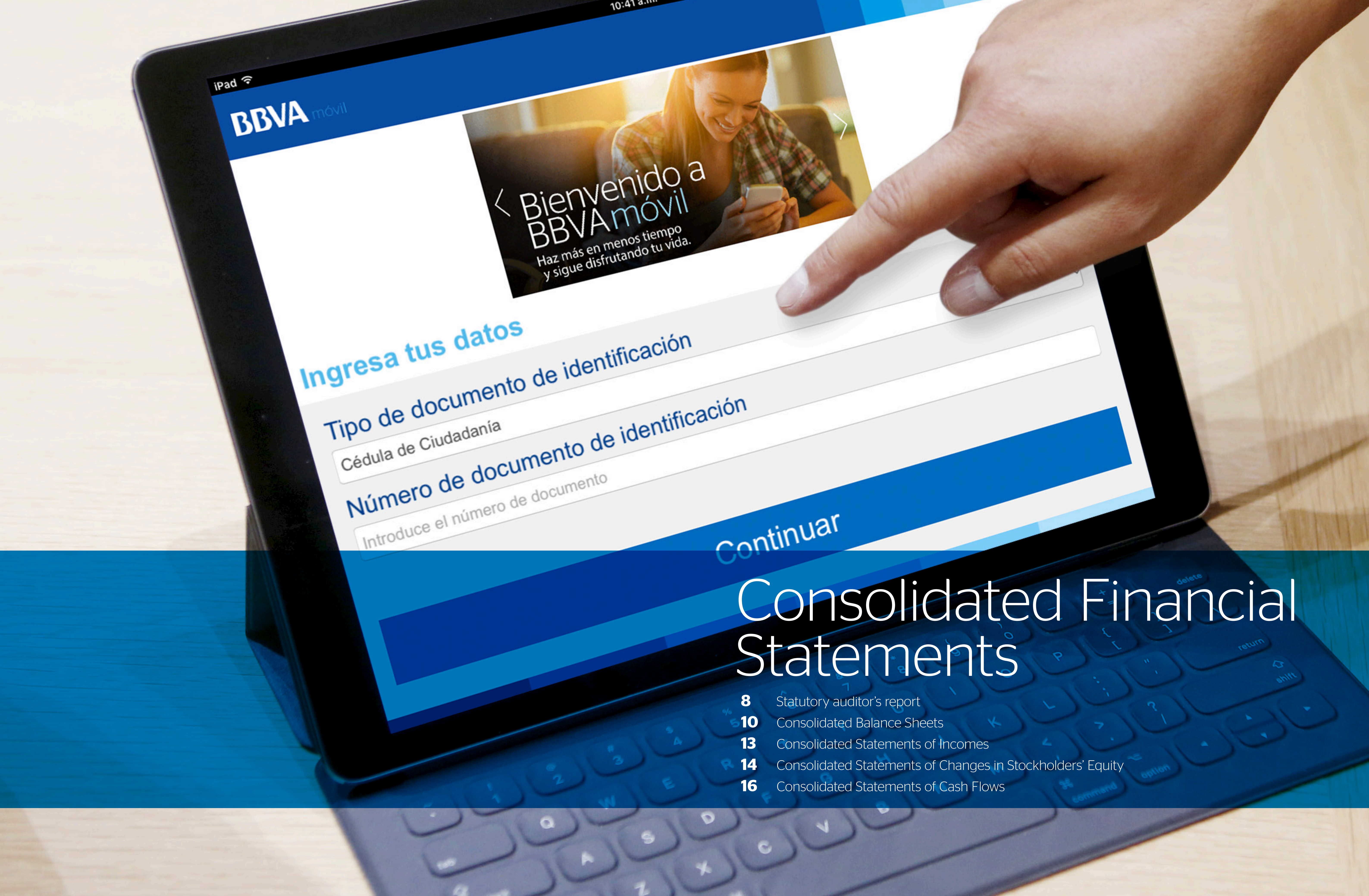
BBVA Colombia
Consolidated Report 2015

adelante.

2015 was a period that had important challenges for the global economy, characterized by environments with high volatility on international markets, where once more BBVA Colombia Group achieved satisfactory results.

Content



Consolidated Financial Statements

Deloitte & Touche Ltda.
Carrera 7 No. 74-09
Nit: 860.005.813-4
Bogotá
Colombia

Tel:+57 (1) 5461810
Fax: +57 (1) 2178088
www.deloitte.com/co

Statutory auditor's report

To the shareholders of

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.,

I have audited the attached consolidated financial statements of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and its Subsidiaries (BBVA Asset Management S.A. Sociedad Fiduciaria and BBVA Valores Colombia S.A. Comisionista de Bolsa), which included the Consolidated Statement of Financial Position as at December 31, 2015 and the Consolidated Statement of Income and Other Comprehensive Income, Statement of Changes in Net Equity and Statement of Cash Flow for the year ending on that date, and a summary of the significant accounting policies as well as other explanatory notes. The consolidated financial statements as at December 31, 2014 and the Consolidated Statement of Financial Position starting January 1, 2014, adjusted to the Accounting and Financial Reporting Standards accepted in Colombia, are included for comparison purposes.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing and maintaining a system of internal controls appropriate for the preparation and presentation of consolidated financial statements that are free of material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I obtained the necessary information to fulfill my functions and carry out my task according to generally accepted auditing standards in Colombia. Such standards require that I plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit of financial statements includes assessing, selectively, the evidence that supports the figures and disclosures in the consolidated financial statements. The auditing procedures selected depend on the professional discretion of the auditor, and his assessment includes the risks of material misstatements in the consolidated financial statements. In said risk assessment, the independent auditor considers the Bank's internal controls for the preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the given circumstances. An audit also includes assessing the accounting policies used and the significant accounting estimates made by Company management, as well as assessing the general presentation of the consolidated financial statements. I consider my audit to have given me a reasonable basis to express my opinion.

In my opinion, the consolidated financial statements mentioned above reasonably present, in all relevant aspects, the consolidated financial position of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and its Subsidiaries as at December 31, 2015, the consolidated income from their operations and the consolidated cash flows for the year ending on that date, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
Financial License No. 12838-T
Appointed by Deloitte & Touche Ltda.

March 15, 2016

Balance Sheet of December 31, 2015 and 2014

(Amounts stated in millions of Colombian pesos)

ASSETS	Note	december 31 2015	december 31 2014	january 1 2014
Cash and cash equivalents	(9)	$ **6.345.308**	$ **3.071.157**	$ **2.521.280**
• Cash and Deposits in Banks		5.436.131	2.601.315	2.421.780
• Active positions in monetary market		909.177	469.842	99.500
Investments	(10)	**5.006.891**	**5.880.427**	**5.464.899**
• Investments at fair value through profits or loss		1.156.616	3.244.183	3.534.855
• Investments at fair value affecting delivered results in money-market operations		1.568.630	528.113	26
• Investments at fair value affecting delivered results in guarantee of derivatives		174.060	-	9.648
• Investments at amortized cost		1.430.293	1.208.393	1.346.898
• Investments at amortized cost affecting delivered results in money-market operations		569.898	700.609	331.881
• Investments at amortized cost affecting delivered results in guarantee of operations		-	51.988	97.836
• Non-controlled affiliates investments		110.901	150.657	151.794
• Investment Impairment		(3.507)	(3.516)	(8.039)
Derivative financial instruments and cash operations	(15)	**1.247.814**	**867.578**	**121.995**
• Trading		1.231.087	867.578	121.995
• Hedging		16.727	-	-
Loan Portfolio and Leasing Operations (Net)	(11)	**36.055.898**	**30.385.229**	**25.358.671**
• Commercial		16.314.908	13.225.831	10.909.172
• Consumer		12.040.868	10.231.187	8.782.680
• Housing		8.560.823	7.596.418	6.224.473
• Microcredit		7	18	41
• Employees		137.789	132.657	124.952
Provision for credit losses		(998.497)	(800.882)	(682.647)
Loan Portfolio Interest and Other Concepts (Net)	(11)	**290.393**	**254.408**	**217.629**
• Commercial		140.110	120.267	97.750
• Consumer		114.553	96.160	87.010
• Housing		49.333	44.253	38.681
• Microcredit		-	1	2
• Other Portfolio Interests		9.308	11.614	8.653
Provision Interest and Other Concepts		(22.911)	(17.887)	(14.467)
Other:				
• Advances to Contractors and Other Financial Recipients		194.931	187.582	299.187
• Other Debtors (Net)	(16)	276.071	280.165	83.584
• Non-Current Assets available for sale	(17)	15.020	13.493	8.376
• Property and Equipment	(18)	753.130	769.850	747.686
• Leasing Operating Properties		18.201	13.702	12.005
• Goodwill and other intangible assets	(19)	239.106	226.832	210.690
• Deferred Tax Asset	(31)	91.590	77.153	82.070
• Prepaid Expenses	(21)	9.363	7.802	4.905
• Other Assets (Net)	(20)	4.691	7.416	4.799
Total Assets		$ **50.548.407**	$ **42.042.794**	$ **35.137.776**

LIABILITIES AND STOCKHOLDERS 'EQUITY	Note	december 31 2015	december 31 2014	january 1 2014
LIABILITIES AND EQUITY				
LIABILITIES	(22)	$ **35.916.109**	$ **32.416.373**	$ **28.254.129**
• Deposits		24.857.722	21.617.829	20.550.145
• Checking		11.058.387	10.798.544	7.703.984
Money-Market Operations		3.877.977	1.311.234	352.285
Other				
Derivative Financial Instruments		**1.186.938**	**930.718**	**133.327**
• Trading	(24)	1.174.812	930.718	133.327
• Hedging	(15)	12.126	-	-
Financial Entities Loans	(25)	1.598.178	1.030.294	805.921
Outstanding investment securitie	(27)	2.488.551	1.301.650	1.094.760
Deferred Tax Liabilities	(31)	326.188	272.630	202.716
Accrued liabilities and Provisions	(29)	150.969	161.422	145.756
Accounts Payable	(26)	613.232	566.392	531.871
Labor Obligations	(30)	**174.308**	**198.931**	**172.782**
• Short Term		87.633	97.306	76.473
• Long Term		86.675	101.625	96.309
Other Liabilities	(28)	146.664	128.646	107.545
Total Liabilities		**46.479.114**	**38.318.290**	**31.801.092**
SHAREHOLDERS EQUITY				
Paid-in Capital	(32)	89.779	89.779	89.779
Minoritary Interest		5.935	5.942	5.480
Premium on share placement		651.950	651.950	651.950
Reserves	(33)	1.977.124	1.734.173	1.471.343
Net Profit for the period	(34)	**615.346**	**645.644**	**525.837**
• Net Profit for the period		615.346	504.328	525.837
• Cumulative Results (IFRS Transition Period)		-	141.316	-
Retained Earnings (IFRS application)	(4)	494.718	349.972	440.158
Article 6 Law 4/80		506	506	506
Other Comprehensive income (OCI)	(35)	233.935	246.538	151.631
Total Shareholders Equity		**4.069.293**	**3.724.504**	**3.336.684**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		$ **50.548.407**	$ **42.042.794**	$ **35.137.776**

The notes attached are an essential part of the financial Statements.

FÉLIX PÉREZ PARRA
Legal Representative

OSCAR ENRIQUE RODRIGUEZ ACOSTA
Public Accountant
T.P. No. 179552-T

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
T.P. No. 12838-T
Designated by Deloitte & Touche Ltda.
(See my Opinion Attached)

Income Statement

For the years ended as of december 31, 2015 and 2014

(Amounts stated in millions of Colombian pesos)

Income	Note	december 31 2015	december 31 2014
Loan Portfolio	(39)	$ **3.467.190**	$ **2.976.868**
• Commercial		828.212	684.962
• Consumer		1.317.937	1.162.857
• Credit Card		291.414	246.198
• Microcredito		1	3
• Housing		779.842	701.827
• Factoring		4.624	2.326
• Operative Leasing		7.344	5.583
• Financial Leasing		135.897	113.762
• Residential Leasing		101.919	59.350
Interest Expense	(39)	**(1.284.544)**	**(1.049.805)**
• Savings Accounts		(590.836)	(514.171)
• Term Deposits Certificates		(669.831)	(519.217)
• Banks and other financial obligations		(23.463)	(15.970)
• Other		(414)	(447)
Net Interest Income		2.182.646	1.927.063
Commission Income	(40)	433.638	391.957
Commission Expenses	(40)	(192.976)	(138.415)
Commissions Net Income		**240.662**	**253.542**
Other Operating Income			
Securities	(40)	$ 612.996	$ 624.334
• Money-Market Operations		150.958	68.950
• Investments at fair value		391.955	453.448
• Investments at amortized cost		70.083	101.936
Speculation Derivatives	(40)	6.923.887	3.062.563
Disposals	(40)	76.897	51.634
• Sale of Non-Current Assets Held for Sale		1.341	1.272
• Sale of Property, Plant and Equipment		2.267	671
• Sale of Investments		73.289	49.691

Income and Expenses	Note	december 31 2015	december 31 2014
Difference in Net Change		$ 341.893	$ 349.261
Dividends		11.316	12.044
Leases		1.719	1.440
Other- Diverse		59.142	54.574
Operative Risk		23.442	2.194
Joint Operations Income		1.580	2.314
Other Operating Income		**8.052.872**	**4.160.358**
Net Provision for credit losses		(462.577)	(386.598)
Provision refund Loan Portfolio		666.689	514.878
• Provision of loan portfolio allocation		(1.129.266)	(901.476)
• Non-current assets held for sale provision		(3.621)	(2.362)
Investment Provisions		(11)	-
Property, Plant and Equipment provision		(69)	(80)
Other Assets Provisions		(3.218)	(1.449)
Net Asset Allocation		(469.496)	(390.489)
OPERATING EXPENSES			
Securities		(565.936)	(450.759)
Money-Market Operations		(297.804)	(101.038)
• Investments at fair value		(251.403)	(312.534)
• Investments at amortized cost		(16.729)	(37.187)
• Derivatives		(7.096.220)	(3.279.276)
Speculation Derivatives		(7.064.422)	(3.279.276)
• Hedging Derivatives		(31.798)	-
• Disposals		(60.610)	(53.086)
Sale of Non-Current Assets Held for Sale		(1.022)	(1.307)
• Sale of Property, Plant and Equipment		-	(9)
• Sale of Investments		(39.371)	(49.307)
• Portfolio Sale		(20.217)	(2.463)
Other Expenses	(41)	**(1.311.781)**	**(1.219.002)**

Income and Expenses	Note	december 31 2015	december 31 2014
Salaries and employee benefits		(475.767)	(481.147)
• Fees		(24.026)	(23.538)
• Depreciation and Amortization		(87.902)	(90.426)
• Taxes		(134.199)	(77.788)
• Leases		(36.594)	(28.982)
• Insurance		(112.314)	(100.189)
• Contributions and affiliations		(10.528)	(10.161)
• Maintenance, adjustments and repairs		(38.862)	(30.188)
• Other - Diverse		(383.829)	(368.977)
• Operative Risk		(6.222)	(5.326)
• Joint Operations Expenses		(1.538)	(2.280)
Total Operating Expenses		**(9.034.547)**	**(5.002.123)**
Minority Interest		(985)	(1.116)
Earnings before income taxes	(31)	971.152	947.235
Income Tax Expense		**(355.806)**	**(301.591)**
NET PROFIT		**$ 615.346**	**$ 645.644**
Basics		**$ 43**	**$ 35**
Diluted		**$ 43**	**$ 35**

The notes attached are an essential part of the financial Statements.

FÉLIX PÉREZ PARRA
Legal Representative

OSCAR ENRIQUE RODRIGUEZ ACOSTA
Public Accountant
T.P. No. 179552-T

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
T.P. No. 12838-T
Designated by Deloitte & Touche Ltda.
(See my Opinion Attached)

Consolidated Statements of Other Comprehensive Income

For the years ended as of december 31, 2014 and 2013

(Amounts stated in millions of Colombian pesos)

CONCEPT	december 31 2015	december 31 2014	january 1 2014
NET PROFIT	**$ 615.346**	**$ 645.644**	**$ 525.837**
Other Comprehensive Income (Loss)			
Accounts that are not reclassified to net profit for the period			
Gains (losses) from investments in equity	5.532	999	-
Gains (losses) on remeasurement of defined benefit plans	4.243	-	-
Gains (losses) of noncontrolling interests	28.251	67.690	
Total accounts not reclassified to net profit for the period	**38.026**	**68.689**	**-**
Accounts that can be subsequently reclassified to net profit for the period			
Gains (losses) on remeasurement of loan portfolio incurred losses	266.357	258.350	188.849
Gain (losses) on cash flow hedges	8.381	-	-
Total accounts that can be subsequently reclassified to net profit for the period	**274.738**	**258.350**	**188.849**
Total Other Comprehensive Income	**312.764**	**327.039**	**188.849**
Less: Deferred Tax	(78.829)	(80.501)	(37.218)
Total Other Comprehensive Income, Net Income Tax	**233.935**	**246.538**	**151.631**
Total Comprehensive Income	**$ 849.281**	**$ 892.182**	**$ 677.468**

The notes attached are an essential part of the financial Statements.

FÉLIX PÉREZ PARRA
Legal Representative

OSCAR ENRIQUE RODRIGUEZ ACOSTA
Public Accountant
T.P. No. 179552-T

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
T.P. No. 12838-T
Designated by Deloitte & Touche Ltda.
(See my Opinion Attached)

Consolidated statements of changes in stockholders' equity

For the years ended as of december 31, 2015 and 2014

(Amounts stated in millions of Colombian pesos, except for net profit per share)

Concept	Shares											Total Shareholders Equity
	Non-voting with preferential dividend		Ordinary									
	Number	Value	Number	Value	Noncontrolled Participation	Premium on share placement	Legal and Occasional Reserves	Net Profit for the period	Retained Earnings	Other Comprehensive Income (OCI)	Article 6 Law 4/80	
Balances of January 1 2014	479.760	$ 2.994	13.907.929	$ 86.785	$ 5.480	$ 651.950	$ 1.471.343	$ 525.837	440.158	151.631	$ 506	$ 3.336.684
Transfers	-	-	-	-	-	-	-	(525.837)	525.837	-	-	-
Noncontrolling Interest (Minority Interest)	-	-	-	-	462	-	-	-	-	-	-	462
Dividends paid in cash preferred and common shares	-	-	-	-	-	-	-	-	(263.007)	-	-	(263.007)
Appropriation for legal reserve	-	-	-	-	-	-	666.430-	-	(666.430)	-	-	-
Appropriation for other reserves	-	-	-	-	-	-	(403.600-)	-	403.600	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	645.644	-	-	-	645.644
Retained Earnings Sales Force	-	-	-	-	-	-	-	-	(26.880)	-	-	(26.880)
Noncontrolled rating participations 2014 with charges to the OCI	-	-	-	-	-	-	-	-	(76.224)	76.224	-	-
Deferred Tax noncontrolled rating participations 2014 with charges to the OCI	-	-	-	-	-	-	-	-	4.830	(4.830)	-	-
Participation in other comprehensive income of the noncontrolled investments- internal model	-	-	-	-	-	-	-	-	-	(8.534)	-	(8.534)
Participation in the OCI of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	999	-	999
Loan Portfolio Measurements- Incurred Loss	-	-	-	-	-	-	-	-	-	69.501	-	69.501
Deferred Tax	-	-	-	-	-	-	-	-	9.139	(38.453)	-	(29.314)
Adjustment for Consolidation	-	-	-	-	-	-	-	-	(1.051)	-	-	(1.051)
Balances of December 31 2014	479.760	2.994	13.907.929	86.785	5.942	651.950	1.734.173	645.644	349.972	246.538	506	3.724.504
Noncontrolled Participation (Minority Interest)	-	-	-	-	(7)	-	-	-	-	-	-	(7)
Transfers	-	-	-	-	-	-	-	(645.644)	645.644	-	-	-
Dividends paid in cash preferred and common shares	-	-	-	-	-	-	-	-	(242.865)	-	-	(242.865)
Appropriation for legal reserve	-	-	-	-	-	-	292.924	-	(292.924)	-	-	-
Release of reserves	-	-	-	-	-	-	(49.973)	-	49.973	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	615.346	604	-	-	615.950
Retained Earnings Sales Force	-	-	-	-	-	-	-	-	(18.699)	-	-	(18.699)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	-	-	8.381	-	8.381
Defined Contributions Pensions	-	-	-	-	-	-	-	-	-	4.243	-	4.243
Participation in the OCI of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	4.532	-	4.532
Participation in other comprehensive income of the noncontrolled investments- internal model	-	-	-	-	-	-	-	-	-	(39.439)	-	(39.439)
Loan Portfolio Measurements- Incurred Loss	-	-	-	-	-	-	-	-	-	8.007	-	8.007
Deferred Tax	-	-	-	-	-	-	-	-	6.358	1.673	-	8.031
Adjustment for Consolidation	-	-	-	-	-	-	-	-	(3.345)	-	-	(3.345)
Balances of December 31 2015	$ 479.760	$ 2.994	13.907.929	$ 86.785	$ 5.935	$ 651.950	$ 1.977.124	$ 615.346	$ 494.718	$ 233.935	$ 506	$ 4.069.293

The notes attached are an essential part of the financial Statements.

FÉLIX PÉREZ PARRA
Legal Representative

OSCAR ENRIQUE RODRIGUEZ ACOSTA
Public Accountant
T.P. No. 179552-T

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
T.P. No. 12838-T
Designated by Deloitte & Touche Ltda.
(See my Opinion Attached)

Consolidated statements of cash flows

For the years ended as of december 31, 2015 and 2014

(Amounts stated in millions of Colombian pesos)

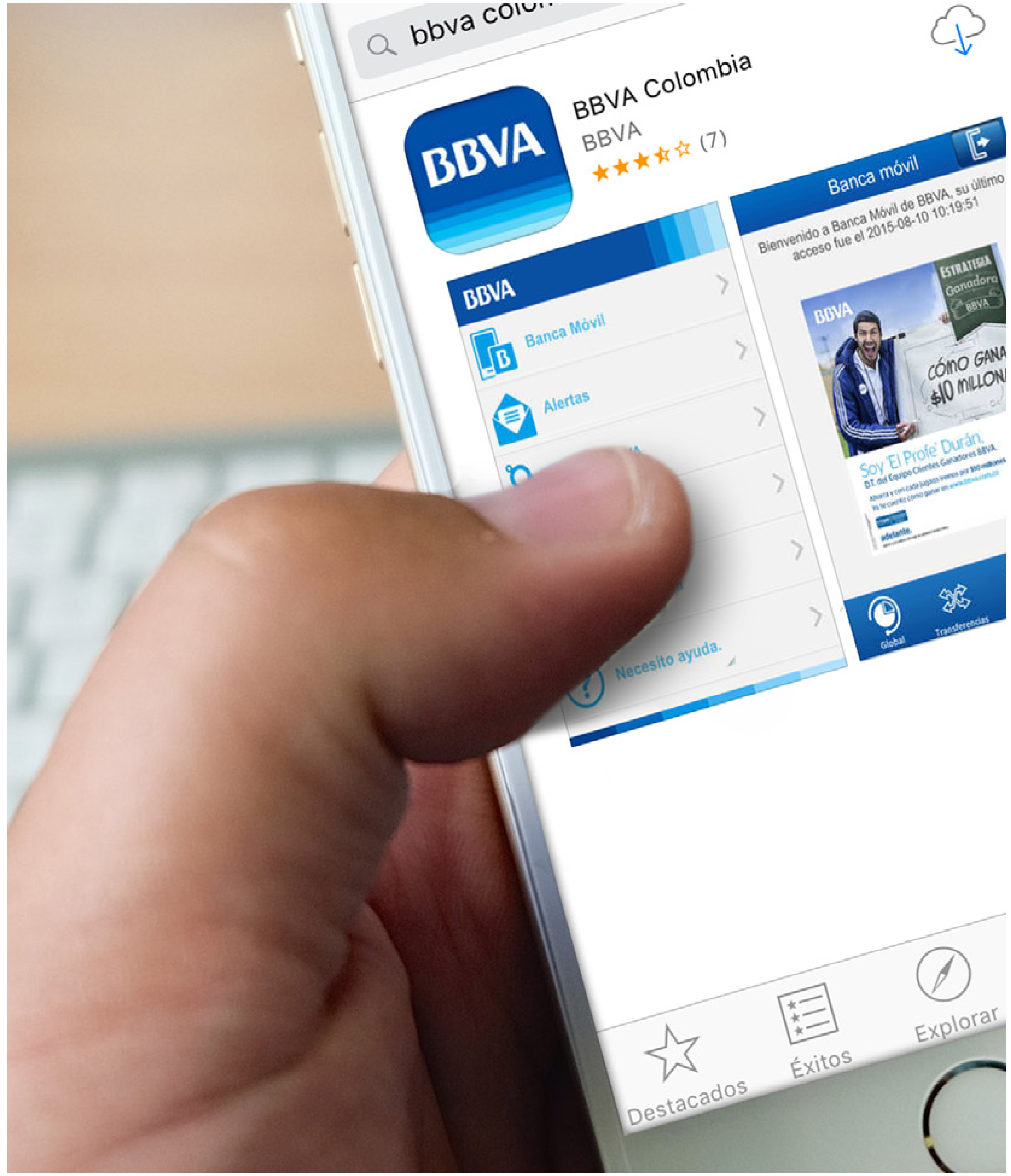
CONCEPT	2015	2014
Balance at the beginning of the period	$ 3.071.157	$ 2.521.280
Cash Flows from operating activities		
• Received from Customers	3.522.218	1.609.031
• Payments to suppliers and employees	(1.629.345)	(1.674.776)
• Paid Interests	(1.260.607)	(1.035.031)
• Income Tax	(305.941)	(215.128)
• Cash advances and loans to thirds	(900.535)	(941.203)
• Charges from repayment of advances and loans to thirds	895.808	1.053.315
Net cash flows (used in) provided by operating activities	321.598	(1.203.791)
Cash Flows from investment activities		
• Other investment income received	1.263.493	935.730
• Other Dividends Received	29.518	22.290
• Acquisition of property and equipment	(142.091)	(328.925)
• Sale price of property and equipment	158.430	295.994
Net cash flows (used in) provided by operating activities	1.309.350	925.089
Cash flows from financing activities:		
• Financial Obligations and other financial liabilities	1.346.864	580.754
• Dividends paid to owners	(252.564)	(274.388)
Net cash flows provided by financing activities	1.094.299	306.366
Cash and cash equivalents		
Changes in the exchange rate in the cash held under foreign currency	548.904	522.213
Balance at the end of the period	$ 6.345.308	$ 3.071.157

Las notas adjuntas son parte integral de los estados financieros

FÉLIX PÉREZ PARRA
Representante Legal

OSCAR ENRIQUE RODRIGUEZ ACOSTA
Contador General
T.P. No. 179552-T

GABRIEL JAIME LÓPEZ DÍEZ
Revisor Fiscal
T.P. No. 12838-T
Designado por Deloitte & Touche Ltda.
(ver mi dictamen adjunto)



Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the years ended of december 31 2015 and 2014

(In millions of Colombian pesos , except where otherwise stated)

1. Reporting entity

Banco Bilbao Vizcaya Argentaria Colombia S.A. BBVA Colombia (hereinafter, "the Bank" or "BBVA Colombia S.A."), acting as Parent Company of the Grupo Empresarial BBVA Colombia, registered in the mercantile registry, hereinafter "the Group," formed by BBVA Asset Management S.A. Sociedad Fiduciaria (formerly, BBVA Fiduciaria S.A.) and BBVA Valores Colombia S.A. Comisionista de Bolsa, reports consolidated financial statements for the following companies:

BBVA Colombia S.A. is a private banking institution incorporated in accordance with Colombian laws on April 17, 1956 through Public Instrument No. 1160 granted in the Notary Public Office 3 of Bogotá and with term of duration until December 31, 2099; this term may be extended according to the law. The Financial Superintendence of Colombia (hereinafter, "the Superintendence" or "SFC") through Resolution No. 3140 / September 24, 1993, definitively renewed the operating permit. The main activity of the Bank includes making loans to public and private sector companies and individual loans. It also develops international banking activities, privatizations, financial projects and other banking activities in general, as well as leasing services.

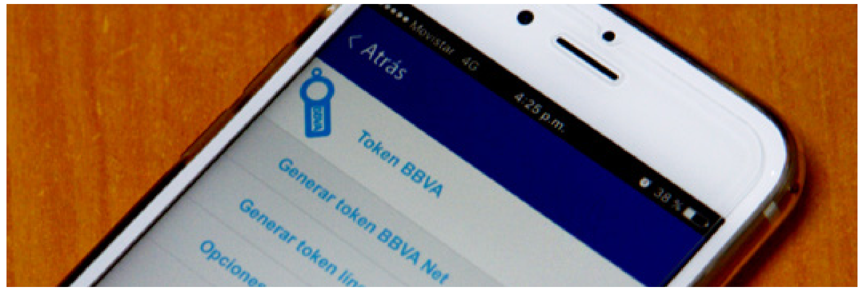
The Bank conducts its activities in its corporate domicile in Bogotá and 527 offices (513 offices as at December 31, 2014) that include branch offices, in-house, service centers, agencies, cash extensions and mini-banks located in 95 cities in Colombia, distributed as follows:

Type of Office	Quantity
Branches	420
In-house	54
Service Centers	15
Agencies	24
Cash extensions	7
Mini-banks	7
Total Offices	**527**

Additionally, it has 6 financial services contracts through Non-Banking Correspondents (NBC) that amount to 7,136 points of service. (11,160 points of service as at December 31, 2014.)

BBVA Asset Management S.A. Sociedad Fiduciaria, hereinafter, "the Trust Company," is a joint-stock, private commercial entity of financial services, legally incorporated through Public Instrument 679 of Notary Public Office 13 of Bogotá / April 5, 1976.

Through Public Instrument 3742 / April 29, 2010 of Notary Public Office 72 of Bogotá, the name change to BBVA Asset Management S.A. Sociedad Fiduciaria was notarized, for all legal purposes being able to use the name BBVA Asset Management or BBVA Fiduciaria, it is subordinate to Banco Bilbao Vizcaya Argentaria Colombia S.A. and has its corporate domicile in the city of Bogotá. As of December 31, 2015 and 2014, it had 117 and 96 employees, respectively. Its term of duration goes until November 13, 2107 and it has a definitive operating permit issued by the Financial Superintendence of Colombia (hereinafter, "the Superintendence"), as per Resolution 223 / January 12, 1979.



The main objective of the Trust Company consists of the celebration of commercial trust agreements, the celebration of trust state contracts as foreseen by Law 80 / 1993 and, in general, the celebration of all those businesses that imply a trust management and all those that are legally authorized to the trust companies. In developing its purpose, the Trust Company essentially may acquire, transfer, tax, manage movable and immovable property, legally represent bondholders, intervene as debtor or creditor in all types of credit transactions, and write, accept, endorse, collect and negotiate, in general, all types of securities.

BBVA Valores Colombia S.A. Comisionista de Bolsa (hereinafter "the Broker") was incorporated on April 11, 1990 after authorization by the Financial Superintendence of

Colombia. Its corporate purpose is the development of the commission contract for the purchase and sale of securities registered in the National Securities Registry, the development of security funds management contracts of its local and foreign clients, and the performance of transactions on its own behalf. Furthermore, it is authorized by the Superintendence to carry out the activities relating to the securities market and for advisory services in capital-market related activities.

The Brokerage Firm is subordinate to the Banco Bilbao Vizcaya Argentaria Colombia S.A.; it has its corporate domicile and conducts its commercial activity in the city of Bogotá, D.C. Its term of duration expires on April 11, 2091.

The Bank and its subsidiaries have a national work force that, at the close of December 2015 and 2014, was 5,831 and 5,680 officers, respectively.

As at December 31, 2015 and 2014, the breakdown of the balance sheet for the entities that can be consolidated was as follows:

2015			
Entity	Assets	Liabilities	Equity
BBVA Colombia S.A.	$ 50.183.849	$ 46.364.769	$ 3.819.080
BBVA Asset Management S.A.	100.287	7.797	92.490
BBVA Valores S.A.	16.354	2.452	13.902

2014			
Entity	Assets	Liabilities	Equity
BBVA Colombia S.A.	$ 41.656.333	$ 38.195.264	$ 3.461.068
BBVA Asset Management S.A.	100.973	7.861	93.113
BBVA Valores S.A.	14.870	2.179	12.691

Approval of Financial Statements

The consolidated financial statements of the Bank, for the year ending December 31, 2015, prepared in accordance with the accounting and financial reporting standards accepted in Colombia, IFRS (NCIF, for the Spanish original), applicable to companies within the financial system, have been approved for their issuance on February 16, 2016 by the Bank's Management. These statements are subject to approval by the General Meeting of Shareholders that will be held within the periods established by Law. The consolidated financial statements for the year ending December 31, 2014, prepared in accordance with the accounting principles announced in Public Accounting and Finance Notice (hereinafter "CBCF," for its Spanish original), and for all that not foreseen therein, with the generally accepted accounting principles in Colombia, established in Decree 2649 / 1993 and complementary standards, were approved by the Annual Mandatory General Meeting of Shareholders held on February 26, 2015.

2. Bases for presentation

2.1 Applicable Accounting Standards

The Group applies the following accounting criteria that differ from the IFRS issued by the IASB in compliance with the Laws, Decrees and other current standards.

The Group, in accordance with the current provisions issued by Law 1314 of 2009, regulated by Decree 2420 of 2015, has prepared its consolidated financial statements, faithfully recording the economic facts in accordance with the accounting and financial reporting standards accepted in Colombia (hereinafter "NCIF," for its Spanish original), which are based on the International Financial Reporting Standards (hereinafter "IFRS"), along with their interpretations, translated to Spanish and issued by the International Accounting Standards Board (IASB) on December 31, 2012; as well as taking into account the technical regulations issued by the Financial Superintendence of Colombia and the Bank of the Republic.

Public Notice No. 037 of 2015 from the Financial Superintendence of Colombia

– The parent company must adjust the consolidated financial statements, prepared using the full NCIF, to include the difference between the value of provisions for the credit portfolio recognized on such consolidated financial statements by the methodology of loss incurred and generated in the individual and/or separate financial statements of the national and foreign subordinates under expected loss, under the same terms as the instructions established in section 1.5 of Public Notice 036 / 2014.

The above adjustment to the consolidated credit portfolio and its impact on the OCI of the consolidated financial statements should be permanently made and recorded.

The accounting standards applicable to consolidated financial statements differ from those applied to the separate and individual financial statements since the exceptions on impairment of the portfolio and valuation and classification of investments are not applied.

Public Notice No. 36 / 2014, from the Financial Superintendence of Colombia

– Establishes the manner of applying IFRS 1 Adoption of the IFRS for the first time, and includes, among other things:

- **Applicable to entities subject to monitoring or securities issuers subject to control.** The accounting treatment of different net income generated by applying the NCIF for the first time cannot be distributed to cover losses, in capitalization processes, to distribute profits and/or dividends, or to be recorded as reserves and may only use the standards that have been made effectively with third parties, different than those who are related parties. The net positive differences will not be calculated in the performance of the requirements of technical equity, minimum operating capital and other legal controls applicable to the Entities.

In addition, section 5 establishes that adjustments to the application of IFRS for the first time in the consolidated financial statements of the parent company, related to the value of the accounts receivable allowance for credit that are recorded on the individual or separate financial statements of the national and foreign subsidiaries, should be recorded as "Other Comprehensive Income" on the consolidated financial statements, under code 381560, "Differences between the Consolidated Financial Statements and the Separate Financial Statements" of the sole Catalog for financial information for monitoring purposes.

Decree 2496 / December 23, 2015 – Through this decree, it is determined that the parameters to establish post-employment benefits for the treatment of IAS 19 should correspond to Decree 2783 / 2001, as the best market estimate. This decree establishes the actuarial assumptions for calculating future increases of salaries and pensions, establishes the actual technical interest rate applicable and the form of considering the expected income increase for active and retired personnel.

Law 1739 / December 23, 2014 – Whereby the National Government establishes the wealth tax. This tax is generated by the possession of wealth (gross equity minus current debts) equal to or greater than $1 billion pesos between January 1, 2015 and January 1, 2017. The group recorded this tax on expenses.

Regulatory Public Notice DODM 139 / May 25, 2015. This public notice establishes the calculation of its own resources, its own accounting situation, gross leverage situation and indicators of exposure based on currency from exchange market intermediaries and with which the exchange rate differences for the period in the Bank are recorded. (See Note 15)

2.2 Consolidation Criteria

For consolidation purposes, and following the criteria established by the NCIF, the consolidation parameter is defined using the guidelines established by IFRS 10, which basically concern the control (power/returns) as a governing principle to determine the companies susceptible to consolidation and the information to disclose in shares in other entities. The consolidation method to be applied is determined by the total control and/or significant influence over the investee. The group applies the global integration method, reporting shares in non-controlled entities as equity and income.

The Group comprises, in addition to the Bank, two subsidiary entities. These are all the entities controlled by the Group, a control obtained when the Bank is exposed to, or entitled to, variable returns based on its involvement in the investee and it has the ability to influence these returns through its power over the investee.

Specifically, the Bank controls an investee if and only if it has the following elements:

- Power over the investee (i.e., has rights that grant it the ability to direct relevant activities of the investee);
- Exposure to, or entitlement to, variable returns originating from its influence over the investee; and
- The ability to use its power over the investee to influence the amount of investor returns.

In all cases, the consolidation of income generated by the companies that comprise the Group in any given fiscal year are made only considering the income corresponding to the period between the date of acquisition and the close of that fiscal year. In the same way, the consolidation of income generated by companies transferred in any given fiscal year are made only considering the income for the period between the start date of the fiscal year and the transfer date.

To prepare the consolidated financial statements, the financial statements for subsidiaries and associates are included as of the dates of their presentation.

The Bank consolidated the subsidiaries in which it had the following holding, as of December 31:

Location	Name	Percentage holdings as of December 31		Month of acquisition or start
		2015	2014	
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

2.3 Basis for preparation

The Consolidated financial statements for the Group, as of December 31, 2015, correspond to the first Consolidated financial statements prepared in accordance with the accounting and financial reporting standards accepted in Colombia (NCIF) applicable to the Consolidated Financial Statements, and the required standardizations were made. These Consolidated financial statements have been prepared using the historical cost basis, except for the revaluation of certain properties and financial instruments, that are measured using re-evaluated or reasonable values at the end of each reporting period, as explained in the accounting policies. The historical cost is generally based on the reasonable value of the procurement provided in the exchange of goods and services.

Until the fiscal year ending on December 31, 2014, inclusive, the Group prepared its annual Consolidated financial statements in accordance with the generally accepted accounting principles in Colombia and instructions and practices established by the Superintendence.

The financial information corresponding to the fiscal year ending December 31, 2014, included in these consolidated financial statements for comparison purposes, has been modified and presented in accordance with the Financial Reporting Accounting Standards (hereinafter "NCIF", for its Spanish original). The effects of changes to the Colombian GAAP applied at December 31, 2014 and January 1, 2014 (date of transition) and the NCIF are established in the detailed reconciliations in Note 4 and include information about the parent company and its subsidiaries.

The Group has applied the significant accounting policies, judgments, estimations and assumptions described in Note 3. The Group has also considered the exceptions and exemptions foreseen in IFRS 1, which are described in Note 4.

2.4 Judgments and Estimations

The information contained in these consolidated financial statements is the responsibility of the Group's Management. In order to prepare them, certain estimations made to quantify some of the assets, liabilities, income, expenses and commitments that are recorded therein have been used, based on experience and other relevant factors. Final earnings may vary from said estimations.

These estimations are continually revised. Modifications to the accounting estimations are recognized prospectively, accounting for the effects of changes made to accounts corresponding to the statement of income for the fiscal year and other comprehensive income, as applicable, starting from the fiscal year in which such revisions are made.

The estimations and their sources of uncertainty considered most important to preparing the consolidated financial statements refer to:

- Fair value of investments.
- Provisions for non-recoverability of credits.
- Goodwill impairment.
- Other contingent assets and credits.
- Provisions for accounts receivable.
- Provisions for realizable assets and foreclosed assets.
- Provisions for employee benefits.
- Useful life assigned to property, plant and equipment.
- Provisions, contingent liabilities and assets.
- Deferred income tax.
- Derivative Financial Instruments.

2.5 Functional and presentation currency

The BBVA Group prepares and presents its consolidated financial statements in Colombian pesos, which is its functional currency and its presentation or reporting currency for all effects and purposes. The functional currency is the currency of the primary economic environment where the entity operates, which influences the transactions it makes and the services it provides, among other factors.

3. Main policies and practices

The significant accounting policies used by the Group to prepare and present its consolidated financial statements are detailed below.

These policies have been uniformly applied in all periods presented, unless indicated otherwise.

3.1 Transactions in foreign currency

Transactions in foreign currency are recorded at the time of initial reporting using functional currency, which, as a result, is the presentation currency. For said purpose, the amounts in foreign currency are converted to functional currency applying the exchange rate on the date of the transaction, which is the date on which said transaction meets the conditions for being recorded.

At the close of each period, the following guidelines are reported as being followed:

(a) Monetary assets and liabilities are converted using the accounting exchange rate at the close of the reported period.

(b) Non-monetary assets and liabilities, not valued at fair value, are converted at the exchange rate on the date of the transaction.

(c) Non-monetary assets and liabilities valued at fair value are converted at the exchange rate on the date on which the reasonable value is determined.

Recording the exchange difference is subject to the following guidelines:

(a) The exchange differences that arise from liquidating monetary assets and liabilities, or from converting said entries at exchange rates different from those used for initial recording, which have been produced during the fiscal year or in previous individual financial statements, are recorded as income for the fiscal year in which they originated.

(b) When a loss or earnings derived from a non-monetary entry is recorded as other comprehensive income, any exchange difference included in that loss or earnings is also recorded as other comprehensive income.

In the case of non-monetary entries, whose losses and earnings are recorded on the fiscal year's statement of income, any exchange difference included in that loss or earnings is also recorded on the fiscal year's statement of income.

3.2 Financial instruments

Financial instruments are classified as assets, liabilities or capital, based on the text of the contractual agreement from which they originate. Interest, dividends, earnings and losses generated from a financial instrument classified as an asset or liability are recorded as income or expenses on the statement of income.

Financial instruments are offset when the Group has the legal right to offset them, and Management has the intention of paying them on a net basis, or of realizing the asset and paying the liability simultaneously.

Classification of financial instruments

The Group records its financial instruments on the date of negotiation, and they are classified as follows: i) credits and accounts receivable, ii) at fair value through profit or loss, iii) held-to-maturity, iv) liabilities at amortized cost and fair value and v) other liabilities.

Effective interest rate method - The effective interest rate method is a method used to calculate the amortized cost of the financial instrument and to allocate the financial income throughout the relevant period. The effective interest rate is the discount rate that precisely balances estimated cash flows from receivables or payables (including commission, basic interest points paid or received, transaction costs and other premiums or discounts that are included when calculating the effective interest rate) throughout the expected life of the financial instrument or, when applicable, over a shorter period, with net carrying amount at the time of initial recording.

Income is recognized based on the effective interest rate for debt instruments other than those financial assets classified at fair value with changes in income.

Offsetting financial instruments - Financial assets and financial liabilities are subject to offset, i.e., presentation on the Consolidated Statement of Financial Position by net amount, only when controlled entities have both the right, which is legally enforceable, to offset the amounts recorded in said instruments, and the intention to liquidate the net amount, or realize the asset and pay the liability simultaneously.

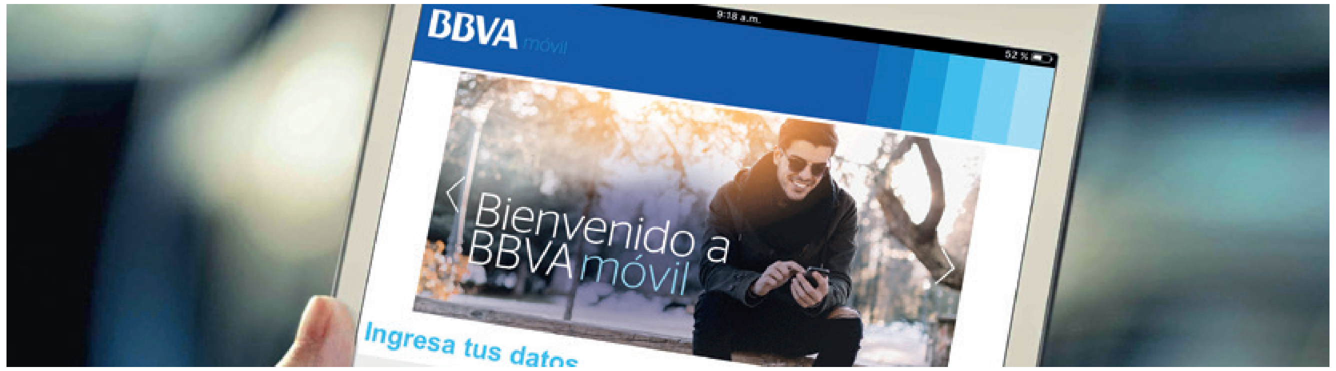
Other financial assets and financial liabilities at fair value with changes in income - Recorded assets and liabilities are valued at fair value and variations in their value (capital gains or losses) are recorded, as net amounts, on the statement of financial transactions (net). However, variations originating from exchange rate differences are recorded to the exchange rate difference income account (net).

Impairment of Financial Assets – As regards the impairment of the credit, investment and other asset portfolio on consolidated financial statements, the Group evaluates if there is objective evidence that a financial asset is measured at amortized cost, it has been impaired.

If, in later periods, the amount of the loss from an impairment in value decreases, this decrease could be objectively related to an event after the impairment was recorded, the loss recorded previously will be reversed from the corrective account and the amount of the reversal will be recorded on the statement of income for the period.

When the recovery of any recorded amount is deemed remote, this will be written-off from the balance, without prejudice to the actions that could take place to attempt its collection, unless the rights to it have not definitively expired, whether by legal provision, forgiveness or other causes.

In the regulatory aspect there were important changes throughout the year



In the case of particularly significant financial assets, as well as assets that are not subject to classification within the homogeneous groups of instruments based on risk, the evaluation of the amounts to write off is determined individually, even though there is a possibility of collectively measuring those financial assets at a lesser amount subject to being classified in homogeneous groups.

Writing off financial instruments - The accounting treatment for transferring financial assets is based on the form in which the risks and benefits associated with such transferred assets are transferred to third parties; so that the financial assets are only written off when the cash flows they generate have ended or when the implicit risks and benefits have been substantially transferred to third parties. In this last case, the transferred financial asset is written off, simultaneously recording any right or obligation retained or created as a result of the transfer.

Similarly, financial liabilities are only written off when their associated financial obligations have been fulfilled or when they are acquired (whether with the intention of paying them or with the intention of issuing them once again). The resulting profit or loss from writing off financial assets or financial liabilities is recorded on the statement of income.

Financial assets are only written off from accounts in the following cases:

a.The contractual rights regarding cash flows generated by these cash flows have expired.

b. The assets are transferred pursuant to that provided in IFRS 9 and/or IAS 39, once the transfer, risk and benefit, and control test have been applied.

For securitization funds to which the Bank transfers credit investment portfolios, the risk and control tests are taken into account, in order to determine the substantial transfer of risks and benefits, and whether such securitization funds should or should not be included in the financial statements.

In those cases where the write-offs refer to recording criteria included in the Conceptual Framework, their removal will only be made after authorization from the Board of Directors and/or in accordance with the levels of authorization established in the Internal Standardization Process (PNI, for the Spanish original).

Write-offs applied because of forgiveness should be made after the due approval process stipulated in the Internal Standardization Process - PNI.

3.3 Investments

For the Consolidated Financial Statements, the recording, valuation and impairment criteria for investments, established in IFRS 9, are applied.

Investments are classified based on the defined business model approved by the Group's Management. Investments may be classified as marketable investments and held-to-maturity investments.

- *Marketable investments:* refer to the portfolio for managing fixed-yield and variable-yield investments, other than shares, with the main purpose of earning profits, a product of variations in the market value of different instruments and in activities involving securities trading. This portfolio is represented in values or debt securities, which the Bank and affiliates value at a price determined by the price valuation provider. For the exceptional cases where a fair value has not been determined by the day of valuation, such securities are exponentially valued on a daily basis on the internal rate of return.

- *Held-to-maturity:* these are securities for which the Group has the purpose and legal, contractual, financial and operating capacity of keeping them until the date of their maturity or redemption, considering that the structure of financial instruments eligible for this portfolio only results in payments of principal and interest. Their valuation is realized daily, exponentially, based on the internal rate of return calculated at the time of purchase.El área de Global Markets es el área interna del banco que tiene la atribución de gestionar, clasificar y definir el modelo de negocio de las inversiones negociables. Por su parte Gestión Financiera COAP es el área interna del Banco con la atribución para gestionar, clasificar y definir el modelo de negocio de las inversiones clasificadas para mantener hasta el vencimiento.

Marketable investments at fair value - Any value or security and, in general, any type of investment that has been acquired with the main purpose of obtaining profits from short-term price fluctuation is classified as a marketable investment.

Investments classified as investments at fair value are measured at fair value, and the differences will be recorded to the statement of income for the period. Net earnings or loss recorded includes any interest or dividends generated from the investment.

Held-to-maturity investments - Any value or security and, in general, any type of investment with respect to which the investor has the purpose and legal, contractual, financial and operating capacity of keeping them until the expiration of their maturity or redemption term is classified as a held-to-maturity investment. The purpose of keeping the investment is based on the positive and unequivocal intention to not transfer the value.

Regarding held-to-maturity securities, no monetary market transactions can be conducted, except in the case of forced or compulsory investments subscribed in the primary market and provided that the counterpart of the transaction is the Central Bank, the General Office of Public Credit and the National Treasury or the entities supervised by the Superintendence.

Notwithstanding the aforementioned, the securities classified as held-to-maturity investments may be given as collateral in a central counterparty clearing house with the purpose of backing-up compliance with the transactions accepted by the latter for its offsetting and liquidation.

Investments classified in this category are measured at amortized cost using the effective interest rate method, and are recorded to the statement of income and calculated impairment.

Initial recording: Investments in debt securities at the time of initial recording are measured at fair value.

Later measurement: Later measurement of investments in debt securities is defined in accordance with the two classification categories assigned: Fair value and amortized cost, based on the definition of the business model that the entity establishes.

Investment valuation – The main objective of valuating investments is the calculation, accounting record and disclosure of the fair market value at which a security could be traded on a determined date, according to their particular characteristics and within market conditions prevalent on that date.

Debt securities are valued based on the classification prescribed and the criteria established in IFRS 9.

Investment valuation criteria - Determining the fair value of a security considers all criteria necessary to guarantee compliance with the objective of the investment valuation established in IFRS 9 and for all other cases: objectivity, transparency and representativeness, permanent assessment and analysis, and professionalism.

Periodicity of the valuation and the accounting record thereof - The valuation of investments must be made on a daily basis, unless other standards indicate a different frequency. Likewise, the accounting records necessary for recording the investments valuation must be made with the same frequency used for the valuation.

Investments valuation – Debt securities classified as Trading or as available-for-sale investments are valued according to the price supplied by the price vendor for valuation designated as official for the corresponding segment, based on the following instructions:

- The investments represented in debt stocks or securities must be valued based on the valuation price determined by the price vendor using the following formula:

$$FV=NV*DP$$

Where:

FV: Fair value

NV: Nominal value

DP: Dirty price determined by the vendor of valuation prices.

For the exceptional cases where on the day of valuation there does not exist a fair value determined in accordance with subparagraph a. of this section, exponential valuation must be carried out based on the Internal Rate of Return. The fair value of the respective investment must be estimated or approximated by calculating the sum of the present value of future flows corresponding to yields and capital, according to the following procedure:

- Estimation of future flows of funds corresponding to yields and capital: Future flows of the debt securities must correspond to the amounts that are expected to be received from the concepts of capital and yield agreed upon in each security.

- Securities classified as held-to-maturity investments are valued exponentially based on the internal rate of return calculated at the moment of the purchase, using a 365-day year basis. Whenever it has been established in the conditions of the issuance to use the indicator value as of the start date for the remuneration period, the Internal Rate of Return must be recalculated every time that the face indicator value changes and when the coupon date has expired. In these cases, the present value as of the indicator's re-price date, excluding the enforceable yields pending collection, must be taken as the purchase value.

Investments in subsidiaries, associates and joint arrangements:

Initial and later recording: The Group determines whether it has control or significant influence over its equity investments. Based on this analysis, the right to consolidate and to measure its investments in future periods is determined, depending on whether it is a subsidiary, associate or joint business.

IFRS 10 stipulates that control is the basis for consolidating financial statements. Elements of control primarily comprise: Power over the investee, exposure or the right to variable returns derived from its involvement in the investee and its ability to use its power over the investee to influence the amount of the investor's returns.

The Group determined that investments in subsidiaries, associates and joint businesses are measured in the opening balance by the attributed cost of the carrying amount on that date according to previous GAAP.

Investments in Subsidiaries are valued in such a way that in the parent company's or controlling entity's books, they are recorded using the equity participation method, in separate financial statements.

Regarding non-controlled entities, the measurement techniques established in IFRS 9 shall be applied, using level 3 of the fair value hierarchy (internal model).

For non-controlled entities, the cost at initial application shall be maintained, and later measurements will apply a fair value model based on the price possibilities that can be obtained on the market or, lacking this, applying level 3 variables.

The management made valuations of non-controlled entities under BBVA in its

consolidated statement, determining the valuation basis for each company using their individual BDI or EBITDA, depending on the stability of the results and relevant non-operational, atypical revenue or some other factor that could distort the reading of the revenue after taxes; this was also determined based on their BDI, dividends of 90% have been proposed for distribution in all cases to be used as a basis for valuation.

At the end of each period, the Group evaluates whether there is objective evidence of impairment from non-controlled investees, applying the internal model described above.

Securities or titles of issues or issuers that have external ratings – The titles and/or securities that count on one or several ratings granted by external, authorized rating agencies, or the debt titles and/or securities issued by entities that have been rated by the same agencies, may not be posted for an amount exceeding the following percentages of their nominal value net from the amortization made up to the valuation date:

Rating Long-term	Maximum Value %	Rating Short-term	Maximum Value %
Maximum Value %	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)	-	-

3.4 Derivative financial instruments

The Group adheres to a variety of financial instruments to manage its exposure to risks due to interest rate and foreign currency exchange rates, including risk hedge contracts for exchange, interest rate swap and currency transfers. Note 15 includes a more detailed explanation of derivative financial instruments.

