization processes that simultaneously recognize credit and participation rights.

The convertible bonds in shares are understood as securities or debt securities, in so far as they have not become shares..

Negotiable investments - are classified as marketable investments when all value or title has been acquired with the primary purpose of securing a profit by short-term price fluctuations. This classification is determined at the time of purchase of the titles or values.

Investments held to maturity - are classified as investments held to maturity, values or titles for which the investor has the serious purpose and the legal, contractual, financial and operational capacity to maintain them until the expiration of the term of maturity or redemption. This classification is determined at the date of the term of the investments available for sale.

Titles rated to be held until maturity cannot be carried out as liquidity operations, except when dealing with forced or compulsory investments, subscribed in the primary market and provided that the counterpart of operation is the Central Bank, the General Directorate of the national treasury or the entities supervised by the Superintendencia, and in other cases those exceptionally determined by the competent authority.

Without limiting to the foregoing, the external circular 042 of 2010 issued by the Superintendencia ordered securities classified as investments to be held until maturity, can be delivered as chamber of central counter-party risk guarantees to support compliance with accepted by this for its clearing and settlement operations.

Investments available for sale - are available for sale investments as securities or securities which are not classified as marketable investments or investments held until expiration, and in which the investor has the serious purpose and the legal, contractual, financial and operational capacity to maintain them for at least one year from the first day they were classified for the first time, or when they were reclassified as available-for-sale investments.

After the expiration of one year as referred to in the preceding paragraph, on the first following business day, such investments can be reclassified as either of the two preceding categories (2), provided that they comply fully with the characteristics attributable to the classification concerned. They should not be reclassified at that date, meaning that the Bank maintains the purpose of classifying them as available for sale, and must therefore hold them for a period equal to that designated for this kind of investment. The same procedure will follow the expiry of subsequent periods.

In all cases, the values or equity securities form part of available for sale investments with low or minimal liquidity; those which do not have any quote or values or participatory titles to maintain an investor when it has the quality of controller or parent company of the respective issuer of these securities or titles.

For all investments in general, classification should be adopted by the internal action of the Bank and its subsidiaries with powers to do so, who should consult policies established for the management and control of risks.

The decision to classify a security or bond in any of the three categories can be adopted at the time of acquisition or purchase, or on the date of expiry of the deadline for the investments available for sale.

Despite the above, the Bank and its subsidiaries can reclassify investments in accordance with the provisions laid down in chapter I classification, valuation and accounting for investments from the CBCF issued by the Superintendencia.

The securities classified as investments available for sale may be delivered as collateral in a chamber of central counterparty risk to support compliance accepted by this for its clearing and settlement operations. Likewise, with these operations there may be carried out operations of liquidity, reported or repo, simultaneous or temporary transfer of securities.

Reclassification of investments - in order that an investment can be maintained in any of the classification categories referred to above, the respective value or title must comply with the characteristics or conditions of the kind of investments of which it forms part and those indicated in paragraph 4 of chapter I of the CBCF. However, the external circular 042 of 2010 modified chapter, specifying the actions that have been classified as marketable investments can be reclassified as investments available for sale when its liquidity changes from high or medium, low, minimal or to unlisted.

It should document and keep at the disposal of the Superintendencia, studies, evaluations, analysis and, in general, all the information that has been taken into account by which it has adopted as the decision to classify or reclassify a value or title as investments to maturity or available for sale investments..

Valuation of investments - the valuation of investments as well as the accounting records for recognition is carried out on a daily basis.

The valuation of investments has as its main aim the calculation, the accounting records and the disclosure to the market the securities fair price of exchange to which certain value or title could be negotiated at a certain date, in accordance with their particular characteristics and within the conditions prevailing in the market at such date, understood as fair price or value of that exchange by which a buyer and a seller,sufficiently informed, would be willing to settle on the corresponding title.

Deemed value or fair exchange price for negotiable investments:

i. It is to be determined in a timely manner from representative transactions on the market, made in modules or transactional systems administered by the Central Bank, or of entities supervised by the Superintendencia, or through an intermediary designated by the Directorate General of public credit as brokers specialised in teas class B (CVETES) values.

ii. As determined by the use of reference rates and margins calculated from operations representative of market operations added by categories, which have been made into modules or transactional systems managed by the Central Bank, or by the Superintendencia supervised entities, or through the intermediary of designated by the Dirección General de Crédito Público as securities brokers specialized in TES class B.

iii. As determined by other methods, due to the absence of a security or fair rate of exchange that can be set up through any of the forecasts referred previously.

The methodologies that are established for the determination of rates of reference and margins that is the literal ii), must be approved in a prior way through general standards issued by the Superintendent.

Reference rates and allowances to be used for different categories of titles must be published daily by the entities authorised for its calculation, approved methodologies should also be published.

They are values or fair prices of Exchange, for purposes of the provisions referred to previously above (iii), the determined, an agent specializing in the valuation of assets whether movable or an entity that manages a platform for providing financial information, provided that the methodologies used for this effect are approved in a previous way covered by General rules issued by the Superintendency.

Criteria for the assessment of investments- to determine the value or fair price of exchange, of a bond or security, consider all the criteria necessary to ensure that the purpose of the valuation of investments complies with that established in the CBCF, and for all cases: objectivity, transparency and representativeness, evaluation and permanent analysis and professionalism.

The securities or debt securities negotiable or available for sale are valued at market prices. The securities or debt securities of investment to be held until maturity are valued using the internal rate of return IRR.

Values or participatory titles with low or minimal liquidity or any unlisted, are valued by the following procedure:

Acquisition cost increases or decreases in the percentage of participation rate that corresponds to the investor on the asset variations subsequent to the acquisition of the investment.

For this effect, variations in the equity of the issuer are calculated based on certified financial statements, to 30 June and 31 December each year. When most recent certified financial statements are known, they should be used to establish the variation in mention. The Bank and its subsidiaries have a maximum period of 3 months to register the update.

The update of the market value is accounted for in the following manner:

In the event that the market value or the value of current investment with participation that corresponds to the investor exceeds the value by which the investment is registered, the difference must affect in the first instance the provision or depreciation until it, and excess must be registered as surplus by valuation.

When the market value or the value of the investment updated with the share corresponding to the investor is less than the value by which the investment is registered, the difference should affect in the first instance the surplus by valorization of the corresponding investment until it and the excess is recorded as a devaluation of the respective investment within the equity.

When dividends or profits are dealt in kind, including those coming from the capitalisation of revaluation of the assets account, the part which has been recorded as surplus at valuation is recorded as income, charged to investment, and this surplus is reversed. When dividends or profits are dealt in cash, it is recorded as income as revaluation surplus, this surplus is reversed and the amount of dividends that exceed it is accounted for as a lower value of investment

The frequency of valuation and accounting are the same - the valuation of investments should be performed daily, unless there are other provisions for a different frequency.

The accounting records necessary for the recognition of the valuation of investments must be with the same frequency provided for the assessment

Accounting for changes in the value of investments – from the day of purchase, accounting for changes in the value of investments is carried out individually for each value or title, as follows:

In the case of the securities or securities acquired through derivatives, the initial value is that which corresponds to the law, calculated to the date of enforcement of the respective operation.

In the case of marketable investments, the difference arising between the current market value and that immediately previous to that of the respective value, as wholesale or lower value of investment and its counterpart affects the outcome.

For debt securities pending collection, required yields are recorded as the higher value of the investment. As a result, the collection of those yields is recorded as a lower value of investment. From November 2005 when there are titles with prepaid option, yields and dates of payment, for the purposes of the assessment, will result from projected future cashflows of the title, in accordance with the methodology approved previously for each type of title by the Superintendencia.

In the case of participatory titles, when dividends or profits are divided in kind, including those coming from the capitalisation of revaluation of the assets account, do not register as income and, therefore, do not affect the value of the investment. In this case the only variation is the number of social rights in the respective accounting books. Dividends or profits that are dealt in cash are recorded as a lower value of investment.

In the case of investments held until maturity, the update of the present value is recorded as increased investment and its return value affects the results of the period. Pending collection required yields are recorded as a higher value of the investment. Consequently, the collection of such yields is accounted for as a lower value of investment.

In the case of investments available for sale, it is in the following way:

If the market value is greater than the present value, the difference is recorded as a surplus by valuation. If the market value is less than the present value, the difference affects in the first instance the surplus revaluation of the corresponding investment, to exhaust them, and the excess is recorded as devaluation within the equity of the entity.

Pending collection required yields should be kept as a higher value of the investment. As a result, the collection of those yields must post as a lower value of investment.

Provisions or losses by credit risk rating - values or debt securities as well as participatory titles with low or minimal liquidity or any unlisted, are adjusted in each valuation date based on credit risk rating.

Those not subject to the provisions of the preceding paragraph, are the securities or internal or external public debt securities issued or guaranteed by the Government, those issued by the Central Bank and those issued or guaranteed by the Savers Guarantee Fund of financial institutions – FOGAFIN (hereafter FOGAFIN).

In accordance with the regulation amended by the external circulars 2003-021 and 003, 2004 from the Superintendencia, investments are rated by levels of credit risk, thus:

Securities or titles of issuers or issues that have external ratings - values or titles that meet one or more qualifications granted by external rating agencies recognized by the SVS, or values or debt securities issued by entities which are qualified by them, cannot be accounted for by an amount that exceeds the following percentages of their nominal value net of repayments made up to the date of valuation:

Long-term rating	Maximum value %	Short-term rating	Maximum value %
BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 and 6	Zero (0)
DD, EE	Zero (0)		

Titles and/or emissions or non-qualified issuers - values for titles or values that do not have an external rating or securities or debt securities issued by entities that are not qualified, the amount of the provisions should be determined based on the methodology to the effect that determines the investment entity. This methodology must be approved prior by the Superintendencia.

Institutional investors that do not have an internal methodology adopted for the determination of the provisions referred to in this paragraph should be subjected to the following:

• *Category "A"*- • normal risk investment: corresponds to issues that comply with the terms agreed in the value or the title and have an adequate capacity to pay capital and interest, as well as investments from issuers that according to their financial statements and other available information reflect the proper financial situation.

For the issue of bonds values or titles that are in this category, the registration provisions are not applicable.

• *Category "B"*- investment with higher than normal, acceptable risk: corresponds to issues that are factors of uncertainty which could affect the ability to continue to perform adequately with the debt servicing. This also includes investments from issuers that have weaknesses that can affect their financial situation according to their financial statements and other available information.

• *Category "C"*- investment with appreciable risk: corresponds to emissions which have high or medium probability of default in the timely payment of principal and interest. Similarly, it includes those investments from issuers that present deficiencies in their financial situation according to their financial statements and other available information, involving the recovery of investment.

- *Category "D"*- significant risk investment: corresponds to those emissions that are non-compliant with the terms in the title, as well as investments from issuers that present deficiencies highlighted in their financial situation according to their financial statements and other available information, so that the probability of recovering the investment is highly dubious.

- *Category "E"*- - bad investment: corresponds to those investments from issuers that according to their financial statements and other available information is bad. The net value of investments rated in this category must be equal to zero.

When a monitored entity qualifies any investments in this category, you must categorise all investments of the same issuer in the same category, unless valid reasons can be demonstrated to the Superintendencia for their qualification in a different category.

External ratings which refer to this kind of assessment should be carried out by a company authorized by the Superintendencia, or a rating values society internationally recognized, in the case of securities issued by foreign entities and placed abroad.

In the event that the issuer or investment has more than one qualifying score, it should be considered as the lower rating, if they were issued within the last three (3) months, or the most recent when longer periods occur.

Availability of assessments - assessments carried out by the monitored institutions must remain at the disposal of the Superintendencia and the fiscal audit.

Provisions or losses are established in accordance with the qualification of credit risk as listed above and the book value of the investment may not exceed the following percentages:

Qualification	Participatory securities	Debt securities
	Maximum value of the cost of acquisition	Maximum value of their nominal value net of amortizations at the valuation date %
B	Eighty (80)	Eighty (80)
C	Sixty (60)	Sixty (60)
D	Forty (40)	Forty (40)
E	Zero (0)	Zero (0)

c. Loan, leasing contracts portfolio, accounts receivable and their provisions - loans are accounted for based on their nominal value and are classified as commercial, consumer, mortgage and microcredit.

Mortgage portfolio: register, regardless of the amount, loans granted to natural persons for the acquisition of new or used housing, or for the construction of individual housing, which have the following characteristics:

- Denominated in UVR or legal tender.

- They are covered with mortgage of the first grade, constituated on funded housing.

- Amortization period must be between minimum five and maximum thirty years.

- The amount of credit is up to eighty percent (80%) of the value of the property for loans to finance housing of social interest and up to seventy per cent (70%) to others.

Consumption portfolio: registers the loans granted to natural persons whose object is to finance the acquisition of goods of consumption or payment of services for non commercial or business purposes, regardless of its amount and other than those classified as micro-credit.

Portfolio of microcredit: registers all operations granted to micro-businesses whose staff does not exceed 10 workers and have less than 501 total assets and the maximum amount of credit operation is 25 SMMLV (legal minimum salary in Colombia). The balance of the indebtedness shall not exceed 120 SMMLV excluding mortgage loans for financing of housing.

Commercial portfolio: registers the loans granted to natural or legal persons for the development of economic-organized activities, other than those granted in the form of microcredit.

In accordance with the regulations of the Superintendencia, the Bank has had two evaluations of its commercial portfolio, during the months of May and November, as well as a monthly update on new ordinary loans and restructured loans. Skills update is recorded during the months of June and December, and provisions are accounted for based on them. In accordance with the regulations, loans are classified by risk levels (A - Normal, B - Acceptable, C-Appreciable, and D - Significant and E - Unrecoveable). The evaluation of the portfolio seeks to identify subjective risk factors, determining the capacity to pay in the short and medium term, thus anticipating possible losses by adjusting the qualification.

From the second half of 2010, the portfolio was assessed automatically in its entirety, through statistical processes that infer information from the client as the minimum likely income, adding the behavior within the sector and debt servicing, in order to determine the most relevant risk factors. It is a proactive process for the most prudent and effective risk measurement.

For the commercial portfolio, thanks to the new technological developments, the Bank can delve into minor segments. The commercial portfolio is assessed for the entire portfolio.

Since July 1, 2007 and July 1, 2008, respectively, portfolio credits and consumption are qualified and monthly provision based on reference models defined by Superintendencia. Likewise, since the month of April 2010, the current regulations are applied for the calculation of pro-cyclical and anti-cyclical provisions.

Prior to the determination of provisions and qualifications for each debtor, is the process internal alignment, which takes the highest risk category credit of the same form.

Assessments and estimates of the probability of deterioration of credit and expected losses are carried out weighing objective and subjective criteria, taking into account the following aspects:

Rating of credit risk - until the internal methodology of credit risk, in compliance with the system of administration of credit risk - SARC, is in full operation, the following criteria apply as objective conditions sufficient to classify credit risk category:

Risk	Microcredit (Months of arrears)	Mortgage (Months of arreas)
A Normal	Current and up to 1	Up to 2
B Acceptable	From 1 to 2	2-5
C Appreciable	From 2 to 3	5-12
D Significant	From 3 to 4	12-18
E Possible loan losses	More than 4	Wholesale 18

Commercial loans have the following minimum requirements to classify the risk according to the (MRC) reference model:

Risk	Commercial (Arrears, days)
AA	Current and up to 29
A	From 30 to 59
BB	From 60 to 89
B	From 90 to 119
CC	From 120 to 149
D and E failed to comply	More than 149

Qualification of credits with territorial entities - the Bank in addition

For BBVA unique monitoring is an important political step ensuring a level playing field for all and banks no longer being penalised for being from a specific country.

to the above reviews and verifies compliance with the various conditions laid down in the law 358 of 1997.

Loans to clients who are admitted within the rules of law 550 of December 1999, maintain the qualification that they had before the restructuring agreement, retained provisions that had formed and suspends the causation of interests.

Consumer loans - credit rating is made according to the MRCO - reference model for portfolio of consumption established by the Superintendencia, which considers segments for products (cars, credit cards and others) and the establishment of credit (banks and finance companies); behavior as variables: amount of arrears at the time, payment behaviour of the past 36 months, payment behaviour of the past three quarters, other active credit in other segments, guarantees and prepaid credit cards; the previous variables allow assigning of a (z) value for each client, which is replaced in the following formula to get the score, thus:

$$\text{SCORE}=\frac{1}{1+e^{-z}}$$

The table to determine the rating according to the retrieved score is:

Qualification	Score up to		
	General automotive	General other	Credit card
AA	0,2484	0,3767	0,3735
A	0,6842	0,8205	0,6703
BB	0,81507	0,89	0,9382
B	0,94941	0,9971	0,9902
CC	1	1	1
D-E	Arrears exceeding 90 days, clients with punished portfolios or restructured		

Subsequently, ratings can be changed to lower risk categories, provided they comply with the conditions established by the Superintendencia.

Individual provision - the provisions are calculated in accordance with chapter II of the CBCF, as shown below for each credit mode:

Mortgage loans - is where the capital value is provisioned in accordance with the ratings assigned below:

The credit rating	Percentage of provision on the warranted part	Percentage of provision on the nonguaranteed part
A	1%	1%
B	3,2%	100%
C	10%	100%
D	20%	100%
E	30%	100%

Additionally, after 2 to 3 years when the credit has been rated in category E, 60% and 100%, respectively shall be provisions, over the warranted part.

Microcredit loans - the lower limit of provision for capital, on each level of risk is the following, considering the guarantees to 70% for loans up to twelve months overdue:

Credit rating	Minimum percentage of provision net of warranty	Minimum percentage of provision
A	0%	1%
B	1%	2,2%
C	20%	0%
D	50%	0%
E	100%	0%

Warranties - Warranties for the purpose of calculation of provision are weighted by the following percentages in accordance with appropriate arrears:

Mortgage guarantees		No mortgage guarantees	
Arrears, time (in months)	Percentage	Arrears, time (in months)	Percentage
0 - 18	70%	0 - 12	70%
18 - 24	50%	12 - 24	50%
24 - 30	30%	> 24	0%
30 - 36	15%		
> 36	0%		

In accordance with the regulations, from January 1, 2002, collateral guarantees related to establishments of trade or industry of the debtor, mortgage guarantees on properties where it operates or runs the corresponding establishment and guarantees on properties by destination that are part of the establishment concerned, weighted to 0% of their value,the reason why they were reclassified as not suitable guarantees.

Credits of commercial portfolio (reference model): the loss expected for commercial portfolio loans will result from the application of the following formula:

Expected loss = (PI) * (exposed value of the asset) * (P.D.I)

where:

PI (probability of default): likelihood that a debtor commits a breach in a 12 month period. This is assigned according to the segment of the company and their qualification, thus:

Segment	Level of asset size
Large	More than 15,000 s.m.m.l.v.
Medium	Between 5,000 and 15,000 s.m.m.l.v.
Small	Less than 5,000 s.m.m.l.v.
Natural person	Does not apply

The odds of default for the year 2012 and 2011, by segment are as follows:

Matrix A

Qualification	Large company	medium-sized enterprises	Small business	Natural person
AA	1,53%	1,51%	4,18%	5,27%
A	2,24%	2,40%	5,30%	6,39%
BB	9,55%	11,65%	18,56%	18,72%
B	12,24%	14,64%	22,73%	22,00%
CC	19,77%	23,09%	32,50%	32,21%
Unfulfilled	100,00%	100,00%	100,00%	100,00%

Matrix B

Qualification	Large company	medium-sized enterprises	Small business	Natural person
AA	2,19%	4,19%	7,52%	8,22%
A	3,54%	6,32%	8,64%	9,41%
BB	14,13%	18,49%	20,26%	22,36%
B	15,22%	21,45%	24,15%	25,81%
CC	23,35%	26,70%	33,57%	37,01%
Unfulfilled	100,00%	100,00%	100,00%	100,00%

PDI (loss given the failure): is the economic downturn that the Bank will incur should the breach materialize.

A customer is deemed unfulfilled in the following cases:

• • Commercial portfolio credits with arrears greater than or equal to 150 days.

• Debtors who register a Written offwith the Bank or the financial system, according to information from risk centres.

• Customers who are in the process of bankruptcy.

• In the Bank debtors with restructuring in the same mode.

• Customers with extraordinary restructuring (qualified as C, D or E)

This is BBVAs time; we see the difficulties within the economy as a major opportunity to expand our presence in the domestic market

The PDI for debtors qualified in the category of defaulted undergoes a gradual increase in accordance with the days passing after the classification in this category. The PDI by type of guarantee is as follows:

Warranty type	P.D.I.	Days after default	New PDI	Days after default	New PDI
Non permissible warranty	55%	270	70%	540	100%
Subordinated credits	75%	270	90%	540	100%
Collateral acceptable financial	0% Dineraria 12% FNG	-	-	-	-
Commercial and residential real estate	40%	540	70%	1.080	100%
Collateral in real estate leasing	35%	540	70%	1.080	100%
Collateral non real estate	45%	360	80%	720	100%
Other collateral	50%	360	80%	720	100%
Collection rights	45%	360	80%	720	100%
Without warranty	55%	210	80%	420	100%

Exposed asset value: is considered as the exposed asset value of the existing balance for capital, interest, and other concepts that the customer owed at the time of the calculation of expected losses.

Consumer loans: is the loss expected for the portfolio of consumer loans that will result from the application of the following formula:

Expected loss = (PI) * (value exposed the asset) * (P.D.I)

Where:

PI (probability of default): the probability that within 12 months the debtors of a particular segment and consumer loan rating, fails to comply.

The likelihood of non-compliance for the years 2011 and 2012 were defined as well:

Matrix A

Qualification	General - auto	General - other	Credit card
AA	0,97%	2,10%	1,58%
A	3,12%	3,88%	5,35%
BB	7,48%	12,68%	9,53%
B	15,76%	14,16%	14,17%
CC	31,01%	22,57%	17,06%
Failure to comply	100,00%	100,00%	100,00%

Matrix B

Qualification	General - auto	General - other	Credit card
AA	2,75%	3,88%	3,36%
A	4,91%	5,67%	7,13%
BB	16,53%	21,72%	18,57%
B	24,80%	23,20%	23,21%
CC	44,84%	36,40%	30,89%
Failure to comply	100,00%	100,00%	100,00%

In addition to the compliance to the exteral circular 043 of 2011 of the Superintendencia and bearing in mind the principle of prudence, the percentages of POI in arrears, to unsecured consumer loans, that the Bank are as follows:

Operations with arrears up to 119 days, a PDI of 75% is applied

Operations with arrears between 120 and 149 days, a PDI of 85% is applied

Operations with arrears 150-179 days, applies them a PDI of 90% is applied

Operations with arrears more than 179 days, a PDI of 100% is applied

Other warranties were established in the PDI table by type of warranty, annex 5, paragraph 5.2, chapter II, of the CBCF.

PDI (loss given the failure): is the economic downturn that the Bank incurs when the default materializes

A customer is deemed unfulfilled in the following cases:

- Credit portfolio of consumption that are more than 90 days in arrears.

- Debtors who register a Written offwith the Bank or the financial system, according to information from risk plants.

• Customers who are in the process of bankruptcy.

• In the debtor Bank with restructuring in the same mode.

The PDI for debtors qualified in the category of non-compliance undergoes a gradual increase in accordance with the days passing after the classification in this category. The PDI by type of guarantee is as follows:

Warranty type	P.D.I.	Days after default	New PDI	Days after default	New DPI
Non permissible warranty	60%	210	70%	420	100%
Acceptable financial collateral	0-12%	-	-	-	-
Commercial and residential real estate	40%	360	70%	720	100%
Real estate leasing collateral	35%	360	70%	720	100%
Collateral non real estate	45%	270	70%	540	100%
Other collateral	50%	270	70%	540	100%
Rights of collection	45%	360	80%	720	100%
Without warranty	75%	30	85%	90	100%

Exposed asset value: is considered exposed asset value, the outstanding, interest, and other concepts that the customer owed at the time of the calculation of expected losses.

During the year 2009 and until March 31, 2010, the Bank determined the individual provision based on the matrix B, the total individual provision (individual provision nowadays) based on the matrix A (pro-cyclical-individual component nowadays) and the individual provision counter-cyclical (counter-cyclical individual component nowadays) as the difference between the matrix B and A.

From April 1, 2010, according to the external circular outer 035 of the Superintendencia-2009, the Bank applied the methodology of calculation of provisions in cumulative phase based on the evaluation of indicators.

With this, the individual provision of loan under reference models portfolio is set as the sum of two individual components, defined in the following way:

Individual pro-cyclical component (hereafter CIP): corresponds to the portion of the individual's credit portfolio which currently reflects the credit risk of each debtor.

Counter-cyclical individual component (hereafter CIC): corresponds to the portion of the provision individual loan portfolio that reflects possible changes in the credit risk of borrowers at a time in which the impairment of these assets is increased. This portion is to reduce the impact on the income statement when such a situation arises. Internal or reference models must take into account and calculate this component based on the available information that reflects those changes.

In order to determine the methodology to be applied for the calculation of these components, the indicators listed below must be evaluated every month:

a) Real quarterly variation (deflated) of individual provisions of the total portfolio, B, C, D and E.

b) Quarterly accumulated provisions net of recoveries (credits and leasing portfolio) as a percentage of the quarterly cumulative interest of portfolio and leasing income.

c) Quarterly accumulated provisions net of recoveries of portfolio of credit and leasing as a percentage of the cumulative quarterly adjusted gross financial margin.

d) Real anual growth rate (deflected) of the gross portfolio.

Once calculated the previous indicators, determine the methodology of calculation of the components of the individual provisions of loan portfolio. If for three consecutive months, the following conditions are met jointly, the methodology to be applied during the next six months will be the methodology of calculation in desacumulative phase. In any other case, the methodology to be applied in the next month will be cumulative phase methodology of calculation:

$$(\Delta\, ProvInd_{BCDE})_T \geq 9\%\ y (PNR/IxC)_T \geq 17\%\ y$$
$$[(PNR/MFB_{Ajustado})_T \leq 0\%\ ó\ (PNR/MFB_{Ajustado})_T \geq 42\%]\ y\ \Delta CB_T < 23\%$$

Methodology for calculating cumulative phase: for each modality portfolio subject to reference, models shall be calculated independently, the individual provision of portfolio is defined as the sum of two components (hereafter CIP and CIC), understood as each obligation at the time of the calculation of provisions:

Individual pro-cyclical component (CIP): for the entire portfolio, it is the expected loss calculated from the matrix A, i.e., the result obtained by multiplying the exposure of the debtor, the probability of default (hereafter PI) of the matrix A and the loss given the failure (hereafter POI) associated with the guarantee of the debtor, as set out in the corresponding reference model.

Counter-cyclical individual component (CIC): is the maximum value between the individual component counter-cyclical to the previous period (t-1) affected by the exposure, and the difference between the expected loss calculated from the matrix B and the expected loss calculated at the time of the calculation of the provision (t), the matrix A, in accordance with the following formula:

$$\max\left(CIC_{i,t-1} * \left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right); (PE_B - PE_A)_{i,t}\right) \quad \text{con} \quad 0 \leq \left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right) \leq 1$$

Where $Exp_{i,t}$ is the exposure of the obligation (i) at the time of the calculation of the provision (t) in accordance with the different models of reference.

When $\left(\frac{Exp_{i,t}}{Exp_{i,t\text{-}1}}\right) > 1$ it is assumed as one.

Methodology for calculating in desacumulative phase: for each modality portfolio subject to reference models shall be calculated, independently, the individual provision of portfolio is defined as the sum of two components (CIP and CIC), understood as each obligation and at the time of the calculation of provisions:

Individual pro-cyclical component (CIP): for the portfolio A is the expected loss calculated with the matrix A, i.e., the result obtained by multiplying the exposure of the debtor, the PI of the matrix A and the POI associated with the guarantee of the debtor, as set out in the corresponding reference model.

Portfolio B, C, D, and E is the expected loss calculated with the matrix B, i.e., the result obtained by multiplying the exposure of the debtor, the PI of the B matrix PDI associated with the guarantee of the debtor, as set out in the corresponding reference model.

Counter-cyclical individual component (CIC): is the difference between the counter-cyclical individual component of the previous period (t-1), and the maximum value between the decumulation (FD) individual factor and the counter-cyclical individual component of the previous period (t-1) affected by the exposure, in accordance with the following formula:

$$CIC_{i,t} = CIC_{i,t\text{-}1} - \max\left\{FD_{i,t}\,;\,CIC_{i,t\text{-}1} * \left(1 - \frac{Exp_{i,t}}{Exp_{i,t\text{-}1}}\right)\right\}$$

$FD_{i,t}$ Decumulation factor is given by:

$$FD_{i,t} = \left(\frac{CIC_{i,t\text{-}1}}{\sum_{activas\,(t)} CIC_{i,t\text{-}1}}\right)_m * (40\% * PNR_{CIP\text{-}m})$$

Where,

- $PNR_{CIP\text{-}m}$ they are provisions net of recoveries for the month, associated with the individual pro-cyclical component in the respective portfolio mode (m).
- $\sum_{activa\,(st)} CIC_{i,t\text{-}1}$ It is the active sum at the time of the calculation of the provision (t) in the respective mode (m), the balance of individual counter-cyclical component in (t-1).
- $FD_{i,t} > 0$, In case of being negative is assumed as zero.
- When $\left(\frac{Exp_{i,t}}{Exp_{i,t\text{-}t}}\right) > 1$ it is assumed as one.

In accordance with the external circular 026 of 2012, the Bank proceeds to carry out the establishment of an additional individual provision to individual pro-cyclical component, which corresponds to 0.5% of the balance of capital of each consumer, multiplied by the corresponding POI credit. This measurement, according to the guidelines defined by the regulator, is temporary; impact on financial statements of this regulatory change is disclosed in note 9 of loan investment.

General provision – the Bank has constituted, as established by the current regulations of the Superintendencia, a mandatory general provision of 1% of gross portfolio for appropriations corresponding to the portfolio of mortgage and microcredit.

Punishment of credit – the Bank carries out a range of operations that are 100% provisioned where management of collection has been unproductive, it then executes various collection mechanisms including the courts, in order to ask the Board of Directors for removal of these assets, by means of punishment. Once the Board of Directors authorizes punishment of selected operations, it calculates the accounts and reports to the Superintendencia in the manner designed for this purpose.

After having carried out the punishment of credit operations and given the impossibility collection, administrators continue their collection management through means that lead to the full recovery of the obligations.

Suspension of causation of other concepts and interests - in terms of suspension of causation of yields, the regulations would cease to cause interest, monetary correction, adjustments on the other hand, fees and revenue from other concepts, when this credit has arrears exceeding 2 months for loans for housing and consumption, greater than 1 month for microloans and more than 3 months for commercial loans.

At the same time as suspending the causation of yields, make provision for collections corresponding to these concepts.

Related agreements - loans to clients who are referred to a pending related process immediately qualify as "E" (Unrecoverable) and are subjected to the provisions defined for this category. Once an agreement of payments is produced within the process, loans may re-qualify as "D" (significant). Subsequently they can be reclassified to lower risk categories provided the requirements established by the Superintendencia are met.

The Fiduciaria and the agent had no balance on the loan portfolio.

d. Accounts receivable – the Commission agent has the following policy for debtors and their respective provisions:

Debtors - This category accounts for accounts receivable from customers for administration of securities and foreign investment funds, equity funds and administration accounts receivable from employees, amongst others.

Registration of provisions - the broker shall provision 100% of those debts that exceed 180 days.

The Fiducieriatrust assesses credit accounts receivable through commissions, taking into account provisions of the "CBCF", which States in paragraph 2.5.1 of chapter II as the accounts receivable originated by commissions of service trust companies will qualify according to the level of arrears criteria established for commercial loans. Also the provisions shall be determined as set out in paragraph 2.1.2.1. Annex of the cited chapter, whose last update occurred with the external circular outer 004 December 2005 issued by the SVS, considering the ratings and maturities, thus:

Qualification	Maturities	Porcentaje provisión
A Normal risk	Up to 1 month	-
B Higher than normal, acceptable risk	1 To 3 months	1%
C Appreciable risk	From 3 to 6 months	20%
D Significant risk	From 6 up to 12 months	50%
E Loan losses	More than 12 months	100%

For the purposes of the constitution of individual provisions, warranties only support capital appropriations, which in the case of the Fiduciaria represent the commissions. As a result, accounts receivable covered with securities that have the character of non suitable guarantees, is provisioned in the percentage that corresponds to the rate.

When an account receivable commercial grade "C", i.e. showing a maturity exceeding three (3) months, or in a higher risk category is suspended, the causation of interest and other concepts, therefore, only affect the income statement until they are actually collected. During its collection, the corresponding record is made in contingent accounts.

When the trust company receives a loan portfolio through trust orders or manages them through autonomous assets, this means that it must manage the credit risk to the extent laid down in chapter II of the "CBCF". Therefore, trust companies must maintain proper management and measurement of credit risk implicit in such assets through a SARC. This means that trust companies must develop and apply, to the managed portfolio management system, elements (policies, structure reorganizacional, procedures, criteria, database and audit) and the elements of measurement (probability of default, expected loss and recovery percentage).

The above rule applies except in those cases in which the Act of Constitution applies, or unequivocally, provides express instruction on elements of management and measurement that should apply to the trust or, if on the contrary, considers that it should not apply any.

However, in the event that the settlor is a credit establishment, you must manage and measure credit risk of this portfolio by applying the SARC authorization. Management and measurement may be performed by the same establishment of credit as the trust company, if the latter is expressly agreed in the respective contract.

For contracts of trust when the settlor is an entity regulated by the Superintendencia, the trust company will expressly agree in the contract the use of the SARC, approved by the trustee to the extent contractually agreed.

For contracts of trust where the trustee is not a person or entity regulated by the Superintendencia, the trust company apply the SARC that the trustor expressly stated as agreed in the respective contract.

Up to 31 December 2012 and 2011, the trust did not have credit risk involving the need and obligation to adopt a SARC in the terms indicated in chapter II of the CBCF.

e. Banking acceptances - bank acceptances are letters accepted by financial institutions to be paid to the beneficiaries within a period which may not exceed 6 months. They can only arise from transactions of the import and export of goods, or for the sale of movable property within the country. At the time of acceptance of such letters, its value is posted by the Bank simultaneously as assets and liabilities. The values recorded in the assets are evaluated by credit risk in accordance with the general procedures of evaluation of the loan portfolio.

f. Contracts with derivative financial instruments - the resolution 1420 and external circular 025 2008 together, modified the 18th Chapter of the basic accounting circular, in which new instructions are imparted on the accounting treatment of transactions with derivative financial instruments.

The valuation of financial instruments derivatives and structured products must be done on a daily basis at fair price of exchange, defined according to the terms of the paragraph 2.21 of the mentioned chapter. In any case, the Peso – Dollar options of the Central Bank do not require rating at fair price of Exchange.

The main guidelines and criteria that the Bank follow to assess the various financial instrument derivatives and structured products traded, must be fully compliant until constituted and begin to develop their activity, the providers of prices in the financial system ('price vendors') which the Government regulates based on the provisions of the literal i) of article 3 of the 964 law 2005 authorized and supervised by the Superintendencia; from which time such suppliers shall be the daily supply of the respective fair prices in exchange for the purposes of the valuation of financial instrument derivatives and structured products. Likewise, it will be up to these providers of prices to receive and evaluate the different internal valuation models that the Bank presents, under the rules and criteria set by the Superintendencia.

The Bank must register all of its financial derivatives, structured products and primary positions covered in its financial statements, using available PUC accounts, in accordance with the guidelines and criteria established by the Superintendencia.

Accounting codes for the unregistering of the financial instrument derivatives have been enabled to distinguish between those for speculation purposes, or for purposes of coverage. At the same time, inside these classifications are established codes accounting for different kinds of instruments. Financial instrument derivatives that will deliver fair price exchange positive, that are favorable to the Bank, should be recorded in the assets, separating the value of law and the value of the obligation, except for the options, where the accounting register is carried out in a single account. Meanwhile those who deliver negative fair exchange price, that is unfavorable for the Bank, should be recorded as liabilities, making the same separacion. Such accounting treatment should apply both if financial instrument derivatives are carried out for purposes of speculation or for purposes of coverage.

When the Bank buy options, either 'call' or 'put', the accounting register of premium paid as daily variations at fair price of exchange is always carried out in the respective subaccounts of options on the asset side. Moreover, when the Bank sells options, either 'call' or 'put', the accounting of the premium received and log of daily variations at fair price of exchange, must always be made to the respective subaccounts of options on the liabilities side.

When the fair price of the financial instrument exchange dispose derivative of zero (0), either on the initial date or at a later date, its accounting records must be active if it is a financial instrument derived for the purpose of speculation. But if it is a financial instrument derived for purposes of coverage, the accounting records, in this case, must be on the side of the balance that corresponds (active or passive) the basis of which must be registered on the opposite side to the one in which the primary position is registered.