Derivatives are initially recorded at fair value on the date the contract for the derivative is subscribed, and they are then measured again at fair value at the end of the reporting period. The resulting gain or loss is recorded in the state of income immediately, unless the derivative has been designated and effective as a hedging instrument, in which case the timing of recording gain or loss will depend on the nature of the hedging relationship.

For valuation purposes, presentation of the Financial Statements, and disclosure and reporting of information to the SFC, the Bank must record daily the adjustment by credit risk with the respective counterpart or CVA ("Credit Valuation Adjustment") or the adjustment by credit risk or DVA ("Debit Valuation Adjustment") in calculating the fair value ("free risk") of transactions with OTC or unstandardized derivative financial instruments that they have in their portfolios.

Adjustments by CVA and DVA do not apply when a central counterparty clearing house is involved as a counterparty for entities monitored in transactions with derivative financial instruments.

The methodologies used to measure an adjustment by CVA and DVA for transactions with OTC derivatives or unstandardized derivatives should at least consider the following seven (7) criteria:

- Period for compliance with and settlement of the transaction;
- Financial strength: of the counterparty for the CVA as well as the DVA;
- Netting or compensation agreements with counterparties for transactions with derivative financial instruments.

  In this case, an adjustment by CVA and DVA should be calculated for the entire portfolio of transactions with derivatives that are open with the respective counterparty and not individually by transaction;
- Guarantees associated with the transaction;

- Risk rating, when there is one, granted by at least one internationally-recognized or authorized credit rating company in Colombia, as applicable;

- Exogenous circumstances or events that may affect payment ability and compliance with liabilities: of the counter party for the CVA and the DVA; and

- Any others that the Bank deems relevant.

3.5 Implicit derivatives

Implicit derivatives in principle contracts are treated as separate derivatives when they meet the definition of a derivative and when their risks and characteristics are not slightly related to said principle contracts and the contracts are not measured at fair value with changes in income.

3.6 Hedge accounting

A derivative financial instrument that seeks to attain financial hedging of a certain risk is treated, for accounting purposes, as having the purpose of hedging if, at the time of its negotiation, changes in its fair value or in its cash flows are expected to be highly effective in offsetting changes in the fair value or in cash flows of the hedged item, directly attributable to the hedged risk from the start, which should be documented in the derivative financial instrument negotiation and during the hedging period.

The Bank designates certain hedging instruments, which include derivatives, implicit derivatives and non-derivatives with respect to the risk of foreign currency, as fair value hedging, cash flow hedging, or net investment hedging in a business abroad. Risk hedging of foreign currency from a signed commitment may be posted as cash flow hedging.

At the start of the hedging, the entity documents the relationship between the hedging instrument and the hedge item along with its risk management objectives and its strategy for undertaking hedging transactions. At the start of the hedge and on a continual basis, that documentation shall include the manner in which the entity will measure the effectiveness of the hedging instrument to offset exposure to changes in fair value of the hedged item or to changes in cash flow attributable to the hedged risk.

Note 15 includes details on the fair value of derivative financial instruments used for hedging purposes.

Fair value hedging – Changes in the fair value of derivatives are designated and rated as fair value hedging, recorded from the time the effective hedge is designated, in gain or loss, along with any other change in the fair value of the hedged asset or liability that are attributed to the hedged risk. Variations in the fair value of a hedged risk of the hedged item are recorded to the statement of financial position in the entry related to the hedged item.

Hedge accounting is suspended when the Bank revokes the hedging relationship, the hedging instrument matures, or is terminated, ends or completed, or it no longer complies with the criteria for hedge accounting.

Cash flow hedging – The portion of changes in fair value of derivatives determined as an effective cash flow hedge will be recorded as other comprehensive income and it will accrue under the reserve item for cash flow hedging. The ineffective part will be immediately reported as income for the period, on the line item "other gains and losses."

- The amounts previously reported as other comprehensive income and for year-to-date as equity are reclassified to income in the periods when the hedge item affects income, on the same line as the reported hedge item. However, if hedging a transaction, as planned, later results in recording a non-financial asset or non-financial liability, the losses or gains previously recorded in other comprehensive income and year-to-date as equity are transferred and included in the initial measurement of cost of the non-financial asset or liability.

- Hedge accounting will be suspended when the Bank revokes the hedging relationship, the hedging instrument expires, or is terminated, resolved or completed, or it no longer complies with the criteria for hedge accounting. The gain or loss that have been recorded as other comprehensive income and year-to-date as equity will continue as equity and be reported when the planned transaction is recorded as income. When the planned transaction is no longer expected to occur, any gain or loss in year-to-date as equity is reported immediately as gains or loss.

3.7 Credit portfolio, lease agreements, accounts receivable and their provisions

Loans and accounts receivable are non-derivative financial assets with fixed or determinable installments that are not quoted on an active market.

Initial recording: Loans and accounts receivable are initially recorded at fair value (value of the transaction), plus the transaction costs that are directly attributable.

Later recording: Costs directly attributable to the credit investment portfolio and accounts receivable are shaped by the sales force of the Bank. The contract on which the amount is paid for this item is specifically identified, and differs in the average life of each line of business (mortgage, commercial, consumer).

Impairment is calculated with the methodology of incurred loss (see details in the content of the Hedging model for impairment of the credit portfolio)

Modalities of the credit portfolio:

Housing (Mortgage) Portfolio - It records, regardless of the amount, the credits granted to natural persons (individuals) for the acquisition of new or used housing, or for the construction of individual housing, which have the following characteristics:

- Are denominated in RVU (Real Value Unit) or legal tender. The RVU is used to update long-term credits. This unit allows the value of the credits to be adjusted in the agreed upon period with the country's cost of living (Consumer Price

Index - CPI). The RVU value is currently calculated by the Central Bank of Colombia for every day of the year.

- They are covered with a first lien position on the financed housing.

- Amortization term must be between a minimum of five (5) years and a maximum of thirty (30) years.

- Have a remunerative interest rate, which shall be fixed during the entire term of the credit, unless a reduction thereof is agreed to and must be stated only in terms of annual effective rate.

- The credit amount shall be up to eighty percent (80%) of the value of the immovable asset for credits devoted to finance social-interest housing and up to seventy percent (70%) for all other credits. In the case of dwelling leasing of LIH (Low Income Housing), the financing shall be up to eighty five percent (85%).

Consumer portfolio - Records all credits granted to natural persons (individuals), the purpose of which is to finance the acquisition of consumer goods or the payment of services for non-commercial or non-entrepreneurial purposes, regardless of their amount and are different than those classified as micro-credits (see reference model on credit risk rating).

Consumer portfolio – Records all credits granted to natural persons (individuals), the purpose of which is to finance the acquisition of consumer goods or the payment of services for non-commercial or non-entrepreneurial purposes, regardless of their amount and are different than those classified as micro-credits (see reference model on credit risk rating).

Micro-credit portfolio – Records the set of transactions granted to micro-companies whose workforce does not exceed ten (10) workers and has total assets lower than 501 and the maximum amount of the credit operation is 25 official minimum monthly salaries in force and effect (SMMLV, for the Spanish original). The balance of the debtor's indebtedness may not exceed 120 SMMLV excluding the mortgage loans for housing financing.

Commercial portfolio – Credits granted to natural or legal persons for the development of organized economic activities, different to those granted under the micro-credit modality.

Hedging model for impairment of the credit portfolio

Impairment of financial assets under international Financial Reporting Standards is based on a model of incurred loss, in which financial assets are analyzed to estimate their impairment if, and only if, there is objective evidence of impairment (EOD, for the Spanish original) as a result of one or more events causing the loss that have occurred after the initial recording of the asset but by the date of the analysis or earlier and that have an impact on future estimated cash flows for the financial assets.

IAS 39 requires the impairment analysis to be done on individualized financial instruments. However, this analysis may be made on a collection of financial instruments that share common risk characteristics (IAS 3- AG87-92). Therefore, the model for calculating allowance for impairment has two types of differentiated analysis: individualized and collective analysis.

The Group has taken the following accounting aspects into account to apply them practically in the model:

The definition of individually significant for this fiscal year corresponds to clients with risk greater than $13 billion (approximately 5 million euro) in accordance with corporate criteria.

On the other hand, the collective analysis of financial assets is made when they can be grouped based on their credit risk (indicative of the debtor's payment capacity). Under the model, this grouping has been made based on a series of determined core concepts.

IAS 39 establishes that objective evidence of impairment (EOD) is any event or credit action that has occurred as of the date the financial information is presented (or earlier) and that negatively affects expected cash flows of a financial instrument. The EOD of an asset includes observable data on the following aspects:

- Significant financial difficulties of the issuer or counterparty.
- Non-compliance with contractual clauses or continued delays in the payment of interest or principal.
- Refinancing due to poor credit conditions of the counterparty.

Methodology: For the purposes of the model, the criteria for classifying the portfolio with EOD are defined in the calculation model used for hedging instruments due to impairment that the Bank has adopted, which has two analysis methodologies: individualized and collective analysis.

- Individualized Analysis: Under this analysis, impairment is calculated based on the present value of future recovery flows [Current Carrying Amount - Discounted Cash Flows] of the following concepts:

  - individually significant clients with EOD, and

  - clients classified as Financial Institutions for which the Bank performs an individualized analysis:

Individually significant clients with EOD are:

- Clients with at least one transaction in default (90 days or more overdue).

- Clients who have signs of impairment even though they are not in a situation of default, specifically:

  - Those with at least one transaction classified as doubtful.

  - Those belonging to wholesale segments (any segment different from Individuals, Others and Autonomous entities and Businesses) classified on the Watchlist, which is in line with

Watchlist's policies to monitor risks and the different levels defined.

- Those belonging to retail segments (Individuals, Others and Autonomous entities and Businesses) that have at least one refinancing transaction.

To perform the impairment test, the current value of future expected cash flows is estimated (repayment of principal plus interest) for each of the client's transactions (discounted with the original effective interest rate) and the current value is compared to the carrying value:

- If the carrying value is greater than the current value of cash flows, there is impairment, and it is quantified as the difference between both amounts.

- If, on the other hand, the current value of future cash flows is greater than the carrying value, it means that this asset has EOD but not impairment.

The impairment analysis and estimation has the following processes that are done in the Area of Wholesale Recovery:

- Estimation of future expected flows for recovery.

- Evaluation of contract behavior and a detailed analysis of clients

Based on previous verification, an overall parameter is assigned to the portfolio of individually significant clients that have EOD.

- Collective Analysis: Under this analysis, impairment is calculated using historical data, adjusted to reflect current economic conditions, for clients who are or are not individually significant, or if they are individually significant, they do not have EOD.

  Those assets analyzed individually or collectively for which EOD has not been identified are grouped with other assets that have similar risk characteristics and analyzed under an IBNR (Incurred But Not Reported) Model.

The process of calculating allowance considered collectively for groups or portfolios of financial assets is applied when the following conditions are met:

- Their impairment has not been estimated individually;

- They share common risk characteristics, according to the segmentation made; and

- EOD has been identified in them.

For the model developed by the Bank, the following considerations have been made to enclose the perimeter of collective calculation:

- If there is EOD in the groups of assets or operations that meet the conditions indicated in the methodology for the impairment model described above.

Two differentiated populations are established, on which their allowance is calculated under IFRS:

- Population with current non-compliance (current default): Includes the population that has been analyzed collectively and reflects EOD for being in a state of non-compliance for 90 days or more. For this population, the hedge needed to recover the impairment of the instrument's value will be determined based on estimated severity (or LGD) on a case-by-case basis, since the probability of entering default in these cases is 100%.

  In this way, the necessary hedge will be obtained using the following formula:

  Hedge due to impairment=EXP x LGD

  Where:

- EXP is the exposure or current risk of the transaction, and

- LGD is the estimated severity of the transaction, which reflects the part of the exposure that makes up the expected loss and is determined based on the flows that are expected to be recovered in a transaction with these characteristics.

- Population with signs of impairment but without being in a current state of default: Includes financial instruments (or transactions) that, despite not being in a state of non-compliance for 90 days or more, have been considered to have EOD.

  In these cases, to calculate impairment, the flows that are expected to be recovered should be considered, just like they would with clients already in a state of non-compliance. For this reason, the severity estimation (LGD) is adjusted using a parameter that will reflect the probability of entering default in the period in which said entry is expected to be produced (PD).

  In the Model developed, this term is considered as 1 year for all portfolios. In summary, it has been considered that the necessary hedge for impairment of these instruments depends on the following formula:

  Hedge due to impairment = EXP x PD x LGD

Where:

- EXP is the exposure or current risk of the transaction,

- PD is the probability of the financial instrument entering default and

- LGD is the severity of the current default, which reflects the part of the exposure that makes up the expected loss and is determined based on the flows that are expected to be recovered in a transaction with these characteristics.

- IBNR Model: Includes the financial assets that the Group has determined to not have EOD, whether they are individually significant or not. They are included in groups with similar

The loan and Leasing Portfolio had a similar growth to the previous year 18.7%

2015 was a year of great challenges generated by market conditions, which were drawn successfully, resulting in the creation of value for investors, customers and employees.

credit risk characteristics and are evaluated collectively to determine the impairment of value under the IBNR (Incurred But Not Reported) Model.

Under this model, impairment is recorded as an incurred loss that is not identified as of the date of the balance sheet, in each loan portfolio modality (statistically a risk percentage for the portfolio will have incurred a loss without having been identified). If the Group does not have a record of this loss, due to historical experience, it is assumed that an event has taken place that caused the loss.

This Model therefore has a fundamental component:

- The estimation of the impairment amount that should be established for each portfolio, which is made using the probability parameters for entering default (PD) and severity (LGD) that the Group has calculated.

- Thus, the calculation of impairment incurred but not identified in each portfolio is determined using the following formula:

IBNR= EXP x PD x LGD

Where:

EXP is the exposure or current risk of the transaction;

PD is the probability of entering into default within a defined temporary horizon;

LGD is the estimated severity of the transaction, which reflects the part of the exposure that makes up the expected loss and is determined based on the flows that are expected to be recovered in a transaction with these characteristics.

- Parameters estimated by the Group: To collectively calculate impairment of a credit investment that has been identified as having EOD, two estimation parameters have been used internally by the Bank:

· One is the probability of an instrument entering default, designated as PD in the Model, and

· The severity or portion of exposure that is expected to be lost, designated as LGD in the Model.

Said parameters have also been used in the IBNR model, developed to determine hedges due to impairment of the credit portfolio because no EOD has been identified.

Below, the following steps are described to estimate these two parameters, so that the calculation is traceable:

· Building the necessary bases to estimate the parameters: To estimate these parameters, the necessary information is extracted from historical data that the Group has and precise databases are created that allow for the parameters to be estimated, which best reflect current BBVA conditions.

Methodology for the probability of entering default (PD):

• Process for estimating PD: The estimation of the probability of entering default is based on the calculation of an average PD balance to a temporary horizon of a year calculated based on the historical period that best reflects current conditions (PD PIT).

To assign a PD to each segment for which the allowance will be calculated using collective calculation and the IBNR model, a parametric table is created, which contains an average PD value for each of the possible combinations of the core concepts considered.

• Segmentation: As mentioned above, the collective analysis of financial assets is permitted provided that they can be grouped based on their credit risk (indicative of the debtor's payment capacity). The core concepts considered as discriminate and relevant at the time the probability of entering default is estimated have been the following:

- Product family
- Client segment
- Length of time overdue

Low Default Portfolio (LDP): For those segments of minimum or null non-compliance (LDP) that are not susceptible to estimation, the expert criteria has been applied (LGD=40%)

Other portfolios: The LGD estimate is made using a workout focus consisting of the discount of historical flows observed in the recovery processes because

BBVA Colombia Portfolio maintains its focus on the particular segment, which represents 55.4% of the total current portfolio at year-end 2015 of non-compliance. This focus is a standard in estimating the parameters of severity in the industry using the following formula.

$$LGD = 1 - \frac{\sum \quad discounted\ recoveries}{EAD}$$

Where:

- Discounted recoveries: Recoveries made on states of non-compliance greater than 90 days

- EAD: Exposure at the time of non-compliance

The estimation is LGD balance; in other words, when calculating the LGD of each portfolio, non-compliances are considered by balance, in opposition to a calculation of simple arithmetic means. This plan allows the possible correlation between exposure and severity to be implicitly collected.

Historical period considered: At the time the severity parameter is estimated, the most representative period of recoveries that are going to be made at the closing date is considered.

Discount rates: IAS 39 requires discounting using the effective original rate of the transaction. In the historical data used to estimate severity, said rate is not available, therefore the weighted average rate considered current is used based on the product family as a best approximation.

Segmentation: The segmentation is done based on product lines for individuals and by Banks for wholesale clients.

For credit portfolios valued at amortized cost, once EOD is determined to exist, the amount of impairment will be valued as the difference between the carrying amount and the current amount of future estimated cash flows (excluding those cash flows that are not expected to be recovered), discounted from the effective interest rate of the financial asset. The carrying amount of the asset is directly reduced or a value correction account is used, according to IAS 39: 63-65.

In the event that the present value of future expected flows is greater than the carrying value, there is no impairment, regardless of whether the asset has EOD.

The Trust Company and Stock Brokerage Company does not have credit portfolio balances for the 2015 and 2014 periods.

Other Debtors – The Group, under this item, posts accounts receivable from clients by securities management and foreign investment funds management, securities funds management and accounts receivable from employees, among others.

A provision equivalent to 100% of the account receivable balance is recorded whenever it shows six (6) months past due (Resolution Number 497 / August 1, 2003)

The Trust Company evaluates the accounts receivable originating from commissions for service to fiduciary companies by credit risk, rating them in accordance with the debt-ceiling criterion established for commercial credits. Provisions are also determined considering the ratings and maturities, as follows:

For purposes of creating individual provisions, the collateral only backs up the credits' principal amount, which in the case of the Trust Company represents the commissions. Consequently, accounts receivable covered with securities that have the character of non-suitable collateral, are provisioned in the percentage that should correspond according to the rating.

Whenever a commercial account receivable is rated "C," i.e., when it is past due in excess of three (3) months, or in a higher-risk category, the accrual of interest and other concepts is suspended; therefore, they only affect the statement of income when they are actually collected. While their collection is managed, the respective recording is made in contingent accounts.

When the trust company receives a credit portfolio through trust orders or manages them through autonomous equity funds, it maintains appropriate credit risk management and measurement implicit in these assets using a SARC (Credit Risk Management System). This implies that trust companies should develop and apply to the portfolio managed, the system management elements (policies, organizational structure, procedures, criteria, database, and audit) and the measurement elements (default probability, percentage of recovery and expected loss).

The above rule applies except in those cases where, in the creation action, the trustor, unequivocally, gives express instructions on the management and measurement elements that must be applied to the trust or, if on the contrary, he considers that none should be applied.

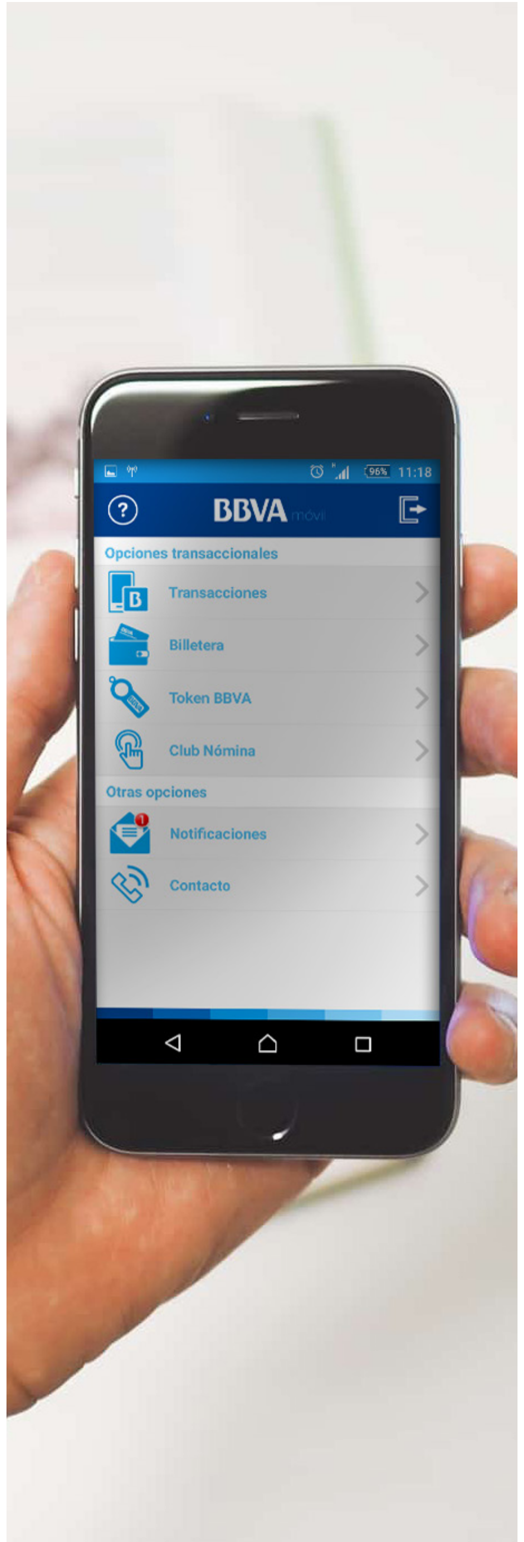
However, if the trustor is a credit establishment, the credit risk of that portfolio should be managed and measured by applying the SARC authorized to it. The same credit establishment can carry out such management and measurement for the trust company, if the latter is expressly agreed upon in the respective contract.

For trust contracts where the trustor is an entity supervised by the Superintendence, the Trust Company shall expressly agree in the contract that the approved SARC will be used to the trustor with whatever scope is contractually agreed upon.

For the trust contracts where the trustor is not a person or entity supervised by the Superintendence, the Trust Company shall apply the SARC that the trustor should expressly indicate, which will be agreed upon in the respective contract.

Management meets periodically to conduct a portfolio analysis of the Trust Company with the purpose of determining the third parties that have been 100%-provisioned for more than one year, and for which there is no probability of collection, to, subsequently, request the Board of Directors an approval for the write-off of those third parties.

Agreement for company business recovery – Loans to clients that are admitted to a bankruptcy proceeding are immediately rated "E" (uncollectible) and are subject to the provisions defined for this category. Once the payment agreement is made within the process, loans may be reclassified as "D" (significant). Subsequently, reclassifications to lower-risk categories can be made provided that all requirements established by the Superintendence in that respect are complied with.



Banker's acceptances – These are bills accepted by financial entities to be paid to the beneficiaries within a term no greater than six (6) months. They may only be originated in goods import and export transactions or transactions for the purchase-sale of movable property in the country. Upon acceptance of those bills, their value is simultaneously recorded by the Bank in assets and in liabilities. After the initial recording, the issuer of said contracts will evaluate them to determine possible value corrections due to expected credit losses of the financial asset.

The amounts recorded in assets are assessed for credit risk according to the general procedures for loan portfolio assessment.

3.8 Non-current Assets Held for Sale

Non-current assets and groups of available assets are classified as held-for-sale if their carrying amount is recoverable through a sale transaction and not through continuous use. This condition is considered met only when the sale is highly probable and the asset (or group of available assets) is immediately available for sale in its current state, only being subject to the terms that are usual and adapted to the sale of these assets (or group of available assets). Management must commit to the sale, which should be recorded as a final sale within a one year period starting on the date of classification.

When the Bank is committed to a sales plan that involves the loss of control in a subsidiary, all assets and liabilities for that subsidiary are classified as held-for-sale when the criteria described above are met, independently of whether the Bank is going to retain a non-controlling stake in its former subsidiary after the sale.

Non-current assets (and groups of available assets) classified as maintained for sale are calculated by the difference of the carrying amount and the fair value of assets minus sale costs.

3.8.1 Assets received from payment of obligations – BRDP, Released assets and Assets restored in lease agreements – These assets are classified as non-current assets for sale, if their carrying amount is fundamentally recovered in the sale transaction, instead of through their continuous use, and must meet the following conditions:

- They should be available, in their current state, for immediate sale, subject exclusively to the usual and regular terms of sale for these assets (or groups of available assets).

- Their sale should be highly probable, according to an appropriate level of management that should be committed to a plan to sell the asset (or group of available assets) with the active execution of a program to find a buyer and actively negotiate a fair price and complete said plan.

They are posted at the lowest of the carrying amount and their fair value minus provision costs. On the date of classification in this category, the entity identifies the following as provision costs for this class of assets:

- Drafting expenses
- Compensation to the personnel that complete the sale process
- Non-recoverable taxes associated with its application

Non-current assets held for sale are not depreciated or amortized while they are in this category.

When the asset is a result of reclassifying another asset, it is recorded at the carrying amount at the time of its reclassification and when a repossession or restitution is recorded at the fair value of the asset received or restored minus its resale cost.

The new entries will be measured at the lesser of the carrying amount and the fair value minus the sale costs.

Subsequently, non-current assets held for sale originating from awards or recoveries will be measured at fair value, taking as a reference the valuations made by homologous rating companies in the geographical areas where the assets are located, which must not exceed one year in age, except when there is evidence of impairment to these assets.

Gains and losses generated by transferring assets and liabilities classified as non-current for sale, as well as losses due to impairment and, when applicable, due to recovery, are recorded as "Gains (losses)" on the statement of income. The other revenue and expenses corresponding to said assets and liabilities are classified in items under the consolidated gains and loss account, based on their nature.

On the other hand, revenue and expenses for suspended transactions, regardless of their nature, generated during the fiscal year, even if they may have been generated before their classification as a suspended transaction, are presented as net of tax, both if the business remains on the balance sheet or if it has been written off.

3.8.2. Transfers – Once the deadline for the sale has passed (one year from the date of its classification and/or justified actions for deferment), it has not been possible to close the sale due to actions or circumstances outside of the Bank's control, and there is sufficient evidence that the Bank is still committed to its plan of selling the asset, under the conditions indicated in IFRS 5, the period needed to complete the sale will be extended.

The commercial value of the immovable assets is updated with a new appraisal, whose date of elaboration cannot be greater than three (3) years; however, the possibility of impairment must be evaluated at least once per year.

The Group maintains a strict analysis at the time of recording this class of goods, for which, through the Non-Financial Asset Management (GANF, for the Spanish original) department, it establishes receipt percentages for assets; this receipt value is calculated using variables with the current market, the type of property, its location and its physical and legal condition.

The maximum receipt percentage is defined by the Non-Financial Asset Management (GANF) Department,

Digital term investments, activation of revolving credits, consumer loans, credit cards and insurance policies were encouraged taking the above as a basis, in addition to a possible resale time, which generates administration and monitoring costs, and taxes that have to be projected until its possible sale.

When the acquisition cost of the immovable asset is lower than the value of the debt recorded in the balance sheet, the difference must be immediately recorded in the statement of income.

When the commercial value of a BRDP is lower than its carrying value, an allowance for the difference must be recorded.

With respect to the methodology implemented to evaluate the allowance level, the Group applied External Public Notice 034 / 2003 issued by the Financial Superintendence of Colombia that determined the deadline of December 31, 2005 for financial entities to keep, at least, allowances equivalent to 80% of the adjusted cost of the immovable goods received before October 1, 2001.

Based on that established in the External Public Notice 036 / 2014 from the SFC, the Group calculates and records the allowances within the framework of the allowances of those rules established in section 1.3.1.2 of Chapter III of the Public Accounting and Finance Notice, as follows:

- Through monthly proportional installments, an allowance shall be created equivalent to thirty percent (30%) of the value of reception of the good within the year following the date of reception thereof. Such allowance percentage shall be increased until reaching sixty percent (60%) through monthly proportional installments within the second year, counted as from the date of reception of the BRDP.

- For the movable goods and stocks and shares (securities) the creation of the allowances is made according to section 1.3.2 of Chapter III of the Public Accounting and Finance Notice. Notwithstanding, the Group, as per principle of prudence, in some cases, makes an allowance for up to 100% of the value received of the asset.

In order to determine the maximum expected loss, the Group applied the standards indicated in sections 1.3.1.2 and 1.3.2 of Chapter III of the Public Accounting and Financial Notice, which was approved by the Financial Superintendence of Colombia through communication 2008005319-001-000 dated March 3, 2008. They are as follows:

Good	Allowance percentage per year		
	First	Second	Third
Immovable	30	60	80
Movable	35	70	100(*)

(*) If there is an extension authorization, it shall be provisioned until completing 100%, on a monthly basis during the authorized period; otherwise, it shall be made in only one installment.

3.8.3. Removal from sale of asset – A sale is considered complete when the significant risks and rewards derived from ownership of the assets have been transferred to the purchaser, there is no implication in the management associated with the ownership that is conserved, nor is effective control retained. The amount of revenue from ordinary activities can be measured reliably, and it is likely that economic benefits associated with the transaction are received and the costs incurred, or to be incurred, related to the sale can be measured reliably.

The Group records gains or losses not previously reported at the date of sale for a non-current asset, on the date that the write-off is produced.

3.9 Leases (Property given as a lease and depreciation)

Leasing is a financing mechanism whereby, through a contract, one party transfers to another party a productive asset for their use (use and enjoyment), in exchange for a rate of rental.

To record financial leases, where the Group acts as lessor, the criteria of the Financial Superintendence of Colombia are followed under the section of the loan portfolio.

The Group classifies a lease as financial when all of the risks and rewards inherent to ownership are substantially transferred, and a lease is classified as operational if all of the risks and rewards inherent to ownership are not substantially transferred.

For this reason, the principle of essence over form is applied, in such a way that its classification depends on the economic substance and nature of the transaction, in addition to the legal format of the contract.

Generally, the classification of a lease for the lessor and lessee has to be the same, except for very specific exceptions, as is the case when the lessor benefits from a guarantee referencing residual value, provided by a third party that is not the lessee.

The classification of the lease is made at the start of the lease. In the event that over the life of the contract the conditions are modified in such a way that a deferential classification results (from a financial to an operational lease or vice versa), the revised contract is considered to be a new lease for the period that remains until it ends.

Financial leasing is a contract whereby the Bank transfers to a natural or legal person, denominated "The lessee," the tenancy of an asset that it has acquired for that purpose and that the latter has selected for its usufruct (use and enjoyment), in exchange for the periodical payment of an amount of money during an agreed-to term and upon the expiration of which, the lessee will be entitled to acquire the asset for the value of the purchase (acquisition) option.

The amount of Financial Leasing transactions to be financed is amortized with the payment of the rates of financial lease in the portion that corresponds to credit to principal.

When the Group acts as a lessor, the assets that are kept as financial leases are reported to the statement of financial position, and it presents them as a portion of the loan portfolio, based on the regulatory criteria issued by the Financial Superintendence of Colombia for loan portfolios.

The initial direct costs incurred by the lessor such as commissions, professional fees and other internal costs of an incremental nature are directly attributed to the negotiation and finalization of the lease. They may be included within the effective interest rate or implicit rate, under the amortized cost method.

The Group, as lessor, does not record financial lease operations contracts.

The operating leasing is a contract whereby a natural or legal person denominated the lessor gives to another person, denominated the tenant/lessee, the tenancy of a good for their usufruct (use and enjoyment), in exchange for the payment of a rate of rental or periodical income.

The criteria used to record the acquisition cost of the assets transferred in an operating lease, for their amortization, to estimate their respective useful lives and record their impairment losses, match those described in regards to the property and equipment assets.

In the case of an operating lease, where the Group acts as lessor, the assets are recorded and measured based on the nature of such assets; the initial direct costs that are incurred will be included when the lease is initially recorded and will be recorded as an expense for the entire lease period based on the revenues obtained from the contract.

The depreciation policy for depreciable leased assets is coherent with that used for the other depreciable assets that the Group possesses, and the depreciation recorded is calculated using the provisions established in IAS 16, Property, Plant and Equipment and in IAS 38, Intangible Assets. If there is not reasonable certainty that the lessee obtains the property at the end of the lease, the asset is fully depreciated for its useful life or for the term of the lease, whichever is less. (IAS 17:27)

In later measurement for operating leases in which the Group is the lessee, the installments derived from the lease are recorded as a linear expense (excluding insurance and maintenance costs) during the term of the lease, except when another systematic basis for distribution is more representative to appropriately reflect the seasonal pattern of the benefits of the lease for the user.

When the Group is the lessor in an operating lease, the financial revenue is distributed using a systematic and rational base for the term of the lease. This distribution will be based on a guideline that reflects a constant yield in each period as to the net investment of the financial lease. Payments of the lease for each period, once the costs for services are excluded, will be used to cover the gross investment in the lease, reducing both the principal and unearned financial revenue.

A general 1% allowance is made on these assets; however, the sum of the depreciation and the general allowance expenses may not exceed one hundred percent of the good given under leasing.

3.10 Property and equipment

Property and equipment are tangible assets that an entity has for their use in the production or supply of goods and services, to lease them to third parties or for administrative purposes, and they are expected to be used for more than one term.

Initial reporting - Initially, new property and equipment are recorded at cost, which includes the purchase price (import duties and indirect, non-recoverable taxes that make up part of the acquisition, after deducting any commercial discount or price reduction), the costs directly attributable to the use of the asset in the place and conditions necessary for it to operate in the manner expected by the Group and the initial estimated disassembly costs, notwithstanding the amount.

For new additions, their recording on the financial statements will be matched to the reliable valuations under the International Financial Reporting Standards guidelines applicable in Colombia.

Initially attributable costs – The cost of property and equipment includes:

a) Their acquisition price, including import duties and indirect, nonrecoverable taxes that impact the acquisition, after deducting any discount or price reduction.

b) All costs directly attributable to the placement of the asset in the location and in the conditions necessary for it to operate in the manner expected by management.

c) The initial estimate of disassembly and disposal costs of the element, as well as the rehabilitation of the space where it is located

Useful life – The Group determines the useful life of an asset in terms of the profit it is expected to provide to the entity. IAS 16 establishes that the useful life of an asset is a question of opinion, based on the experience that the entity has with similar assets, by which the Group, based on the historical behavior of the assets, has established the use of its assets as follows:

Bien	Descripción
Buildings	Economic life established by the evaluator
Computer equipment	3 years except for ATMs, whose useful life is 5 years
Furniture, equipment and fixtures	10 years
Machinery and equipment	10 years
Vehicles	5 years

Later recording - Later measurement of the property and equipment is valued using the cost model, which equals the cost of acquisition less the accumulated depreciation and, if applicable, the accumulated amount of losses due to value impairment.

Interest costs that are directly attributed to the acquisition, construction or production of a qualified asset will form part of the asset's cost in the terms of IAS 23.

Costs After Initial Recording- Costs after initial recording, such as additions and improvements that increase efficiency, will be capitalized and will be included as a greater cost of the asset only if it is likely that such costs result in future economic benefits in addition to those originally assessed and can be reliably measured; regarding certain maintenance costs in which the elements significantly affect proper operation of the asset, this amount will be included in the asset's value. The capitalization of the increased value of the asset for remodeling should be supported by the preparation of a technical document (business case) that proves the importance and relevance of said remodeling for the asset.

Preservation and maintenance expenses of material assets for the entity's own use are reported as an expense during the fiscal year they are incurred.

The entity will not record the daily maintenance costs of the elements that are considered [necessary] for repair and preservation as an increased value of the property and equipment, unless they significantly influence the asset's operation. Daily maintenance costs are mainly labor and consumable costs, which may include the costs of small components.

Replacement of parts or repairs that extend the future economic benefits are capitalized and then removed from the existing cost.

Depreciation - The Group uses the straight line method to depreciate its property, plant and equipment. In addition, the depreciable amount is determined after deducting its residual value. An impairment test will be performed annually that will alert about possible evidence of impairment, in which case the valuation of the Property and Equipment (PE) will be made, which will incorporate the new useful life and the residual value.

Residual Value - This is the estimated amount that an entity may obtain at the present moment due to disposal of an asset, after deducting the estimated disposal costs, if the asset has already aged and the other conditions expected at the end of its useful life have been met.

The factors listed below may indicate that the residual value or useful life of an asset has changed from the date on which it is recorded in the most recent year, to wit:

- A change in the use of the asset,
- Unexpected, significant wear and tear, and
- Changes in market prices.

If these indicators are present, the Group will revise its previous estimates and, if the current expectations are different, it will modify the residual value and will post the change in residual value, the impairment method or the useful life as a change in the accounting estimate.

Impairment - At the end of every reporting period, the Group analyzes whether a material asset can be impaired using list of indicators, both external and internal. If there is evidence of impairment, the Group requests an update of the valuation so the asset can generate the respective alert. Based on the result of the assessment made, the Group compares said amount with the net carrying value of the asset and when the carrying value exceeds the assessed value, the carrying value is adjusted, modifying future amortization charges, based on the remaining useful life.

Similarly, when there are indications that the value of a material asset has been recovered, the Group estimates the recoverable value of the asset and it is recorded to the statement of income, recording the reversion of the impairment loss reported in previous periods. In no case can the reversion of the impairment loss of an asset imply an increased carrying value over what it could be if the impairment losses had not been recorded in previous years.

The Group determines recoverable value of its buildings through independent appraisals by authorized providers and, particularly, of the buildings for its own use, based on independent appraisals, in such a way that they do not have an age greater than 3-5 years, except when there are indicators of impairment. With the purpose of preparing for the convergence of International Standards, the Group updated 100% of the appraisals of its immovable assets as of the December 2013 cut-off in order to determine the cost attributed to each of them and to detect possible impairments that may impact the Group's results.

Improvements to Transferred Properties – – The Group records improvements to immovable property under lease in this category, as well as the estimated disassembly costs, amortizing the

amounts in the lesser period of the useful life and the validity of the lease contract for the property.

3.11 Intangible Assets

These are identifiable assets that are non-monetary and non-physical, which are held to be used for the production or supply of goods and services.

Initial recording– Intangible assets are recorded, if and only if, it is likely that the expected future economic benefits attributable to the asset pass to the entity and their cost can be reliably measured.

Probability criteria are applied to intangible assets that are independently acquired or acquired in a business combination. In addition, their fair value can be measured with sufficient reliability to be recorded separately from capital gains.

Later disbursements– Later disbursements are recorded as an expense when they are incurred, because of research disbursements, when these are development disbursements that do not meet the requirements for being recorded as an intangible asset.

Later disbursements are recorded as intangible assets if it is a development disbursement that meets the requirements for being recorded as an intangible asset.

All IT programs that have a strategic benefit for the group are classified under this category, in addition to projects that have an estimated long useful life. These projects generally maintain a significant amount, and the Group will include software licenses in this category.

Expenses Paid in Advance will be recorded under this category provided that they meet the criteria for recording assets, the Software and Hardware maintenance policies that represent an enforceable right due to non-compliance of the provider for the Group.

Robust local IT developments are also included.

Contributions that are recorded in this category include payments made for contributions or memberships to entities as long as their amortization does not exceed the fiscal period.

Useful life- An intangible asset is considered to have an indefinite useful life when, based on the analysis of all relevant factors, there is no foreseeable limit to the period in which the asset is expected to generate net income for the Group.

The Group, in line with the policies adopted by the parent company, has established a period of five (5) years for amortization of intangible assets (software, licenses and robust applications), except when after an analysis of the expected future economic benefits the term could be extended.

Later measurement – The Group measures its intangible assets using the cost model. Based on the criteria established in the IAS 38 for its Own Software, useful life is defined as finite and the amortization period is dependent upon the time during which the future economic benefits are expected to be obtained.

For the intangible assets the Group holds, a null residual value has been determined. However, for future acquisitions, this condition should be reevaluated if there is a commitment by a third party to purchase the asset at the end of its useful life or if there is an active market in which a residual value could be determined and it is likely that this market will exist at the end of the asset's useful life.

The later valuation of intangible assets is measured at cost minus, when applicable, the accumulated amortization or any impairment loss.

Intangible assets with a finite useful life are amortized based on the benefit generation scheme during its useful life. When it is not possible to reliably determine this pattern, the asset is amortized linearly.

Amortization begins when the asset is in the conditions expected for its use and will stop when the asset is classified as a non-current asset for sale or when it is written off on the balance sheet.

Expenses paid in advance for policies are amortized during the validity period of such expenses.

The contributions are amortized during the accounting period, and they should be left with a balance of zero at the close of the period. Later disbursements of an intangible item are recorded as an expense unless they form part of the intangible asset meeting the recording criteria for this category.

Intangible Assets Generated in Business Combinations – The purpose of a business combination is to take control of one or various businesses, and their accounting record is made by applying the purchase method.

Based on this method, the acquirer should report assets acquired and the liabilities and contingent liabilities assumed; including those that the entity acquired and that were not reported for accounting purposes. This method assumes the valuation of the procurement resulting from the business combination and the assignment thereof, on the date of acquisition, for identifiable assets, liabilities and contingent liabilities based on fair value.

In addition, the acquiring entity will report an asset on the balance sheet as an intangible asset - commercial fund if, on the date of acquisition there is a positive difference between:

- The sum of the price paid plus the amount for all minority interest plus the fair value of previous shares of the acquired business; and

- The fair value of the assets acquired and the liabilities assumed.

If the mentioned result is negative, it is reported directly to the respective account on the statement of income.

The group records the net amount of unidentifiable assets and liabilities at fair value in a business combination for purposes of the consolidated statements, and keeps a separate financial statement provided a merger by absorption has been configured.

The commercial fund represents the payment in advance made by the acquiring entity for the future economic benefits derived from assets that have not been able to be identified individually or recorded separately. As such, the commercial fund is only recorded when the business combinations are made by onerous title.

The carrying value of the commercial fund as of December 31, 2013 will be the amount that is held as of indefinite useful life for later periods, and will be subject to an impairment test.

In later measurement, the Group does not amortize the commercial fund, but it is periodically subject to impairment analysis; proceeding to remedy anything that has been proven to have produced impairment, after an independent assessor's opinion, approved by the Financial Superintendence. In addition, the cash-generating units to which the commercial fund has been attributed are analyzed (including in their carrying value the portion of the commercial fund assigned) to determine if it has been impaired. This analysis is made on a regular basis, with an Expert report.

Impairment of intangible assets – At the close of each period, the Group evaluates the end date of the amortization if there is any indication of impairment in value of the intangible assets. To determine impairment for this class of assets, the Group observes variables such as the right to use, end of use of the asset, state of the asset and time of amortization.

3.12 Impairment of Non-Financial Assets

Non-financial assets are recorded as property and equipment, intangible assets, investment properties and non-current assets held for sale. These assets are recorded at cost and will not have future remeasurements, in addition to the periodic revision scheme that includes a means of optimal recovery in order to detect and alert of asset impairment.

The value of an asset is impaired when its carrying amount exceeds its recoverable amount. This, at that point, is the greater of the fair value less the costs of disposal and its use value, the use value being the current value of future cash flows estimated to be obtained from an asset or cash-generating unit.

The Group has defined, for each class of asset, an impairment test based on internal and external sources that it performs annually in order to determine if there is evidence of impairment. If, as a result of applying the test, indications or evidence of impairment is obtained for a class of assets, its recoverable amount will be calculated, i.e., the greater of the fair value and its use value.

For the assets held by the Group, there is no reason to believe that the use value of an asset significantly exceeds its fair value minus costs of disposal, in which the latter is considered as the recoverable amount. The fair value of this type of asset will be calculated by the entity provided that there is evidence of impairment.

After recording a loss for value impairment, the charges for the asset's depreciation will be adjusted in future periods, in order to distribute the revised carrying amount of the asset, minus its potential residual value, systematically over the remaining useful life.

3.13 Deposits and Financial claims

3.13.1 Deposits and other liabilities at sight: In this category, all liabilities are included, with the exception of term savings accounts, which are not considered to be at sight because of their special features. It is understood that liabilities at sight are those whose payment could have been required in the period, i.e., those transactions that come to be enforceable on the day after the close of the period are not considered to be at sight..

3.13.2 Term deposits and other fundings: In this category, the balances for funding transactions are presented, in which there has been a period established with the client through a security, and once the period ends, they are considered enforceable. Term deposits are initially recorded at the amount of the transaction plus inherent costs.

Term deposits and other fundings are financial liabilities that are measured at amortized cost, which is determined using the effective interest rate method, given that the intention is to keep these instruments in the possession of the entity until maturity.

For term liability transactions, the Bank offers the Term Deposit Certificate Gift product, in which it provides a gift with an agreed amount and term of the security, the cost of this item being linked to the term deposit certificate and its amortization in the period thereof, simulating amortized cost for accounting purposes.

Attributable costs - Transaction costs are treated as a lesser liability amount measured at amortized cost.

3.14 Liabilities with banks

Includes obligations with other banks in the country and banks abroad.

3.15 Debt instruments issued

Includes three categories, based on the liabilities with letters of credit, subordinate bonds and current bonds, placed on the local market or the market abroad.

Regarding bonds issued in foreign currency during 2015, the Group, for its initial reporting, recorded them by the price of the transaction, including the costs of the transaction that differed during the life of the security and its later measurement of the initially recorded amount, minus principal reimbursements, plus or minus the accumulated amortization of any difference between the initial amount and reimbursement value in the period: The effective interest rate in the amortized cost method is AER (Annual Effective Rate).

3.16 Labor liabilities

Labor liabilities are recorded on a monthly basis and adjusted at each year-end based upon legal standards and labor agreements currently in force. The payroll liquidation system calculates the liability amount for each active employee.

Benefits are reported when the Group has consumed the economic benefits derived from the employees providing the service. In order to record it as a personnel or general expense, the entity differentiates the benefits of work tools.

3.16.1 Accumulable short-term benefits - For Accumulable benefits, whether for compensated absences or another benefit established in the Collective Pact and Convention, based on which, in accordance with the conditions for acquiring the right to benefits, they are valued under a UEPS - LIFO focus, with historical information to update the Benefits Base.

If the characteristics of the benefit change (such as a change in the non-cumulative benefit to cumulative) or if a change in the expectations on the Settlement Calendar is not seasonal, then the Group will consider if the benefit still meets the definition of short-term employee benefits.

Other financial benefits that are provided to employees are not recorded as personnel expenses in line with the principle of congruence.

3.16.2 Long-term Benefits - The Group has chosen to apply financial discount techniques in those cases where the regulation allows for a simplified accounting method and actuarial discount techniques in which it is required to use the actuarial hypotheses, directly affecting actuarial gains and losses in the Profit and Loss account for benefits given to employees for five years of employment (seniority bonus).

3.16.3 Retirement benefits - Retirement benefits different from the defined social security contributions will be recorded based on the report generated by the independent actuary applying the Projected Credit Unit method. In addition, the actuarial gains or losses that arise from one period to another, the entity has defined the use of the corridor method.

3.16.4 Pensions – Current values for these commitments are quantified on an individual bases, having applied, for the case of active employees, the valuation method of the "projected credit unit"; this includes every year of service as an additional unit generator for the right to compensation and values each of these units separately, and should be based on the following technical bases:

- To calculate future salary and pension increases, the DANE rate for year k will be the average of the sum of three (3) times the inflation of year k-1, plus two (2) times the inflation of year k-2, plus one (1) times the inflation of year k-3.
- The technical real interest rate should be used.
- For active and retired personnel, the expected increase in income for the start of the second half of the first year should be considered.
- To explicitly include future salary and pension increases using a rate equal to the average inflation rate recorded by the National Administrative Department of Statistics (DANE, for the Spanish original) for the last ten (10) years, calculated at January 1 of the taxable year in which the calculation must be made.
- A technical real interest rate equivalent to the average DTF rate recorded by the Central Bank of Colombia for the last ten (10) years, calculated at January 1 of the taxable year in which the calculation must be made.
- For active and retired personnel, the expected increase in income for the start of the second half of the first year should be considered.

Liabilities and the cost of services for the current period were calculated using the method called "Projected Credit Unit." This method consists of quantifying the benefits of each participant in the plan as long as they are entitled to them, taking into account future salary increases and the formula for the plan to assign benefits. Therefore, the right to total estimated benefit that each participant is expected to have after departure from the company is divided into units, each one associated with one year of accredited service, whether it be in the past or future.

The valuation will be made individually for each employee. By applying actuarial hypotheses, the amount of the projected benefit that depends on the estimated date of separation, the accredited serve and the salary at the time of the act is calculated.

The estimated benefit to which an individual has a right, for purposes of a valuation associated with a separation date, corresponds to the benefit described in the plan calculated with the projected salary for the benefit at the expected date of separation.

Benefits attributed to service provided during a period is the difference between the liability of the valuation at the end of the period minus the liability at the start of the period, in other words at the date of valuation.

Therefore, the liability for defined benefits under the plan is calculated by applying the proportion between accredited service at the date of measurement and the total service that each participant will be provided with the expected date of separation to the total amount of estimated benefits.

The liability for benefits defined under the plan is the total of the liability for each individual at the date of measurement, and the cost of services for the current plan period is calculated as the total costs of individual services for the current period.

Actuarial methodology – The actuarial valuation method is the prospective method, valuing future compensation segmented from the expired period (segmented income).

The Group establishes its pension liability based upon the actuarial valuation that covers the entire personnel, who according to legal standards are entitled to, or have the expectation of, a retirement pension in charge of the company, and that covers the benefits established in the current pension system.

For commitments for post-employment compensation, the Group applies the defined contribution and the defined compensation plan.

Defined contribution plan - In these plans, the liability of the Group is limited to the contribution that it has agreed to deliver to a pension fund or insurance company. As a result, the actuarial risk and investment risk are assumed by the employee.

Defined Compensation Plans: : The liability of the Group is to provide the agreed benefits to current and former employees. The actuarial risk (in the event that people have a greater cost than expected) and the investment risk are assumed by the Group.

Currently, Colpensiones (formerly, Instituto de Seguros Sociales "ISS") and other entities authorized by law (private AFPs since 1994), receive contributions from the Group and its workers to the General Pension System, in such a way that those entities are in charge of covering the disability, old age and death risks defined by the System in favor of the workers. The pension liability directly in charge of the Group essentially corresponds to personnel hired on or before 1960, and/or with subsequent enrollments until 1984 and who worked in certain country regions where the Group had offices but did not have coverage of the disability, old age and death risks on account of the ISS. The determination of the liability amount is made based upon actuarial studies adjusted to the regulations and standards in that respect that are currently in force.

The total amount of the reserve, equal to the actuarial gains or losses generated were assumed by the Group and were accounted for based on the IAS 19 guideline, where the cost of the present service and the net interest of the liability, will be recorded to the statement of income for the period, while new measurements of the liability by defined benefits will be accounted for as other comprehensive income.

The Group, in its opening balance and for the 2014 period, recorded its commitments with personnel based on the actuarial studies issued under the IAS 19 guidelines. However, for the 2015 period, in agreement with the guidelines of Decree 2496 / December 23, 2015, the Bank ordered actuarial studies to be conducted with the methodology of IAS 19 and COLGAAP, identifying that although there was no significant difference between the two studies, the second methodology was more conservative, so its liability was recorded in adherence to the guidelines of Decree 2496.

3.17 Allowances, contingent liabilities and assets

Includes the amounts recorded to cover the current liabilities of the Group derived as a result of past successes and that are clearly identified as to their nature, but result as having an undetermined amount or payment date; the due date that, and their payment, the Group expects to be detached from resources that include economic benefits.

These liabilities may arise from legal or contractual provisions, valid expectations made by the Group of third parties, in regards to the assumption of certain types of liabilities or through the foreseeable evolution of the regulatory standard of the entities' operations, and specifically regulatory projects from which the Group cannot be removed.

The allowances are liabilities in which there is some uncertainty as to their amount or due date. These allowances are recorded on the balance sheet when there is a current liability (legal or implicit) as a result of past actions or events and it is likely that the Bank has to be detached from resources to pay the liability and the amount of these resources can be reliably measured.

When the effect on the value of currency over time is important, the amount of the allowance is the present value of expenses that are expected to be incurred upon payment.

Among other things, these allowances include commitments made with employees, as well as allowances due to tax and legal litigation.

Allowances are recalculated at the close of every accounting period and are used to offset specific liabilities that were originally reported; they proceed with their reversion, totally or partially, when such liabilities cease to exist or decrease.

Allowances are classified based on the liabilities covered, being the following:

- Allowances for benefits and compensation to personnel.
- Allowances for tax and legal litigation.
- Allowance for minimum dividends.
- Allowances for contingent credit risk.
- Allowances for other contingencies.

Contingent assets are possible assets, arising as a result of past successes, whose existence is conditional and must be confirmed on the occurrence or nonoccurrence of future events that are outside of the Group's control.

Contingent assets are not reported on the balance sheet nor are they reported in the gains and losses account, but they are reported on the financial statements as long as the increase in resources that include economic benefits for this reason is likely.

Contingent liabilities are possible liabilities for the Group, arising as are a result of past successes, whose existence is conditional and must be confirmed on the occurrence or nonoccurrence of future events that are outside of the Group's control. They also include actual liabilities of the entity, whose payment is not likely, which leads to a decrease in resources that include economic benefits or whose amount, in extremely rare cases, cannot be quantified with sufficient reliability.

The following are classified as contingent in complementary reporting:

- Endorsements and Guarantees; Includes endorsements, guarantees and stand letters of credit. It also includes guarantees of payment from purchasers in factoring transactions.

- Confirmed letters of credit from abroad: Corresponds to letters of credit confirmed by the Bank.

- Documentary letters of credit: Includes documentary letters of credit issued by the Bank that have not yet been negotiated.

- Interbank guaranty letters: Corresponds to letters of guaranty issued.

- Credit lines freely available: Includes the unused amounts of credit lines that allow the clients to use their credit without prior decisions by the Bank (for example, with the use of credit cards or overdrafts agreed upon in current accounts).

- Other credit commitments: Includes the amounts not placed for committed credits, which should be disbursed on a future agreed upon date or that has passed when the actions previously contracted with the client have taken place, as may happen in the case of credit lines bound to the state of progress for construction or similar projects.

- Other contingent credits: Includes any other type of commitment from the entity that could exist and that may give rise to an effective credit upon producing certain future actions. In general, it includes infrequent transactions such as instruments

given in security to guarantee payment of credit transactions among third parties or transactions with contracted derivatives on behalf of third parties and may imply a payment obligation and are not covered with deposits.

3.18 Impuesto a las ganancias

The income tax expense represents the amount of the current income tax payable and the deferred income tax.

Current income tax - The current tax payable is based on the taxable income recording during the year. Taxable income is different from the income recorded in the statement [of income and other comprehensive income, profit and loss statement], due to the taxable or deductible income or expense items in other years and items that are never taxable or deductible. The Group's liabilities for current income tax are calculated using the tax rates mandated or substantially approved at the end of the reporting period. The Group determines the provision for income tax and the equality tax (CREE) based on the taxable profit or presumptive income, whichever is higher, estimated at the rates specified by the tax law.

Deferred income tax - The deferred income tax is recognized on temporary differences between the carrying value of the assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred income tax liability is generally recognized for all temporary tax differences. A deferred income tax asset will be recognized for all the deductible temporary differences, to the extent that the entity is likely to have future taxable income against which it can debit the deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than the business combination) of other assets and liabilities in a transaction that does not affect taxable income or accounting gain.

The tax from taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures must be recognize, except for those in which the Group can control the underlying temporary difference and when there is the possibility that it may not be reversed in the near future.

The carrying value of a deferred income tax asset must be subject to review at the end of each reporting period and it must be reduced, inasmuch as there will not be sufficient taxable income in the future to recover all or part of the asset.

The deferred income tax assets and liabilities must be measured using the tax rates expected to be applicable in the period in which the assets are realized or the liabilities are canceled, based on the rates (and tax laws) approved or practically approved at the end of the reporting period following the approval process.

To measure the deferred income tax liabilities and the deferred income tax assets for investment properties measured using the fair value model, it is presumed that the carrying value of said properties will be recovered in full through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held in a business model whose objective is to consume substantially all the economic benefits generated by the investment property over time and not through sale. Management reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all the economic benefits generated by the investment properties over time and not through sale. Therefore, Management has determined that the presumption of "sale" set forth in the amendments to IAS 12 is not rebutted. Consequently, the Group has not recognized any deferred income tax in the changes of fair value of the investment property, as the group is not subject to any income tax on the sale of investment properties.

Recording - Current and deferred income taxes shall be recognized in the income statement, except when they are related to items recorded in other comprehensive income or directly in equity, in which case the current or deferred income tax is also recognized in other comprehensive income or directly in equity, respectively; in the case of a business combination when the current or deferred income tax arises from the opening entry of the business combination, the tax effect is considered in the entry of the business combination.

3.19 Wealth tax

Law 1739 / 2014 created an extraordinary tax known as the Wealth Tax for the years 2015, 2016, 2017 and 2018, which will be payable by individuals, illiquid successions, legal entities and corporations de facto, income taxpayers, national or foreign individuals on their wealth held directly or indirectly in the country.

This tax is generated by the ownership of wealth as at January 1, 2015, whose value is greater than or equal to 1 billion pesos. For the effects of this levy, wealth is the gross equity held on the same date minus the debts payable by the taxpayer in effect on that date and the taxable base is gross equity minus debts payable at January 1, 2015, 2016 and 2017.

If the base of the wealth tax for the years 2016, 2017 and 2018 is greater than that determined for 2015, the taxable base for any of those years will be either the taxable base determined for the 2015 tax year increased by 25% of inflation certified by the DANE for the preceding year or the base determined in the year of the return, whichever is lower.

If the base of the wealth tax determined for 2016, 2017 or 2018 is less than that determined for 2015, the taxable base for each of those years will be either the taxable base determined for the 2015 tax year increased by 25% of inflation certified by the DANE for the preceding year or the taxable base determined in the year of the return, whichever is greater.

The Bank and its Subsidiaries opted to incur the amount of each year for the wealth tax and the corresponding surcharge, under a deferred asset, which will be amortized against income on a monthly basis during the current year; it will do the same at the beginning of each year in accordance with the tax year.

3.20 Real value unit – UVR

The real value unit (UVR, for the Spanish original) is certified by the Central Bank and reflects the purchasing power based upon the variation of the consumer price index (CPI) during the calendar month immediately prior to the month when the calculation period starts.

The UVR is a count unit used for calculating the cost of housing (mortgage) credits that allows financial entities to keep the purchasing power of the money lent. The methodology used for calculating such indicator was established by the Board of Directors of the Central Bank, in strict compliance with the order given by the Constitutional Court in Ruling C-955/2000.

The Bank carries out transactions to obtain savings deposits, and grant short- and long-term loans and investments in reduced real value units (UVR) at legal tender in conformity with the provisions of Law 546 / December 23, 1999, which created the legal framework to finance housing.

This law established the general objectives and criteria the national government should be subject to in order to regulate the system, further creating savings instruments devoted to such financing; the financing system is stated in Real Value Units (UVR) and shall reflect the purchasing power of money, which implies it is linked to the consumer price index.

At December 31, 2015 and 2014 the quotation rate of the real value unit (UVR) was $228.2684 and $215.0333, respectively.

3.21 Recognition of the exchange difference

Transactions in foreign currency are translated to Colombian pesos at the official exchange rate certified by the Superintendence for the last business day of the month corresponding to the closing of the respective period and duly certified.

The resulting negative and positive exchange difference is carried to the financial expense or revenue item, respectively. The exchange rate used for adjusting the resulting balance in US Dollars as of December 31, 2015 and 2014 was $3,149.47 y $2,392.46 per USD 1, respectively.

The exchange difference generated by foreign-currency denominated accounts payable and obligations required for the acquisition of property and equipment is capitalized until the asset is in conditions of being transferred or used. All other exchange gains and losses are included in results for the period.

The exchange differences arising from liquidating monetary items, or from converting said items at rates different from those used for initial recognition, whether or not they were produced during the fiscal year or in previous financial statements, will be recognized in the income statement for the fiscal year in which they arise.

When a gain or loss derived from a non-monetary item is recognized as other comprehensive income, any exchange difference included in that gain or loss must also be recognized as other comprehensive income. On the other hand, when the gain or loss derived from a non-monetary item is recognized in the income statement for the period, any exchange difference included in the gain or loss must also be recognized in the income statement for the period.

As regards the own cash position, External Regulatory Circular DODM-139 / May 25, 2015 issued by the Central Bank as the monetary authority, stated that when there are funds from borrowings in foreign currency for terms greater than or equal to 1 year, covered by a derivative in foreign currency in effect from the disbursement date to the due date of the transaction, whose funds will be used to carry out active transactions in legal tender, the own cash position of this transaction can be excluded from the calculation. The effects of this procedure fluctuate with the variation of the exchange rate and the monetization rate of the transaction.

Tax effects of all exchange differences - The gains and losses due to exchange rates in transactions in foreign currency, as well as differences from translation of the Entity's results and financial position (including a business abroad) to a different currency, can have tax effects. IAS 12 Income Taxes will be applied to post these tax effects.

3.22 Adequate equity

According to the provisions of Section 2.1 of Chapter XIII-13 of the Basic Accounting and Financial Circular Letter (External Circular Letter 100 / 1995 of the Colombian Financial Superintendence (SFC, for the Spanish original), the adequate equity of the Bank and its subsidiaries must meet the following two conditions:

• Basic Solvency Ratio: It is defined as the Common Equity Tier 1 value divided by the value of assets weighted by credit and market risk levels. This ratio may not be lower than four point five percent (4.5%).

$$\textit{Basic Solvency} = \frac{\textit{Common Equity Tier 1}}{APNR + \frac{100}{9} VeR_{RM}} \geq 4.5\%$$

• Total Solvency Ratio: It is defined as the Technical Equity value divided by the value of assets weighted by credit and market risk levels. This ratio may not be lower than nine percent (9%)

$$\text{Total Solvency} = \frac{\text{PT}}{\text{APNR} + \frac{100}{9}\text{VeR}_{\text{RM}}} \geq 9\%$$

Where:

PT= Technical Equity calculated as per the instructions given in Section 2.2 of this Chapter

.

APNR= Assets weighted by credit and market risk levels calculated as per the instructions given in Section 2.3 of this Chapter.

VeR_RM= Value of market risk exposure calculated as per the instructions given in Chapter XXI "Rules concerning the market risk management system" of CBCF.

Each of the items that make up the minimum solvency ratios must be calculated considering the Chart of Accounts for the financial system (PUC, for the Spanish original), Form 110 (Proforma F.1000-48 "Non-PUC accounts for the calculation of adequate equity") and Form 301 (Proforma F.0000-97 "Solvency Margin Control Statement"), as indicated in each of the components of the solvency ratios.

The considerations set forth in CE 036 / 2014 and details of Note 2.1 are taken into account in determining and calculating this control.

3.23 Premium on share placement

The premium on share placement is the value additional to the nominal value of the shares that is charged when transferring them and arises when the shares are placed in the market for a price higher than nominal value.

It is originated in a share subscription agreement and is a legally valid option; however, while the shares obtained as a result of the aforementioned contract are part of the share capital, the premium, as an additional value to the nominal value of the share, constitutes an equity item crediting the legal reserve.

3.24 Recognition of revenue and expenses

Interest revenue and expenses and service fees are recorded in the income statement for the fiscal year as they are earned, based on the time of the transactions that give rise thereto.

However, as of March 2002, the Superintendence requires not to post interest revenue from the loan portfolio on defaulted loans as per the table below:

Credit Modality	Delinquency in excess of:
Commercial	3 months
Consumer	2 months
Mortgage	2 months
Microcredits	1 month

Likewise, the interest generated by this type of restructuring shall have the same treatment indicated in the paragraph above. When it is determined that the debtor's financial condition has improved to the point that the uncertainty regarding the recoverability of capital disappears, the posting of interest can resume on an accrual basis.

- In the case of impact on general revenue and expenses, the Group uses the general principles of the conceptual framework, such as: Accrual Basis, Recording, Certainty, Reliable Measurement, Correlation of Revenue and Expenses, Cost-Benefit Consideration, Valuation and Materiality or Relative Importance.

- The Group recognizes revenue on the sale of property when the risks and rewards of ownership are transferred to the buyer, it does not retain ownership or control of the properties sold, the amount of revenue can be reliably measured, it is likely to receive the economic benefits associated with the transaction and the costs incurred by the transaction can be reliably measured.
- Revenue and expenses originated by transactions or services that extend over time are recognized during the life of said transactions or services.
- The Group applies the criterion of revenue recognition on two or more transactions, together, when they are linked in such a way that the commercial effect could not be understood without reference to the entire set of transactions.
- Dividends received by associates, non-controlled holdings and joint ventures are recognized when the right to receive them has been established.
- The recognition of interest revenue is applied using the effective interest method.

Deferred income: In general, deferred revenue is recognized when the income can be correlated with the associated expense. In the case of restructured loans, revenue is recognized when payment is received.

Client Loyalty: The Bank classifies the system of points awarded to its clients for the use of electronic means of payment under this concept; these points can be redeemed in different forms.

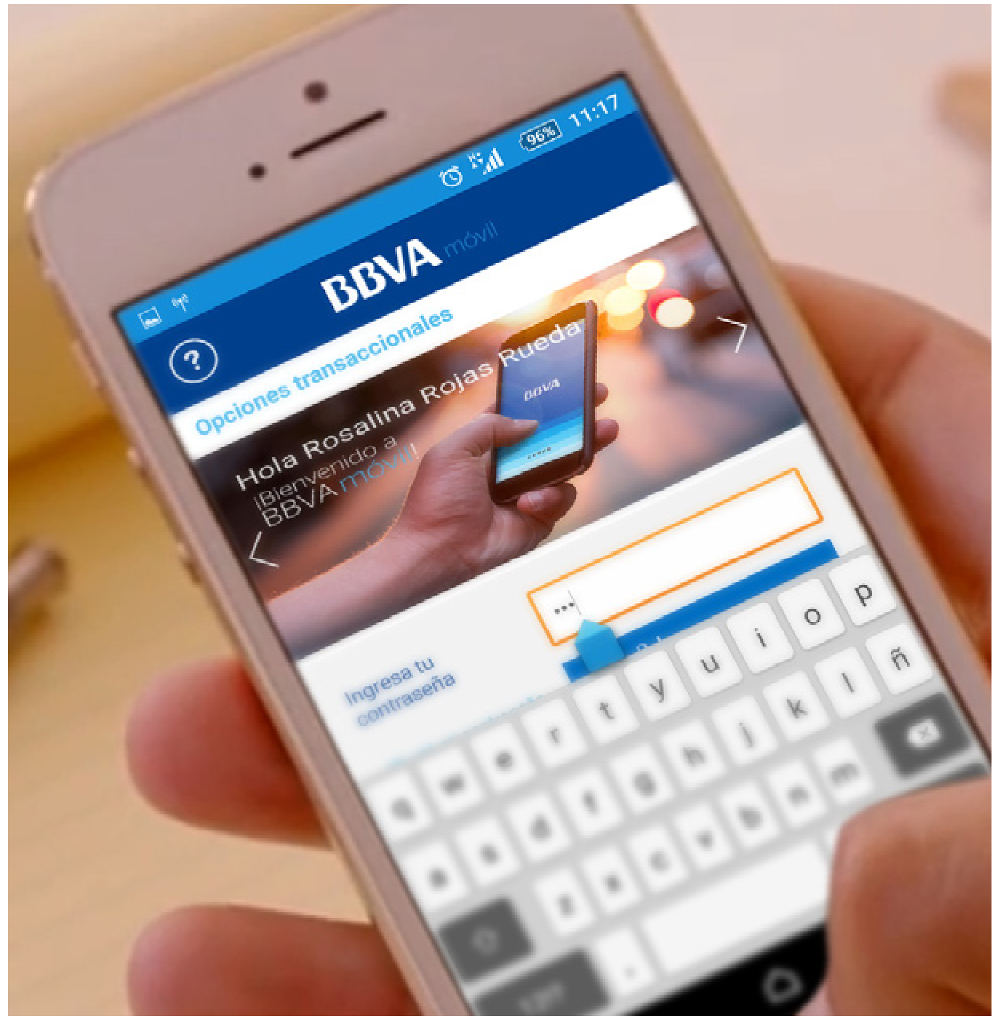
On account of client loyalty, the Bank recognizes a deferred liability that is amortized as clients redeem their points, based on the model designed for points awarded for client loyalty.

The Bank runs a loyalty program, in which clients accumulate points for purchases, entitling them to redeem the points for rewards in accordance with the policies and the reward scheme at the time of redemption.

The Bank designed a model to determine the recognition of a liability that is updated according to the historical basis of points accumulated and average redemptions; the model identifies the value of the rewards accumulated and to be claimed by each client.

3.25 Statements of cash flow

Supervised preparers of financial reports can report the Statement of Cash Flow-Direct Method, or the Statement of Cash Flow-Indirect Method, or both, in accordance with External Circular Letter 011 / 2015 of the SFC. The Group presents the accompanying statements of cash flow using the direct method, which include the reconciliation of the year's net profit and the net cash provided by operating activities, as per the guidelines of IAS 7.



3.26 Earnings per share

Basic earnings per share are calculated by dividing the gain or loss attributable to the holders of ordinary equity instruments of the controlling company (numerator) by the weighted average ordinary shares subscribed and paid-in, both common and preferential outstanding (denominator) during the year.

Diluted earnings per share are calculated by adjusting the year's gain attributable to the owners of the controlling company and the weighted average ordinary shares outstanding for all the dilutive effects inherent to potential ordinary shares.

This information is intended to provide a measure of the interest of each ordinary share of the controlling company in the entity's performance during the reporting period.

Since the Group has no financial instruments with a dilutive effect, basic and diluted earnings per share are the same.

3.27 Standards issued by the IASB not yet in force

3.27.1 Adopted in Colombia as of January 1, 2016 - Decree 2420 / 2015

With this decree, as of January 1, 2016, the following standards will take effect in the technical regulatory framework that contains the standards in force on December 31, 2013, along with the respective amendments issued by the IASB, earlier application is permitted:

Financial Reporting Standard	Subject of the Amendment	Details
IFRIC 21 - Levies	Interpretation of IAS 37	IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets on the posting of levies imposed by governments. IAS 37 sets forth criteria for the recognition of a liability, one of which is the requirement that the entity have a present obligation as a result of a past event (known as an "obligation-generating event"). IFRIC 21 clarifies that the obligation-generating event that gives rise to an obligation to pay a tax is the activity described in the relevant legislation that triggers the payment of the rate. IFRIC includes guidance that illustrates how it should be applied.
IAS 36 – Impairment in the value of Assets	Amendments in the disclosure of the recoverable amount of non-financial assets	The amendments require the disclosure of information on the recoverable amount of impaired assets, if the amount is based on fair value minus costs of disposal. They also require the disclosure of additional information regarding fair value measurement. In addition, if the recoverable value of the impaired assets is measured based on fair value minus costs of disposal using a present value technique, the changes also require the disclosure of the discount rates used in the current and previous measurements.
IAS 39 – Financial Instruments	Amendments in the novation and continuation of hedge accounting	The amendments provide relief from discontinuation of hedge accounting when the novation of a derivative as a hedging instrument meets certain criteria
IFRS 9 – Financial Instruments	IFRS 9 Financial Instruments was issued in November 2009 as the first phase of a draft to replace IAS 39 Financial Instruments: Recognition and Measurement.	In October 2010, the sections of IFRS 9 that address financial liabilities were added. The requirements for derecognition in accounts of IAS 39 were also transferred to IFRS 9.
Annual Improvements 2010 - 2012 Cycle	These amendments reflect topics discussed by IASB that were lated included as amendments to the IFRS	• IFRS 2 Share-based Payment Definition of "conditions of entitlement" • IFRS 3 Business Combinations: Posting of contingent considerations in a business combination • IFRS 8 Operating Segments: addition of operating segments and reconciliation of total assets of reportable segments to the entity's assets. • IAS 16 Property, Plant and Equipment / IAS 38 Intangible Assets: Revaluation Method - proportionate restatement of accumulated depreciation • IAS 24 Related Party Disclosures: Key management personnel.
Annual Improvements 2011 - 2013 Cycle	The nature of annual improvements is to clarify or correct, and do not involve proposing new principles or changes in existing ones.	• IFRS 1: Meaning of effective IFRS • IFRS 3: Scope exceptions for joint ventures and environment of adoption of paragraph 52 (except for portfolio); and • IAS 40: Clarifying the interrelationship between IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property.

3.27.2 Adopted in Colombia as of Sunday, January 01, 2017 - Decree 2496 / 2015 -

With this decree, as of January 01, 2017, the following standards will take effect in the technical regulatory framework that contains the standards in force on December 31, 2014, along with the respective amendments issued by the IASB, earlier application is permitted:

Financial Reporting Standard	Subject of the Amendment	Details
IAS 19 - Employee Benefits	Defined Benefit Plans: Employee contributions. Clarifies accounting for the contributions of employees or third parties that are linked to the defined benefit plans or services, considering whether the contributions made depend on the number of years of service provided by the employee.	For contributions that are independent of the number of years of service, the entity may recognize the contributions as a reduction in the service cost in the period in which the service is provided, or they can be attributed to the employees' years of service using the contribution formula or a straight line method, whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service. Retrospective application is required. In effect for annual periods beginning on or after July 1, 2014.
IFRS 9 – Financial Instruments	FRS 9 Financial Instruments was issued in November 2009 as the first phase of a draft to replace IAS 39 Financial Instruments: Recognition and Measurement.	In March 2013, the sections of IFRS 9 that address financial assets were added. The IASB issued discussion drafts for the Hedge Accounting and impairment methodology.
IAS 32 – Financial Instruments: Presentation	Offsetting financial assets and financial liabilities	The amendment to IAS 32 clarifies current implementation issues relating to the offsetting requirements. It is effective for the annual periods beginning on January 1, 2014. Implementation is retroactive.
IFRS 10 – Consolidated Financial Statements IFRS 12 - Disclosure of Interests in Other Entities IAS 27 – Separate Financial Statements	Offsetting Financial Assets and Financial Liabilities	The amendments of IFRS 10 introduce an exception to the requirement that all subsidiaries of an investment entity must be consolidated. As regards the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services related to the investment entity's own investment activities. Certain criteria must be met to qualify as an investment entity. In effect for annual periods beginning on or after January 01, 2014.
IAS 1 - Presentation of Financial Statements	Disclosure Initiative. The amendments were a response to the comments that there were difficulties in the application of the materiality concept in practice at the time of drafting some of the requirements of IAS 1 has been interpreted to avoid the use of judgment.	Some highlights of the amendments are as follows: • The entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. • The entity does not need to disclose specific information required by the IFRS if the resulting information is not material. • In the section of other comprehensive income of a statement of comprehensive income and other comprehensive income, amendments require separate disclosures for the following items: - the proportion of other comprehensive income of associates and joint ventures recognized by the equity method and which will not be subsequently reclassified to the income statement; and - the proportion of other comprehensive income of associates and joint ventures recognized by the equity method and which will be subsequently reclassified to the income statement. The amendments to IAS 1 are effective for the annual periods beginning on January 1, 2016 and earlier application is permitted. The implementation of the amendments need not be disclosed.

Financial Reporting Standard	Subject of the Amendment	Details
IAS 16 - Property, Plant and Equipment	Clarification of Acceptable Methods of Depreciation	Entities are prohibited from using a depreciation method based on revenue for property and equipment items. In effect for annual periods beginning on or after January 1, 2016.
IAS 38 – Intangible Assets	Clarification of Acceptable Methods of Depreciation	Introduces legal presumptions ascertaining that revenues are not appropriate principles for the amortization of intangible assets. The presumption can only be overcome in the two limited circumstances below: a) when the intangible asset is expressed as a measure of revenue. For instance, an entity could acquire a concession to explore and extract gold from a mine. The expiration of the contract could take into consideration a fixed amount of the total revenue that will be generated by the extraction (for instance, a contract can allow the extraction of gold from the mine until the accumulated revenue from the sale amounts to 2 billion Credit Units) and is not based on time or the amount of gold extracted. Provided that the contract specifies a fixed amount of revenue generated based on which amortization will be determined, the revenue generated could be an adequate basis to amortize the intangible asset or b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated. The amendments apply prospectively for annual periods beginning on or after January 01, 2016. Earlier application is permitted.
IAS 27 - Separate Financial Statements	Equity Method in Separate Financial Statements	The amendments focus on separate financial statements and allow the use of the equity method in such financial statements. Specifically, the amendments allow the entity to account for investments in subsidiaries, joint ventures and associates in their separate financial statements: • at cost, • in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or • using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. The same accounting shall apply for each category of investments. The amendments also clarify that when a holding entity ceases to be an investment entity, or it becomes an investment entity, it must account for the change as of that date. The amendments apply prospectively for the annual periods beginning on January 1, 2016.

Financial Reporting Standard	Subject of the Amendment	Details
IFRS 10 – Consolidated Financial Statements IFRS 12 - Disclosure of Interests in Other Entities IAS 28 Investment Entities	Applying the Consolidation Exception	The amendments clarify that the exemption from preparing consolidated financial statements is available for a parent entity that is a subsidiary of an investment entity, even when the investment entity measures all of its subsidiaries at fair value as per IFRS 10. Consequential amendments to IAS 28 to clarify that the exemption from applying the equity method is applicable to an investor in an associate or joint venture, if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value. The amendments further clarify that the requirement that an investment entity consolidate a subsidiary that provides services related to the foregoing investment activities is only applicable to subsidiaries that are not investment entities. On the other hand, amendments clarify that by applying the equity method to an associate or joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries. Finally, it is also clarified that an investment entity that measures all its subsidiaries at fair value must make the disclosures required by IFRS 12 Disclosure of Interest in Other Entities. The amendments apply prospectively for the annual periods beginning on January 1, 2016, earlier application is permitted.
IFRS 10 - Consolidated Financial Statements IAS 28 - Investment Entities	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments address situations in which there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 has been amended to reflect the following. • The gains and losses from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognized to the extent of the unrelated investor's interest in the associate or joint venture. • The gains and losses from subsequent transactions involving assets that constitute a business between an investor and its associate or joint venture should be fully recognized in the investor's financial statements. IFRS 10 has been amended to reflect the following. Gains or losses resulting from the loss of control over a subsidiary that does not constitute a business in a transaction with an associate or a joint venture accounted for using the equity method, are recognized in the controlling company's income to the extent of the unrelated investor's interest in the associate or joint venture. Similarly, gains and losses resulting from the remeasurement of accumulated investments in a former subsidiary (that is now an associate or a joint venture accounted for using the equity method) at fair value is recognized in the income statement of the previous controlling company only to the extent of the unrelated investors' interest in the new associate or joint venture. The amendments apply prospectively to the transactions occurring in the annual periods beginning on January 1, 2016, earlier application is permitted. In the meeting of June 2015, the IASB tentatively decided to postpone the mandatory effective date of these amendments. No draft has been issued at this time.

Financial Reporting Standard	Subject of the Amendment	Details
IFRS 9 – Financial Instruments	Financial Instruments (in revised version of 2014)	The replacement project consists of the following phases: • Phase 1: Classification and measurement of financial assets and liabilities. As regards classification and measurement in compliance with the IFRS, all recognized financial assets currently in the scope of IAS 39 will be measured at either amortized cost or fair value. • Phase 2: Impairment methodology. The impairment model according to IFRS 9 reflects future credit losses, as opposed to credit losses incurred according to IAS 39. In the scope of impairment in IFRS 9, it is no longer necessary for a credit event to occur before recognizing the credit losses. • Phase 3: Hedge Accounting. The general requirements of hedge accounting under IFRS 9 maintain the three types of hedge accounting mechanisms included in IAS 39. However, the ideal types of transactions for hedge accounting are now much more flexible, particularly since they expanded the types of instruments that classify as hedging instruments and the ideal types of risk components of non-financial items for hedge accounting. In addition, the effectiveness test has been revised and replaced by the "economic link" principle. Retrospective testing is no longer required to measure hedge effectiveness. Many more disclosure requirements have been added regarding the entity's risk management activities. In July 2014, the IASB completed the reform of financial instruments accounting and issued IFRS 9 Financial Instruments Accounting (as revised in 2014), which will supersede IAS 39 Financial Instruments: Recognition and Measurement when the former expires. In effect for annual periods beginning on or after January 1, 2018.
Annual Improvements 2012 - 2014 Cycle	These amendments reflect topics discussed by IASB that were lated included as amendments to the IFRS	• IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Changes in the methods to dispose of assets. • IFRS 7 Financial Instruments: Disclosure (with amendments resulting from amendments to IFRS 1) - Amendments concerning Service Contracts - Applicability of the amendments to IFRS 7 in offsetting disclosure in condensed interim financial statements. • IAS 19 Employee Benefits. Discount rate: regional market issue. • IAS 34 Interim Financial Reporting. Disclosure of information "elsewhere in the interim financial report"

3.27.3 Adopted in Colombia as of January 1, 2018 - Decree 2496 / 2015 - With this decree, as of January 1, 2018, IFRS 15 "Revenue from contracts with clients" will take force, which sets forth the extensive and detailed model to be used by entities in the accounting of revenue from contracts with clients; earlier application of this standard is permitted.

4. First time adoption of international financial reporting standards for consolidated statements

The Group prepared the Consolidated Opening Statement of Financial Position at January 1, 2014, in accordance with the new Technical Regulatory Framework, considering the provisions of the IFRS "First Time Adoption of International Financial Reporting Standards" and other legal provisions applicable in Colombia, for the recognition of the transition of its financial statements according to previous accounting standards (previous GAAP) to the new accounting standards applicable to the Group in its consolidated Financial Statements with the full implementation of said standards as set forth in Decrees 1851 / 2013 and 2267 / 2014.

The Group's consolidated Financial Statements are reported considering the requirements of Circular Letter 036 / 2014, the adjustments in the first time implementation of IFRS in the consolidated financial statements of the parent company, with relation to the value of the provisions of the loan portfolio recognized in the financial statements of the provisions expected from the Bank and the variation between Expected Loss and that incurred must be recognized in "Other Comprehensive Income" of the consolidated financial statements in code 381560 "Differences between Consolidated Financial Statements" of the Financial Reporting Catalog for monitoring purposes; similarly, the adjustments were made corresponding to the sales force applied to the loan portfolio, equivalent to the commissions paid for product placement, presenting the loan portfolio at Attributed Cost; these commissions are deferred over the life of the loans. In addition, consolidated investments of the parent company and subsidiaries will be classified and estimated in accordance with IFRS 9.

The following explanatory notes to the consolidated financial statements describe the differences of the Balance Sheet presented in accordance with local GAAP and the effect of implementing the IFRS for the period at December 31, 2014; it also provides a description of the equity presented in the opening statement of financial position, that is to say, at January 1, 2014.

Amounts expressed in millions of Colombian pesos	January 1, 2014				
	Nota	GAAP previous	Reclassification CUIF	Effect of Convergence	IFRS
ASSETS					
• Cash and cash equivalents	(1)	2.421.608	41	132	2.421.781
• Investments and operations with derivatives	(2)	5.554.438	(55.244)	87.700	5.586.894
• Monetary market transactions		99.500	-	-	99.500
• Loan portfolio and financial leasing	(3)	25.122.124	-	236.547	25.358.671
• Accounts Receivable	(4)	611.665	(2.449)	(8.816)	600.400
• Non-current assets held for sale		8.376	-	-	8.376
• Other assets, intangibles and deferred income tax	(5)	302.545	484.160	(484.241)	302.464
• Property and equipment, net	(6)	748.255	(427.085)	438.400	759.691
Total assets		**34.868.510**	**(455)**	**269.722**	**35.137.776**
LIABILITIES					
• Instruments Amortized Cost	(7)	28.549.894	74.342	(17.822)	28.606.414
• Outstanding long-term investment securities		1.094.760	-	-	1.094.760
• Monetary market transactions		133.327	-	-	133.327
• Financial obligations		803.728	2.194	-	805.921
• Accounts payable and deferred income tax	(8)	605.912	(56.060)	253.913	734.587
• Other liabilities	(9)	113.138	(504)	(5.088)	107.545
• Provisions	(10)	174.211	96.268	(124.723)	145.756
• Employee Benefits	(11)	147.710	(48.592)	73.664	172.782
Total liabilities		**31.622.682**	**(1.532)**	**179.944**	**31.801.092**
EQUITY					
• Share Capital		89.779	-	-	89.779
• Reserves		1.504.240	(32.897)	-	1.471.343
• Surplus or deficit	(12)	1.122.751	31.834	(279.103)	875.484
• Adjustment for first-time implementation		-	-	368.762	368.762
• Fiscal Year Income		523.722	2.114	-	525.837
• Minority interest		5.336	26	119	5.480
Total equity		**3.245.829**	**1.077**	**89.778**	**3.336.684**
TOTAL LIABILITIES AND EQUITY		**34.868.510**	**(455)**	**269.722**	**35.137.776**

(1) The Group established that it will not maintain a cash provision, for which it will reverse the provision at December 31, 2013.

(2) As for investments in subsidiaries, joint ventures and associates, the entity has assumed the exception of IFRS 1, for which it has adopted the model of attributed cost at initial application. For non-controlled entities, the cost at initial application shall be maintained, and later measurements will apply a fair value model based on the price possibilities that can be obtained on the market or, lacking this, applying level 3 variables. As for Fixed-income investments, the Policy defines the business model to be applied in accordance with the Bank's everyday operation. Management carried out the valuations of BBVA-controlled entities in its consolidated statement, determining the basis for valuing each company using their individual BDI or EBITDA, depending on the stability of the results and relevant non-operational, atypical revenue or some other factor that could distort the reading of the revenue after taxes; this was also determined based on their BDI, dividends of 90% have been assumed for distribution in all cases to be used as a basis for valuation.

(3) The Group uses the criteria for the recognition of the loan portfolio and the impairment thereof according to IFRS based on a model of incurred loss, in which financial assets are analyzed to estimate their impairment if, and only if, there is objective evidence of impairment (EOD, for its Spanish original) as a result of one or more events causing the loss that have occurred after the initial reporting of the asset but by the date of the analysis or earlier and that have an impact on future estimated cash flows for the financial assets. Therefore, the Bank implemented the Model for calculating provisions for PI impairment, which has two types of differentiated analysis: individualized and collective analysis. Also, for the Loan Portfolio, the Sales Force adjusting entry applied to the portfolio is made, which is equivalent to the commissions paid for product placement, presenting the portfolio at Attributed Cost; these commissions are deferred over the life of the loans.

(4) As for accounts receivable, the Group uses the criteria for the recognition of the loan portfolio and the impairment thereof according to IFRS based on a model of incurred loss, in which financial assets are analyzed to estimate their impairment if, and only if, there is objective evidence of impairment (EOD, for its Spanish original) as a result of one or more events causing the loss that have occurred after the initial reporting of the asset but by the date of the analysis or earlier and that have an impact on future estimated cash flows for the financial assets.

(5) The Group adjusts the deferred income tax in the adoption of IFRS against equity; also, it classifies and recognizes it in the intangible assets item of the opening balance sheet, based on compliance with recording, control and identification criteria, which are separable, transferable and/or disposable, individually or in a contract, and are non-monetary and non-physical.

(6) As set forth in Appendix D of IFRS 1, BBVA uses the fair value of its property, plant and equipment in the Consolidated Group financial statements, as an attributed cost on the transition date for the land and buildings items. The historical cost of all other items is maintained. For the purposes of establishing consistency with fair value, valuations are carried out on 100% of the Bank's immovable assets at December 31, 2013. In the consolidated statements, the straight line method is used to depreciate its property, plant and equipment. In addition, the depreciable amount is determined after deducting its residual value. An impairment test will be performed annually to indicate possible evidence of impairment, in which case the valuation of the Property and Equipment (PE) will be made, which will incorporate the new useful life and the residual value. For all other assets, the residual value is considered insignificant and therefore, irrelevant in the calculation of the depreciable amount.

(7) The Group, and as a result of the entity's estimate of financial assets and financial liabilities based on the previous GAAP and the provisions of the IFRS - IAS, particularly IFRS 9 and given the complexity of a retroactive application, management has considered that both the financial assets and financial liabilities meet the recognition criteria and conditions of IFRS 9 on the basis of the facts and circumstances on the transition date. Also, derecognition in the financial assets and financial liabilities account based on the previous GAAP was determined in order to define whether said assets and liabilities could meet the requirements for recognition according to the IFRS.

(8) The Group calculates deferred income tax based on temporary differences between the carrying value of the assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred income tax liability is generally recognized for all temporary tax differences and a deferred income tax asset will be recognized for all the deductible temporary differences, to the extent that the entity is likely to have future taxable income against which it can debit the deductible temporary differences.

(9) The Group reviewed its recorded liabilities to determine that they meet the conditions of legal enforceability and in order for them to be paid in cash, transfer of other assets, provision of services and/or waiver by the creditor.

(10) The Group creates provisions only when there is a present obligation (either legal or implied as a result of a costly contract) as a result of a past event, the entity will likely have to dispose of resources that incorporate economic rewards in order to pay said obligation and the amount of the obligation can be reliably estimated. The Group records provisions for restructuring only if there is a formal, detailed plan known by the users or the affected second parties, which include only the disbursements arising directly therefrom.

(11) In the financial statement, the Group determines the accounting treatment and the information to be disclosed regarding employee benefits, in order to recognize: a liability, if the employee has provided services in exchange for employee benefits payable in the future; and an expense if the entity consumes the economic reward resulting from the service provided by the employee

(12) For the purposes of establishing consistency with fair value, valuations are carried out on 100% of the Bank's immovable assets at December 31, 2013, in order to obtain the best estimate at market prices of the Fixed Assets and use the attributed cost method.

Estimates - IFRS 1 establishes that the Bank's estimates in the consolidated financial statements will be carried out according to the IFRS, on the transition date, will be consistent with the estimates made for the same date according to the Generally Accepted Accounting Principles in Colombia - hereinafter previous GAAP (after making the necessary adjustments to reflect any difference in the accounting policies), unless there is objective evidence that the estimates are inaccurate.

The Bank and its Subsidiaries have not changed any estimates used to calculate the balances previously reported according to previous GAAP or at the transition date (January 1, 2014) or for the first comparative period (December 31, 2014).

Classification and measurement of financial assets - Financial assets are measured at amortized costs when they meet the following conditions:

a) The asset is maintained in a business model whose objective is to hold the assets to obtain contractual cash flows.

b) The contractual conditions of the financial asset give rise to cash flows, on specific dates, that are only payments of principal and interest on the pending principal.

Exemptions to the retroactive application of IFRS

Attributed cost - IFRS 1 allows revaluation according to previous GAAP for property and equipment (land and buildings) whether at the transition date or earlier, as an attributed cost on the revaluation date if it was substantially comparable on that date:

a) at fair value; or

b). at cost, or at depreciated cost according to IFRS

The Bank chose the measurement of land and buildings in property and equipment, intangible assets and investment properties at fair value, and to use this fair value as the attributed cost at the transition date. The fair value of said assets was measured by appraisal carried out by independent external experts, thus determining new initial values. Also, they were reviewed, new remaining useful lives were determined and residual values were allocated.

For the rest of the items of property and equipment, the Bank has considered the depreciated cost according to previous GAAP as the attributed cost at the transition date, since it is comparable with the depreciated cost according to IFRS.

Investments in joint ventures and associates - In the first-time adoption of IFRS, the measurement of investments in subsidiaries, joint ventures and associates at cost is allowed according to IAS 27, for which reason this investment was measured in the separate opening statement of financial position in accordance with the IFRS by means of one of the following amounts:

i. the cost determined in accordance with IAS 27; or

ii. the attributed cost. The attributed cost of that investment will be:

(a) the fair value on the entity's date of transition to the IFRS in its separate financial statements; or the carrying value on that date according to previous GAAP.Investments in Non-controlled Entities - In the consolidated balance sheet, the companies controlled by BBVA and in accordance with international standards are valued and, as the basis of the valuation of each company, the BDI or EBITDA of each company is used, depending on the stability of the results and relevant non-operational, atypical revenue or some other factor that could distort the reading of the revenue after taxes.

In the case of the companies valued based on their BDI, a 90% dividend distribution has been assumed in all cases for use as the basis of valuation.

After establishing the basis of each year, the company's value has been established as a perpetuity of the expected Dividend or EBITDA for the period, assuming the following for the discount rates to calculate perpetuity:

* Cost of capital (Ke): the cost estimated for Colombia by the BBVA Group is used.

* Real expected dividend growth rate / EBITDA (g): is calculated as the difference between the 10-year TES rate of December 31 each year and the inflation at the end of each year.

Therefore, the calculation of the value of each company is equal to:

Value = Dividend or EBITDA for the year / (Ke - g)

As a controlling measure, two valuation indicators are presented:

P/BV: Value / Accounting Equity

PER: Value / Year-end Profit

Intangible Assets: In its consolidated financial statements, the entity only classifies and recognizes in the opening balance sheet in the intangible assets item, those that meet the recording, control and identification criteria, and are also separable from the entity, transferable and/or disposable, individually or in a contract, and are non-monetary and non-physical. Assets susceptible to accrual/deferral over time, assessing whether future economic rewards are likely to be received.

Prepaid Expenses The entity took the criteria set forth by the international standard as the basis for the classification and recognition of the ¿activad?, Las Pólizas Bankers.

Provisions of Assets and Liabilities: The Group creates provisions only when there is a present obligation (either legal or implied as a result of a costly contract) as a result of a past event, the entity will likely have to dispose of resources that incorporate economic rewards in order to pay said obligation and the amount of the obligation can be reliably estimated. The Group records provisions for restructuring only if there is a formal, detailed plan known by the users or the affected second parties, which include only the disbursements arising directly therefrom.

Incurred Loss: The Group creates provisions only when there is a present obligation (either legal or implied as a result of a costly contract) as a result of a past event, the entity will likely have to dispose of resources that incorporate economic rewards in order to pay said obligation and the amount of the obligation can be reliably estimated. The Group records provisions for restructuring only if there is a formal, detailed plan known by the users or the affected second parties, which include only the disbursements arising directly therefrom.

According to the provisions set forth in the international standard where no amount has been established as the minimum for a financial asset or client would be considered individually or jointly significant, the Group has considered a significant level that is in line with the monitoring of the Bank's credit risk (EUR 5 million).

Amounts expressed in millions of Colombian pesos	December 31, 2014			
	ASSETS	Reclassification CUIF	Effect of Transition	IFRS
Cash and cash equivalents				
• Investments and operations with derivatives	$ 2.602.065	$ 405	$ (1.155)	$ 2.601.315
• Money Market Transactions	6.736.742	(74.061)	85.324	6.748.005
• Loan portfolio and financial leasing	469.842	-	-	469.842
• Accounts Receivable	30.042.473	-	342.757	30.385.229
• Non-current assets held for sale	726.717	(2.517)	(2.046)	722.155
• Investments in subsidiaries and others	9.284	-	4.209	13.493
• Other assets, intangibles and deferred income tax	159.377	521.688	(361.863)	319.203
• Property, plant and equipment, net	783.129	(446.052)	446.475	783.552
Total assets	**41.529.631**	**(540)**	**513.702**	**42.042.794**
LIABILITIES				
• Instruments Amortized Cost	33.645.932	99.201	(17.525)	33.727.607
• Money Market Transactions	930.718	-	-	930.718
• Financial obligations	1.028.244	2.050	-	1.030.294
• Accounts payable and deferred income tax	644.391	20.029	174.603	839.022
• Other liabilities	136.860	(156.477)	148.263	128.646
• Provisions	182.442	20.458	(41.478)	161.422
• Employee Benefits	158.042	15.403	25.485	198.931
• Outstanding long-term investment securities	1.301.650	-	-	1.301.650
Total liabilities	**38.028.279**	**666**	**289.348**	**38.318.290**
EQUITY				
• Share Capital				
• Reserves	89.779	-	-	89.779
• Surplus or deficit	1.752.825	(18.652)	-	1.734.173
• Adjustment for first-time implementation	1.148.714	16.080	(283.538)	881.256
• Fiscal Year Income or Loss	-	-	367.711	367.711
• Convergence Adjustment Results	504.328	(16.479)	157.795	645.644
• COLGAAP Fiscal Year Income	-	(16.479)	157.795	141.316
• Minority interest	504.328	-	-	504.328
Total equity	**3.501.352**	**(1.206)**	**224.354**	**3.724.504**
TOTAL LIABILITIES AND EQUITY	**$ 41.529.631**	**$ (540)**	**$ 513.702**	**$ 42.042.794**

Reconciliation of income	
GAAP Income Colombia	**504.327**
• Adjustment - Miles for Points Client Loyalty	-37
• Adjustment - Equity Method	6.155
• Adjustment - Settlement of Liabilities and Reimbursement of provisions	-15.135
• Adjustment - Employee Benefits	-17.229
• Adjustment - Elimination of Amortization of Equity Tax	32.525
• Adjustment - Elimination of the Amortization of Deferred Charges and Prepaid Expenses	1.182
• Adjustment - Reversion of Available Provision	-121
• Adjustment - Recalculation of the Depreciation of Fixed Assets	12.367
• Adjustment - Elimination of the Amortization of Goodwill	119.862
• Adjustment - Provision for Fines, Lawsuits and Penalties	-4.966
• Adjustment of Income and Deferred Income Tax	-45.861
• Adjustment - Sales Force	68.908
• Adjustment - Reclassification of securities available-for-sale based on amortized cost	1.108
• Adjustment for employee benefits - Fiduciaria	-5
• Adjustment for equity tax - Fiduciaria	872
• Adjustment for deferred income tax - Fiduciaria	284
• Adjustment for other assets - Fiduciaria	-397
• Adjustment for uncollectible accounts - Fiduciaria	145
• Adjustment for the revaluation of equity - Securities	-183
• Adjustment for the impairment of accounts receivable - Securities	-67
• Adjustment for deferred income tax - Securities	61
• Adjustment for the elimination of Dividends	-18.152
• Adjustment for consolidation	-1.673
Income according to Financial Reporting Accounting Standards (NCIF, for the Spanish original)	**643.970**

5. Relevant events

New Regulations

- Through External Resolution No. 12 / 2005, the Central Bank of Colombia changed the minimum own cash position from zero (0) to the following negative minimum:

  "The arithmetic average of three (3) business days of own cash position in foreign currency may be negative, without exceeding the equivalent in foreign currency of twenty percent (20%) of its technical equity."

  This was regulated by the Financial Superintendence of Colombia, by means of External Circular Letter 036 / 2015, which governs the matter as of October 16, 2015.

- External Circular Letter 037 / 2015 Instructions for the calculation of the consolidated legal controls of entities supervised by the Financial Superintendence of Colombia (SFC, for the Spanish original).

  Through External Circular Letter 038 / 2015, the Financial Superintendence of Colombia changed the terms for the transmission of the Quarterly and Year-end Interim Financial Statements according to IFRS, Individual or Separate and Consolidated and the reporting thereof in XBRL (Extensible Business Reporting Language).

6. Business segments

Operation segments are defined as a component of the entity:

a) that carries out business activities from which income can be obtained from ordinary activities and expenses can be incurred;

b) whose operating revenue is reviewed regularly by the highest decision-making authority of the entity, to decide on the resources that should be allocated to the segment and assess the performance thereof; and

c) regarding which there is differentiated financial information.

According to this definition, management reviews and evaluates the Bank's operating results on a monthly basis at the level of the entity as a whole, involving the operation carried out in its subsidiaries and including additional information based on the strategic business units defined.

The Bank manages and evaluates the performance of its operations by business segment

Information on Banking operation segments is presented in accordance with the internal information provided to the highest decision-making authority. The Company's CEO has been identified as the highest decision-making authority, and he is responsible for allocating the resources and assessing the performance of each segment. The Bank's monitoring and management arrangements consider the business from the global perspective of activity and client.

Accordingly, BBVA Colombia differentiates said segments, which provide a clear understanding of the business when analyzed, which helps formalize periodic measurement and monitoring systems regarding the performance of each line, clearly identifying profitability and allowing the allocation of resources based on the differentiation of products.

The Bank directs and values the performance of its operations by business segments and the transactions between these segments are carried out based on regulatory commercial terms and conditions. This disclosure reports how the Bank has managed the business segments at December 31, 2015 compared to the year 2014.

BBVA Colombia has the following business segments:

- Commercial Banking: responsible for managing the retail business and the segment of individuals.
- EIB: is made up of the business segment, is responsible for the clients of companies and the public sector.
- CIB: is responsible for corporate clients.
- COAP: is the internal banking that manages the Bank's liquidity and sets the transfer prices for resources going to and from all other banking segments.

Commercial Banking

Commercial banking manages the entire segment of individuals, which is made up of consumer and mortgage loans, means of payment, consumer finance and the SME segment.

The main activities carried out to promote the segments mentioned above in 2015 were:

- Segment of Individuals

2015 was a year of consolidation for the high-value segments of BBVA, with an increase in the business volume of the Personal Banking and Premium Banking segments (32.0% and 56.0%, respectively), which were leveraged by management focused on segment clients through recurring commercial actions that were intended to increase the strength and growth of the business positions.

It is important to mention the launch of the new management model for Premium clients in Bogotá, which intends to consolidate relationship banking and wealth management advice. In turn, three new offices were opened in the Personal Banking segment, for a total of 12 on the national level, thus increasing coverage to provide greater differentiation in service to clients. In addition, the sales force of these segments was certified in commercial excellence, raising their standards in specialized customer service, the securities market and risks.

- Consumer

The year 2015 had the best performance for Consumer lines, in which BBVA was in first place of the Colombian financial sector in Total Consumer; this was an outstanding result considering the country's economic slowdown and the highly competitive environment. In addition, historical records were reached in invoicing, in which the month of September stood out, mainly due to the payroll and consumer lines, which contributed 51.0% and 34.0%, respectively.

These results were achieved in the framework of the Client Plan, which is intended to increase client depth level from the time of enrollment and as a result of the joint efforts of the sales force (Financial Service Network and Reseller), supported by sales strategies, such as the recurring management of pre-approved bases, internal incentive actions, such as the Golden Ball, and the continuous improvement of product functionalities, highlighting the implementation of "Hermes Operationalization", preferential policies and product conditions tailored to user needs, resulting in a better value experience for clients.

- Mortgage

The year 2015 stood out due to BBVA's active role in Government programs, promoting the acquisition of new homes in the country, for which various strategies were promoted to promote the placement of mortgage loans for Low-income Housing (LIH, for the Spanish original - up to 135 minimum monthly salaries) and Priority Interest Housing (VIPA, for the Spanish original - up to 70 minimum monthly salaries).

The performance of Residential Leasing was excellent, positioning BBVA as the third most important actor in this market in which it climbed one position compared to the end of 2014. These results were leveraged by the simplification of processes and the optimization of product response times.

Another major milestone to be highlighted is the incorporation of the Risk-adjusted Return (RAR) in the placement of mortgage loans, which ensures a differential rate based on the characteristics of each client and a better return for the business.

- Means of Payment

In Means of Payment, the Bank is quickly making progress. The credit card balance of nearly $1.5 trillion, with an 18% annual variation and debit and credit card billing in stores for a total of $4.4 trillion, represents a growth of 19% compared to 2014. In addition, the acquisitions business had sales for $3.9 trillion and an average increase of 28.9%. Investments in human resources and knowledge, partner development and technology have been the key to consolidating more than 5 years of sustained growth in Means of Payment with good levels of portfolio quality. Without a doubt, this line of business will continue to be a priority for the development of BBVA Colombia's Retail Banking in the next few years.

- Consumer Finance

BBVA Colombia's performance was much higher than the market's performance in vehicle loans, with an annual variation of 11% in billing compared to the end of 2014. Although the automotive sector dropped 13% in the same period, BBVA was among the top 4 entities in extending this type of loans, with a quota of 10.52% at September 2015 (Banks and Financing Companies). This was achieved thanks to the comprehensive offering that Consumer Finance offers clients based on innovation, technology, an extensive portfolio and specialized service intended to build long-term relations with clients.

Thanks to the sustained profitable growth of the vehicle line, BBVA Consumer Finance is invested in being the financing company of the country's main brands, for which two important partnerships were established in 2015 with Renault and Porsche Colombia, thus strengthening its presence on the national market.

The efforts of 2015 were based on new sales strategies supported by the use of alternative channels to achieve better positioning on the market. Throughout the year, a complete marketing strategy was implemented, in which national fairs were carried out and the first digital BBVA Consumer Finance used vehicle fair was launched, in which the main dealers participated on the national level.

As regards the Other Consumer Business (OCB) line, 2015 was a year for the consolidation of this business model; through the point-of-sale financing option for goods and services, OCB has 4 associated businesses

- SME Segment

In 2015, the SME Segment generated growth in investment with a strategy focused on Agribusiness and Trade. The main growth vectors were Leasing and Agricultural Loans; in this regard, the progress made in the model to generate preliminary approvals was very important and became the generator of new transactions. As regards transaction banking, it was an excellent year in the evolution of collections and acquisitions.

Another achievement that is important to mention is BBVA Colombia's positioning as an example as regards support and differential service for SMEs. In 2015, the Path to Success Platform was launched, which is an evolution of the BBVA SME Award. The SME Training Program was a complement to this platform; it was carried out in a partnership with Universidad de los Andes and brought the classrooms to 170 entrepreneurs in the five major cities. In addition, 468 entrepreneurs accessed the online training programs.

For the first time, the SME Segment launched a potent notoriety campaign with printed presence in the major written media, in addition to a radio spot on the major stations on the national level, in which its main message was "Your SME is no longer alone".

On the level of distribution channels, the second phase of strengthening the external SME sales force was carried out, reaching 30 SME Executives from the major cities: Medellín, Cali, Barranquilla, Bucaramanga and the Coffee-growing Region. Also, an updating process was carried out for 100% of the Business Executives on topics of management model and product, in order to strengthen them for integral and consultative selling of the SME portfolio.

As a result of the efforts in the different segments of commercial banking, it closed 2015 with assets for a total of $24,454 billion, which is a 13% growth due to the dynamics of the lending activity. In turn, the deposits received by this banking segment - client resources closed with a balance of $12,192 billion, which is similar to the previous year's figure.

In addition, commercial banking generated a net benefit of $458 billion in 2015, which represents a 17% increase compared to 2014.

BBVA Colombia's position as a bank that supports and has a differential atention to SMEs is highlighted

Enterprise and Institutional Banking - EIB

EIB banking is in charge of managing the business segment, which is made up of the following segments, enterprises, institutions, transactional services, foreign trade, leasing and factoring

Business Segment

- Enterprise Segment

In 2015, the Enterprise Segment was focused on the economic sectors that are boosting the economy (Construction, Trade, Agribusiness), which was reflected in the outstanding growth of profitable investment, resources and commissions.

The main activities include the construction loan business roundtables carried out in 15 cities of the country, thus leading to a 40.5% growth in this line. As regards the agribusiness sector, BBVA has remained the leading Bank in loan disbursements for this sector.

Finally, during the second half of the year, a significant boost was given to resource management ,which led to a 31% growth in the EIB in this item compared to the previous year.

- Institutional Segment

The Institutional segment is still the main attractor of funds for the Bank. This has been achieved with the permanent, strategic presence in the regions and the offering of a specialized portfolio for the optimal management of public entity finances on the national and regional levels, thus helping collect funds through the General System of Contributions, the General Royalties System and the Regional Pension Fund.

As regards investment, support was provided for Regional Entities in the construction of their infrastructure development plans, holding onto first place in market share among the credit establishments that finance the departments.

The Institutional segment gathers the main resources for BBVA Colombia

Synergy with the Individual Banking segment is still a strategic pillar for the Institutional Segment, becoming the top cross-selling generator of payrolls, consumer and payroll loan portfolios. In turn, as regards the strengthening of clients in this segment, the Cooperative, Chambers of Commerce and Family Compensation Fund sectors were promoted.

Foreign Trade

In 2015, the country faced a 32% devaluation of the Colombian peso, and during the first 11 months of the year, exports dropped 35.1%. However, the area of Foreign Trade had excellent results and BBVA Colombia was consolidated on the market and fulfilled its purposes of "being closer to clients".

Revenue was generated by the placement of buyer credit backed by the Export Credit Agency (ECA). This solution enabled our clients to finance the acquisition of machinery and services abroad in the long-term and at competitive rates, and allowed the bank to obtain reasonable profitability at a reduced risk. Signing these agreements also links BBVA geographies together and generates commercial ties for several years with the client, showing BBVA Colombia as an integrator of Foreign Trade solutions.