The balance sheet accounts should not only be performed net between favourable and unfavourable balances of different financial instrument derivatives, even if they are of the same type. Thus, for example, there cannot be netting operations 'forward' Peso-Dollar that have fair prices for the exchange of opposite signs, but each of them must register the active or the passive, as appropriate.

Since financial instrument derivatives should be measured from the day of action, the fair price of exchange can be zero (0) at the end of the initial date and must be registered thus in the accounts.

Moreover, howsoever the timing of an option usually takes place on the payment or receipt of a premium, which corresponds to the value by which the parties negotiate the option, the variations in the fair price of the option with respect to the initial actually paid exchange value, arising as a result of the daily assessment they must affect the income statement and/or the corresponding equity account, depending on whether a financial instrument derivative held for purposes of speculation or coverage.

Also, with regard to options, the nominal fixed amount agreed multiplied by the respective price or exercise rate agreed by the contracting parties, should be reported by the Bank on the respective contingent order accounts enabled for this effect.

At the date of settlement of the financial instrument derivatives corresponding balances of balance sheet accounts (including the equity accounts used in regards to the registration of financial derivatives for the purpose of coverage) must be cancelled and any differences should be charged as profit or loss in the respective accounts in the statement of income, as applicable. If the accumulated balance of the financial instrument derived by that date is positive, you must register immediately with the sub-account for income, and if it is negative, you must post in the respective sub-account of disbursements. This procedure should be conducted in an independent manner, instrument by instrument, whenever these are settled.

In any case, in the case of financial instrument derivatives for coverage purposes made by collective portfolios or funds, any gain or loss shown by these instruments must always be registered in the statement of income of the same.

Financial instrument derivatives initially traded on the market or OTC, and subsequently, upon agreement between the parties, are taken to a central chamber of risk of the counterparty for its compensation, are accounted for in the balance sheet at fair price of exchange in the respective derivatives accounts according to their purpose, from the date carried out to the date on which are accepted by this entity.

The Bank carries out forward contracts for the purchase or sale of investments in securities or foreign currency for purposes of coverage in investment. The most common are forwards and swaps and futures and options. These contracts are recorded in the field of derivatives.

The trustee and the agent do not have such operations.

g. Cash options - using the external circular 031 2008, the SFC issued the new chapter XXV of the CBCF which gives rules for the treatment of cash operations. A cash operation is one that is registered with a deadline for its compensation equal to the date of registration of the operation (from day to day) or up to three working days counted from the day following the date of completion of the transaction. It is reiterated that these operations are counted in the balance sheets of institutions on the date of compliance or settlement, and not at the date of negotiation, unless these two coincide. This privacy policy was already contemplated in the 18th Chapter of the CBCF, whereas they should reflect the corresponding market risk, counterparty and Exchange.

h. Goods received in payment of obligations - BRDP - assets received in payment of obligations are accounted for by the final value agreed with debtors, or the value determined in the judicial ruling.

Those considered as non-monetary were adjusted for inflation up to December 31, 2000.

The Bank has two (2) years to dispose of the goods received as payment in kind, and a two (2) year maximum extension.

The market value of real estate is updated with a new appraisal, not more than three (3) years old.

When the cost of acquisition of the property is less than the value of the debt recorded in the balance sheet, the difference should be recognized immediately in the income statement.

When the commercial value of a BRDP is less than its value on the books, a provision must be noted of the difference.

When the market value of the BRDP exceeds the net cost, valuations are recorded in the memorandum of accounts.

For the effects of the provisions of article 110 numbers 6 and 7 of the Organic Statute of the Colombian Financial System (hereafter "EOSF"), credit establishments must have the system administration of BRDP, enabling proper management of them, for the purpose of disposal and calculate the the necessary level of provisions to cover expected losses arising from the disposition thereof within the time limits set out in the standard by the SVS. This system should include as a minimum the following:

• Policy on acceptance, management and disposition of BRDP.

• Procedures for the acceptance, management and disposition of the BRDP.

• Mechanisms for loss estimation and quantification of provisions.

• Rules on procedures for the control of the system.

The Bank applied to determine the maximum expected loss provisions indicated in the paragraph 1.3.1.2 of chapter III of the CBCF, which was approved by the Superintendencia in communication 2008005319-001-000 on March 3, 2008, these are:

Goods	Percentage of Provision per year		
	First	Second	Third party
Property	30	60	80 (*)
Furniture	35	70	100 (*)

(*) Authorization for an extension, provisioned up to complete 80% monthly by the authorized period, otherwise, it will be held in a single share (see note 14).

Furniture BRDP

In any case, the application of the rules of the provisions on the BRDP furniture, the nature of the goods should be considered in such a way that the provisions relating to investment securities reflect the criteria established by the Superintendencia in the CBCF, chapter I classification, valuation and accounting of investments, for the purpose of considering this kind of investment (negotiable, available for sale, or to hold until maturity).

Restructuring agreement law 550 of 30 December 1999 (territorial entities) or law 1116 of corporate reorganization:

Real estate other than trade establishments or industrial, received in payment in kind or the product of restructuring agreements, are provisioned from twelve (12) months following the date of signing of the agreement, using monthly aliquots.

This provision shall apply in the following manner:

• For a period of thirty-six (36) months and up to seventy per cent (70%) of its value, where its buildings are designated as housing.

• For a period of twenty-four (24) months and up to eighty percent (80%) of its value, where it's another type of property.

When the commercial value of the asset is less than the value recorded in the balance sheet, it is immediately provided with a charge to income.

The Fiduciaria and the agent do not record, in the financial statements, assets received as goods in kind.

i. Property given on leasing and depreciation - leasing is a financing mechanism, by which through a contract, a productive asset is part delivered to another for use and enjoyment, in exchange for a fee.

The so-called financial leasing is a contract under which, the Bank delivered to a natural or legal person, known as "the tenant", the holding of an asset which has been acquired for effect and the latter has selected for use and enjoyment, in exchange for the regular payment of a sum of money for an agreed period and on whose maturity the tenant is entitled to acquire for the value of the acquisition.

In financial leasing operations the principles and general criteria have been considered that the Bank applies for the appropriate assessment the credit risk.

The value to be financed from the financial leasing operations depreciates with the payment in the fees of leasing in the part corresponding to the payment of capital.

The operating lease is a contract under which a natural or legal person, called the lessor, delivers to another, called the tenant, a good holding for use and enjoyment, in exchange for the payment of a fee or periodic income.

In operative leasing operations, the cost of goods delivered is recognized as property, plant or equipment and depreciation is carried out in the time that is the lower of the useful life of the asset and the term of the leasing contract, the methodology will be the financial depreciation (value of residual). However, when the body has no surrender or residual value guaranteed by a third party, depreciation is carried out by one hundred per cent of the value of the leased asset.

On these assets there is a 1% general provision, unless the sum of accumulated depreciation and general provision exceed 100 per cent of the value of the property given on leasing.

The trustee and the agent do not record in financial statements assets given in leasing.

j. Goods not used for the corporate purpose – goods unused for the corporate purpose corresponds to the goods of own use which the Bank and its subsidiaries are no longer using in the development of its social objectives. These goods continue depreciating until the time of their realization and are computed together with fixed assets of the Bank and subsidiaries to calculate the limit established in paragraph 1.2 of Chapter VII of title first of the external circular 007 of 1996 (basic legal circular).

For the permanence of the goods within this account, apply the same terms of the goods received in payment, actively computed in the restrictions provided for in paragraph 6 of article 110 of the EOSF.

k. Tangible assets and depreciation - Tangible assets are recorded at cost and were adjusted by inflation that occurred between 1 January 1992 and up to December 31, 2000. Sales and withdrawals from such assets are carried at net value adjusted in the books and the difference between the sales price and the net value adjusted in the books is the yearly result.

Additions, improvements and extraordinary repairs which increase the efficiency or the useful life of assets, as well as the tax valuation, are recorded as higher value, and expenditure on maintenance and repairs that are carried out for the conservation of these assets are expenses, in the year they arise.

Depreciation of Tangible assets is calculated as the cost of acquisition, inflation-adjusted to December 31, 2000, using the straight line method based on the life of the same at the following annual rates:

- Buildings 5 %

- Furniture, equipment and fittings, telecommunication equipment and safety equipment 10 %

- Computer equipment 33 %

- Vehicles and automated and self service teller machines and ATMs 20 %

The Fiduciaria depreciates computer equipment over 5 years.

Count individual provisions on those assets whose net book value is higher than the market value established using valuation; and when the net value is less than the market value, such difference is accounted for as asset valuation.

l. Branches and agencies – charges and payments are included in these accounts, unrequited between the head office of the Bank and its branches, or between the latter, by concept of internal transactions.

The Bank records the operations transferred from its branches and agencies in the 1904 account and do not leave pending items corresponding to more than 30 days in the balance sheets of end of the year (see note 17).

m. Prepaid expenses and deferred charges - prepaid expenses include interests, leases, equipment maintenance and insurance premiums, which depreciate over the period that services are received or cause cost and expense.

Deferred charges record costs applicable against future periods that correspond to assets which are expected to yield economic benefits in various periods, and ordinarily correspond to deferred income tax contributions, memberships, bonuses for voluntary retirement, organizational expenses, remodeling of offices, computer software, improvements to leasehold property, and are amortized based on assumptions on benefit periods as explained later.

Until 31 December 2000, deferred charges were adjusted for inflation.

Amortization of computer software is up to 36 months. Office remodeling is amortized over a period of two years. Improvements to properties leased are amortized in a period less than the life of the respective contract (without taking into account overtime), provided it does not exceed 3 years, unless the lease period is shorter. Improvements to the properties where the in-house work is redeemed during the period of the term of the respective agreement shall not exceed three years. Organization and preoperative expenses are amortized in the shortest time between that estimated in the study and the duration of the specific project that originated them, by the straight line method.

Bonuses to staff in accordance with the programme of voluntary retirement or similar, are depreciated in accordance with the authorization of the Superintendencia.

The Bank in September 2006 recorded as goodwill the purchase of the Banco Comercial Granahorrar S.A., whose linear depreciation began in January 2006 for an initial period of ten (10) years, in accordance with the provisions of Chapter XVII of the CBCF.

October 9, 2006 the Superintendencia through the external circular outer 034, assisted in the following modifications to the above-mentioned chapter:

- The acquired goodwill is determined at the time in which the entity effectively gains control over that acquired, which must be distributed in each of the business lines and identified evenly at the accounting level.

- Sets a term to amortize goodwill up to twenty (20) years, according to a reasonable time for future benefits.

- The exponential depreciation method should be applied.

- The annual valuation at market prices of the generating units of cash or lines of business, by an expert duly authorized by the Superintendencia.

- Established as countercyclical: accelerate the depreciation when a possible future business line is expected associated with goodwill impairment.

- It is required immediately to recognize loss in the statement of income as amortization of goodwill (not deferrable) impairment. If the situation subsequently reverses, losses can not be reversed, and neither is it permitted to increase the balance of goodwill

- A transitional regime is established which allows institutions, from the date of entry into force of the circular, to present a balance in the account of goodwill, pay off exponentially in the period remaining in the new timescale, supported by a study that justifies and support its reasonable value.

The Superintendencia authorized on December 28, 2006 the firm INCORBANK S.A., to act as an expert in the terms established in the external circular 034 of 2006, however, following the guidelines of the 17TH chapter of the CBCF, where it is expressed clearly that the permanence of the person and/or valuation of goodwill in the monitored entity cannot exceed five years, to perfom this the Bank hired the services of the firm Valor en Finanzas Ltda. - Valfinanzas Banca de Inversion.

The business lines defined in the required study are: the mortgage portfolio, the credit card portfolio and the consumer portfolio.

The Bank was welcomed in the year 2006 to the transitional regime provided by the aforementioned circular.

Pursuant to the external circular 013 of April 15, 2008, the Bank reclassified the goodwill balance of charges as intangible assets.

n. Valuations of assets - the valuation of certain assets that increase the assets of the shareholders, are determined by the excess of commercial real estate (established by independent appraiser's appraisals) in the net value adjusted in the books.

On this understanding the Bank determines the realizable value of these assets at the end of the period in which they were acquired or formed, every three years, using appraisals carried out by legal persons of proven professional suitability, moral solvency, experience and independence.

This appraisal is prepared in a neutral manner and in writing, in accordance with the following rules:

- It presents the amount discriminated by units.
- It treats consistently, goods of the same class and features.
- It takes into account the criteria used by the Bank to register additions, improvements and reparations.
- It indicates the useful remaining life expected by assets in normal operating conditions.

In relation to the participatory titles of low or minimum liquidity, or when not listed on the stock exchange, shall be classified as investments available for sale (variable rent), register their initial recognition at cost of acquisition and economic variations of the issuers equity subsequent to the date of acquisition of the investment, the proportion of participation acquired with the same. It is up to the investor, they are counted as a surplus or deficit by appreciation or depreciation.

o. Passive labor - labor liabilities are posted monthly and conform to the end of each year based on the legal provisions and the existing labor agreements, settlement of payroll system calculates the value of the liability for each active employee.

p. Retirement pensions - the Bank establishes its pension liabilities based on the actuarial calculation that covers all staff, in accordance with the legal rules having right or expectation of retirement by the company, and which covers the benefits established in the existing pension system.

The Bank carried out its actuarial calculation at 31 December 2010, using tables of mortality of male and female annuitants, and updated by the Superintendencia through resolution number 1555 of 30 July 2010. Even when existing local rules state that the existing pension liabilities from the financial statements with the Court must amortize to 31 December 2010 until the year 2029 in linear form, without prejudice the amortization must finish before 2029. The Bank took the decision to take the total value of the reservation from the actuarial calculation immediately at the close of the financial year of 2010.

Currently Colpensiones (formerly Instituto de Seguros Sociales - "ISS") and other entities authorized by law (private AFP´ s since 1994), receive the contributions of the Bank, subsidiaries and their workers to the general pension system, so that such entities are responsible for covering the risks of invalidity, old age and death as defined by the system in favour of the workers. The liability for pensions for staff directly employed by the Bank essentially corresponds to staff hired in the 1960's or earlier, or who worked in certain regions of the country where the Bank had offices where there was no coverage of the risks of invalidity, old age and death on behalf of the ISS. The determination of the amount of the liability is made based on actuarial studies adjusted to the provisions and regulations in force in this respect. The total value of the booking, as losses or generated during the 2011 actuarial gains and deferred during the 2012 values were assumed by the Bank immediately and recorded against the income statement.

For the evaluation of the mathematical retirement reserve of retirement bonds and securities, methodologies and actuarial basis, adjusted to current standards for the preparation of actuarial calculations (2378 Decree of 2001 and Decree 2984 of 2009) were used.

To December 31, 2012 the actuarial study was prepared in accordance with the rules of Decree No. 2783 20 December 2001, from what is referred to as the tax portion.

q. Income – tax. Income tax expense is determined based on the taxable income or presumptive income, whichever is higher. The provision for income tax includes, amongst others, taxes resulting from temporary differences between that deductible for the purposes of taxes and expenses registered for purposes of the financial statements.

r. Imposed on equity and its surcharge - pursuant to the law governing the alternatives of accounting records and accounting principles generally accepted in Colombia, the Bank and the Fiducairia chose to cause all of the equity tax and the surcharge to be charged to a deferred asset, which is amortized against results annually for four years worth of dues payable in the respective period. The broker caused all of the equity and its surcharge tax with account of revaluation of the equity.

s. Unit of real value - UVR - unit of real value (UVR) is certified by the Central Bank and reflects purchasing power of the consumer (IPC) based on the variation of the index of prices to during the month immediately preceeding the calendar month of the beginning of the period of calculation.

The UVR is a unit of account used to calculate the cost of the housing loans which allows financial institutions to maintain the purchasing power of the money borrowed, and the methodology used to calculate the indicator was established by the Board of Directors of the Central Bank having strict compliance as ordered by the Constitutional Court in ruling C-955/2000.

The Bank carries out operations for obtaining deposits of savings, granting of short-term and long-term loans, and investments in real value (UVR) units, reduced to legal currency in accordance with the provisions of the law 546 of 23 December 1999, in which was created the legal framework for the financing of housing.

This law established the objectives and general criteria within which the Government should regulate the system, creating further instruments of savings earmarked for such financing; the funding system is expressed in units of Real value (UVR) and will reflect the purchasing power of the currency, linked to the index of prices to the consumer.

31 December 2012 and 2011 quote from the actual value (UVR) unit rate was $204, 2017 and $198, 4467, respectively.

t. Transactions and balances in foreign currency - conversion operations in foreign currency are converted to Colombian pesos with the rate of exchange certified by the Superintendencia for the last business day of the month.

In contrast, negative and positive difference accounting, takes the item of expenditure or revenue, respectively. The exchange rate used to adjust the balance, resulting in United States dollars, to the 31 December 2012 and 2011 was $1.768,23 and $1.942,70 for USD$ 1, respectively.

The difference in contrast generated by accounts payable and obligations in foreign currency required for the acquisition of property, plant and equipment are capitalized until the asset is in a condition for sale or use. All gains and losses are included instead in the results of the period.

u. Appropriate Equity - in accordance with the provisions in paragraph 1 of chapter XIII of the CBCF, appropriate equity of the Bank must be a minimum of 9% of the total of the level of risk-weighted assets.

v. Premium on placement - placement bonus is the additional value of the nominal value of the shares when charged to dispose of them and arises when actions are placed in the market for a price higher than the nominal value.

This originated in the contract of subscription of shares and corresponds to a legally valid option; however, while the shares obtained as a result of the contract concerned form part of the social capital, premium, as additional value to the nominal value of the share, is a equity item accrediting the legal reserve.

w. Recognition of revenues, costs and expenses, are results for the system of causation; however, from March 2002 onwards the Superintendencia requires that revenue not accounted for in the loan portfolio; the arrears are as indicated in the following table:

Credit	Arrears to
Commercial	3 months
Consumption	2 months
Housing	2 months
Micro-credits	1 month

When portfolio restructuring agreements or any other form of agreement contemplating the capitalization of interest, which is found recorded in accounts of order, or Written offbalances, including capital, interest and other concepts, are counted as deferred payment and their depreciation and recognition as income will be proportional to the effectively raised values, except in the credits guaranteed by the Government under the restructuring of law 617 of 2000.

Likewise, the interest generated by this type of restructuring will have the same treatment as described in the previous paragraph.

The costs originated when granting loans are carried to income accounts when incurred and revenues charged.

The broker and the Fiducia carried its revenues and expenditures to results by the system of causation.

x. Order and contingent accounts - in contingent accounts through which the Bank acquires a right or assumes an obligation, and operations whose emergence is conditioned to a fact that occurs or not, depending on future, possible or remote factors are recorded.

Contingencies by fines, penalties, lawsuits, and demands are analyzed by the legal department and its legal advisors any time that the estimation of these losses, necessarily involve an exercise in legal judgment.

With respect to the estimation of contingency of loss in lawsuits that are pending against the Bank, the Legal Department and their advisors evaluated, among other aspects, the merits of claims, the case in law of the courts in this regard and the current state of the processes.

If the contingency assessment indicates that it is likely that a material loss may occur and the amount of the liability can be estimated reliably, then it is recorded as a liability estimated in the financial statements and will affect the outcome; But if the evaluation indicates a potential loss is remote, then the nature of the contingency does not affect the real balance of accounts and is recorded in contingent accounts.

The Bank accounted for as contingentcy, letters of credit issued and not used, guarantees, loans approved and undisbursed, quotas of credit cards, proceedings against the Bank, security interests, the uncollected interest on loans expired, the tax loss carry forwards and other contingent liabilities.

With respect to balance these recorded transactions with third parties, which by their nature do not affect the financial position of the Bank, there are assets, values received and delivered in custody and warranty rights in contracts of term and derivatives, punished assets, other securities and portfolio by temporality. Also the amounts are in the accounts by inflation of the tax values of assets and equity, reciprocal adjustments for inflation accounting balances which applied until December 2000, properties and fully depreciated equipment, operations with subsidiaries, assets and values received in administration and the tax value of assets and equity.

y. Statements of cash flows - the statements of cash flows accompanying are presented using the indirect method, which includes the reconciliation of the Net Profit for the year and the net cash provided by operating activities.

z. Net Profit per share - is calculated by dividing Net Profit for the year by the weighted average number of shares subscribed and paid, ordinary and preferential, outstanding during each year.

aa. Accounts order trust - trust property for balances are recorded separately from the financial statements of the trust company, using the same policies and accounting practices applicable to this and form independent wealth in accordance with provisions of the code of Commerce and the Superintendencia. The assets of the trust business is not part of the real guarantee of the creditors of the trust company and only guarantees obligations in the fulfillment of the purpose referred to in each trust agreement.

In the broker accounts, under fiduciary accounts, are recorded all acts whereby a person delivers to the broker one or more goods, giving them a specific purpose, for the benefit of the customer, subscriber, the investor or depositor. In addition they must register the portfolios managed by the commission agent, property of third parties at their nominal value and funds from foreign capital, without prejudice to the independent accounting management for each fund or portfolio managed and the need to prepare financial statements separately by businesses that need it.

These accounts are not included in the consolidated balance sheet (see note 31).

4. Maturity of assets and/or liabilities dues

Loan portfolio - for the maturity of the loan portfolio the periodic amortization of principal and interest of each obligation must be taken into account, according to what has been agreed contractually with the client. The maturation process is performed in a single stage classifying the portfolio as commercial loans, consumer, housing and micro-credit and making its assessment separately for legal, foreign currency and total currency.

Investment - Maturing principal and interest from investments in fixed-income debt securities and maturity are classified in the time periods defined by the Superintendencia, taking into account the financial conditions of each title. The investment portfolio includes securities issued by the Government with maturity exceeding 12 months which correspond mainly to TEAS and TRD.

Deposits and requirements - the maturation of the deposits of savings and current accounts, is carried out in statistical form with a confidence level of 99%, determining volatile resources and stable resources. Time deposits mature in accordance with the conditions agreed upon with the client.

5. Transactions in foreign currency

Banks are authorized to freely negotiate and maintain foreign currency, Colombian legislation establishes that their own position is determined by the difference between the rights and obligations denominated in foreign currency, reported on and off the balance sheet, made or contingent, including those that are payable in Colombian legal currency. According to the external circular 033 of 2007, the arithmetic average of the three (3) business days of their own position cannot exceed twenty percent (20%) of equivalent technical equity in foreign currency, and the minimum amount that can be negative can not exceed five percent (5%) of the technical equity expressed in US dollars.

As of June 27, 1999 the Superintendencia established as cash position the difference between all the assets and liabilities denominated in foreign currency, excluding the derivatives and, as of August 27, 2003 investments to be held until maturity, available for sale in debt securities investments, investments available for sale, equity securities and contributions in foreign branches. The maximum limits, establishe that the arithmetic average of the three (3) working days may not exceed fifty percent (50%) of the technical equity of the intermediary and the minimum amount is zero (0), i.e., it may not be negative.

The position of gross leverage (PBA) is defined as the sum of rights and obligations in term and future contracts in foreign currency with compliance with between one and two banking days, and the exchange rate exposure associated with debtor and creditor contingencies acquired in the negotiation of options and derivatives on the exchange rate. The Central Bank no 3 external resolution of 2008, establishes that the PBA cannot exceed the five hundred and fifty percent (550%) of the amount of the technical equity to the calculation of the arithmetic mean of three (3) business days of the same. Additionally the external resolution No. 3 of the directive of the Board of the Central Bank and the external circular 024 of 2011, set the exchange rate futures and forward contracts compensated and liquidated in a Chamber of Central Counterparty risk acting on its own behalf and of third parties, will be included in the calculation of the gross leverage position weighted by 0%.

To determine the maximum amount or minimum daily position, own cash position and leverage in foreign currency, it must be based on the technical equity of the Bank reported in the financial statements to the SFC for the second calendar month, compared to the monthly control object converted at the exchange rate established by the Superintendencia at the end of the month immediately preceding.

To 31 December 2012 and 2011 the position equivalent to USD balances was:

Position	2012		2011	
	(USD)			
Own cash	USD$	450.259.457	USD$	66.043.850
Own		9.590.705		12.507.954
Gross leverage	USD$	5.639.653.323	USD$	5.283.351.534

These values are within the applicable legal limits established by the Superintendencia..

To December 31, the composition of assets and liabilities in foreign currency, equivalent to the United States dollars, were as follows:

Concept	2012		2011	
	(USD)			
Assets:				
• Cash, deposits in banks and interbank funds	USD$	198.599.035	USD$	126.340.156
• Investments		2.291.667		17.041.937
• Loan portfolio		664.554.824		679.555.187
• Net acceptances, cash and derivative instruments		2.795.016.108		2.931.876.878
• Accounts receivable		3.321.690		4.721.153
• Other assets		2.467.671		1.942.247
• Delta Options		(75.369.812)		28.972.898
Total assets in foreign currency	**USD$**	**3.590.881.183**	**USD$**	**3.790.450.457**
Liabilities:				
• Deposits	USD$	33.243.377		78.042.604
• Acceptances in circulation		3.218.144.450		2.988.857.649
• Financial obligations		400.649.753		676.444.501
• Accounts payable		2.135.693		3.639.235
• Other liabilities		2.487.017		1.985.615
• Delta Options		(75.369.812)		28.972.898
Total liabilities in foreign currency	**USD$**	**3.581.290.478**	**USD$**	**3.777.942.503**
Net assets (liabilities) in foreign currency	**USD$**	**9.590.705**	**USD$**	**12.507.954**

The trustee and the agent are not recorded within balances in foreign currency, so that the participation of the Bank in foreign currency as of December 31, 2012 and 2011 was 100%.

6. Available

To December 31, the balance of this account was factored thus:

Concept	2012		2011	
Legal currency in Colombian pesos:				
• Cash desk	$	1.140.883	$	757.157
• Deposits at the Central Bank		1.865.911		1.158.182
• Deposits in other banks		2.039		1.608
• Remittances in transit of negotiated cheques		2.630		1.936
Subtotal		**3.011.463**		**1.918.883**
Forign currency:				
• Cash desk		269		781
• Deposits at the Central Bank		385		423
• Foreign correspondents		345.669		244.213
• Remittances in transit of negotiated cheques from abroad		77		24
Subtotal		3.357.863		245.441
Less – provision		**(220)**		**(250)**
Total cash and bank deposits	**$**	**3.357.643**	**$**	**2.164.074**

To December 31, 2012 and 2011 there was a restriction on the use of cash and deposits at the Central Bank of $2.105.464 and $1.714.427, respectively. The restriction, which is determined in accordance with the reserve rules laid down by the directive of the Board of the Central Bank, is based on the percentage of the averages of the deposits held in the Bank by its customers.

At that same date there existed, 208 conciliatory items in local currency amounting to $53.964, and at December 31, 2011, 204 conciliatory items in local currency of $37.886. Items in legal currency correspond to positions and transactions with the Central Bank and its antiquity charges did not exceeded eight days.

In the broker account of 31 of December of 2012 and 2011 there were no conciliatory items over 30 days old, or restrictions.

The broker manages three (3) bank accounts such as:

Account	2012		2011	
BBVA-current account	$	4	$	31
BBVA-savings account		287		249
Central Bank-deposit paid account		1.287		970
Total accounts	**$**	**1.579**	**$**	**1.219**

Japanese Yen, Swedish krona and Chinese Yuan. 370 Conciliatory items were reported to December 31, 2012, for 2011 323 were reported, the conciliatory headings increase is because the correspondents banks banking operations on the 31 December of 2012, not a business day in Colombia.

To December 31, 2012 and 2011 there were items in foreign currency for more than 30 days, on which the Bank carried out an analysis and constituted the respective provisions as detailed below:

Foreign currency	Year 2012		Year 2011	
	Pending items	Value provision	Pending items	Value provision
Citibank New York	3	$ 67	9	$ 139
Wachovia Bank New York	1	12	4	29
BBVA Madrid	3	27	1	20
JP Morgan	-	-	2	6
Total foreign currency items	**7**	**$ 106**	**16**	**$ 194**

In the trust, to December 31, 2012 and 2011 there were conciliatory items for longer than 30 days in local currency by values of $6 and $2, respectively:

Local currency	2012	2011
Debit notes pending	$ 3	$ 2
Unnacounted debit notes	3	-
	$ 6	$ 2

Conciliatory items considered as risk for society, on which an analysis was made and was thus constituted, the respective provisions:

Fiduciaria	Year 2012		Year 2011	
	Heading No. Provisional	Value provision	Heading No. Provisional	Value provision
Collective Portfolios	22	$ 69	115	$ 49
Business trust	314	45	427	7
Total foreign currency items	**336**	**$ 114**	**542**	**$ 56**

Variation of provision in collective portfolios primarily due to increases in charges to executory contracts in summary for $16 and debit notes outstanding accounting for $18 in FAM collective portfolio, as well as the decrease in outstanding debit notes in accounting in the Group's collective portfolio and within 30 by $12 and $1, respectively.

The increase in number of items within business trust was mainly due to 305 debit notes pending account for commissions and VAT amounting to $2 in Telefónica Factoring Trust, while the increase in the provision due to 2 extracts of outstanding credit by $43 in the Encargo Fiduciario Municipio de Caucasia - IDEA.

The participation to 31 of December of 2012 in the Bank balance of the account was 99,38%, the trust's 0.57%, and 0.05% of the broker, while at December 31 2011 for the Bank 99,57% for the trust company 0.37% and 0.06% for the broker.

7. Net of money market and related operations

To December 31, the balance of this account was factored thus:

Description	Rate	2012	Rate	2011
Ordinary sold Deposits from Central Banks and credit institutions:				
• National banks	3,37%	$ 26.769	4,60%	$ 30.000
Total interbank		**26.769**		**30.000**
Commitments to transfer in simultaneous operations:				
• Banko de la Republica	4,04%	573.026	4,55%	383.317
• Commercial banks		-	4,55%	50.694
• Trust companies	4,82%	41.334		-
• Capitalization companies	4,34%	2.356		-
• Insurance and reinsurance companies	4,34%	6.114	5,90%	1.437
Total simultaneous operations		**622.830**		**435. 438**
Total active operations		**$ 649.599**		**$ 465.448**

92% of the existing simultaneous operations, were performed with the Central Bank, with a maturity between 2 and 4 days; 7% with trust companies within 2 days and the rest within 2 days. (Calendar days).

The participation to the 31 December 2012 of the Bank on the account balance was 100%; the trustee and the Commission agent were not recorded balances; Whilst at December 31 2011, the Bank's participation was 99, 69% and the broker 0.31%.

8. Net investments

To December 31, the balance of this account was factored thus:

Description	2012	2011
Negotiable:		
• Securities issued or guaranteed by the Government (1)	$ 2..320	$ 1..091
• Securities issued by financial institutions	395.302	480.341
• Securities issued by national public entities	31.636	74. 349
To be held until maturity:	**2.552.258**	**1.561.781**
To be held until maturity:		
• Securities issued or guaranteed by the Government	231.689	294.846
• Securities issued in securitization	9.911	36.021
• Securities issued by national public entities	421.065	359.534
Total expiration without provisions	662.665	690.401
• Less - Provision	(4.930)	(13.491)
Total investments to be held until maturity	**657.73 5**	**676.910**
Available for sale:		
• In equity securities	69.641	78.041
• Less - Provision	(20)	(20)
Total available equity securities for sale	**69.621**	**78.021**
Available debt securities for sale:		
• Securities issued or guaranteed by the Government	764.158	484.191
• Securities issued in securitization of mortgage portfolio	105.111	106.457
• Securities issued by financial institutions	4.213	6.851
• Less - Provision	(3.496)	-
Total sale debt securities	**869.986**	**597.499**
available for sale	**939.607**	**675.520**
Rights of transfer of negotiable securities or debt securities investments	7.162	404.347
Rights of transfer of investments available for sale securities or debt securities	-	130.858
Investments available for sale given as guarantees in operations with derivative financial instruments in securities or debt securities	54.821	102.879
Negotiable investments given as guarantees in operations with derivative financial instruments in securities or debt securities	-	10.175
Total investments	**$ 4.211.583**	**$ 3.562.470**

(1) The variation with respect to the securities issued or guaranteed by the Government between the period 2011 and 2012 is because these investments for the immediately preceding year were in warranty, therefore they were not in the Bank's investment portfolio.

Participation in the account balance of investments to the 31 of December 2012 was 98, 18%, 1.51% Trust Bank and the broker 0.31%; on December 31 it was 98, 73%, the Trust Bank 1.07% and the broker 0.20 per cent.

The maturity of investments in debt at 31 December was as follows:

Range	2012			2011		
	Negotiable	At maturity	Available for sale	Negotiable	At maturity	Available for sale
Less than 1 year	$ 1.141.241	$ 492.751	$ 231.908	$ 1.179.164	$ 424.701	$ 287.605
From 1 to 5 years	1.205.640	165.467	522.176	677.451	241.405	509.118
From 6 to 10 years	9.395	4.445	123.065	90.957	24.295	6.132
From 11 to 20 years	200.125	-	53.615	25.838	-	30.926
Total	**$ 2.556.401**	**$ 662.663**	**$ 930.764**	**$ 1.973.410**	**$ 690.401**	**$ 833.781**

Composition of the portfolio of securities by title to the end of the year 2012 (in millions of pesos)

Class of title	Negotiable		At maturity		Available for sale		Total General
	Amount	%	Amount	%	Amount	%	
Peace bonds	$ 110	0%	$ 4	0%	$ -	-	$ 114
Ordinary bonds	29.917	1%	-	-	4.213	0%	34.130
CDT'S	396.224	15%	11.940	2%	-	-	408.164
TIPS	-	-	9.911	1%	105.111	11%	115.022
TIPSTRD	-	-	225.697	34%	238	0%	225.935
Securities's TES Treasury	2.130.150	84%	5.987	1%	821.202	89%	2.957.339
TDAS	-	-	409.124	62%	-	-	409.124
Total General	**$ 2.556.401**	**100%**	**$ 662.663**	**100%**	**$ 930.764**	**100%**	**$ 4.149.828**

Composition of the portfolio of securities by title to the end of the year 2011 (in millions of pesos)

Class of title	Negotiable		At maturity		Available for sale		Total General
	Amount	%	Amount	%	Amount	%	
Peace bonds	$ 107	0%	$ 4	0%	$ -	-	$ 111
Ordinary bonds	43.993	2%	-	-	6.851	1%	50.844
CDT'S	476.960	24%	11.953	2%	-	-	488.913
TIPS	-	-	36.021	5%	106.457	13%	142.478
TIPSTRD	-	-	288.713	42%	432	0%	289.145
Securities's TES Treasury	1.419.392	72%	6.129	1%	720.042	86%	2.145.563
TDAS	32.943	2%	347.581	50%	-	-	380.524
Total General	**$ 1.973.395**	**100%**	**$ 690.401**	**100%**	**$ 833.782**	**100%**	**$ 3.497.578**

The provisions recorded in the balance sheet correspond to those made to the TIPS, securities of Titularizadora Colombiana; according to the guidelines established by the basic accounting circular 100 issued by the SFC, Chapter XVIII, paragraph 8.

Securities issued by the Titularizadora Colombiana TIPS, derived from the securitization of mortgage portfolio in pesos, issued with terms of 5, 10 and 15 years. During the year 2012 the Bank BBVA Colombia S.A. participated in securitization. In the month of August 2012 issuing TIPS N6 Pesos not Vis representative of mortgage portfolio originated by BBVA Colombia for a total of $213.130 M represented in 2,847 credits and Banco Davivienda S.A. $155.867 M. represented in 1,661 credits.

In the market there are currently nineteen (19) series, of which the Bank owns series E9, E10, E11, E12, and N6, which presented a balance as of December 31 2012 and 2011, of $105.111 and $106.457, respectively.