BBVA Colombia was the only bank on the market that proactively and in synergy with BBVA Provincial (Venezuela) managed to offer exporting clients a secure form of payment on the Venezuelan market with smooth processes, thus reactivating commercial relations with food, medicine and cleaning production companies, among others, offering support, guidance and excellent service, tackling the client's operation end-to-end in accordance with the guidelines of BBVA's Global Trade Finance (GTF) program.

In 2015, the YUANES transaction product was relaunched. This service is used to wire as well as receive money in said currency, so that our clients have new options to mitigate the exchange risk in their foreign trade transactions.

The Bank is also recognized for training and providing support for companies in their international trade processes; in the Educational Sector with Universities in Bogotá and Medellín and together with entities from the Foreign Sector, such as Bi-national Chambers of Commerce (Colombian-Chinese Chamber, Colombian-Chilean Chamber, Colombian-Indian Chamber), an activity plan was developed in order to be closer to the clients that arrive in Colombia and/or wanted to leave the country to become International.

In 2015, the National Training Tour was carried out for clients on topics of the Exchange System, new provisions of oversight bodies and Comex products. More than 3,000 clients were trained in the country's 10 major cities on topics of international standards. In addition, the training program on Banking products with emphasis on Foreign Trade was designed. This program had a length of 24 hours and the participation of Universidad de los Andes, reinforcing the topic of Innovation for participating companies.

Leasing

During the course of 2015, Leasing BBVA made important deals in the country with the financing of a wide range of goods. It is important to mention the positioning of real estate leasing, which was consolidated as one of the strongest product in this segment, with a share of 50%. This growth is the result of a promotion and notoriety campaign intended to make BBVA a strategic ally of our clients, thus achieving growth for the segment.

There was also significant progress in the inclusion of new services for our clients, such as PSE, the implementation of queries on Net and Net Cash, and first-class service on the Business Hotline.

Leasing BBVA has continued to strengthen its growth strategy based on synergies with its allies and customer service, leveraging itself with the Bank's expansion plan.

Factoring

Factoring has continued to consolidate as an important product in the Company and Business portfolio, leveraging the working capital of companies in Colombia. In 2015, Triangular Line complemented the product portfolio, enabling major companies to find the liquidity they need and the SMEs to finance their inventories in installments.

Billing exceeded $1.5 trillion pesos in 15 Confirming agreements, 25 Triangular Lines and 108 Factoring Payers. The client base has grown by 324 new companies.

The year 2016 will be one of strengthening and the continuous improvement of our products and processes, to continue offering the best alternative on the market in clients' cash flow management.

Transactional Services

In 2015, the EIB and SME segment of Transactional Business Management stood out in items as important as profitability and new resources by increasing their share in commissions of the loan portfolio and invoicing volume. Significant evolution was achieved in high-value client loyalty through training for specialized teams on the national level using the consultant approach, which enables the attainment of new business as well as the strengthening of targeted clients.

As regards participation in new business, the transaction team is known for the attainment of funds by raising cash. In 2015, BBVA Colombia was positioned in profitable business, portfolio evolution and being close to our internal and external clients.

As a result, Enterprise and Institutional Banking closed the year with assets for a total of $18,627 billion, which represents a growth of 28%, mainly due to the performance of its credit investment. In addition, client funds closed with a balance of $12,857 billion for a variation of 31% driven mainly by savings products, which had an annual growth of 38%.

Finally, EIB banking generated a net benefit of $151 billion, for a growth of 52%, as a result of the growth of its business volume.

Corporate and Investment Banking – CIB

Corporate & Investment Banking Colombia faced economic changes as opportunities to create new competitive advantages. To this effect, 2015 was a year of strengthening in terms of transactional products, in which new projects were launched, such as the implementation of Swift, web services and host-to-host, among others. Also, the consolidation of the FX Plan and positive results in the area of BIBEC- Investment Banking for Enterprise Banking, as well as participation in the country's most relevant financing operations, were the pillars to generate a cross-cutting strategy that favored BBVA and positioned it as one of the most relevant banks on the Colombian market.

Global Client Coverage

ANTICIPATION, POSITIONING AND STRENGTHENING

The year 2015 generated positive results in terms of investment, which allowed the consolidation of BBVA's corporate banking with clients. During this year, the Bank took part in one of the Colombian market's most relevant transactions, which was the first hybrid bond issue by Telefónica, where BBVA Colombia acted as the structuring agent. Also, participation in syndicated loans, such as those extended to UNE and Ecopetrol opened new windows of opportunity, including the participation in the Ecopetrol Bond issue planned for next year.

In addition to the transactions mentioned above, corporate banking was the leader in the financing of two of the Colombian market's relevant transactions, which were the acquisition of El Corral Group by Nutresa and the purchase of 4% of Sura Asset Management led by the Sura Group, thus providing comprehensive, cross-cutting service to BBVA clients.

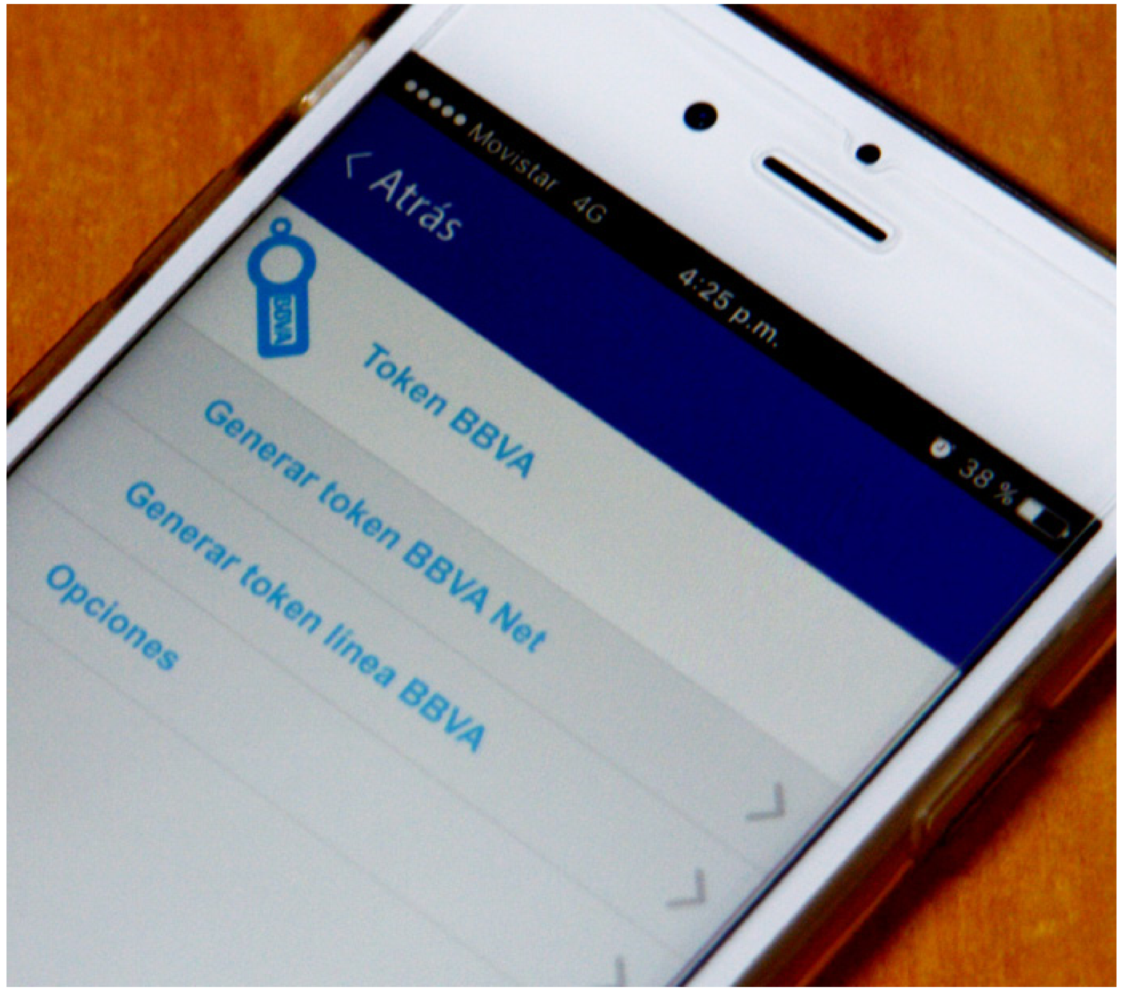
On another note, in 2015, several commercial relations were reestablished with important clients, such as the case of Claro and Éxito, which shows the strength and competence of the team in positioning BBVA Colombia as the first bank for clients.

Investment Banking

THE SITUATION TODAY IS THE OPPORTUNITY OF TOMORROW

In 2015, the area of Investment Banking managed to consolidate its participation on the Colombian market and was recognized for its great capacity in terms of work and leadership in projects with the country's major companies, by participating in significant operations for Colombia. To this effect, it was a historical year for the area, as it closed four M&A (merger and acquisition) operations in 2015.

As regards Corporate Finance, the effort focused on the corporate segment and BIBEC bore its first fruits with the closing of four relevant transactions for the activity in Colombia. In this area, the operations involved in the activity for BIBEC clients were: advice for Puentes y Torones shareholders for the sale of 70% of their holding to Eiffage, and financial advice for EPCE (Empresa Pública Cementera de Ecuador) to be a strategic partner of UCEM (Unión Cementera Nacional del Ecuador). In the activity with corporate clients, it is important to highlight two fairness opinions on significant operations on the Colombian market



Global Finance

As regards Corporate Lending, the area was focused on anticipating relevant operations for the Colombian market in 2015, achieving outstanding participation in most of the country's relevant transactions, such as the Club Deal of Ecopetrol for USD 1.9 trillion, in which BBVA took part with USD 250 million, the USD 50 million loan for Alpina, the Tigo-Une bilateral loan for corporate purposes for $660 billion, and the ISA bilateral loan for $250 billion.

In addition, one of the challenges for the area was to develop strategies to maintain the loan portfolio and deal with the decisions made by the Central Bank of Colombia regarding the increase in the intervention rate, which could result in early payments of the investment, for which the area designed several actions in line with the commercial plan, whose main objective was to generate the dispersion of the asset in non-recurring clients.

BBVA Colombia's Project Finance team worked on the Regiotram project with Conconcreto for the construction and operation of two lines of urban transportation in the tram category. This project will carry on with the structuring study under the administration of the new mayor and project sponsors. Finally, the team is working on the structuring of the 4G - BBY (Bucaramanga, Barrancabermeja and Yondó) project and the financing of new projects.

Global Transactional Banking

CROSS-CUTTING, STRENGTHENING AND DISPERSION AS THE BASIS OF TRANSACTIONAL ACTIVITY

The year 2015 was a positive one for the area of Global Transactional Banking despite the economic conditions which led to a second half of 2015 in which transaction spread and liquidity narrowed. In spite of this circumstance and thanks to the various strategies implemented throughout the year, the effects were mitigated and there were positive milestones for the area, such as: four RFPs (Requests for Proposals) awarded by clients such as Sealed Air, Daimler, Decathlon, Interquim, in addition to six RFPs implemented with Sodimac, Cinépolis, Mary Kay, General Motors, Jerónimo Martins and Cemex.

The strengthening of products and the diversification thereof, led to the continuous and sustained growth of GTB. Also, the efforts made during the year generated a positive impact on client relations, by strengthening dialog and generating a larger volume of cross-selling and strategic business for BBVA Colombia. The unit now has the following among its most important client companies: EPM, Nutresa, Nestlé, Femsa and Argos.

Global Markets

CONSOLIDATION AS A TOOL IN A VOLATILE ENVIRONMENT

To Global Markets, the year 2015 was a challenging period due to the complex economic environment, which caused the internal equity, fixed income and exchange markets to show high volatility.

Despite the situation, Global Markets has held up as an important unit of corporate banking thanks to the timely management of USD/COP volatility, liquidity and market movements with strategic positions in different products. Also, the unit became a relevant partner for clients through consolidation, assistance and customized financial advice for the structuring of hedging instruments in order for them to minimize the different risks and cope with the market movements.

In line with the strategic plan and taking advantage of the new transaction platforms, as well as BBVA's global nature, it strengthened the FX product locally as well as in Latin America in 2015, resulting in better dynamics in the structuring of interest rate swaps with Commercial Banking clients and Financial Institutions.

Global Internal Networks

SYNERGY AS A TOOL FOR SUSTAINED GROWTH

The year 2015 has meant great evolution for Global Internal Networks - GIN due to the diversification and synergies in commercial banking and EIB through BIBEC (Corporate and Business Investment Banking) and Redes, thus improving positioning with clients and the consolidation of products.

Redes: 2015 was a positive year in quantitative and qualitative terms. Redes became one of the main partners of the banking system in relation to the contribution in the commissions account, with a sustained growth in which the increased business of FX spot stands out.

There was also significant progress in the development of the Rates product, and among the positive aspects being reaped after several years of work, it is important to mention: i) Recurrence of business, ii) dispersion of the concentration of transactions, iii) Increase in the number of network operators that manage to square trades, and iv) Growth of results by banking.

BIBEC: 2015 was a challenging year for the unit, which ended with positive results in terms of portfolio. On another note, it is important to mention the completion of two M&A transactions that generated relevant fees for the bank.

With regard to the achievements in BIBEC, in 2015 it took part in the origination and execution of 12% of the profitable investment of the total EIB placed, there was significant growth of the fees generated and an increase in recurrence in structured bilateral trades. In relation to the unit's cross-selling, BIBEC generated returns on its placed portfolio, which amounted to $2,000 M, which represent more than 50% of the total business returns from rates in networks and a franchise growth of more than 200% compared to the previous year; as regards business capillarity, by the end of the year, there were 11 offices vs. 7 from the previous year.

It is also important to point out that BIBEC is an area that has fueled the Investment Banking business. In 2015, four ventures were carried out in Corporate Finance, one in Structured Lending, one in Leveraged Buyout and five structured bilateral trades. This unit has made Corporate Banking a tool that strengthens relations with clients and value-added products; it has also provided the business with a specialty.

As a result of the steps taken by CIB, it ended the year with assets for a total of $10.867 billion, for a growth of 67% and a credit investment of almost $4.6 trillion. In addition, client resources ended the year with a balance of $1,707 billion, which is a variation of 14%.

This banking generated a net profit of $139 billion for the year, recording a growth of 3% compared to the previous year.

Assets and Liabilities Committee (COAP, for the Spanish original)

COAP is the banking responsible for managing the portfolio of investments available for sale and held-to-maturity; in addition, it manages the bank's liquidity by attracting wholesaler funds.

It also provides internal transfer prices (Domestic Deposits), which apply to the active and passive funds of the different banking industries. Accordingly, profitability for the business areas is generated by the difference between the funding rate (Domestic Deposit) and the placement or attraction rate contracted with clients.

At the end of December 2015, the COAP securities portfolio amounted to $2.206 billion and funds for a total of $11.231 billion, $8.7 trillion of which are term deposit certificates of wholesale clients and $2.5 trillion are bonds, which include the bond issue on the international market.

Other Segments

The banking industries other than those mentioned above are grouped in other segments, including the core areas and complementary areas.

Allocation of operating expenses:

In relation to the accounting of BBVA Colombia's direct and indirect expenses, they are recorded in each of the cost centers generating said expenses; however, if there are any items affecting the cost centers of core areas after this distribution, they are distributed to the banking industries using the apportionment line, in accordance with the distribution criteria established by the business areas of the Bank's general management.

Cross-selling:

When two business areas interfere in the sale or placement of the bank's products, the accounting record of the profit from the transaction is made in just one area in order to avoid duplication. However, the bank has cross-selling agreements through which the return generated by said sales is analyzed and the percentage to be paid to the banking or business area that arranged the cross-selling is established, decreasing by the same value the return of the other bank in which the profit was initially recorded, using the bank's offsetting accounts.

Year 2015

Billion $	Total Bank	Commercial Banking	EIB	CIB	COAP	Other
Cash and Central Banks	$ 4.626	$ 1.419	$ 2	$ 2	$ 2.900	$ 304
Financial Intermediaries	1.711	11	9.943	2.029	8.958	(19.230)
Securities Portfolio	6.264	-	-	4.057	2.206	1
Net Credit Investment	35.858	22.687	8.590	4.590	-	(9)
• Consumer	9.947	9.944	1	-	-	2
• Credit Cards	1.470	1.470	-	-	-	-
• Mortgage	8.071	8.071	-	-	-	-
• Corporate	16.282	2.951	8.686	4.645	-	-
• Other	88	252	(98)	(55)	-	(11)
Net Fixed Assets	1.004	98	2	2	-	901
Other Assets	720	239	90	186	(3)	208
Total Assets	**50.183**	**24.454**	**18.627**	**10.867**	**14.061**	**(17.825)**
Financial Intermediaries	5.482	11.313	5.597	7.823	-	(19.251)
Client Resources	37.968	12.192	12.857	1.707	11.213	(1)
• Checking	5.148	2.979	1.805	366	-	(2)
• Savings	19.385	7.322	10.721	1.341	-	1
• Term Deposit Certificates	10.968	1.891	331	-	8.746	-
• Bonds	2.467	-	-	-	2.467	-
Other Liabilities	6.146	491	22	1.197	2.920	1.516
Income	604	458	151	139	(55)	(89)
Total Liabilities	**$ 50.200**	**$ 24.454**	**$ 18.627**	**$ 10.867**	**$ 14.077**	**$ (17.825)**

Note: Grouping according to Financial Planning and Management, Exact Balance at Dec.

Year 2014

Billion $	Total Bank	Commercial Banking	EIB	CIB	COAP	Other
Cash and Central Banks	$ 2.455	$ 1.338	$ 5	$ 1	$ 832	$ 279
Financial Intermediaries	607	-	7.566	(1.632)	9.408	(14.734)
Securities Portfolio	6.722	-	-	4.559	2.162	1
Net Credit Investment	30.229	19.976	6.892	3.355	-	5
• Consumer	8.483	8.470	-	-	-	13
• Credit Cards	1.251	1.253	-	-	-	(2)
• Mortgage	7.173	7.173	-	-	-	-
• Corporate	13.237	2.869	6.977	3.391	-	-
• Other	84	211	(85)	(36)	-	(6)
Net Fixed Assets	1.008	99	2	4	-	903
Other Assets	761	228	71	219	(2)	282
Total Assets	**41.782**	**21.641**	**14.536**	**6.506**	**12.399**	**(13.264)**
Financial Intermediaries	2.339	8.468	4.526	3.866	-	(14.521)
Client Resources	33.267	12.310	9.786	1.496	9.695	(19)
• Checking	5.036	3.222	1.570	264	-	(20)
• Savings	16.221	7.203	7.790	1.228	-	-
• Term Deposit Certificates	10.708	1.885	426	4	8.393	-
• Bonds	1.302	-	-	-	1.302	-
Other Liabilities	5.573	472	125	1.008	2.650	1.319
Income	602	392	100	135	49	(73)
Total Liabilities	**$ 41.781**	**$ 21.641**	**$ 14.536**	**$ 6.506**	**$ 12.393**	**$ (13.295)**

Note: Grouping according to Financial Planning and Management, Exact Balance at Dec.

At December 2015, the banking industries that concentrate to a greater extent the assets of the bank are the commercial and the EIB with 48.7% and 37.1% respectively, while IBC does so with 21.6%.

The Cash and Central Bank and Financial Intermediaries Accounts recorded growths of 88% and 182% respectively, explained by the increase in deposits in the Central Bank of Colombia due to the higher volume of client resources.

The net credit portfolio grew 19%, driven by the dynamics of the corporate loan portfolio in EIB 25% and CIB 37%, while the credit investment of commercial banking grew 14%. In addition, Total Assets showed a growth of 20% in which CIB stood out with an annual variation of 67% thanks to the performance of the credit investment.

Passive financial intermediaries grew 134% due to the higher volume of repos and interbank transactions taken by Treasury, an area added to CIB. In relation to raising client resources through demand and savings products, they are raised by Commercial, EIB and CIB banking with shares of 32.11%, 33.9% and 4.5%, respectively. In turn, the COAP has a share of 30% since it raises resources from corporate clients through term deposit certificates and subordinated bond deposits.

Below are the detailed results and the main items of the consolidated income accounts for the years 2015 and 2014 by business segments:

Year 2015

Cum. Billion $	Total Bank	Commercial Banking	EIB	CIB	COAP	Other
Interest Margin	$ 2.091	$ 1.654	$ 327	$ 138	$ 27	$ (55)
• Net Commissions	295	309	30	61	(4)	(100)
• IFO	213	41	15	93	63	-
• Other Net Ord Inc	(83)	(7)	-	-	(85)	9
Gross Margin	2.516	1.997	372	291	1	(146)
• Admin Overhead	(963)	(640)	(50)	(45)	(18)	(211)
- Personnel Expenses	(469)	(257)	(25)	(27)	(1)	(159)
- Overhead	(401)	(328)	(17)	(10)	(2)	(45)
- Taxes	(93)	(54)	(8)	(8)	(15)	(7)
• Amortizations	(67)	(20)	-	(2)	-	(45)
• Apportionment of Expenses	-	(179)	(45)	(19)	(8)	251
Net Margin	1.486	1.158	276	226	(24)	(150)
• Asset Impairment Loss	(527)	(464)	(46)	(15)	-	(2)
• Other Non-ordinary Gains/ Losses	2	(1)	(1)	-	-	4
PBT	964	693	229	211	(24)	(145)
• Corporate Tax	(360)	(236)	(78)	(72)	(31)	56
PAT	$ 604	$ 458	$ 151	$ 139	$ (55)	$ (89)

Note: Grouping according to Financial Planning and Management, Accumulated Balances.

Year 2014

Cum. Billion $	Total Bank	Commercial Banking	EIB	CIB	COAP	Other
Interest Margin	$ 1.936	$ 1.452	$ 243	$ 118	$ 163	$ (41)
• Net Commissions	287	296	21	63	(6)	(87)
• IFO	137	37	20	91	4	(15)
• Other Net Ord Inc	(71)	(5)	-	-	(70)	5
Gross Margin	2.290	1.780	284	272	91	(138)
• Admin Overhead	(929)	(599)	(46)	(42)	(15)	(226)
- Personnel Expenses	(477)	(249)	(22)	(26)	(1)	(178)
- Overhead	(379)	(308)	(16)	(10)	(1)	(44)
- Taxes	(73)	(41)	(7)	(7)	(13)	(4)
• Amortizations	(62)	(22)	(1)	(2)	-	(37)
• Apportionment of Expenses	-	(185)	(47)	(19)	(6)	257
Net Margin	1.299	975	191	208	70	(145)
• Asset Impairment Loss	(419)	(379)	(40)	(4)	5	(2)
• Other Non-ordinary Gains/ Losses	-	-	-	-	-	1
PBT	866	594	151	205	75	(158)
• Corporate Tax	(264)	(202)	(51)	(70)	(26)	85
PAT	$ 602	$ 392	$ 100	$ 135	$ 49	$ (73)

Note: Grouping according to Financial Planning and Management, Accumulated Balances.

With regards to the statement of income, an analysis by banking shows that commercial banking has the highest share at 76%, followed by EIB at 25% and CIB at 23%.

In turn, the bank's interest margin showed a growth of 7.98% year-over-year, where EIB was the highest with a growth of 34.4% due to the growth in RLIs, CIB at 16.8% and Commercial Banking at 13.9%. The bank's gross margin grew 9.88% compared to 2014, where EIB shows good performance at 31.07%, Corporate Banking at 12.1% and CIB at 7.2%.

The bank's overhead grew 3.69%, where the area of COAP recorded the highest growth at 14.5% due to the expenses incurred from the ratings required for the subordinated bond issue in 2015, followed by EIB at 9.7% and Commercial Banking at 6.77%.

Finally, the bank's profit after tax showed a slight increase of 0.3%, where EIB stood out with a growth of 51.8%, Corporate banking at 16.8% and CIB at 3.2%.

7. Maturity of assets and/or expiration of liabilities

Credit portfolio – The periodical amortization of principal and interest of each obligation, as contractually agreed with the client is taken into account for the maturity of the credit portfolio. The maturity process is conducted in only one stage, classifying the portfolio into commercial, consumer, housing (mortgage) and microcredits, and they are evaluated separately for local currency, foreign currency and total currency.

Investments - The maturity of the principal and interest of investments in marketable fixed-yield debt securities held-to-maturity is classified in the time periods defined by the Superintendence, taking into account the financial conditions of each security. The investments portfolio includes securities issued by the Nation and, to a lesser extent, private debt securities, with an average maturing in excess of 12 months, which mainly correspond to TES, TCO, and term deposit certificates.

Deposits and financial claims - The maturity of savings deposits and current accounts is statistically carried out with a 95% confidence level, determining volatile resources and stable resources. Fixed term term deposit certificates mature according to the conditions agreed with the client.

Below is the maturity of the Group's main assets and liabilities

Year 2015 - Assets

Concept	Years				Total
	0-1	1 - 3	3 - 5	Más de 5	
Cash and deposits in banks	$ 5.436.131	$ -	$ -	$ -	$ 5.436.131
Money market operations	909.177	-	-	-	909.177
Fair value investments through profit or loss	2.449.981	339.090	3.568	106.667	2.899.306
Amortized cost investments through profit or loss	569.898	-	-	-	569.898
Investments at amortized cost (1)	259.351	646.913	-	524.029	1.430.293
Investments in subsidiaries, associates and joint arrangements	-	-	-	110.901	110.901
Commercial loans (2)	5.767.320	4.591.015	2.737.642	3.218.931	16.314.908
Consumer loans (2)	4.256.447	3.388.300	2.020.458	2.375.663	12.040.868
Mortgage loans (2)	3.026.251	2.409.016	1.436.506	1.689.050	8.560.823
Employee loans and microcredits (2)	48.711	38.776	23.122	27.187	137.796
Accounts receivable for loans (3)	303.996	-	-	-	303.996
Other accounts receivable for loans	9.308	-	-	-	9.308
Property, plant and equipment, net	-	-	-	753.130	753.130
Total maturity of assets	**$ 23.036.571**	**$ 11.413.110**	**$ 6.221.296**	**$ 8.805.558**	**$ 49.476.535**

(1) Does not include provision for $3,507

(2) The total loan portfolio and leasing operations,

(3) Does not include provision for $998,497 Does not include Accounts Receivable provision for $23,192

Año 2015 - Liabilities

Concept	Years				Total
	0-1	1 - 3	3 - 5	Más de 5	
Current Accounts	$ 1.530.808	$ 1.432.046	$ 691.333	$ 1.283.904	$ 4.938.091
Term Deposit Certificates	3.425.206	3.204.225	1.546.867	2.872.754	11.049.053
Savings deposits, single deposits, special savings accounts and real value savings certificates	6.070.239	5.678.611	2.741.398	5.091.168	19.581.417
Current liabilities for banking services	382.690	-	-	-	382.690
Money market and related operations	3.877.977	-	-	-	3.877.977
Bank credits and other financial obligations	1.115.481	139.944	-	342.753	1.598.178
Accounts payable on interest	6.279	-	-	-	6.279
Outstanding investment securities	-	391.050	106.000	1.991.501	2.488.551
Provisions	12.078	9.058	6.039	123.795	150.969
Dividends payable	47.672	-	-	-	47.672
Other accounts payable	464.203	44.742	11.186	39.150	559.281
Total maturity of liabilities	**$ 16.932.634**	**$ 10.899.677**	**$ 5.102.823**	**$ 11.745.024**	**$ 44.680.158**

Año 2014 - Assets

Concept	Years				Total
	0-1	1 - 3	3 - 5	Más de 5	
Cash and deposits in banks	$ 2.601.315	$ -	$ -	$ -	$ 2.601.315
Money market operations	469.842	-	-	-	469.842
Fair value investments through profit or loss	1.824.185	1.842.532	11.195	94.384	3.772.296
Amortized cost investments through profit or loss	749.479	3.118	-	-	752.597
Investments at amortized cost (1)	699.083	150.800	30.415	328.095	1.208.393
Investments in subsidiaries, associates and joint arrangements (2)	-	-	-	150.657	150.657
Commercial loans (3)	2.248.391	2.116.133	2.380.650	6.480.657	13.225.831
Consumer loans (3)	1.636.990	1.739.302	1.841.614	5.013.282	10.231.187
Mortgage loans (3)	1.215.427	1.291.391	1.367.355	3.722.245	7.596.418
Employee loans and microcredits (3)	21.228	22.555	23.882	65.011	132.675
Leasing operations (3)	-	-	-	-	-
Accounts receivable for loans (4)	260.681	-	-	-	260.681
Other accounts receivable for loans	11.615	-	-	-	11.615
Property, plant and equipment, net	-	-	-	769.850	769.850
Total maturity of assets	**$ 11.738.236**	**$ 7.165.831**	**$ 5.655.110**	**$ 16.624.180**	**$ 41.183.357**

(1) Does not include provision for $3,496

(2) Does not include provision for $20

(3) The total loan portfolio and leasing operations, Does not include provision for $800,882

(4) Does not include Accounts Receivable provision for $17,887

Año 2014 - Liabilities

Concept	Years				Total
	0-1	1 - 3	3 - 5	Más de 5	
Current accounts	1.473.280	1.424.171	687.531	1.325.952	4.910.934
Term Deposit Certificates	3.199.691	3.093.034	1.493.189	2.879.722	10.665.636
Savings deposits, single deposits, special savings accounts and real value savings certificates	4.903.534	4.740.082	2.288.316	4.413.180	16.345.112
Current liabilities for banking services	382.690	-	-	-	382.690
Money market operations	1.311.234	-	-	-	1.311.234
Bank credits and other obligations	754.286	105.588	-	170.420	1.030.294
Interest payable	7.792	-	-	-	7.792
Outstanding investment securities	33.600	134.050	257.000	877.000	1.301.650
Provisions	12.914	9.685	6.457	132.366	161.422
Dividends payable	40.914	-	-	-	40.914
Other liability accounts	429.674	41.414	10.354	36.238	517.679
Total maturity of liabilities	**12.549.608**	**9.548.025**	**4.742.846**	**9.834.878**	**36.675.357**

8. Foreign currency transactions

At December 31, 2015 and 2014, the balances of the position equivalent to US Dollars is as follows:

Position	December 31 2015	December 31 2014	January 1 2014
Own cash	USD$ 340.883.205	USD$ 335.500.485	USD$ 404.955.572
Own	108.550.751	5.906.231	14.454.082
Gross leverage	6.764.455.548	6.654.152.290	5.942.401.421

These values are within the legal limits in force and effect established by the Superintendence.

At December 31, 2015, the breakdown of foreign-currency assets and liabilities, equivalent to US Dollars is as follows:

December 31 2015	December 31 2014	January 11 2014	January 1 2014
Assets:			
• Cash and deposits in banks	USD$ 255.383.871	USD $ 58.129.487	USD $ 80.650.141
• Loan portfolio and financial lease transactions	492.629.479	570.695.018	676.514.842
• Cash transactions and derivative instruments	3.896.748.962	3.037.254.354	3.111.956.417
• Financial Instruments - Accounts Receivable	48.024.191	6.931.424	3.226.001
• Other Assets	133.104	70.736.491	847.772
• Options Delta	4.278.466	289.124.379	5.744.459
	USD$ 4.697.198.073	**USD$ 4.032.871.153**	**USD$ 3.878.939.632**
Liabilities:			
• Financial Instruments at Amortized Cost	USD$ 427.684.392	USD $ 31.897.641	USD $ 52.346.737
• Cash transactions and derivative instruments	3.809.347.872	3.377.893.398	3.480.864.809
• Bank credits and other financial obligations	341.760.209	310.202.557	323.092.148
• Accounts payable	5.076.068	17.401.417	1.442.200
• Other liabilities	507.051	459.728	994.129
• Options Delta	4.278.466	289.108.961	5.744.459
	USD$ 4.588.654.058	**USD$ 4.026.963.702**	**USD$ 3.864.484.482**
Net asset position in foreign currency	USD $ 108.544.015	USD $ 5.907.451	USD$ 14.455.150

Exchange differences

The functional and presentation currency of the Group's financial statements is the Colombian peso, known as COP; foreign currency transactions and balances are translated at the official exchange rate regulated by the Central Bank of Colombia and supervised by the Colombian Financial Superintendence (SFC, for the Spanish original).

The official exchange rates for the years 2015 and 2014 were:

Position	December 31 2015	December 31 2014	January 1 2014
OER	$ 3149.47	$ 2,392.46	$ 1,926.83

The exchange difference is reflected in the statement of income in revenue and expenses, as a result of the payment of transactions in currencies other than the functional currency and the translation at the exchange rates in force.

At December 31, 2015 and 2014, the details of the exchange difference in income are as follows:

Position	December 31 2015	December 31 2014	January 1 2014
Operating Revenue - Exchange Gain	$ 819.355	$ 509.019	$ 575.160
Operating Expenses - Exchange Loss	(477.570)	(159.811)	(447.004)
Net Gain (Loss)	**$ 341.785**	**$ 349.208**	**$ 128.156**

9. Cash and deposits in banks

At December 31, the balance of this account was broken down as follows:

Concept	December 31 2015	December 31 2014	January 1 2014
Legal tender in Colombian pesos:			
• Cash	1,743,385	$ 1,685,226	$ 1,404,992
• Deposits in the Central Bank	2,880,528	768,139	856,189
• Deposits in other banks	5,203	7,761	1,468
• Remittances in transit of negotiated checks	2,691	1,117	3,732
Subtotal cash and deposits in banks Legal Tender	**4,631,807**	**2,462,243**	**2,266,381**
Foreign currency:			
• Cash	2,519	1,492	1,058
• Deposits in the Central Bank (1)	-	340	274
• Foreign correspondents	801,805	137,24	153,996
• Remittances in transit of foreign negotiated checks	-	-	71
Subtotal cash and deposits in banks Foreign Currency	**804,324**	**139,072**	**155,399**
Total cash and deposits in banks	5.436.131	2.601.315	2.421.780
Money market and related operations	**909,177**	**469,842**	**99,5**
Total cash and cash equivalents	**$ 6,345,308**	**$ 3,071,157**	**$ 2,521,280**

(1) Between 2015 and 2014, active simultaneous transactions conducted with the Central Bank decreased their share with respect to the total simultaneous transactions, going from 75.63% in 2013 to 78.70% in 2014, and 58.56% for 2015.

At December 31, the balance of money market and related operations was broken down as follows:

Description	Rate	31 Dec 15	Rate	31 Dec 14	Rate	1 Jan 2014
Transfer commitments in closed repo transactions:						
• Banks	3,41%	40.013		$ -	3,80%	$ 10.005
• Total transfer commitments		40.013		-		10.005
• Transfer commitments in simultaneous transactions:	4,49%	869.164	4.51%	469.842	2,03%	89.495
Total simultaneous transactions		**869.164**		**469.842**		**89.495**
Total active transactions		**$ 909.177**		**$ 469.842**		**$ 99.500**

The Group classifies cash, deposits in banks (including the Central Bank), exchange checks and remittances in transit as cash; to do so, the following criteria were taken into account:

- It must meet the definition of assets
- It must be likely that any economic benefit associated with the item will be received by the entity
- The amount can be reliably measured.

The entity classifies money market operation investments, such as interbank funds, swap transactions and overnight investments as cash equivalents, for which the following criteria were validated:

- Short-term high liquidity investments.
- Easily convertible into determined amounts of cash
- They are subject to insignificant risk of changes in value

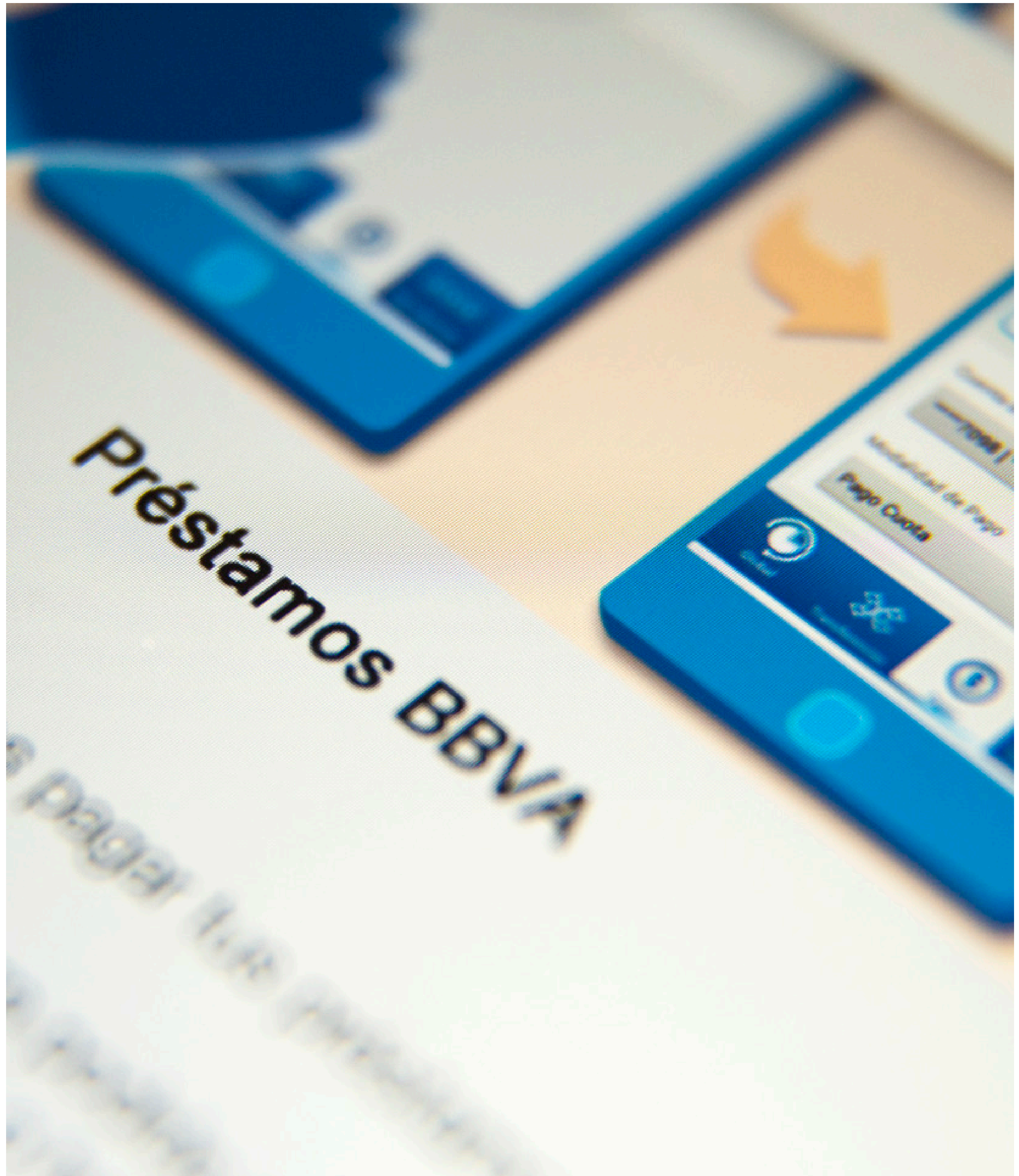
Cash restrictions - At December 31, 2015, 2014 and 2013, there was restriction on the use of the cash and deposits in the Central Bank amounting to $2,869,588, $2,512,726 and $2,394,678, respectively. The restriction, which is determined according to the cash reserve standards set by the Central Bank's Board of Directors, is based upon percentages of the average deposits held in the Bank by its clients.

The currencies in which there are accounts in foreign banks are: US Dollar, Euro, British Pound, Canadian Dollar, Swiss Franc, Japanese Yen, Swedish Krona, Renminbi and Mexican Peso. At December 31, 2015, there were 535 items pending reconciliation vs. 359 items reported at December 31, 2014 as a consequence of an increase in the items generated by commissions and checks drawn in foreign currency.

Transfers - At December 31, 2015 and 2014 there were items denominated in foreign currency over 90 days past due, on which the Bank had created the respective provisions in the applicable items, as detailed below:

Moneda extranjera	december 31 2015		december 31 2014		january 1 2014	Value Provision
	Number Outstanding Items	Value Provision	Number Outstanding Items	Value Provision	Number Outstanding Items	
Citibank New York	2	1	2	3	3	64
BBVA Madrid	-	-	3	13	5	74
Bank of América	-	-	1	2	1	1
Wachovia	1	9	-	-	-	-
Barclays	1	1	-	-	-	-
Total M.E. (1)	**4**	**$11**	**6**	**$18**	**9**	**$139**

(1) The decrease in cash on hand provision between 2015 and 2014, is mainly represented in write-offs of the correspondent bank accounts of February 2015 amounting to $7 M according to Minutes No. 16001 issued by the entity's Board of Directors on December 22, 2014



10. Investments

At December 31, the balance of this account was broken down as follows:

Descripción	December 31 2015	December 31 2014	January 1 2014
At fair value through profit or loss			
Treasury Securities - TES	$ 366.476	$ 2.124.099	$ 2.808.420
Other securities issued by the National Government	14.604	28.468	110
Other domestic issuers - Equity instruments	32.694	31.784	30.449
Other domestic issuers - Debt securities	742.842	1.059.834	695.876
Total investments at fair value through profit or loss	**1.156.616**	**3.244.185**	**3.534.855**
At fair value through profit or loss provided in money market operations			
Treasury Securities - TES	1.568.530	523.187	-
Other domestic issuers	100	4.926	26
Total investments at fair value through profit or loss provided in Money Market operations	1.568.630	528.113	26
At fair value through profit or loss provided as collateral in transactions			
Treasury Securities - TES	174.060	-	9.648
Total investments at fair value through profit or loss provided as collateral in transactions	**174.060**	-	**9.648**
At amortized cost			
Treasury Securities - TES	1.196.700	1.089.128	860.941
Other securities issued by the National Government	12	39	382.275
Other domestic issuers - Equity instruments	**2.841**	**973**	**988**
Other domestic issuers - Debt instruments	230.739	118.253	102.694
Total investments at amortized cost	1.430.292	1.208.393	1.346.898
At amortized cost through profit or loss provided in money market operations			
Other securities issued by the National Government	569.898	700.609	331.881
Total investments at amortized cost	**569.898**	**700.609**	**331.881**
At amortized cost through profit or loss provided as collateral in transactions			
Treasury Securities - TES	-	51.988	97.836
Total investments at amortized cost	-	**51.988**	**97.836**
Impairment of investments in debt instruments	(3.507)	(3.496)	(8.019)
Investments in subsidiaries, associates and joint arrangements	-	6.987	6.987
Others	110.901	143.670	144.807
Total investments at amortized costs	110.901	150.657	151.794
Impairment of investments in subsidiaries and joint arrangements		(20)	(20)
Total Investments	**$ 5.006.891**	**$ 5.880.427**	**$ 5.464.899**

- The variation of treasury securities (TES) between the periods of 2015, December 31, 2014 and January 1, 2014 is due to the sale of these securities.

  The variation of securities issued by financial institutions is due to the purchase of term deposit certificates - IBR in 2014.

  The variation in marketable investment transfer rights in debt securities is due to the purchase of securities in 2014 (TES - fixed-rate).

  The purchase - sale of marketable securities for speculative purposes is carried out due to the nature of the business as part of the liquidity management activities to cover liquidity needs in portfolio placement activities and to cover the bank's liquidity surplus.

- In May 2014, treasury securities matured for a total of $487,307 and agricultural development securities matured for a total of $50,898. In 2015, agricultural development securities (TDA, for the Spanish original) were purchased for a total of $561,922.

- The variation between 2014 and 2015 for the securities issued by domestic issuers was due to the sale thereof for a total of $323,850.

- For investments classified as controlled holdings, among which there are BBVA Fiduciaria and BBVA Valores, they are valued using the Equity Method for the years 2014 and 2015. The perimeter corresponding to Investments has been taken into consideration, based on the obligation described in Law 222 / 1995.

  In the case of investments classified as non-controlled holdings, they are valued in accordance with their marketability ratio on the valuation date, considering the equity variations subsequent to the acquisition of the investment. To this effect, the variation in the issuer's equity are calculated based on the latest certified financial statements.

- In January 2015, the share in Promotora de Inversiones del Café was sold for $35; it was 100% provisioned for a total of $20, with a profit of $15.

- In March 2015, the Bank sold its share in Almagrario for a total of $29,098 with a profit of $22,111.

- During the month of October, 9,088,001 shares in Cámara de Compensación de Divisas were acquired for $26 each.

- In December 2015, 71,179,954 shares in Cámara de Riesgo Central de la Contraparte were acquired for $149 each.

Risk Management: the process is based on the guidelines designed by Senior Management, consistent with the general guidelines for management and administration approved by the Board of Directors. The bank has the Credit and Treasury Risk Committee that meets on a recurring basis to discuss, measure, control and analyze credit risk management (SARC, for the Spanish original) and treasury risk management (SARM, for the Spanish original).

Also, there is the Technical Assets and Liabilities Committee, which makes decisions regarding asset, liability and liquidity management through the Liquidity Risk Management System (SARL, for the

Spanish original); in terms of the analysis and monitoring of the Business Continuity and Operating Risk Management System (SARO-PCN, for the Spanish original), this is the role of the Board of Directors' Audit Committee.

a) *Credit risk:* The Bank assumes credit risk on two fronts on a daily basis: credit activity, which includes commercial, consumer, mortgage and microcredit transactions, and treasury activity, which includes interbank transactions, investment portfolio management, transactions with derivatives and currency trading, among others.

b) *Market risk i*s the potential loss faced by the Bank as a result of adverse movements in market rates or prices, such as interest rates, exchange rates and other factors that affect the value of the products in which the Bank operates. The market risk management system (SARM) enables the Bank to identify, measure, control and monitor the market risk to which it is exposed, based on the positions taken in conducting its business.

c) *Liquidity Risk: t*he Bank measures the volatility and/or stability of deposits, levels of debt, the structure of assets and liabilities, the degree of liquidity of its assets, the availability of financing lines and the overall effectiveness of asset and liability management through statistical analysis, in order to maintain sufficient liquidity to deal with its own or systemic stress scenarios. The quantification of the funds obtained on the money market is an integral part of the Bank's liquidity measurement; the availability of resources is monitored on a daily basis, not only to meet the cash reserve requirements but also to foresee and/or anticipate possible changes in the entity's liquidity risk profile and be able to make strategic decisions accordingly. To this effect, the Bank has liquidity warning indicators to establish and determine its current scenario, as well as the strategies to be followed in each case.

Nature and scope of the risks arising from financial instruments

a) *Interest rate* The treasury portfolios are exposed to this risk when their value depends on the level of certain interest rates on the financial market.

b) *Exchange rate* The banking book and the trading book are exposed to this risk when their values and transactions depend on the exchange between currencies on the financial market.

Methods used to measure risk: The Bank uses the standard model for risk measurement, control and management; it also uses tools to determine limits for negotiating positions and to revise positions and strategies quickly as the market conditions change.

The methodologies used to measure VaR are assessed on a periodic basis and backtested to determine their effectiveness. In addition, the Bank has tools to conduct stress and/or sensitivity tests on portfolios under the simulation of extreme scenarios.

ISSUER	TERM DEPOSIT CERTIFICATE	TDA	TES	TIPS	TRD
Banco de Bogotá	BBB	-	-	-	-
Banco Popular	BBB-	-	-	-	-
Bancolombia S.A.	BBB	-	-	-	-
BBVA	BBB-	-	-	-	-
Corp. Finan. Colombiana	BBB	-	-	-	-
DTN Gobierno Nacional (No Tes)	-	-	-	-	BBB
DTN Gobierno Nacional (Tes)	-	-	BBB	-	-
FINAGRO	-	BBB	-	-	-
Titularizadora Colombiana	-	-	-	Unclassified	-

For the year 2015, the non-controlled entities declared dividends as follows:

Entity	2015			2014		
	Shares	Cash	Total	Shares	Cash	Total
Finagro	$ 5.717	$ -	$ 5.717	$ 6.199	$ -	$ 6.199
Deceval	-	3.392	3.392	-	3.343	3.343
ACH Colombia	-	451	451	-	268	268
Redeban	-	201	201	-	-	-
Cámara de Compensación	-	35	35	-	22	22
Inca	-	-	-	-	101	101
Cifin	798	532	1.330	1.156	768	1.924
Total Received	**6.515**	**$ 4.611**	**$ 11.126**	**$ 7.355**	**$ 4.502**	**$ 11.857**

The investment portfolio at December 31, 2015 was comprised as follows:

Composición de la Cartera de Títulos por Título al corte del Año 2015 (en Millones de Pesos)							
Class of Security	Investments at fair value through profit or loss		At amortized cost through profit or loss		At amortized cost		Overall Total
	Amount	%	Amount	%	Amount	%	Amount
Straight bonds	$ 14.603	1%	$ -	$	-	-	$ 14.603
Term Deposit Certificates	742.942	25,62%	-	-	195.114	13,57%	938.056
TIPS	-	-	-	-	35.625	2,48%	35.625
TRD	-	-	-	-	7.988	0,56%	7.988
TES	2.109.067	72,75%	-	-	1.196.701	83%	3.305.768
TDAs	-	-	561.922	100%	-	-	561.922
BVC Shares	-	-	-	-	2.841	0,20%	2.841
Interest in FCE	32.693	1,13%	-	-	-	-	32.693
Overall Total	**$ 2.899.305**	**100%**	**$ 561.922**	**100%**	**$ 1.438.269**	**100%**	**$ 4.899.496**

The investment portfolio at December 31, 2014 was comprised as follows:

Composición de la Cartera de Títulos por Título al corte del Año 2014 (en Millones de Pesos)							
Class of Security	Investments at fair value through profit or loss		At amortized cost through profit or loss		At amortized cost		Overall Total
	Amount	%	Amount	%	Amount	%	Amount
Peace Bonds	$ 110	0,00%	-	-	-	-	$ 110
Straight bonds	28.468	0,75%	-	-	12.202	1,01%	40.670
Term Deposit Certificates	1.064.760	28,23%	-	-	58.321	4,83%	1.123.081
TIPS	-	-	-	-	47.730	3,95%	47.730
TRD	-	-	84.726	11,26%	4.406	0,36%	89.132
TES	2.647.452	70,18%	51.988	6,91%	1.084.761	89,77%	3.784.201
TDAs	-	-	615.883	81,83%	-	-	615.883
BVC Shares	-	-	-	-	973	0,08%	973
Interest in FCE	31.507	0,84%	-	-	-	-	31.507
Overall Total	**$ 3.772.297**	**100%**	**$ 752.597**	**100%**	**$ 1.208.393**	**100%**	**$ 5.733.287**

The investment portfolio at January 1, 2014 was comprised as follows:

Composición de la Cartera de Títulos por Título al corte de January 1 014 (en Millones de Pesos)							
Class of Security	Investments at fair value through profit or loss		At amortized cost through profit or loss		At amortized cost		Overall Total
	Amount	%	Amount	%	Amount	%	Amount
Peace Bonds	$ 110	0,00%	-	-	-	-	$ 111
Straight bonds	75.760	2,14%	-	-	4.144	0,31%	79.904
Term Deposit Certificates	650.591	18,35%	-	-	26.779	1,99%	677.370
TIPS	-	-	-	-	71.974	5,34%	71.974
TRD	-	-	-	-	159.156	11,82%	159.156
TES	2.786.906	78,63%	97.836	22,77%	701.897	52,11%	3.586.639
TDAs	-		331.881	77%	381.960	28,36%	713.841
TCO	1.008	0,03%	-	-	-		1.008
BVC Shares	-	-	-	-	988	0,07%	988
Interest in FCE	30.154	0,85%	-	-	-	-	30.154
Overall Total	**$ 3.544.529**	**100%**	**$ 429.717**	**100%**	**$ 1.346.898**	**100%**	**$ 5.321.145**

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

Ranges	December 31 2015		
	At fair value through profit or loss	At amortized cost through profit or loss	At amortized cost
Less than 1 year	$ 2.449.980	$ 569.898	$ 259.351
From 1 to 5 years	342.658	-	646.913
More than 5 years	106.667	-	524.028
Total	**$ 2.899.305**	**$ 569.898**	**$1.430.292**

Ranges	December 31 2014		
	At fair value through profit or loss	At amortized cost through profit or loss	At amortized cost
Less than 1 year	$ 1.824.186	$ 749.479	$ 699.083
From 1 to 5 years	1.853.727	3.118	181.215
More than 5 years	94.384	0	328.095
Total	**$ 3.772.297**	**$ 752.597**	**$ 1.208.393**

The provisions recorded in the Balance Sheet cover the TIPS, which are securities issued by Titularizadora Colombiana, according to the guidelines established by Basic Accounting Circular Letter 100 issued by the SFC, Chapter XVIII, Section 8.

The variation in the held-to-maturity investments provision is due to the fact that on January 1, 2014, there were 3 securities provisioned for an amount of $8,020; Security No. TSBC171119-200 in UVR was sold for a total of $4,523 issued by the Titularizadora was sold by December 31, 2014. At December 31, 2015, there were 2 securities provisioned (TITIPOCD0099/ TITIPMZD0098) for a total of $3,507.

Securities issued by Titulizadora, derived from Mortgage Portfolio Securitization processes in Colombian pesos, issued in 5, 10 and 15-year terms.

In 2015, Banco BBVA Colombia S.A. did not take part in securitization processes.
There are currently 22 series on the market, of which the Bank holds series E-9, E-12 and N-6 for a balance at December 31, 2015 of $35,625, and balances at December 31 and January 1, 2014 for $47,730 and $67,451, respectively.

The details and balance of the securities from securitization processes (TIPS) are shown in the table below:

Series	Nominal Value	Issue Date	Maturity Date	Term	December 31, 2015	December 31, 2014	January 1, 2014
TIPS E-9 A 2018	61.420	17/12/08	17/12/18	10	$ -	$ -	$ -
TIPS E-9 A 2023	25.950	17/12/08	17/12/23	15	-	-	3.928
TIPS E-9 B 2023	10.484	17/12/08	17/12/23	15	816	6.149	10.484
TIPS E-9 MZ 2023	699	17/12/08	17/12/23	15	699	699	699
Subtotal	**98.553**				**1.515**	**6.848**	**15.111**
TIPS Pesos E-10 B 2024	5.529	12/03/09	12/03/24	15	-	1.113	5.311
TIPS Pesos E-10 MZ 2024	1.474	12/03/09	12/03/24	15	-	1.474	1.474
Subtotal	**53.074**				**-**	**2.587**	**6.785**
TIPS Pesos E-11 B 2024	3.649	13/05/09	13/05/24	15	-	-	2.527
TIPS Pesos E-11 MZ 2024	1.216	13/05/09	13/05/24	15	-	949	1.217
Subtotal	**35.272**				**-**	**949**	**3.744**
TIPS Pesos E-12 A 2024	14.888	26/08/09	26/08/24	15	-	-	31
TIPS Pesos E-12 B 2024	5.906	26/08/09	26/08/24	15	-	1.472	5.905
TIPS Pesos E-12 MZ 2024	1.969	26/08/09	26/08/24	15	205	1.968	1.969
Subtotal	**57.090**				**205**	**3.440**	**7.905**
TIPS Pesos N-6 B 2027	26.641	23/08/12	23/08/27	15	26.735	26.736	26.736
TIPS Pesos N-6 MZ 2027	6.104	23/08/12	23/08/27	15	6.104	6.104	6.104
TIPS Pesos N-6 C 2027	1.066	23/08/12	23/08/27	15	1.066	1.066	1.066
Subtotal	**33.811**				**33.905**	**33.906**	**33.906**
Total	**$277.800**				**$ 35.625**	**$ 47.730**	**$ 67.451**

At December 31, 2015 and 2014, there were no levies on the investments.

At December 31, 2015, the distribution by rating of debt securities of investments at fair value through other comprehensive income and investments at amortized cost through profit or loss, was as follows:

Debt securities available for sale				Valores representativos de deuda Vencimiento			
ISSUE S&P Global Rating	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%	ISSUE S&P Global Rating	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%
BBB	$ 1.157.223	$ 35.586	18%	BBB	$ 47.463	$ 561.922	94%
BBB-		159.302	82%	BBB-		224	0%
Sin clasificar			-	Sin clasificar		35.625	6%
TOTAL	$ 1.157.223	$ 194.888	100%	TOTAL	$ 47.463	$ 597.771	100%

Investments in Equity Instruments – These are investments in non-controlled entities, consisting of the following at December 31, 2015:

Description	Principal	Equity Capital	Share Percentage		Carrying Value	Solvency and market risk rating
Investments in associates and others:						
• Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	$ 871.425	$ 79.189	0,09		$ 52.548	A
• DECEVAL S.A.	74.577	10.819	13,74		27.310	A
A.C.H. Colombia S.A.	29.249	3.135	10,72		8.261	A
• Cámara de Compensación de Divisas de Colombia S.A.	5.301	201	3,79		491	A
• REDEBAN S.A.	85.574	8.825	10,31		5.855	A
• CIFIN	44.916	4.815	10,72		14.573	A
• Cámara de Riesgo Central de Contraparte de Colombia S.A.	36.440	645	1,77		308	A
• Bolsa de Valores de Colombia S.A. – Mandatory	109.127	535	0,49		1.555	A
• Subtotal	-	-	-		$ 110.901	-
Subtotal	**-**	**-**	**-**		**$ 110.901**	**-**
Less - Protection provision	-	-	-		-	-
Total investments in associates and joint ventures	**$ -**	**$ -**	**-**		**$ 209.433**	-

Investments in Equity Instruments – These are investments in non-controlled entities, consisting of the following at December 31, 2014:

Description	Principal	Equity Capital	Share Percentage		Carrying Value	Solvency and market risk rating	Calificación por riesgo de solvencia y de mercado
Investments in associates and others:							
• Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 82.292	$ 29.113	-		$ 6.987	$ -	A
• Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	801.297	72.816	9,09		73.601	-	A
DECEVAL S.A.	68.202	9.894	14,51		40.363	-	A
• A.C.H. Colombia S.A.	24.975	2.677	10,72		4.978	-	A
• Cámara de Compensación de Divisas de Colombia S.A.	4.806	165	3,43		472	-	A
• Compañía Promotora de Inversiones del Café S.A.	-	20	-		20	20	E
• REDEBAN S.A.	79.368	8.185	10,31		4.915	-	A
• CIFIN	35.097	3.762	10,72		17.108	-	A
Cámara de Riesgo Central de Contraparte de Colombia S.A.	32.302	572	1,77		658	-	A
Bolsa de Valores de Colombia S.A. - Mandatory	110.197	540	0,49		1.555	-	A
Subtotal	**1.238.537**	**127.744**	**-**		**$ 150.657**	**20**	
Less - Protection provision	-	-	-		(20)	-	
Total investments in associates and joint ventures	**$ 1.238.537**	**$ 127.744**	-		**$ 150.637**	**$ 20**	

2015 was a year of strengthening in terms of transactional products in which new projects such as implementation of Swift, web services, host to host were launched, among others.

Investments in Equity Instruments – These are investments in non-controlled entities, consisting of the ffollowing at January 1, 2014:

January 1 014	Capital	Capital en participación	Porcentaje de participación %		Valor en libros	Provisión	Calificación por riesgo de solvencia y de mercado
Investments in associates and others							
• Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 83.757	$ 28.233	0,35		$ 6.987	$ -	A
• Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	725.844	65.960	9,09		72.142	-	A
DECEVAL S.A.	67.012	9.722	14.51		37.347	-	A
• ACH Colombia	23.274	2.495	10,72		5.345	-	A
• Cámara de Compensación de Divisas de Colombia S.A.	4.322	138	3,19		381	-	A
• Compañía Promotora de Inversiones del Café S.A.	28.903	20	0,13		20	20	E
• Redeban S.A.	79.411	8.189	10,31		3.748		A
• CIFIN	28.428	3.047	10,72		23.773	-	A
• Cámara de Riesgo Central de Contraparte de Colombia S.A.	30.484	540	1,77		496	-	A
• Bolsa de Valores de Colombia S.A.- Mandatory	113.962	558	0,49		1.555	-	A
Subtotal	**1.185.397**	**118.902**	**-**		**$ 151.974**	**20**	
Less - Protection provision		-	-		(20)	-	
Total investments in associates and joint ventures	**$ 1.185.397**	**$ 118.902**	-		**$ 151.774**	**$ 20**	

11. Loan portfolio

Law 1314 / 2009 ordered the convergence to International Financial Reporting Standards - IFRS, and Decree 2784 / 2012 regulated said Law, establishing the technical regulatory framework for preparers of financial reports that make up Group 1, the timetable for the implementation thereof and the requirements for the preparation of the Opening Statement of Financial Position (OSFP) at January 1, 2014.

The classification and rating of credit portfolios by modality at December 31, 2015 were:

Portfolio	Principal	Interest	Others	Principal Provision	Interest Provision	Other Provision	Guarantee
Commercial							
• Category "A"	$ 15.661.486	$ 118.849	$ 2.288	$ 189.071	$ 1.355	$ -	$ 11.565.308
• Category "B"	360.790	6.558	504	18.520	627	-	612.556
• Category "C"	132.862	1.811	647	54.224	716	-	122.261
• Category "D"	42.101	1.086	248	24.696	832	-	39.560
• Category "E"	117.669	5.442	2.678	77.668	5.507	-	174.806
Total Commercial	**16.314.908**	**133.746**	**6.365**	**364.179**	**9.037**	**-**	**12.514.491**
Consumer:							
• Category "A"	11.381.636	96.211	1.597	205.912	2.111	-	1.141.344
• Category "B"	202.574	4.250	175	33.290	962	-	38.144
• Category "C"	131.663	2.809	143	37.510	1.116	-	30.563
• Category "D"	164.741	4.454	328	96.326	3.234	-	22.566
• Category "E"	160.254	3.879	706	90.042	3.177	-	54.088
Total Consumer	**12.040.868**	**111.603**	**2.949**	**463.080**	**10.600**	**-**	**1.286.705**
Microcredit:							
• Category "A"	5	-	-	-	-	-	109
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	2	-	-	2	-	-	-
Total microcredit	**7**	**-**	**-**	**2**	**-**	**-**	**109**
Mortgage:							
• Category "A"	8.248.604	39.062	3.280	70.102	534	-	20.522.847
• Category "B"	152.674	1.703	419	35.517	566	-	463.340
• Category "C"	66.880	872	469	27.205	592	-	182.862
• Category "D"	22.625	407	252	9.229	293	-	66.724
• Category "E"	70.040	1.470	1.361	29.183	1.289	-	199.572
Total mortgage	**8.560.823**	**43.514**	**5.781**	**171.236**	**3.274**	**-**	**21.435.345**
Employee Mortgage:							
• Category "A"	$ 134.56	$ 38	$ -	$ -	$ -	$ 8	$ 309.899
• Category "B"	252	-	-	-	-	-	414
• Category "C"	-	-	-	-	-	-	0
• Category "D"	-	-	-	-	-	-	0
• Category "E"	-	-	-	-	-	-	0
Total employee mortgage	**134.812**	**38**	**-**	**-**	**-**	**8**	**310.313**
Employee Consumer:							
• Category "A"	2.977	-	-	-	-	-	-
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-	-
Total employee consumer	**2.977**	**-**	**-**	**-**	**-**	**-**	**-**
Total employee loan portfolio	131.789	38	-	-	-	8	310.313
Others	-	9.308	-	-	-	-	-
Total loan portfolio	**$ 37.054.395**	**$ 298.209**	**$ 15.096**	**$ 998.497**	**$ 22.911**	**$ 8**	**$ 35.546.963**

The classification and rating of credit portfolios by modality at December 31, 2014 were:

Portfolio	Principal	Interest	Others	Principal Provision	Interest Provision	Other Provision	Guarantee
Commercial							
• Category "A"	$ 12.701.422	$ 100.890	$ 2.761	$ 172.336	$ 6.662	$ -	$ 9.180.803
• Category "B"	231.863	5.799	353	5.041	123	-	317.299
• Category "C"	154.722	2.992	330	13.909	61	-	75.996
• Category "D"	30.355	849	70	13.437	17	-	46.207
• Category "E"	107.471	4.460	1.763	61.305	59	-	162.646
Total Commercial	**13.225.833**	**114.990**	**5.277**	**266.028**	**6.922**	**-**	**9.782.951**
Consumer:							
• Category "A"	9.664.045	82.377	750	177.764	1.846	-	982.756
• Category "B"	200.250	3.991	119	34.045	957	-	28.872
• Category "C"	122.116	2.344	118	34.035	936	-	25.567
• Category "D"	129.630	3.063	213	73.964	2.164	-	22.249
• Category "E"	115.146	2.623	563	63.068	2.173	-	31.564
Total Consumer	**10.231.187**	**94.398**	**1.763**	**382.876**	**8.076**	**-**	**1.091.008**
Microcredit:							
• Category "A"	15	1	-	-	-	-	15
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	3	-	-	-	-	-	-
Total microcredit	**18**	**1**	**-**	**-**	**-**	**-**	**15**
Mortgage:							
• Category "A"	7.290.711	35.354	2.376	57.617	2.771	-	17.749.218
• Category "B"	181.434	2.051	388	43.063	70	-	494.215
• Category "C"	50.284	728	326	20.397	19	-	140.088
• Category "D"	18.106	296	223	7.541	7	1	58.643
• Category "E"	55.883	1.298	1.111	23.359	21	-	161.513
Total mortgage	**7.596.418**	**39.727**	**4.424**	**151.977**	**2.888**	**1**	**18.603.677**

Portfolio	Principal	Interest	Others	Principal Provision	Interest Provision	Other Provision	Guarantee
Employee Mortgage:							
• Category "A"	$ 129.667	$ 102	$ -	$ -	$ -	$ -	$ -
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	2	-	-	-	-	-	-
Total employee mortgage	**129.669**	**102**	**-**	**-**	**-**	**-**	**-**
Employee Consumer:							
• Category "A"	2.944	1	-	-	-	-	-
• Category "B"	23	-	-	-	-	-	-
• Category "C"	21	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-	-
Total employee consumer	**2.988**	**1**	**-**	**-**	**-**	**-**	**-**
Total employee loan portfolio	132.657	103	-	-	-	-	-
Others	-	11.614	-	-	-	-	-
Total loan portfolio	**$ 31.186.113**	**$ 260.831**	**$ 11.464**	**$ 800.882**	**$ 17.887**	**$ 1**	**$ 29.477.651**

The classification and rating of credit portfolios by modality at January 1, 2014 were:

Portfolio	Principal	Interest	Others	Principal Provision	Interest Provision	Other Provision	Guarantee
Commercial							
• Category "A"	$ 10.476.948	$ 87.04	$ 1.370	$ 162.130	$ 881	$ -	$ 7.914.999
• Category "B"	222.624	3.345	267	5.305	70	-	341.668
• Category "C"	121.186	1.625	134	13.928	573	-	88.073
• Category "D"	18.687	459	104	10.509	583	-	41.145
• Category "E"	69.728	2.715	690	51.191	3.515	-	133.493
Total Commercial	**10.909.173**	**95.184**	**2.565**	**243.063**	**5.622**	**-**	**8.519.378**
Consumer:							
• Category "A"	8.266.270	75.050	770	131.922	866	-	917.112
• Category "B"	210.795	3.967	134	38.657	1.139	-	27.284
• Category "C"	121.682	2.317	102	36.056	1.003	-	21.336
• Category "D"	109.164	2.506	161	61.894	1.877	-	16.056
• Category "E"	74.769	1.672	331	41.011	1.462	-	26.327
Total Consumer	**8.782.680**	**85.512**	**1.498**	**309.540**	**6.347**	**-**	**1.008.115**
Microcredit:							
• Category "A"	34	2	-	-	1	-	109
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	7	-	-	-	-	-	29
Total microcredit	**41**	**2**	**-**	**-**	**1**	**-**	**138**
Mortgage:							
• Category "A"	5.954.673	30.940	2.117	54.237	424	-	14.711.256
• Category "B"	166.721	1.844	327	31.724	492	-	457.357
• Category "C"	42.202	640	339	17.592	413	-	121.353
• Category "D"	15.879	279	213	7.689	255	-	48.178
• Category "E"	44.998	1.069	913	18.801	912	-	128.905
Total mortgage	**$ 6.224.473**	**$ 34.772**	**$ 3.909**	**$ 130.043**	**$ 2.496**	**-**	**$ 15.467.049**

Portfolio	Principal	Interest	Others	Principal Provision	Interest Provision	Other Provision	Guarantee
Employee Mortgage:							
• Category "A"	122.618	-	-	-	-	-	161.847
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	142	-	-	-	-	-	-
Total employee mortgage	**122.760**	**-**	**-**	**-**	**-**	**-**	**161.847**
Employee Consumer:							
• Category "A"	2.118	-	-	-	-	-	-
• Category "B"	10	-	-	-	-	-	-
• Category "C"	37	-	-	-	-	-	-
• Category "D"	26	-	-	-	-	-	-
• Category "E"	1	-	-	-	-	-	-
Total employee consumer	**2.192**	**-**	**-**	**-**	**-**	**-**	**-**
Total employee loan portfolio	124.952	-	-	-	-	-	161.847
Others	-	8.653	-	-	-	-	-
Total loan portfolio	**$ 26.041.319**	**$ 224.123**	**$ 7.972**	**$ 682.647**	**$ 14.466**	**$ -**	**$ 25.156.527**

The movement of the loan portfolio impairment (provisions) account during the year ended was as follows:

December 31, 2015

Description	Commercial	Consumer	Mortgage	Employee	Microcredit	Total
Balance at the beginning of year	$ 305.806	$ 545.098	$ 191.396	$ 1.461	$ 2	1.043.763
Impairment charged to expenses in the year	349.743	426.421	56.295	-	-	832.459
Less - Impairment recovery	(236.487)	(267.146)	(59.540)	(1.461)	(2)	(564.636)
Loans written off as uncollectible	(51.157)	(230.380)	(8.052)	-	-	(289.589)
Cancellations	(5.665)	(10.653)	(5.859)	-	-	(22.177)
Other movements	**1.940**	**(260)**	**(3.003)**	**-**	**-**	**(1.323)**
Balance at year end	**$ 364.180**	**$ 463.080**	**$ 171.237**	**$ -**	**$ -**	**$ 998.497**

December 31, 2014

Description	Commercial	Consumer	Mortgage	Employee	Microcredit	Total
Balance at the beginning of year	$ 246.344	$ 457.370	$ 154.117	$ 1.479	$ 8	$ 859.318
Impairment charged to expenses in the year	214.551	360.018	39.699	508	-	614.776
Less - Impairment recovery	(157.471)	(232.470)	(27.036)	(1.987)	(8)	(418.972)
Loans written off as uncollectible	(31.800)	(201.215)	(5.980)	-	-	(238.995)
Cancellations	(2.364)	(6.271)	(5.688)	-	-	(14.323)
Other movements	**(3.231)**	**5.445**	**(3.133)**	**-**	**-**	**(919)**
Balance at year end	**$ 266.029**	**$ 382.877**	**$ 151.979**	**$ -**	**$ -**	**$ 800.885**

January 1, 2014

Description	Commercial	Consumer	Mortgage	Employee	Microcredit	Total
Balance at the beginning of year	$ 236.069	$ 431.964	$ 136.284	$ 1.364	$ 23	$ 805.704
Impairment charged to expenses in the year	225.061	339.530	48.860	488	2	613.941
Less - Impairment recovery	(168.609)	(262.591)	(31.121)	(1.759)	(8)	(464.088)
Loans written off as uncollectible	(41.810)	(200.917)	(11.366)	-	(41)	(254.134)
Cancellations	(1.554)	(3.839)	(6.359)	-	(2)	(11.754)
Other movements	**(6.094)**	**5.394**	**(6.255)**	**(93)**	**26**	**(7.022)**
Balance at year end	**$ 243.063**	**$ 309.541**	**$ 130.043**	**$ -**	**$ -**	**$ 682.647**

Year 2015

During 2015, the Bank conducted portfolio sale transactions for an amount of $213,355 million, represented by 22,992 obligations, where 84.92% of said asset was written-off.

The breakdown of the portfolio transferred by modality was represented as follows: Mortgage, 3.01%; Commercial, 2.86%; and Consumer, 94.13%; these operations were conducted in the months listed in the attached table:

Month	Status	No. of Contracts	Total debt (*)	Total Impairment	Sale Price
February 2015	Balance	996	$ 2.570	$ 1.986	$ 513
	Write-off	18	584	-	260
March 2015	Balance	241	899	717	152
	Write-off	5.819	37.332	-	5.814
April 2015	Write-off	6	416	-	165
May 2015	Balance	938	17.869	14.474	2.335
	Write-off	2.068	50.390	-	4.945
June 2015	Balance	469	7.537	5.142	1.377
	Write-off	4.902	46.142	-	5.468
July 2015	Balance	17	491	144	303
	Write-off	11	1.130	-	291
August 2015	Write-off	114	4.386	-	733
September 2015	Balance	149	1.019	896	163
	Write-off	7.219	40.020	-	6.099
November 2015	Balance	19	893	309	536
	Write-off	2	83	-	31
December 2015	Balance	2	895	78	581
	Write-off	2	699	-	125
Total Sales	**Active**	**2.831**	**$ 32.173**	**$ 23.746**	**$ 5.960**
	Written-off	**20.161**	**$ 181.182**	**$ -**	**$ 23.931**

(*) Amount includes principal, interest and accounts receivable balances.

(**) Massive portfolio sales operations were conducted with the companies Inversionistas Estratégicos S.A.S., New Credit S.A.S., RF Encore S.A.S. and Patrimonio Autónomo Serlefin Palisades, litigious rights sales to natural and legal persons. Credit transactions sold that were in the balance sheet generated a $20,217.20 million loss on the sale, and recovery of provisions of $23,746.05, whereas the written-off portfolio reported $23,981.15 million revenue on the sale transaction.

Year 2014

During 2014, the Bank conducted portfolio sale transactions for a total of $216,894 million, represented by 21,810 obligations, where 96.58 % of said asset was written-off.

The breakdown of the portfolio transferred by modality was represented as follows: Mortgage, 8.09%; Commercial, 10.07%; and Consumer, 81.84%; these operations were conducted in the months listed in the attached table:

Month	Status	No. of Contracts	Total debt (*)	Total Impairment	Sale Price
January 2014	Balance	4	$ 358	$ 224	$ 258
February 2014	Balance	5	298	78	220
	Castigo	2	119	-	69
March 2014	Castigo	3.633	23.867	-	4.294
April 2014	Balance	11	768	154	464
	Castigo	7	918	-	413
May 2014	Balance	3	142	49	138
June 2014	Balance	144	1.243	1.140	209
	Castigo	7.624	66.098	-	7.265
July 2014	Balance	42	1.694	-	961
	Castigo	1	119	615	65
August 2014	Balance	2	689	-	542
	Castigo	9	478	235	188
September 2014	Balance	37	164	-	14
	Castigo	927	12.619	155	867
October 2014	Castigo	1	44	-	28
November 2014	Balance	17	667	217	371
	Castigo	403	16.900	-	1.581
December 2014	Balance	39	1.389	1.278	74
	Castigo	8.899	88.320	-	11.982
Total Sales	Active	304	$ 7.412	$ 4.148	$ 3.252
	Written-off	21.506	$ 209.482	$ -	$ 26.751

(*) Amount includes principal, interest and accounts receivable balances.

Massive portfolio sales operations were conducted with the companies Covinoc S.A., Inversionistas Estratégicos S.A.S., Konfigura Capital S.A., New Credit S.A.S. y Serlefin S.A., litigious rights sales to natural and legal persons. Credit transactions sold that were in the balance sheet generated a $2,466 loss on the sale, and recovery of provisions of $4,148, whereas the written-off portfolio reported $26,751 revenue in the sale transaction.

January 1, 2014

At January 1, 2014, the Bank conducted portfolio sale transactions for an amount of $244,713 million, represented by 32,715 obligations, where 84.45 % of such asset was written-off.

The breakdown of the portfolio transferred by modality was represented as follows: Mortgage, 2.82%; Commercial, 9.13%; and Consumer, 88.05%; these operations were conducted in the months listed in the attached table:

Month	Status	No. of Contracts	Total debt (*)	Total Impairment	Sale Price
January 2013	Write-off	4	$ 261	$ 42	$ 127
February 2013	Balance	1	34	9	31
	Write-off	2	85	9	50
March 2013	Balance	2.135	5.129	3.940	1.201
	Write-off	11.178	64.016	-	10.100
May 2013	Balance	12	394	278	324
	Write-off	8	342	-	154
June 2013	Balance	1.000	2.389	2.120	502
	Write-off	4.942	28.078	-	4.475
July 2013	Balance	9	288	80	190
	Write-off	3	3	-	2
September 2013	Balance	193	8.761	8.449	2.641
	Write-off	7.646	68.675	-	7.598
October 2013	Balance	57	966	304	340
	Write-off	1.084	26.284	-	5.199
November 2013	Balance	2.404	19.971	14.774	4.880
	Write-off	1.253	11.265	-	2.339
December 2013	Balance	13	129	73	10
	Write-off	771	7.641	-	1.244
Total Sales	Active	5.824	$ 38.061	$ 30.027	$ 10.119
	Written-off	26.891	$ 206.650	$ 51	$ 31.288

(*) Amount includes principal, interest and accounts receivable balances.

Massive portfolio sales operations were conducted with the companies Fideicomiso Recuperación Activos, Covinoc S.A., Aecsa S.A. and Refinancia S.A., litigious rights sales to natural and legal persons. Credit transactions sold that were in the balance sheet generated a $24,955 loss on the sale, whereas the written-off portfolio reported $31,288 revenue in the sale transaction.

12. Leases

BBVA as a Lessor

Accounts receivable from financial leases - The Bank offers this product through leasing arrangements for Machinery and Equipment, Vehicle, Real Estate and Technology, among others.

In this form of negotiation, BBVA acquires the assets by request and previously selected by the Lessee (client) through a financial leasing agreement; it provides the use and possession thereof for a certain period of time in exchange for a periodic payment known as the rental payment. At the end of the term, the Client has the option to acquire them at a set value (purchase option) from the beginning of the transaction

Accounts receivable from finance leases are included in the Loan Portfolio. The Bank's net investment in the accounts receivable from financial leases was as follows:

December 31, 2015

31 Dec 2015	Gross investment in accounts receivable from finance leases	Future financial gain	Current value of accounts receivable of minimum lease payments
One year or less	$ 7.833	$ 296	$ 7.535
From one to five years	906.948	120.308	786.640
More than five years	1.124.219	346.648	777.571
Total	$ 2.039.000	$ 467.252	$ 1.571.746

December 31, 2014

31 Dec 2014	Gross investment in accounts receivable from finance leases	Future financial gain	Current value of accounts receivable of minimum lease payments
One year or less	$ 69.045	$ 10.118	$ 58.927
From one to five years	802.253	100.236	702.084
More than five years	926.769	277.340	649.429
Total	$ 1.798.067	$ 387.693	$ 1.410.440

January 1, 2014

1 jan 2014	Gross investment in accounts receivable from finance leases	Future financial gain	Current value of accounts receivable of minimum lease payments
One year or less	$ 51.646	$ 7.642	$ 44.004
From one to five years	745.066	94.732	650.333
More than five years	644.615	197.218	447.398
Total	$ 1.444.327	$ 299.592	$ 1.141.775

BBVA as a Lessee

Operating lease commitments - The Bank, for its functioning and according to its expansion process, takes leases for offices on the national level by entering into agreements with the terms listed in the table below:

	December 31 2015	December 31 2014
One year or less	$ 1.190	$ 1.028
From one to five years	9.284	8.675
More than five years	25.853	19.463
Total	$ 36.327	$ 29.166

13. Securitization and repurchase of securitized portfolio

Securitization 2015 - During the period from January to December 2015, the following portfolio transactions were carried out:

Productive portfolio securitization: During 2015, Banco BBVA Colombia S.A. did not participate in securitization processes.

The balances of the current issues in which the Bank has participated at December 31, 2015 are as follows:

Issuance	Managed portfolio – total principal	Balances in bbva tips securities
TIPS E-9	$ 8.488	$ 1.515
TIPS E-10	4.796	-
TIPS E-11	4.432	-
TIPS E-12	4.874	205
TIPS N-9	42.148	33.905
Total	$ 64.738	$ 35.625

The securities of E-10 and E-11 TIPS matured in 2015, which is grounds for early liquidation according to the issuance regulations of each Universality; however, an extension was requested to cancel each Universality and therefore, Titulizadora Colombia is analyzing the possibility of securitizing residual balances.

Portfolio repurchases: 111 credits were repurchased from Titularizadora Colombiana S.A. of Issuances TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS, for a total of $6,242.84 million, which included repurchases due to the request to decrease rates and remodeling as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
No. of credits	15	18	22	13	10	6	7	2	4	6	4	4	111
Principal Total Balance	572	1,146	1,228	721	632	213	440	403	140	457	193	65	6,210
Debt Total Balance	575	1,152	1,232	726	634	214	443	405	140	460	195	66	6,242

Productive portfolio securitization history - In November 2004, the former Banco Comercial Granahorrar S.A. together with Banco AV Villas S.A., Banco Colpatria S.A. and Banco Colmena S.A., participated in the fifth issue of mortgage securities TIPS E5 for a total of $370,477, in which the underlying asset was mortgage portfolio rated "A". The mortgage portfolio of Banco Comercial Granahorrar S.A. incorporated in this negotiation was 6,791 credits with a total net debt of deferred income of $102,216. On this occasion, Class A and B TIPS were issued with maturities in 2009 and 2014, respectively; and Class MZ and C TIPS with maturities in 2019. The ratings were AAA, AA+, A and CCC, respectively. For the first time, MZ or mezzanine securities appeared in this issuance, which took the interest-rate spread generated between the weighted average rates of the securitized portfolio and the weighted average rate at which securities were placed.

Securitization 2008 - In December 2008, mortgage-portfolio representative TIPS were issued; they were originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total of $401,000, in which BBVA had a share of $140,000.

On December 17, 2008, the market was offered the first lot corresponding to 30% of the issue (Series A 2008) with a demand 1.7 times higher at a rate of 10.90%, the same as the closing rate of TES 2020. The amount placed was $119,587 with a total demand of $208,000, of which BBVA Colombia sold $41,938.

On December 18, 2008 the second lot was assigned to the originating banks (70% of the issue), $98,554 of which corresponded to BBVA Colombia, including the MZ security corresponding to the present value of the excess cash flow recorded as revenue for the Bank. Additionally, this transaction generated a $2,868 provisions reimbursement.

The Class A, B, and MZ TIPS issued had ratings of AAA, AA-, and BBB, respectively, and their maturity is between 2010 and 2023.

Securitization 2009 - In March 2009, mortgage-portfolio representative TIPS were issued; they were originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total of $498,593, in which BBVA had a share of $74,233.

On March 12, 2009, the first lot corresponding to 39% of the issue (Series A 2019) was offered to the market with a demand 1.8 times higher at a rate of 9.00%, the same as the closing rate of TES 2020. The amount placed was $119,695 with a total demand of $345,995, of which BBVA Colombia sold $22,114.

On the same date, the second lot was assigned to the originating banks (61% of the issue) and $53,074 corresponded to BBVA Colombia, including the MZ security corresponding to the present value of the excess cash flow recorded as revenue for the Bank. In addition, this transaction generated a $1,483 provisions reimbursement.

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

In May 2009, mortgage portfolio representative E-11 TIPS were issued; they were originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., for a total of $431,857, in which BBVA had a share of $48,650.

On May 13, 2009, the first lot corresponding to 30% of the issue (Series A 2019) was offered to the market with a demand 2.1 times higher at a rate of 7.70%, the same as the closing rate of TES 2020. The amount placed was $129,557 with a total demand of $271,678, of which BBVA Colombia sold $14,595.

Monitoring loan portfolios is performed periodically according to corporate requirements and using internal management tools

The remaining 70% of the E-11 TIPS issue was purchased entirely by the originators of the portfolio for a total of $313,096, of which BBVA Colombia purchased $35,272, including the MZ security, which represents profit for the Bank. Additionally, this transaction generated a $977 provisions reimbursement.

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

In August 2009, mortgage portfolio representative E-11 TIPS were issued; they were originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., for a total of $376,820, in which BBVA had a share of $78,745.

On August 26, 2009, the first lot was offered to the market, corresponding to 34% of the issue (Series A 2019) with a demand 1.7 times higher at a rate of 7.69%. The amount placed was $132,752 with total demand of $222,900, of which BBVA Colombia sold $23,623, corresponding to 30% of its securitized portfolio in this issue.

The remaining 66% of this issue of E - 12 TIPS was purchased entirely by the portfolio originators for a total of $253,488, of which BBVA Colombia purchased $57,090, including the MZ security, which represents profit for the Bank. Additionally, this transaction generated a $1,607 of provisions reimbursement.

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

The following securitizations are in force:

No.	Date	Securitization Portfolio	Issue No.	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	

The balances at December 31, 2011 of the securitized portfolio and the above mentioned TIPS securities purchased are as follows:

Issue	Securitized portfolio principal	TIPS Securities
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 2010 - In 2010, the portfolio repurchase operations from Titularizadora Colombiana S.A. were from TIPS E3-IH, TIPS E3 – NON-IH, TIPS E4 - IH, TIPS E4 – NON-IH, TIPS E5 – IH, TIPS E5 – NON-IH, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS and E12 PESOS issues, corresponding to a Law 546 Transfer amounting to $33,025 million pesos, as follows:

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

Securitization 2011 - During 2011, BBVA Colombia S.A. did not take part in securitization processes.

During the period from January to December 2011, the following portfolio transactions were carried out:

Portfolio purchase from Titularizadora Colombiana S.A. – Repurchase of 1,157 credits were made from Titularizadora Colombiana S.A. of the TIPS E3-IH, TIPS E3 - NON-IH, TIPS E4 - IH, TIPS E4 - NON-IH, TIPS E5 – IH, TIPS E5 – NON-IH, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS and E12 PESOS Issues, corresponding to Law 546 Transfer amounting to $47,450 million pesos, as follows:

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

Securitization 2012 - During 2012, Banco BBVA Colombia S.A. participated in securitization processes.

In August 2012, mortgage portfolio representative TIPS N6 Pesos Non-IH were issued; they were originated by BBVA Colombia S.A. for a total of $213,130 represented in 2,847 credits and Davivienda S.A. amounting to $155,867, represented in 1,661 credits.

On August 23, TIPS N6 Pesos Non-IH were issued, for a total of $381,882 distributed in the following classes and amounts:

Series A2022, for $322,872; series B2027 for $46,125; series MZ for $11,040; and Series C for $1,845.

The first lot: Total TIPS purchased by the market (87.5%) corresponded to Series A2022 for $322,872; of this first lot, the TIPS sold according to share percentage of the BBVA portfolio were Series A2022 for $186,489.

The second lot: TIPS purchased by the originators (12.5%) from their portfolio + excess NVP cash flow (MZ-C) distributed as follows: B2027 for $46,125, MZ 2027 for $11,040; and C2027 for $1,845.

Of the second lot: TIPS purchased by BBVA according to the share percentage of its portfolio (12.5%) + excess NPV cash flow distributed as follows: TIPS B2027 for $26,641; Tips MZ 2027 for $6,104; and C2027 for $1,066, for a total of $33,811.

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

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

Securitization 2013 - During 2013, BBVA Colombia S.A. did not take part in securitization processes.

During the period from January to December 2013, the following portfolio transactions were carried out:

Cancellation E4: On February 14, 2013, the grounds for the early liquidation of TIPS Universality provided in the issuance regulations occurred, considering that on that date, the result of adding the total principal balance of the Non-IH loans plus the total principal balance of the IH loans was less than or equal to 3% of the sum of the total principal balance of Non-IH and IH loans on the issuance date.

In compliance with the provisions set forth in these regulations, the grounds for the early liquidation of the TIPS issuance was formalized on February 14, 2013 through communication provided to Helm Fiduciaria S.A., in its capacity as the Legal Representative of the holders of the TIPS issuance, as well as to the International Finance Corporation (IFC) in its capacity as the supplier of the IFC partial hedging mechanism applicable to the Non-IH E-4 securities issued based on the Non-IH E-4 Universality, reporting the occurrence of the grounds for early liquidation.

At the formalization date of the grounds for liquidation of the TIPS issuance, the underlying assets of the universalities consisted of Non-IH mortgage loans and IH mortgage loans for a carrying value of $15,148.53 million and foreclosed assets for a carrying value of $14 million originated by Banco BBVA Colombia.

Fogafin was not notified considering the termination of the Nation - Fogafin Collateral Contract, applicable to the Class A IH E-4 Securities issued based on IH E-4 Universality derived from the total payment of Class A TIPS on February 14, 2013.

Portfolio repurchases: Repurchases of 1216 credits from Titularizadora Colombiana S.A. were carried out of TIPS E4 - IH, TIPS E4 – NON-IH, TIPS E5 – IH, TIPS E5 – NON-IH, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS issuances, for a total of $70,168 million, which included 283 credits for Early Liquidation E4 Issue amounting to $3,298 million as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
No. of credits	14	301	18	225	201	55	45	59	77	82	38	71	1.216
Principal Total Balance	1.328	4.860	1.234	16.713	13.028	3.733	4.212	5.056	6.896	5.799	2.233	3.965	69.057
Debt Total Balance	1.336	5.496	1.244	16.871	13.130	3.762	4.243	5.089	6.935	5.827	2.249	3.986	70.168

Securitization 2014 - During the period from January to December 2014, the following portfolio transactions were carried out:

Cancellation E5: On April 21, 2014, the grounds for the early liquidation of TIPS Universality provided in the issuance regulations occurred, considering that on that date, the result of adding the total principal balance of the Non-IH loans plus the total principal balance of the IH loans was less than or equal to 3% of the sum of the total principal balance of Non-IH and IH loans on the issuance date.

In compliance with the provisions of these bylaws, the advanced liquidation causal of the issuance of TIPS E5 was formalized on April 21, 2014, through a communication remitted to Helm Fiduciaria S.A. in its capacity as Legal Representative of the holders of the TIPS issue, reporting the occurrence of the advanced liquidation causal.

The International Finance Corporation (IFC) was not notified, since on May 17, 2010 its capacity ceased as the supplier of the IFC partial hedging mechanism applicable to the NON-IH E-5 Class A securities issued based on Non-IH E-5 Universality.

Fogafin was not notified either, given the termination of the Nation - Fogafin Collateral Contract on November 17, 2013, applicable to the Class A IH E-5 Securities issued based on IH E-5 Universality derived from the total payment of Class A TIPS.

On the formalization date of the grounds for liquidation of the TIP E5 issued, the underlying assets of the universalities consisted of Non-IH mortgage loans and IH mortgage loans for a carrying value of $15,191,95 million.

Portfolio repurchases: Repurchases of 646 credits from Titularizadora Colombiana S.A. were carried out of TIPS E5 – IH, TIPS E5 – NON-IH, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS issuances, for a total of $25,007 million, which included 267 credits for Early Liquidation E5 Issue amounting to $2,407 million as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
No. of credits	49	64	41	44	297	33	30	20	20	22	17	9	646
Principal Total Balance	3,056	4,009	2,698	3,012	3,787	1,876	2,172	855	1,110	1,148	1,061	223	25,007
Debt Total Balance	3,073	4,035	2,714	3,027	3,946	1,886	2,184	862	1,114	1,158	1,070	224	25,293

14. Fair value

Valuation techniques and assumptions used for fair value measurement - The fair value of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities with similar terms and conditions and traded on a liquid market are determined by reference to quoted market prices (including amortized notes, bills of exchange, obligations and perpetual notes)

- The fair value of financial instruments is calculated using quoted prices. When these prices are not available, a deductible cash flow analysis is carried out using the applicable yield curve for the duration of instruments for futures, and valuation models for options. Contracts in foreign currency are measured using the applicable exchange rates and yield curve derived from the above-mentioned maturities matching the contract interest rates. Interest hedging contracts are measured at present value of estimated and discounted future cash flows based on the yield curve derived from quoted interest rates, and

- The fair values of other financial assets and liabilities (excluding those described above) are determined according to the generally accepted pricing models based on analysis of discounted cash flows.

Fair value measurement recognized in the financial statement position - The table below provides an analysis of the financial instruments that are measured following the initial recognition at fair value, grouped into levels 1 to 3 based on the the degree at which fair value is observed:

- Level 1 fair value measurements are derived from quoted market prices (not adjusted) on active markets for identical assets or liabilities;
- Level 2 fair value measurements are derived from entries of other quoted prices, including those of the level that are observable for those assets or liabilities, either directly (prices, for instance) or indirectly (derived from prices); and
- Level 3 fair value measurements are derived from valuation techniques that include entries for the asset or liability that are not based on non-observable market data (non-observable entries).

Fair Value Hierarchy -Financial Instruments - BBVA Group

Debt Securities - Local Currency

Investments in debt securities are valued on a daily basis and their results are recorded with the same frequency.

BBVA Colombia determines the market value of investments in debt securities that are marketable and available for sale by using the "unadjusted" prices published on a daily basis by Infovalmer, the official price vendor selected by the entity. The securities that meet these conditions are classified as Level 1 of the fair value hierarchy.

Instruments with derivative transactions are classified as Level 1.

Investments in debt securities to be held to maturity and investments for which there is not price published on a determined date, are valued exponentially based on the internal rate of return (IRR) calculated at the time of the purchase and recalculated on the coupon payment dates or the indicator's reprice date. These securities are classified as Level 3 of the fair value hierarchy.

Debt Securities in Foreign Currency

In the first place, the market value of the respective security is determined in its own currency, based on unadjusted quoted market prices published by the price vendor selected by the entity and authorized by the Superintendence for this purpose, in which case the fair value hierarchy will be level 1.

In the absence of market prices on the part of the official price vendor, the prices determined by international markets, published by Bloomberg will be used; since they are observable on a financial information platform known by all market agents, they would be classified as Level 1 in the fair value hierarchy.

Finally, when there are no observable inputs on the market, the fair value is determined exponentially based on the internal rate of return (IRR) calculated at the time of the purchase and recalculated on the coupon payment dates or the indicator's re-price date as applicable. Securities calculated based on the latter model (IRR) shall be classified as Level 3.

Below is the fair value hierarchy of investments recorded at fair value:

December 31, 2015

Investments	Level 1
Peace Bonds	$ -
Straight Bonds	-
Term Deposit Certificates	-
Debt Reduction Bonds (TRD, for the Spanish original)	-
Treasury Securities - TES	3.305.768
Agricultural Development Securities (TDAs, for the Spanish original)	-
Total	**$ 3.305.768**

December 31, 2014

Investments	Level 1
Peace Bonds	$ -
Straight Bonds	-
Term Deposit Certificates	-
Debt Reduction Bonds (TRD, for the Spanish original)	-
Treasury Securities - TES	3.784.201
Agricultural Development Securities (TDAs, for the Spanish original)	-
Total	**$ 3.784.201**

January 1, 2014

Investments	Level 1
Peace Bonds	$ -
Straight Bonds	-
Term Deposit Certificates	-
Debt Reduction Bonds (TRD, for the Spanish original)	-
Treasury Securities - TES	3.586.639
Agricultural Development Securities (TDAs, for the Spanish original)	-
Total	**$ 3.586.639**

As regards investments in holdings, the Bank uses an internal model to determine the value thereof. The model takes the BDI or the EBITDA as the basis for valuation, depending on the stability of the results and certain concepts on the atypical result or any other factor that may distort the reading of the results after taxes. The results of the valuation are as follows:

December 31, 2015

Investments in Holdings	Level 3
Fondo Financiamiento del Sector Agropecuario "FINAGRO"	$ 52.548
DECEVAL S.A.	27.310
A.C.H. Colombia S.A.	8.261
Cámara de Compensación de Divisas de Colombia S.A.	491
REDEBAN S.A.	5.855
CIFIN	14.573
Cámara de Riesgo Central de Contraparte de Colombia S.A.	308
Bolsa de Valores de Colombia S.A. - Obligatorias	1.555
Total	**$ 110.901**

December 31, 2014

Investments in Holdings	Level 3
Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 6.987
Fondo Financiamiento del Sector Agropecuario "FINAGRO"	73.601
DECEVAL S.A.	40.363
A.C.H. Colombia S.A.	4.978
Cámara de Compensación de Divisas de Colombia S.A.	472
Compañía Promotora de Inversiones del Café S.A.	20
REDEBAN S.A.	4.915
CIFIN	17.108
Cámara de Riesgo Central de Contraparte de Colombia S.A.	658
Bolsa de Valores de Colombia S.A. – Obligatorias	1.555
Total	**$ 150.657**

January 1, 2014

Investments in Holdings	Level 3
Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 6.987
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	72.142
DECEVAL S.A.	37.347
ACH Colombia	5.345
Cámara de Compensación de Divisas de Colombia S.A.	381
Compañía Promotora de Inversiones del Café S.A.	20
Redeban S.A.	3.748
CIFIN	23.773
Cámara de Riesgo Central de Contraparte de Colombia S.A.	496
Bolsa de Valores de Colombia S.A.- Obligatorias	1.555
Total	**$ 151.794**

The Group has determined that derivative assets and liabilities measured at fair value are classified as Level 1 as illustrated below indicating the fair value hierarchy of the derivatives recorded at fair value:

Class of derivative Level 1	December 31, 2015	December 31, 2014	January 1, 2014
Forward Contracts	$ 491.141	$ 502.398	$ 43.327
Cash transactions	237	58	29
Options	4.297	126.942	16.041
Swaps	754.753	249.222	64.543
Futures (1)	-	-	-
Totals	**$ 1.250.428**	**$ 878.620**	**$ 123.940**

(1) Futures are classified as Level 1; however the net between the right and the obligation of the transaction for each period is zero.

Class of derivative Level 1	December 31, 2015	December 31, 2014	January 1, 2014
Forward Contracts	$ 421.027	$ 533.879	$ 42.892
Cash transactions	103	-	-
Options	4.295	127.095	16.041
Swaps	749.387	269.744	74.394
Futures (1)	-	-	-
Totals	**$ 1.174.812**	**$ 930.718**	**$ 133.327**

(1) Futures are classified as Level 1. No balance is recorded for these derivatives in any period

15. Derivative financial instruments and cash transactions (active)

For this class of financial instrument, the difference in valuation between Previous GAAP and the IFRS with Exceptions is the incorporation of the credit risk in each transaction, which is known as the CVA - credit or debit value adjustments, as applicable.

The different types of financial instruments traded by the Bank are classified as active or passive (see Note 24) according to their result, at December 31, the balance of this account is classified as active, broken down as follows:

Forward contracts	Maturity in days					
	31-Dec-15	31-Dec-14	01-Jan-14	31-Dec-15	31-Dec-14	01-Jan-14
Purchase on foreign currency:	8 - 617	14 - 646	2 - 120			
• Rights				$ 4.412.466	$ 4.164.759	$ 972.463
• Obligations				(4.063.268)	(3.677.398)	(960.097)
Sale on foreign currency:	4 - 621	2 - 503	2 - 699			
• Rights				3.773.120	828.404	3.656.683
• Obligations				(3.631.190)	(815.034)	(3.626.236)
Rights						
• Obligations		6 - 6			14.531	
• Sale on securities:					(14.504)	
Rights	371 - 371	6 - 6	2 - 14			
• Obligations				33.465	117.231	272.219
• Less CVA credit risk				(33.449)	(115.589)	(271.705)
				(1.096)	(1.360)	(133)
Total forward contracts				$ 490.048	$ 501.040	$ 43.194

Cash transactions	Importes		
	31-Dec-15	31-Dec-14	01-Jan-14
Purchase on foreign currency			
• Rights	$ 108	$ 11.962	$ 47.917
• Obligations	(106)	(11.922)	(47.873)
Sale on foreign currency:			
• Rights	34.869	38.360	6.312
• Obligations	(34.643)	(38.350)	(6.310)
Purchase of securities:			
• Rights	1.234	-	9.387
• Obligations	(1.233)	-	(9.406)
Sale on securities:			
• Rights	11.580	5.957	3.013
• Obligations	(11.572)	(5.949)	(3.011)
Less CVA credit risk			
Total cash transactions	$ 237	$ 58	$ 29

Options	Importes		
	31-Dec-15	31-Dec-14	01-Jan-14
Options on foreign currencies purchased - put:			
• Rights	$ 69.420	$ 862.002	$ 531.080
• Fair exchange price	1.418	3.507	7.646
Options on foreign currencies purchased - call:			
• Rights	85.832	965.161	476.812
• Fair exchange price	2.877	123.435	8.395
Less CVA credit risk	(11)	(439)	(124)
Total fair exchange price	$ 4.284	$ 126.503	$ 15.917

Swaps	Importes		
	31-Dec-15	31-Dec-14	01-Jan-14
On interest rates:			
• Rights	$ 963.477	$ 808.124	$ 664.862
• Obligations	(846.535)	(773.933)	(642.072)
On foreign currency:			
• Rights	2.126.190	1.274.838	908.566
• Obligations	(1.488.380)	(1.059.807)	(866.813)
Less CVA credit risk	(18.234)	(9.245)	(1.688)
Total swaps	$ 736.518	$ 239.977	$ 62.855

Futures	Importes		
	31-Dec-15	31-Dec-14	01-Jan-14
Purchase on foreign currency:			
• Rights	$ 1.106.655	$ 557.401	$ 929.388
• Obligations	(1.106.655)	(557.401)	(929.388)
Sale on foreign currency:			
• Rights	625.273	246.875	342.397
• Obligations	(625.273)	(246.875)	(342.397)
Purchase of securities:			
• Rights	-	18.136	10.288
• Obligations	-	(18.136)	(10.288)
Sale on securities:			
• Rights	-	75.447	25.701
• Obligations	-	(75.447)	(25.701)
Total futures	-	-	-
Total cash transactions, acceptances and derivatives	$ 1.231.087	$ 867.578	$ 121.995

The offsetting entries that recorded the highest CVA at the end of the year 2015, which represent 81% of the total CVA reported, consist of:

Offsetting Entry	Amount in $Million
Gpc Tugs Sas	$ 4.566
Contecar	4.367
Sociedad Portuaria de Santa Marta	3.755
Sociedad Portuaria de Cartagena	2.210
Transportadora de Gas Internacional S.A.E.S.P.	800
Total	$ 15.698

The CVA variation for the period from December 31, 2014 to December 31, 2015 was mainly generated by the increase in the fair value of the exchange rate derivatives, due to the increase in the devaluation of the USD/COP exchange rate, which went from 2,392.46 at the end of 2014 to 3,149.47 at the end of 2015.

Derivative transactions are basically covered with cross forwards.

The Bank has conducted forward operations on foreign currencies and securities, futures contracts on national bonds, at the official exchange rate (TRM, for the Spanish original) and standardized forwards, options on foreign currencies, swaps on foreign currencies and swaps on interest rates, which are valued according to the provisions of Chapter XVIII of the CBCF.

As a general policy for derivative transactions, the Group follows the standards issued by the Superintendence and considers the restrictions and limits of its own position, its own cash position, the leveraging position, and the interest rates established by the BBVA Group.

At December 31, 2015 and 2014, derivative transactions showed no charges, restrictions or levies of a legal or financial nature, or pledges, embargoes, litigation or any other limitation on the rights inherent to these transactions.

The increase in both rights and obligations of the Foreign Currency Forwards and Futures Contracts is a result of the upward fluctuations of the exchange rate throughout the year 2015.