Series	Nominal VR.	Date of issuance	Expiration date	Term in years	2012	2011
TIPS E-9 to 2018	$ 61.420	17/12/08	17/05/12	4	$ -	$ 4.442
TIPS E-9 to 2023	25.950	17/12/08	17/04/14	5	18.621	26.059
TIPS E-9 B 2023	10.484	17/12/08	17/12/23	15	10.484	10.484
TIPS E-9 MZ 2023	699	17/12/08	17/12/23	15	699	699
Subtotal	**98.553**				**29. 804**	**41.684**
TIPS Pesos E-10 to 2019	28.046	12/03/09	12/03/19	10	-	-
TIPS Pesos E-10 to 2024	18.025	12/03/09	12/12/13	5	8.582	17.083
TIPS Pesos E-10 B 2024	5.529	12/03/09	12/03/24	15	5.529	5.529
TIPS Pesos E-10 MZ 2024	1.474	12/03/09	12/03/24	15	1.474	1.474
Subtotal	**53.074**				**15.585**	**24.086**
TIPS Pesos E-11 to 2019	19.436	13/05/09	13/05/19	10	-	-
TIPS Pesos E-11 to 2024	10.971	13/05/09	13/10/13	4	4.222	10.578
TIPS Pesos E-11 B 2024	3.649	13/05/09	13/05/24	15	3.649	3.649
TIPS Pesos E-11 MZ 2024	1.216	13/05/09	13/05/24	15	1.216	1.216
Subtotal	**35.272**				**9.087**	**15.443**
TIPS Pesos E-12 to 2019	34.327	26/08/09	26/04/12	3	-	2.467
TIPS Pesos E-12 to 2024	14.888	26/08/09	26/11/13	4	8.886	14.902
TIPS Pesos E-12 B 2024	5.906	26/08/09	26/08/24	15	5.906	5.906
TIPS Pesos E-12 MZ 2024	1.969	26/08/09	26/08/24	15	1.969	1.969
Subtotal	**57.090**				**16.761**	**25.244**
TIPS Pesos N-6 B 2027	26.641	23/08/12	23/08/27	15	26.703	-
TIPS Pesos N-6 MZ 2027	6.104	23/08/12	23/08/27	15	6.104	-
TIPS Pesos N-6 C 2027	1.066	23/08/12	23/08/27	15	1.066	-
Subtotal	**33.811**				**33.873**	**-**
Total	**$ 277.800**				**$ 105.111**	**$ 106.457**

On 31 December 2012 and 2011, there were no taxes on investments.

Available equity securities investments for sale - corresponding to variable income investments with low or minimum listing at December 31 were formed by:

Year 2012

Year 2012	Capital	Capital participation	Percentage of participation %
Actions with minimal or low liquidity:			
• Almacenes Gererales de Depósito S.A. "ALMAGRARIO"	$ 68.984	$ 24.404	35,38
• Fondo para el financiamiento del Sector Agropecuario "FINAGRO"	638.939	58.356	9,86
• DECEVAL S.A.	67.678	9.297	13,74
• A.C.H. Colombia S.A.	19.899	2.133	10,72
• Camara de Compensación de Divisas de Colombia	4.022	128	3,19
• Compañía Promotora de Inversiones del Café S.A.	19.021	20	0,13
• Redeban S.A.	68.435	7.057	10,31
• Camara de Riesgo Central de Divisas de Colombia S.A.	30.030	474	1,58
• Bolsa de Valores de Colombia S.A.	110.060	471	1,38
• Fogacol (Inversion Obligatoria)	10.421	322	-
Subtotal			
Minus - Provision for protection			
Total equity securities investments available for sale			

Year 2011

Year 2011	Capital	Capital participation	Percentage of participation %
Actions with minimal or low liquidity:			
• Almacenes Gererales de Depósito S.A. "ALMAGRARIO"	$ 64.412	$ 21.389	35,38
• Fondo para el financiamiento del Sector Agropecuario "FINAGRO"	585.203	53.179	9,09
• DECEVAL S.A.	65.391	9.487	14,51
• A.C.H. Colombia S.A.	19.287	2.067	10,72
• Camara de Compensación de Divisas de Colombia	3.122	100	3,19
• Compañía Promotora de Inversiones del Café S.A.	19.021	20	0,13
• Redeban S.A.	66.871	6.896	10,31
• Bolsa de Valores, Colombia S.A. (1)	113.060	471	1,38
• Fogacol (Inversion Obligatoria)	10.421	303	-
• Cámara de Riesgo Central de Contraparte de Colombia S.A.	29.387	454	1,62
• VISA Inc.	-	21.095	10,60
Subtotal			
Minus - Provision for protection			
Total equity securities investments available for sale			

Book value	Commercial value	Valuations and/ or Devaluations	Provision	Risk rating
$ 6.987	$ 24.404	$ 16.020	$ -	A
51.646	58.583	6.938	-	A
5.622	9.297	3.675	-	A
711	2.133	1.422	-	A
80	128	49	-	A
20	20	-	20	E
3.114	7.057	3.944	-	A
668	474	-194	-	A
471	1.521	-194	-	A
322	322	-	-	A
69.641	**$ 103.939**	**$ 31.660**	**$ 20**	
(20)				
$ 69.621				

There were neither coverage investments nor legal restriction on property.

During the year 2012, these companies also announced dividends:

BBVA Asset Management S.A. $14.892 (cash $6.821 and actions $8,070), BBVA Valores Colombia S.A. $1.384, FINAGRO $3,998 (in shares), Deceval S.A. $3.522, ACH Colombia S.A. $214 and Cámara de Compensación de Divisas $12.

With respect to investment in Almagrario, provision was held in the month of March 2012 worth $1,397 which was reversed in July 2012, according to the update of risk rating which switched to "A", by the risk Committee; pursuant to the provisions of chapter I of the CBCF.

In March 2012 were acquired 18.677.452 shares of the Cámara de Riesgo Central de la Contra Party worth $28.

In the month of February 2012 actions from the entity of Credibanco Visa Internacional, became alienated which generated a positive impact of the order of $19.305.

These investments were valued in accordance with the index of liquidity maintained on the valuation date, taking into account economic changes subsequent to the acquisition of the investment. For that effect, variations in the equity of the issuer were calculated based on the latest certified financial statements.

Investments owned by the broker that required assessment by credit risk were qualified in category AAA and A respectively. Within investments available for sale, low or minimum liquidity or any unlisted values measurement is based on the percentage of participation corresponding to the investor proprietary variations subsequent to the acquisition of the investment. The date is not a recorded provision according to the parameters given by the "CBFC".

Book value	Commercial value	Valuations and/ or Devaluations	Provision	Risk rating
$ 6.987	$ 21.389	$ 14.402	$ -	B
47.354	53.179	5.825	-	A
5.917	9.487	3.570	-	A
711	2.067	1.356	-	A
80	100	20	-	A
20	20	-	20	E
3.114	6.896	3.782	-	A
471	1.562	1.091	-	B
303	303	-	-	A
640	454	-186	-	A
12.444	21.095	8.651	-	A
78.041	**$ 116.552**	**$ 38.511**	**$ 20**	
(20)				
$ 78.021				

(1) 77% of this investment corresponds to tradable investments of $362.

There is no coverage, nor legal restriction on property investments.

During 2011, these companies announced dividends thus: FINAGRO $5.069 (shares and cash $459 $4.610), Deceval S.A. $3.105, ACH Colombia S.A. $557 and Redeban S.A. $413.

These investments were valued in accordance with the index of liquidity maintained on the valuation date, taking into account economic changes subsequent to the acquisition of the investment. For this effect, variations in the equity of the issuer were calculated based on the latest certified financial statements.

9. Portfolio of credits and financial leasing operations

The classification and grading by modality of portfolio to the 31 of December of 2012 was:

Loan portfolio

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Provision other	Warranty
Commercial:							
With a suitable guarantee:							
• Category "A"	$ 2.275.713	$ 35.382	$ -	$ 28.228	$ 560	$ -	$ 6.138.499
• Category "B"	84.964	2.338	-	6.601	221	-	283.735
• Category "C"	9.931	451	-	1.647	270	-	67.746
• Category "D"	36.202	448	-	35.275	437	-	74.623
• Category "E"	21.727	991	-	19.462	907	-	113.018
Subtotal	2.428.537	39.610	-	**91.213**	2.395	-	6.677.621
Other guarantees:							
• Category "A"	5.231.300	50.505	465	45.994	461	44	-
• Category "B"	115.082	933	101	4.787	594	19	-
• Category "C"	12.653	556	48	6.634	306	91	-
• Category "D"	8.206	528	25	5.429	732	52	-
• Category "E"	16.699	465	279	11.653	549	2.031	-
Subtotal	**5.383.940**	**52.987**	**918**	**74.497**	**2.642**	**2.237**	**-**
Total commercial	**7.812.477**	**92.597**	**918**	**165.710**	**5.037**	**2.237**	**6.677.621**
Consumption							
With a suitable guarantee:							
• Category "A"	476.223	3.499	-	4.020	78	-	850.880
• Category "B"	15.044	250	-	624	36	-	34.687
• Category "C"	9.689	136	-	1.012	86	-	23.336
• Category "D"	8.041	146	-	5.046	139	-	19.161
• Category "E"	8.142	214	-	7.218	207	-	24.958
Subtotal	**517.139**	**4.245**	**-**	**17.920**	**546**	**-**	**953.022**
Other guarantees:							
• Category "A"	6.373.874	65.509	714	118.108	1.703	28	-
• Category "B"	190.474	3.616	106	30.953	522	22	-
• Category "C"	104.103	2.088	89	18.198	1.276	93	-
• Category "D"	91.788	2.184	136	80.582	2.066	144	-
• Category "E"	51.914	1.186	225	43.225	1.141	276	-
Subtotal	**6.812.153**	**74.583**	**1.270**	**291.066**	**6.708**	**563**	**-**
Total consumption	**$ 7.329.292**	**$ 78.828**	**$ 1.270**	**$ 308.986**	**$ 7.254**	**$ 563**	**$ 953.022**

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Provision other	Warranty
Microcredit:							
With a suitable guarantee:							
• Category "A"	$ 36	$ 1	$ -	$ -	$ -	$ -	$ 729
• Category "B"	1	-	-	-	-	-	31
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	38	2	-	25	2	-	159
Subtotal	**75**	**3**	**-**	**25**	**2**	**-**	**919**
Other guarantees							
• Category "A"	8	-	-	-	-	-	-
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	13	1	-	1	-	-	-
Subtotal	**21**	**1**	**-**	**1**	**-**	**-**	**-**
Total micro-credit	**96**	**4**	**-**	**26**	**2**	**-**	**919**
Housing:							
With a suitable guarantee							
• Category "A"	4.656.157	32.665	2.461	50.189	2.485	290	12.416.986
• Category "B"	130.074	1.497	294	5.630	1.489	292	402.615
• Category "C"	39.293	647	264	4.061	649	264	113.970
• Category "D"	15.069	315	188	3.106	316	185	43.893
• Category "E"	45.005	1.151	957	21.904	1.233	981	142.009
Total housing	**4.885.598**	**36.275**	**4.164**	**84.890**	**6.172**	**2.012**	**13.119.473**
General provision	-	-	-	48.857	-	-	-
Countercyclical individual provision	-	-	-	167.021	2.128	-	-
Other	-	3.479	-	-	-	-	-
Total loan portfolio	**$ 20.027.463**	**$ 211.183**	**$ 6.352**	**$ 775.490**	**$ 20.593**	**$ 4.812**	**$ 20.751.035**

The classification and grading by modality of portfolio at December 31, 2011 was:

Loan portfolio

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Provision other	Warranty
Commercial:							
With a suitable guarantee:							
• Category "A"	$ 2.352.372	$ 37.444	$ -	$ 23.498	$ 473	$ -	$ 6.044.101
• Category "B"	78.013	1.527	-	7.196	120	-	415.914
• Category "C"	17.962	586	-	2.589	215	-	81.955
• Category "D"	40.745	405	-	40.967	397	-	71.261
• Category "E"	38.080	1.477	-	34.514	1.404	-	178.580
Subtotal	**2.527.172**	**41.439**	**-**	**108.764**	**2.609**	**-**	**6.791.811**
Other guarantees:							
• Category "A"	5.361.710	50.901	355	47.735	439	91	-
• Category "B"	111.159	652	64	7.298	1.781	20	-
• Category "C"	16.944	183	22	3.436	81	22	-
• Category "D"	7.349	340	25	5.043	977	32	-
• Category "E"	20.715	494	445	13.194	493	2.150	-
Subtotal	**5.517.877**	**52.570**	**911**	**76.706**	**3.771**	**2.315**	**-**
Total Commercial	**8.045.049**	**94.009**	**911**	**185.470**	**6.380**	**2.315**	**6.791.811**
Consumption:							
With a suitable guarantee:							
• Category "A"	383.131	2.739	-	3.897	58	-	796.943
• Category "B"	13.850	253	-	850	34	-	42.997
• Category "C"	9.674	151	-	1.775	89	-	30.088
• Category "D"	6.281	125	-	5.518	102	-	25.603
• Category "E"	4.177	85	-	3.370	91	-	19.011
Total housing	**417.113**	**3.353**	**-**	**15.410**	**374**	**-**	**914.642**
Other guarantees:							
• Category "A"	4.899.856	54.811	447	81.551	1.333	18	-
• Category "B"	160.988	3.033	79	54.211	436	12	-
• Category "C"	79.349	1.581	62	17.452	889	52	-
• Category "D"	71.556	1.593	83	66.338	4.385	103	-
• Category "E"	41.907	1.019	161	34.814	930	180	-
Subtotal	**5.253.656**	**62.037**	**832**	**254.366**	**7.973**	**365**	**-**
Total consumption	**$ 5.670.769**	**$ 65.390**	**$ 832**	**$ 269.776**	**$ 8.347**	**$ 365**	**$ 914.642**

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Provision other	Warranty
Microcredit:							
With a suitable guarantee:							
• Category "A"	$ 130	$ 4	$ -	$ 7	$ 2	$ -	$ 1.553
• Category "B"	4	-	-	-	-	-	103
• Category "C"	-	-	-	-	-	-	-
• Category "D"	4	-	-	-	-	-	75
• Category "E"	73	3	-	56	4	-	310
Subtotal	**211**	**7**	**-**	**63**	**6**	**-**	**2.041**
Other guarantees							
• Category "A"	13	1	-	-	-	-	-
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	19	-	1	1	-	1	-
Subtotal	**32**	**1**	**1**	**1**	**-**	**1**	**-**
Total micro-credit	**243**	**8**	**1**	**64**	**6**	**1**	**2.041**
Housing:							
With a suitable guarantee							
• Category "A"	4.077.983	26.659	1.781	45.484	2.131	219	10.798.224
• Category "B"	106.244	1.172	239	5.649	1.169	226	328.921
• Category "C"	32.882	449	234	3.545	452	228	101.338
• Category "D"	13.831	261	155	2.823	261	149	39.979
• Category "E"	51.829	1.237	995	27.760	1.235	1.018	151.648
Total housing	**4.282.769**	**29.778**	**3.404**	**85.261**	**5.248**	**1.840**	**11.420.110**
General provision	-	-	-	42.830	-	-	-
Countercyclical individual provision	-	-	-	136.919	1.761	-	-
Other	-	2.051	-	-	-	-	-
Total loan portfolio	**$ 17.998.830**	**$ 191.236**	**$ 5.148**	**$ 720.320**	**$ 21.742**	**$ 4.521**	**$ 19.128.604**

The movement of the account of the provisions of the loan portfolio during the year ending December 31 was as follows:

Year 2012

Description	Commercial	Consumption	Housing	Microcredit	Total
Balance at the beginning of the year	$ 227.440	$ 364.724	$ 128.091	$ 65	$ 720.320
Provision charged to expenses in the year	204.297	405.031	49.023	7	658.358
Less - recovery provisions (see note 32)	(171.621)	(171.348)	(32.582)	(16)	(375.567)
Uncollectable loans	(58.485)	(148.662)	(9.640)	(29)	(216.816)
Pardoned	(660)	(1.258)	(7.771)	-	(9.689)
Other movements	9.504	(17.245)	6.629	(4)	(1.116)
Balance at the end of the year	**$ 210.475**	**$ 431.242**	**$ 133.750**	**$ 23**	**$ 775.490**

Year 2011

Description	Commercial	Consumption	Housing	Microcredit	Total
Balance at the beginning of the year	$ 213.248	$ 317.640	$ 108.795	$ 62	$ 639.745
Provision charged to expenses in the year	179.950	299.981	55.769	58	535.758
Less - recovery provisions (see note 32)	(136.410)	(119.885)	(25.722)	(10)	(282.027)
Uncollectable loans	(28.926)	(130.633)	(13.379)	(47)	(172.985)
Other movements	(422)	(2.379)	2.628	2	(171)
Balance at the end of the year	**$ 227.440**	**$ 364.724**	**$ 128.091**	**$ 65**	**$ 720.320**

During the years ended December 31 2012 and 2011 recovered portfolio previously punished by $88.928 and $127.795, respectively. Such recoveries were recorded as “other than interest income” in the statements of income (see note 32).

The Bank during the year 2012 carried out portfolio sales operations with a value of $506.775, 24, represented in 36.472 obligations, where 98, 44% of that asset was punished.

With two awards Pasiónx3, BBVA Colombia leaves on high the name of our country, in this second edition of the awards given by the Group to professionals who better develop the plan BBVAx3.

The composition of the portfolio alienated by modality of portfolio was represented as 12.01% mortgage, 38, 93% consumption and 49, 06% commercial; these operations were conducted in the months listed in the following table:

Month	State	N° contracts	Total debt (*)	Total Provision	Price
January 2012	Balance	5	$ 29	$ 1	$ 10
	Punishment	1.743	75.996	-	12.567
February 2012	Balance	2	346	40	316
March 2012	Punishment	6	634	-	162
May 2012	Balance	367	1.583	1.549	190
	Punishment	19.602	169.587	-	15.846
June 2012	Balance	1	68	4	54
	Punishment	4	512	-	106
July 2012	Punishment	4	213	10	172
August 2012	Balance	2	160	34	115
	Punishment	7	131	-	58
September 2012	Punishment	8	851	-	278
October 2012	Balance	95	1.029	666	239
	Punishment	1.638	21.712	-	2.533
November 2012	Balance	*2.491*	*4.343*	*3.462*	*804*
	Punishment	*2.805*	*13.374*	-	*2.258*
December 2012	Balance	*39*	*371*	*168*	*10*
	Punishment	*7.653*	*215.836*	-	*3.592*
Total sales 2012 (*)	**Active**	**3.002**	**$ 7.929**	**$ 5.934**	**$ 1.738**
	Punishment	**33.470**	**$ 498.846**	**$ -**	**$ 37.572**

(*)Amount includes balances by all concepts, capital, interest and accounts receivable

Bulk portfolio sales operations were conducted with the companies Fondos de Capital Privado Alianza Konfigura Activos Alternativos I y II Covinoc and New Credit S.A.S., sales of litigation rights to natural and legal persons. These operations generated a loss on the portfolio sale of $5.763 and income from the sale of the Written off of $34.390.

The Bank during the period 2011 carried out portfolio operations of sale with a value of $547.645, represented in 28.725 obligations, where the 98.90% of that asset was punished. Massive portfolio sales operations were conducted with the companies Fondos de Capital Privado Alianza Konfigura Activos Alternativos I y II y Patrimonio Fiduciaria Colpatria RF Soluciones, sales of litigation rights to natural and legal persons. These operations generated a net loss on portfolio sale worth $4.463 and income from sale of portfolio punished amounting to $42.146.

For 2011, the composition of the portfolio alienated by modality of portfolio was represented by 20.77% mortgage. 6.77% commercial and 72.46% consumption; these operations were conducted in the months listed in the following table:

Month	State	N° contracts	Total debt (*)	Total Provision	Price
January 2011	Balance	1	$ 24	$ 5	$ 19
February 2011	Punishment	1	390	-	62
March 2011	Balance	4	103	23	93
	Punishment	3	86	-	20
April 2011	Balance	5	61	28	49
	Punishment	1	42	-	42
May 2011	Balance	13	113	58	21
	Punishment	17.466	230.200	-	15.999
June 2011	Punishment	1.569	114.187	-	14.878
July 2011	Balance	1	78	29	64
	Punishment	5	600	-	107
August 2011	Punishment	1	78	-	22
September 2011	Punishment	2	186	-	182
October 2011	Balance	670	5.505	4.610	537
	Punishment	8.974	195.574	-	11.680
November 2011	Balance	4	137	76	140
	Punishment	2	62	-	47
December 2011	Punishment	3	219	-	150
Total sales 2011 (*)	Active	698	$ 6.021	$ 4.829	$ 923
	Punishment	28.027	$ 541.624	$ -	$ 43.189

(*)Amount includes balances by all concepts, capital, interest and accounts receivable


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To December 31, the next era of the portfolio classification of credits and provisions by geographical area:

Year 2012

Area	Capital	Interest	Other	Capital provision	Provision interest	Provision other
Barranquilla	$ 3.336.937	$ 43.404	$ 1.163	$ 140.493	$ 4.118	$ 598
Bogotá	6.993.204	67.980	1.962	260.672	6.887	2.571
Cali	2.228.268	20.755	984	99.113	2.860	634
Cundiboyacá	736.951	7.243	311	28.231	993	161
Eje Cafetero	928.490	11.535	314	30.334	958	152
Huila	521.354	4.926	164	17.533	518	70
Llanos Orientales	797.894	9.336	312	28.806	894	139
Medellín	2.837.302	29.299	651	73.088	1.977	290
Santander	1.209.592	12.191	323	33.327	916	123
Tolima	437.471	4.514	168	15.036	472	74
Provisión general	-	-	-	48.857	-	-
Total	**$ 20.027.463**	**$ 211.183**	**$ 6.352**	**$ 775.490**	**$ 20.593**	**$ 4.812**

Year 2011

Area	Capital	Interest	Other	Capital provision	Provision interest	Provision other
Barranquilla	$ 2.462.240	$ 34.856	$ 1.090	$ 129.470	$ 3.429	$ 598
Bogotá	6.792.592	65.825	1.533	231.256	10.021	2.556
Cali	2.062.904	19.529	788	98.758	2.407	560
Cundiboyacá	612.860	6.162	231	24.747	795	121
Eje Cafetero	825.975	9.723	269	31.077	834	144
Huila	401.898	3.935	128	16.698	445	65
Llanos Orientales	632.286	7.545	212	23.010	669	87
Medellín	2.847.051	29.589	531	81.076	2.065	241
Santander	1.000.497	10.379	222	28.543	688	83
Tolima	360.527	3.693	144	12.855	389	66
Provisión general	-	-	-	42.830	-	-
Total	**$ 17.998.830**	**$ 191.236**	**$ 5.148**	**$ 720.320**	**$ 21.742**	**$ 4.521**

The credit portfolio of the Bank at 31 December was distributed to debtors engaged in economic activities thus:

Activity	2012	2011
Activities of Association - education – health	$ 816.619	$ 744.753
Recreational - cultural activities	79.420	58.081
Real estate - business - for rent	373.327	329.541
Holding public administration and defence	120.912	141.032
Water catchment - debugging – distribution	904.594	882.244
Wholesale trade - Commission – recruitment	1.155.693	1.122.698
Retail trade - non-specialised stores	1.062.394	1.173.004
Construction - packaging – finished	295.215	317.568
Mail and telecommunication	371.913	371.784
Processing food products and beverages	751.813	859.814
Non-metallic minerals exploitation	19.499	15.285
Oil and gas extraction - natural gas	18.469	8.185
Coal extraction	13.512	3.361
Metallic mineral extraction	338.564	355.889
Non-metallic mineral manufacturing	40.704	45.725
Factory paper - carton and its products	222.077	271.810
Manufacturing - refining - petroleum – chemicals	132.422	209.102
Manufacturing other manufacturing industries	42.987	42.115
Metal products manufacturing – machinery	201.186	181.921
Manufacturing textile products	80.959	65.792
Financing insurance plans	23.452	20.965
Generation - manufacture electricity - gas – water	844.763	998.888
Hotels and restaurants	153.670	113.622
Industry - manufacturing – metals	231.758	96.590
Financial intermediaries	351.753	195.393
Organizations and other classifications	8.298.591	6.713.085
Other community service activities	1.662.811	1.180.639
Fishing fish hatchery production – farming	12.966	10.908
Agricultural and livestock production	674.369	625.415
Sanitation services and similar	17.560	28.557
Forestry, mining timbers and services	4.306	3.387
Wood processing - factory – basketry	11.560	9.237
Transport	697.625	802.440
Total	**$ 20.027.463**	**$ 17.998.830**

Next are the detailed values of restructured loans of the companies with which informal agreements were reached, and with pending bankruptcy processes; 9,874 and 10.265 operations to December 31 2012 and 2011, respectively by type of portfolio:

Year 2012

Restructured	Capital	Interest	Others	Provision capital	Provision interest	Provision other	Warranty
Commercial:							
• Category "A"	$ 51.098	$ 926	$ 23	$ 984	$ 30	$ 1	$ 197.980
• Category "B"	91.013	1.502	61	7.298	185	6	62.909
• Category "C"	15.487	427	32	8.689	291	27	38.078
• Category "D"	37.898	528	16	36.257	517	15	69.716
• Category "E"	19.751	370	100	15.974	341	96	49.067
Total Commercial	**215.247**	**3.753**	**232**	**69.202**	**1.364**	**145**	**417.750**
Consumption:							
• Category "A"	27.526	320	12	4.329	104	4	35.071
• Category "B"	26.181	332	13	5.638	94	4	12.466
• Category "C"	13.923	178	9	4.640	99	6	5.975
• Category "D"	14.017	210	13	11.910	202	12	8.257
• Category "E"	18.015	325	60	13.803	317	60	15.319
Total Consumption:	**99.662**	**1.365**	**107**	**40.320**	**816**	**86**	**77.088**
Housing:							
• Category "A"	11.525	99	9	216	38	5	58.872
• Category "B"	19.857	226	28	950	226	28	65.716
• Category "C"	7.992	131	27	771	131	27	24.091
• Category "D"	2.825	36	8	625	36	8	9.337
• Category "E"	6.747	92	42	2.102	93	42	19.436
Total housing	**48.946**	**584**	**114**	**4.664**	**524**	**110**	**177.452**
Total restructured portfolio	**$ 363.855**	**$ 5.702**	**$ 452**	**$ 114.186**	**$ 2.704**	**$ 341**	**$ 672.290**

Year 2011

Restructured	Capital	Interest	Others	Provision capital	Provision interest	Provision other	Warranty
Commercial:							
• Category "A"	$ 59.942	$ 1.009	$ 14	$ 767	$ 29	$ 1	$ 270.261
• Category "B"	80.186	709	10	6.761	62	1	93.591
• Category "C"	13.998	299	7	3.356	68	2	36.228
• Category "D"	43.137	373	8	41.683	365	8	64.997
• Category "E"	25.568	465	79	20.542	431	79	51.797
Total Commercial	**222.831**	**2.855**	**118**	**73.109**	**955**	**91**	**516.874**
Consumption:							
• Category "A"	37.074	442	13	8.905	149	4	39.030
• Category "B"	30.449	404	11	5.984	111	4	12.733
• Category "C"	14.098	227	11	4.139	131	7	11.387
• Category "D"	18.888	310	23	14.213	280	22	14.504
• Category "E"	10.765	182	34	7.674	167	33	12.380
Total Consumption:	**111.274**	**1.565**	**92**	**40.915**	**838**	**70**	**90.034**
Housing:							
• Category "A"	10.114	88	7	235	33	4	47.730
• Category "B"	10.573	101	13	514	101	13	40.087
• Category "C"	3.850	40	8	366	40	8	12.295
• Category "D"	2.540	27	5	500	27	5	6.572
• Category "E"	4.307	49	30	2.196	49	30	8.777
Total housing	**31.384**	**305**	**63**	**3.811**	**250**	**60**	**115.461**
Total restructured portfolio	**$ 365.489**	**$ 4.725**	**$ 273**	**$ 117.835**	**$ 2.043**	**$ 221**	**$ 722.369**

Year 2012

	Capital	Interest and other receivables	Provision	Warranty
By type of restructuring				
• Superintendencia Circular 039	$ 74	$ -	$ 6	$ 17
• Law 550	851	1	852	835
• Law 617	48.161	606	21.289	64.160
• Other restructuring	291.341	4.676	92.005	425.706
• Rainy Season	23.428	871	3.079	181.572
Total	**$363.855**	**$6.154**	**$117.231**	**$672.290**
By qualification				
• A	$90.149	$1.388	$5.710	$291.922
• B	137.052	2.161	14.430	141.092
• C	37.402	803	14.679	68.145
• D	54.739	810	49.581	87.310
• E	44.513	992	32.831	83.821
Total	**$ 363.855**	**$6.154**	**$ 117.231**	**$ 672.290**

Year 2011

	Capital	Interest and other receivables	Provision	Warranty
By type of restructuring				
• Superintendencia Circular 039	$ 201	$ 2	$ 73	$ 61
• Law 550	835	-	835	835
• Law 617	58.172	654	25.506	64.256
• Other restructuring	280.098	3.546	91.527	392.752
• Rainy Season	26.183	796	2.158	264.465
Total	**$ 365.489**	**$ 4.998**	**$ 120.099**	**$ 722.369**
By qualification				
• A	$ 107.131	$ 1.572	$ 10.125	$ 357.020
• B	121.209	1.248	13.551	146.412
• C	31.945	592	8.118	59.910
• D	64.565	747	57.103	86.072
• E	40.639	839	31.202	72.955
Total	**$ 365.489**	**$ 4.998**	**$ 120.099**	**$ 722.369**

Francisco González believes that speeding up the availability of credit to the economy is a priority. *"The collapse of savings banks and the euro problem dynamics have destroyed credit circuits. Many companies and families have been left without a financial provider"*

Next was the detail by economic sector, of the values of the restructured loans of the companies within which informal agreements were reached, in which were pending 9,874 and 10.265 bankruptcy processes to December 31, 2012 and 2011, respectively by type of portfolio:

Concept	Year 2012			Year 2011		
	Capital	Interest and other receivables	Provision	Capital	Interest and other receivables	Provision
By economic sector:						
• Education - health activities	$ 12.002	$ 199	$ 3.430	$ 12.429	$ 188	$ 3.330
• Cultural activities	3.216	72	401	746	8	198
• Real estate activities	7.949	208	1.703	6.047	180	1.542
• Public administration and defence	71.738	721	37.547	67	3	24
• Catchment - purification - water distribution	67	4	24	20.835	263	11.192
• Wholesale trade	22.266	349	10.810	16.982	327	5.856
• Retail trade	21.193	384	5.909	13.818	341	2.958
• Building - finished	16.228	910	2.745	303	4	112
• Mail and telecommunications	453	14	169	4.291	98	3.834
• Foodstuff processing	3.745	213	3.621	84.605	773	43.246
• Non-metallic minerals exploitation	28	1	24	17	-	5
• Extraction of petroleum and natural gas	6.882	225	6.906	-	-	-
• Coal extraction	103	1	27	4.550	69	672
• From mineral metaliferous excavation	26	-	3	1.911	8	1.894
• Paper, cardboard and factory products	326	11	147	1.251	14	472
• Textile product Factory	951	15	254	30	-	21
• Other manufacturing industries	646	10	180	458	7	165
• Insurance plans	489	8	163	2.209	29	542
• Metal products factories	2.300	160	375	952	32	248
• Manufacturing-petroleum refining	1.150	24	481	514	6	122
• Manufacture electricity - gas	138	3	77	59	1	27
• Hotels and restaurants	2.021	39	561	1.623	34	493
• Industry - manufacturing - metals recycling	408	1	294	485	2	338
• Financial intermediaries	473	5	115	644	6	217
• Organizations and others	80.402	1.114	25.080	76.352	1.044	24.329
• Other community service activities	17.514	229	4.312	16.410	210	4.189
• Fishing, production fish, hatchery - farming	194	12	70	239	11	92
• Agricultural and livestock production	26.648	875	4.533	30.551	961	5.555
• Sanition services and similar	202	7	132	112	1	12
• Forestry - wood extraction and services	29	-	20	33	-	22
• Wood processing factories	180	7	111	230	7	141
• Transport and communication	63.888	333	7.007	66.736	371	8.251
Total	$ 363.855	$ 6.154	$ 117.231	$ 365.489	$ 4.998	$ 120.099

Concept	Year 2012			Year 2011		
	Capital	Interest and other receivables	Provision	Capital	Interest and other receivables	Provision
By geographical area:						
• Barranquilla	$ 61.371	$ 1.007	$ 22.011	$ 88.897	$ 1.492	$ 36.008
• Bogotá	159.890	3.375	61.560	97.645	1.331	37.910
• Cali	90.881	711	19.692	108.265	779	26.240
• Cundiboyacá	7.227	168	2.023	10.591	223	2.840
• Eje Cafetero	8.248	168	2.538	15.338	252	5.185
• Huila	2.199	55	748	7.058	181	1.765
• Llanos Orientales	2.160	61	806	3.406	51	959
• Medellín	20.294	402	4.698	21.344	430	5.399
• Santander	4.854	94	1.340	6.468	153	1.924
• Tolima	6.731	113	1.815	6.477	106	1.869
Total	**$ 363.855**	**$ 6.154**	**$ 117.231**	**$ 365.489**	**$ 4.998**	**$ 120.099**

10. Financial leasing operations

The classification and grading of the financial leasing modality to the 31 of December of 2012 was:

Financial leasing operations

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Warranty
Commercial:						
With a suitable guarantee:						
• Category "A"	$ 880.322	$ 5.796	$ 472	$ 9.911	$ 88	$ 6.386
• Category "B"	45.158	571	93	1.671	32	200
• Category "C"	5.823	341	69	2.668	98	190
• Category "D"	1.517	51	21	701	45	-
• Category "E"	3.911	156	184	2.405	154	88
Total commercial	**936.731**	**6.915**	**839**	**17.356**	**417**	**6.864**
Consumption:						
With a suitable guarantee:						
• Category "A"	1.900	13	-	34	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Total consumption:	**1.900**	**13**	**-**	**34**	**-**	**-**
Residential:						
With a suitable guarantee:						
• Category "A"	187.848	1.127	-	1.284	-	1.766
• Category "B"	10.187	103	-	248	-	-
• Category "C"	849	4	-	83	-	-
• Category "D"	96	1	-	33	-	-
• Category "E"	166	2	-	58	-	-
Subtotal	**199.146**	**1.237**	**-**	**1.706**	**-**	**1766**
With a suitable guarantee:						
• Category "A"	407	-	-	-	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Subtotal	**416**	**-**	**-**	**-**	**-**	**-**
Total Residential:	**199.553**	**1.237**	**-**	**1.706**	**-**	**1766**
• Countercyclical individual provision	-	-	-	9.754	3	-
• Other	-	2.936	-	-	-	-
Total financial leasing	**$ 1.138.184**	**$ 11.101**	**$ 839**	**$ 28.850**	**$ 420**	**$ 8.630**

The classification and grading of the financial leasing modality to the 31 of December of 2011 was:

Financial leasing operations

Portfolio	Capital	Interests	Others	Provision capital	Provision interest	Warranty
Commercial:						
With a suitable guarantee:						
• Category "A"	$ 627.896	$ 3.841	$ 650	$ 6.870	$ 58	$ 5.190
• Category "B"	36.693	367	22	1.908	25	1.523
• Category "C"	7.867	86	9	1.044	29	100
• Category "D"	401	21	4	199	21	-
• Category "E"	3.111	154	83	2.240	147	-
Total commercial	**675.968**	**4.469**	**768**	**12.261**	**280**	**6.813**
Consumption:						
With a suitable guarantee:						
• Category "A"	406	3	-	6	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Total consumption:	**406**	**3**	**-**	**6**	**-**	**-**
Residential:						
With a suitable guarantee:						
• Category "A"	71.409	393	-	514	-	397
• Category "B"	1.422	15	-	9	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Subtotal	**72.831**	**408**	**-**	**523**	**-**	**397**
With a suitable guarantee:						
• Category "A"	416	-	-	-	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Subtotal	**416**	**-**	**-**	**-**	**-**	**-**
Total Residential:	**73.247**	**408**	**-**	**-**	**-**	**-**
• Countercyclical individual provision	-	-	-	6.597	2	-
• Other	-	1.818	-	-	-	-
Total financial leasing	**$ 749.621**	**$ 6.698**	**$ 768**	**$ 19.387**	**$ 282**	**$ 7.210**

The movement of the account of the provisions of financial leasing for the year ended December 31 was as follows:

Year 2012	Commercial	Consumption	Housing	Total
Balance at the beginning of the year	$ 18.201	$ 365	$ 821	$ 19.387
Provision charged to expenses in the year	17.796	56	1.535	19.387
Less - recovery provisions (see note 32)	(8.946)	(7)	(252)	(9.205)
Punishments	(1.594)	-	-	(1.594)
Other movements	137	308	430	875
Balance at the end of the year	**$ 25.594**	**$ 722**	**$ 2.534**	**$ 28.850**

Year 2011	Commercial	Consumption	Housing	Total
Balance at the beginning of the year	$ 11.953	$ 173	$ 11	$ 12.137
Provision charged to expenses in the year	12.629	5	757	13.392
Less - recovery provisions (see note 32)	(6.498)	(12)	(41)	(6.551)
Other movements	117	199	93	409
Balance at the end of the year	**$ 18.201**	**$ 365**	**$ 821**	**$ 19.387**

The following were the classification of financial leasing and provisions by geographical area to 31 December:

Year 2012	Capital	Interests	Other	Capital provision	Provision interest
Barranquilla	$ 112.936	$ 2.384	$ 75	$ 3.565	$ 78
Bogotá	419.887	3.304	248	7.450	16
Cali	245.691	2.256	177	7.440	95
Cundiboyacá	23.823	161	23	667	11
Eje Cafetero	49.010	360	19	1.562	31
Huila	26.898	179	7	550	13
Llanos Orientales	36.368	495	109	1.222	34
Medellín	108.562	885	115	2.877	72
Santander	95.566	785	52	2.873	61
Tolima	19.643	192	14	644	9
Total	**$ 1.138.184**	**$ 11.101**	**$ 839**	**$ 28.850**	**$ 420**

Year 2011	Capital	Interests	Other	Capital provision	Provision interest
Barranquilla	$ 72.755	$ 705	$ 268	$ 2.546	$ 47
Bogotá	299.265	2.495	107	6.184	42
Cali	139.968	1.135	175	3.784	47
Cundiboyacá	18.300	215	8	441	13
Eje Cafetero	30.968	280	16	865	9
Huila	20.652	190	9	377	4
Llanos Orientales	26.176	427	45	1.257	56
Medellín	70.787	601	102	1.778	22
Santander	56.974	500	20	1.768	37
Tolima	13.776	150	18	387	5
Total	**$ 749.621**	**$ 6.698**	**$ 768**	**$ 19.387**	**$ 282**

The financial leasing of the Bank at 31 December was distributed to debtors engaged in economic activities thus:

Activity	2012	2011
Activities of Association - education – health	$ 112.478	$ 81.399
Recreational - cultural activities	19.986	18.318
Real estate - business - for rent	88.643	57.916
Holding public administration and defence	557	768
Water catchment - debugging – distribution	116.925	92.315
Wholesale trade - Commission – recruitment	109.667	69.127
Retail trade - non-specialised stores	119.074	92.663
Construction - packaging – finished	4.901	4.632
Mail and telecommunication	30.665	20.394
Processing food products and beverages	5.232	11.307
Non-metallic mineral exploitation	14.477	5.636
Oil and gas extraction - natural gas	1.375	622
Coal extraction	1.565	1.843
Metallic mineral extraction	35.357	11.111
Non-metallic mineral manufacturing	4.528	4.048
Factory paper - carton and its products	31.398	27.310
Manufacturing - refining - petroleum – chemicals	3.622	2.928
Manufacturing other manufacturing industries	11.217	5.646
Metal products manufacturing – machinery	16.741	13.458
Manufacturing textile products	6.878	4.685
Financing insurance plans	3.362	1.697
Generation - manufacture electricity - gas – water	2.085	2.046
Hotels and restaurants	14.944	10.457
Industry - manufacturing – metals	1.737	2.185
Financial intermediaries	32.992	28.052
Organizations and other classifications	146.103	54.664
Other community service activities	37.332	23.543
Fishing fish hatchery production – farm	1.127	400
Agricultural and livestock production	62.186	38.949
Sanitation services sanitation and similar	4.100	2.101
Forestry, mining timber and services	315	56
Wood processing - factory – basketry	1.092	889
Transport	95.523	58.456
Total	**$ 1.138.184**	**$ 749.621**

11. Securities and repurchase securitized portfolio

During the period January to December 2012 the following portfolio operations were:

Cancellation E3: On the nineteenth (19) July 2012 the grounds for early settlement of universality tips provided for in the regulation of issue, considering that on such date the result of adding the total capital balance of the credits NoVIS plus the total capital balance of VIS credits, was less than or equal to 3% of the sum of the balance of total capital of appropriations not VIS and VIS to the date of issuance.