At December 31, 2015, the breakdown of transactions with derivative financial instruments was as follows:

			Maturiy days		Values in milion pesos		
Class of instrument	Type of operation	Currency	Min	Max	Value of Right	Value of Obligation	Net Result
• Forward Securities	Sale	COP	371	371	$ 33.465	$ (33.449)	$ 16
	Purchase	COP			-	-	
		Total Forward Securities			**$ 33.465**	**$ (33.449)**	**$ 16**
• Futures	Purchase	USD	-	-	$ 1.106.655	$ (1.106.655)	$ -
	Sale	USD	-	-	625.273	(625.273)	-
		Total futures			**$ 1.731.928**	**$ (1.731.928)**	**$ -**
• Financial Options	Purchase - Call	USD/COP	2	358	$ 2.866	$ -	$ 2.866
	Sale - Call	USD/COP	2	358	-	(2.876)	(2.876)
	Purchase - Put	USD/COP	2	358	1.418	-	1418
	Sale - Put	USD/COP	2	358	-	(1.419)	(1.419)
		Total financial options			**$ 4.284**	**$ 4.295**	**$ (11)**
• Spot foreign currency	Purchase	EUR/COP	4	4	$ 108	$ (106)	$ 2
	Sale	EUR/COP	-	-	-	-	-
	Purchase	USD/COP	4	4	6.299	(6.374)	(75)
	Sale	USD/COP	5	5	38.936	(38.737)	199
		Total spot foreign currency			**$ 45.343**	**$ (45.217)**	**$ 126**
• Currency Swap	CCS	USD	400	4195	$ 3.623.129	$ (3.627.728)	$ (4.599)
	CCS	COP	3764	3764	1.286.591	(1.281.990)	4.601
• Interest rate swap	IRS	COP	369	4016	2.344.074	(2.354.158)	(10.084)
	IRS	USD	385	3862	137.947	(135.984)	1.963
	OIS	COP	369	897	17.174	(17.322)	(148)
		Total swap			**$ 7.408.915**	**$ (7.417.182)**	**$ (8.267)**
• Foreign Currency Forward	Purchase	USD/COP	4	1342	$ 6.503.704	$ (6.252.573)	$ 251.131
	Sale	USD/COP	4	621	7.376.777	(7.553.117)	(176.340)
	Purchase	EUR/COP	8	617	114.306	(111.502)	2.804
	Purchase	CAD/COP	208	208	867	(904)	(37)
	Sale	USD/EUR	7	617	115.861	(113.616)	2.245
	Sale	USD/CAD	208	208	866	(867)	(1)
	Sale	USD/CLP	26	362	107.258	(104.390)	2.868
	Sale	COP/EUR	7	620	260.366	(263.917)	(3.551)
	Sale	COP/CHF	82	82	263	(280)	(17)
	Purchase	EUR/USD	12	620	266.688	(273.921)	(7.233)
	Purchase	CLP/USD	26	362	104.388	(107.258)	(2.870)
		Total forward divisas			**$ 14.851.344**	**$ (14.782.345)**	**$ 68.999**
• Spot on Securities	Purchase	COP	370	370	$ 1.552	$ (1.551)	$ 1
	Sale	COP	369	370	11.580	(11.572)	8
		Total Spot on Securities			**$ 13.132**	**$ 13.123**	**$ 9**
				TOTAL	$ 24.088.411	$ (24.027.539)	$ 60.872

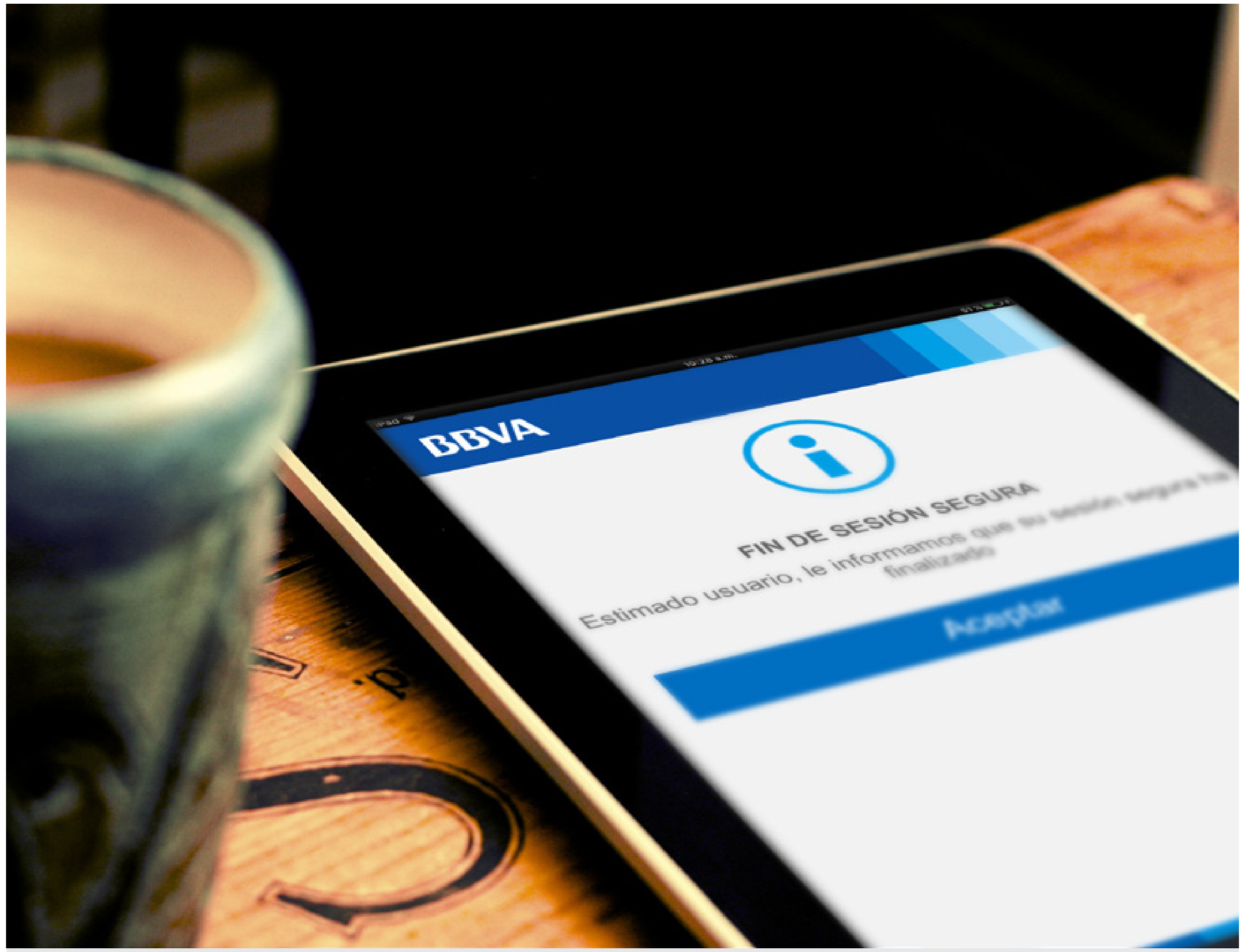
At December 31, 2014, the breakdown of transactions with derivative financial instruments was as follows:

Class of instrument	Type of operation	Currency	Maturiy days Min	Max	Values in milion pesos Value of Right	Value of Obligation	Net Result
• Forward Securities	Sale	COP	6	6	$ 117.231	$ (115.589)	$ 1.642
	Purchase	COP	6	6	21.256	(21.281)	(25)
		Total Forward Securities			**$ 138.487**	**$ (136.870)**	**$ 1.617**
• Forward Securities	Purchase	USD	-	-	620.801	(620.801)	
	Sale	USD	-	-	310.275	(310.275)	-
• Futures	Purchase	COP	-	-	18.136	(18.136)	-
	Sale	COP	-	-	75.447	(75.447)	-
		Total futures			**$ 1.024.659**	**$ (1.024.659)**	**$ -**
• Financial Options	Purchase - Call	USD/COP	2	358	$ 123.436	$ -	$ 123.436
	Sale - Call	USD/COP	2	358		(123.579)	(123.579)
	Purchase - Put	USD/COP	2	358	3.507	-	3.507
	Sale - Put	USD/COP	2	358	-	(3.516)	(3.516)
		Total Financial Options			**$ 126.943**	**$ (127.095)**	**$ (152)**
• Spot foreign currency	Purchase	USD/COP	2	2	$ 11.962	$ (11.922)	$ 40
	Sale	USD/COP	2	5	38.360	(38.350)	10
		Total spot foreign currency			**$ 50.322**	**$ (50.272)**	**$ 50**
• Currency Swap	CCS	USD	2	4013	$ 2.373.890	$ (2.390.140)	$ (16.250)
• Interest rate swap	IRS	USD	22	3330	34.737	(34.844)	(107)
	IRS	COP	2	3645	1.837.302	(1.841.467)	(4.165)
		Total swap			**$ 4.245.929**	**$ (4.266.451)**	**$ (20.522)**
• Foreign Currency Forward	Sale	USD/COP	2	1707	$ 4.813.694	$ (4.336.031)	$ 477.663
	Purchase	USD/COP	2	503	5.295.485	(5.800.423)	(504.938)
	Sale	EUR/COP	14	646	17.247	(16.307)	940
	Sale	USD/EUR	2	646	15.401	(14.386)	1.015
	Sale	USD/CAD	91	91	1.998	(1.883)	114
	Sale	USD/MXM	27	27	11.962	(11.246)	716
	Sale	USD/BRL	30	30	7.517	(7.605)	(88)
	Purchase	COP/EUR	7	716	61.984	(65.189)	(3.205)
	Purchase	EUR/USD	13	716	66.770	(71.739)	(4.969)
	Purchase	BRL/USD	30	30	7.605	(7.517)	88
	Purchase	MXM/USD	27	27	11.246	(11.962)	(716)
		Total foreign currency forward			**$ 10.310.909**	**$ (10.344.288)**	**$ (33.380)**
• Spot on Securities	Sale	COP	2	5	$ 5.957	$ (5.949)	$ 8
		Total Spot on Securities			**$ 5.957**	**$ (5.949)**	**$ 8**
				TOTAL	$ 15.903.206	$ (15.955.584)	$ (52.378)

At January 01, 2014, the breakdown of transactions with derivative financial instruments was as follows:

Class of instrument	Type of operation	Currency	Maturiy days Min	Max	Values in milion pesos Value of Right	Value of Obligation	Net Result
• Forward Securities	Sale	COP	2	14	$ 284.619	$ (284.123)	$ 496
		Total Forward Securities	-	-	**$ 284.619**	**$ (284.123)**	**$ 496**
• Futures	Purchase	USD	-	-	$ 939.676	$ (939.676)	$ -
	Sale	USD	-	-	420.286	(420.286)	-
		Total futuros	-	-	**$ 1.359.962**	**$ (1.359.962)**	**$ -**
• Financial Options	Purchase - Call	USD/COP	2	360	$ 8.395	$ -	$ 8.395
	Sale - Call	USD/COP	2	360	-	(8.395)	(8.395)
	Purchase - Put	USD/COP	2	360	7.647	-	7.647
	Sale - Put	USD/COP	2	360	-	(7.647)	(7.647)
		Total Financial Options			**$ 16.042**	**$ (16.042)**	**$ -**
• Spot foreign currency	Purchase	EUR/COP	2	2	$ 51	$ (50)	$ -
	Purchase	USD/COP	2	2	47.867	(47.823)	44
	Sale	USD/COP	2	2	6.311	(6.310)	2
		Total spot foreign currency	-	-	**$ 54.229**	**$ (54.183)**	**$ 46**
• Currency Swap	CCS	USD	79	4378	$ 1.726.734	$ (1.733.000)	$ (6.266)
• Interest rate swap	IRS	USD	254	2555	197.975	(197.895)	80
	IRS	COP	2	3633	841.327	(844.991)	(3.664)
		Total swap			**$ 2.766.036**	**$ (2.775.886)**	**$ (9.850)**
• Foreign Currency Forward	Sale	USD/COP	2	699	$ 3.721.711	$ (3.733.600)	$ (11.889)
	Purchase	USD/COP	2	699	5.122.084	(5.110.311)	11.773
	Sale	EUR/COP	2	120	6.364	(6.299)	65
	Sale	USD/EUR	2	246	8.837	(8.955)	(117)
	Sale	USD/MXM	8	22	72.839	(73.610)	(772)
	Purchase	COP/EUR	7	715	21.779	(22.401)	(622)
	Purchase	EUR/USD	2	715	24.000	(23.305)	695
	Purchase	MXM/USD	8	22	73.626	(72.839)	787
		Total Foreign Currency Forward			**$ 9.051.240**	**$ (9.051.320)**	**$ (80)**
				TOTAL	$ 13.532.128	$ 13.541.516	$ (9.387)

BBVA Asset Management was recognized as the best investment manager in Colombia by the magazine World Finance.



The collateral received and delivered in derivative transactions at December 31, were:

Offsetting Entry		December 31, 2015		December 31, 2014		January 1, 2014
Active						
• Goldman Sachs International	USD	-	USD	440.000	USD	550.000
• Banco Santander Central Hispano	USD	60.000	USD	3.200.000	USD	310.000
• BBVA Madrid (1)	USD	(13.040.000)	USD	-	USD	-
• BBVA Bancomer Mexico	USD	27.155.737	USD	66.943.994	USD	-
Passive						
• Morgan Stanley and Co International	USD	3.354.000	USD	-	USD	-

(1) The amount under BBVA Madrid corresponds to the collateral agreement on all the Bank's derivative transactions with this counterparty

The financial collateral, regardless of the holder instrumentation or other circumstances, are analyzed on a periodic basis to determine the credit risk to which they are exposed and, if necessary, to estimate the need to create a provision therefor.

Hedging derivatives

- **Bond issue in foreign currency –** The Bank issued subordinated bonds abroad in the amount of USD 400 million on April 21, 2015, maturing on April 21, 2025. The bonds have a 10-year coupon rate of 4.875% and earn interest on a semi-annual basis.

The Subordinated Bonds have been issued pursuant to Rule 144A / Regulation S of the US Securities Act of 1933.

BBVA Securities Inc. and Morgan Stanley & Co. LLC., acted as the placement agents.

- **Accounting Hedge –** The Bank made the following accounting hedges to hedge the exchange and interest rate risk in US dollars:

Cash Flows

These financial instruments were designated as cash flows because both their right and obligation are at a fixed rate and the purpose is to hedge future cash flows for the payment of interest and principal in accordance with the nominal value agreed

Transaction	Nominal Value of Right - USD	Right Rate EA	Nominal Value of Obligation - $	Obligation Rate EA	Value of Right at December 31, 2015	Value of Obligation at December 31, 2015	Fair Value at December 31, 2015
		4,87%			$ 155.950	$ 155.963	$ (13)
9315701	USD 40	4,87%	$ 124.000	10,64%	$ 155.950	$ 155.474	$ 476
9346154	USD 40	4,87%	$ 117.600	10,71%	$ 155.950	$ 148.032	$ 7.918

Fair Value

They were designated at fair value because the obligation is indexed at the IBR, which was developed by the private sector, with the backing of the Central Bank of Colombia and other entities, in order to reflect the liquidity of the Colombian money market, that is to say, when a debt is acquired on the market today, it will be estimated at a rate similar to the reference rate.

Transaction	Right Rate EA	Right Rate EA	Nominal Value of Obligation - $	Obligation Rate EA	Value of Right at December 31, 2015	Value of Obligation at December 31, 2015	Fair Value at December 31, 2015
9217722	USD 70	4,87%	$ 226.100	IBR+3,19%	$ 272.913	$ 281.723	$ (8.809)
9315699	USD 70	4,87%	$ 217.000	IBR+3,57%	$ 272.913	$ 276.216	$ (3.303)
9346145	USD 70	4,87%	$ 205.800	IBR+3,75%	$ 272.913	$ 264.580	$ 8.332

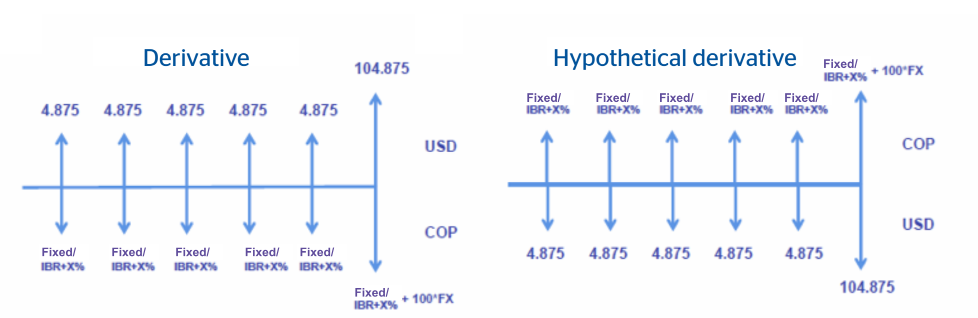
Measurement of Hedge Effectiveness

IFRS 9, paragraph B6.5.5 indicates that "when the fundamental conditions (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item match or are closely aligned, an entity can conclude, based on a qualitative assessment of said fundamental conditions, that the hedging instrument and the hedged item have values that will generally move in the opposite direction due to the same risk and, therefore, there is an economic link between the hedged item and the hedging instrument".

Measurement of Hedge Ineffectiveness

IFRS 9 paragraph B6.5.5 indicates that "To calculate the change in the value of the hedged item for the purposes of measuring the hedge ineffectiveness, an entity can use a derivative with the conditions that match the fundamental conditions of the hedged item (which is commonly know as a hypothetical derivative)..."

A hypothetical derivative is defined as the perfect opposite in which an element is fully in line with the economic characteristics of the hedged item, therefore, it is the method used by the bank to measure the effectiveness of its hedging instruments, concluding that it will be 100% effective over time.



Based on the above, the effective part of the gain or loss of the hedging instrument will be recognized in equity (other comprehensive income - OCI) and the ineffective part will be recognized in income. Since the conditions of the CCS of the payment received by the Bank in US dollars match those of the hedged item (coupon date, coupon rate, liquidation base of the coupon and final exchange of flows), its effect on the Bank's income statement is expected to be neutral.

At December 31, 2015, $8,381 was recorded in other comprehensive income on account of the cash flow hedge derivative. On the same date, no reclassifications of equity were made to the income statement for the year.

The purpose of the accounting hedge is to implement the amendment to External Regulatory Circular DODM-139 / May 25, 2015, which allows the use of funds from borrowings in foreign currency for terms greater than or equal to 1 year, covered by a derivative in foreign currency in effect from the disbursement date to the maturity date of the transaction, whose funds will be used to carry out active transactions in legal tender.

As provided for in this rule, the Bank excluded from its income statement and recorded in a valuation account of the hedging instrument, the fluctuation of $55,861 presented by the monetized balances against the debt hedged in US dollars stated in Colombian pesos at December 31, 2015, where the average monetization FIX rate was $2,972 per USD, while the exchange rate at the end of the year reached $3,149.47.

The posting of hedging derivatives at December 31, 2015 is as follows:

Active Hedging - CCS Swap

Hedging Class	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Comprehensive Income	Other Comprehensive Income (OCI) Statement
Fair Value	USD	$ 272.913	$ (264.580)	$ 8.333	$ -	$ -
Cash Flow	USD	311.901	(303.507)	-	-	8.394
			Total	$ 8.333	$ -	$ 8.394
					Total Active Hedging	$ 16.727

Cobertura Pasiva - Swap CCS

Hedging Class	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Comprehensive Income	Other Comprehensive Income (OCI) Statement
Fair Value	USD	$ (545.826)	$ 557.939	$ 12.113	$ -	$ -
Cash Flow	USD	(155.950)	155.963	-	-	13
			Total	12.113	-	$ 13
					Total Passive Hedging	$ 12.126

16. Debtors, net

At December 31, the balance of this account was broken down as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Deposits for executive proceedings, collateral and others (1)	$ 237.220	$ 261.553	$ 64.235
Dividends and shares	-	70	217
Commissions (2)	4.082	2.663	2.390
Leases	-	-	168
To parent company, subsidiaries, related parties and associates	774	155	179
Promising sellers	-	-	1.716
To employees	254	517	356
Taxes (3)	11.295	209	143
Other (4)	42.566	24.957	26.203
Subtotal	**296.191**	**290.124**	**95.607**
Less impairment of other debtors	20.120	9.959	12.023
Total Debtors, Net	**$ 276.071**	**$ 280.165**	**$ 83.584**

(1) The decrease is basically due to Margin Call transactions of derivatives in foreign currency transactions, explained in detail in Note No. 7 of financial instruments, since they must be presented jointly according to the accounting standards in force. In turn, there is an increase in properties purchased for placement in residential leasing and vehicles given the growth of the business in the bank.
The increase in the variation of residential leasing is due to the sale of immovable property incurred at the end of the year 2015 and that have not been disbursed; this value varies considering the growth in the placement of the business.
In addition, the increase in vehicle leasing is due to the growth of the product because of the rise in the number of transactions billed, along with the transactions in the process of disbursement and legalization.

(2) The increase is mainly due to the billing generated in the Trust Company as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Investment trusts	$ 179.878	$ 250.512	$ 293.155
Real Estate Trusts	29.060	60.631	44.312
Management Trusts	919.941	798.971	786.685
Guarantee and Public Trusts	161.576	150.720	98.835
Other commissions	1.495	-	-
Total	$ 1.291.950	$ 1.260.834	$ 1.222.987

Also, BBVA Valores recognizes the billing of management and custody fees, the clients of Investment Banking and the interest from the savings deposit of the Central Bank of Colombia, as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Banco Bilbao Vizcaya Argentaria S.A	$ 136.463	$ 147.262	$ 119.943
Bbv America S.L.	34.414	37.159	30.178
Bolsas y Mercados Españoles	978	-	325
Centro de Experimentación y Seguridad Vial	-	-	163
Segurexpo de Colombia S.A.	464	232	464
Consultores del Desarrollo	20.708	20.708	-
Castro Tcherassi S.A.	6.903	6.903	-
Empresa Pública Cementera del Ecuador	-	98.487	-
Empresas Públicas de Medellin	-	42.549	-
Interconexión Eléctrica Colombia Panama S.A.	655.446	215.321	-
Bbva S.A.	-	2.138	-
Democratized Clients	247.127	726.138	767.146
Interest - Central Bank of Colombia	1.032	1.052	47
Min. de Trans. y Obras Publicas del Ecuador	1.454.816	-	-
TOTAL	$ 2.558.351	$ 1.297.948	$ 918.266

(3) The increase corresponds to the recognition of the balance in favor of the Bank generated by the CREE tax return for the year 2014.

(4) The increase is basically due to the reclassification of the balances in checking and savings accounts transferred to the DTN for the year 2014; the transfer was not carried out for that year considering that these funds must be kept on demand, because if the client requests a refund, it must be disbursed by the next day at the latest.

17. Non-current assets held for sale

Al 31 de diciembre el saldo de esta cuenta se descomponía así:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Foreclosed assets:			
• Immovable goods	$ 11.899	$ 5.675	$ 6.122
Subtotal foreclosed assets	**11.899**	**5.675**	**6.122**
Assets restored in lease agreements			
• Immovable goods	1.769	6.306	6.340
• Vehicles	1.352	2.527	380
• Goods given under residential leasing	435	-	-
Subtotal assets restored in Lease Agreements	**3.556**	**8.833**	**6.720**
Assets not used in the corporate purpose:			
• Lands	1.804	968	201
• Buildings	2.636	3.670	79
Subtotal assets not used in the corporate purpose:	**4.440**	**4.638**	**280**
Subtotal foreclosed and restored assets	**19.895**	**19.146**	**13.122**
Less Impairment of Non-current Assets Held for Sale			
• Foreclosed assets	1.551	1.157	1.900
• Other non-current assets held for sale	3.324	4.496	2.846
Subtotal Provisions	**4.875**	**5.653**	**4.746**
Total Non-current assets held for sale	**$ 15.020**	**$ 13.493**	**$ 8.376**

The movement of the provision for protection of realizable assets and foreclosed assets during the years ended at December 31 was as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Balance at the beginning of year	$ 5.653	$ 4.746	$ 3.341
Provision charged to expenses in the year	3.620	2.363	3.201
Transfers	-	(30)	124
Less - write-offs or utilizations	1.938	-	210
Less - Retirement for sales and recoveries	2.460	1.426	1.710
Balance at year end	**$ 4.875**	**$ 5.653**	**$ 4.746**

The amounts, permanence time, and provision level of the goods received in lieu of payment at the periods compared were as follows:

Type of Good	Amount			december 31 2015		december 31 2014		1 de enero 2014	
	2015	2014	2013	Permanence Time (1)	Provision	Permanence Time (1)	Provision	Permanence Time (1)	Provision
Immovable goods	$ 11.899	$ 5.675	$ 6.122	17	$ 3.885	16	$ 2.023	16	$ 2.684
TOTAL	$ 11.899	$ 5.675	$ 6.122		$ 3.885		$ 2.023		$ 2.684

(1) Stated as average permanence time in months.

18. Property and equipment

At December 31, the balance of this account was broken down as follows:

In $ billion	Lands	Buildings	Vehicles	Fixtures and Accessories	Computers	Machinery, Plant and Equipment in Assembly	Improvements to Foreclosed Assets under Lease	Assets under Construction
Cost								
Balance at January 01, 2014	$ 157.276	$ 21.175	$ 3.873	$ 193.602	$ 193.464	$ 809	$ 11.769	$ 16.604
Acquisitions	-	4.685	1.440	28.510	25.379	409	-	4.928
Additions	-	3.348	-	212	6.636	-	28.951	-
Sales	535	2.548	-	11.307	20.028	-	-	-
Retirements	-	8	-	156	295	797	-	16.545
Net Valorization	621	3.549	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	6.786	-
Balance at December 31, 2014	$ 156.120	$ 623.103	$ 5.313	$ 210.860	$ 205.158	$ 421	$ 33.934	$ 4.988
Acquisitions	-		1.930	17.062	18.618	806	-	4.247
Additions	-	2.530	-	230	45	-	10.006	-
Sales	380	769	3.449	2.230	3.761	-	-	-
Retirements	-	20	-	985	951	403	-	4.959
Net Valorization	746	1.154	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	9.324	-
Balance at December 31, 2015	$ 154.994	$ 623.690	$ 3.794	$ 224.938	$ 219.109	$ 824	$ 34.616	$ 4.277
Depreciation and impairment losses								
Balance at January 1, 2014	$ -	$ 196.817	$ 3.632	$ 110.496	$ 139.940	$ -	$ -	$ -
Depreciation for the year	-	4.159	82	17.294	25.872	-	-	-
Impairment loss	-	-	-	-	-	-	-	-
Retirements	-	-	-	9.746	292	-	-	-
Transfer of assets	-	2.334.16	-	-	-	-	-	-
Derecognition of damaged immovable assets	-	-	-	-	-	-	-	-
Accounting Adjustments	-	6.61	-	-	-	-	-	-
Derecognition of obsolete immovable assets	-	-	-	-	15.869	-	-	-
Balance at December 31, 2014	$ -	$ 198.636	$ 3.714	$ 118.044	$ 149.651	$ -	$ -	$ -

In $ billion	Lands	Buildings	Vehicles	Fixtures and Accessories	Computers	Machinery, Plant and Equipment in Assembly	Improvements to Foreclosed Assets under Lease	Assets under Construction
Balance at December 31, 2014	$ -	$ 198.636	$ 3.714	$ 118.044	$ 149.651	-	-	-
Depreciation for the year	-	4.086.13	197.63	15.500.27	27.430	-	-	-
Retirements	-	-	-	1.296.68	-	-	-	-
Transfer of assets	-	789.51	1.912.40	-	-	-	-	-
Derecognition of damaged immovable assets	-	-	96.33	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	-	-	-
Derecognition of obsolete immovable assets	-	-	-	-	-	-	-	-
Derecognition due to Donation	-	-	-	-	-	-	-	-
Sale of immovable assets	-	-	-	-	52	-	-	-
Effect of exchange variations	-	-	-	-	-	-	-	-
Balance at December 31, 2015	$ -	$ 201.932	$ 1.903	$ 132.248	$ 177.029	$ -	$ -	$ -
Carrying Value								
At January 01, 2014	$ 157.276	$ 424.358	$ 241	$ 83.106	$ 53.524	$ 809	$ 11.769	$ 16.604
At December 31, 2014	$ 156.120	$ 424.468	$ 1.599	$ 92.815	$ 55.505	$ 421	$ 33.934	$ 4.988
At December 31, 2015	$ 154.994	$ 421.758	$ 1.891	$ 92.690	$ 42.080	$ 824	$ 34.616	$ 4.277

Properties and equipment are accounted for at cost, which as relevant, includes: a) financing costs incurred for their acquisition until they are in condition to be used and b) inflationary adjustments recorded up to December 31, 2013.

(1) Due to the first-time application of IFRS, the items of land and buildings have increased due to the valuation that became part of the asset, thus strengthening the Group's financial structure, which improves its borrowing capacity.

(2) No immovable assets were acquired in 2015. Two immovable assets were handed over for sale to the GANF area located in Bogotá, the Fontibón Warehouse and the Occidente Warehouse.

(3) In 2015, 14 vehicles were sold due to the acquisition of a new fleet; the sale was carried out through the area of released assets.

(4) In 2015, fixed assets corresponding to office equipment were derecognized, which were mostly queue separators, signs, chairs and office partitions; they had to be retired due to the change in the corporate image and the expansion plan.

(5) The computers account increased because lots of computers were acquired and installed in the offices as part of the expansion plan and replacement of obsolete equipment.

In addition, in order for the Brokerage Firm to demonstrate the economic reality of the Company and the fact that the accounting is a faithful reflection thereof, by means of Board of Directors meeting held on October 23, 2014 (Minutes No. 285), computers and communications equipment were retired as they were completely depreciated and met the following characteristics: a) there is no physical existence of the asset, b) it is not operating in the Company, and c) it does not generate income for the Company. In the second half of 2015, two (2) computers and communications equipment were purchased, which will be used as servers in the implementation of the DMA project, which consists of electronic order routing where clients abroad will enter transactions directly in the Colombian market.

(6) In 2015, the account of machinery, plant and equipment in assembly underwent a significant increase due to the purchase of 108 ATM units, which were acquired from Diebold and Wincor to cover the need of the ATM expansion plan and to close the project established for the years 2014 and 2015.

(7) The decrease in 2015 corresponds to the legalization of corporate expansion strategic plan works. .

New technologies: wireless network implementation in more than 50% of offices nationwide

All the Group's property and equipment are duly covered against fire, related dangers, damage to electrical and electronic equipment, mechanical breakdown, HAMCCop (malicious acts) and theft, through insurance policies that are in force and there is no domain restriction.

For purposes of establishing provisions or individual valorization on the immovable assets, commercial appraisals are carried out with independent firms registered at the Realtors Association ("Lonja de Propiedad Raíz"). The term applied to these appraisals is three (3) years; at December 31, 2013, appraisals were conducted on 100% of the Group's immovable assets.

Appraisal Date	Amount	Share %
2013	263	97%
2014	2	1%
2015	6	2%

Depreciation

The depreciation of fixed assets begins when they are ready for their intended use. Land is not depreciated. The depreciation of other assets is calculated using the straight line method to assign their cost less their residual value during their estimated useful life, which is calculated by property valuers.

Properties taken on operating leases

A summary of assets given under operating leasing is as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Vehicles	$ 24.143	$ 3.207	$ 3.060
Machinery and equipment	147	19.184	12.973
Computers	148	-	992
Subtotal - Capital	**24.438**	**22.391**	**17.025**
Less - Accumulated depreciation	6.534	8.922	5.141
Subtotal - Capital	**17.904**	**13.469**	**11.884**
Rates of goods given under leasing	297	233	121
Total Operating Lease	**$ 18.201**	**$ 13.702**	**$ 12.005**

El incremento que se presenta obedece básicamente a nuevas colocaciones.

19. Intangible assets

Intangible assets are broken down as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
INTANGIBLE ASSETS			
• Capital gain		$ 192.203	$ 192.203
• Software and applications	46.903	34.629	18.487
Total Intangible Assets	**$ 239.106**	**$ 226.832**	**$ 210.690**

The movement of software and applications during the years 2015 and 2014 was as follows:

Activity	USEFUL LIFE	BALANCE 31 DEC 2014	ADDITION	AMORTIZATION / RETIREMENT	BALANCE 31 DEC 2015
Software and applications	5	$ 34.629	183.312	171.038	$ 46.903
Total		**$ 34.629**	**$ 183.312**	**$ 171.038**	**$ 46.903**

Activity	USEFUL LIFE	BALANCE 1 JAN 2014	ADDITION	AMORTIZATION / RETIREMENT	BALANCE 31 DEC 2014
Software and applications	5	$ 18.487	$ 53.227	$ 37.085	$ 34.629
Total		**$ 18.487**	**$ 52.227**	**$ 37.085**	**$ 34.629**

The additions in 2015 in Intangible Assets correspond to the capitalization of assets (Local and Corporate Software) through the acceptance of the service and/or payment of invoices.

Retirements in 2015 correspond to the amortizations posted in the term of useful life stipulated in the projects and in accordance with the local accounting policy.

Goodwill

The Group considers that the acquisition of these lines of business, mainly mortgages, enabled it to become part of the housing market, in which it did not have a significant presence at the time. In light of the above and based on the progress, strengthening and development achieved by the Group in the Colombian market for mortgage loans, as a result of the acquisition of the lines of business mentioned above, BBVA considers that the goodwill recorded in its financial statements must not be amortized as it considers that its useful life is indefinite.

The purchase of Banco Granahorrar gave rise to the creation of goodwill in BBVA Colombia's balance sheet amounting to $514,415 at September 30, 2006. The lines of business determined at the time of the merger with Banco Comercial Granahorrar S.A. were consumer, mortgage and credit cards, with a distribution of $270,824, $952,419 and $61,831 respectively. For comparison purposes, the lines of business were valued with the goodwill balance based on the profit generated by each line of business.

The distribution corresponding to goodwill was as follows:

Line of Business	Acquired	Share %	Balance at October 2015
Consumer	$ 270.824	21,07	$ 40.506
Mortgage	952.419	74,11	142.449
Credit Cards	61.831	4,82	9.248
Total	$ 1.285.074	100	$ 192.203

For the treatment of goodwill in the initial application, the Bank accepts the exemption to business combinations set out in Appendix C1 of IFRS 1 "An entity adopting IFRS for the first time may elect not to apply IFRS 3 retroactively to business combinations made in the past". To this effect, the carrying value will be the amount that is held for the indefinite useful life for later periods, and will be subject to impairment testing.

In this understanding, when applying the shares to the accounting balance of goodwill at October 2015, the allocation thereof by line of business is consistent with the balance at October 2015.

For the sake of conducting a valuation of the lines of business in a robust manner consistent with the behavior of the economy, in general, and the goals of BBVA Colombia, key parameters were used for the discounted cash flow projection method, which were obtained from reliable sources. To this effect, macroeconomic variables obtained from the Medium Term Fiscal Framework were incorporated in the project model, such as:

Macroeconomic assumptions: the macroeconomic variables estimated by BBVA Colombia's Department of Financial Planning were incorporated in the projection model, as provided with its business plan. These variables were used by the Bank and are reflected in the evolution of the different elements projected in the business plan provided. Therefore, for instance, the inflation rate during the term of the project is equivalent to an annual rate of 3.38%.

In relation to income tax or the tax for equality (CREE), which correspond to national taxes on the income of natural and legal persons, the tax rate implicit in the projections of Bank's operations was used. The latter, given that for its estimation, BBVA gathers the different elements of the Tax Code to estimate the different tax bases for each year, along with the applicable rates and surcharges, as well as the last tax reform included in Law 1739 / 2014.

Discount rate: For determining the cost of capital, the following parameters were taken into account:

1) The current rate of return of 10-year US Treasury Bonds was taken as the risk-free rate, rather than another with greater maturity, because it "tends to be less volatile and has greater liquidity than longer-term State issues". The figure was obtained on December 18, 2015 from the database offered by the US Treasury Department.

2) The market premium (Rm-Rf) corresponds to the geometric average of the return on the S&P 500 index from 1928 to 20159/ less the geometric average of the return

on 10-year US Treasury Bonds for the same period published by Aswath Damodaran on its website.

3) The beta-leveraged ratio was estimated according to the most recent update of the related figure for the US Banking industry - specifically Bank (Money Center) - published by Aswath Damodaran on its website, with a value of 0.81.

4) The Country Risk is measured by the EMBI+, an index taken from the Corficolombiana website. This corresponds to the difference between the average cost of Colombia's public debt in US Dollars and the sovereign debt of the United States.

5) The implicit devaluation corresponds to the expected devaluation of the Colombian peso vs. the US Dollar, estimated as the difference between the return on bonds issued in US Dollars (Yankee) and the bonds issued in Colombian pesos (TES) in the long-term.

Financial revenues: Based on the financial planning projections made and provided by BBVA Colombia, the financial revenues were calculated for each line of business evaluated. To do so, the average balances of the gross portfolio projected for the years 2015 to 2020 were taken as input, along with the respective placement rates. Since the gross portfolio for each line of business is made up of: i) the particular or current portfolio; ii) irregular investment, which consists of the matured portfolio that is not yet considered delinquent; and iii) the non-performing loans (delinquent), the revenues were projected for each of these components.

Since the projections carried out by BBVA Colombia only discriminate the particular portfolio for the lines of business evaluated, but considering that historically, the distribution of irregular investment and non-performing portfolio can be identified by line of business, the latter two components were projected in accordance with their historical percentage distribution. To this effect, it was found that, of the total irregular investment for the period from January 2010 to October 2015, 24.95% on average was represented by consumer loans, 48.59% was mortgages and 4.75% was credit cards. In turn, for the non-performing loans, these percentages were 33.89%, 32.32% and 7.93%, respectively.

The total value of the BBVA's business lines evaluated, the value of the lines acquired from Granahorrar and the balance in millions of Colombian pesos in goodwill as per the valuation performed by Valfinanzas Banca de Inversión, at October 2015 was:

Line of Business	Total Value	Value by Line	Balance October
Consumer	$ 3.559.824	$ 540.381	$ 40.506
Mortgage	1.507.822	1.038.287	142.449
Credit Cards	1.060.776	249.176	9.248
Total	**$ 6.128.422**	**$ 1.827.844**	**$ 192.203**

20. Other assets

The balance of the account at December 31, 2015, December 31 and January 1, 2014 consisted of the following:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
OTHER ASSETS			
• Letters of credit of deferred payment	$ 419	$ 365	$ 1.033
• Art and cultural goods	455	455	455
• Activities in joint ventures (1)	2.365	2.016	1.832
• Sundries (2)	2.964	5.807	4.497
SUBTOTAL OTHER ASSETS	6.203	8.644	7.819
• Impairment other assets	1.512	1.232	3.020
TOTAL OTHER ASSETS, NET	$ 4.691	$ 7.412	$ 4.799

(1) Consists of the joint activities of consortia and joint ventures of Sociedad Fiduciaria as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Consorcio Fimproex 30%	$ 886	$ 512	$ 255
Consorcio EPM UNE 2008 50%	41	41	41
Consorcio Pensiones Ecopetrol 2011 50%	448	748	615
Unión Temporal Horizonte Fidugan 50%	26	33	32
Unión Temporal Horizonte Pensiones y Cesantías BBVA Fiduciaria 43.62%	26	5	50
Consorcio FIA 30.21%	254	135	491
Patrimonio Autónomo EE.PP.M. ESP	8	9	3
U.T. BBVA Horizonte y BBVA Fiduciaria FONPET 28.57%	409	389	230
U.T BBVA Horizonte y BBVA Fiduciaria Pensiones EVM-APEV 2012 50%	223	144	115
Consorcio FFIE Alianza BBVA	44	-	-
TOTAL	$ 2.365	$ 2.016	$ 1.832

(2) The decrease is basically in transactions carried out by clients on the NET through PSE transactions pending transfer to other banks because they are after hours in the last cycle. It is also affected by the offset with the different networks for debit and credit card transactions carried out during the last two days of the year.

21. Prepaid expenses

Prepaid expenses are broken down as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
PREPAID EXPENSES (1)			
• Insurance (2)	$ 1.835	$ 1.405	$ 1.432
• Others (3)	7.528	6.397	3.473
Total Prepaid Expenses	**$ 9.363**	**$ 7.802**	**$ 4.905**

(1) The items of prepaid expenses are the result of the categorization assigned in the first-time application of the International Financial Reporting Standards (IFRS) (See first-time application disclosure)

(2) The insurance policies acquired consist of the global policy, collective life insurance and multi-risk insurance, among others.

The Subsidiaries have the following policies at December 31, 2015:

Trust Company	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Global banking policy	$ -	$ 23	$ 24
Other insurance	191	168	163
TOTAL	$ 191	$ 195	$ 191

Securities	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 01, 2014
Global banking policy	$ -	$ 23	$ 24
Non-contractual civil liability policy	30	32	22
TOTAL	$ 30	$ 55	$ 46

(3) Other prepaid expenses include robust local and corporate software maintenance contracts, as well as improvements to properties assigned as In-house. To the Bank, the amortization period is stipulated according to the legal or contractual right and cannot exceed the period of those rights, but can be less than that established by the parties. The time indicated in useful life depends on the period during which the entity expects to use the asset.

The movement of prepaid expenses during the years 2015 and 2014 was as follows:

Concept	BALANCE 31 DEC 2014	ADDITION	AMORTIZATION / RETIREMENT	BALANCE 31 DEC 2015
Seguros	$ 1.405	$ 11.660	$ 11.231	$ 1.835
Otros	6.397	264.185	263.053	7.528
Total	$ 7.802	$ 275.845	$ 274.284	$ 9.363

Concept	BALANCE 1 JAN 2014	ADDITION	AMORTIZATION / RETIREMENT	BALANCE 31 DEC 2014
Seguros	$ 1.433	$ 11.253	$ 11.280	$ 1.405
Otros	3.473	38.340	35.416	6.397
Total	$ 4.906	$ 49.593	$ 46.697	$ 7.802

Additions presented in 2015 in Prepaid Expenses correspond to:

a- Payments made to acquire global, multi-risk and life insurance policies, among others.
b- Payments made for Software maintenance.

The retirements generated in 2015 correspond to amortizations generated during the year, received for services or whose costs or expenses are incurred.

22. Deposits and financial claims

The Group's liabilities portfolio at December 2015, 2014 and January 1, 2014 consisted of the following:

Concept	31 dec 2015	%	31 dec 2014	%	1 jan 2014	%
Savings deposits	$ 19.341.288	53,9%	$ 16.185.713	50,1%	$ 15.473.976	54,9%
Deposits in checking accounts	4.938.091	13,7%	4.910.934	15,2%	4.663.496	16,5%
Financial claims for banking services	336.743	0,9%	382.690	1,2%	308.511	1,1%
Special deposits	199.904	0,6%	111.459	0,3%	79.160	0,3%
Special savings accounts	16.924	0%	17.263	0,1%	14.738	0,1%
Simple deposits	13.968	0%	9.229	0%	7.394	0%
Canceled accounts	590	0%	525	0%	437	0%
Banks and correspondents	10.163	0%	15	0%	2.432	0%
Electronic deposits	51	0%	1	0%	-	0%
TOTAL DEPOSITS AND FINANCIAL CLAIMS	24.857.722		21.617.829		20.550.145	
Term Deposit Certificates	11.049.053	30,7%	10.665.636	32,9%	7.596.773	26,9%
Real Value Savings Certificates	9.333	0%	132.908	0,4%	107.211	0,4%
TOTAL DEPOSITS AND FINANCIAL CLAIMS	11.058.387		10.798.544		7.703.984	
TOTAL DEPOSITS AND FINANCIAL CLAIMS	$ 35.916.109		$ 32.416.373		$ 28.254.129	

The increase in the cost of resources for the Bank is represented mainly by the increase in the paid collection of savings deposits and term deposit certificates; BBVA recognizes client rewards in the placement of short-term term deposit certificates as costs; these associated rewards are amortized in accordance with the term of the term deposit certificate, so they are fully amortized by the end of the term of the respective term deposit certificate.

The term deposit certificates in Colombian pesos include the items corresponding to interest; the impact on amortization of the rewards associated with the term deposit certificates was $1,118, $1,999 and $1,713 at December 31, 2015 and 2014 and January 1, 2014, respectively.

Concept	31 dec 2015	%	31 dec 2014	%	1 jan 2014	%
Term Deposit Certificates	11,049,053	30.7%	10,665,636	32.9%	7,596,774	26.9%
Real Value Savings Certificates	9,334	0.0%	132,908	0.4%	107,211	0.4%
TOTAL DEPOSITS AND FINANCIAL CLAIMS	11,058,387		10,798,544		7,703,985	

23. Passive positions in money market and related operations

At December 31, the balance of this account was broken down as follows:

Description	31-dec-15	31-dec-14	1-jan-14
Ordinary interbank funds purchased:			
• Banks	$ 155.048	$ 57.013	$ 39.011
Total interbank purchased	**155.048**	**57.013**	**39.011**
Transfer commitments in closed repo transactions:			
Banks	2.929.386	1.105.267	305.053
• Total closed repo transactions	2.929.386	1.105.267	305.053
Commitments originated in short positions for simultaneous transactions			
• Banks and Financial Corporations	793.543	148.954	8.221
Total commitments for simultaneous transactions	**793.543**	**148.954**	**8.221**
Total passive positions in money market transactions	**$ 3.877.977**	**$ 1.311.234**	**$ 352.285**

Description	Tasa % 2015	Tasa % 2014	Tasa % 2013
Ordinary interbank funds purchased:			
• Banks	5,55%	4,36%	3,12%
Transfer commitments in closed repo transactions:			
• Banks	5,52%	4,34%	3,15%

At December 31, 2015, closed repo transactions were carried out at a rate of 5.52% with a maturity of three calendar days; also, at December 2014, the opening of closed repo transactions with the Central Bank of Colombia were carried out at a rate of 4.34% with a maturity of 03 calendar days. No transaction costs were earned other than the interest agreed.

24. Derivative financial instruments and cash operations (passive)

At December 31, the balance of the account classified in liabilities was broken down as follows:

Forward contracts	Maturity in days					
	31-Dec-15	31-Dec-14	01-Jan-14	31-Dec-15	31-Dec-14	01-Jan-14
Purchase on foreign currency:	8-617	2-503	2-1064			
• Rights				$ (2.577.490)	$ (753.686)	$ (2.853.238)
• Obligations				2.682.123	767.758	2.875.946
On curriences:	4-621	14-646	2-324			
• Rights				(4.088.272)	(4.565.943)	(1.568.856)
• Obligations				4.404.666	5.085.698	1.589.040
On Securities:						
• Rights		6-6			(6.725)	
• Obligations					6.777	
Total forward contracts				**$ 421.027**	**$ 533.879**	**$ 42.892**

Cash transactions	Maturity in days					
	31-Dec-15	31-Dec-14	01-Jan-14	31-Dec-15	31-Dec-14	01-Jan-14
• Rights				$ (6.299)	$ -	$ -
• Obligations				6.375	-	-
Sale on foreign currency:						
• Rights				(4.067)	-	-
• Obligations				4.094	-	-
Purchase of securities:						
• Rights				(318)	-	-
• Obligations				318	-	-
Total fair exchange price				**$ 103**	**$ -**	**$ -**

Options	Maturity in days					
	31-Dec-15	31-Dec-14	01-Jan-14	31-Dec-15	31-Dec-14	01-Jan-14
Options on foreign currencies issued - put:						
• Obligations				$ 69.420	$ 862.026	$ 531.080
Fair exchange price				1.419	3.516	7.646
• Options on foreign currencies issued - call:						
• Obligations				85.832	(965.183)	(476.812)
Fair exchange price				2.876	123.579	8.395
Total fair exchange price				**$ 4.295**	**$ 127.095**	**$ 16.041**

Swaps	Maturity in days					
	31-Dec-15	31-Dec-14	01-Jan-14	31-Dec-15	31-Dec-14	01-Jan-14
On interest rates:						
• Rights				$ (1.535.717)	$ (1.063.915)	$ (374.440)
• Obligations				1.660.225	1.102.378	400.814
On foreign currency:						
• Rights				(1.496.939)	(1.099.052)	(818.167)
• Obligations				2.121.818	1.330.333	866.187
Total swaps				**749.387**	**269.744**	**74.394**
Total cash transactions, acceptances and derivatives				**$ 1.174.812**	**$ 930.718**	**$ 133.327**

The analysis of money market transactions is disclosed in Note 23, given that the derivative financial instruments must be jointly seen; due to the accounting standards in force, the transactions are recorded separately depending upon the results of the valuation as per Resolution 1420 / 2008 of the Financial Superintendence.

25. Bank loans and other financial obligations

Bank loans and other financial obligations are financial liabilities that are initially recognized at fair value net from transaction costs incurred, and later classified at amortized cost, with the option of designating them irrevocably at Fair Value in accordance with analysis by management.

At December 31, the balance of this account was broken down as follows:

Foreign currency:	31-dec-15	31-dec-14	1-jan-14
• Banco de Comercio Exterior S.A. – Bancoldex	$ 20.736	$ 60.155	$ 140.542
• Mercantil Commerce Bank Miami	35.331	5.365	37.811
• Commerzbank AG Frankfur	18.505	-	19.307
• Bank of America N.A. San Francisco		-	28.980
• Citibank N.A. (1)	381.541	355.411	92.388
• Corporación Andina de Fomento – CAF	220.717	47.887	67.654
• Bladex – Panamá		-	86.785
• Wells Fargo Bank N.A.	236.684	231.267	110.585
• Bank Of Nova Scotia	45.596	-	-
• Toronto Dominion Bank - Houston AG	117.253	40.815	39.542
Total foreign currency:	**$ 1.076.363**	**$ 740.900**	**$ 623.594**

Local currency:	31-dec-15	31-dec-14	1-jan-14
• Fondo para el Fomento del Sector Agropecuario - FINAGRO	$ 105.900	$ 75.822	$ 96.922
• Banco de Comercio Exterior S.A. – BANCOLDEX	120.618	77.119	38.507
• Financiera de Desarrollo Territorial – FINDETER	295.297	136.453	46.898
Total local currency	**521.815**	**289.394**	**182.327**
Total bank loans and other financial obligations	**$ 1.598.178**	**$ 1.030.294**	**$ 805.921**

(1) The variation in the funds obtained in foreign currency between the periods of 2015, December 31, 2014 and December 31, 2013 increased due to: there was a considerable increase in the exchange rate at December 31, 2015 (3,149.47) compared to December 31, 2014 (2,392.46); funds were taken in foreign currency with Bank of Nova Scotia for USD 14 million in effect for 161 days, and Commerzbank AG Frankfurt with a principal of USD 5.8 million in effect for 114 days; and the obligations from the previous year for USD 299 million were paid.

Foreign-currency denominated financial obligations were contracted to maintain the Bank's liquidity and were acquired without real collateral.

The financial costs of the obligations are calculated on a daily basis, based on 360 days on principal defined by their frequency and interest rate.

Average interest rates of the obligations denominated in foreign currencies were Libor +0.58%, +0.75% and 0.78% for short-term obligations, with maturity of up to one year; and Libor 0.94, +0.84% and 1.49% for the medium-term obligations with maturity from one to five years, at December 31, 2015, December 31, 2014 and January 1, 2014, respectively.

Maturity of the loans vary according to the program (typically between one and ten years), and the funds directly provided by the Bank vary from 0% to 40% of the total value of the loan, whereas the balance is provided by Government entities. The obligations are guaranteed by the corresponding loans made to the clients.

The breakdown of these obligations by term was as follows:

Foreign currency obligations

December 31, 2015

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Banco de Comercio Exterior S.A. – Bancoldex	$ 43	-	$ 20.693	$ -	$ 20.736
Commerzbank Ag Frankfurt	37	18.468	-	-	18.505
Bank Of Nova Scotia	30	45.566	-	-	45.596
Citibank N.A.	798	380.743	-	-	381.541
Corporación Andina de Fomento – CAF	255	220.462	-	-	220.717
The Toronto Dominion Bank	311	116.942	-	-	117.253
Mercantil Commerce Bank Miami	59	34.222	1.050	-	35.331
Wells Fargo Bank N.A.	627	236.057	-	-	236.684
Total	**$ 2.160**	**$ 1.052.460**	**$ 21.743**	**$ -**	**$ 1.076.363**

December 31, 2014

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Banco de Comercio Exterior S.A. – Bancoldex	$ 108	$ 22.465	$ 37.582	$ -	$ 60.047
Citibank N.A.	448	354.963	-	-	354.963
Corporación Andina de Fomento – CAF	38	47.849	-	-	47.849
The Toronto Dominion Bank	7	40.808	-	-	40.808
Mercantil Commerce Bank Miami	25	-	5.340	-	5.340
Wells Fargo Bank N.A.	271	230.996	-	-	230.996
Total	**$ 897**	**$ 697.081**	**$ 42.922**	**$ -**	**$ 740.003**

January 1, 2014

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Banco de Comercio Exterior S.A. – Bancoldex	$ 441	$ 108.638	$ 31.463	$ -	$ 140.542
Bank of America N.A. San Francisco	25	28.955	-	-	28.980
Bladex – Panamá	78	86.707	-	-	86.785
Citibank N.A.	84	92.304	-	-	92.388
Corporación Andina de Fomento – CAF	215	67.439	-	-	67.654
The Toronto Dominion Bank	73	39.469	-	-	39.542
Commerzbank AG Frankfurt	39	19.268	-	-	19.307
Mercantil Commerce Bank Miami	49	32.756	5.006	-	37.811
Wells Fargo Bank N.A.	46	110.539	-	-	110.585
Total	**$ 1.050**	**$ 586.075**	**$ 36.469**	**$ -**	**$ 623.594**

Foreign currency obligations

December 31 2015

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Fondo para el Fomento del Sector Agropecuario – FINAGRO	$ 1.219	$ 15.279	$ 40.283	$ 49.119	$ 105.900
Banco de Comercio Exterior S.A. – BANCOLDEX	339	34.722	70.432	15.125	120.618
Financiera de Desarrollo Territorial - FINDETER	681	8.621	7.487	278.508	295.297
Total	**$ 2.239**	**$ 58.622**	**$ 118.202**	**$ 342.752**	**$ 521.815**

December 31 2014

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Fondo para el Fomento del Sector Agropecuario – FINAGRO	$ 822	$ 13.624	$ 31.198	$ 30.179	$ 75.823
Banco de Comercio Exterior S.A. – BANCOLDEX	167	30.987	30.534	15.431	77.119
Financiera de Desarrollo Territorial - FINDETER	165	10.543	934	124.810	136.452
Total	**$ 1.154**	**$ 55.1554**	**$ 62.666**	**$ 170.420**	**$ 289.394**

January 1, 2014

Concept	Interest	Principal			Total
		Short Term	Medium Term	Long Term	
Fondo para el Fomento del Sector Agropecuario – FINAGRO	$ 993	$ 26,565	$ 40,155	$ 29,209	$ 96.922
Banco de Comercio Exterior S.A. – BANCOLDEX	90	1,731	17,382	19,304	38.507
Financiera de Desarrollo Territorial - FINDETER	60	291	3,735	42,812	46,898
Total	**$ 1,143**	**$ 28,587**	**$ 61,272**	**$ 91,325**	**$ 182.327**

There was significant growth in the items of Bancoldex and Findeter due to the campaigns carried out for the placement of loans and the boom in Territorial Entity loans with significant disbursements during the year ended December 31, 2015.

26. Accounts payable

At December 31, 2014 and 2015 and January 1, 2014, the balance of this account was broken down as follows:

Concept	31-dec-15	31-dec-14	1-jan-14
Commissions and Fees	$ 882	$ 965	$ 1.271
Costs and Expenses Payable (1)	6.279	7.792	7.796
Taxes payable (2)	122.126	57.591	108.150
Dividends and Surplus	47.672	40.914	33.764
Contribution on transactions (3)	10.519	5.220	14.006
Promising purchasers	15.035	11.229	12.267
Suppliers	59.428	55.940	25.318
Withholdings and Labor Contributions	50.357	51.757	53.134
Fogafin deposit insurance (4)	52.285	45.930	21.479
Uncashed Checks Drawn (5)	20.208	16.998	12.992
Nation Law 546 / 1999	25.378	29.726	29.389
Other Accounts Payable	203.065	242.330	212.491
Total Accounts Receivable	**$ 613.232**	**$ 566.392**	**$ 531.871**

(1) The decrease is due to a reclassification of accounts corresponding to interest expenses associated with term deposit certificates that were taken to the capital accounts of this product in 2015.

(2) The increase is due to the current income tax and CREE tax expense, corresponding to 9% for the years 2013, 2014 and 2015, on occasion of the growth in the Bank's profits; as regards the industry and commerce tax, the increase is mainly because Bogotá has the highest ICA rate (11.04%), while it is 0.50% for all other municipalities.

(3) Account payable corresponding to financial transaction tax, week 52 of 2015, which was paid off on the fourth business day of January 2016.

(4) Moneys pending transfer to Fogafin increased basically due to the change in the dates of payment modified by Resolution No. 001 / November 21, 2013 issued by the entity; for 2015, the last two quarters of the year are in the account payable, where the quarter from July to September is to be paid by the end of January 2016..

(5) The increase is due to cashier's checks drawn by the Bank in favor of third parties, which are in the possession of the beneficiaries and were uncashed by the end of the year.

(6) The other accounts payable correspond to:
- a. Decrease in surplus due to derivative transactions in local and foreign currencies, mainly in reciprocal obligations with BBVA Madrid, where the percentage for the year 2014 represented 92.10% and 33.19% for 2015.
- b. Payments in full made to suppliers for goods and services provided to BBVA Colombia.
- c. Decrease in payments pending to suppliers for the acquisition of software and hardware.

The accounts payable are financial liabilities that are classified according to the entity's business model, which can be the management of financial assets or the characteristics of cash flows; to this effect, the accounts payable are classified at fair value (designated or marketable) or in other accounts payable, which are measured at fair value or at amortized cost, respectively.

BBVA conducted an analysis of the accounts payable based on the Financing component, the Completeness of the Balances, the accrual of income or cost, the timeframe of the account payable and foreign-currency denominated transactions.

Deposits in savings and checking accounts are measured at fair value, that is to say, the balances to be liquidated correspond to the value of the transaction, except for the term deposit certificates, which are analyzed separately because their additional component is the reward provided upon opening.

Accounts payable in foreign currency are updated based on the closing rates, and their term, the market rate component, transaction start and end dates are determined according to the degree of detail thereof, in order to determine the market risk of the transaction considering future payment cash flows. Finally, all other accounts payable are considered in an analysis based on the term and the counterparty.

Financial liabilities are derecognized only when the legal obligations have ended, that is to say, when the obligation specified in the corresponding contract has been paid or canceled, or it has expired. BBVA considers three possible scenarios to derecognize an account payable: The receipt of payment, repurchase of the debt or the write-off of the payment.

27. Outstanding investment securities

At December 31 and January 1, the balance of this account was broken down as follows:

Concept	31-dec-15	31-dec-14	1-jan-14
Bonds:			
• Series A and B – 2008 ordinary bonds	$ 155.000	$ 155.000	$ 198.110
• Series A and B – 2009 ordinary bonds	134.050	167.650	167.650
• Series G - 2011 subordinated bonds	364.000	364.000	364.000
• Series G - 2013 subordinated bonds	365.000	365.000	365.000
• Series G - 2014 subordinated bonds	250.000	250.000	-
• Subordinated Bonds USD	1.220.501	-	-
Total Bonds COP	**$ 2.488.551**	**$ 1.301.650**	**$ 1.094.760**

The second issue of Series A 2008 ordinary bonds amounting to $198,110, indexed at the CPI, was conducted on August 4, 2009 with a redemption term between 6 and 11 years, with yield at a maximum variable rate of CPI + 4.58% E.A. and CPI + 5.69%, respectively. From the first issue of Series A there is no current debt.

Series A and B – 2009 bonds are ordinary bonds denominated in Colombian pesos with a first issue on September 29, 2010 for an amount of $561,780, indexed at DTF and CPI, have a redemption term between three (3) (expired bonds) and seven (7) years, with yields of maximum variable rate of DTF+1.15 for three (3) years, CPI +2.80% E.A. for three (3) years, CPI +3.05% E.A. for five (5) years, and CPI +3.70% E.A. for seven (7) years.

The first issue of Series G - 2009 subordinated bonds amounting to $364,000 was made on September 19, 2011 with a redemption term between 7 and 15 years, with yield at a maximum variable rate of CPI + 4.28% for 7 years, and of CPI + 4.45% for 10 years and of CPI + 4.70% for 15 years.

The second issue of Series G - 2009 subordinated bonds amounting to $365,000 was made on February 19, 2013 with a redemption term between 10 and 15 years, with yield at a maximum variable rate of CPI + 3.60% for 10 years, and of CPI + 3.89% for 15 years.

The third issue of Series G - 2014 subordinated bonds amounting to $250,000 was made on November 26, 2014 with a redemption term between 15 and 20 years, with yield at a maximum variable rateof CPI + 4.38% for 15 years, and of CPI + 4.50% for 20 years.

The first issue of subordinated bonds in USD was carried out on April 21, 2015 with a redemption term of 10 years and a fixed-rate yield of 4.875.

The issue prospects contemplate the following characteristics:x

Ordinary 2008 Bonds Prospect

- **Subordination of obligations:** Since they are ordinary bonds, there is no subordination of obligations.
- **Form of capital amortization, prepayments and reacquisition events:** The principal of ordinary bonds will be amortized under the following modalities: month in arrears, quarter in arrears, semester in arrears, year in arrears, only one payment on the maturity date thereof, as specified in the public offering notice. No prepayments are contemplated in this issue.

The Bank may repurchase its own bonds through Bolsa de Valores de Colombia, provided it meets the minimum expiration term established in section 5 of Article 1.2.4.2 of Resolution 400 / 1995 issued by the Superintendence or the standards that modify or add to it. This transaction is voluntary for security holders. If the issuer acquires its own securities, it shall operate the confusion principle without having to wait for the maturity of those securities.

Issue Collateral: Since they are ordinary bonds posing a direct and unconditional obligation for the institution, no specific collateral has to be established; the equity of the Issuer is the general collateral with the creditors.

This issue is not covered by the Deposit Insurance of the Financial Institutions Collateral Fund ("Seguro de Depósitos del Fondo de Garantías de las Instituciones Financieras – FOGAFIN").

Ordinary 2009 Bonds

- **Subordi**nation of obligations: Since they are ordinary bonds, there is no subordination of obligations.
- Form of capital amortization, prepayments and reacquisition events: The principal of the bonds will be amortized under the following modalities: month in arrears, quarter in arrears, semester in arrears, and/or year in arrears, and/or only one payment on the maturity date thereof, as specified in the corresponding public offering notice. Pre-payable bonds may be issued, which is specified in the respective public offering notice. The issue of ordinary bonds under this Program in 2010 does not contemplate prepayment thereof.

The Issuer may repurchase its own ordinary bonds. The repurchase shall be conducted through the Stock Exchange, provided that one year has elapsed since the issue of the bonds. This transaction is voluntary for the Bondholders. If the Issuer acquires its own bonds, it shall operate the confusion principle without having to wait until the maturity of the securities.

Collateral of ordinary bond issues: Since they are ordinary bonds, there is no subordination of obligations. In this sense, all holders of bonds issued within the framework of this program shall have the same range (pari passu) with no preference among them, as well as the same range (pari passu) with respect to all other cash debt obligations not guaranteed and not subordinated, assumed by the issuer, that are pending payment.

This issue is not covered by the Deposit Insurance of the Financial Institutions Collateral Fund ("Seguro de Depósitos del Fondo de Garantías de las Instituciones Financieras – FOGAFIN").

Subordinated 2009 Bonds (issued in September 2011, February 2013, and November 2014)

- **Subordination of obligations:** Since they are subordinated bonds, in case of the issuer's liquidation, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities; the latter obligation is irrevocable.
- **Form of capital amortization, prepayments and reacquisition events:** The principal of the

bonds will be amortized under the following modalities: month in arrears, quarter in arrears, semester in arrears, and/or year in arrears, and/or only one payment on the maturity date thereof, as specified in the corresponding public offering notice. Pre-payable bonds may be issued, which is specified in the respective public offering notice. The issue of subordinated bonds under this Program in 2011, 2013 and 2014 does not contemplate the prepayment thereof.

The Issuer may repurchase its own subordinated bonds. The repurchase shall be conducted through the Bolsa de Valores de Colombia, provided that one year has elapsed since the issue of the bonds. This transaction is voluntary for the Bondholders. If the issuer acquires its own bonds, it shall operate the confusion principle without having to wait until the maturity of the securities.

This issue is not covered by the deposit insurance of the Financial Institutions Collateral Fund (FOGAFIN).

Subordinated Bonds USD 2015

- **Subordination of obligations:** Since they are subordinated bonds, in case of the issuer's liquidation, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities; the latter obligation is irrevocable.
- **Form of capital amortization, prepayments and reacquisition events:** The principal of the bonds will be amortized under the following modalities: month in arrears, quarter in arrears, semester in arrears, and/or year in arrears, and/or only one payment on the maturity date thereof, as specified in the corresponding public offering notice.

The issuer cannot repurchase its own subordinated bonds until a term of at least 5 years has elapsed. The repurchase can only be carried out with the approval and authorization of the Financial Superintendence of Colombia.

This issue is not covered by the deposit insurance of the Financial Institutions Collateral Fund (FOGAFIN).

A summary of the issues and bonds is shown in the table below:

Issue Bonds	Authorized Amount	Term in years	Rate	Coupon	Issue Amount	Issue Date	Maturity Date
Ordinary 2008	$ 500.000	11	IPC+5,69%	TV	$ 155.000	26/08/08	26/08/19
Ordinary 2009		7	IPC+3,70%	TV	134.050	29/09/10	29/09/17
		7	IPC+4,28%	TV	102.000	19/09/11	19/09/18
Subordinated 2011		10	IPC+4.45%	TV	106.000	19/09/11	19/09/21
	$ 2.000.000	15	IPC+4.70%	TV	156.000	19/09/11	19/09/26
		10	IPC+3,60%	TV	200.000	19/02/13	19/02/23
Subordinated2013		15	IPC+3,89%	TV	165.000	19/02/13	19/02/28
		15	IPC+4,38%	TV	90.000	26/11/14	26/11/29
Subordinated 2014		20	IPC+4,50%	TV	160.000	26/11/14	26/11/34
Subordinated USD 2015	500 USD	10	4.875	SV	400	21/04/15	21/04/25
Total bonds COP	$ 2.500.000				$ 1.268.050		
Total bonds USD	500 USD				400 USD		

28. Other liabilities

At December 31, 2015, December 31 and January 1, 2014, the balance of this account was broken down as follows:

Concept	31-dec-15	31-dec-14	1-jan-14
Unearned Income (1)	$2.519	$590	$1.418
Deferred Partial Payments (2)	$10.177	$10.939	$8.489
Letters of credit of deferred payment	$419	$365	$1.034
Joint Ventures (3)	$196	$96	$202
Balances to apply to obligations (4)	$20.523	$22.397	$17.726
Cash Surplus	-	$2	$34
Swap surpluses	$238	$65	$62
Other liabilities (5)	$112.592	$94.191	$78.581
Total other liabilities	**$146.664**	**$128.646**	**$107.546**

(1) The increase corresponds mainly to unearned interest on payroll loans with a grace period and fiduciary commissions.

(2) Deferred partial payments – The items that form the deferred partial payments balance for the years ended at December 31 or January 1 were:

Concept	31-dec-15	31-dec-14	1-jan-14
Deferred profit on sale of foreclosed assets	$ 3.263	$ 2.583	$ 732
Restructured loan interest	6.913	$ 8.356	$ 7.757
Total	**$ 10.177**	**$ 10.939**	**$ 8.489**

Deferred profits on sale of foreclosed assets are generated as a result of the implementation of term sales transactions, which are deferred over the term in which the transaction was agreed; their amortization must be made against the statement of income as long as their collection is effective.

With respect to the deferred income generated in restructured loan transactions, the standard sets forth that whenever it considers the capitalization of interest recorded in memorandum accounts or written-off portfolio balances including principal, interest and other concepts, it shall be recorded as a deferred partial payment and its amortization to the statement of income is proportional to the amounts actually collected.

(3) The Joint Ventures item consists of the joint activities of consortia and joint ventures of Sociedad Fiduciaria as follows:

Activities in joint ventures	31-dec-15	31-dec-14	1-jan-14
Consortia and Joint Ventures	$ 196	$ 96	$ 202
Total	**$ 196**	**$ 96**	**$ 202**
Consorcio E.P.M Une 50%	34	34	34
Consorcio Fia 30.21%	120	1	156
Consorcio Finproex 2009 30%	24	40	4
Consorcio Ffie Alianza BBVA 40%	9	-	-
Union Temporal Horizonte Fidugan 50%	-	6	7
Union Temporal Bbva Horizonte y Bbva Fiduciria Fonpet 2012 50%	1	2	-
Union Temporal Bbva Horizonte y Bbva Fiduciaria Pensional EVM apev 2012 50%	8	13	1
Total	**$ 196**	**$ 96**	**$ 202**

(4) In balance, these are monies pending application to Leasing obligations for collections received from installments in the office network and can correspond to payment of installments and additional payments.

(5) The increase is mainly due to transactions and compensation generated by debit and credit card transactions in national networks. The maturity of principal and interest on term deposit certificates pending payment to clients on the bank's network of branches. Payment of client obligations with checks from other banks pending application until confirmation is received from the counterparty.

29. Accrued liabilities and provisions

The Group records provision liabilities based on the concept of experts from the Legal, Labor Relations and Tax Consultancy areas, who rate each case in accordance with the status of the legal process. In addition, decision trees developed in accordance with the type of contingency (legal, labor and tax) are applied for classification in the following criteria to create the provision:

– Likely: they are recorded and disclosed

– Remote: they are not recorded or disclosed

The Group later measures these provisions at present value, whose maturity is greater than 12 months from the reporting date, at the discount rate applicable to the average placement rate of COAP term deposit certificates certified by the respective area.

At December 31, the balance of this account was broken down as follows:

Concept	31-dec-15	31-dec-14
Penalties and sanctions by other administrative authorities	$ 3.008	$ 2.938
Labor Lawsuits	17.161	15.756
Lawsuits due to breach of contract (1)	39.197	53.657
FOGAFIN Contingencies	24.769	19.108
Estimated miles for points	-	1.450
Expenses associated with savings	2.714	2.509
Other personnel expenses	1.107	1.144
Commission Sales Force (CF, for the Spanish original)	1.585	-
Expenses for invoices pending payment (2)	49.827	48.830
Other (3)	11.601	16.030
Total accrued liabilities and provisions	$ 150.969	$ 161.422

(1) Corresponds to the provisions recorded by civil, criminal, tax and labor processes that are currently held against the Group.
(2) Corresponds to the estimated provision for supplier invoices received and pending payment at the end of each accounting period.
(3) Corresponds to provisions accounted mainly for: Commissions on electronic services for credit and debit card holders (ACH, CENIT, SOIN and PSE, Institutional Banking support, remediation of foreclosed assets, commission on Gestor de Línea de Gasto - GLG).

Legal contingencies

The Bank is involved in nine hundred and seven judicial proceedings of a civil, criminal, administrative, tax and labor nature, derived from the normal course of its activity and businesses, for an approximate value of $385,407 million.

Provisions have been created for $59,363 for legal contingencies. In addition, for the processes guaranteed by Fogafín, there is a coverage between 85% and 95% of the net economic effect, according to the contingent guarantee terms granted by the Fund as part of the privatization process of Banco Granahorrar.

In management's opinion, after consulting with its legal internal and external advisors, these processes would not reasonably have an adverse material effect on the Bank's financial condition or on the results of its operations and are adequately provisioned.

The main proceedings currently filed against the entity are as follows:

Civil Proceedings:

a. Ordinary Proceedings by Protección Agrícola S.A. (PROTAG S.A.): Claim was filed requesting the declaration that the plaintiff, as the Integrator for several banks to grant association loans to small-scale producers, was acting as a simple agent, without the capacity of a debtor. Therefore, they are requesting the refund of the amounts unduly paid and the corresponding damages for a total of COP 155,000.

An appeal for reversal was filed against the writ of admission. The contingency has been classified as remote; however, due to the amount involved, the Bank has decided to disclose it.

b. Ordinary Proceedings by Servientrega S.A.: The civil liability of BBVA Colombia, BBVA Trust, BBVA Securities and Fenalco has been claimed for the purchase, democratization and subsequent merger of Banco de Caldas, which subsequently changed its name to Banco Nacional del Comercio (BNC).

Servientrega was claiming $26,895, but this amount was increased to $74,940 in the lawsuit reform. They were rejected by the judges on two occasions. An appeal for reversal was filed against the writ of admission. The contingency has been classified as remote; however, due to the amount involved, the Bank has decided to disclose it.

c. Verbal action by Miguel Ángel Buitrago Berrío: Financial consumer protection action (Law 1480 / 2011), where the plaintiff claims $27,110 corresponding to principal and interest on documents classified as deposits under custody, allegedly issued by Banco Ganadero in 1980 with a nominal value of $9.

Legal Services performed various corporate and local plans, necessary for the development of its activity within the legal framework, appropiate and efficient defense of the interests of the Bank and the management of legal risk.

On August 19, 2015, the Financial Superintendence of Colombia, within the scope of its jurisdictional authority, declared the waiver on expiration proven by means of an early ruling. The decision was appealed by the plaintiff and the Court revoked the early ruling to continue the proceedings in the court of first instance.

The contingency has been classified as remote; however, due to the amount involved, the Bank has decided to disclose it.

d. Ordinary Proceedings by Prounida and Coloca: In 1982, Prounida and Coloca, as the promising buyers, and former shareholders of Banco Caldas, as the promising sellers, entered into two agreements regarding the shares of Banco de Caldas. They agreed on $265 as a deposit, with which Coloca and Prounida took two term deposit certificates in Banco de Caldas, with instructions to hand them over to the sellers or return them to the constituents if certain conditions were met. In August 1982, Banco de Caldas, in the understanding that the conditions were met, handed over the term deposit certificates to the promising sellers. In April 1983 Prounida and Coloca, in their disagreement with handing over the term deposit certificates, filed a lawsuit against the Bank and other defendants, claiming, among others, the annulment or the resolution of the agreements along with the refund of the money. Banco de Caldas was asked to be declared liable for the payment of the term deposit certificates

In April 2001, the Tenth Civil Court of the Bogotá Circuit decided to order the Bank to pay $265 of principal plus interest at a rate of 34% from May to September 1982 and on this basis, all the default interest, according to pertinent legal standards, accrued from October 1982 to the day on which payment is made. The BBVA and other defendants filed appeals against the first-instance ruling. In 2007, the Higher Court of the Judicial District of Bogotá – Civil Division decided to order the Bank to pay $12,460, corresponding to principal of 1982 plus CPI.

The special appeal for annulment is currently underway with the Supreme Court of Justice. The contingency is valued at $17,219 with a provision for 100%.

*e. Class Actions and Group Actions: T*here are several lawsuits filed by BBVA or Granahorrar customers or users regarding mortgage and other types of loans, termination of executory proceedings, revision of rates, commissions, interest on mortgage and credit card loans, impairment of foreclosed assets. These undetermined-amount proceedings have been classified as a "remote" contingency, with no rulings against the entity.

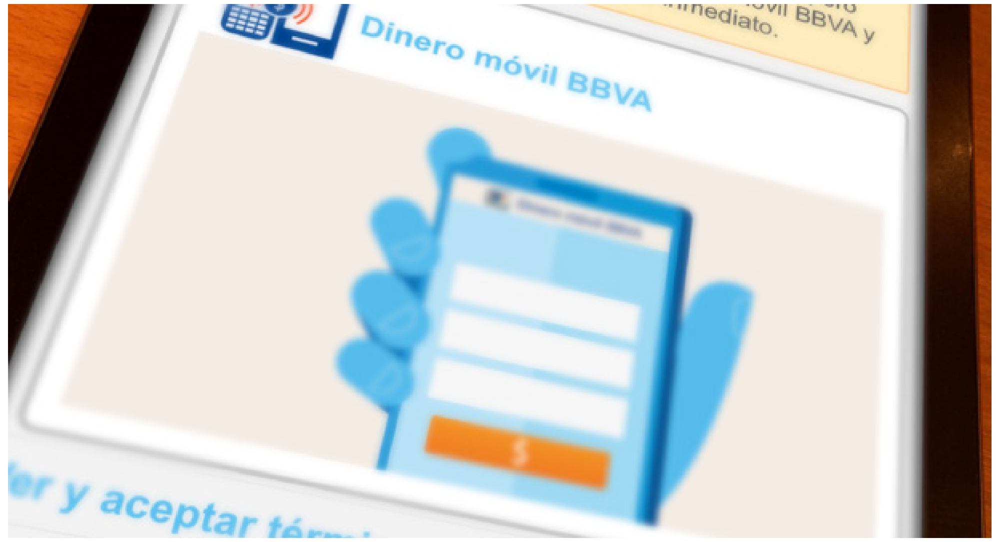
f. Ordinary Proceedings by Kachina: These proceedings began in 1999 in the Bolivarian Republic of Venezuela, concerning Telegán, a Grupo Ganadero Telecommunications company.

By means of a second-instance ruling on December 14, 2012, BBVA Colombia was ordered to pay $8,330, with a provision for 100%. An appeal for annulment was filed and successful. Further ruling is pending.

The contingency is classified as probable.

g. Executive Proceedings by IFI vs. Corfigán: This claim is for the collection of the final liquidation of a salt refinery contract in which Corfigán participated as part of a joint venture. Executive proceedings are underway at the Council of State, and annulment proceedings are underway in the Bolívar District Court. The order was handed down to pay $6,000 for principal plus interest. The litigation has a provision of $10,800.

The contingency is classified as probable.



Labor Proceedings:

The Bank has 208 labor proceedings filed against it with claims estimated at $27,216 and provisions for $17,160. The main reasons for the lawsuits are: legal and conventional reinstatement, salarization, damages for alleged unfair dismissals, disputes regarding the legal nature of the conventional vacation and seniority bonuses, and pension issues. These processes are adequately provisioned as per legal standards, the procedures set forth by the Bank, and the guidelines of the Financial Superintendence of Colombia.

According to the Bank's legal advisors, it is considered that the final ruling will be in favor of the entity and that there will be no significant losses.

Tax Proceedings:

The Bank is currently attending tax proceedings through government channels and in the administrative appeals jurisdiction with estimated claims amounting to $3,520 and provisions amounting to $3,007, which correspond to three (3) class actions for withholding tax on financial transactions; and proceedings regarding regional taxes, in essence for Industry and Commerce Tax, and Property Tax.

Proceedings by the Financial Superintendence:

By means of Resolution 0334 / March 20, 2015, the Financial Superintendence imposed a fine on BBVA Colombia for $120, based on a list of charges filed by the auditor in October 2013 as a result of nonconformities reported by several customers due to events occurred between 2011 and 2012, which demonstrated the Bank's lack of diligence in providing its services and its neglect in its contractual relations with customers, which may give rise to abuse of a dominant position. Although the Entity diligently presented the corresponding substantiated explanations, the auditor decided against it.¡

To date, the Resolution is being reconsidered on occasion of the appeal for reversal filed by the Bank; therefore, at the close of the year 2015, the final decision has not been handed down. However, as a precaution, the Bank has classified it as probable and has maintained a provision to cover it.

30. Labor liabilities

The IFRS specify the accounting requirements for all types of employee benefits and not only for retirement pensions. IAS 19 refers to all employee benefits, except for those related to share-based payments, according to IFRS 2.

In its opening balance sheet, the Group recorded its commitments with personnel for the 2014 period based on actuarial studies issued under IAS 19 guidelines. However, for the 2015 period, in accordance with the guidelines of Decree 2496 / December 23, 2015, the Bank ordered actuarial studies to be conducted using the IAS 19 and COLGAAP methodology, identifying that although there was no significant difference between the two studies, the second methodology was more conservative, so its liability was recorded in compliance with the guidelines of Decree 2496.

The benefits discussed by the standard are as follows:

- **Short-term employee benefits** are the benefits paid within one year following the period in which the service was rendered.

- **Post-employment employee benefits** are employee benefits payable after completing their period of employment.

  Post-employment benefits are formal or informal agreements in which the company agrees to provide employees with benefits upon termination of their periods of employment. These benefits are classified in plans, such as:

  - *Defined contribution plans.* These plans are characterized by being predetermined for a separate entity for it cannot be legally or implicitly liable for any additional contributions in the event that the fund cannot perform.

  - *Defined benefit plans:* are those different from the defined contribution plans, reason for which special care should be taken when classifying the plan, since it depends on the economic substance of the plans.

  - *Other long-term employee benefits* are all the benefits after the period of employment and severance payments.

- **Liabilities for employee benefits** are recognized based on a legal or constructive obligation, generally in the period during which the services are rendered.

- **Costs of providing employee benefits** are generally recorded as expenses and recognized in the period during which the services are rendered.

  The details of the component of short-term labor liabilities at December 31 are as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Severance pay	11,959	11,276	10,320
Interest on severance	1,406	1,324	1,190
Vacations	12,344	11,392	9,831
Current provisions for employee benefits	51165,000	64,801	47,050
Other benefits	10759,000	8,513	8,082
TOTAL SHORT-TERM BENEFITS	87,633	97,306	76,473
Non-current provisions for employee benefits	39,157	49,269	47,597
Actuarial calculation of retirement pensions	47,518	52,356	48,712
TOTAL LONG-TERM BENEFITS	86,675	101,625	96,309
TOTAL LABOR LIABILITIES	174,308	198,931	172,782

Actuarial Calculation

The Bank pays its employees a seniority bonus for every five years they work with the Company. This benefit is calculated in days of salary for each five-year period and, if contract termination is not for cause, the bonus is paid in proportion with the time worked:

Concept - Seniority Premium	Value	
Liabilities for benefits at the beginning of the 2014 period	$	44.774
1- Cost of services		5.075
2- Cost of interest		2.966
3- Cash Flow		(9.918)
4- Remeasurements		(1.199)
• Adjustment for experience		2.478
• Adjustment for change in financial assumptions		(3.677)
Obligation at the end of the 2015 period	$	41.698

The Bank has carried out the actuarial valuation at December 31, 2015 for the commitments of the pension plan, additional benefits and retirement and disability bonus, that BBVA has granted to its pensioned and active participants.

The cost of defined benefits for the year 2015 does not include any charges/credits for special events. It is important to mention that the discount rate was higher than that of 2014 by two percentage points. This, along with other actuarial calculations, made the calculation amount decrease.

On the date of the actuarial calculation, there was no additional information on behalf of BBVA Colombia regarding relevant events following December 31, 2015 that would affect the results of the actuarial evaluation based on their materiality.

The digital transformation and all the resources it provides are present in the process of “employer branding” and attraction.

Bases of the actuarial assumption

Over time, the total cost of the plan will depend on a number of factors, including the amount of the benefits paid, the number of individuals receiving benefits, the administrative expenses of the plan and the returns obtained on the assets used to pay the benefits. These amounts and other variables are uncertain and unknown at the time of the calculation and are only predicted within a reasonable range of possibility.

Since it is not possible or practical to model all the variables, summarized information, estimates or simplified information were used to facilitate the efficient modeling of future events. Also, the figures stated in the actuarial calculation are based on the accounting policies of the Bank.

Below is the reconciliation of the liabilities for defined benefits at December 31, 2015

Reconciliation of the liabilities for defined benefits	Pensions	Additional Benefits	Retirement and Disability Bonus
Liability for Defined Benefits at the beginning of the period	**$49,621**	**$1,286**	**$1,450**
Cost of Services	(4,317)	(170)	(70)
• • Cost of services for the current period	3,332	87	184
• Interest Cost	(6,395)	84	(203)
• Cash Flow	$(3,063)	$171	$(20)
• Remeasurements			
• • Adjustments for experience	1.587	354	39
• • Effect of changes in financial assumptions	(7.982)	(270)	(243)
Liability for Defined Benefits at the end of the period	**$ 42.241**	**$ 1.286**	**$ 1.359**
Amounts defined in the statement of financial position	-	-	-
Present value of funded liabilities	$ -	$ -	$ -
Present value of non-funded liabilities	42.241	1.286	1.359
Net Liabilities (Assets)	**$ 42.241**	**$ 1.286**	**$ 1.359**

Components of the accounting expense

At December 31, 2015

Concept	Pensions	Additional Benefits	Retirement and Disability Bonus
Cost of Services			
• Cost of services for the current period	$ -	$ -	$ 85
Net Interest Cost			
• Interest on DBL	3.332	87	98
Total Net Interest Cost	3.332	87	98
• Administrative taxes and expenses	-	-	-
Total expense recorded to the statement of income (P&L)	**3.332**	**87**	**98**
Immediate recognition of remeasurement in OCI			
• Adjustments for experience	**1.587**	**354**	**39**
• Effect of changes in financial assumptions	(7.982)	(270)	(243)
Total remeasurements recognized in OCI	**(6.396)**	**84**	**(203)**
Total expense for defined benefits recognized in P&L and OCI	**$ (3.06)**	**$ 171**	**$ (20)**

Reconciliation of net liabilities (assets) for defined benefits

At December 31, 2015

Concepto	Pensions	Additional Benefits	Retirement and Disability Bonus
Net Liabilities (Assets) for Defined Benefits at the beginning of the period	**$ 49.621**	**$ 1.286**	**$ 1.449**
Cost for defined benefits recognized in P&L	3.332	87	184
Total remeasurements recognized in OCI	(6.396)	84	(203)
Cash Flows			
• Benefits paid directly by the Company	(4.317)	(170)	(70)
Net liabilities (assets) for defined benefits at the end of the period	42.241	1.286	1.359
Liabilities for defined benefits according to participant status			
• Assets	-	-	1.359
• Deferred	2.801	49	-
• Retirees	39.440	1.237	-
Total	**$ 42.241**	**$ 1.286**	**$ 1.359**

Projected cost for defined benefits

At December 31, 2015

Concepto	Pensions	Additional Benefits	Retirement and Disability Bonus
Projected cost of services for the current period	$ -	$ -	$ 77
Projected interest expenses on Other Defined Benefits	3.609	111	119
Total cost for defined benefits recognized in P&L	3.609	111	196
Remeasurements recognized in OCI	-	-	-
Total cost for defined benefits recognized in P&L and OCI	$ 3.609	$ 111	$ 196

The plan has no assets to be recognized according to IAS 19

Technical bases for the actuarial calculation

Concept	Retirement
Mortality Table:	Mortality Table of Valid Male and Female Annuitants "2005 – 2008 Experience", as per Resolution 1555 / 2010 issued by the Financial Superintendence of Colombia.
Salary and Pension Adjustment:	The formulation employed explicitly includes the future increases in salaries and pensions using a rate equal to the average resulting from adding three (3) times the inflation of the year k-1, plus two (2) times the inflation of year k-2, plus one (1) time the inflation of the year k-3 according to Article 1 of Decree 2984 / 2009 and Article 1 of Decree 2783 / 2001. This is a nominal annual rate of 2.99%.
Technical Interest Rate:	A real technical interest rate of 4.80% was used in accordance with Article 1 of Decree 2984 / 2009 and Article 1 of Decree 2783 / 2001.

Actuarial Methods

Liabilities and the cost of services for the current period were calculated using the Projected Credit Unit method. This method consist of quantifying the benefits of each participant in the plan as long as they are entitled to them, taking into account future salary increases and the formula for the plan to assign benefits. Therefore, the total estimated benefit for each participant is expected to be entitled at dismissal from the company is divided into units, each one associated with one year of accredited service, whether it be in the past or future.

The calculation is made individually for each employee by applying actuarial assumptions, the amount of the projected benefit that depends on the estimated date of separation, the accredited service and the applicable salary at the time of the act is calculated.

The estimated benefit to which an individual is entitled, for purposes of a valuation associated with a separation date, corresponds to the benefit described in the plan calculated with the projected salary for the benefit at the expected date of separation.

Benefits attributed to service provided during a period is the difference between the liability of the valuation at the end of the period minus the liability at the start of the period, in other words at the date of valuation.

Therefore, the liability for defined benefits under the plan at December 31, 2015 is calculated by applying the proportion between accredited service at the date of measurement and the total service that each participant will provide by the expected date of separation on the total amount of estimated benefits.

The liability for benefits defined under the plan is the total liability for each individual at the date of measurement, and the cost of services for the current plan period is calculated as the total costs of individual services for the current period.

Below are the details of pension liabilities:

Retirement Pensions - For private workers, the recognition and payment of pensions was the direct responsibility of certain entrepreneurs, given that, pursuant to labor legislation especially Article 260 of the Labor Code and Laws 6 / 1945 and 65 / 1946, retirement was a special benefit only for certain employers, i.e., companies with capital in excess of $800,000 thousand Colombian pesos. Subsequently, as of 1967, the Social Security Institute started to assume the recognition and payment of pensions of private workers. As of that date, the Bank subrogated the pension risk of the people working in the different sectional offices of the country where the Social Security institute had coverage, assuming only the pensions of workers who were not enrolled in the Social Security because of the non-coverage.

As of April 1, 1994 the Colombian Pension System managed by the Average Premium Plan and the Individual Retirement Savings Plan are the entities authorized to manage and assume the pension responsibility.

The actuarial calculation covers a total of 275 people, with a series of benefits established in the legal standards and the adjustment of Circular Letter 039 / October 21, 2009, in which the reserves are calculated for the extralegal benefits that the Company offers to its retirees and beneficiaries.

The Superintendence issued Resolution 1555 / July 30, 2010 whereby it updated the Mortality Table of Valid Male and Female Annuitants, which is of compulsory use to generate the actuarial calculations of the pension liabilities.

Concept	Pension Liability	Deferred Cost	Net
Balance at December 31, 2012	**$ 51.896**	**-**	**$ 51.896**
Plus Actuarial Calculation Adjustment debited to expenses	4.082	-	4.082
Minus Pension Payments	(8.251)	-	(8.251)
Other movements	3.403	-	3.403
Minus Adjustments for Applying IFRS	(2.418)	-	(2.418)
Balance at December 31, 2013	**48.712**	**-**	**48.712**
Plus Actuarial Calculation Adjustment debited to expenses	7.842	-	7.842
Minus Pension Payments	(4.172)	-	(4.172)
Other movements	(26)	-	(26)
Balance at December 31, 2014	**52.356**	**-**	**52.356**
Plus Actuarial Calculation Adjustment debited to expenses	3.774	-	3.774
Minus Pension Payments	(4.016)	-	(4.016)
Other movements	(4.596)	-	(4.596)
Balance at December 31, 2015	**$ 47.518**	**-**	**$ 47.518**

The amounts of the pension liability at December 31, 2015 and 2014, were determined based upon actuarial calculations in compliance with legal standards.

At December 31, 2015, the impact on results for BBVA Colombia showed revenue from the decrease in the pension reserve that amounted to ($821) and the payment of pensions ($4,016).

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

Concept	2015	2014
Accumulated amortization	100%	100%
Annual interest rate	4.80%	4.80%
Annual future increase of pensions	2.99%	2.99%

The methodologies and actuarial bases adjusted to current standards for actuarial calculations (Decree 2738 / 2001 and Decree 2984 / 2009) were used for the evaluation of the mathematical reserve of retirement, pension bonds and securities.

Technical bases for the actuarial calculation

a. Mortality Table of Valid Male and Female Annuitants "2005 - 2008 Experience", as per Resolution 1555 / 2010 issued by the Superintendence.

b. Pension and salary adjustment: 2.99% annual.

c. Technical interest rate: 4.8 % annual.

With respect to tax aspects, it is calculated according to Decree No. 2783 / December 20, 2001.

Covered beneficiaries - The actuarial retirement pension liability covers the legal social benefits of the personnel:

a.Retirement reserve:

- Retiree under the responsibility of the company.
- Retiree with pension shared with the ISS.
- Retiree by the company and in expectation of the ISS.
- Retiree whose pension is the responsibility the company and is a quota-part of the pension.
- Personnel with a life annuity paid by the company.
- Personnel with a life annuity shared with the ISS.
- Personnel with a life annuity paid by the company as a quota-part of the pension.
- Active personnel in expectation of company and ISS.
- Voluntarily retired personnel with more than 20 years of service.
- Voluntarily retired personnel with less than 20 and more than 15 years of service.
- Personnel unfairly dismissed with more than 10 and less than 15 years of service.

b. Pension bonds and securities:

- Pension bond - validation of time of service.
- Pension bond - salary difference.
- Pension security.

BBVA Fiduciaria

Labor Liabilities

Fiduciaria records labor liabilities on a monthly basis and they are adjusted at the end of each year based upon the legal provisions and labor agreements currently in force. The payroll liquidation system calculates the liability amount for each active employee.

Benefits are recognized when Fiduciaria has consumed the economic benefits derived from the employees providing the service. For the purposes of recognition as a

In 2015 the culture of self-management was consolidated achieving 95% of the workforce to use the self-service payroll platform personnel or general expense, Sociedad Fiduciaria differentiates benefits from work tools.

At December 31, 2015, the balance of the labor liabilities account consisted of the following:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Severance pay	$ 201	$ 197	$ 171
Interest on severance	23	22	20
Vacations	288	225	216
Current provisions for employee benefits	819	760	722
Total	**$ 1.331**	**$ 1.204**	**$ 1.129**

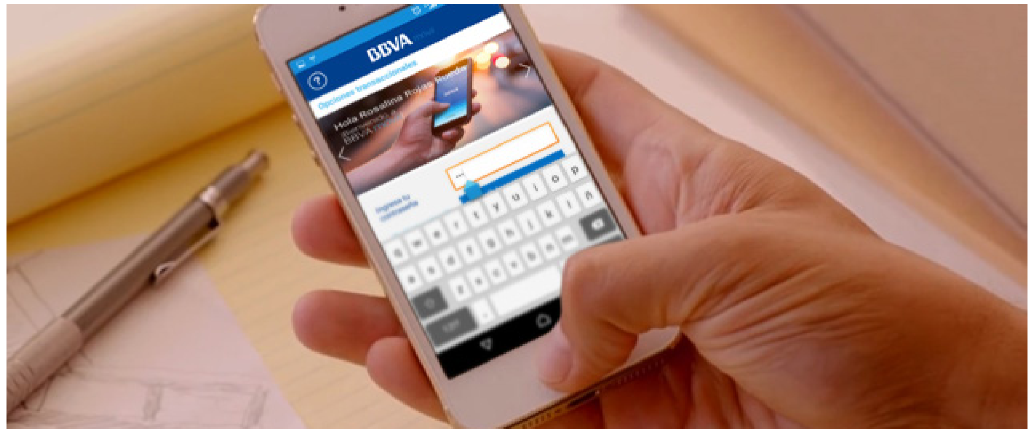
BBVA Valores

BBVA Valores records labor liabilities on a monthly basis and they are adjusted at the end of each year based on the legal provisions in force; social benefits for employees of the brokerage firm are short term and are not cumulative, therefore, they do not require actuarial calculation.

At December 31, 2015, the balance of the labor liabilities account consisted of the following:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Severance pay	$ 29	$ 26	$ 26
Interest on severance	3	3	3
Vacations	54	48	46
Bonuses DOR	310	341	311
TOTAL	$ 396	$ 417	$ 386

Bonuses are set forth in the Company policies as a discretionary incentive for employees for fulfilling the objectives and goals established during the year. They are calculated based on the distribution of the two previous years.



31. Income tax pending this note for the consolidated

The tax provisions applicable to the Bank and its related parties stipulate that the income tax rate for the years 2015 and 2014 is 25% and the rate of equality tax (CREE) is 9%, respectively. In addition, for the year 2015, a 5% surcharge on the CREE tax has been stipulated for companies whose earnings are greater than or equal to $800 million.

31. 1 The income tax expense includes

Concept	2015	2014
Current tax	$ 308.655	$ 256.074
Deferred tax	47.151	45.516
Total tax expense related to continuing operations	**$ 355.806**	**$ 301.591**

31.2 The reconciliation between pretax earnings and taxable net income for 2014 and 2015 is as follows:

Concept	2015	2014
Pretax profits from continuing operations	$ 971.152	$ 947.235
Income tax expense calculated at 39% (2014: 34%)	378.749	322.060
Effect of non-taxable income	(96.103)	(96.321)
Effect of non-deductible expenses when determining taxable income	85.734	51.213
Others	(59.725)	(20.878)
Total Current Tax Expense	**308.655**	**256.074**
Deferred tax effect	43.569	39.411
Effect of deferred tax balances due to changes in the income tax rate from 34% to 39% (as of 01-01-2015)	3.582	6.106
Total deferred tax effect	**47.151**	**45.517**
Income tax expense recognized in the income statement (related to continuing operations)	**$ 355.806**	**$ 301.591**

31. 3 Current tax assets and liabilities

Concept	2015	2014
Current tax liabilities		
• Income tax payable	$ 61.454	$ 19.328
Total	**$ 61.454**	**$ 19.328**

31.4 The reconciliation between the effective income tax rate and the tax rate includes:

Concept	2015	%	2014	%
Pre-tax income for the year	$ 971.152	100	$ 947.235	100
Income tax calculated based on the tax rate	(378.749)	39	(322.060)	34
Tax effect on additions (deductions):				
Permanent Differences	45.502	4,69	54.748	5,78
Others	(22.559)	2,32	34.279	3,62
Current and deferred income tax recorded according to combined effective rate	**$ (355.806)**	**36,63**	**$ (301.591)**	**31,84**

31.5 Deferred tax balances and movements

Below is an analysis of the deferred tax assets/liabilities presented in the statement of financial position:

Concept	2015	2014
Deferred tax asset	$ 91.590	$ 77.153
Deferred tax liability	(326.188)	(272.630)
Total	**$ (234.598)**	**$ (195.477)**

2015	Initial balance	Addition / Recovery for the year	Addition / Recovery other comprehensive income	Addition / Recovery recognized directly in equity	Closing Balance
Deferred tax asset related to:					
Net investment hedges	$ 20.317	$ (20.317)	$ -	$ -	$ -
Intangible assets	15.233	(8.651)	-	-	6.582
Financial assets at fair value through profit or loss	81	18.784	-	-	18.865
Provisions	9.398	26.450	-	-	35.848
Liabilities for defined benefits	31.438	(1.380)	-	-	30.058
Others	686	(449)	-	-	237
Total deferred tax asset	**$ 77.153**	**$ 14.437**	**$ -**	**$ -**	**$ 91.590**

2015	Initial balance	Addition / Recovery for the year	Addition / Recovery other comprehensive income	Addition / Recovery recognized directly in equity	Closing Balance
Deferred tax liability related to:					
Cash flow hedges	$ -	$ -	$ 3.353	$ -	$ 3.353
Net investment hedges	-	30.242	-	-	30.242
Joint Ventures	-	-	-	-	-
Property, plant and equipment	72.574	2.236	-	-	74.810
Intangible assets	74.960	1.922	-	-	76.881
Financial assets at fair value through profit or loss	1.764	(1.764)	-	-	-
Financial instruments measured at fair value	5.946	-	(3.716)	-	2.231
Portfolio	39.730	24.100	-	(6.358)	57.473
Portfolio provision	74.554	-	(3.006)	-	71.549
Provisions	541	(87)	-	-	454
Liabilities for defined benefits	-	-	1.697	-	1.697
Unclaimed share issue and repurchasing costs	-	4.425	-	-	4.425
Others	2.561	513	-	-	3.073
Total deferred tax liability	**272.630**	**61.587**	**(1.672)**	**(6.358)**	**326.188**
Total	**$ 195.477**	**$ 47.151**	**$ (1.672)**	**$ (6.358)**	**$ 234.598**

2014	Initial balance		Addition / Recovery for the year		Addition / Recovery other comprehensive income		Addition / Recovery recognized directly in equity		Closing Balance	
Deferred tax asset related to:										
Net investment hedges	$	3.191	$	17.126	$	-	$		$	20.317
Property, plant and equipment		-		-		-		-		-
Intangible assets		18.635		(3.402)		-		-		15.233
Financial assets at fair value through profit or loss		-		81		-		-		81
Provisions		38.556		(29.158)		-		-		9.398
Liabilities for defined benefits		21.349		10.089		-		-		31.438
Others		339		347		-		-		686
Total deferred tax asset	**$**	**82.070**	**$**	**(4.917)**	**$**	**-**	**$**	**-**	**$**	**77.153**

2014	Initial balance		Addition / Recovery for the year		Addition / Recovery other comprehensive income		Addition / Recovery recognized directly in equity		Closing Balance	
Deferred tax liability related to:										
Property, plant and equipment	$	56.568	$	16.006	$	-	$	-	$	72.574
Intangible assets		61.649		13.311		-		-		74.960
Financial assets at fair value through profit or loss		18.672		(16.908)		-		-		1.764
Financial instruments measured at fair value		4.830		-		1.116		-		5.946
Portfolio		20.346		28.522		-		(9.139)		39.730
Receivables provision		37.218		-		37.337		-		74.554
Provisions		548		(7)		-		-		541
Liabilities for defined benefits		-		-		-		-		-
Others		2.885		(324)		-		-		2.561
Total deferred tax liability		**202.716**		**40.599**		**38.453**		**(9.139)**		**272.630**
Total	$	**120.646**	$	**45.516**	$	**38.453**	$	**(9.139)**	$	**195.477**

3. 6 Transfer Prices

Since the Bank and its related parties carry out transactions with foreign related companies, they are subject to the regulations introduced in Colombia regarding transfer prices based on Laws 788 / 2002 and 863 / 2003. Therefore, the Bank and its related parties conducted a technical study on the transactions carried out in 2014, concluding that there were no conditions that may affect the income tax of that year.

To date, the Bank and its related parties have not completed the technical study of the transactions carried out with foreign related companies in 2015. However, management has reviewed and considers that transactions had a similar behavior to those carried out in 2014; therefore it considers that there will be no material impact on the income tax return for the 2015 period.

31.7 Income tax for equality (CREE tax) and the surcharge thereof

The surcharge applicable to taxpayers whose annual CREE tax return shows a profit greater than or equal to $800 million will be subjected to an advance payment of 100% of the value thereof, calculated on the preceding taxable base. The applicable rate of CREE tax in 2016 will be 9% and the surcharge will be 6%..

The administration of BBVA Colombia maintained adequate evaluation systems, monitoring and control of financial information

32. Subscribed and paid-in capital

The Bank's subscribed and paid-in capital is divided into ordinary shares and non-voting preferential dividend shares. The latter may not represent more than 50% of the subscribed capital. At December 31, 2015 - 2014 and January 1, 2014, 13,907,929,071 ordinary shares and 479,760,000 preferred shares were subscribed and paid-in, with a $6.24 peso nominal value, for a total subscribed and paid-in capital of $89,779.

The subscribed and paid-in capital of the Trust Company at December 31, 2015 and 2014 was represented by 55,089,695 common shares with a nominal value of $1,000 (one thousand Colombian pesos) each, which were subscribed and paid-in to date. In its ordinary meeting held on February 25, 2015 and February 26, 2014, it approved a dividend of $305.21 and $258.24 Colombian pesos, respectively, per subscribed and paid-in share, whose total amounted to $16,403 and 11,381, on the same dates.

The Broker's subscribed and paid-in capital at December 31, 2015 and 2014 was represented by 3,881,558 shares issued for a nominal value of $1,000 (one thousand Colombian pesos) each. The ordinary General Shareholders' Meetings held on February 24, 2015 and February 27, 2014 approved dividends of $711.95 and $327.70 Colombian pesos, respectively, per subscribed and paid-in share, whose total amounted to $2,763 and $1,272, on the same dates.

33. Reserves

At December 31, 2015, the balance of this account was broken down as follows:

Concept	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Legal reserve	$ 1.972.599	$ 1.679.675	$ 1.013.245
Occasional reserves:			
• Available to the Board of Directors	1	1	130.759
• To protect investments	532	532	532
• As per tax provisions	3.992	53.965	32.363
• Others	-	-	294.444
Total reserves	**$ 1.977.124**	**$ 1.734.173**	**$ 1.471.343**

Legal Reserve – In accordance with legal provisions, 10% of Group's net profit each year must be credited to a "reserve fund" until its balance reaches as a minimum the 50.01% of subscribed capital. As a result, the legal reserve may not be reduced below this percentage, except to respond to losses in excess of undistributed earnings. Premiums on share placement are also credited to the legal reserve.

Available to the Board of Directors and Others – These reserves may be used for future distributions, and include:

- Non-taxed at the Board of Directors' disposal, the balance of $1 million Colombian pesos.
- For investment protection, the balance equivalent to $532 million Colombian pesos.
- Non-taxed and fiscal reserve, the balance equivalent to $3,992 million Colombian pesos

34. Earnings per share

Basic and diluted earnings per share are calculated in accordance with the criteria set forth in IAS 33.

Basic earnings per ordinary and preferred share:	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Net earnings attributable to holders of ordinary shares	$ 615.346	$ 504.328	$ 525.837
Average number of ordinary shares outstanding	14.387.689.071	14,387,689,071	14,387,689,071
Basic earnings per ordinary share	**43**	**35**	**36**
Diluted earnings per share	**$ 43**	**$ 35**	**$ 36**

During the years ending December 31, 2015 - 2014 and January 1, 2014, there were no other financial instruments or commitments to employees based on shares with an effect on the calculation of the diluted earnings per share for those years. Therefore, the basic and diluted earnings are the same.

35. Unrealized gains or losses - other comprehensive income (OCI)

DESCRIPTION	DECEMBER 31, 2015	DECEMBER 31, 2014	DECEMBER 31, 2013
Gains (losses) for:			
• Gains (losses) of other equity items of subsidiaries	$ 5.532	$ 999	$ -
• Noncontrolling interests	28.251	67.690	-
• New measurements of defined benefit plans	4.243	-	-
• Incurred Loss Model	266.357	258.350	188.849
• For cash flow hedges	8.381	-	-
• Deferred tax	(80.499)	(80.501)	-
Total Other Comprehensive Income	**$ 232.265**	**$ 246.538**	**$ 188.849**

36. Legal controls

In the years 2015 and 2014, the Group complied with all the standards on legal controls set forth by the Colombian Financial Superintendence, as follows:

- As regards the limit on proprietary position in foreign currency, minimum cash reserve required on deposits in local currency and mandatory investments in agricultural investment securities.
- The Bank's portfolio policy is compliant with the current mortgage law, according to which mortgage loans can be granted as follows:
    - Income housing up to 80% financing on the value of the housing unit.
    - Non-income housing, up to 70% financing on the value of the housing unit

BBVA Asset Mangement S.A. Sociedad Fiduciaria

At BBVA Asset Management S.A. Sociedad Fiduciaria, in accordance with the provisions of Decree 1797 / 1999, Article 208 Section 5 of the Organic Bylaws of the Financial System and Decree 2555 / 2010, Article 3.1.3.1.2, the total amount of the funds managed as part of the mutual fund management activity cannot exceed one hundred (100) times the paid-in capital, the legal reserve, both written off, and the share placement bonus, of the respective management company, minus the last recorded value of equity investments held by the companies that can manage third-party funds under the modalities of securities management, third-party portfolio management or mutual fund or portfolio management. These ratios at December 31, 2015 and 2014 were 41.55% and 34.17, respectively, as set forth by Decree 1885 / September 11, 2012, where the minimum ratio was 9%.

In 2015 and 2014, the Trust Company complied with all other legal controls set forth by the oversight bodies for trust companies, as well as for the trust businesses that they manage, including minimum working capital, concentration limits by undersigned party, investment limit by issuer and by asset class, rating of acceptable assets and investment policy.

The technical equity of banks in Colombia can be no less than 9% of their total assets and credit-risk-related contingencies, calculated on a monthly basis on the banks' separate financial statements and calculated on a quarterly basis on the consolidated financial statements with local and foreign subsidiaries of the financial sector; the latter periodicity as of June 2013.

The changes in transmission periods came about in compliance with Decree 1771 / 2012 issued by the National Government and external circular letter 020 / 2013 issued by the Colombian Financial Superintendence, which modify the definitions and the calculation of regulatory capital for Credit Establishments.

At December 31, 2015 and 2014, the Group's technical equity represented 13.57% and 10.57%, respectively, of its assets and credit-risk-related contingencies calculated based on the separate financial statements.

BBVA Trust met the controls established by control agencies for trust companies for the years 2015 and 2014

37. Control and financial information disclosure accounts

As part of its normal course of operations, the Bank had the following commitments and contingent responsibilities at December 31, 2015, recognized in financial information disclosure accounts:

Concept	December 31, 2015	December 31, 2014
Contingent accounts debtors:		
• Loan portfolio interest	$ 102.344	$ 76.914
• Rights in Options	155.252	1.827.164
• Collateral Securities Repo and Simultaneous Operations	3.004.023	1.177.415
• Purchase Options Receivable	96.078	92.726
• Relief Law 546 / 1999	17.940	17.940
• Monetary correction loan portfolio	787	517
• Others	15.754	16.794
• Rental Payments Receivable	1.960.533	1.719.631
Total contingent accounts debtors	5.355.711	4.929.101
Memorandum accounts debtors		
• Assets and securities provided under custody and as collateral	3.885.428	4.909.301
• Written-off Assets	998.848	891.674
• Unused credits in favor	952.949	1.133.301
• Inflation adjustments of assets	42.861	42.896
• Distribution of subscribed capital	89.779	89.779
• Dividends on revaluation of equity	161	161
• Accounts receivable from returns on investments	59.518	72.074
• New loans agricultural loan portfolio	7.551	6.127
• Completely depreciated property and equipment	313.085	262.409
• Tax value of assets	40.493.922	34.618.919
• Provision for persons in agreements with creditors	1.899	1.899
• Active reciprocal transactions	103.500	1.223
• Costs and expenses reciprocal transactions	11.779	9.466
• SP FW purchase rights	50.377.875	37.819.813
• Written-off items - offices	101.966	101.966
• Form 110 Control Figures	29.278.855	20.411.867
• Cancellations	75.123	74.737
• Purchase transactions in FC Forex, Forwards and Futures	1.094.346	558.184
• Assigned Value Assets in Trust	310	310
• LC Exports, Standby and collection transactions in FC	1.065.506	218.987
• Tax Base	38.022.657	31.342.611
• Valuation of Foreclosed Assets	4.250	2.819
• Securitized Portfolio E5 and E9 Issuances	65.468	97.532

Concept	December 31, 2015	December 31, 2014
• Investment in debt securities	36.316	59.876
• Liquidation of interest after write-offs	726.749	600.937
• Loans approved but not disbursed	1.314.672	1.083.898
• Delta options purchased	34.117	779.368
• Other memorandum accounts debtors	3.980.061	1.071.850
Total memorandum accounts debtors	**173.139.551**	**136.263.984**
Contingent accounts creditors		
• Endorsements	2.000	329
• Bank guarantees granted	763.402	905.050
• Securities received in simultaneous transactions	-	406.621
• Letters of credit issued but not used	469.929	340.700
• Loans approved but not disbursed LC	1.405.826	1.114.512
• Opening of loans	2.919.450	2.392.481
• Liabilities in options	155.252	1.827.209
• Accounts Payable Nation Law 546/1999	-	21.708
• Lawsuits	403.253	215.174
• Other Creditor Liabilities	115.399	102.671
Total contingent accounts creditors	**6.234.511**	**7.326.455**
Memorandum accounts - creditors		
• Assets and securities received under custody	92.268	89.450
• Assets and securities received as collateral	70.691.730	60.604.937
• Recovery of Written-off Assets	67.306	69.332
• Collections received	854.433	-
• Inflation Adjustments Equity	532.144	532.144
• Capitalization by revaluation of equity	532.144	532.144
• Neg. Return on investments	249.970	200.786
• Tax value of equity	3.584.547	3.172.682
• Rating of loan portfolio, interest and accounts receivable	37.502.069	31.466.984
• Passive reciprocal transactions	160.692	102.809
• Reciprocal transactions income	70.476	59.199
• Delta options issued	34.117	779.369
• LC Imports, Standby and collection transactions in FC	15.024.809	11.870.142
• Securitized Portfolio, Interest, Accounts Receivable and Financial Interest	72.683	113.499
• Sale transactions in FC Forex, Forwards and Futures	619.123	247.525
• Sale liabilities SP, FW and Swap	11.383.871	7.827.546
• Mutual funds	2.116.600	2.242.377
• Bounced Checks	898.452	477.602
• Managed portfolio (other than Fogafin)	678	678
• Other memorandum accounts creditors	7.468.523	4.435.085
Total memorandum accounts creditors	**$ 151.956.640**	**$ 124.824.290**

38. Contingencies

The Bank had the following contingencies at December 31, 2015:

Credit commitments – During the normal course of operations, the Bank issues financial instruments, which are recorded in contingent accounts. Bank management does not expect any material losses as a result of these transactions. Below is a summary of the most important commitments:

Endorsements, Letters of Credit and Bank Guarantees – The Bank issues endorsements and guarantees to back the contracts and obligations of special customers. These guarantees expire in one to fifteen years, and commissions are charged for this service with bank correspondents that do not belong to the BBVA Group; the rate of these commissions is 0.3% of the value of the endorsement or guarantee, with a minimum of USD 100 at the beginning of each quarter. A commission of 0.2% is charged with banks of the BBVA Group, with a minimum of USD 80.