So the items stated in this regulation pursuant to the grounds for early settlement of the issue of TIPS was formalized from the nineteenth (19) of 2012, by means of the communication sent to the trust of West S.A as a Legal representative of the holders of TIPS issuance both to the International Finance Corporation (IFC) as a supplier of the mechanism of partial coverage applicable to titles No. VIS E-3 IFC Class to cast from the universality no VIS E-3, reporting the occurrence of the cause of early settlement. Also the fact was reported that the guarantee fund of Instituciones Financieras (FOGAFIN), given their status as guarantor of the VIS E-3 class A securities, issued from the universality VIS E-3.

The date of formalisation of the causal of liquidation of the issuing of TIPS, the underlying assets of the universalities were formed not by VIS mortgages and mortgage loans VIS but by book value of $21.082 and goods received in payment for the book value of $61 originated by the Bank BBVA Colombia.

Production portfolio securitization: during the year 2012 the Bank BBVA Colombia S.A. participated in securitization.

In the month of August 2012, TIPS N6 Pesos not VIS representative of mortgage portfolio originated by BBVA Colombia S.A. was issued for a total amount of $213.130 represented as

2.847credits and Davivienda S.A. $155.867 represented as 1,661 credits.

August 23 was the issue of TIPS N6 Pesos No VIS, for a total amount of $381.882, distributed in the following classes and amounts:

Series A2022 amount $322.872, series B2027 amount $46.125, series MZ amount $11.040 and series C amount $1,845.

The first batch: total TIPS purchased by the market (87.5%) corresponding to the A2022 series for an amount of $322.872, of this first batch TIPS sold according to percentage of participation of the BBVA portfolio were, series A2022 amount $186.489.

The second batch: TIPS purchased by originators (12.5%) of its portfolio excess VPN distributed thus (MZ-C) cash flow: amount

The main catalyst for economic recovery will be household consumption, which will take greater revenues from the reduction of interest rates. Indicators of confidence of consumers and traders confirmed the expectation of more dynamic consumption in these two years

B2027 $46.125, MZ 2027 amount $11.040 and C2027 amount $1,845.

This second batch: TIPS by BBVA purchased according to the percentage of participation of portfolio (12.5%) excess VPN distributed cash flow: TIPS B2027 amount $26.641, Tips MZ 2027 amount $6.104 and C2027 amount $1.066, for a total of $33.811.

The TIPS issued class B, MZ, and C, are rated A+, BBB- and BB+, respectively.

Repurchases of portfolio: were rebuys 508 credit Titularizadora Colombiana S.A. of the emissions TIPS E3-VIS, E3 TIPS - not VIS, TIPS E4 - VIS, TIPS E4 - not VIS, TIPS E5 - E5 TIPS, VIS - not VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS, for a value of $15.520 million, which include 313 credits for liquidation and early emission of E3 $3705 million thus:

Concept	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Number of credits	34	9	11	15	15	8	322	11	22	18	22	21	508
Value of active capital	$1.851	472	438	760	782	609	2.982	494	1.445	1.433	1.321	1.685	$14.272
Value of share buy back	$1.876	476	439	924	790	613	3.986	499	1.454	1.439	1.332	1.692	$15.520

During the period January to December 2011 the following portfolio operations were carried out:

Purchase of Titularizadora Colombiana S.A. portfolio - were rebuys 1.157 credit Titularizadora Colombiana S.A. of the emissions TIPS E3-VIS, E3 TIPS - not VIS, TIPS E4-TIPS E4 - E5 TIPS, not VIS VIS - VIS, TIPS E5 - not VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS and E12 PESOS, corresponding to transfer law 546 amounting to $47.450 million pesos thus:

Concept	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Number of credits	127	137	63	66	133	200	181	41	47	52	75	35	1,157
Value of active capital	$7.417	6.862	1.187	2.224	4.843	9.216	6.671	1.013	661	667	3.539	2.293	$ 46.593
Value of share buy back	$7.469	6.912	1.349	2.272	4.894	9.349	6.749	1.070	667	673	3.644	2.400	$ 47.450

In the 2010 operations of repurchase of Titularizadora Colombiana S.A. portfolio were the emissions TIPS E3-VIS, E3 TIPS - not VIS, TIPS E4-TIPS E4 - E5 TIPS, not VIS VIS - VIS, TIPS E5 - not VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS and E12 PESOS, corresponding to transfer law 546 amounting to $33.025 billion pesos thus:

Concept	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Number of credits	1	3	5	11	4	3	3	8	5	89	127	268	527
Value of active capital	$115	501	522	244	211	73	160	384	433	6.776	10.285	13.080	$32.784
Value of share buy back	$115	502	524	273	213	73	162	389	434	6.822	10.359	13.159	$33.025

Securitization of unproductive portfolio - in the month of September 2004 the former commercial bank Granahorrar S.A. participated in the second securitisation of unproductive portfolio structured by Titularizadora Colombiana, through the figure of patrimonial separation and Constitution of universality in the originator Bank (Banco Comercial Granahorrar S.A.).

Under this financial structure, once created the Banco Comercial Granahorrar universality S.A., were issued class A titles due in 2011 and securities class B, C1, C2 and C3 with maturity in 2014. The first were rated AA+ and the B, C1, C2 and C3 AND entered the portfolio of the former Banco Comercial Granahorrar S.A. qualified as AA, BBB+, BBB and BBB, respectively. Class A titles were sold to the Titularizadora Colombiana S.A., who constituted the universality TECH E-2, within which such titles added them the guarantee of the IFC (International Finance Corporation partial coverage mechanism) equivalent to 5% of the balance of the class A securities, improving the qualification to AAA. Such securities have been issued as 5 and 7 years and under these conditions were sold to the market.

Class A titles were amortized in full in July 2006; class B securities were amortized in their entirety in October 2007 and class C titles amortized in entirety in April 2010 within which the early settlement of universality clause was applied.

Previously BBVA asked the Titularizadora to modify the regulation of the clause of early settlement to avoid cancelling it in the month of September 2008, based on the tax impact the Bank would need to take to clear it.

The bondholders Assembly approved the amendment of the numerals 12.3.1 and 12.3.2 12.3.4 of the regulation related to events that are expected for the early settlement of the titles, in the month of October 2008. Subsequently, through the April 6th 2010 addendum, the Bank and the Titularizadora agreed to the modification of the regulation of the issue, by adding the numeral 12.4.3, which establishes the procedure for advance payment, in order to make the cancellation immediate once all titles are cancelled.

On April 5 2010 the remainder of the C3 title was cancelled, grounds arose for early settlement, provided for in paragraph 12.3.4 of the regulation, therefore the Bank requested to settle the universality to the Court of April 15 2010 in advance.

Balances and balance of liquidation of the TECH universality to the Court of 15 April 2010 were as follows:

Concept	Balances	
Assets:		
Gross portfolio	$	102.874
(-) Provisions of portfolio		(95.606)
Net portfolio		7.268
BRDP complete gross		1.044
Total assets	**$**	**8.312**
Liabilities and equity:		
Accounts payable	$	(351)
Other liabilities		(2.281)
Liabilities total		**(2.632)**
Equity		(5.680)
Total liabilities and equity	**$**	**8.312**

Total portfolio universality TECH E-2 the date of liquidation (15 April 2010)

Qualification	Credits	Capital	Interests and accounts receivable	Total debt	Deferred liabilities	Capital initial provision	Providing initial interest and accounts receivable	Total deferred passive provisions	Provision pte according to SF	Provision 100% for punishment
A	16	$ 230	$ 1	$ 230	$ -	$ (230)	$ (1)	$ (231)	$ 228	$ -
B	18	168	1	169	-	(168)	(1)	(169)	164	-
C	8	59	-	59	-	(59)	-	(59)	54	-
D	10	40	-	41	(1)	(40)	-	(42)	35	(1)
E	4.277	83.998	18.377	102.375	(2.880)	(76.731)	(18.376)	(97.387)	(1.098)	4.987
Totales	**4.329**	**$ 84.495**	**$ 18.379**	**$ 102.874**	**$ (2.281)**	**$ (77.228)**	**$ (18.378)**	**$ (97.888)**	**$ (617)**	**$ 4.986**

Productive portfolio securitization - in the month of November 2004, the former Banco Comercial Granahorrar SA, participated with of Banco AV Villas S.A., Banco Colpatria S.A. and Banco hive S.A., in the fifth issue of mortgage securities TIPS E5 to a total value of $370.477, in which the underlying asset was qualified as A mortgage portfolio. The mortgage portfolio of commercial bank Granahorrar S.A. incorporated in this negotiation was 6.791 credits with a total net debt of deferred revenue of $102.216. On this occasion TIPS class A and B were issued with maturities in 2009 and 2014 respectively and TIPS class MZ and C with maturity in 2019. The ratings were AAA, AA, A and CCC, respectively. In this issue appeared new titles called MZ class or mezzanine, which collected the spread in interest rates, which is generated between the weighted average rates of the securitized portfolio and the weighted average on which the titles were placed.

Securitization 2008 - in the month of December 2008, TIPS of mortgage portfolio were issued, originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total amount of $401.000, in which BBVA participated with $140,000.

On December 17 2008 the market was offered the first batch corresponding to 30% of the issue (Serie A 2008), with a demand of 1.7 times, at a rate of 10.90% equal to the rate of closure of the 2020 TES. The settled value was $119.587 with a total demand of $208,000, of which BBVA Colombia sold $41.938.

December 18 2008 was the second batch of the originating banks (70% of the emissions) corresponding to $98.554 of BBVA Colombia, including the MZ title which corresponds to the present value of the excess cash flow and is accounted for as income for the Bank. Additionally, this operation generated a reinstatement of provisions for $2.868.

The TIPS issued class A, B and MZ have ratings of AAA, AA and BBB, respectively, and maturity is between 2010 and 2023.

Securitization 2009 - in the month of March 2009, TIPS portfolio mortgage was issued, originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total amount of $498.593, in which BBVA participated with a $74.233 representative.

In March 12 2009, the market was offered the first batch corresponding to 39% (series A 2019) emission, with a demand of 1.8 times to a 9.00% rate equal to the rate of closure of the 2020 TES. The settled value was $194.695 with a total demand of $345.995 where BBVA Colombia sold $22.114.

On the same date the second batch was assigned to the originating banks (61% of the emissions) corresponding to BBVA Colombia $53.074, including the MZ title which corresponds to the present value of the excess cash flow, and accounted for as income for the Bank. Additionally, this operation generated a reinstatement of provisions of $1483.

The TIPS issued class A, B and MZ have ratings of AAA, AA-, and BBB, respectively, and maturity is between 2019 and 2024.

In the month of May 2009, TIPS E-11 representative mortgage portfolio was issued, originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., for a total amount of $431.857, in which BBVA participated with $48.650.

The 70% remaining of this TIPS E-11 issue were bought in entirety by the originators of the portfolio for a value of $313.096, in which BBVA Colombia bought $35.272 including the title MZ which represents a profit for the Bank. Additionally, this operation generated a reinstatement of provisions of $977.

The TIPS E - 11 issued class A, B and MZ have ratings of AAA, A and BBB, respectively, and maturity is between 2019 and 2024.

In the month of August 2009, TIPS E - 12 mortgage portfolio was issued, originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., for a total amount of $376.820, in which BBVA participated with $78.745.

In August 26 2009 the first batch corresponding to 34% (series A 2019) was offered to the market with a demand of 1.7 times at a rate of 7.69%. The settled value was $132.752 with a total demand of $222.900 in which BBVA Colombia sold $23.623, corresponding to 30% of its Titularizada portfolio in this issue.

The remaining 66% of this issue of TIPS e - 12 were bought in its entirety by the originators of the portfolio for a value of $253.488 in which BBVA Colombia bought $57.090 including the title MZ which represents a profit for the Bank. Additionally, this operation generated a reinstatement of provisions of $1.607.

The TIPS E - 12 issued class A, B and MZ have ratings of AAA, AA and BBB-, respectively, and maturity is between 2019 and 2024.

In summary, the following are existing securitisations:

Nº	Date	Portfolio securitisation		Nº emission	TIP´s		%
1	11/12/2008	$	139.793	E9	$	97.855	70
2	04/03/2009		73.713	E10		51.599	70
3	14/05/2009		48.650	E11		34.055	70
4	20/08/2009		78.745	E12		55.121	70
	Total	**$**	**340.901**		**$**	**238.630**	**70**

Balances at 31 December of the securitized portfolio and TIPS securities purchased described above are as follows:

Emission	Capital securitized portfolio		TIPS titles	
TIPS E-9	$	43.526	$	41.684
TIPS E-10		21.158		24.086
TIPS E-11		15.065		15.443
TIPS E-12		19.941		25.244
Total	**$**	**99.690**	**$**	**106.457**

Securitization 2011 - during the year 2011 BBVA Colombia S.A. did not participate in securitization.

The participation of the Bank in the balance of the securitization and buyback of the securitized portfolio to the 31st December 2012 and 2011 was 100%.

12. Acceptances, operations with cash and the financial derivatives instrument

To December 31, the balance of this account is factored thus:

Forward contracts	Expiration in days		Amounts	
	2012	2011	2012	2011
Buying currency:	2 -350	4 -573		
• Rights			$ 310.788	$ 3.198.501
• Obligations			(307.363)	(3.117.295)
Selling currency:	2 -1064	3 - 642		
• Rights			4.319.285	1.478.276
• Obligations			(4.199.709)	(1.461.448)
Sale title:	2 -277	13		
• Rights			11.823	18.541
• Obligations			(11.802)	(18.454)
Forward contracts			**$ 123.022**	**$ 98.121**

Cash operations	Amounts	
	2012	2011
Buying currency:		
• Rights	$ 34.653	$ 5.749
• Obligations	(34.678)	(5.748)
Selling currency:		
• Rights	3.651	-
• Obligations	(3.632)	-
Total cash operations	**$ (6)**	**$ 1**

Acceptances	Amounts	
	2012	2011
In term	$ 3.413	$ 2.629
Total acceptances	**$ 3.413**	**$ 2.629**

Options	Amounts	
	2012	2011
Currency bought put options:		
• Rights	$ 370.080	$ 332.887
• Fair exchange price	15.754	5.696
Currency bought call options:		
• Rights	429.270	297.071
• Fair exchange price	912	23.535
Total fair exchange price	**$ 16.666**	**$ 29.231**

Swaps	Amounts	
	2012	2011
About interest rates		
• Rights	$ 149.188	$ 77.566
• Obligations	(142.133)	(76.675)
About currency		
• Rights	458.663	382.330
• Obligations	(444.918)	(342.813)
Total Swaps	**$ 20.800**	**$ 40.408**

Futures	Amounts	
	2012	2011
Buying currency:		
• Rights	$ 479.984	$ 806.170
• Obligations	(479.984)	(806.170)
Selling currency:		
• Rights	446.386	537.427
• Obligations	(446.386)	(537.427)
Purchase on titles:		
• Rights	-	8.551
• Obligations	-	(8.551)
Sale title:		
• Rights	-	31.326
• Obligations	-	(31.326)
Future total	**$ -**	**$ -**
Total cash operations, acceptances and derivatives	**$ 163.895**	**$ 170.390**

Operations with derivatives are basically covered with cross forwards.

The Bank has carried out forward operations on currencies and securities, standardized futures on national bonds, MDR-TB and forward contracts, options on currencies, currency swap and interest rate swaps, which are valued in accordance with provisions of Chapter XVIII of the existing CBCF.

As a general policy for derivatives, the Bank is governed by the rules issued by the Superintendencia and takes into account the restrictions and limits of their own position, own cash position, the position of leverage, and interest rates established by the BBVA group.

31 December 2012 and 2011 operations with derivatives do not present charges, restrictions of legal or financial nature, duties or pledges, liens, claims or any other limitation on the exercise of the rights inherent in these operations.

BBVA Colombia reported that it received bids for $485.160 million in the bond issue which corresponded to 1.94 times the offer. These bonds are rated AAA by Fitch Ratings Agency

31 December 2012, the composition of the operations with derivative financial instruments, was:

			Expiration in days		Figures in miilones of pesos		
Type of instrument	Type of operation	Currency	Minimum	Maximum	Right VR	VR obligation	Net result
• Forward titles	Sale	COP	2	277	$ 170.834	$ (177.137)	$ (6.303)
		Total forward title			170.834	(177.137)	(6.303)
• Future	Purchase	USD	0	0	497.687	(497.687)	-
• Future	Sale	USD	0	0	464.088	(464.088)	-
		Total Future			961.775	(961.775)	-
• Financial options	Call Purchase	USD/COP	4	361	912	-	912
• Financial options	Call Sale	USD/COP	4	361	-	(912)	(912)
• Financial options	Put Purchase	USD/COP	4	361	15.754	-	15.754
• Financial options	Put Sale	USD/COP	4	361	-	(15.754)	(15.754)
		Total Financial options			16.666	(16.666)	-
• Counted currency	Purchase	EUR/COP	2	2	118	(113)	5
• Counted currency	Purchase	USD/COP	2	2	34.535	(34.565)	(30)
• Counted currency	Sale	USD/COP	2	2	3.651	(3.632)	19
		Total Counted currency			38.304	(38.310)	(6)
• Currency swap	CCS	USD	86	3560	1.278.231	(1.306.413)	(28.182)
• Interest rate swap	IRS	USD	619	2278	1.796	(2.050)	(254)
• Interest rate swap	IRS	COP	2	2901	185.748	(185.266)	482
		Total Swap			1.465.775	(1.493.729)	(27.954)
• Foreign exchange forward	Purchase	USD/COP	2	1064	3.459.947	(3.561.522)	(101.575)
• Foreign exchange forward	Sale	USD/COP	2	1064	4.390.305	(4.270.889)	119.416
• Foreign exchange forward	Purchase	EUR/COP	57	350	6.030	(5.909)	121
• Foreign exchange forward	Sale	USD/EUR	2	324	84.519	(86.552)	(2.033)
• Foreign exchange forward	Sale	USD/CAD	28	28	2.858	(2.876)	(18)
• Foreign exchange forward	Sale	USD/MXM	29	29	44.152	(44.461)	(309)
• Foreign exchange forward	Sale	USD/BRL	9	50	28.056	(28.819)	(763)
• Foreign exchange forward	Sale	COP/EUR	10	288	6.181	(6.190)	(9)
• Foreign exchange forward	Purchase	EUR/USD	2	324	81.006	(78.906)	2.100
• Foreign exchange forward	Purchase	CAD/USD	28	28	2.876	(2.857)	19
• Foreign exchange forward	Purchase	MXM/USD	29	29	44.461	(44.152)	309
• Foreign exchange forward	Purchase	BRL/USD	9	50	28.819	(28.056)	763
		Total Foreign exchange forward			8.179.210	(8.161.189)	(18.021)
				TOTAL	$10.832.564	$(10.848.804)	$ (16.240)

31 December 2011, the composition of the operations with derivative financial instruments, was:

			Expiration in days		Figures in miilones of pesos		
Type of instrument	Type of operation	Currency	Minimum	Maximum	Right VR	VR obligation	Net result
• Forward titles	Sale	COP	11	11	$ 18.541	$ (18.454)	$ 87
		Total Forward titles			18.541	(18.454)	(87)
• Future	Purchase	USD	0	0	831.418	(831.418)	
• Future	Sale	USD	0	0	562.674	(562.674)	-
• Future	Purchase	USD	0	0	8.551	(8.551)	-
• Future	Sale	USD	0	0	31.326	(31.326)	-
		Total Future			1.433.969	(1.433.969)	-
• Financial options	Call Purchase	USD/COP	-	-	23.534	-	23.534
• Financial options	Call Sale	USD/COP	-	-	-	(23.535)	(23.535)
• Financial options	Put Purchase	USD/COP	-	-	5.697	-	5.697
• Financial options	Put Sale	USD/COP	-	-	-	(5.697)	(5.697)
		Total Financial options			29.231	(29.231)	-
• Counted currency	Purchase	EUR/COP	2	3	5.748	(5.748)	-
		Total Counted currency			5.748	(5.748)	-
• Counted currency	CSS	USD	-	-	1.081.402	(1.147.483)	(66.081)
• Interest rate swap	IRS	USD	-	-	237	(635)	(398)
• Interest rate swap	IRS	COP	-	-	129.004	(129.316)	(312)
		Total Swap			1.210.643	(1.277.434)	(66.791)
• Foreign exchange forward	Purchase	USD/COP	3	642	3.741.315	(3.666.026)	75.289
• Foreign exchange forward	Sale	USD/COP	3	642	4.403.938	(4.481.772)	(77.834)
• Foreign exchange forward	Sale	USD/EUR	3	382	11.066	(10.491)	575
• Foreign exchange forward	Sale	USD/CAD	26	26	3.124	(3.114)	10
• Foreign exchange forward	Sale	USD/MXM	17	17	127.640	(123.048)	4.592
• Foreign exchange forward	Sale	USD/BRL	6	68	71.189	(68.736)	2.453
• Foreign exchange forward	Purchase	EUR/USD	11	382	6.510	(7.001)	(491)
• Foreign exchange forward	Purchase	CAD/USD	26	26	3.192	(3.124)	68
• Foreign exchange forward	Purchase	MXM/USD	17	17	123.048	(127.640)	(4.592)
• Foreign exchange forward	Purchase	BRL/USD	10	68	68.736	(71.205)	(2.469)
		Total Foreign exchange forward			8.559.758	(8.562.157)	(2.399)
				TOTAL	**$11.257.891**	**$ (11.326.994)**	**$ (69.103)**

13. Net accounts receivable

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Loan portfolio interest	$ 211.183	$ 191.236
Financial leasing operations component	11.101	6.698
Income from investments, fees and leases	3.485	3.500
Leasing colateral fees	33	42
Payment on behalf of clients	7.191	5.916
Promissory sellers	266	-
Contract and suppliers advances (1)	277.453	178.788
Claims from insurance companies	4.330	105
Directorate of the National Treasury	17.684	17.738
Accounts receivable FOGAFIN	13.739	9.098
Use of network affiliates	450	412
Causation Titularizadora Colombiana S.A insurance	205	302
Other	23.537	11.392
Subtotal	**570.657**	**425.228**
Less provision for protection	(33.134)	(33.700)
Net total accounts receivable	**$ 537.523**	**$ 391.528**

(1) The increase in the year 2012 originates from disbursements in the form of advance payments for leasing operations to customers such as,Petroeléctrica de los Llanos S.A. $46.360, Biomax Biocombustibles S.A.$ 25.325, Colsubsidio $14.184, Industrias Astivik S.A. $4,750, Bingos y Casinos de Santander S.A. $ 4.584, Departamento del Cesar $7.245, Automotores Comerciales Autocom S.A. $4.140 and Imbera Servicios Colombia S.A.S. $3.327.

Participation in the balance of accounts receivable to the 31 of December of 2012 was 99.45%, 0.41% Trust Bank and the broker 0.14%. On December 31 2011 for the Bank it was 99, 23%, 0.50% for the trust and the broker 0.27%.

The movement of the Bill's provisions for protection of accounts receivable in the years ending December 31 was as follows:

Concept	2012	2011
Balance at the beginning of the year	$ 33.700	$ 28.024
Provision charged to expenses in the year	27.139	29.490
Less - transfer of other items	(1.904)	(3.200)
Less - recovery supply	(14.738)	(11.123)
Less – penalties and usage	(11.063)	(9.491)
Balance at the end of the year	**$ 33.134**	**$ 33.700**

14. Net realizable assets, assets received in payment and assets returned

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Goods not used for the corporate objective:		
• Land	$ 58	$ 134
• Offices, garages and premises	494	1.048
Less depreciation	(338)	(739)
Subtotal property not used in the corporate purpose	**214**	**443**
Realizable assets		
• Other goods	4	-
Subtotal realizable assets	**4**	**-**
Goods received in payment:		
• Real estate	7.900	7.100
Goods received in payment subtotal	**7.900**	**7.100**
Restored property leasing contracts:		
• Real estate	122	660
• Vehicles	272	225
• Movable property	430	662
Subtotal returned goods	**824**	**1.547**
Subtotal unused for the social objective, received in payment and to be returned	**8.942**	**9.090**
Less provision for protection:		
• Realizable assets	4	-
• Restored property	320	384
• Goods received in payment of obligations	3.017	3.665
Subtotal provisions	**3.341**	**4.049**
Net total of goods unused for the corporate purpose received in payment and assets to be returned	**$ 5.601**	**$ 5.041**

As of 31st December 2012 and 2011, the Bank's involvement in the net balance of the account of realizable assets, assets received in payment and assets returned was 100%.

The trust company and the broker did not register goods received in payments in kind in payment.

The administration of the Bank currently anticipates necessary steps for the realization of these goods within the time limits established by the Superintendencia.

The movement of the provision for protection of workable and goods received in payment for the years ended December 31, was as follows:

Concept	2012	2011
Balance at the beginning of the year	$ 4.049	$ 2.066
Provision charged to expenses in the year	2.773	3.705
Less - penalties or users	35	-
Less - removal by sales and recoveries	3.446	1.722
Balance at the end of the year	**$ 3.341**	**$ 4.049**

In terms of the methodology implemented to assess the level of provision, the Bank applied the external circular 034 in 2003 by the SVS that determined a deadline of December 31 2005, in order that financial institutions maintain a minimum provision equivalent to 80% of the adjusted cost of property received before October 1 2001.

The Bank calculates and posts the provisions within the framework of the provisions of the rules contained in the clause 1.3.1.2 of chapter III of the CBCF in the following manner:

We will constitute a provision equivalent to thirty percent (30%) by monthly shares, of the value of the receipt of the goods, within the year following the date of receipt of the same. The percentage of the provision will be increased to reach sixty percent (60%) through monthly shares within the second year, counted from the date of receipt of the BRDP.

For collateral and securities the constitution of provisions is carried out in accordance with paragraph 1.3.2 in chapter III of the CBCF. However, the principle of good banking prudence constitutes in some cases provision of up to 100% of the value received from the goods.

For the Bank the amounts, time of permanence and level of provision of goods received in payment in kind at December 31 2012 and 2011 were:

Type of goods	Amount		2012		2011	
	2012	2011	Time spent (1)	Provision	Time spent (1)	Provision
Real estate	$ 7.900	$ 7.100	11	$ 3.017	8	$ 3.665
Total	**$ 7.900**	**$ 7.100**		**$ 3.017**		**$ 3.665**

(1) Expressed as average time of permanence in months.

The market value of these goods is updated based on valuations with a validity of three years. If the market value is lower than the cost in the books, a provision is constituted by the difference.

15. Net Tangible assets

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Land	$ 55.637	$ 55.555
Construction in progress	6.231	6.205
Buildings	282.359	274.019
Furniture, equipment and fittings	170.388	151.571
Computer equipment	153.326	139.419
Vehicles	4.115	3.846
Leasing colateral (1)	3.164	3.613
Subtotal	**675.220**	**634.228**
Less – accumulated depreciation	407.397	375.693
Property provision and equipment	406	7.108
Subtotal	**407.803**	**382.801**
Net total Tangible assets	**$ 267.417**	**$ 251.427**

The participation of the Bank in the properties and equipment account balance was at 31 December 2012 99.97%, the fiduciary 0.03%, and the broker 0.00% and at December 31 2011 it was 99, 93%, the fiduciary 0.05%, and the broker 0.02%

All Tangible assets of the Bank and its subsidiaries is properly covered against risks of fire, and other risks through existing insurance policies and there is no domain restriction.

The total depreciation charged to the results for the years ending 31 December 2012 and 2011 were $45.699 and $44.394, respectively (see note 33).

For the purposes of establishing provisions or individual valuations on real estate, the Bank and its subsidiaries apply commercial appraisals by independent firms registered with the Lonja de Propiedad Raíz. The applicable term of these valuations is 3 years, at December 31 2012 the appraisals were distributed thus:

Valuation date	Quantity	% participation
2010	22	8
2011	49	19
2012	189	73
Total	**260**	**100**

The valuations of properties and equipment at 31 December 2012 and 2011 were $329.071 and $258.660, respectively (see note 18).

Vehicles and computer equipment used in operative leasing have insurance against all risks, this is assumed by the tenant.

(1) The following is the detail of operating leasing collateral of the Bank:

Concept	2012	2011
Vehicles	$ 156	$ 989
Machinery and equipment	1.205	651
Computer equipment	1.803	1.973
Subtotal - Capital	**3.164**	**3.613**
Less — accumulated depreciation	(1.529)	(1.486)
Subtotal - Capital	**1.635**	**2.127**
Provision for operative leasing collateral	(39)	(42)
Total	**$ 1.596**	**$ 2.085**

The following is the classification of goods used in operative leasing and provisions by geographic area to 31 December:

2012	Capital	Depreciation	Other	Capital provision
Barranquilla	$ 526	$ 444	$ 2	$ 1
Bogotá	1.928	944	17	29
Cali	114	50	-	1
Llanos Orientales	555	57	13	8
Medellín	41	34	1	-
Total	**$ 3.164**	**$ 1.529**	**$ 33**	**$ 39**

2011	Capital	Depreciation	Other	Capital provision
Barranquilla	$ 1.438	$ 1.173	$ 2	$ 3
Bogotá	1.788	29	37	38
Cali	109	24	2	1
Medellín	278	260	1	-
Total	**$ 3.613**	**$ 1.486**	**$ 42**	**$ 42**

The operative leasing collateral at December 31 was distributed on debtors engaged in economic activities thus:

Activity	2012	2011
Activities of association - education - health	$ 515	$ 416
Construction - packaging - finish	562	85
Manufacturing - refining - petroleum - chemicals	-	379
Other community service activities	7	577
Hotels and restaurants	551	647
Manufacturing of metallic products - machinery	-	18
Organizations and other classifications	-	5
Total	**$ 1.635**	**$ 2.127**

16. Expenses paid in advance, intangible assets and deferred charges

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Expenses paid in advance:		
• Insurance	$ 1.432	$ 1.412
• Maintenance lease and others	2.611	2.509
Subtotal	**4.043**	**3.921**
Deferred charges:		
• Deferred income tax	4.967	4.967
• Computer programs	41.191	38.383
• Improvements to properties taken in lease	4.112	3.817
• Remodeling of offices	6.768	4.671
• Retirement bonuses (1)	10.257	25.766
• CDT gift	1.317	1.870
• Equity tax	67.161	100.191
• Results SWAP appraisal day (2)	22.272	22.276
• Other	8.365	5.567
Subtotal	**166.410**	**207.508**
Intangible assets:		
• Goodwill (3)	312.065	431.927
Subtotal	**312.065**	**431.927**
Total expenses paid in advance, intangible assets and deferred charges	**$ 482.518**	**$ 643.356**

BBVA has a leading position in Mexico as well as in the whole of Latin America and we are now firmly established in Turkey and China

The movement of expenses paid in advance, intangible and deferred charges during the year 2012 was as the following:

Concept	2011	Addition	Redemption or withdrawal	2012
Insurance	$ 1.412	$ 4.067	$ 4.047	$ 1.432
Maintenance, lease and others	2.509	33.757	33.655	2.611
Remodeling of offices	4.671	7.731	5.634	6.768
Computer programs	38.383	28.214	25.406	41.191
Improvements to properties taken in lease	3.817	3.004	2.709	4.112
Deferred income tax	4.967	-	-	4.967
Retirement bonus(1)	25.766	4.957	20.466	10.257
CDT gift	1.870	3.249	3.802	1.317
Equity tax	100.191	551	33.580	67.162
Goodwill (3)	431.927	-	119.862	312.065
Results SWAP appraisal day (2)	22.276	4.249	4.253	22.272
Other	5.567	17.250	14.453	8.364
Total	**$ 643.356**	**$ 107.029**	**$ 267.867**	**$ 482.518**

(1) Bank expenses for bonuses for staff in compliance with voluntary retirement programs are depreciated according to the individual authorizations received from the Superintendencia, fulfilling all legal requirements and previous presentations for this purpose.

Detail of authorisations given to the Bank with respect to retirement programs is as follows:

Authorization date	Nº File	Term	Approved value
August 10 / 2010	2010052985-000-000	36	$ 30.576
March 5 / 2009	2009008425-001-000	36	41.761
April 30 / 2008	2008013322-003-000	36	30.033
August 8 / 2007	2007043968-002-000	36	32.612
September 13 / 2006	2006044885-000-000	21	29.450
February 20 / 2006	2006007367-001-000	24	8.300
August 31 / 2005	2005040550-001-000	36	12.576

BBVA as a strong and diverse group were transforming and building a business model to anticipate the future, long before the global financial crisis.

The following table reflects the detail of balances of the deferred plan of withdrawal and repayments made in 2012, as well as payments made during the same period:

Concept	Amount	
Balance of the deferred amounts prior to the 2012 authorizations	$	25.766
• Depreciation for 2012		(15.509)
• Total unamortized prior to the 2012		10.257
• Payments made during the 2012		4.957
• Depreciation for 2012		(4.957)
Remaining balance of unamortized 2012		-
Total remaining unamortized balance	**$**	**10.257**

The following table reflects the detail of balances of the deferred plan of withdrawal and repayments made in 2011, as well as payments made during the same period:

Concept	Amount	
Balance of deferred authorizations prior to 2011	$	40.830
• Repayments made during 2011		(25.833)
• Total unamortized prior to 2011		14.997
• Payments made during 2011		12.905
• Repayments made during 2011		(2.136)
Outstanding pay 2011		10.769
Total remaining unamortized balance	**$**	**25.766**

(2) The 18th Chapter of the circular basic accounting authorizes the supervised entities to defer the result obtained for the assessment of the first day when Swap contracts are carried out on currencies and interest rates, with dailyaliquots newspapers until the maturity of the operation, as of July 1st, 2009.

Loss in valuation at market, to 31st December 2012, there were 39 swap operations on current currency in which the result from the first day has been deferred, with a balance to be deferred of $22.014 with date of maturity between 3 and 10 years, and for contracts on interest rates, 78 operations, with a total balance to be deferred of $258 with date of maturity between 2 days and 8 years.

Loss in valuation at market, to December 31st, 2011, there were 25 swap operations on current currency in which the result from the first day has been deferred, with a balance to be deferred of $21.810 with date of maturity between 5 months and 10 years, and for contracts on interest rates, 48 operations, with a total balance to be deferred of $466 with between 4 days and 2 years maturity date.

(3) The purchase of Bank Granahorrar, which resulted in the establishment of a commercial credit in the balance sheet of BBVA Colombia and which amounted to $514.415 at September 30, 2006. The specific lines of business at the time of the merger with Banco Comercial Granahorrar S.A. were: consumer mortgage and credit cards with distributions of $270.824, $952.419 and $61.831 respectively. The valuations of the business lines, for purposes of comparing against the balance of goodwill were

performed using the method of the flow of profits generated by each business line.

The Bank by arrangement decided from January 2012 to accelerate the amortization of goodwill in monthly aliquots from $9.989, and the projection of total exhaustion of that asset is planned for August 2015, as shown in the following table:

Period	Annual depreciation	Balance
2011	18.053	$ 431.927
2012	119.862	$ 312.065
2013	119.862	$ 192.203
2014	119.862	$ 72.341
2015	72.341	$ -

Corresponding to commercial credit, distribution was as follows:

Line of business	Acquired	Participation %	Balance
Consumption	$ 270.824	21,07	$ 65.766
Mortgage	952.419	74,11	231.284
Credit cards	61.831	4,82	15.015
	$ 1.285.074	**100**	**$ 312.065**

Taking account of the provisions of Chapter XVII of the CBCF, which declares that the term of the specialist who carried out the assessment shall not exceed five years, for the period 2011 the Bank appointed Valfinanzas firmaValor to carry out this assessment. The final report and the presentation of the specialist were referred to that Superintendencia in the month of December 2012.

In order to perform a valuation of the business lines, both robust and consistent with the behavior of the economy in general, and in accordance with the goals of the Bank, procedures were used that are key for the purposes of projecting the flow of profits and parameters used which were obtained from reliable sources. In this respect macroeconomic variables obtained from the fiscal framework of medium-term sense, were incorporated into the projection model.

Macroeconomic assumptions: one of the basic parameters for the

exercise of projection is the inflation rate. This rate was estimated in accordance with the policies of the Fiscal framework of medium-term of 2012, established by the Ministry of Finance and Public Credit. During the term of projection a 3% annual rate was utilized.

In relation to income tax, which corresponds to a national characteristic taxing the income of natural or legal persons, we have used the current tax rate of 33% since 2008.

Discount rate: for the cost of capital construction, took into account the following parameters:

1.) It was estimated the risk-free rate as the rate of return on 10-year American Treasury bonds, as it tends to be less volatile and has a greater liquidity than the state's longer-term emissions. This figure was obtained as of December 13 2012, from the database offered by the Department of the Treasury of United States.

2.) The premium of the market (Rm-Rf) corresponds to the geometric average of the performance of the S&P 500 index from the year 1928 until the year 2011/9 less the average geometric rate of the American Treasury bond yields for 10 years for the same period.

3.) For the leveraged beta coefficient it is estimated according to the latest update of the figure related to the industry of banks in the United States, with a value of 0.77.

4.) Country risk is measured by the EMBI+, this corresponds to the differential of the average cost of debt of Colombia in US dollars with the sovereign debt of the United States.

5.) Implicit devaluation corresponds to the expected devaluation of the Colombian peso against the US dollar, estimated as the difference between the yields of the bonds issued in US dollars

(Yankee) / 13 and the bonds issued in pesos (TES) / 14 in the long term.

Based on assumptions and projection parameters previously outlined, we calculated flows of profits of the business lines evaluated and the values of the same. Where the projection of the flow of profits during the years 2016-2018 is key since it was estimated that the end of the amortization of goodwill was projected on this. This flow was projected according to the rate of inflation estimated for 2016-2018.

The total value of the evaluated business lines of BBVA, the value of the acquired Granahorrar lines with the goodwill balance in million pesos, according to the valuation report by Valfinanzas, investment banking, presented to the Court in September 2012, was:

Line of business	Total value	Value per line	Mercantile credit balance
Consumption	$ 3.260.219	$ 494.901	$ 72.082
Mortgage	1.868.197	1.286.440	253.492
Credit cards	815.199	191.490	16.457
	$ 5.943.615	**$ 1.972.831**	**$ 342.031**

The historical depreciation of goodwill presented by the Bank December 31st, 2012, amounted to $202.387 and disagregated in the following way

Period	Annual depreciation	Mercantile credit balance
Goodwill beginning balance	$ -	$ 514.451
Year 2006	3.174	511.277
Year 2007	13.828	497.449
Year 2008	14.781	482.668
Year 2009	15.800	466.868
Year 2010	16.889	449.980
Year 2011	18.053	431.980
Year 2012	119.862	312.065
	$ 202.387	**$ 312.065**

Participation in the category of advance payment of expenses, intangible charges and charges deferred to the year 2012 was 99.50% for the Bank, 0.41% for the trust and 0.09% for the broker. For 2011 it was 99.46 for the Bank, 044% for the trust and 0.10% for the broker.

BBVA is building a strong franchise in the United States, which is the largest market in the world and has the greatest potential for growth among the developed countries.

17. Other assets - net

To December 31, the balance of this account is factored thus:

Concept	2012	2011
In store furniture and fixtures	$ 578	$ 982
Rights in trust (1)	197	197
Deferred payment credit cards	3.839	2.335
Permanent contributions	579	579
Deposits (2)	3.448	2.759
Consortium	4.251	27.803
Excess prepayments and withholdings	1	33
Art and culture goods	456	456
Goods placed in leasing contracts	13.800	11.674
Trade sent nationally and international developments	1	-
Express money remittances from overseas	185	149
Issued and received foreign telegiros	422	24
Other	7.860	4.576
Subtotal other assets	**35.617**	**51.567**
Less provision other assets	(10.341)	(11.257)
Total other assets	**$ 25.276**	**$ 40.310**
Loans to employees (3)	116.119	110.516
Less provision for loans to employees	(1.364)	(1.287)
Total loans to employees - net	**$ 114.755**	**$ 109.229**
Movement of provisions		
• Opening balance	12.544	4.202
• Provision charged to expenses	2.126	9.507
• Reclassification of other accounts	(1.674)	516
• Recoveries	(1.291)	(1.681)
Final balance provision for protection	**11.705**	**12.544**
Total other assets and employees loans - net	**$ 140.031**	**$ 149.539**

Participation in the account balance for other assets at December 31 2012, for the Bank was 93.72%, trust 6.24% and 0.04% for the broker. To December 31 2011 for the Bank was 81.29%, the trust 18.62% and 0.09% for the broker.

(1) In the Bank rights in trust for $197 correspond to investments: Inca Fruehauf and Concepción Molinas Vivas, with participation of 7.17% to 4.73% respectively, which are provisioned at 100%.

(2) Deposits made by BBVA Colombia of guaranteed delivery contracts of collateralization with derivatives operations, were thus:

Counterpart	Value 2012	Value 2011
Morgan Stanley Capital Service	$ 425	$ 291
Total	**$ 425**	**$ 291**

(3) Loans to employees were granted to purchase housing, at a low rate of interest (between 3% and 9% per year) and by limited terms (not exceeding 15 years).

18. Net valuations

To December 31, the balance of this account is factored thus:

Counterpart	2012	2011
Valuation of investments (1)	$ 33.096	$ 38.699
Valuation of Tangible assets	329.071	258.660
Impairment of investments (2)	(194)	(186)
Total	**$ 361.973**	**$ 297.173**

(1) The detail of the valuations of equity investments was:

Entity	2012	2011
Almagrario S.A	$ 16.020	$ 14.402
Finagro	6.711	5.825
Deceval S.A	3.901	3.570
ACH Sistema Electrónico	1.422	1.356
Redeban S.A	3.944	3.782
Bolsa de Valores de Colombia S.A.	1.050	1.092
Cámara de Compensación de Divisas de Colombia	48	20
Visa Internacional	-	8.652
Total	**$ 33.096**	**$ 38.699**

(2) The debasement of equity investments correspond entirely to investment in the Chamber of Central counterparty risk.

Participation in the balance of the account of valuation and impairment of assets at December 31 2012 was for the Bank 99, 68%, for the trust company 0.06% and 0.26% for the broker. On December 31 2011 it was 99.56% for the Bank, 0.07% for the trust company and for the broker 0.37%.

In a still-complex environment, BBVA presented excellent balance sheet management, improving its liquidity gap through debt issuances.

19. Deposits and requirements

The passive portfolio of the Bank at 31 December 2012 and 2011, was formed in the following way:

	Year 2012	%	Year 2011	%
Savings deposits	$ 13.855.004	57,1	$ 11.099.953	59,5
CDTS Pesos	6.437.772	26,5	3.896.890	20,9
Current account	3.595.490	14,8	3.296.914	17,7
Banking services	274.050	1,1	256.978	1,4
CDTS UVR	33.013	0,2	32.542	0,2
Special deposits	29.034	0,1	33.520	0,2
Banks and correspondents	16.889	0,1	4.486	0
Special savings accounts	16.483	0,1	20.133	0,1
Simple deposit	4.248	0	2.560	0
Total deposits	**$ 24.261.983**	**100**	**$ 18.643.976**	**100**

The breakdown of deposits and requirements to the 31st of December of 2012 was:

Current account	Local currency	Foreign currency	Total currency
Private sector	$ 1.924.408	$ 1.582	$ 1.925.990
Official sector	1.651.802	17.698	1.669.500
Total deposits	**$ 3.576.210**	**$ 19.280**	**$3.595.490**

Simple deposit	Local currency	Foreign currency	Total currency
Total Sector	$ 4.248	$ -	$ 4.248
Total Simple deposit	**$ 4.248**	**$ -**	**$ 4.248**

CDT-Pesos	Local currency	Foreign currency	Total currency
Private sector	$ 5.378.162	$ -	$ 5.378.162
Official sector	1.059.610	-	1.059.610
CDT-Pesos total	**$ 6.437.772**	**$ -**	**$ 6.437.772**

Savings deposits	Local currency	Foreign currency	Total currency
Deposits:			
• Private sector	$ 9.981.730	$ -	$ 9.981.730
• Official sector	3.873.274	-	3.873.274
Special savings:			
• Private sector	16.483	-	16.483
Total saving deposits	**$ 13.871.487**	**$ -**	**$ 13.871.487**

CDT-UVR	Local currency	Foreign currency	Total currency
Private sector	$ 33.013	$ -	$ 33.013
Total CDT-UVR	**$ 33.013**	**$ -**	**$ 33.013**

CDT-Pesos	Local currency	Foreign currency	Total currency
Banks and correspondents	$ 11.295	$ 5.594	$ 16.889
Special deposits	29.034	-	29.034
Banking services	240.143	33.907	274.050
Total other deposits	280.472	39.501	319.973
Total deposits and requirements	**$ 24.203.202**	**$ 58.781**	**$ 24.261.983**

The breakdown of deposits and requirements to the 31st December 2011 was:

Current account	Local currency	Foreign currency	Total currency
Private sector	$ 2.081.075	$ 1.683	$ 2.082.758
Official sector	1.194.967	19.190	1.214.157
Total deposits	**$ 3.276.042**	**$ 20.873**	**$ 3.296.915**

Simple deposit	Local currency	Foreign currency	Total currency
Total Sector	$ 2.559	$ -	$ 2.559
Total Simple deposit	**$ 2.559**	**$ -**	**$ 2.559**

CDT-Pesos	Local currency	Foreign currency	Total currency
Private sector	$ 3.413.275	$ -	$ 3.413.275
Official sector	483.615	-	483.615
CDT-Pesos total	**$ 3.896.890**	**$ -**	**$ 3.896.890**

Savings deposits	Local currency	Foreign currency	Total currency
Deposits:			
• Private sector	$ 7.312.483	$ -	$ 7.312.483
• Official sector	3.787.470	-	3.787.470
Special savings:			
• Private sector	20.133	-	20.133
Total saving deposits	**$ 11.120.086**	**$ -**	**$ 11.120.086**

CDT-UVR	Local currency	Foreign currency	Total currency
Private sector	$ 32.542	$ -	$ 32.542
Official sector	-	-	-
Total CDT-UVR	**$ 32.542**	**$ -**	**$ 32.542**

Other deposits	Local currency	Foreign currency	Total currency
Banks and correspondents	$ 4.486	$ -	$ 4.486
Special deposits	33.520	-	33.520
Banking services	233.086	23.892	256.978
Total other deposits	271.092	23.892	294.984
Total deposits and requirements	**$ 18.599.211**	**$ 44.765**	**$ 18.643.976**

The increase in deposits and requirements to the year 2012 had the following results:

Savings deposits	Local currency	Foreign currency	Total currency
Cost savings deposits	$ 453.982	$ 287.657	166.325
Cost CDTS	313.381	161.868	151.513
Cost other interest savings	287	432	(145)
Total deposits	**$ 767.650**	**$ 449.957**	**317.693**

Participation in the balance of the account deposits and requirements was at December 31 2012 and 2011, 100%.

20. Net of money markets and related operations

To December 31 the balance of this account is thus factored:

Description	Rate % 2012	Rate % 2011	2012	2011
Ordinary purchased Deposits from Central Banks and credit institutions:				
• Banks	-	4,57	$ -	$ 12.000
• Banks overseas	-	1,54	-	106.849
• Other financial institutions	-	4,58	-	8.000
Total interbank purchased				**126.849**
Commitments to transfer in simultaneous operations:				
• Banks	-	4,51	-	556.600
Total simultaneous positions			**-**	**556.600**
• Simultaneous commitments on short positions caused by operations			54.614	12.186
Total Net of money markets and related operations			**$ 54.614**	**$ 695.635**

To December 31st 2012 short operations were conducted with treasury securities UVR and COP, in several emissions.

The amounts are not subject to restrictions or limitations.

The Bank's involvement in the balance of the Net of money market operations and related operations to December 31, 2012 and 2011 was 100%.

The dynamic performance of resources demonstrates the confidence of our customers

21. Acceptances and financial instrument derivatives in circulation

To December 31st, the balance of this account is factored thius:

Forward contracts	Expiration in days		Amount	
	2012	2011	2012	2011
Buying currency:	2 -1064	3 - 642		
• Rights			$ (3.312.351)	$ (731.978)
• Obligations			3.414.038	745.466
Selling currency:	2 - 324	3 - 439		
• Rights			(395.797)	(3.126.446)
• Obligations			405.412	3.213.391
Total forward contracts			**$ 111.302**	**$ 100.433**

Bank acceptances	Amount	
	2012	2011
In term	$ 3.413	$ 2.629
Total acceptances	**$ 3.413**	**$ 2.629**

Options	Amount	
	2012	2011
Currency issued put options:		
• Obligations	$ 370.080	$ 332.887
• Fair exchange price	15.754	5.696
Currency issued call options:		
• Obligations	429.270	297.071
• Fair exchange price	912	23.535
Total fair exchange price	**$ 16.666**	**$ 29.231**

Swaps	Amount	
	2012	2011
Interest surcharges:		
• Rights	$ (38.356)	$ (51.676)
• Obligations	45.184	53.277
Currency:		
• Rights	(819.569)	(699.072)
• Obligations	861.495	804.670
Total Swaps	**$ 48.754**	**$ 107.199**
Total cash operations, acceptances and derivatives	**$ 180.135**	**$ 239.492**

Analysis of money market operations is disclosed in note 12, note that derivative and financial instruments must be viewed jointly, although according to current accounting regulations, accounting is registered separately depending on the outcome of the assessment, understanding the positive result in this type of operation is recorded in the active and the passive loss this is according to the guidelines of the resolution 1420 of 2008.

The Bank's involvement in the outstanding balance of acceptances and transactions of financial instruments to the 31 of December of 2012 and 2011 was 100%

22. Credits in banks and other financial obligations

To December 31, the balance of this account is thus factored:

Foreign currency	2012		2011	
• Banco de Comercio Exterior S.A. – Bancoldex	$	98.066	$	149.297
• Findeter		23.280		-
• HSBC – Bank London		-		29.140
• Bank of America N.A. San Francisco		53.047		110.734
• Citibank N.A.		188.305		208.895
• Corporación Andina de Fomento – CAF		88.411		194.270
• Bladex – Panamá		79.570		145.703
• JP Morgan Chase Bank		-		252.683
• Standard Chartered Bank		12.378		-
• Wells Fargo Bank N.A.		135.723		165.126
• Bank of Nova Scotia		29.661		-
• Toronto Dominion Bank - Houston AG		-		58.281
Total foreign currency	**$**	**708.441**	**$**	**1.314.129**

Legal tender	2012		2011	
• Fondo para el Fomento del Sector Agrario - FINAGRO	$	105.996	$	112.796
• Banco de Comercio Exterior S.A. – BANCOLDEX		33.396		49.194
• Financiera de Desarrollo Territorial - FINDETER		19.526		27.174
Total legal currency		**158.918**		**189.164**
Total credits in banks and other financial obligations	**$**	**867.359**	**$**	**1.503.293**

The Bank's involvement in the balance of the account on December 31 2012 and 2011 was 100 %

The financial liabilities in foreign currency were contracted to maintain the liquidity of the Bank and were acquired without collateral.

The average interest rates of obligations in foreign currency were, Libor 1.25% and 0.84% for short term obligations, with maturity up to one year, and Libor 2.46% and 1.31% for medium-term obligations, with maturity from one year up to 5 years, on the 31st December 2012 and 2011, respectively.

The Colombian Government has established programs to promote the development of certain sectors of the economy. These sectors include trade, agriculture, animal husbandry, tourism and other industries. Such programs are under the management of the Central Bank and Government entities.

These loans usually pay interest between 10% and 13%. The maturity terms of the loans varies according to the programme (usually between one and ten years), and funds provided directly by the Bank vary from

0% to 40% of the total of the loan while the balance is provided by government entities. The obligations are guaranteed by the corresponding loans made to customers.

The Bank and subsidiaries, the composition for the period of these obligations at 31st December was:

Year 2012

Liabilities in foreign currency	Interests	Capital			Total
		Short term	Medium-term	Long term	
Banco de Comercio Exterior S.A. - Bancoldex	$ 545	$ 42.509	$ 41.411	$ 14.146	$ 98.066
Bank of America N.A. San Francisco	228	53.047	-	-	53.047
Bladex - Panamá	1.219	79.570	-	-	79.570
Citibank N.A.	190	188.305	-	-	188.305
Corporación Andina de Fomento - CAF	83	88.411	-	-	88.411
Bank of Nova Scotia	36	29.661	-	-	29.661
Findeter	103	23.280	-	-	23.280
Mercantil Commerce Bank Miami	14	12.378	-	-	12.378
Wells Fargo Bank N.A.	180	135.723	-	-	135.723
Total	**$ 2.598**	**$ 652.884**	**$ 41.411**	**$ 14.146**	**$ 708.441**

Year 2011

Liabilities in foreign currency	Interests	Capital			Total
		Short term	Medium-term	Long term	
Banco de Comercio Exterior S.A. - Bancoldex	$ 905	$ 75.196	$ 58.559	$ 15.542	$ 149.297
Bank of America N.A. San Francisco	443	110.734	-	-	110.734
Bladex - Panamá	1.151	145.703	-	-	145.703
Citibank N.A.	896	208.895	-	-	208.895
Corporación Andina de Fomento - CAF	1.001	194.270	-	-	194.270
HSBC - Bank Londres	103	29.140	-	-	29.141
JP Morgan Chase Bank	544	252.683	-	-	252.683
Toronto Dominion Bank - Houston AG	161	58.281	-	-	58.281
Wells Fargo Bank N.A.	737	165.126	-	-	165.126
Total	**$ 5.941**	**$ 1.240.028**	**$ 58.559**	**$ 15.542**	**$ 1.314.129**

The sheer dynamism of activity in South America once again progressed the results of the group.

The composition for the period of these obligations at 31 December was:

Year 2012

Legal currency obligations	Interests	Capital			Total
		Short term	Medium-term	Long term	
Fondo para el Fomento del Sector Agropecuario - FINAGRO	$ 1.376	$ 22.548	$ 22.767	$ 60.679	$ 105.996
Banco de Comercio Exterior S.A. -BANCOLDEX	118	28.067	3.788	1.541	33.396
Financiera de Desarrollo Territorial FINDETER	70	14.137	1.132	4.257	19.526
Total	**$ 1.564**	**$ 64.752**	**$ 27.687**	**$ 66.477**	**$ 158.918**

Year 2011

Legal currency obligations	Interests	Capital			Total
		Short term	Medium-term	Long term	
Fondo para el Fomento del Sector Agropecuario - FINAGRO	$ 1.259	$ 15.268	$ 36.493	$ 61.035	$ 112.796
Banco de Comercio Exterior S.A. -BANCOLDEX	167	2.281	9.341	37.572	49.194
Financiera de Desarrollo Territorial FINDETER	87	222	640	26.312	27.174
Total	**$ 1.513**	**$ 17.771**	**$ 46.474**	**$ 124.919**	**$ 189.164**

23. Accounts payable

To December 31 the balance of this account is factored thus:

Concept	2012	2011
Deposits and requirements	$ 69.477	$ 32.646
Money market and related operations	-	208
Credits in banks and other financial obligations	4.161	7.455
Investment titles in circulation	12.087	7.087
Commissions and fees	598	422
Taxes payable (1)	160.619	185.349
Surplus payable and dividends	28.261	21.724
Transaction taxes	8.999	6.697
Tax on sales payable	3.964	4.012
Promissory buyers (2)	4.686	4.985
Suppliers (3)	36.842	32.945
Deductions at source	30.780	30.108
Retaining employees	85	130
Rotated uncollected checks	16.415	13.650
Collections made	27.300	19.022
Government law 546 of 1999	29.474	28.758
Buying of real estate for residential leasing (4)	16.763	26.701
Capital security bonds	11.576	11.597
Surplus of foreign currency operations	1.237	3.613
Pending account efipagos	4.812	3.272
Fogafin deposit insurance (5)	17.255	12.976
Security bond interests	4.038	4.089
Payroll ISS Convention (6)	69.993	18.825
Insurance, fire earthquake, life and vehicles	783	1.145
Securitized Portfolio collection	20.088	354
Other	13.396	12.394
Total	**$ 593.689**	**$ 490.164**

(1) This includes tax equity. The Bank liquidated tax amounting to $104.081 on the basis of the possessed liquid equity of January 1, 2011 at a rate of 4.8%, 25% over the surcharge. The declaration was submitted in the month of May 2011 and the payments will be made in eight equal installments in the months of May and September during the years 2011, 2012, 2013 and 2014.

In May 2011, the Bank caused and accounted for 100% of equity tax and its surcharge against a deferred charge of $132.171. A total of $32.525 amortized to the 31st of December of 2012.

The balance payable of equity tax to 31 December 2012 and 2011 was $65.050 and $97.575 respectively

The trust company liquidated tax amounting to $3.489 taking as its basis the net assets possessed to January 1st 2011 at a rate of 4.8% plus 25% of the surcharge. The declaration was submitted in the month of May 2011 and the payments will be made in 8 equal installments in the months of May and September during the years 2011, 2012, 2013 and 2014.

For 2012, the trust paid two installments of tax to a equity value of $872, affecting spending by $654 and the revaluation of the assets by $218, remaining balance to pay of $1,744 at 31 December 2012 and 31 December 2011 of $2,617.

The broker for 2011 caused and accounted for 100% of the tax to the equity and its surcharge against a charge deferred by $735 and amortized of $184 with revaluation account of the equity for the years 2012 and 2011, respectively. The balance payable of the equity tax of December 2012 and 2011 was $368 and $561 respectively.

(2) This corresponds to initial fees or partial charges from the sale of non-financial assets; its decline will be reflected once the full payment is cancelled thereof. In the case of leasing operations, received the extra payments required for the formalization of residential leasing credit.

(3) This corresponds to payments for leasing operations, which shall be cancelled once, constituted or activated contract with the client.

(4) The net value registered of the purchase of real estate will be placed in residential leasing.

(5) According to the circular No. DJU-00578 of January 27th, 2010 of FOGAFIN, it is disclosed that through the resolution No.5 on December 21st, 2009, which would be effective from January 1st, 2010 and which amended the payment system and causation of the deposit insurance expired quarterly in arrears, concepts for the premium calculation, the dates and times and payment methods, and the value that corresponds to these concepts.

(6) It is up to the service offered by the Bank to corporate clientele who wish to pay their payroll automatically; with the service agreement previously established between the company and the Bank. The credit balance of $69.993 corresponds to resources of companies whose final destination will be payment on behalf of third parties.

Participation in the account balance of accounts payable at December 31st 2012, of the Bank was 98, 60%, of the Fiduciaria 1.06% and the broker 0.35%. On December 31st, 2011 the Bank was 98. 50%, the Fiducieria 1,31% and the broker 0.19%..

24. Investment titles in circulation

To December 31 the balance in this account is factored thus:

Concept	2012	2011
Bonds:		
• Ordinary bonds series - 2007	$ -	$ 233.170
• Ordinary bonds series A and B - 2008	337.110	337.110
• Ordinary bonds series A and B - 2009	561.780	561.780
• Subordinated bonds B - series 2009	364.000	364.000
Total	**$ 1.262.890**	**$ 1.496.060**

Series A - 2007 bonds are denominated ordinarily in pesos issued on November 8 2007 and have a redemption deadline within two (2) to five (5) years, with performance of variable maximum rate of DTF 2.09 for two (2) years, DTF 2.30 for three (3) years and DTF 2.64 for five (5) years. The eight (8) November 2012 was the last remnant of this issue for a value of 233.170.

Series 2008 bonds are denominated ordinarily in pesos with a first issue of August 26 2008, for $301.890, indexed to DTF and IPC, have a redemption date between one and a half (1.5) and five (5) years, with performance of maximum variable rate of DTF 2.35 for one and a half (1.5) years, DTF 2.55 for three (3) years and DTF 2.69 and IPC 6.20% E.A. for five (5) years.

A second ordinary bond issue series A of 2008 of $198.110, indexed to the CPI, was held on August 4, 2009 with a period of redemption from 6 to 11 years, with a maximum variable rate of IPC performance of 4.58% E.A. and IPC 5.69% respectively. This series of $31,500 was issued on 26 August 2011.

The bonds series A and B - 2009 are denominated ordinarially in pesos with a first issue on September 29, 2010 of $561.780, indexed to DTF and IPC, and have a time of redemption between three (3) and seven (7) years, with performance of maximum variable rate of DTF 1.15 for three (3) years, IPC 2.80% E.A. for three (3) years IPC 3.05% E.A. for five (5) years, and 3.70% E.A. IPC for seven (7) years.

The first issue of subordinated bonds, series B of 2009 of $364.000 took place on 19 September 2011 with a deadline for redemption between 7 and 15 years, with performance of maximum variable rate of IPC + 4.28% for 7 years, and IPC 4.45% for 10 years and IPC + 4.70% for 15 years.

The issue prospectus includes the following features:

Prospectus for ordinary bonds 2008

- *Subordination of obligations:* in the case of ordinary bonds there is no subordination of the obligations.

- *Form of capital repayment,* prepaid and reacquisition events: the ordinary capital bonds are amortised under modalities of month, expired quarter, six months expired, single year payment at the date of expiry thereof, as determined in the public offering notice. This issue does not include prepaid.

The issuer may repurchase its own bonds through the Bolsa de Valores de Colombia, provided it meets the minimum deadline, established in paragraph 5 of article 1.2.4.2 of resolution 400 1995 of the Superintendenciay or by rules that modify or add to it. This operation is voluntary for the holders of the titles. In the event that the issuer acquires their own titles without having to wait until the expiration of the titles.

Emission guarantees: by being ordinary bonds, as a direct and unconditional obligation of the institution, it is not necessary to establish specific guarantees, the assets of the issuer becoming the general guarantee to creditors.

This issue is not covered by the (FOGAFIN).

Ordinary bonds 2009

- *Subordination of obligations:* in the case of ordinary bonds there is no subordination of the obligations.

- *Form of capital repayment,* prepaid and reacquisition events: the bond capital is amortised under modalities of monthly, quarterly expired, and expired semester or year expired, with one payment at the date of expiry thereof, as set out in the corresponding notice of public offering. Prepayable bonds, may issue as is determined by the respective notice of public offering. The issue of subordinated bonds held under this program in 2010 does not provide for the prepayment of the same.

The issuer may repurchase its own ordinary bonds. Repurchases will be made through the Bolsa de Valores de Colombia provided a year has elapsed since the issuance of the bonds. This operation is voluntary for the bondholders. In the event that the issuer purchases its own bonds, without having to wait until the expiration of the titles.

Guarantees from emissions of ordinary bonds: as the issue is of ordinary bonds there is no subordination of the obligations. In this sense, all holders of the bonds issued in the framework of this programme will have the same rank (pari passu) without preference, as well as the same rank (pari passu) with respect to all other obligations by non subordinated and unsecured money debts assumed by the issuer, are outstanding.

This issue is not covered by the Government Deposit Guarantee Scheme of Financial Institutions (FOGAFIN).

The detail of the emissions and bonds is shown in the annexed table:

Subordinated bonds2009

- *Subordination of obligations:* when it comes to subordinated bonds, in the event of liquidation of the issuer, the redemption of the subscribed capital is subordinated to prior payment of external liabilities, this being an irrevocable obligation.

• *Form of capital repayment,* prepaid and reacquisition events: the bond capital is amortised under monthly modalities, quarterly expired, expired semester or one year expired, with one payment at the date of expiry thereof, as set out in the corresponding notice of public offering. Prepayable bonds, may issue as is determined by the respective notice of public offering notice. Issuance of subordinated bonds performed under this program in 2011 does not provide for the prepayment of the same.

The issuer may repurchase its own subordinate bonds. Repurchases will take place through the Bolsa de Valores de Colombia provided a year has elapsed since the issuance of the bonds. This operation is voluntary for the bondholders. In the event that the issuer purchases its own bonds, without having to wait until the expiration of the titles.

This issue is not covered by the Government Deposit Guarantee Scheme of Financial Institutions (FOGAFIN).

The detail of the issue and bonds is shown in the annexed table:

Issuing bonds	Authorized amount	Term years	Rate	Coupon	Issue amount	Date	Expiration date
Ordinary 2008	500.000	5	DTF+2,69%	TV	$ 37.000	26/08/2008	26/08/2013
		Ordinary 2009	IPC+6,2%	TV	102.000	26/08/2008	26/08/2013
		Subordinates 2009	IPC+4,58%	TV	43.110	26/08/2008	26/08/2014
		Total bonds	IPC+5,69%	TV	155.000	26/08/2008	26/08/2019
Ordinary 2009	1.500.000	3	DTF+1.15%	TV	26.500	29/09/2010	29/09/2013
		3	IPC+2,80%	TV	367.630	29/09/2010	29/09/2013
		5	IPC+3.05%	TV	33.600	29/09/2010	29/09/2015
		7	IPC+3.70%	TV	134.050	29/09/2010	29/09/2017
Subordinates 2009	500.000	3	IPC+4,28%	TV	102.000	19/09/2011	19/09/2018
		10	IPC+4.45%	TV	106.000	19/09/2011	19/09/2021
		15	IPC+4.70%	TV	156.000	19/09/2011	19/09/2026
Total bonds	$ 2.500.000				$ 1.262.890		

The participation of the Bank in the balance of the titles of investment in circulation on December 31 2012 and 2011 was 100%.

BBVA revenues grow in all geographies and exceed 22,000 billion euros in 2012.

25. Other liabilities

To December 31st, the balance of this account is factored thus:

Concept	2012	2011
Income received in advance	$ 1.049	$ 1.577
Labor obligations (1)	42.481	38.129
Pensions (2)	51.896	48.991
Deferred credits (3)	6.258	5.749
Deferred payment credit cards	3.839	2.336
Accounts cancelled (4)	500	307
Subject to collection	25.178	18.021
Outcome assessment first day SWAP (5)	16.166	25.494
Balances in third party favor M.E	558	1.522
Balances to apply to obligations	21.108	8.899
C.D.T incidents	22.812	22.223
Excess payment credit cards	3.264	2.905
Surplus in Exchange	170	204
Operations on ATM debit card and others	14.314	21.695
Temporary unions (6)	467	309
Confirm pending remittances	783	542
Other	9.249	9.831
Total other liabilities	**$ 220.092**	**$ 208.733**

(1) The items that make up the balance of labor obligations for the years ending December 31 were:

Labor obligations	2012	2011
Severance package	$ 9.237	$ 8.537
Severance pay interest	1.088	1.045
Holiday	8.076	7.686
Other social benefits	16.388	14.695
Contributions to social security	7.692	6.166
Total	**$ 42.481**	**$ 38.129**

(2) Retirement pensions - for private workers, recognition and payment of pensions was the direct responsibility of certain businessmen, since retirement, in accordance with labour legislation, in particular article 260 of the substantive labour code and laws 6 1945-65 1946 was a special allowance for some employers, namely for companies with capital exceeding $800,000 pesos only. Subsequently, from 1967, the ISS began to assume the recognition and payment of pensions for private workers, date from

which the Bank subrogated pension risk from those people who were working in the various branches of the country where Social Security had coverage, assuming only those pensions of theworkers who were not affiliated with the Social Security pensions by non coverage.

From April 1st 1994 the Colombian pension system managed by the Régimen de Prima Media y el Régimen de Ahorro Individual con Solidaridad are institutions authorised to manage and assume the pension liability.

The actuarial covers a total of 261 people, with a series of benefits laid down in the laws and the modification of the Circular 039 of October 21, 2009, in which reserves are calculated for extra-legal benefits offered by the company to its retirees and beneficiaries.

The Superintendencia issued resolution 1555 on the 30th July 2010 whereby it updated the mortality table of annuities validating men and women whose usage is manbatory to generate the actuarial calculations of pension liabilities.

The liability for pensions assumed directly by the Bank, in accordance with the law is summarized thus:

Concept	Pension liability	Deferred cost	Net
Balances at December 31, 2011	**$ 48.991**	**$ -**	**$ 48.991**
Plus - Adjust according to actuarial charged to expenses	7.040		7.040
Less:			
• Payment of pension	(4.135)	-	(4.135)
Balances as of December 31, 2012	**$ 51.896**	**$ -**	**$ 51.896**

The values of the liability for pensions at 31 December 2012 and 2011 were determined based on actuarial calculations in accordance with the legal provisions.

To December 31, 2012, the impact for BBVA Colombia by increase of the pension reserve is $2.905 and by pension payments $4.135

The main factors used in the actuarial calculations for the years ending December 31 were as follows:

Concept	2012	2011
Accumulated amortization	100%	100%
Annual interest rate	4,80%	4,80%
Future annual pension increase	3,26%	3,50%

Methodologies and actuarial basis adjusted to current standards for the preparation of actuarial calculations (2738 Decree of 2001 and Decree 2984 of 2009) were used for the evaluation of the mathematical reserve of retirement, bonds and their titles.

Technical basis for the actuarial

a. Table of annuitance mortalities validates men and women "experience 2005-2008", according to resolution 1555 of 2010 of the Superintendencia.

b. Pension and salary adjustment: 3.26% per year.

c. Technical interest: 4.8% per year.

In what refers to the aspects of the tax order is carried out in accordance with the Decree No. 2783 of 20 December 2001.

Covered beneficiaries - retirement actuarial liabilities covers retirement benefits under personnel law:

a. Retirement reserve:

- Retired company manager.
- Retired with ISS shared pension
- Retired by the company, and in expectation of the ISS
- Retiree whose pension is by the company and a fee is part of the pension.
- Annuity by company staff.
- Annuity shared with ISS staff
- Staff with life annuity in charge of the company is part of the pension.
- Active staff in expectation and ISS
- Personnel voluntarily retired with over 20 years of service.
- Staff withdrawn voluntarily with less than 20 but more than 15 years of service.
- Staff removed without just cause with more than 10 and less than 15 years of service.

b. Bonus and pension titles:

- Pension bonus - validation of service time.
- Pension bonus - salary difference.
- Pension title.

(3) *Deferred credits* - the items that make up the balance of deferred credits for the years ending December 31 were:

Deferred credits	2012	2011
Profits deferred from the sale of goods received in payment	$ 582	$ 433
Restructured loans income	5.676	5.316
Total deferred credits	**$ 6.258**	**$ 5.749**

Earnings deferred on the sale of goods received in payment are generated as a result of the sales operations during the term, which differs in the period in which the operation has been agreed; its depreciation must be set against the income statement for its collection to be effective.

In terms of deferred revenues on restructured loan operations, sets the norm so that when contemplating the capitalization of interest registered in accounts of order, or Written offincluded capital balances, interest and other items, these are counted as deferred payment and the repayment will be proportional to the effectively raised values.

(4) Accounts cancelled - the unilateral cancellation of current account contracts by the Bank, in the contract signing with customers as in "current account regulation", number II paragraph 7 states that if the decision is taken by the Bank, it must clarify the reasons that determined the dissolution of the contract.

In the case of savings accounts, article 29 "account cancellation", if the Bank should make this decision, it will transfer the existing deposits in the accounts to an accounting category of accounts payable, where they will be at the disposal of the account holder, expressed in pesos at the date of cancellation of the account.

With respect to inactive accounts, the transfer is carried out based on the regulation issued by the SFC, Circular external 001 of January 5, 1999, which indicates that if the balances of the current accounts and savings have remained inactive for the period of more than one year and do not exceed the 321.55 UVR, their balances will be transferred to the Directorate of the National Treasury (Ministerio de Hacienda y Crédito Público).

(5) Swap day valuations first day - Chapter XVIII of the basic accounting circular, authorizes the supervised entities to defer the result obtained for the first day assessment when currency SWAP contracts are concluded and interst rate in daily aliquots daily until the maturity of the operation, as of July 1st, 2009.

At December 31st, 2012, there were 29 Swap operations on current currencies in which has been deferred the outcome of the first day, with a balance to be deferred of $11.459 with expiration date between, less than 3 months and 10 years, and for contracts on interest rates there were 57 operations with a balance to defer of $4.708 at 31st December 2012, with a maturity date of between 4 and 8 years.

At December 31st, 2011, there were 25 swap operations on current currencies in which has deferred the outcome of the first day, with a balance to be deferred of $21.810 with expiration date between less than four months and 10 years, and for contracts on interest rates there were 48 operations with a balance to be deferred of $466, with a date of maturity between 14 days and 2 years.

(6) Consortiums and temporary unions - the law 80 of 1993 regulates this type of agreement in virtue of which jointly the trust participates in the proposals for the award, execution and performance of contracts, responding jointly and liable severally for the fulfillment of the same.

On this understanding the trust, following the guidelines of the Superintendencia 029 external circular of 2002, recorded in its monthly financial statements the total value corresponding to their participation in the liabilities of consortiums and temporary unions of which they are a part.

On December 31, 2012 and 2011 these are recorded in the consolidated financial statement balances:

Name	2012	2011
Unión Temporal Horizonte Fidugan	$ 19	$ 9
Consorcio Fimproex	0	12
Consorcio E.P.M Une	34	34
Consorcio FIA	369	231
Consorcio Fimproex 2009	28	20
U.T.Horizonte Pensiones y Cesantías Fidugan Fonpet 2006	5	3
Consorcio Pensiones Ecopetrol 2011	12	-
	$ 467	$ 309

Participation in the balance of the account of other liabilities to the 31 of December of 2012 was Bank 99, 60%; the trust 0.37% and the broker 0.03%. On December 31, 2011 it was the Bank with 99.63%, the trust at 0.33% and the Commission agent at 0.04%.

26. Estimated liabilities and provisions

To December 31st, the balance of this account is factored thus::

Concept	2012	2011
Interests	$ 7.792	$ 7.792
Bonuses	31.629	26.343
Other benefits	4.427	7.266
Provision for taxes	0	67
Fines and penalties, litigation and compensation (1)	77.983	70.631
Estimated costs payable (2)	109.703	151.214
Estimated miles points	-	-
Other	4.044	36
Total estimated liabilities and provisions without minority interest	235.578	263.349
Minority interest	5.510	4.478
Total estimated liabilities, provisions, and minority interest	**$ 241.088**	**$ 267.827**

(1) Corresponds to the provisions accounted for by processes against the Bank and subsidiaries in ordinary, commercial and labor litigation.

(2) Correspond to estimated costs payable as suppliers, utilities and other services during the year 2012, which will be billed during the year 2013

Participation in the account balance of estimated liabilities and provisions to the 31 December 2012 for the Bank was 98.63% the trust 0.99% and the broker 0.38%. At December 31, 2011 for the Bank 99, 07%, the trust company 0.68%, and the broker was 0.25%.

Legal contingencies: the Bank is involved in 1,406 judicial proceedings for civil, criminal, administrative and tax and labour, arising from the normal course of its activity and business, for an approximate value of $223.633.

Legal contingencies are constituted provisions of $50.936. In addition, from processes guaranteed by Fogafin it shows coverage between 85% and 95% of the net economic effect, in accordance with the terms of contingencies guarantee by the fund from the development of the process of privatization of the Bank Granahorrar.

In the opinion of the directors, after consultation with its legal advisers, both internal and external, these processes wouldn't have a reasonably adverse material effect on the financial condition of the Bank or the results of their operations and are adequately provisioned for.

The main processes affecting on the institution are as follows:

Civil proceedings:

a) Ordinario de Prounida y Coloca: in 1982 Sociedades Prounida y Coloca were promissory buyers and former shareholders of the Bank Caldas, as promissory buyers they entered into two contracts of pledge over shares of the Banco de Caldas. They agreed a deposit of 265, with which Prounida y Coloca created two CDTs in the Banco de Caldas, with instructions to deliver them to sellers or return them to constituents, when some conditions were met. In August 1982 the Bank of Caldas, fulfilled the understood conditions, delivering the CDT to the promissory sellers. In April 1983 Prounida y Coloca, dissatisfied with the delivery of the CDT, filed a lawsuit against the Bank and other defendants, claiming, among other things, the nullity or the resolution of contracts, along with the restitution of moneys. Responsibility was asked of the Banco de Caldas for payment of the CDT.

The Tenth Civil Court of the circuit of Bogotá, in April 2001, ruled that the Bank pay $265 of capital plus interest of 34% from May to September 1982, and on this basis, all default interest, in accordance with the relevant legal standards, accrued from October 1982 and until the day in which the payment was made. The judgment of first instance was appealed by the BBVA and other defendants. The Superior Court of the Judicial District of Bogotá room Civil, in 2007, ruled that the Bank pay $12,460, which corresponds to the capital of the year 1982 plus IPC.

The extraordinary appeal is pending before the Supreme Court of Justice, presented by the parties. The contingency of $15.473 is transferred.

b) Group and class actions: initiated by customers or users of the Bank or Granahorrar, on housing loans and other areas, termination of executive processes, review of fees, commissions, interest on housing loans and credit cards, deterioration of real estate collateral. These processes, of an undetermined amount, are qualified as remote contingency.

c) Ordinario de Kachina: a process that started in the year 1999 in the Bolivarian Republic of Venezuela, related to Telegan, a telecommunications company with a livestock group. In 2002 a first appeal failed and the sentence reorderred. Also sued was Banco de crédito, however, in accordance with the history of Banco Ganadero that was sold in 1988 the assets and liabilities of the branch in Caracas, with a guarantee of contingencies from acts or facts prior to the sale, whose history will be defined with the final ruling.

d) Incident of damages of Melian Ltda. - regulation and other: is aimed at compensation for alleged losses valued at the initial sum of $10,500. The claimants assert that they suffered years with the precautionary measures practiced within a executive mortgage process.. The process is in the first stage and has Fogafin warranty.

a) Sandra Patricia Galvis and others: is demanding delivery of properties in a project developed by Provisoc called "Ciudadela, Paseo Real Soacha", funded by Granahorrar. The contingency is qualified as remote, without provision and is guaranteed by Fogafin. Process is pending with judgement in the first instance.

b) IFI Executive against Corfigan: aimed toward the payment of the final settlement of a contract for refinery of salt, which Corfigan operated within a temporary union. He presented an executive process in the Council of State against the Bank and at the same time one of invalidity in the Judicial District Court. The payment order was issued for $6,000 of capital plus interest. Provision is made for $10,800.

Work processes - the Bank is responding to 222 work processes with claims estimated at $25.158 and provisions of $7.422. The main reasons of the demands are compensation for alleged unfair dismissal, refunds, legal and conventional, and discussions about the legal nature of conventional premiums, holidays and seniority and pension issues. These processes are properly provisioned for according to legal rules, the procedures established by the Bank and the guidelines of the Superintendencia. In accordance with the legal advisers of the Bank it is anticipated that the outcome will be favorable to the entity or that its loss will not be significant.

Tax process – There exist judicial processes in which Bank is discussing the official liquidation of assessment review on financial movements for weeks in 2005 seeking higher taxes of $7.147.

Also, it will allow for processes before the courts and administration, contentious administrative concepts of territorial tax on industry and trade and property tax issues where the tax authorities claim higher taxes amounting to $1.505.

BBVA Valores Colombia S.A. does not have civil, ordinary or labor demands.

BBVA Asset Management S.A. - December 31, 2012 and 2011 there were lawsuits against the trust originated in various business development trusts with approximate claims of $1922 and $843, respectively. To cover possible contingencies there is a reserve in equity of $510 included within the occasional reserves amounting to $545. The management and its legal advisors consider this sufficient reserve revenue to cover any rulings against the trustee.

Income - tax from the year 2011 the applicable rate for income tax is the general rate of 33 %

For purposes of the calculation of income tax obligations, it is determined by applying the rate to the figure which is higher among 3% of the liquid assets at December 31 of the previous year, and effectively perceived income.

Reconciliations between taxable income and income before tax, and the corresponding tax determination.

Description	2012	2011
Income before expenditure for income tax	$ 635.222	$ 642.903
Elimination of reciprocal items in consolidation	17.769	52.942
Income tax or tax-exempt income	(25.087)	(24.986)
Income recognized for accounting purposes but not fiscally	(193.886)	(346.331)
Income recognised for tax purposes but not accounted for	2.337	25.243
Costs and expenses recognized for accounting purposes but not fiscally	224.673	224.746
Costs and expenses recognised fiscally unaccounted	(110.823)	(96.478)
Basis for calculating taxes, tax profit	**$ 550.205**	**$ 478.039**
Basis for calculating taxes, taxable profit	550.205	478.039
Tax rate	33%	33%
Income tax payable for the year	**$ 181.568**	**$ 140.282**

(1) The Bank, the Commission and the trustee calculated its taxes on ordinary income.

The income statement of the Bank for the 2010 taxable year is within the term of review by the tax authority. The administration of the Bank and its legal advisors consider that important differences in relation to the amounts already cancelled by the entry in force will not be presented.

The statements of income of the trust for the years 2007, 2008, 2009 and 2011 are subject to review and acceptance by tax authorities. The managers of the trust company and its legal advisors consider that important differences in relation to the amounts already cancelled by such validity will not be presented.

The income statements of the Commission for the years 2010 and 2011 are open for review by the Dirección de Impuestos y Aduanas Nacionales.

Accounting equity to the 31 of December of 2012 and 2011 differs from the fiscal equity by the following:

Description	2012	2011
Accounting equity	**$ 2.857.240**	**$ 2.564.010**
Items that increase or decrease the equity for tax purposes:		
Elimination of reciprocal items in consolidation process	100.216	81.466
Settings and asset tax adjustments	124.775	200.149
Provisions for assets that do not constitute tax decrease of these	116.889	81.756
Deferred income	2.283	2.357
Estimated liabilities and provisions	166.231	138.286
Accounting valuations of properties and equipment	(330.121)	(258.660)
Amortization on deferred charges	(256.627)	(207.085)
Other	(253)	56
Equity tax	**$ 2.780.633**	**$ 2.602.335**

As a result of the good growth in revenues and proper management of expenditure, BBVA continues at the top of the financial sector in efficiency and this allows the recurrent net margin - which does not include results for financial operations and dividends - to grow at high rates

27. Subscribed and paid capital

Capital subscribed and paid by the Bank is divided into ordinary shares and shares with preferential dividend without a vote. The latter cannot be represented by more than 50% of the subscribed capital. To December 31, 2012 and 2011, 13.907.929.071 ordinary shares were subscribed and paid and 479.760.000 preference shares; with a face value of $6.24 pesos, for a total of $89.779 capital.

Capital subscribed and paid from the trust to the 31 December 2012 and 2011, this was represented by $55.089 and $46.550 respectively, by common shares with a nominal value of $1,000 (in pesos) each, which were subscribed and paid on these dates.

Capital subscribed and paid by the commission agent at 31 December 2012 and 2011, this was represented by $3.882.

28. Appropriate retained earnings

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Legal reserve	**$ 1.436.940**	**$ 1.433.383**
Casual reservations:		
• Equity strengthening	425.202	218.020
• By fiscal provisions and others	48.062	15.483
Total reservations	**$ 1.910.204**	**$ 1.666.886**

Legal - In accordance with legal provisions, 10% of the net profit of the Bank and subsidiaries in each year must be appropriated with a credit to a "Reserve Fund" until the balance of this is equivalent at least to 50% of the subscribed capital. As a result, the legal reserve may not be reduced unless this last percentage, to meet losses in excess of non-distributed profits. Premiums on shares placement are also paid to the legal reserve.

Other - reserves that can be used for future distributions, which include:

Reserve for valuation of investments according to Decree 2336/95 - reserve is constituted by profits, product valuation of investments at market prices that have not been made at the head of the Bank, in accordance with the rules of article 27 (realization of income) and other concordant regulations of the tax statute. The balance at 31 December for the years 2012 and 2011 was $47.529 and $14.782, respectively.

Reserve for protection of investments - at 31 December of the year 2012 and 2011, the balance was $532 and $700, respectively.

Dividends enacted - during the years ending 31 December 2012 and 2011, are dividends decreed payable in the manner detailed below:

Concept	2012	2011
Income for the previous year	**$ 483.915**	**$ 420.393**
• Preferred stock in circulation	479.760.000	479.760.000
• Preferential dividend per share (in pesos)	16,82 por acción	14,61 por acción
Total dividends enacted	**$ 2.784**	**$ 7.009**
• Ordinary shares outstanding	13.907.929.071	13.907.929.071
• Ordinary dividend per share (in pesos)	16,82 por acción	14,61 por acción
Total dividends enacted	**$ 242.001**	**$ 203.194**
Dividends payable at 31 December	**$ 28.259**	**$ 21.596**

Preferential and ordinary dividends for the year of 2011 were cancelled in cash in two equal installments on the days of June 15th and October 3, 2012.

The trust in the year 2012 and 2011 paid cash dividends to stockholders amounting to $6.831 and $5.856, respectively, and in actions $8.539 and $7.547, respectively. In addition, in 2012 the reserve of the Decree 2336 1995 was distributed to shareholders corresponding to the years 1997, 1998 and 2010 of $385.952. The trust carried out capitalization of 8,539 shares with a nominal value of 1,000 pesos each in June 2012 and 7,547 shares with a nominal value of $1,000 pesos each in May 2011.

The Commission at its meeting of 16 March 2012 and 18 March 2011 approved a dividend of $377, 59 and $681, 05 pesos, respectively, per share subscribed and paid, the total amount of which amounted to $1,466, and $2.644, respectively.

29. Law controls

The Bank and subsidiaries for the years 2012 and 2011 met all rules on controls of law established by the Superintendencia that related to: limit of own position in foreign currency, minimal reserve required on deposits in legal currency and mandatory investment in TDA.

Technical equity of banks in Colombia can not be less than 9% of total assets and credit contingencies weighted against levels of risk, calculated on a monthly basis on unconsolidated banks, financial statements and in June and in December calculated on consolidated financial statements with financial subsidiaries both local and foreign. On the 31 December 2012 and 2011 the technical equity of the Bank represented 11.27% to 12.33% respectively, on their assets and contingencies of credit-weighted level of risk calculated on non-consolidated financial statements.

For the trustee, in accordance with the provisions of the 1797 decrees of 1999, 5th paragraph, article 208 of the Organic Statute of the financial system and article 3.1.3.1.2 of the Decree 2555 of 2010, the total amount of resources managed in the activity of the development of collective portfolio management , may not exceed one hundred (100) times the amount of paid-in capital, the legal reserve, both sanitized and premium placement of shares of the respective administering society, minus the last registered value of the participatory investments maintained in societies that can manage third-party resources in the forms of administration, portfolio management of third-party or administration of collective portfolios or funds. This relationship by December 31, 2012, according to the 1885 Decree of 11 September 2012 was 30.84% the relationship being a minimum of 9%. This relationship on December 31, 2011 was of 42.19 times, calculation was made taking into account the amount not exceeding 48 times the amount of its paid-in capital and legal reserve, both sanitised.

The trustee has complied with other law controls established by the control bodies for trust companies, as well as the trust businesses it manages.

The broker must comply with the minimum 9% solvency ratio. To December 31, 2012 and 2011 it adequately fulfilled the legal requirement, since its solvency margin was 92, 64% and 98, 16%, respectively.


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30. Contingency and order accounts

In development of its ordinary course of operations, there existed at December 31 the following contingent liabilities and commitments accounted for:

Concept	2012	2011
Debtor contingent accounts:		
• Interests of loan portfolio	$ 49.692	$ 47.725
• Rights options	799.350	629.958
• Securities collateral and simultaneous repo	-	556.646
• Purchase receivable options	67.569	50.542
• Relief Act 546 of 1999	17.940	17.940
• Monetary correction credit portfolio	1.026	1.408
• Excess presumptive and ordinary income	-	-
• Fees for receiving	1.172.642	864.600
• Other	15.021	14.444
Total contingent debtors accounts	**$ 2.123.240**	**$ 2.183.263**
Creditor contingent accounts:		
• Guarantees	41	-
• Bank guarantees granted	729.153	614.987
• Values received in simultaneous operations	582.104	434.061
• Letters of credit issued and not used	342.088	427.116
• Undisbursed approved credits legal currency	718.843	582.430
• Opening credits	1.399.209	1.487.801
• Obligations in options speculation	799.350	629.958
• Accounts payable Government law 546 of 1999	21.708	21.708
• Litigation	174.839	286.143
• Other creditor obligations	88.020	91.780
Total contingent creditor accounts	**$ 4.855.355**	**$ 4.575.984**
Debtor accounts		
• Goods and values delivered in custody and warranty	$ 3.151.401	$ 3.132.485
• Punished assets	846.051	987.656
• Unused credits in favour	1.330.446	1.423.630
• Assets inflation adjustment	42.897	42.897
• Distribution of the subscribed capital	89.779	89.779
• Dividends equity revaluation	161	161
• Accounts receivable income from investments	63.758	40.364
• New agricultural loans portfolio	3.448	4.670
• Fully depreciated Tangible assets	203.649	191.898
• Tax value of the assets	21.922.695	21.922.695
• Provision of people	1.965	1.968
• Reciprocal active operations	8.874	1.491
• Reciprocal operations expenses and costs	15.441	11.343
• Investments	62.323	37.793
• Rights of purchase spot - forward	17.229.830	4.884.127

Concept	2012	2011
Debtor accounts		
• Items written off offices	101.966	101.966
• Provision of individual portfolio format 477	205.711	110.802
• Control digits format 110	11.803.196	8.926.494
• Waivers	71.913	70.534
• Buying foreign currency forex, forward and future	484.945	809.001
• Value of assigned assets in trust	310	310
• Operational letters of credit for exports, stand by and collection in foreign currency	66.301	855.439
• Tax base	21.790.824	18.473.057
• Value of assets received in payment	2.855	1.397
• Outstanding checks		102
• Portfolio titularizada E5 and E9 emissions	347.048	105.327
• Liquidation of interests after punishment	659.600	751.170
• Undisbursed approved credits	718.843	582.430
• Delta options purchased	155.174	74.534
• Other debtor accounts	414.663	394.739
Total debit accounts order	**$ 81.796.067**	**$ 64.030.259**
Accounts qualifying order		
• Goods and values received in custody	$ 63.371	$ 63.144
• Goods and values received in guarantee	46.351.665	43.225.029
• Punished active recovery	88.928	127.795
• Collections received	378	415
• Equity inflation adjustment	532.144	532.144
• Equity capitalization revaluation	532.144	532.144
• Negotiable investment performance	175.908	178.141
• Tax value of assets	2.375.433	2.375.433
• Portfolio qualification, interest and accounts receivable	21.588.015	19.130.678
• Reciprocal operation passive	242.294	169.622
• Reciprocal operation income	51.785	38.064
• Issued Delta options	155.174	74.534
• Operational letters of credit for imports, stand by and collection in foreign currency	5.948.046	3.111.097
• Securitized portfolio, interest, accounts receivable and financial interests	296.252	138.959
• Selling foreign currency, forex, forward and futures operations	452.769	539.856
• Selling spot, forward and swap obligations	5.457.396	5.263.969
• Mutual funds	1.911.562	1.687.514
• Returned checks	127.145	127.703
• Portfolio Manager - others other than FOGAFIN	510	493
Utility for sale of securities issued		
Other creditor accounts	**3.363.660**	**3.066.136**
Total counts of qualifying order	**$ 89.714.579**	**$ 80.382.870**
Total contingent and order accounts	**$ 178.489.241**	**$ 151.172.376**

31. Contingencies

The Bank and subsidiaries had the following contingencies to the 31 December 2012:

Credit commitments - in the normal course of operations, the Bank issues financial instruments which are recorded in contingent accounts. The administration of the Bank does not expect material losses as a result of these transactions. The following is a summary of the most important commitments:

Letters of credit issued and unused - letters of credit are usually issued so that they are used in a period not exceeding 90 days. When it comes to letters of credits with correspondents who do not belong to the BBVA group, for import letters the Bank will charge an arrangement fee of 1%, on the value of the letter of credit, with a minimum of USD$ 130 plus VAT, plus USD$ 35 fee for swift message plus VAT, plus $5,300 (in pesos) stationery; for export letters is charged per notice opening USD$ 50, for confirmation is charged at 0,225% on the value of the letter of credit, with a minimum of USD$ 50 and committee negotiation, 0.15% min USD$ 50. When it comes to opening letters of credit with banks of the BBVA group, for importation a fee of 0.70% is charged, minimum $80 plus VAT plus USD$ 20 Commission per message swift plus VAT; export letters are charged, per opening notice,USD$ 30, for confirmation 0.15%, minimum USD$ 35 and committee negotiation 0.10% min USD$ 35.

Obligation guarantees - the Bank issues guarantees to secure obligations for special customers and contracts. These guarantees have maturities between one and fifteen years, and for this service commissions are charged with correspondent banks not belonging to the BBVA group of 0.30%, on the value of the guarantee or warranty, with a minimum of USD$ 100 dollars anticipated quarterly. With banks of the BBVA group a Commission is charged of 0, 20% with a minimum of USD$ 80

Quotas without using - on the delivery of credit cards customers are allowed a quota of credit that they can use at any time, therefore this must be available. Cards, as is the Bank's internal policy, are issued for periods of eight years. The maximum effective annual average rate of interest for credit cards was 30, 72% in the year 2012.

The risk of loss to the Bank in case of the default of customer commitments to granted loans, letters of credit and guarantees is represented by the nominal values in the respective financial instruments; However, since the commitments of credit may expire unless they have been used, the full amount of the commitment does not necessarily represent future cash requirements. The Bank uses the same credit policies to lend when it assumes commitments and conditional credit obligations. In general for the granting of these financial instruments the Bank assesses the financial capacity of the client, and obtains the guarantees considered necessary. The guarantees obtained, if appropriate for the Bank, are based on the assessment of credit risk. The types of warranties vary but may include accounts receivable, inventories, properties and equipment, financial investments, among others.

In addition, the trustee and the agent had registered the following trust accounts of order which are not included within the consolidated balance sheet:

Subsidiary	2012	2011
In the trustee:		
• Fiduciary investment	$ 65.206	$ 61.701
• Trust real estate	101.610	118.050
• Fiduciary management and payments	3.076.033	2.732.444
• Fiduciary in warranty	325.324	360.786
The general system of social security resources and other related retirement pensions and invalidity funds	4.513.252	8.407.436
• Collective portfolios - collective portfolios of general type	1.593.746	1.402.688
In the broker:		
• Other	6.589	9.680
• Titles received in administration	758.602	399.092
	$ 10.440.362	**$ 13.491.877**

32. Different interest income

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Commissions and fees	$ 345.581	$ 333.846
Sales of checkbooks	17.371	18.655
Echange earnings (1)	190.855	454.405
VISA finance fee	4.568	2.614
Cables and ports	422	231
Utility for sale of investments (2)	49.358	43.862
Income in trusts	17.687	11.971
Recovery of provisions and other estimated liabilities (3)	18	10.846
Recovery of provision for goods received in payment (4)	3.446	1.722
Recovery of provision for accounts receivable	14.904	11.123
Recovery of provision for credit and financial leasing (5) operations portfolio	295.435	220.216
Recovery of provision for financial leasing portfolio	6.867	5.064
Recovery of provision counter-cyclical component	82.679	64.054
Returned provisions other assets (6)	26.639	15.606
Profit from sale of portfolio (7)	7.170	-
Profit from sale of assets received in payment and returned	1.155	1.033
Profit from sale of Tangible assets	1.290	2.526
Profit short of repo positions, simultaneous and temporary transfer of values (8)	7.462	31.543
Profit on the market value of investments	388.517	389.600
Leases	720	694
Recovery of loans punished (9)	88.961	127.844
Income from derivatives (10)	1.549.744	1.201.219
Operational income leasing (11)	103.166	59.757
Miscellaneous income (12)	40.538	57.122
Total	**$ 3.244.553**	**$ 3.065.553**

(1) 59% was generated by the restatement of assets in foreign currency, 28% from the purchase or sale of foreign exchange and the remaining by the restatement of liabilities comprising the balance in foreign currency.

(2) Corresponds to the negotiation of fixed income securities, basically by TES Treasury securities.

(3) Reinstatement of estimated liabilities of exercises above is corresponding to libreton, accounted in December 2011.

(4) Recovery of provision is given for the donation of two goods received in payment delivered to the Governor of Tolima.

(5) The provisions of loan investment recovery is basically due to the result of collection campaigns that occurred in 2012, where upon the recovery of provisions the paid product of the clientele in the lines of credit was the following, commercial $142.717, $112.366, microcredit $ 16, credit card consumption $16.629, housing $23.618, $6.747 countercyclical.

(6) Refund of prior years provision given by the liquidation of securitisation E-3 titles TIPS.

(7) Profit by the effect of structuring securitization mortgage portfolio sold with premium N-6 (see note 11).

(8) This result is generated by trading short with Treasury securities.

(9) Decrease over the previous year in the recovery of the Written offconsumption and housing.

(10) The increase in the hiring of financial instruments derivatives, such as forward and swap, and the volatility in exchange rates generated increased results for valuation and liquidation.

(11) The increase is given by the increase in the volume of leasing operations, which grew during the year by 51.83% compared to the previous year.

(12) Provisions made in the 2010 reinstatement with respect to unique treasury operations with the institution Financial Multilareal CAF - Corporación Andina de Fomento, in connection with the cross currency swap operations and adjustment differs in curves of valuation On - Off accounted for in 2011.

Participation in the balance of the different interests income accounts to the 31 of December of 2012 was 98, 16% by the Bank, 1.47% by the Trust Bank and the broker 0.37%. To December 31, 2011 the involvement for the Bank was 98, 57%, the trustee 1.23% and 0, 20% the broker.

33. Different interest expenses

To December 31, the balance of this account is factored thus:

Concept	2012	2011
Personnel expenses	$ 403.908	$ 371.010
Depreciation	45.699	44.394
Contributions and affiliations	8.813	7.958
Commissions (1)	150.983	131.471
Public services	25.100	23.900
Investment provisions, BRDP, fixed assets and other	21.366	20.938
Supplies TEAS Act 546 of 1999	-	129
Transport	34.531	30.866
Insurance (2)	72.403	58.998
Servicing of toilets and surveillance	12.674	12.507
Taxes other than income (3)	100.967	91.695
Tools & stationery	5.775	6.464
Consortium	2.321	1.932
Maintenance and repairs	19.889	15.848
Electronic data processing	53.686	49.620
Loss on sales of investment (4)	29.032	43.301
Temporary services	23.445	22.745
Amortization of deferred charges (5)	154.830	51.792
Fees	27.223	25.029
Leases	14.272	12.215
Advertising and propaganda	21.155	19.933
Travel expenses	9.823	10.104
Valuation of investments (6)	180.600	198.567
Monetary correction	985	1.170
Public relations	3.317	4.553
Adaptation and installation of offices	2.826	3.495
Loss on sale of portfolio	5.763	4.463
Loss on derivatives (7)	1.539.881	1.217.786
Administration of buildings	4.855	4.769
Write-offs of portfolio	307	10.019
CDT awards and payroll libretón	3.802	4.904
ATM withdrawals use of the network and others	10	11
Used power costs	521	440
Document archive administration	1.180	1.073
Custody and transport of guarantees	5.784	4.404
Core risk call center inquiries	14.203	11.983

Concept	2012	2011
Development of log CDR software and technical support	6.898	5.990
Loss on changes (8)	147.770	452.405
Program points mile (9)	13.884	3.544
Loss on sale of assets received in payment	261	498
Goods received in payment expenditures	1.687	1.567
Donations (10)	2.662	260
Fines, penalties, costs and litigation and compensation	5.437	3.969
Corporate social responsibility	4.839	4.204
Operational risk	9.995	11.918
Miscellaneous expenses (11)	53.393	24.905
Total	**$ 3.248.755**	**$ 3.029.746**

(1) Commissions of sales force during placement of the products of the Bank to the public, carried out through interbank services networks.

(2) Deposit insurance Fogafin based on deposits of the customers in the Bank

(3) Increase basically on taxes of industry and trade $4,700 caused by the increase in gross revenues and $3.081 in assessment movement caused by the redemption of capital and interests of CDT and industry´ s.

(4) Loss arising on the disposal of TES Treasury securities

(5) Increase basically caused by the acceleration of the monthly aliquots amortization of the goodwill from January 2012. (V134er note 17)

(6) The loss on valuation of fixed income investments decreased by 9% due to constant curves and price fluctuation.

(7) The volatility in exchange rates and rates of interest during the year 2012 generated an increase in loss valuation and liquidation of operations with derivatives. The loss generated by short sales and liquidity, Repo and simultaneous operations were decreased by 51%, caused by the reduction of such operations by 48% during the year.

(8) 46% for this category was generated by the restatement of liabilities in foreign currency, 29% was generated by the restatement of liabilities comprising the balance in foreign currency and 26% by negotiation, purchase and sale of foreign exchange.

(9) Greater number of users enrolled in the program point's mile.

(10) A donation made of two rural lots delivered to the Government of Tolima

(11) Treasury operations and singular difference in titration curves, ON - OFF curves. Liquidation of issue residual subordinated title E3 issuance of securitized portfolio.

The financial sector needs much more efficiently, which can be achieved with the technological revolution, is a bet that's what BBVA Colombia.

Participation in the balance of expenditures other than interest to December 31, 2012 was 99, 39%, 0.46% Trust Bank and the broker 0.15%. To December 31, 2011 for the Bank was 99.46%, the trust company 0.41% and 0.13% the broker.

In compliance with what was needed in article 446 of the Code of Commerce, paragraph 3, literal to), b), c) and d) we inform you that the expenditures made by the following concepts for the years 2012 and 2011 were:

Concept	2012	2011
Payments to managers:		
Wages	$ 6.273	$ 6.444
Aid	2.175	1.734
Other	3.677	3.056
Costs of advertising and public relations:		
Advertising	$ 21.155	$ 19.933
Public relations	3.317	4.553
Other payments:		
Fees	$ 27.723	$ 25.029
Donations	2.662	260

The relationship of detail is in the documents submitted to the General Assembly of Shareholders

34. Transactions with related parties

The main operations of shareholders whose share exceeded 10% in BBVA Colombia were:

2012

Active

Concept		Amount	Description
Accounts receivable	$	775	Operations forward securities depositories.
Other assets		211	Letters of credit for export.
Total	**$**	**986**	

Passive

Concept		Amount	Description
To pay	$	1.049	Expiration forward BBVA Madrid operation
Total	**$**	**1.049**	

Income

Concept		Amount	Description
Gain on derivatives valuation	$	92.780	Forward and swaps BBVA Madrid operation.
Total	**$**	**92.780**	

Expenditure

Concept		Amount	Description
Derivative valuation loss	$	43.036	Forward and swaps BBVA Madrid operation.
Honorary Advisory and consulting		2.086	Advising corporate applications BBVA Madrid.
Enterprise applications services		5.507	Corporate applications maintenance BBVA Madrid.
Total	**$**	**50.629**	

Attached are the major operations of shareholders whose share exceeded 10% in BBVA Colombia for 2011:

2011

Active

Banks and other financial institutions		Amount	Description
Accounts receivable	$	7.379	Bank correspondents
Total		2.621	Operations forward securities depositories
Total	**$**	**10.000**	

Passive

Concept	Importe		Description
To pay	$	404	Expiration forward BBVA Madrid operation
Total	**$**	**404**	

Expenditure

Concept	Importe		Description
Derivative valuation loss	$	124.686	Forward and swaps BBVA Madrid operation
Honorary Advisory and consulting		1.788	Advisory applications corporate BBVA Madrid
Enterprise applications services		8.760	Corporate applications maintenance BBVA Madrid
Total	**$**	**135.234**	

To December 31, 2012 the detail was as follows:

Year 2012	Shareholders more than 10 %	Members of Board of Directors	Legal representative and Vice Presidents in the main office	Other companies in the Group BBVA not subordinates of BBVA Colombia		
				BBVA Horizonte	BBVA Seguros	BBVA Seguros de Vida
Assets:						
Loan portfolio	$ -	$ 12	$ 5.430	$ -	$ -	$ -
Accounts receivable	775	-	-	374	4.329	2
Prepaid expenses	-	-	-	-	1.042	141
Other assets	211	-	-	-	-	-
Total	**$ 986**	**$ 12**	**$ 5.430**	**$ 374**	**$ 5.371**	**$ 143**
Liabilities						
Deposits	$ -	$ 13	$ 3.858	$ 152.716	$ 8.895	$ 80.395
Accounts payable	1.049	-	-		-	288
Total	**$ 1.049**	**$ 13**	**$ 3.858**	**$ 152.716**	**$ 8.895**	**$ 80.683**
Income:						
Interests and/or investment performance	$ 92.780	$ 4	$ 500	$ -	$ -	$ -
Commissions	-	2	19	7.270	9.153	32.244
Recoveries	-	-	-	-	2.960	-
Leases	-		-	84	7	67
Total	**$ 92.780**	**$ 6**	**$ 519**	**$ 7.354**	**$ 12.120**	**$ 32.311**
Expenses:						
Interests	$ -	$ -	$ 46	$ 7.090	$ 414	$ 2.980
Salaries	-	-	10.172	-	-	-
Derivatives	43.036	-	-	-	-	-
Insurance	-	-	-	-	4.753	204
Honorary advisory consulting	2.086	282	-	-	-	-
Enterprise applications services	5.507	-	-	-	-	-
Total	**$ 50.629**	**$ 282**	**$ 10.218**	**$ 7.090**	**$ 5.167**	**$ 3.184**
Other - dividends paid on ordinary and preferred shares	**$ 230.942**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

The previous operations were performed under general market conditions for similar transactions with third parties except in the case of loans to meet the needs of health, housing and transport made to Bank officials, which were conducted in accordance with the policies of the entity in accordance with those permitted expressly by the legal provisions governing the matter.

To December 31, 2011 the detail was as follows:

Year 2012	Shareholders more than 10 %	Members of Board of Directors	Legal representative and Vice Presidents in the main office	Other companies in the Group BBVA not subordinates of BBVA Colombia		
				BBVA Horizonte	BBVA Seguros	BBVA Seguros de Vida
Assets:						
Loan portfolio	$ -	$ 27	$ 6.544	$ -	$ -	$ -
Accounts receivable	7.379	-	-	-	-	-
Prepaid expenses	2.621	-	-	352	16	-
Other assets	-	-	-	-	1.123	-
Total	**$ 10.000**	**$ 27**	**$ 6.544**	**$ 352**	**$ 1.139**	**$ -**
Liabilities						
Deposits	$ -	$ 6	$ 1.133	$ 112.315	$ 12.861	$ 43.570
Accounts payable	404	-	-	178	-	280
Total	**$ 404**	**$ 6**	**$ 1.133**	**$ 112.493**	**$ 12.861**	**$ 43.850**
Income: Interests and/or investment performance						
Commissions	$ 31.626	$ 4	$ 546	$ -	$ -	$ -
Recoveries		5	18	6.502	8.172	23.238
Leases	-		-	81	7	64
Total	**$ 31.626**	**$ 9**	**$ 564**	**$ 6.583**	**$ 8.179**	**$ 23.302**
Expenses:						
Interest	$ -	$ -	$ -	$ 4.227	$ 321	$ 2.104
Salaries	-	-	9.068	-	-	-
Derivatives	124.686	-	-	-	-	-
Insurance	-	-	-	-	4.691	-
Honorary advisory consulting	1.788	285	-	-	-	-
Enterprise applications services	8.760	-	-	-	-	-
Total	**$ 135.234**	**$ 285**	**$ 9.068**	**$ 4.227**	**$ 5.012**	**$ 2.104**
Other - dividends paid on ordinary and preferred shares	**$ 200.599**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

The previous operations were performed under general market conditions for similar transactions with third parties except in the case of loans to meet needs of health, housing and transport made to Bank officials, which were conducted in accordance with the policies of the entity in accordance with thoses expressely permitted by the legal provisions governing the matter.

35. Transactions with related parties and companies subordinated and unsubordinated BBVA Colombia and other companies of the BBVA group

To December 31, 2012 the detail was as follows: BBVA trust with other companies of the BBVA group	BBVA trust with other companies of the BBVA group				BBVA securities with other companies of the BBVA group			
	BBVA Valores	BBVA Horizonte	BBVA Seguros Generales	BBVA Seguros Vida	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Generales	BBVA Seguros de Vida
Assets:								
Accounts receivable	$ -	$ 2	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid expenses	-	-	132	-	-	-	26	-
Total Assets	**$ -**	**$ 2**	**$ 132**	**$ -**	**$ -**	**$ -**	**$26**	**$ -**
Liabilities:								
Accounts payable	$ -	$ -	$ 56	$ -	$ -	$ -	$ -	$ -
Total Liabilities	**$ -**	**$ -**	**$56**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Income:								
Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interests and/or investment performance	-	-	-	-	-	-	-	-
Commissions	1	3	1	1	-	-	-	-
Leases	-	-	-	-	-	-	-	-
Total Income	**$ 1**	**$ 3**	**$ 1**	**$ 1**	$ -	$ -	$ -	$ -
Expenses:								
Commissions	$ -	$ -	$ -	$ -	$ 1	$ -	$ -	$ -
Insurance	-	-	280	12	-	-	22	-
Leases	-	-	-	-		-	-	-
Total Expenses	**$ -**	**$ -**	**$ 280**	**$ 12**	**$ 1**	**$ -**	**$ 22**	**$ -**

BBVA life insurance with other companies of the BBVA group				BBVA general insurance with other companies of the BBVA group				BBVA horizon with other companies of the BBVA group			
BBVA Valores	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Generales	BBVA Valores	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Vida	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Seguros Vida
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-	-	90	58
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 90**	**$ 58**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 41	$ 432	$ -	$ -	$ 41	$ 432	$ -	$ -	$ -	$ -	$ -	$ -
-	15	421	-	53	3	451	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	58
-	-	-	-	-	-	-	-	-	-	71	284
$ 41	**$ 447**	**$ 421**	$ -	**$ 94**	**$ 435**	**$ 451**	$ -	$ -	$ -	**$ 71**	**$ 342**
$ -	$ -	58	$ -	$ -	$ 1	$ -	$ -	$ -	$ 2	$ -	$ 34
-	-	-	-	-	-	-	-	-	-	313	112
-	-	284	-	-	-	71	-	-	-	-	-
$ -	**$ -**	**$ 342**	**$ -**	**$ -**	**$ 1**	**$ 71**	**$ -**	**$ -**	**$ 2**	**$ 313**	**$ 146**

Transactions with related parties and companies subordinated and unsubordinated BBVA Colombia and other companies of the BBVA group

To December 31, 2012 the detail was as follows: BBVA trust with other companies of the BBVA group	BBVA trust with other companies of the BBVA group				BBVA securities with other companies of the BBVA group			
	BBVA Valores	BBVA Horizonte	BBVA Seguros Generales	BBVA Seguros Vida	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Generales	BBVA Seguros de Vida
Assets:								
Accounts receivable	$ -	$ 1	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid expenses	-	-	136	-	-	-	-	-
Total Assets	**$ -**	**$ 1**	**$ 136**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Liabilities:								
Deposits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	-	-	56	-	-	-	-	-
Total Liabilities	**-**	**-**	**56**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Income:								
Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interests and/or investment performance	-	-	-	-	-	-	-	-
Commissions	1	7	2	1	-	-	-	-
Leases	-	-	-	-	-	-	-	-
Total Income	**$ 1**	**$ 7**	**$ 2**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**
Expenses:								
Interests	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commissions	-	-	-	-	-	-	-	-
Insurance	-	-	225	12	-	-	8	-
Leases	-	-	-	-	-	-	-	-
Total Expenses	**$ -**	**$ -**	**$ 225**	**$ 12**	**$ -**	**$ -**	**$ 8**	**$ -**

BBVA life insurance with other companies of the BBVA group				BBVA general insurance with other companies of the BBVA group				BBVA horizon with other companies of the BBVA group			
BBVA Valores	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Generales	BBVA Valores	BBVA Fiduciaria	BBVA Horizonte	BBVA Seguros Vida	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Seguros Vida
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 73	$ 367	$ -	$ -	$ 73	$ 367	$ -	$ -	$ -	$ -	$ -	$ -
-	13	13	3	5	282	440	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	184
-	-	-	-	-	-	-	-	-	-	69	275
$ 73	**$ 381**	**$ 13**	**$ 3**	**$ 79**	**$ 649**	**$ 440**	**$ -**	**$ -**	**$ -**	**$ 69**	**459**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	1	184	-	-	2	-	-	-	6	-	-
-	-	-	-	-	-	-	3	-	-	440	15
-	-	275	-	-	-	69	-	-	-	-	-
$ -	**$ 1**	**459**	**$ -**	**$ -**	**$ 2**	**$ 69**	**$ 3**	**$ -**	**$ 6**	**$ 440**	**$ 15**

36. Risks

Evolution of exposure and quality of credit risk - in 2012, the risk area supported in a significant way cost-effective portfolio growth: an increase of more than 13% in loan investment and risk premiums with stable trend.

Areas of retail and wholesale admission potencialized placement to better risk profiles, with a focus on differentiated commercial offers and strengthened the entrances to new segments with growth potential, allowing improving competitiveness against local banking.

To support the growth of the business continued with process optimization and automation of processes, allowing maximizing the efficiency both in the area of risk and sales network.

At portfolio level, the Bank continued with the proactive monitoring of various segments, defining alerts that allow anticipating the deterioration of the credit.

Control of risk management - on the processes that make up the SARC, continued follow-up and monitoring of the reference models for the commercial portfolio and consumption, according to the guidelines defined by the SVS, annexes 3 and 5 of chapter II of the CBCF.

The Bank carried out the developments for the fulfillment of the external circular outer 026 of 2012, which is a constitution of an additional provision of 0.5% on the portfolio of consumption, which for the Bank assumed an additional provision of loan investment exceeding $20,000.

The Bank continued with the periodic monitoring of the portfolios, using tools of corporate governance (map of capital, Asset Allocation) and tools of local Bureau.

Methodology and tools – a tool for easy disbursement in pre-approved credit entered production allowing the formalization of the network operation in less than 10 minutes, with 38% increase in the participation of pre-approvals in the invoicing of consumption; mainly, reaching around 50% in free investment and 22% in credit cards.

The Bank shielded and optimized the controls of delegation of approval to offices, which allow for adequate use of their powers within the desired risk profiles.

Mass adoption models, which allowed the identification of opportunities with best profiles, approving and rejecting those who do not have the desired level of arrears is also calibrated.

Admission wholesalers - supporting the growth of the business with comprehensive risk management, during 2012 continued to support wholesale segments, with corporate and local initiatives, focusing on distinct commercial offers and improvements in the processes of management at local and global level.

It continued with adjustments to structures and circuits, for that purpose, the wholesale area was incorporated directly and made dependent on the Vice Presidency of the Risk & Portfolio team Management, which is responsible for the credit management of CIB customers, the financial sector and top clients from Companies.

The Bank continued with the activities to achieve the entry into production of the Rating Analyst Tool for certification of the rating of customers, companies and corporations with the S&P scale.

Likewise, various campaigns were carried out to support the growth of investment in new and old customers and some admission policies were updated and reviewed, which will allow us to strengthen our relationship with customers with good credit profile in products such as commercial portfolios, leasing, banking, construction and territorial entities.

From the holding received visits from areas specialized in the analysis of country risk, and public sector, construction and real estate, the Energy Sector, industrial services; this gave a detailed view of the good times the country is going through, the characteristics of the sectors with the best prospect of growth and meetings with the main players and customers from this segment.

Corporate banking - in line with the objectives of investment growth, they took part in the presentation of projects and increased visits to companies from different economic sectors. Relevant approvals in the bidding framework with bids destined to the financing of brokers in the months of February and July 2012.

Likewise, the process of delegation was consolidated in the area of BEI risk; between 2010 and 2012 the percentage of sanctioning increased from 40% to 56% in this area, creating swifter decisions.

The same way, as support for the business area, several campaigns were carried out (severance pay, customer prospecting, portfolio purchasing of portfolio), all this was as a part of the update of the sectoral vulnerabilities, and was to give the necessary support for the implementation of product factoring and credit accounting for businesses.

This concluded the development of the sectoral tool for global rating initiatives, which aims for greater differentiation into the three large sectors of industrial, commercial and services. Its implementation will be in the first quarter of 2013.

Institutional banking – the public sector was marked by changes of local administrations, governors and mayors in the 2012 period.

This meant that the territorial entities devoted the first year of Government to financial planning; seeking to optimize the servicing of through better rates and terms.

The risk department continued with the evaluation and approval of applications for credit in this segment, under an operating model that frames the attitude to risk in terms, amounts, and market share, and whose approval is still pending by the holding company.

This also highlighted the increases achieved in the approval of operations in the institutional segment of the private sector, in sectors with growth potential such as the port companies and the education sector.

Global customers, financial sector and top global banking during 2012 - support to the global customer segment was directed to the optimization of circuits, of the approval and delegation of the management of the financial programs with the holding company, allowing them to react competitively against local banking. With the inclusion of this risk area we streamlined local circuits, specializing in the study of companies in the financial sector and treated credit management of top customers in the banking sector similar to the large corporations in the Corporate Banking segment.

Constructor and commercial banking, an increase in the level of approvals of 25% during the year, equivalent to nearly 1billion, was an element of relevant support to the 60% growth of the segment investment and was reflected in the increase in market share.

The implementation of a new classification scheme of builders, which integrates management of market variables, experience and financial evaluation of the projects themselves, and the maintenance of response times for admission and disbursement contributed to these results. The visit by the specialized area of the holding company contributed to an increase of 33% to the limits of the major builders.

Commercial banking continued to be supported during this growth growth with the imlementation of credit committees with business centers, in which during this period, 35% of operations were processed.

All of the above focused on maximizing the efficiency of the processes in this area, the decrease in the response times by the office network and continued the improvement of the quality of the risk.

Monitoring and recovery wholesalers - in the field of monitoring, a new model was developed that integrated behavioral variables and allowed financial analysis to generate proactive actions in the assessment of the quality of the risks within the commercial segment.

From the identification of different levels of alert, valuations being carried out under expert criteria, concluded with a final grading of the client and a recommendation of the action to be submitted to the relevant risk committees. In addition to the above this information allows the generation of actions to support to the investment growth as a source for credit placement campaigns.

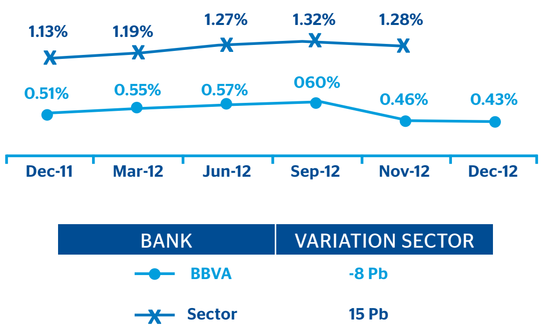
At the same time, continuous follow-up to the general behavior of the portfolio, and monthly reporting are the objects of study in the Commercial Portfolio Commitee, presided over by the Vice Presidency of risk and with the participation of the business area segments, companies, institutions, corporate and construction, which issues recommendations for action or applications for the study of specific groups.

Positive recovery of portfolio management came forward with important emphasis on containment of inputs to arrears, through comprehensive and coordinated management of the recovery team and the network of offices, with a reduction of 8 Pb in the indicator of doubtful portfolios, with December 2011 closing staying below the sector.

The builder portfolio management, managed to maintain the same levels of credits monitored as in 2011, 4% of the current projects.

In the same vein, the leasing portfolio, whose administration is maintained with qualified personnel, ensuring standardization, also applying restructuring strategies and agreements entered into with financial institutions or directly with private customers.

Evolution balances and arrears of commercial portfolio ratios 2012



Retailer admission - the year 2012 was characterized as a year in which there was placement to better risk profiles, with the opening of new conventions of clearance and approval of policies addressing new segments.

Also with the aim of reducing response times and improved care to clients of the personal banking and premium segments, we established special circuits to meet their lending operations, and documentation requirements were reduced.

This also highlights the reduction in the number of incidents, and the circuit implementation underway of filing for operations approved under the allocation of territorial managers and area managers.

Findings admission retail management

Product	2012	2011
Card	$ 311.244	$ 286.598
Consumption	3.273.571	2.206.023
Mortgage	3.360.466	3.112.619
Total	**$ 7.017.580**	**$ 5.605.240**

Portfolio small business - during the year 2012, 5 campaigns were developed in order to generate support for the commercial network, focused on investment growth, severance from January to February, Full Commerce from January to April, Olympic (leasing) from March to April, Champions from September to November, Base pre-approved trading from October 2012.

Other support activities were: the completion of 81 committees within the territory where 1,287 operations were evaluated and a total approved amount of $229.813 M; which corresponds to 80% of that evaluated, there were 26 admission visits to new requests and follow-up visits to customers in the agricultural sector.

With the support of the formation of the Banking area, continuity was given to the process of the training of officers of the commercial network, in matters of credit risk, SME, which has improved the process of decentralization of delegations, integrated with the circuits of credit evaluation for small businesses, through the SMEs Web.

Retail tracking - covers approximately 40% of the monthly disbursements of the branch network in its delegation (admission test).

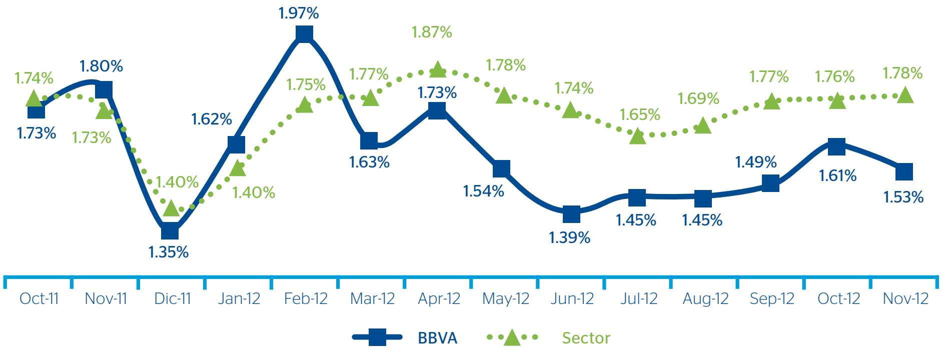
We went from spend 90% of offices with delegation in December 2011 to 93% in December 2012, with the above the network decides 55% of the operations, resulting in faster response times to customers.

In order to exercise greater communication with the territories, we have been conducting regular committees of risk, with the main figures from each of the territories, in order to identify possible risk niches. Similarly, detailed cases have breached policy in the delegation according to the revisions made centrally.

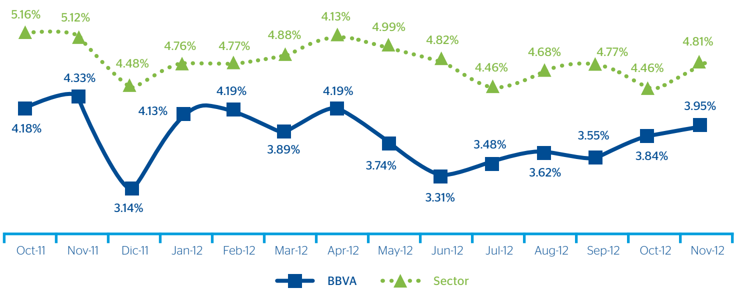
Follow ups were conducted by individual product, showing the evolution of channels for admission (network, risk, pre-approvals, cross-selling, etc) with which policies of admission were redefined and recommended adjustments to the tools that support the decision.

At the end of the year in 2012, BBVA Colombia continued with very good quality indicators against the retail sector portfolio:

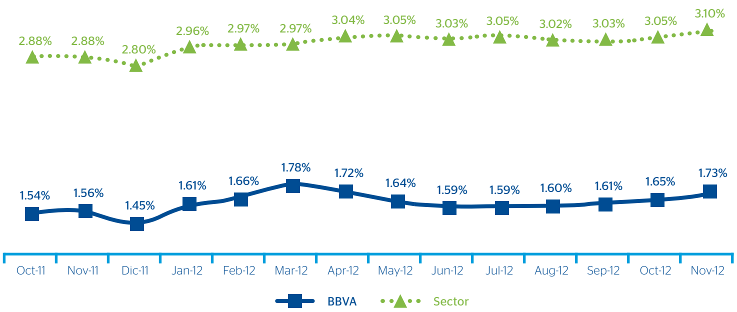
Index of expired (31-60 days) consumption



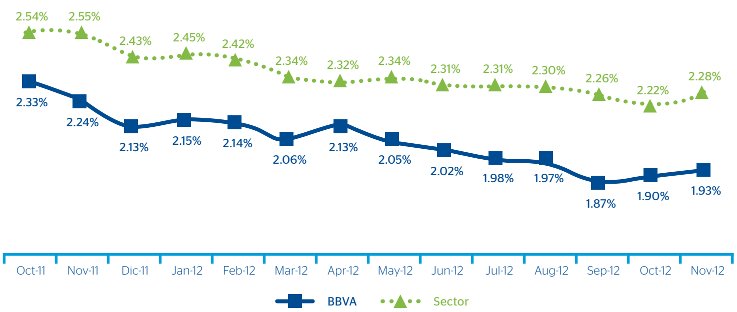
Index of expired (31-120 days) mortgage



Consumption index of arrears (over 60 days)



Index of arrears (more than 120 days) mortgage

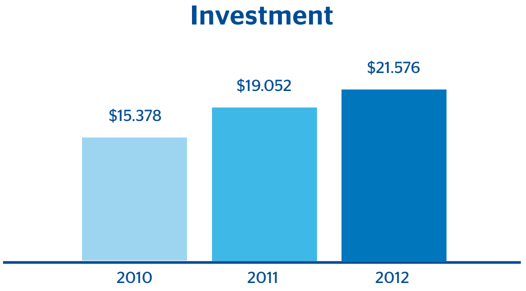


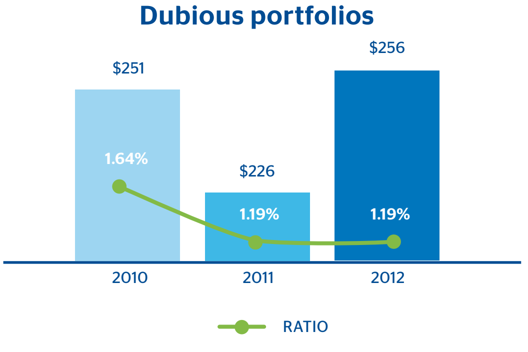
Retail recovery - during the year 2012, the area developed different options of standardization according to the needs demanded by the current behavior of the portfolio, it conducted a preliminary analysis of its trajectory and segmentation, allowing the implementation of a portfolio of products aimed at providing alternatives to each customer; such as: the unification of products under a credit line, extension of the term, easing of the rate, product standardization, financing other concepts different from zero rate capital, without modifying the initial conditions of the operation, among others.

The recovery results highlighted the increase in restructuring, reclassifications, redeferrals and negotiation of payment in full, with strategies to launch various campaigns of normalization that provided access to the product for the improvement of procedures and requirements, also it was fundamental in this process the integral treatment to the management of the consolidated indebtedness of the debtor and his/her family.

Implementation of the optimization of the early strips tool was completed (from 1 day to 120 days) in the first quarter of 2012, yielding positive results in the optimisation of payment channels; as a decrease of 42% in allocation to the network offices. In parallel the Tallyman (corporate software collection) project started to show significant progress, reaching 95% of the execution of the project, and will begin its deployment on February 01, 2013.

Total non performing loans and dubious portfolios





It is important to highlight that with the continuous growth of the investment, the ratio of dubious portfolio remained, with respect to the fourth quarter of 2011, mainly impacted by the mortgage and consumer products which recorded very positive results.

Internal control and operational risk "CIRO" - in support of the external circular 041 of 2007 (operational risk management system), 038 2009 (Internal Control System) and 052 2007 (safety and quality in the management of information) issued by the Superintendencia, gave continuity and compliance to the elements that compose the methodologies of management of risk in terms of its political definition, promoting culture, involvement of organizational structures and control, in the implementation of roles and responsibilities of local and corporate modelS developed to function at BBVA.

The risk management in financial institutions as a contributor and compulsory practice of value on the prevention and adaptation of capital to business changes, the effects of economic crises and preventing events that generate losses, is for BBVA an essential and permanent adaptation and adjustment of its methodologies for the strengthening of the culture of internal control and operational risk measurement.

This is why that during 2012, the BBVA group from their headquarters in Spain has designed and implemented a new methodology for the management and administration of their operational risks, which seeks to optimize their risk maps and assess more effectively those who really may affect its activity, focusing management on the relevant. The activity was based on the following scheme:

Furthermore, and in line with the technological challenge that involved the new methodology, the STORM application was implemented (Support Tool for Operational Risk Management), which covers the needs of structure and online information and offers a broad and flexible framework to respond to the different needs of the compliance of the organization in terms of data management and the information risk management model.

As a complement to the above, risk management implies the continuous improvement of processes, always looking for the further optimization of time and resources and at the same time the implementation of models of control.

Therefore, the Bank during the year 2012 through the "Outsourcing" project sought the efficiency of outsourced services, by evaluating the fulfilment of current legislation in terms of the management of information, analysis of processes, and procedures for recruitment, management, documentation, security protocols, and continuity plans; giving priority to those who by their involvement within the mission processes can be considered as critical; activity that was achieved successfully and action plans that are being developed for the care of some opportunities for improvement were defined.

CIRO fully assumes the leadership and execution of the project "Integral circuit of overdrafts" in regard to the processes of diagnosis, identification of risks, risk and structuring of linked processes, and the proposal for improvement and construction of functional designs to promote technological developments that minimize the associated risks.

This project sought to fully ensure the circuit of credit via overdrafts, allocation of quotas of overdraft/exchange/remittance, intraday overdraft, releases of exchange, overdrafts and their corresponding follow-up troubleshooting, and in the development of the same a risk map was obtained, delimitation of profiles and users for the approval and allocation of operations, construction of functional designs that ensure the operation and implementation of automatic controls, in line approval processes , boundary control and provision of information and consultation and management for the timely monitoring of operations.

This culminated with a visit to the recommended suppliers, for the certification of PCI (Payment Card Industry) V.2.0, to ensure the security of cardholder data.

Market risk – the area of the management of market risks focused on the strengthening of support tools for the achievement of the objectives of the year 2012 in relation to the design of strategies and adaptation of treasury operations, balance, the control and monitoring of the interest rate risks of the treasury and balance positions, the impact of interest margins and liquidity risk in seeking to achieve the target budgets with prudent risk exposure. In addition, implemented tools served as support for timely decision making at the senior management level.

Continuity of the daily checks by the area such as the measurement of the VaR of the treasury with the purpose that the daily management kept risk levels controlled and conforming to the annual guidelines and cumulative loss (stop loss) controls. Additionally held follow-up to other measurements such as sensitivity, open to different risks and time factors.

By regular monitoring of the liquidity of the entity, in addition to regulatory requirements, was the tracking of the short-term liquidity through the basic capacity indicator as well as the financial structure of balance through complementary additional indicators.

The Board of Directors is informed monthly on the following aspects:

• MRSA report, SARL: Informs on the latest measures issued by the surveillance bodies and control, about the market risk and liquidity, as well as the risk of credit at the Treasury. Similarly, the corresponding progress of projects is presented.

• Report of risk positions: is performed periodically and reports on the behavior of markets, as well as positions at risk both in the Treasury operations, as well as the operation of the balance and follow up to the limit of the positions taken.

• Request for changes to policies of risk, in those cases in which the administration does not have delegation to its definition.

Limits of exposure and loss: informs on the evolution of these indicators and their diversion against the levels authorized by the Board of Directors. This report is monthly.

Such reports have been designed in such a way to show the information in a clear, concise, fast and precise way and they contain exposures of risk, by business area and by portfolio.

Within the Bank interior and its subsidiaries there are specialized areas for the identification, estimation, management and control of the risks inherent in the different classes of business, so:

• *Credit risk:* the area boasts three groups specialized in different phases of the process: A group in credit wholesaler risk, which includes the corresponding area of follow-up and recovery; another in retal admission specializing in the process of consumer operations, credit card and mortgage; and finally, a group specializing in the monitoring and recovery of the retail portfolio.

In addition, they are part of the organizational structure that serves the credit risk, the group's risk management control (responsible for the implementation and monitoring of the SARC) and the group's methodology and tools (responsible for the implementation and monitoring of credit risk tools).

• *Operational risk and internal control :* responsible for analysis, assessment, and manage the Internal Control (process) together with operational risks which may arise from Bank operation, identifying them and proposing mitigating control measures, in compliance with the corporate model and local regulatory guidelines required for proper maintenance of the System of Internal Control (SCI) and the operational risk management system (SARO).

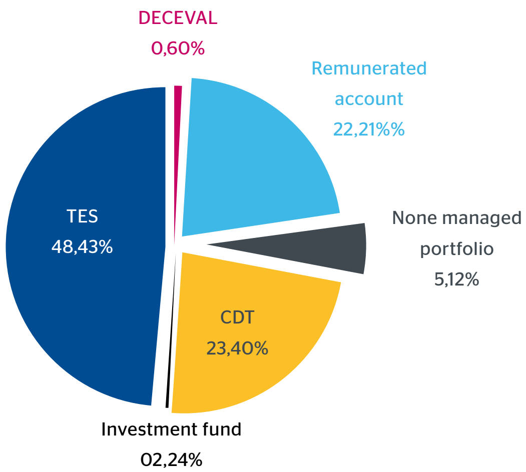
• *Market risks and structural:* The area responsible for quantifying, rating and timely market reporting in the Treasury and in the balance sheet risks, as well as the liquidity risk and monitoring the risk of credit trading positions.

Profile of the trust to December 31, 2012 in the portfolio of own resources closed with investments of $86.766 with a composition of 48,43% in TEAS, 5.12% corresponding to the unmanageable portfolio, CDT with entities financial sector AAA an actions of Deceval 23.40% 0.60% and available in 22.21%.

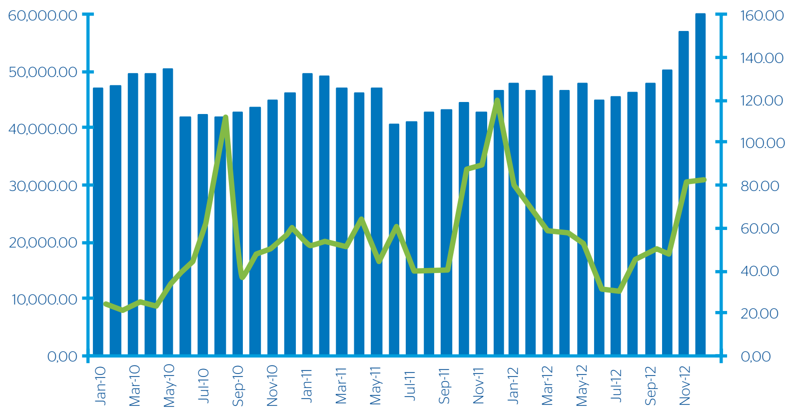
Portfolio of own position

December 2012 Chart

$ 86,766.85 Mill



BBVA Fiduciaria Own resources



The VeR according to the standard methodology of the Superintendencia threw a value at risk at 31st December 2012 of $80.373, corresponding to 0.10% of the value of the portfolio.

The VeR corresponds to an estimate of the exposure to market risk, or risk generated for the variation in rates of interest, exchange rates, share prices and participation in collective portfolios. This corresponds to the likely maximum loss that can occur, in a period of 10 days with a likelihood of 1% (99% confidence level).

The standard Superintendencia model for estimating VeR, considered 17 risk factors: curve zero coupon in pesos (analyzed according to its 3 main components that are paralle shock rates, slope and convexity), curved zero coupon in UVR (3 components), curve (zero coupon American treasuries, DTF (short-term and long-term), IPC, TRM, Euro/AV, IGBC, World Index and collective portfolios excluding the reservations required for FONPET business.

	2012
CEC interest rate AV - component 1	$ 62.582
CEC interest rate AV - component 2	22.931
CEC interest rate AV - component 3	11.421
CEC UVR - component 1 interest rate	246
CEC UVR - component 2 interest rate	4.725
CEC UVR - component 3 interest rate	2.054
CEC interest rate treasures - component 1	-
CEC interest rate treasures - component 2	-
CEC interest rate treasures - component 3	-
DTF - node 1 (short-term) interest rate	27.389
DTF - node 2 (long-term) interest rate	28.148
IPC interest rate	581
Exchange rate - TRM	-
Exchange rate - Euro / AV	-
Price of shares - IGBC	7.905
Price of shares - World Index	-
Collective portfolios	92
Risk vega by positions in options	-
Gamma risk positions in options	-
Value at risk total	**$ 80.374**

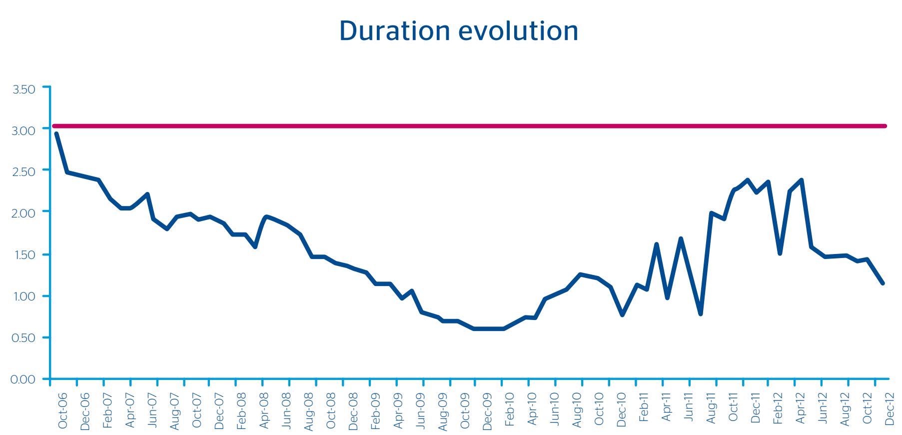
To December 31, 2012, the concentration of risk was given mainly by the concentration of indexed papers to fixed-rate components 1, 2, 3 and DTF, affected by the volatilities published by the Superintendencia for the evaluation of these factors.

VaR with 'historic' internal management model to the 31 of December 2012 throws us a value of $779, a time horizon of 90 days which equates to 0.95% of the monitored portfolio.

The limit of VeR / VaR for the portfolio of own position is 8.87% from December 31, meeting the limits of global and internal policies.

Amount (resources)	Date	Resources (millions of pesos)	Delta	VeR (millions of pesos)
-	31/12/12	$ 82.097	699	$ 80,37
Minimum	30/06/12	43.911	543	27,22
Maximum	31/12/12	82.097	699	80,37
Average	-	-	685	54,23

Sensitivity (duration) – The trust company established as the maximum limit of duration for the portfolio of own resources a duration of 3 years. To December 31st, 2012 the portfolio of own position closes with duration of 1.08 years.



For the broker during 2012 measurements were carried out on control and information about the risks inherent in the operations of daily treasury levels of consumption of the internal approved boundaries, reporting regularly to senior management on the implementation of the same.

The previous consumptions are based primarily by the policy to keep most of the portfolio in titles of high liquidity in the short term, mainly in fixed-income products in which is mayorizan the Government securities and private debt with the highest rating, below is the investment portfolio.

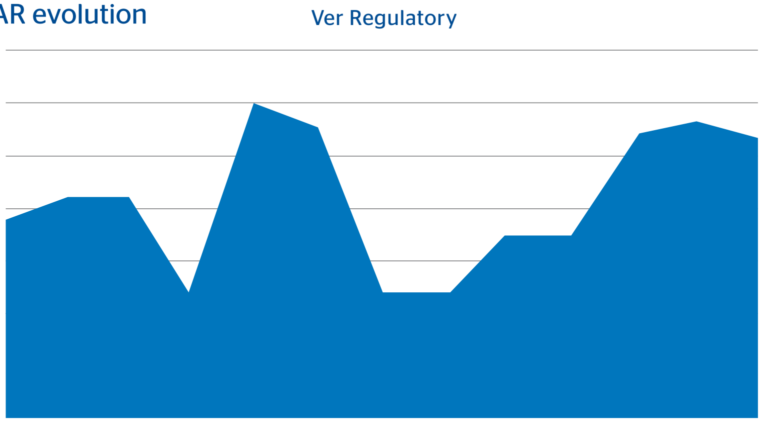
Species	VPN	% of portfolio	Classification
ACCS high BVC	$ 1.521	10,55%	Negotiable
Low ACCS BVC	178	1.23%	Mandatory
Bonus Colpatria	154	1.07%	Negotiable
Bonus of Paz	4	0,03%	Expiration
C.C.A. BBVA Global	175	1.21%	Negotiable
CDT Bancolombia	131	0,91%	Negotiable
CDT Banco Sudameris	133	0,92%	Negotiable
CDT Banco Bogotá	51	0,35%	Negotiable
Bonus Banco Falabella	706	4.90%	Negotiable
CDT Falabella	7	0.05%	Negotiable
Bonus Davivienda	301	2,09%	Negotiable
Bonus Bancolombia	62	0,43%	Negotiable
Bonus Citibank	135	0,94%	Negotiable
Bonus Popular	201	1,40%	Negotiable
Fogacol	322	2,24%	Available for sale
TES fixed rate	7.974	55.33%	Negotiable
TES fixed rate Vto.	2.106	14.61%	Available for sale
TRD	251	1,74%	Available for sale
Total	**$ 14.413**	**100,00%**	

In the agent monitoring the implementation of market risk in order to meet with the maximum guarantees this management is limited under an internal model which was used throughout 2012, and has developed a series of policies and organizational systems for the identification and measurement of information and the control of the risks inherent in the operations of the treasury.

As well as the Board of Directors, the highest body of the commission agent is permanently informed about the evolution of the limits and warning signs, as are the entities responsible for authorizing credit, liquidity and risk market limits.

The following graph shows the evolution of the same:

VAR evolution



The managerial system for the risk of money laundering and financing of terrorism - BBVA Colombia and its subsidiaries has established a set of criteria and corporate policies to prevent the risk of its products and services being used for criminal purposes. These criteria have been adopted by BBVA entities in the development of procedures and specific programmes consistent with the characteristics of their businesses.

Criteria and policies - SARLAFT is part of the comprehensive risk management of the entity process that involves the Board, senior management and, in general, all the personnel of the company who are trained to identify the potential risks that face the institution, ensuring that they are managed within established limits and ensuring the business objectives in a reasonable manner.

All of the above are oriented under the following policies:

a. Ensure compliance with regulations aimed at preventing and controlling the risk of SARLAFT.

b. Save documented information of operations and/or people who have carried out or attempted to carry out suspicious transactions or who have been communicated to the information and financial analysis unit.

c. Develop, implement and maintain a suitable environment relative to the SARLAFT control.

d. Design, schedule, and coordinate training plans, within the frequency designated by the controller concerning the SARLAFT and directed to all areas both new and old and officials according to segmentation established by their level of exposure to the LA/FT risk.

e. Institutionally to promote the culture in the field of SARLAFT.

f. Abide by the determinations undertaken by multilateral agencies with regard to persons included in inhibitory binding lists.

g. In accordance with paragraph 3, article 102 of the Decree 663 of 1993 (statute organic financial system), and in accordance with the policies of the entity in the prevention and detection of criminal activities, the Vice-Presidents, regional managers, directors, responsible office managers, are directly responsible for ensuring implementation, appropriate compliance and treatment of all rules related to this topic, and the efficiency of the activities of internal control incorporated in the processes of its property within the framework of responsibilities that are assigned.

h. They shall be directly responsible for compliance with the procedures defined in SARLAFT, for employees involved in the authorization, execution and review of operations, as well as those who prepare, review or authorize an operation or business.

i. All employees must observe, with special rigor, the provisions of these processes and programs, with compliance in the field of risk management of the LA/FT to the achievement of business goals.

• *Procedures* - In BBVA Colombia, the management of the risk of the laundering of assets and the financing of terrorism has been framed within international best practices: rules relating to standards for Australia and New Zealand on the management of risk (AS/NZ 4360); as well as the schemes proposed by the organizations and sponsors of the Treadway (COSO ERM) Committee.

In the same manner, the model of management of risk rating of BBVA Colombia draws on national guidelines: Colombian technical standard (NTC 5254) risk management, and the external circulars issued by the SVS.

The model of risk management is supported by a scheme of procedures, applied to each of the risk factors of the system: customers, products / services, channels (including those virtual, network of non-bank offices and correspondents) and jurisdictions (local and international), which allow and ensure its development and maintenance, and applies to different risk factors.

• *Hazards identification* - identification of inherent risks is conducted by an interdisciplinary group formed by the "owner" of the process, officials of the SARLAFT management and the Area of Internal Control and operational risk and is carried out in two stages: the first one consists of collecting all available risk information within the entity, i.e.the information contained in corporate risk management tools, this is taken as a starting point to complement with the LA/FT risk factors and new processes that identify different areas as sources of the generation of risks; to do so, the inventory of existing risks is complemented by those risks that are established as necessary for the fulfillment of the SARLAFT.

• *Assessment of inherent risk* - this risk assessment is done by assessing two variables: the probability of the occurrence of risks and the impact generated by the realization of the same. These criteria set the criticality of risk and the element that determines the priority within which are designed and implemented, the measures for mitigation.

• *Identification and documentation of controls* - the objective of this phase is the identification and documentation of the activities of control existing in the entity, and to mitigate the risks identified as critical. Most relevant controls are incorporated in the SARLAFT manual of the entity, as well as the internal regulations that complement them, as referred to in the internal regulatory process.

• *Identification and documentation of controls* - the objective of this phase is the identification and assessment of the effectiveness of the controls - controls assessment refers to assessment from the point of view of design and its execution or implementation. It is done through the application of control questionnaires or by applying specific tests to validate its operation (testing). Another source that permanently provides the assessment of controls of different entities, internal and external, which have responsibilities in the field, such as internal audit and the statutory auditor.

• *Conclusion of the evaluation* - once evaluation controls (depending on the outcome of the independent testing) determines if the control or set of controls mitigate the risk or not. In the event that the joint result of the evaluation of controls to mitigate risk to levels accepted by the entity, it finalizes the same priority management; However, if the resulting set of controls is not sufficient to mitigate the risk, this means that the criticality of it is at unacceptable levels, so that it records an incidence and establishes additional measures to manage the risk to acceptable levels (action plans / mitigation).

• *Assessment of residual risk* – After evaluation of the assessment of controls proceed to the assessment of risks with the application of controls; activity that allows you to establish whether the risks to which the institution is exposed, maintain its level of exposure, or by contrast, with any type of change, moving to lower levels of exposure. The resulting risk is called residual risk and depending on the results obtained, will determine whether it is acceptable or if it needs attention. The effect of the application of the controls is displayed in decreasing the impact or probability of the risk.

• *Tracking the activity of mitigation* – the mitigation plan should specify, for each risk factor detected, measures that will be adopted, the objective pursued, the execution schedule and the expected date of completion, the priority of each task and area, or the responsibility for the same function. It should also highlight cases in which it decides not to implement any measures and the reasons behind that decision.

• *Monitoring and review* - given that the factors that affect the likelihood and impact may vary at any time, in the same way so can those aspects affecting the benefit and the cost generated by the actions to mitigate the risk, as well as the outcome of the application.

Therefore, the organization ensures that risk mitigation activities are in line with the criticality of the same, and are current at the time of the assessment. This is especially important when there are significant changes in processes and controls. This assurance is given via the permanent analysis of organizational changes, processes, new products, services and marketing channels, as well as in the assessment and follow up to specific jurisdictions and groups presenting relevant exposure levels.

37. Market risk management

The Bank manages market risk derived from the activity of its operations, with the basic objective of limiting possible losses, quantifies the economic capital needed for its activity and optimizes the relationship between the assumed level of exposure and the set results.

To cope with this management with maximum guarantees, the Bank has developed a series of policies and systems of organization, identification, measurement, information and control of the risks inherent in both Treasury and balance operations,

Market risk for Treasury operations - senior management has designated the following objectives to the Treasury:

• Management of short-term bank liquidity

• And mechanisms and tools necessary for covering the risks of interest and exchange rates and liquidity, both in the operation of own resources as well as operations with customers.

Therefore the treasury area performs actions of their own to meet liquidity needs and the supply of external customers, participating actively as a market maker, on fixed-income, currency operations in cash and term as well as money market operations. This has an organisational structure formed by the generation of tables (interest rates and operational currency), a table of distribution (customer needs) and a table of derivatives.

Taking into account the objectives assigned to the treasury and in order to optimize and manage the risks inherent to them, senior management has decided to establish functions by areas, quantifiable limits and risk measurement tools, thus:

(i) Segregation - depending on the function that linked the actions of recruitment, accounting, compliance or monitoring of the risk, responsibility was assigned to each of the following units:

• Treasury - Area responsible for directing the implementation of the policies and programs established to ensure efficient management of the financial resources of the Bank and also to check that there is the necessary liquidity for the normal development of the operations of the institution, designing projects and investment portfolio policies which contribute to the strengthening of the financial competitive situation and expansion of the group at the national and international level.

• Market administration – The area responsible for the control of the daily operations of the table, as well as being responsible for confirming, settling and compensating the treasury operations. It is also responsible for the custody of contracts and the administration of security deposits, depending on the media Vice Presidency.

• Market accounting – The area responsible for validating and ensuring the proper incorporation of operations for the treasury activity, to the balance sheet of the Bank, as well as, control, calculate and report the position of foreign currency, depending on the financial Vice Presidency.

• Market and structural risk – the area responsible for quantifing, evaluating and promptly informing the treasury of operational risks, as well as on the liquidity and the structural balance depending on the risk Vice-Presidency.

• Legal area:-responsible for analyzing and assessing the legal risks that may arise from acts or agreements that formalize operations, in such a way that no situation of legal order affecting legal instrumentation or documentation thereof are evident. In exercising its functions the legal area verifies that they comply with the relevant legal standards and conforms to the policies and standards of the entity. In all cases legally structure transactions using the basis of current legal standards that the Bank is subject to, including participation in new markets or products.

• Internal Control and Operational Risk - area manager analyses, evaluates and manages the Internal Control (process) together with operational risks which may arise from the Treasury operations, identifying them and propose mitigating control measures, in compliance with the corporate model and local regulatory guidelines required for the proper maintenance of the system of Internal Control (SCI) and the operational risk management system (SARO).

(ii) Limits - established limits on risk exposures of treasury activity, designated as the following:

• In the activity of treasury credit risk – three types of boundaries have been defined: issuer risk, counterparty and settlement risk, which are requested annually by the business unit according to the operations to be carried out and the budget of results and are approved by the admissions unit of risk. Monitors and controls are performed by the market risk department online through the Treasury and risk management STAR LAMBDA system.

• Market risk to the treasury operations economic capital limit - to perform its measurement it is estimated the daily maximum loss through the methodology - VaR Treasury positions and tracks within a "global limit", which is broken down in turn by risk factors, as well as tables, currencies and products, which lays down internal warning signs when the consumption is 70%. This alert signal when exceeded demands an express communication from the head of the Treasury Area towards the area of market and structural risks, detailing the strategy to follow. The area of market and structural risks reports to senior management and the Global Market Risk Unit who will indicate until when it allows you to continue with this strategy.

The limits are approved by the Board of Directors, while the measurement, monitoring and control is performed by the market and structural risks area on a daily basis, issuing reports to senior management on a periodic basis and the Board of Directors on a monthly basis.

(iii) Measurement and tracking - main risk measurement tools are inside the value at risk-VaR and the Sensibilidad-Delta. However other tools are used such as stress testing and stop loss,

Value at risk - VaR, this calculation tool follows a parametric model, based on a covariance matrix estimated from the analysis of the historical behavior of the main risk factors of the market, that is, interest rate, exchange rate and implied volatilities of options. Assuming that the future evolution of the market variables resembles the past evolution from a statistical point of view, the model obtains the maximum loss that can be produced in the market positions in the worst-case scenario of variables, which would not happen with a confidence level of 99% (it shall only occur in 1% of the cases starting from a non-critical scenario).

• The monitoring and control of limits for treasury operations is a double measurement: the first is based on the parametric VaR methodology without exponential smoothing, using two years of financial market information to estimate the volatilities and correlations of risk factors, and the second measurement is based on VaR with exponential smoothing (94% decay factor) which gives greater weight to the volatilities of the last ten days.

• Stop loss: the accumulation of losses or stop-loss that triggers the application of a series of measures to limit its negative impact on the income statement.

During 2012 there was a follow-up to the stop-loss, with a double control mechanism, introducing an annual limit, in order to control possible losses in the income statement, accompanied by the monthly limit, in order to minimize the impact on the total results count.

• Sensitivity (DELTA). This is another measure that is used in BBVA to estimate the expected maximum loss of the treasury portfolio called "Delta". This tool estimates the interest-rate sensitivity to a variation in the curve of 100 basis points and aims at the so-called internal rate risk alerts; In order to establish complementary sub-ceilings for products.

Risk profile of market –

Treasury risk	30/12/2012	Average	Maximum	Minimum
Interest rates	2.192	2.719	4.279	822
Exchange rates	135	322	2.364	5
VaR total	2.183	2.743	4.588	823
Economic capital limit consumption	40%	48%	85%	9%
Total Delta to 100 BP	(20.648)	(13.067)	(33.589)	(138)
Consumption limit Delta	65%	38%	105%	0.3%

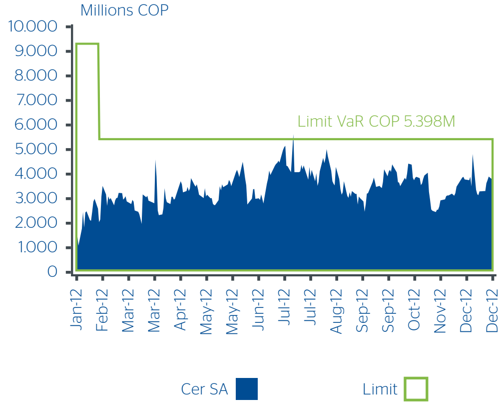
As you can see during the year the consumption market of the treasury operational risk averaged 2,743 million COP, with consumption on the internal limit of authorised economic capital at 48%. The average susceptibility rate to 100 BP (DELTA) was COP 13.067 billion with consumption at 38% of the authorized internal limit.

Evolution of treasury market risk : during 2012 measurements and control were carried out on the levels of consumption of the internal approved boundaries, reporting regularly to senior management on the implementation of the same.

The following graphs show the evolution of the same.

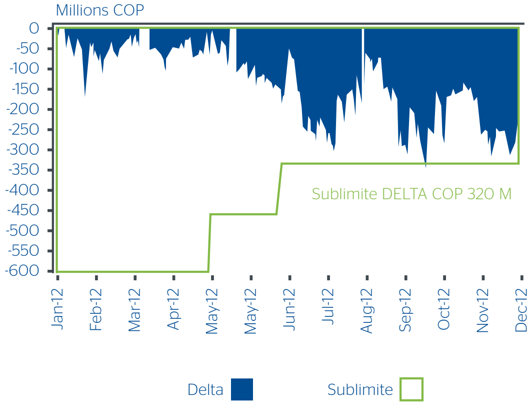
Monitoring of market risk

Economic capital - Treasury 2012



Monitoring of market risk

Sensitivity evolution to 1 pb 2012



The above consumption are sustained primarily by the treasury strategy to keep most of its portfolio in securities of high liquidity in the periods of short, medium and long term, the main risk is the interest rate on the product of high fixed income debt whose average position of the year was 1.075 billion COP.

The following is the comparative table which presents the positions of the treasury which were taken into account for the measurement of the risks described above.

Cash positions in 2012

Classification	Amount 31/12/2012	Local-currency		Other currencies	
		Medium	Maximum	Medium	Maximum
Public debt - COP	1.855.135	1.074.684	2.333.450	822	4.067
Corporate titles	492.814	521.854	600.846	0	0
FX spot USD	453,9			530,9	777,1
FX term USD	13,2			7,3	40,4

Cash positions in 2011

Classification	Amount 31/12/2011	Local-currency		Other currencies	
		Medium	Maximum	Medium	Maximum
Public debt - COP	1.389.711	1.312.316	1.441.414	21.793	27.910
Corporate titles	533.886	366.378	458.298	5.268	8.383
FX spot USD	66,0			34,7	96,3
FX term USD	12,5			6,8	28,7

- The process of monitoring of market risk is complemented by scenarios of stress testing, periodic estimates of the losses they would incur the Bank, were there extreme situations in the markets.

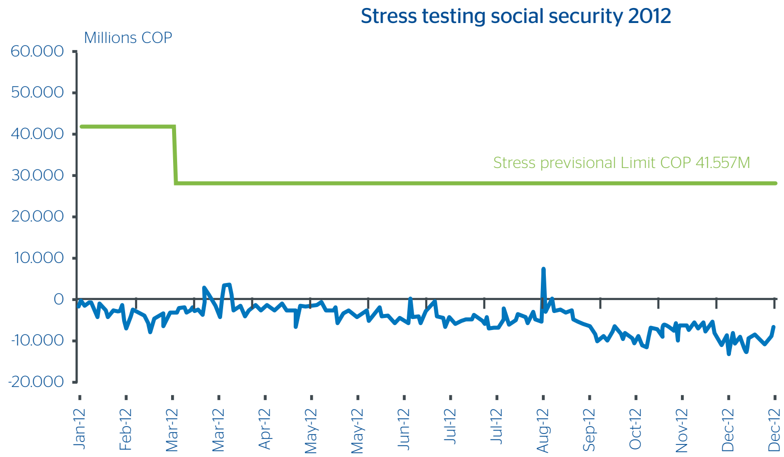
The maintained positions undergo strong hypothetical market swings based on historical, or any situations, obtained through the generation of these scenarios, and thus quantifing the effect of the results in order to identify possible adverse impacts exceeding the figures of VaR, which could potentially occur, and to design contingency plans that should be applied immediately in the event of an abnormal situation.

BBVA Colombia uses two kinds of scenarios:

1) Historical scenarios: Consists of measurements of VaR to the current treasury positions, under the worst crisis scenarios that occurred in the past. The case used the "Crisis of September 11, 2001" and "double maximum volatility" in the immediately preceding year.

2) Economic scenarios: Consists of measurements of sensitivity and in contrast to the historical scenarios these are provisional and are changing over time depending on macroeconomic variables. The objective is to identify the potential risk in the most significant positions to be taken at some point.

Stress testing welfare evolution

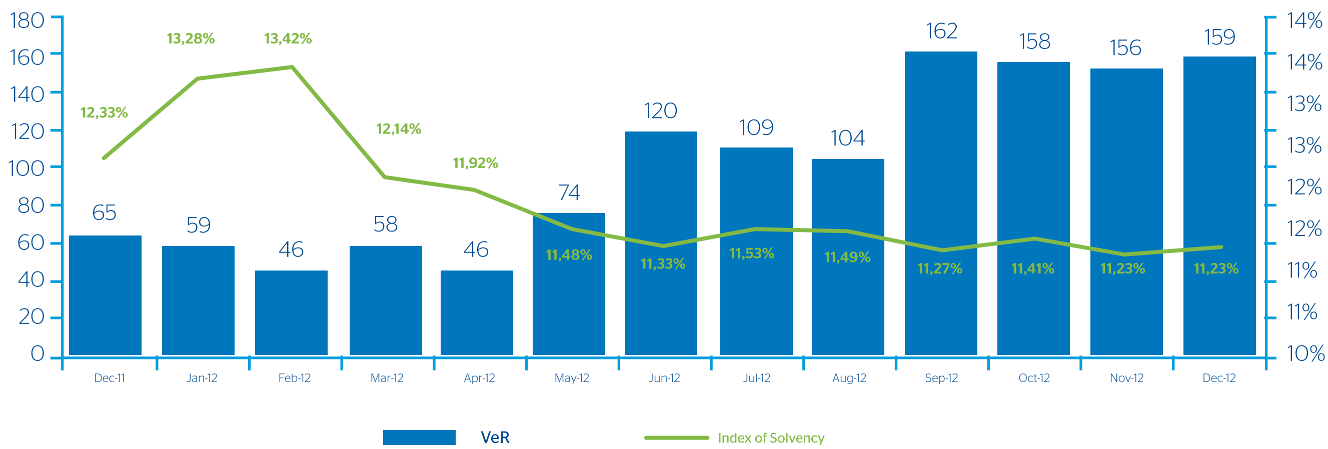


Tracking the value at risk, VeR model regulatory - standard model - in accordance with the external circular 09 of 2007 of the Superintendencia, the Bank has been measuring their exposure to market risks (interest rate, exchange rate) which incorporates the measurement for the tradeable Treasury positions available for sale and those securities rated at maturity that are delivered as collateral in a chamber of central counterparty risk in order to determine the effect potential changes in market conditions may have on the economic value of the assets of the Bank whose impact is reflected in the solvency rate. This measurement is performed daily.

Limit: Pursuant to the regulator the margin of solvency of credit institutions is not less than 9%, this is the reason why the Bank has established as a minimum an internal limit of 10.0%, which serves as a warning signal.

The following graph shows the value at risk assessment and the solvency margin:

Value at risk (VER) evolution vs. Index of solvency



(IV) Policies in terms of valuation at market prices of the Treasury positions - as policy of BBVA, its been defined that responsible for providing market prices of end-of-day, for the valuation of the portfolio of Treasury is the area of market risks, attached to the risk Vice-Presidency.

The sources used for the estimation of the calculation of market prices on a daily basis are those approved by the Superintendencia.

The tool used for the estimation of the calculation of market prices on a daily basis is Asset Control that broadcast to different systems of management, accounting and risk measurement.

(v) Policies regarding internal control in order to prevent market misconduct – as a policy of BBVA, is defined for all officials of the Treasury, back office area, risk of market and middle office, in the management of their daily activities, so avoid risks and safeguard the righteousness and integrity of the Bank in the following codes:

- Code of conduct of the BBVA group.
- Code of conduct in the field of securities.
- Code of conduct and procedures manual for the prevention of money laundering and financing of terrorism.

Created an internal control area specializing in markets that takes care of the monitoring of executed processes or that supports the development of the market operations, highlighting among others, the recording of calls that provide the transparency of operations carried out in the market area, relief and measurement of operational risk, of the tables and of the areas of support for the same.

Market for the operation of balance sheet risk - market risks, such as independent areas with respect to business areas, where risk originates, is responsible for developing measurement procedures and control of the risks of market balance, monitors compliance with the existing limits and risk policies and reports to senior management. This is controlled by monitoring the limits of economic capital and impact on interest margins.

For the measurement of economic capital, estimated monthly maximum loss through the methodology of “main components” to the positions of the balance excluding treasury positions. Monitoring is done through a “global limit”, which is broken down in turn by currency.

To measure impact in financial margin, the measurement of the sensitivity curve was used for the balance sheet total. Internal warning signs set to when the consumption of these limits are 90%. An overrun of these warning signs requires an express communication from those responsible for the financial area to the area of market risk, informing of the strategy to follow. The area of market and structural risk reports to senior management and to the BBVA unit of structural risk who participate actively in monitoring and decision-making.

Liquidity risk

Internal model - measuring the liquidity and funding structure, is carried out on a daily basis through the three tools so defined: follow-up to the basic capacity with a temporary horizon to 360 days; It relates the needs of liquidity against high-quality assets and whose boundary is set to 30 days at 100%. The second tool is the financial structure of the balance, which contrasts stable clientele over net credit investment resources and has set the floor at 80%. The third follow-up is carried out on wholesale funding in the short term, which fixed a floor of COP 4 trillion for the year 2012. Reportedly daily to the Liquidity Committee and senior management is the evolution of these indicators for timely decision making. The following graphs show the evolution of the short-term liquidity for the year 2011:

• Self-financing ratio:

Self-financing (RRCC/ICN)	Year 2012 - 2013	feb-12	mar-12	apr-12	may-12	jun-12	jul-12	aug-12	sep-12	oct-12	nov-12	dec-12
Alert self-financing Ratio	84%	91,0%	91,8%	89,9%	87,0%	85,8%	86,0%	85,3%	87,4%	91,5%	92,8%	99,2%
Limit self-financing Ratio	80%											

• Short-term wholesale funding ratio::

Short term wholesale funding	Year 2012 - 2013	feb-12	mar-12	apr-12	may-12	jun-12	jul-12	aug-12	sep-12	oct-12	nov-12	dec-12
Alert Ratio FM CP	3.800	211	Non-consumption	Non-consumption	429	Non-consumption	57	319	665	33	198	Non-consumption
Limit Ratio FM CP	4.000											

• Ratio of basic capacity:

Basic capacity to 30 days	Year 2012 - 2013	feb-12	mar-12	apr-12	may-12	jun-12	jul-12	aug-12	sep-12	oct-12	nov-12	dec-12
Alert CB Ratio	110%	Non-consumption	Non-consumption	Non-consumption	641,0%	Non-consumption	8324,0%	Non-consumption	Non-consumption	Non-consumption	Non-consumption	Non-consumption
Limit Ratio Cb	100%											

The basic capability has no use for some ends of the month indicating the Bank has reduced its liquidity needs and has sufficient liquid assets

Standard model – effective from January 2012 the regulation issued by the SVS, applied modifications to the model of measuring liquidity risk, which aims to make weekly tracking the indicator of liquidity risk (IRL) with a time horizon of 7 days and 30 days being necessary to maintain a ratio greater than 100%, equivalent to an amount of positive ratios, in both indicators.

During the year 2012 the evolution of this indicator to 7 days on average was COP 4,091 and to 30 days was COP 2.370, indicating that for a short time horizon, BBVA Colombia presents a loose liquidity.

The limits are approved by the Board of Directors, while the measurement, monitoring and control is performed by the area of market and structural risk, weekly and monthly, issuing reports to senior management on a periodic basis and the Board of Directors on a monthly basis.

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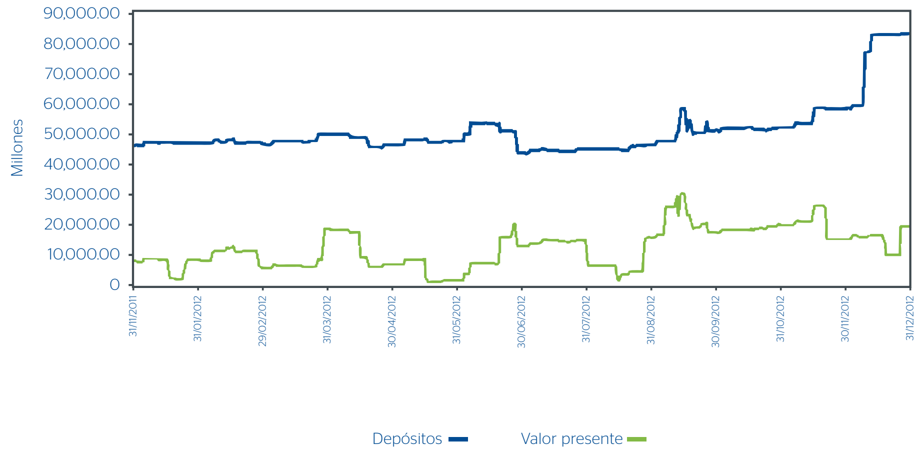
In the Fiduciaria according to the models supported by the Board of Directors and the regulator model that estimated for the monitoring and control of the liquidity, is the own position, since this portfolio is managed by the Fund Manager and entrances and exits of resources are known in advance, this is monitored through continuous monitoring of the available whose evolution is shown below:

The broker to 31st December 2012 and 2011 indicated averages of $10.026.708 and $6.835.000 respectively indicating that BBVA securities presents ample liquidity.

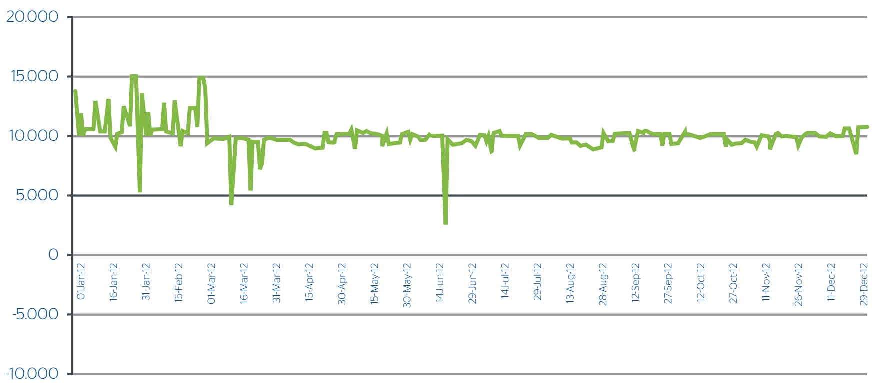
Following are the evolutions of this new indicator during the year 2012:

Available Evolution Vs Own resourses portfolio value

To 31 December 2012



Indicator of liquidity



38. Corporate governance (unaudited)

Board of Directors - The Bank's policy Board plays an important role in the definition and development of the culture of risk, beginning by defining policies and desired risk profile for the entity, tracking also the integrated risk function.

Given the growing complexity of the management of risks in financial institutions, and for the performance of these functions, the Board of Directors and the Risk Committee, analyzed, with the necessary dedication and in the scope of their functions, the treatment of the risk as a whole.

To ensure compliance with the principles for risk management, there is a structure for monitoring and controlling of risks that cover the different models of decision.

The general guiding principles in the group for the definition and monitoring of the risk profile are as follows: the risk function is unique, independent and global; the risks involved must be compatible with the target level of solvency, should be identified, measured and valued, and there must be procedures for their monitoring and management, in addition to robust control mechanisms. All risks must be managed in an integrated manner during their life cycle, giving them a treatment that is differentiated according to their typology, and performing active portfolio management based on a common measure (economic capital). The business areas are responsible for proposing and keeping the profile of risk within their autonomy and the corporate performance framework (defined as the set of policies and procedures of risk). Infrastructure risks must be suitable in terms of people, tools, databases, information systems and procedures, to provide a clear definition of roles and responsibilities, ensuring an efficient allocation of resources.

Another aspect of relevance within the corporate governance is the treatment of the information to our shareholders, investors and interested third parties. In order to ensure transparency, providing timely information, as well as the accuracy and reliability of it, our website includes financial and non-financial areas, where you can consult all documents that integrate the system of corporate governance, within which there are: bylaws, code of good governance, the regulations of the General Assembly of Shareholders, Board of Directors, Audit and Compliance Committee, Code of Conduct, the internal rules of conduct in the field of securities; the code of conduct for the prevention of money laundering and the financing of terrorism; the country code survey; link to financial consumers, within which the information is related to the Financial Customer Ombudsman.

On the other hand, it has continued with the strengthening of the model of corporate governance and in accordance with the instructions given by the Superintendencia, whose effectiveness reasonably meets the criteria established by the external circular 038 of 2009 and actions to mitigate the risks identified in each of the evaluations carried out, are implemented and do not constitute material weaknesses.

Internal control and operational risk (CIRO) - being the risk management in financial institutions, a compulsory practice and contributor of value on prevention and adaptation of the capital to the business changes to the effects of economic crises and the prevention of effects that prevent losses that lead to the disappearance of the same, for BBVA this is a fundamental aspect of permanent adaptation and adjustment of their risk measurement methodologies; in line with regulations and best practices related to the internal control system (SCI), the operational risk management (SARO) system, and other systems for management of risks required by regulators both in Spain (BdE) and locally (Superintendencia Financiera de Colombia).

This is why that BBVA has designed and implemented a new methodology for the management and administration of its risks, which seeks to optimize their risk maps and assess more effectively those who can really affect its activity, focus the management on the relevant during 2012.

This new methodology aims to quantify in a logical and sustained way the risks associated with each of the activities (inherent risk), a figure from which the owners of processes define control strategies that allow them to determine their "risk appetite" or in better terms, define limits of monetary losses, which will be conditioned to the resources available for the implementation of controls (objective risk).

From these assessments, entities in the area of Internal Control and Operational Risk, and Control (internal and external) conducted an assessment of the control model, which involved the application of test (tests) on the operation and design of the relievers of risk controls and the level of residual risk arising from which the necessary action plans that allow a continuous system of improvements to management are defined.

This methodology was implemented in the societies that make up the group in Colombia (BBVA Colombia, BBVA securities, BBVA Fiduciaria, BBVA Seguros and BBVA horizon) and was supplemented with the permanent monitoring of loss based events (CIRO), which allowed the detecting and controlling of materialized risk events in the various operative activities that counted on the support and follow-up by the senior management of Internal Control, external entities and the active participation of the owners of processes, who with their expertise are major contributors of elements of judgment and assessment at the time of building and adapting the risk maps of their processes for appropriate management.

Market risk - market risk measurement processes include the initial decomposition of each type of operation into its components of risk (interest, changes), to later quantify them using the methodologies of measurement appropriate for each type. Positions across global market risk are obtained by taking into account the degree of correlation between all the positions and among the different types of risk.

The methodology used for the estimation of the treasury market risk is corporate guidelines, and the adoption of the VaR tool, (Value at Risk).

VaR (Value at Risk): this measurement estimates the maximum loss, with a level of given confidence, which may occur in the positions of the treasury portfolio for a given time horizon. BBVA estimates the VaR with a confidence level of 99% and a time horizon of one (1) day.

VaR estimation is done through the covariance matrix method. It consists of summarizing all the historical information of markets in a matrix of covariance risk factors and from it and the sensitivities of the portfolio to these risk factors, infers, under the assumption of normality, the maximum loss with a given level of confidence.

BBVA Colombia has a simulator VaR corporate tool, a desktop tool developed by the Central Unit of Risks, in order to provide information to the treasury of new positions and its consumption of risk.

Methodologies for the measurement of risk - the methodologies used by the entity have the ability to identify the different types of risk. The Bank has the corporate VaR system tool that performs the measurement of market risk for each type of risk for the totality of certain risk positions

Organizational structure - there is a physical and functional independence among the areas of negotiation, risk control and accounting.

Human resources - the team comprising the area of risks within the Bank is highly qualified and has the experience and knowledge necessary to perform their functions.

Verification of operations - the entity has optimal security mechanisms in trading activities, allowing it to verify that operations were made under agreed conditions and through own bank media; additionally the accounting of the operations is a fast and accurate way of avoiding the occurrence of maximum errors.

Audit - Internal activity during 2012, developed within the framework of its annual plan, which was approved by the Audit Committee, and the corporate methodology of risk assessment, which allows, with a focus on risk-based cover relevant and strategic processes for the Bank.

Thus, the main focuses of the plan were: a) credit risk and operational risk associated with credit; considering the stages of admission, tracking and recovery both in the wholesale and retail, b) accounting control, and c) information security.

Risk of credit and operational risk associated with credit: in the wholesale segment, assessments of the quality of the credit were carried out that covered risks by an amount equivalent to 28% of the investment at the end of the year, as well as on policies and procedures for monitoring and recovery. As for the retail segment, the Bank assessed the proactive admission of risk to private customers and terms of reference in the network of offices.

Accounting control was addressed, primarily through the evaluation of the process accounts: transitional and miscellaneous.

Information security: was the focus of the activity to assess the implementation of the "Plan Director de Seguridad de la Información PDSI 2.0", in four aspects: security of unstructured information, safety in the means of payment, security in remote banking, and structured information security. Emphasis was made on the operational and financial management of the projects.

On the other hand, evaluations to cover other relevant processes for the Bank were performed such as: outsourcing and, adquirencias, remote banking, distribution of derivatives, and applications of business support (commercial scenarios). Focused activities were also developed to provide broad coverage of the branch network, promoting the development of an appropriate control environment, through transversal audits to network processes, audits of on-site offices, distance audits, and massive data analysis applied to the transactional information that rests within the information systems of the Bank. The application of these procedures, allowed the Bank to achieve coverage, virtual or face-to-face, of 94% of the branch network. The scope of this coverage included mainly operational, credit and fraud risks.

Finally, to comply with regulatory commitments from different walks of life, works on the SARLAFT (System of management of the risk of laundering assets and the financing of terrorism), SARL (System of management of the risk of liquidity), SCI (Internal Control System), and testing were implemented to comply with the requirements of section 404 of the U.S. Sarbanes Oxley Act law.

39. Other aspects of interest

Convergence withInternational financial reporting standards (IFRS) - in accordance with the provisions of the law 1314 of 2009 and regulatory decrees 2706 and 2784 December 2012, the company is obliged to initiate the process of convergence of accounting principles generally accepted in Colombia to international standards of financial reporting (IFRS). For this purpose, the Consejo Técnico de la Contaduria Pública, issued a strategic address sorting companies in three groups.

Given that the company belongs to group 1 the mandatory transition period begins on January 1, 2014 and the issuance of the first comparative financial statements under IFRS will be December 31, 2015.

The Bank, meeting the guidelines of the regulating agency, submitted its implementation plan to IFRS before 28 February of the current year.

Tax reform - below are summaries of some of the modifications to the Colombian tax regime for the years 2013 and the following, introduced by the Act 1607 of the 26th of December 2012:

Tax on income and complementaries - amending the rate on taxable income of legal persons to 25% effective January 1, 2013.

Equity income tax CREE - is created from 1st January 2013 the income tax for equity. This tax is calculated based on gross income obtained less non constitutive revenue income, costs, deductions, exempt income and occasional earnings; at a rate of 8%. The applicable rate will be 9% for the years 2013, 2014 and 2015.

Within the debugging of the basis for the settlement of the tax CREE, the compensation of income in the taxable period, with tax losses or excesses of presumptive income from prior periods is not allowed.

Contribution exemption - exempts legal persons the reporting of income tax and complementary of payment contributions of payroll taxes on behalf of the SENA (Servicio Nacional del Aprendizaje National Learning Service) and Instituto Colombiano de Bienestar Familiar (Colombian Institute of family welfare)- ICBF, corresponding to workers who accrued, considered individually, up to ten (10) existing legal minimum wages. This exemption begins from the moment that the system of withholding at source to collect the income for equity is implemented CREE (and in any case before July 1st, 2013).

Accounting standards - Establishes that only for the referral of tax purposes contained in the tax rules to accounting standards, will continue in force during the four years following the entry into force of the international financial reporting standards. As a result, during this time, the tax bases of the items to be included in tax returns will continue unaltered. Likewise, the demands of accounting treatments for the recognition of special tax situations will not be valid from the date of application of the new accounting regulations.

Obligation to report consolidated financial statements by the business groups - is established, that at the latest by 30 June of each year, economic and/or business groups duly registered shall send its consolidated financial statements on magnetic media to the Dirección de Impuestos y Aduanas Nacionales, together with the respective annexes.

Provider prices external circular 006 - the changes implemented by the external circular 006 from 2012, with regard to the deferral of profits and/or losses indicate that these may not be compensated or a net established between them. And that also those profits or losses should contemplate the dismantling of the provisions made and the deferred for amortization of financial instruments derivatives 'swaps'.

Likewise it is determined that the decision to defer or not the profits or losses generated by the eighteen (18) of February 2013, must be approved by the Board of Directors of the entity or by the body that replaces them, who should point out the value to defer and the period during which the deferral will be held. That decision is unchangeable and must be implemented, at the latest, from the first (1st) of March 2013. The term of the delay must be equal for profits and losses, may not exceed one (1) year from the date in which the implementation initiated, and the respective period are amortised in daily aliquots.

The operation of credit maintained with Interbolsa was transferred to 100% and in the month of December, 2012, was punished, prior to authorisation by the Board of Directors, as recorded in the note of the Act No. 1577, and whose value was $16.969 million. It is important to note that the punishment is only an accounting treatment charged to the obligation of Interbolsa, because the Bank has initiated the criminal, civil and administrative actions relevant, aimed to obtain the recovery of the amount owed.

In relation to the operations of two leasing vehicle contracts, whose balance was $231, where the value of the assets (object of the contract) adequately covers the balance due, the Bank is conducting relevant legal proceedings in order to restore these assets and recover this portfolio as well. However, accepting the principle of prudence, for this second obligation, the Bank also punished the respective value, through the approval of the Board of Directors, according to the page mentioned in the preceding paragraph.

Bond issue: the Bank held, in the month of February 2013, bond issues amounting to $365,000.

BBVA Colombia offers to place papers of 10 years maximum performance of the index of prices to the consumer (IPC), plus a 3.95 percent effective annual (EA) and 15 years to the CPI over a 4.2 per cent EA. This issue is part of a global quota of $2,000,000 (USD$ 1,120 million dollars), of which the Bank has an available balance of 900 (US$ 504 million of dollars).

The issue which the Bank will make is formed by bonds, rated AAA by Colombia Fitch Ratings Agency and will be placed by BBVA securities, Ultrabursatiles and Correval.

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