In order to demonstrate a potential risk that would require the Bank to pay a provision on this account, customers that had this type of transaction in local and foreign currency were assessed, finding the following balances in the databases:

In local currency

Concept	December 31, 2015	
Endorsements	$	2.000
Bank Guarantees	$	241.632
Total Endorsements and Bank Guarantees LC	**$**	**243.632**

In foreign currency

Concept	December 31, 2015			
	USD	EUR	GBP	CHF
Endorsements	$ -	$ -	$ -	$ -
Bank Guarantees	164	1	-	-
Letters of Credit (LC)	103	42	0,60	0,05
Total in Foreign Currency	**267**	**43**	**0,60**	**0,05**
Exchange rates (applied on cutoff date)	3.149,47	3.437,17	4.671,61	3.180,48
Total in Colombian Pesos	**$ 839.973**	**$ 148.743**	**$ 2.824**	**$ 159**

The nature of the Endorsements, Letters of Credit and Bank Guarantees in local and foreign currency that mainly generate obligations for the Bank was reviewed and the following decision tree was applied to confirm whether or not there was a Contingent Liability, as per the guidelines of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets:

DISCRIMINATED DECISION TREE - CONCEPTS TO BE ASSESSED TO DEFINE CRITERIA	
CONTINGENT LIABILITY - ENDORSEMENTS, LETTERS OF CREDIT AND BANK GUARANTEES	Is an obligation, generated by past events and whose existence has yet to be confirmed possible if uncertain future events that are not controlled by the entity occur?
	Is it not likely that, in order to be satisfied, the outlay of funds that include future economic benefits will be required?
	Can the amount be measured with sufficient reliability?

In addition, the risk department was asked to rate customers who, at December 30, 2015, had a balance in local and foreign currency, with the following result:

Endorsements in Local Currency

Rating	Value	Percentage
A	$ 2.000	100%
Total	**$ 2.000**	**100%**

Bank Guarantees in Local Currency

Rating	Value	Percentage
A	$ 241.632	100%
Total	**$ 241.632**	**100%**

Bank Guarantees in Foreign Currency

Rating	December 31, 2015				
	USD	EUR	GBP	CHF	Porcentaje
A	164	0.52	-	-	99,38%
K	-	0.94	-	-	0,62%
Total in Foreign Currency	164	1.46	-	-	100 %
Exchange rates (applied on cutoff date)	3.149.47	3.437.17	4.671.61	3.180.48	0,00%
Total in Colombian Pesos	**$ 516.757**	**$ 5.013**	**$ -**	**$ -**	**100%**

Cartas de Crédito en Moneda Extranjera

Rating	December 31, 2015				
	USD	EUR	GBP	CHF	Porcentaje
A	103	42	0.60	0.05	100%
Total in Foreign Currency	103	42	0.60	0.05	-
Exchange rates (applied on cutoff date)	3.149.47	3.437.17	4.671.61	3.180.48	-
Total in Colombian Pesos	**$ 323.216**	**$ 143.730**	**$ 2.824**	**$ 159**	**100%**

According to the bases reviewed, it is deemed that BBVA Colombia at December 30, 2015 was not required to create any provisions for the products of Endorsements, Letters of Credit and Bank Guarantees in legal or foreign currency, as per the criteria of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

Letters of credit issued but not used – Letters of credit are generally issued for use within a term of no more than 90 days. When it comes to letters of credit with correspondents that do not belong to the BBVA Group, a 1% opening commission is charged on letters for imports based on the value of the letter of credit, with a minimum of USD 130 + VAT, plus USD 35 commission per swift message + VAT, plus $5,300 (in Colombian pesos) as a paperwork fee; regarding letters for exports, a USD 50 opening fee is charged, plus 0.225% of the value of the letter of credit for confirmation, with a minimum of USD 50 and a negotiating commission of 0.15% and a minimum of USD 50. In the case of letters of credit opened with banks of the BBVA Group, a 0.70% opening commission is charged on letters for imports, with a minimum of USD 80 + VAT plus USD 20 commission per swift message + VAT; regarding letters for exports, a USD 30 opening fee is charged, plus 0.15% for confirmation, with a minimum of USD 35, a negotiating commission of 0.10% and a minimum of USD 35.

Unused credit card limits – When customers are provided with credit cards, a credit limit is authorized for the customer to use at any time; therefore, such credit limit must be available. Based on the Bank's internal policy, credit cards are issued for eight-year periods. The maximum effective rate of average annual interest for credit cards was 28.84% EA in 2015.

The risk of loss for the Bank in the event of customer default in commitments to extend credit, letters of credit and guarantees is represented by the nominal values of the respective financial instruments. However, since credit commitments can expire without having been used, the total amount of the commitment does not necessarily represent future cash requirements. The Bank uses the same credit policies to extend loans when it assumes conditional credit commitments and obligations. In general, when granting these financial instruments, the Bank assesses the customer's financial capacity and obtains the guarantees considered necessary. These guarantees, if considered relevant by the Bank, are based on credit risk assessment. The types of guarantees vary, but they may include accounts receivable, inventories, properties and equipment, and financial investments, among others.

Legal proceedings – As part of its normal course of operations, Fiduciaria had the following contingent liabilities at December 31, 2015:

Description	December 31, 2015	December 31,	01-ene-14
Contingent accounts creditors:	2014	January 1, 2014	
• Creditors - Lawsuits (1)	$77.089.887	$28.142.022	$28.319.826
• Default Interest	-	74.805	122.498
Total contingent accounts	$77.089.887	$28.216.827	$28.442.324

At December 31, 2015 and 2014, there were lawsuits against Fiduciaria originated by different trust businesses and tax issues with claims amounting to approximately $77,089,887 and $28,142,022, respectively. To cover possible contingencies, there is a reserve in equity for $510,000, included in temporary reserves, for a total of $7,395,312. Management and its legal advisors consider that the reserve posted to cover eventual rulings against Fiduciaria is sufficient.

The main proceedings currently filed against Fiduciaria are as follows:

a. a. Ordinary proceedings by Servientrega S.A. vs. Fenalco, BBVA Panamá, BBVA Colombia, Corfigan and BBVA Asset Management S.A. and BBVA Valores: : This lawsuit was filed by Servientrega S.A. as a result of the execution of the Fideicomiso Fidugan – Fenalco, Fideicomiso Fidugan –Fundadores BNC, Fideicomiso BNC- S, Fideicomiso BNC –T trust contracts, through which loans were managed with Banco Ganadero Panama to purchase shares of Banco Nacional del Comercio (formerly Banco de Caldas) which were the collateral for the loan transactions. Fiduciaria was notified of the proceedings on September 25, 2013. The plaintiff amended the lawsuit and an appeal for reversal was filed against the writ that allowed the amendment. In the opinion of Fiduciaria's Management, considering the background of the proceedings, the decisions resulting from previous proceedings from the same plaintiff and the legal assessments carried out by the teams that were created for this case, made up of internal and external lawyers, it has been concluded there will unlikely be an adverse decision. The contingency has been classified as remote.

b. Action for nullity and the restoration of rights Equity Tax 2011 - DIAN: Fiduciaria is currently attending proceedings at the Cundinamarca Administrative Court involving an action for nullity and the restoration of rights for a total of $551,118,000, corresponding to the greater tax payable and the penalty for inaccuracies on the 2011 equity tax return claimed by the tax authority, which considers that there are differences in the calculation of the taxable base. The contingency has been classified as remote.

c. Fiscal responsibility proceedings brought by the Colombian Comptroller General's Office. The Comptroller's Office filed fiscal responsibility proceedings against Fondo Nacional de Vivienda, and Fiduciaria was included, as they mistakenly consider that Fiduciaria should have controlled and supervised that the funds be used and invested only in the construction of low-income housing. The Comptroller's Office served Writ No. 0096 / May 6, 2015 charging fiscal responsibility against Fiduciaria, Funsalud Constructora, Arconi Ltda., Caja de Compensación Familiar de Sucre and others. On June 17, 2015, Fiduciaria submitted a report opposing the charge of fiscal responsibility.

d. Proceedings by José Fernando Zamorano Villegas Niessen S.A.S and Andres Gallo Castaño, Maria Cristina Pineda and Sergio Molinar vs. Fiduciaria. The plaintiffs were part of the real estate project Granada 900, for which Fiduciaria carried out pre-sale activities. The project reached the break-even point and Fiduciaria handed over the funds of the prospective buyers to the construction company. An attachment order on the lot where the project was to be developed was issued by the Colombian Attorney General's Office - National Unit for the extinction of property rights and against money laundering. Therefore, the project was not carried out and the construction company did not return the funds collected from the prospective buyers. The plaintiffs are requesting that Fiduciaria be declared responsible for the alleged damages caused thereto, given that the project was not completed. Fiduciaria was notified of the proceedings through a notice dated March 17, 2015. On April 8, the claim was contested. The proceedings have been suspended until the construction company, Cruz Gonzalez S.A. is notified and appears before the court.

In addition, Fiduciaria has the following control and financial information accounts, which are not included in the consolidated balance sheet:

Type of Business	2015		2014	
	Funds Managed	No. of Businesses	Funds Managed	No. of Businesses
Investment trusts	$ 811.117.942	4	$ 102.532.078	4
Real estate trust	256.500.967	44	220.927.686	23
Management and payment trust	3.316.936.748	547	3.043.467.101	456
Guarantee trusts	455.197.653	80	458.459.411	61
Funds from the General Social Security System and other related funds Retirement and Disability Pension Funds	4.283.113.209	4	4.355.099.966	7
Mutual funds	1.822.781.113	12	1.949.159.021	12
Total	$10.945.647.632	691	$10.129.645.263	563

39. Interest revenues

Revenue from ordinary activities at December 31, 2015 are as follows:

Interest Revenues	December 31, 2015	December 31, 2014
Commercial Loan Portfolio (1)		
Commercial Loans	$ 774.500	$ 646.491
Overdrafts commercial Loans	5.799	5.033
Commercial loan portfolio discount operations	10.178	6.112
Commercial loan portfolio rediscount operations	24.196	16.787
Commercial portfolio default interest	13.539	10.539
Total commercial loan portfolio	**828.212**	**684.962**
Consumer Loan Portfolio (2)		
Consumer loans	1.293.756	1.142.051
Overdrafts consumer loans	1.777	1.835
Consumer loan portfolio default interest	22.404	18.971
Total consumer loan portfolio	**1.317.937**	**1.162.857**
Micro-credit Loan Portfolio		
Micro-credits	1	3
Total Micro-credit Loan Portfolio	1	3
Credit Card Loan Portfolio		
Commercial credit card loan portfolio	3.115	2.861
Consumer credit card loan portfolio	288.299	243.337
Total Credit Card Loan Portfolio	291.414	246.198
Mortgage Loan Portfolio (3)		
Mortgage and residential leasing loans	716.156	669.680
Default interest on mortgage and residential leasing loans	6.979	5.735
Readjustment of the real value unit – RVU	56.707	26.412
Total mortgage loan portfolio	779.842	701.827
Factoring transactions loan portfolio (4)		
Factoring transactions	4.624	2.326
Total factoring transactions loan portfolio	4.624	2.326
Operating lease loan portfolio (5)		
Operating lease rental rates	7.320	5.480
Profit on sale of assets in operating leases	**24**	**103**
Total operating lease loan portfolio	7.344	5.583
Financial leasing loan portfolio (6)		
Penalties for non-compliance with financial lease agreements	2.207	1.836
Financial component of financial leases - consumer	1.224	779
Financial component of financial leases - commercial	**132.466**	**111.147**
Total financial leasing loan portfolio	135.897	113.762
Residential leasing loan portfolio (7)		
Financial component of residential leases	**101.919**	**59.350**
Total residential leasing loan portfolio	**101.919**	**59.350**
Total interest revenues	$ 3.467.190	$ 2.976.868
Interest Expenses (6)		
Ordinary savings deposits (8)	$ 590.836	$ 514.171
Term Deposit Certificates (9)	669.831	519.217
Banks and financial obligations (10)	23.463	15.970
Other interests	414	447
Total interest expenses	**$ 1.284.544**	**$ 1.047.805**
Total interest revenues, net	**$ 42.182.646**	**$ 1.927.063**

(1) The increase is shown mainly in the commercial line for $72,681, agribusiness own resources for $20,398, Credifast for $14,031 and non-IH construction with an increase of $7,684.

Loan portfolio discount transactions increased due to the rise in placement of recourse factoring loans for a total of $4,026 in 2015.

Loan portfolio discount transactions increased due to the higher volume of Bancoldex transactions for a total of $4,158 and Findeter for $5,917 in 2015.

(2) Consumer loans increased due to vehicle loans (sales force) for $28,174, payroll loans for $81,385, revolving credit for $32,702 and Creditón for $8,071 during the reporting period.

Default interest of the consumer loan portfolio increased due to Creditón for $972, revolving credit for a total of $569, vehicle loans (sales force) for $512, gold card for $363 and MasterCard for $492 in 2015, and decreased in the lines of the classic card for $132 and other cards for a total of $1,795.

(3) The mortgage and residential leasing loan portfolio increased in the mortgage line other than IH in Colombian pesos for a total of $42,379, remodeling of non-IH for $11,052 non-IH - employees for $1,350 and decreases in Colombian pesos non-IH - conditioned coverage for $3,754, IH RVU for $2,899 and non-IH RVU for $2,591.

(4) There was an increase in the placement of non-recourse factoring transactions in 2015, in the non-recourse confirming line for $1,809, new triangular line for $905 and a decrease in the non-recourse factoring line for $417 in 2015.

(5) The operating lease loan portfolio recorded an increase due to penalties for non-compliance with leasing agreements for $1,841.

(6) The financial leasing loan portfolio recorded an increase in penalties for non-compliance with leasing agreements for $371 and in the financial component of leasing for $21,319.

(7) The residential leasing loan portfolio increased due to the volume of family leasing transactions in Colombian pesos other than IH for $31,865 and non-family IH in Colombian pesos for $10,704 in 2015.

(8) Expenses associated with interest revenue from ordinary savings deposits increased in the following modalities: individual daily interest accounts for $58,999, individual business savings accounts for $3,457, normal official daily interest accounts for $5,547, promotion of private construction for $2,651, official business savings accounts for $2,535 and decrease in remunerated official current accounts for $3,703.

(9) Expenses associated with interest revenue from term deposit certificates increased by $150,615 due to the transactions involving the different forms and terms of these deposits.

(10) Bank loan interest expenses and other financial obligations increased mainly due to loans with: Bancoldex for $2,655, Findeter for $2,639, correspondent banks for $838 and Finagro for $728.

40. Non-interest revenues

At December 31, 2015, the balance of this account was broken down as follows:

COMMISSIONS	December 31, 2015		December 31, 2014	
Commissions Revenues	$	433.638	$	391.957
Commissions Expenses		(192.976)		(138.415)
TOTAL COMMISSIONS	**$**	**240.662**	**$**	**253.542**
TOTAL SECURITIES				
• Financial revenue money market transactions and other interests (1)	$	80.666	$	56.031
• Valuation of short positions for open repo and simultaneous transactions, and temporary security transfers		70.052		12.852
Valuation of cash transactions		240		67
• Total money market transactions		$150.958		$68.950
• Investments at Fair Value				
Valuation of debt instruments at fair value (2)		390.068		451.745
• Valuation of equity instruments at fair value		1.887		1.703
Securities financing		-		-
Total investments at fair value		$391.955		$453.448
Investments at amortized cost				
By valuation at amortized cost of investments		70.083		101.936
Total investments at amortized cost	**$**	**70.083**	**$**	**101.936**
TOTAL SECURITIES	$	612.996	$	624.334
Derivatives				
Speculating Derivatives				
• Valuation of derivatives - negotiation (3)		6.923.887		3.062.563
TOTAL DERIVATIVES		**6.923.887**		**3.062.563**
• Disposals				
Sale of Non-current Assets Held for Sale		1.341		1.272
Sale of Property and Equipment		2.267		671
• Sale of Investment		73.289		49.691
• TOTAL DISPOSALS		76.897		51.634
• OTHER CONCEPTS				
• Net Exchange Difference (4)		341.893		349.261
• Dividends		11.316		12.044
• Leases.		1.719		1.440
• Other - Miscellaneous (5)		59.142		54.574
• Operational Risk (6)		23.442		2.194
• Activities in Joint Ventures		1.580		2.314
TOTAL OTHER CONCEPTS		**439.092**		**421.827**
TOTAL OTHER REVENUE OTHER THAN INTERESTS	**$**	**8.293.534**	**$**	**4.413.900**

In 2015 the financial system showed its strength and good results despite of the challenges from the macroeconomic and international background, by keeping favorable quality indicators and adoption of international standards which ensure greater system stability.

(1) Revenue from the valuation of short positions for open repo and simultaneous transactions, and temporary security transfers had averages per month for 2015 regarding the sale of short positions for a total of $854 million and $50 million in 2014, thus generating profit in 2015 for $56,754 million and $54,838 million in 2014.

(2) The valuation of debt instruments at fair value decreased 14% compared to 2014, mainly due to market sales of TES at fixed-rate and in RVU, reporting profits for $384 million in 2015 and $284 million in 2014.

The Brokerage Firm recognizes income in the valuation and profit on the sale of fixed-income investments; it also records fluctuations in the market prices of securities in the security portfolio and those published by Infovalmer.

(3) In 2015, contracts traded in Derivatives rose more than 100% compared to 2014; in 2015, income has been 78% liquidated and 22% valuated; in 2014, it was 69% and 31%, respectively. Peso-USD forwards for a total of $3,466, followed by futures in second place for a total of $1,637. In 2014, they were liquidated at $1,311 and $581, which is lower than the figure of 2015.

(4) An exchange difference is presented because in the last 12 months, the Colombian peso has devaluated with respect to the US dollar by $757 pesos; at the end of 2015, there was an official exchange rate of $3,149.47, while in 2014, it was $2,392.46.

(5) The item Other - Miscellaneous had an increase of $4,176 million, mainly due to the provisions of operating revenue for $10,954 million, payment of the regional visa agreement for $1,564 million and visa financing payments for $750. However, there were significant decreases in the sale of checkbooks for $1,306 million, commissions for the use of network in previous years for $1,031 million, outsourced services for $172 million, profiting for $150 million, call center statement for $480 million, Titulizadora Colombia for $432 million and other portfolio sales for $323 million.

(6) Operational risk increased by $22,200 million, mainly because in 2015, there was a recovery of the provision for civil proceedings for $14,478 million

41. Non-interest expenses

At December 31, 2015, the balance of this account was broken down as follows:

OTHER EXPENSES	December 31, 2015	December 31, 2014
Employee salaries and benefits (1)	$ 475.767	$ 481.147
Fees	24.026	23.538
Depreciation and amortization		
Depreciation of property and equipment	51.642	48.853
Amortization of intangible assets	36.260	41.573
Taxes (2)	134.199	77.788
Leases (3)	36.594	28.982
Insurance (4)	112.314	100.189
Contributions and memberships	10.528	10.161
Maintenance, improvements and repairs	38.862	30.188
Operational Risk.	6.222	5.326
Other - Miscellaneous (5)	383.829	368.977
Activities in Joint Ventures	1.538	2.280
TOTAL OTHER EXPENSES	$ 1.311.781	$ 1.219.002

(1) There was a decrease in employee salaries and benefits, essentially due to the adjustment of the actuarial calculation of retirement pensions for a total of $7,585 and the adjustment to the methodology to pay social security and fringe benefits due to the effect of the CREE tax, reflected particularly in pension and health care payments for a total of $7,941 in 2015.

(2) The tax expense increased mainly due to the obligation generated by the wealth tax in 2015 for a total of $39,461; in addition, the ICA tax increased by $8,900 as a direct result of the growth in the Bank's revenue, and the obligation contributed by GMF coming from derivatives for a total of $1,445.

(3) In accordance with the Bank's expansion plan, assets were leased and the rental rates of the agreements signed in view of said concepts were increased at the contractually agreed rate, thus presenting an increase of $7,412.

(4) Insurance increased mainly due to the deposit insurance taken on customer deposits in the bank for a total of $8,208.

(5) In 2015, the number of users enrolled in the miles for points program increased, along with the redemptions made by the customers of the program, showing an increase of $11,141.

The details are provided in the documents presented to the General Meeting of Shareholders.

42. Transactions with related parties

Within the normal course of business, BBVA carries out transactions with its related parties, which consist of the dependent companies, key management personnel and the other entities that form part of the Parent Company: BBVA Group, established in Spain.

The transactions were made in general current market conditions for similar transactions with third parties, except in the case of loans to respond to health, education, housing and transport needs for the Bank's employees, which were made according to the entity's policies, pursuant to that expressly permitted by the legal provisions that regulate the subject.

The main transactions of shareholders with a share of more than 10% in BBVA Colombia at December 31, 2015, and December 31 and January 1, 2014, were as follows:

December 31, 2015

ASSETS		
Banks and other financial entities	$ 25.606	Correspondent banks
Accounts receivable	12.859	Forward transactions securities depositories
Deposits as collateral	85.526	Liquidity transaction - BBVA Madrid
Total	$ 123.991	

LIABILITIES		
Accounts payable	$ 5.384	Maturity of forward transaction - BBVA Madrid
Total	$ 5.384	

REVENUE		
Profit from valuation of derivatives	$ 537.790	Forward and swap transactions - BBVA Madrid
Total	$ 537.790	

EXPENDITURE		
Loss from valuation of derivatives	$ 771.630	Forward and swap transactions - BBVA Madrid
Advice and consultancy fees	3.508	Corporate applications advice - BBVA Madrid
Corporate application services	10.579	Maintenance of corporate applications - BBVA Madrid
Total	$ 785.717	

December 31, 2014

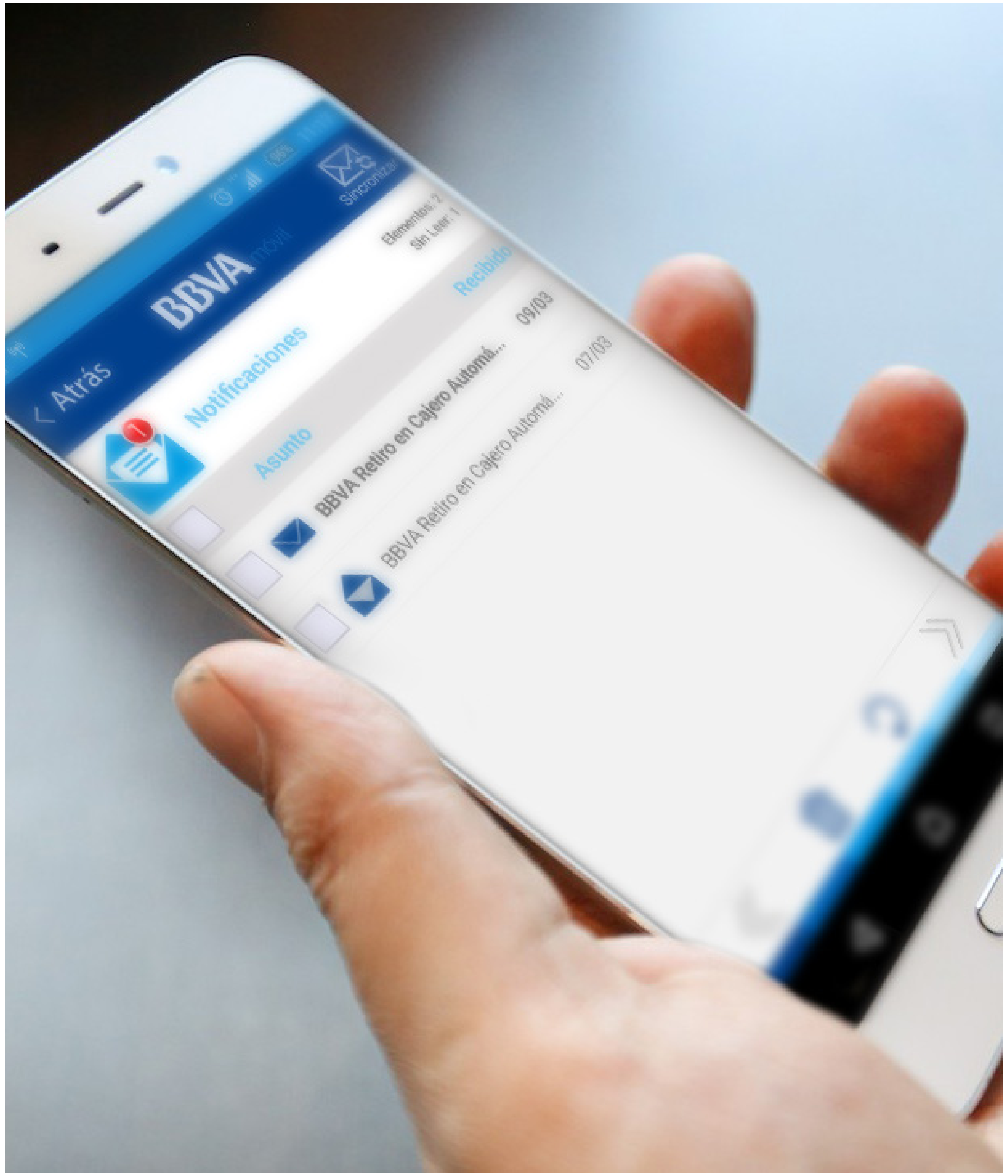
ASSETS		
Banks and other financial entities	$ 2.310	Correspondent banks
Accounts receivable	10.174	Forward transactions securities depositories
TOTAL	$ 12.484	

LIABILITIES		
Accounts payable	$ 40.898	Maturity of forward transaction - BBVA Madrid
Total	$ 40.898	

REVENUE		
Profit from valuation of derivatives	$ 192.792	Forward and swap transactions - BBVA Madrid
TOTAL	$ 192.792	

EXPENDITURE		
Loss from valuation of derivatives	$ 484.689	Forward and swap transactions - BBVA Madrid
Advice and consultancy fees	2.930	Corporate applications advice - BBVA Madrid
Corporate application services	8.318	Maintenance of corporate applications - BBVA Madrid
TOTAL	$ 495.937	

BBVA carries out transactions with related parties such as subsidiaries and related companies.



The details of transactions with related parties at December 31, 2015, was as follows:

2015	Shareholders with Share over 10%	Board Members	Registered Agents and Chief Officers in the Headquarters	Other Companies of the BBVA Group that Are Not Subsidiaries of BBVA Colombia	
				BBVA Seguros	BBVA Seguros Vida
Assets:					
Loan portfolio	$ -	$ -	$ 2.963	$ -	$ -
Investments			32.891		
Banks and other financial entities	25.606	-	-	-	-
Accounts receivable	12.859	-	-	481	-
Deposits as collateral	85.526				
Prepaid expenses	-	-	-	1.282	176
Other assets	-	-	-	-	-
Valuation of investments	-	-	-	-	-
Total	**$ 123.991**	**$ -**	**$ 35.854**	**$ 1.763**	**$ $176**
Liabilities:					
Deposits	$ -	$1.249	$50.180	$18.394	$106.875
Outstanding debt securities	-	-	-	-	35.399
Accounts payable	5.384	-	-	-	-
Total	**$ 5.384**	**$ 1.249**	**$ 50.180**	**$ 18.394**	**$ 142.274**
Revenue:					
Dividends	$ -	$ -	$ -	$ -	$ -
Interest and/or return on investments	537.790	13	468	-	-
Commission	-	6	19	14.138	53.887
Recoveries	-	-	-	-	-
Leases	-	-	-	73	331
Total	**$ 537.790**	**$ 19**	**$ 487**	**$ 14.211**	**$ 54.218**
Expenses:					
Interest	$ -	$ 12	$ 422	$ 482	$ 4.406
Commission	-	-	-	-	-
Salaries	-	-	11.517	-	-
Derivative transactions	771.630	-	-	-	-
Insurance	-	-	-	4.666	509
Other	-	-	-	-	-
Advice and consultancy fees	3.508	336	-	-	-
Corporate application services	10.579	-	-	-	-
Total	**$ 785.717**	**$ 348**	**$ 11.939**	**$ 5.938**	**$ 4.735**
Other - Dividends paid on preferred and common shares	**$ 231.766**	**$ -**	**$ -**	**$ -**	**$ -**

Las anteriores operaciones fueron realizadas en condiciones generales de mercado vigentes para transacciones similares con terceros, excepto en los casos de préstamos para atender necesidades de salud, educación, vivienda y transporte hechos a funcionarios del Banco, los cuales se realizaron de acuerdo con las políticas de la entidad, conforme a lo permitido expresamente por las disposiciones legales que regulan la materia.

At December 31, 201, was as follows:

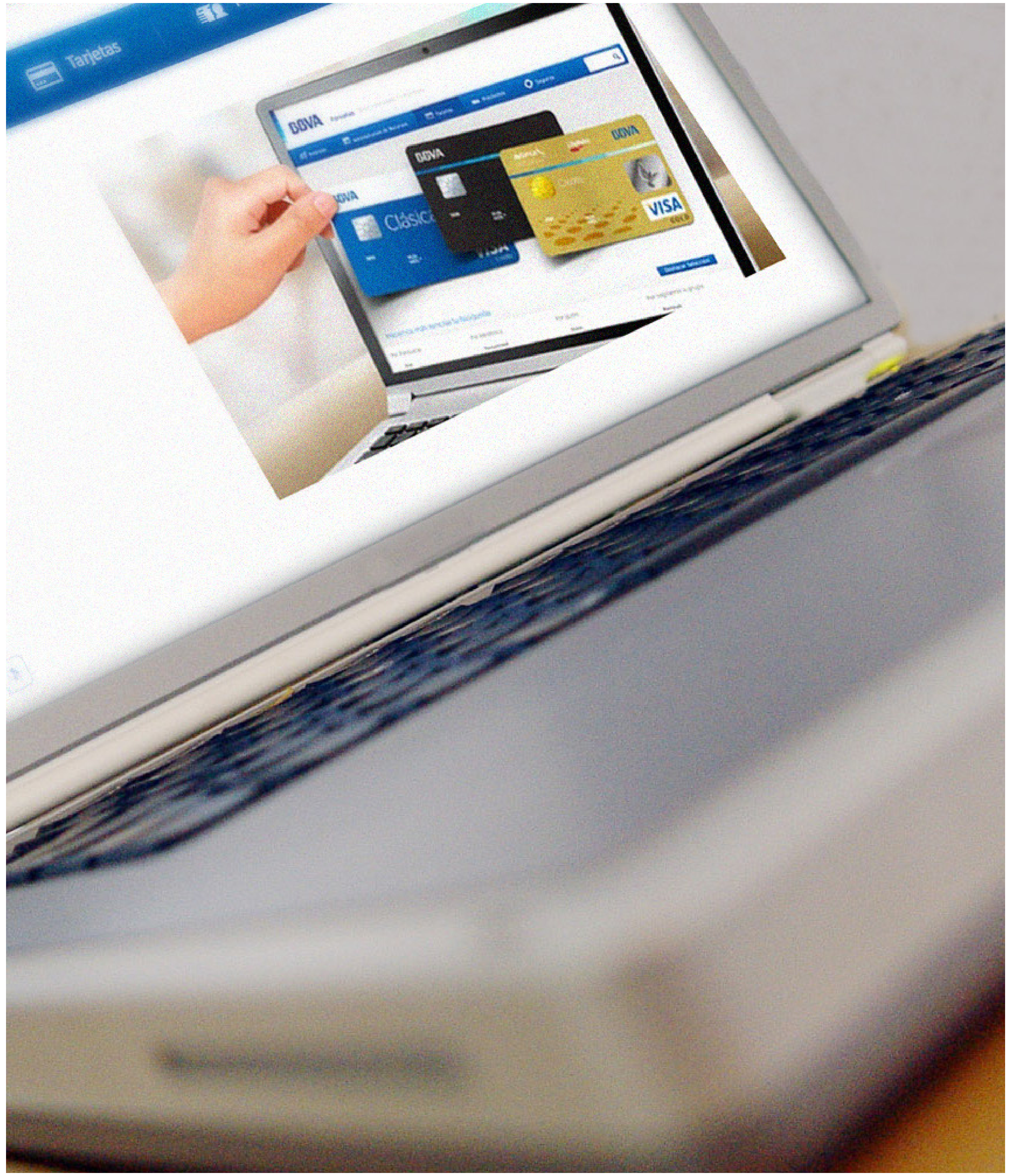
2014	Shareholders with Share over 10%	Board Members	Registered Agents and Chief Officers in the Headquarters	Other Companies of the BBVA Group that Are Not Subsidiaries of BBVA Colombia	
				BBVA Seguros	BBVA Seguros Vida
Assets:					
Investments	$ -	$ -	$ -	$ -	-
Loan portfolio	-	54	4.097	-	-
Banks and other financial entities	2.310	-	-	-	-
Accounts receivable	10.174	-	-	474	-
Prepaid expenses	-	-	-	984	185
Other assets	-	-	-	-	-
Valuation of investments	-	-	-	-	-
Total	$ 12.484	$ 54	$ 4.097	$ 1.457	$ 186
Liabilities:					
Deposits	$ -	$ 50	$ 3.599	$ 12.369	$ 54.860
Accounts payable	40.898	-	-	-	304
Total	$ 40.898	$ 50	$ 3.599	$ 12.369	$ 55.164
Revenue:					
Dividends	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Interest and/or return on investments	192.792	1	28	-	
Commission	-	5	32	11.283	47.838
Recoveries	-	-	-	-	-
Leases	-	-	-	8	70
Total	$ 192.792	$ 6	$ 61	$ 11.291	$ 47.908
Expenses:					
Interest	**$ -**	**$ -**	**$ 10**	**$ 368**	**$ 3.819**
Commission	-	-	-	-	-
Salaries	-	-	11.395	-	-
Derivative transactions	484.689	-	-	-	-
Insurance	-	-	-	4.666	509
Other	-	-	-	-	-
Advice and consultancy fees	2.930	308	-	-	-
Corporate application services	8.318	-	-	-	-
Total	**$ 495.937**	**$ 308**	**$ 11.405**	**$ 5.034**	**$ 4.327**
Other - Dividends paid on preferred and common shares	**250.989**	**$ -**	**$ -**	**$ -**	**$ -**

Las anteriores operaciones fueron realizadas en condiciones generales de mercado vigentes para transacciones similares con terceros, excepto en los casos de préstamos para atender necesidades de salud, educación, vivienda y transporte hechos a funcionarios del Banco, los cuales se realizaron de acuerdo con las políticas de la entidad, conforme a lo permitido expresamente por las disposiciones legales que regulan la materia.

Al 1 de enero 2014 el detalle era el siguiente:

2015	Shareholders with Share over 10%	Board Members	Registered Agents and Chief Officers in the Headquarters	Other Companies of the BBVA Group that Are Not Subsidiaries of BBVA Colombia	
				BBVA Seguros	BBVA Seguros Vida
Assets:					
Investments	$ -	$ 176	$ 2.694	$ -	$ -
Loan portfolio	2.455	-	-	-	-
Banks and other financial entities	1.392	-	-	-	2
Accounts receivable	-	-	-	1.035	201
Prepaid expenses	$ 3.847	$ 176	$ 2.694	$ 1.035	$ 203
Other assets					
Valuation of investments	$ -	$ 598	$ 58.187	$ 8.456	$ 83.540
Total	1.246	-	-	-	95
Liabilities:	**$ 1.246**	**$ 598**	**$ 58.187**	**$ 8.456**	**$ 83.635**
Deposits					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Total	56.827	23	386	-	-
Revenue:	-	6	14	10.385	40.255
Dividends	-	-	-	8	68
Interest and/or return on investments	**$ 56.827**	**$ 29**	**$ 400**	**$ 10.393**	**$ 40.323**
Commission					
Recoveries	$ -	$ 1	$ 175	$ 387	$ 3.819
Leases	-	-	10.576	-	-
Total	70.220	-	-	-	-
Expenses:	-	-	-	4.869	449
Interest	2.274	322	-	-	-
Commission	8.052	-	-	-	-
Salaries	**$ 80.546**	**$ 323**	**$ 10.751**	**$ 5.256**	**$ 4.268**
Derivative transactions	$ 211.995	$ -	$ -	$ -	$ -
Insurance	-	-	-	4.666	509
Other	-	-	-	-	-
Advice and consultancy fees	2.930	308	-	-	-
Corporate application services	8.318	-	-	-	-
Total	**$ 495.937**	**$ 308**	**$ 11.405**	**$ 5.034**	**$ 4.327**
Other - Dividends paid on preferred and common shares	**$ 250.989**	**$ -**	**$ -**	**$ -**	**$ -**

Las anteriores operaciones fueron realizadas en condiciones generales de mercado vigentes para transacciones similares con terceros, excepto en los casos de préstamos para atender necesidades de salud, educación, vivienda y transporte hechos a funcionarios del Banco, los cuales se realizaron de acuerdo con las políticas de la entidad, conforme a lo permitido expresamente por las disposiciones legales que regulan la materia.



December 31, 2015	BBVA FIDUCIARIA vs. Other Companies of the BBVA Group				BBVA VALORES vs. 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 VIDA
Assets:								
Accounts receivable	$ -	$ -	$ 1	$ -	$ -	$ -	$ -	$ -
Prepaid expenses	-	-	179	-	-	-	-	-
Total	**-**	**-**	**179**	**-**	**-**	**-**	**-**	**-**
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue:								
Dividends	-	-	-	-	-	-	-	-
Interest and/or return on investments	-	-	-	-	-	-	-	-
Commission	-	-	-	-	17	-	-	-
Total	-	-	-	-	17	-	-	-
Expenses:								
Commission	-	-	-	-	-	-	-	-
Insurance	-	-	357	14	-	-	165	-
Total	**$ -**	**$ -**	**$ 357**	**$ 14**	**$ -**	**$ -**	**$ 165**	**$ -**

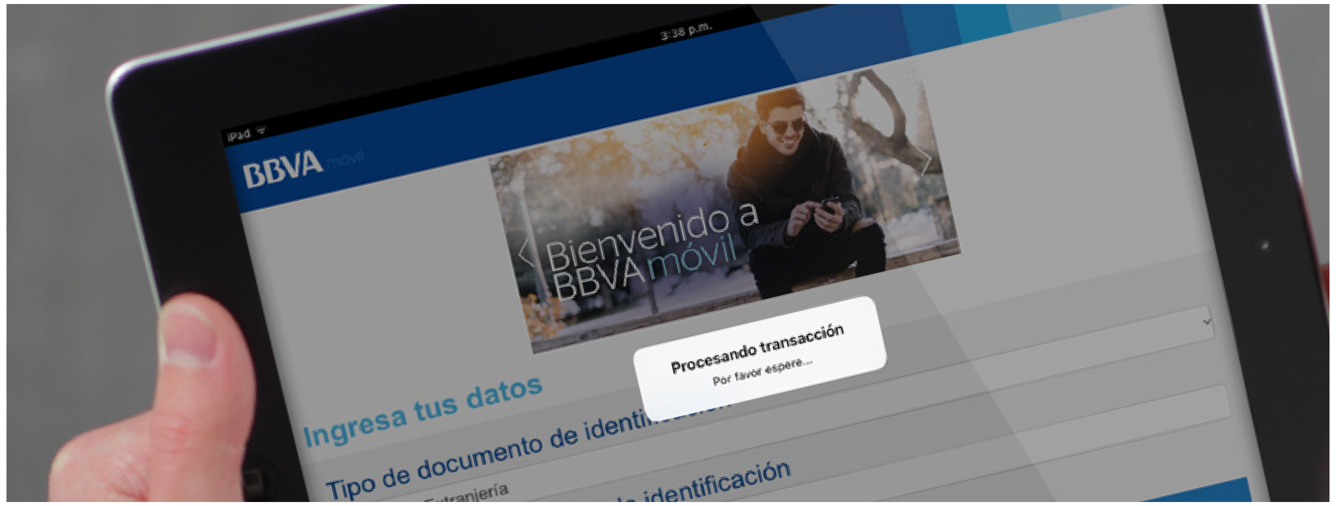
December 31, 2014	BBVA Fiduciaria with Other Companies of the BBVA Group			BBVA Valores with Other Companies of the BBVA Group		
	BBVA Valores	BBVA Seguros Generales	BBVA Seguros Vida	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Seguros de Vida
Assets:						
Accounts receivable	$ 1	$ 1	$ -	$ -	$ -	$ -
Prepaid expenses	-	149	5	-	133	-
Total	**$ 1**	**$ 150**	**$ 5**	**$ -**	**$ 133**	**$ -**
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenue:						
Dividends	$ -	$ -	$ -	$ -	$ -	$ -
Interest and/or return on investments	-	-	-	-	-	-
Commission	-	-	-	28	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ 28**	**$ -**	**$ -**
Expenses:						
Commission	$ 18	$ -	$ -	$ -	$ -	$ -
Insurance	-	308	14	-	-	-
Leases	-	-	-	-	-	-
Total	**$ 18**	**$ 308**	**$ 14**	**$ -**	**$ -**	**$ -**

December 31, 2015	BBVA SEGUROS VIDA vs. Other Companies of the BBVA Group				BBVA SEGUROS GENERALES vs. Other Companies of the BBVA Group				BBVA HORIZONTE vs. 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
Assets:												
Accounts receivable	$ -	$ -	$ -	$ -	5	1	$ -	62	$ -	$ -	$ -	$ -
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**5**	**1**	**-**	**62**	**-**	**-**	**-**	**-**
Liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue:												
Dividends	77	450	-	-	77	450	-	-	-	-	-	-
Interest and/or return on investments	-	14	-	42	52	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-	-	-	-
Total	77	464	-	42	129	450	-	-	-	-	-	-
Expenses:												
Commission	-	-	-	-	-	1	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	18	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1**	**$ -**	**$ 18**	**$ -**	**$ -**	**$ -**	**$ -**

December 31, 2014	BBVA Seguros Vida with Other Companies of the BBVA Group			BBVA Seguros Generales with Other Companies of the BBVA Group		
	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Vida
Assets:						
Accounts receivable	$ -	$ -	$ -	$ 5	$ 2	$ -
Prepaid expenses	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ 5**	**$ 2**	**$ -**
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenue:						
Dividends	$ 35	$ 312	$ -	$ 35	$ 312	$ -
Interest and/or return on investments	-	15	-	58	359	-
Commission	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Total	**$ 35**	**$ 327**	**$ -**	**$ 93**	**$ 671**	**$ -**
Expenses:						
Commission	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

January 1,2014	BBVA Fiduciaria with Other Companies of the BBVA Group			BBVA Valores with Other Companies of the BBVA Group		
	BBVA Valores	BBVA Seguros Generales	BBVA Seguros Vida	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Seguros de Vida
Assets:						
Accounts receivable	$ 1	$ 1	$ -	$ -	$ -	$ -
Prepaid expenses	-	148	6	-	46	-
Total	**$ 1**	**$ 149**	**$ 6**	**$ -**	**$ 46**	**$ -**
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenue:						
Dividends	$ -	$ -	$ -	$ -	$ -	$ -
Interest and/or return on investments	-	-	-	-	-	-
Commission	-	1	-	33	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ 1**	**$ -**	**$ 33**	**$ -**	**$ -**
Expenses:						
Commission	$ 31	$ -	$ -	$ -	$ -	$ -
Insurance	-	291	13	-	34	-
Leases	-	-	-	-	-	-
Total	**$ 31**	**$ 291**	**$ 13**	**$ -**	**$ 34**	**$ -**

January 1,2014	BBVA Seguros Vida with Other Companies of the BBVA Group			BBVA Seguros Generales with Other Companies of the BBVA Group		
	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Generales	BBVA Valores	BBVA Fiduciaria	BBVA Seguros Vida
Assets:						
Accounts receivable	$ -	$ -	$ -	$ 3	$ -	$ -
Prepaid expenses	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ 3**	**$ -**	**$ -**
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenue:						
Dividends	$ 121	$ 367	$ -	$ 121	$ 367	$ -
Interest and/or return on investments	-	20	-	39	305	-
Commission	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Total	**$ 121**	**$ 387**	**$ -**	**$ 160**	**$ 672**	**$ -**
Expenses:						
Commission	$ -	$ -	$ -	$ -	$ 1	$ -
Insurance	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1**	**$ -**



BBVA Colombia continues to generate recurring profits with a profit before tax of $ 924.720M, for an increase of 6.8% and Net Income of $ 603,967 M, with an annual variation of 0.3%

43. Risks

Evolution of Credit Risk Quality and Exposure

In a more volatile environment in 2015, the Bank continued the policies that allow more profitable growth of the investment, gaining participation in different market segments and maintaining the best risk indicators of the sector in line with the established budgets.

According to the Internal Risk Policy and to current Colombian regulation, Enterprise Risk Management (credit, market and operational) is carried out through the implementation of models and tools that permit the coordination of monitoring and control activities in order to identify and mitigate the different risks to which the portfolio is exposed.

Planning, Monitoring and Reporting

Pursuant to the stipulations of Annexes 3 and 5 of Chapter II of the Basic Accounting and Tax Notice of the Financial Superintendence, the monitoring of the Sales and Consumer Models is continued in compliance with the regulations regarding provisions and ratings.

Regarding corporate requirements, the regular monitoring of portfolios is continued through the use of management tools (Capital Map and Asset Allocation).

Due to the implementation of the International Financial Reporting Standards (IFRS), it was necessary to adjust the corporate models of incurred loss. Although the application of these models will not have a regulatory impact until 2018, advance calculations are being made on a quarterly basis as of March 2015.

Likewise, our work as representatives to the control bodies is continued. Throughout the year, regular meetings were held with the Financial Superintendence to monitor the evolution of the Consumer Portfolio with its respective segments and the SME Portfolio. Finally, upon the regulator's request, an analysis was carried out under a stress scenario, which included around 90% of the total portfolio.

Business Risk

- Admisión Riesgos Empresas – - Business Risk Acceptance – The year 2015 was marked by slower activity in the economy, which did not obstruct the contribution to the profitable growth of investment. This was possible thanks to the orientation of the portfolio with clients located in sectors with a positive evolution and less vulnerability. This allowed budget compliance for the Wholesale Portfolio of 106% at the end of December.

The development of management and risk assessment tools was continued, aimed at optimizing times and maintaining the quality of the loan portfolio.

- CI&B Acceptance - The support of visits to clients and participation in business committees was continued, allowing the financing needs of new and already incorporated clients to be communicated to the local and global committees. The renewals of financial programs were adjusted according to the maturity calendar. Timely action plans were established for clients whose credit profile could have been affected by the economic conditions of the country and the region, which allowed optimum credit risk indicators to be maintained for the corporate portfolio.

- Business Banking Acceptance - Customer relations and knowledge were strengthened through regular visits with the analysts and people responsible for the area. Likewise, growth in the companies of sectors identified as having low vulnerability was driven in light of the economic slowdown. On the other hand, companies of possible impact were identified in light of the strong devaluation that the country experienced in 2015 and the drop in oil prices, establishing preventative mechanisms with the aim to reduce our exposure and prevent possible impairments in the portfolio.

In line with the above, in the fourth quarter of the year, Plan País and Plan Elite were launched. The former aims to identify clients more likely to be affected by economic changes in order to understand the financing needs adapted to the cash flows and to structure advance offers to alleviate their liquidity. In turn, Plan Elite seeks to identify better clients of the economic sectors with vulnerability levels of 1 and 2 to establish sales strategies oriented at the growth of the Wholesale Portfolio.

- Institutional Banking Acceptance - With 2015 being the last period in office for mayors and governors, the credit dynamic toward regional entities was positive as a result of the increase in the execution of the investment by said entities, largely channeled through credit resources. Here BBVA stood out again as an example of the industry for its participation in said financings, in some of them as the leading and/or only bank in the structuring.

On the other hand, the segment's participation in different meetings with the regulator's agents and agents of the same industry indicated BBVA's consolidation in said segment as a leader in the sector.

- Promoter Acceptance – The level of authorizations increased 49% during the year, broken down as 50.1% in real estate projects and 41% in different credit lines (especially working capital). The $1.6 trillion in authorizations were exceeded in 2015, which allowed us to increase our portfolio in this segment by 25%.

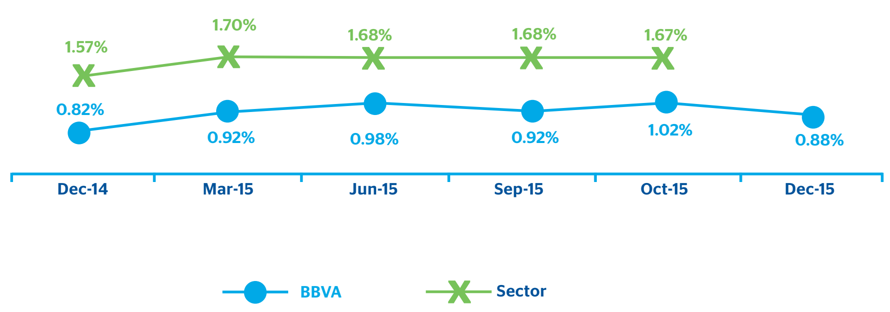
- Wholesale Recovery and Monitoring – Monitoring of investment was emphasized during the year in specific mutual funds and the review of the behavior of the economic sectors affected by the economic slowdown and the devaluation of the Colombian peso. The aim of this monitoring was to implement action plans that necessarily lead to the anticipation of actions in the event of possible impairments, above all with support and assistance measures for the businesspeople, whether through the extension of terms or changes to the conditions.

In the sphere of recovery, activities were aimed at supporting the financial needs of companies with liquidity that had been affected by the decrease in their contracts, drop in revenue or increase of costs due to effects of the exchange rate, all as an effect of the slowdown that the Colombian economy is experiencing.

Every company or client is subject to an individual study. In the majority of the cases, the solutions must be collectively structured with the other creditor banks through the agreement of payment formulas aimed at facilitating compliance with their credit obligations in conditions adjusted to their cash flow reality, strengthening as much as possible the collateral, together with control structures on the source of payment. This strategy has contributed to the achievement of the results shown in the default indicator of the Commercial Portfolio, which is located 65 bps below the average of the sector.

The business restructuring processes for the already noted reasons have undergone an increase from the previous year, resulting in greater amounts of default entries, mainly of companies that derive their revenue from the oil and mining sector.

Evolution of Default Rate of Commercial Portfolio



Fuente: Superintendencia Financiera de Colombia

Specific Risks

Throughout the year, work was carried out to maintain the low risk standards required in the Group, allowing it to improve the relative position of market quota in this segment.

The structural change in acceptance, migrating from assessment by product to assessment by client segment, has permitted a comprehensive view of the applicants to optimally respond to their financing needs, providing unified responses to their credit applications.

Taking into account the Colombian economic situation, measures have been taken to mitigate risk in the transactions granted to the different sectors, such as autonomous, salaried or personal banking. Said policy decisions are oriented toward preventing the impairment of private portfolios given the panorama of economic slowdown. These measures have allowed the good risk indicators to be maintained that have arisen in periods of economic growth.

In the mortgage portfolio, the responsibilities were increased for the network of offices in exchange for focusing the autonomous transactions in this portfolio on risks. Consequently, the network has been able to provide a more timely response to the transactions in which the Sales Department has greater expertise in assessment. At the same time, there is a more detailed assessment of the transactions of the autonomous segment.

With the aim to achieve improvements in the quality indicators, the acceptance policy has been aimed at increasing invoicing possibilities in the profiles with better indicators, reducing placement in those of greater risk. This has allowed invoicing to increase with its growth dynamic. The evolution of annual invoicing by credit line is presented below:

Invoicing Data by Product Line (Billions of COP)

Portfolio	2015	2014	2013	2012
TDC	$ 786	$ 735	$ 631	$ 600
Consumer	6.576	5.734	4.890	3.870
Mortgage	2.659	2.808	2.436	1.908
Total	**$ 10.021**	**$ 9.278**	**$ 7.957**	**$ 6.377**

The year 2015 has been marked by a great difference in the evolution of new models, improving the predictive capacity and adjusting it to the target population. A reactive model was developed for credit cards and another behavioral model was developed. The latter will support the Bank's proactive campaigns in 2016.

Likewise, we continue to implement modernization projects for the evaluation platforms (Power Curve) for the private portfolio. Through monitoring, we made progress by having a strong tool for the support and automation of the processes.

Continuous improvement in the specialized processes in automobile financing (sales, decision and contract signing) was the main strategy to achieve the objectives of growth and positioning in the Colombian automotive sector, which is an increasingly more demanding environment in response times.

The specialization of the acceptance and recovery processes of this segment has been an ongoing task in 2015.

The discriminating capacities of the scoring implemented in 2013 were confirmed, which ensures an adequate acceptance process of a specialized sector such as the automotive one.

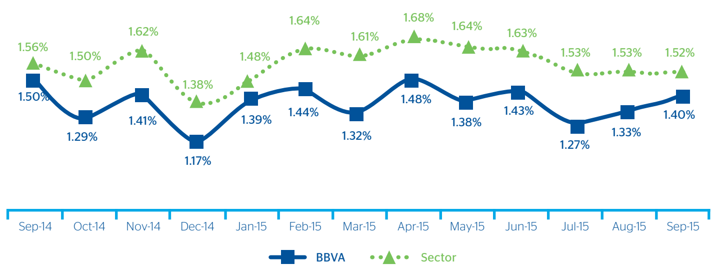
The market quota was 6.49% in September 2012, 8.41% in 2013, 10.29% in 2014 and 10.81% at the end of August 2015.

The BBVA Group has continued to maintain responsibilities for the sales network. With the constant monitoring of the placements made by the different origination channels, cases that breach the established credit policies and significant portfolio impairments were identified. The results of this monitoring were exposed to the responsible persons in the regular meetings of the Risk Committee with the aim to maintain good rates in portfolio quality and acceptance practices.

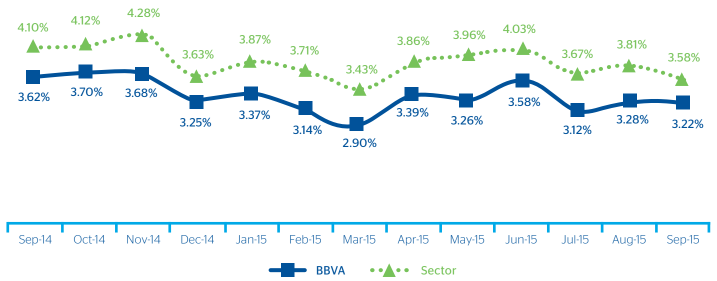
In 2015, BBVA Colombia continued to have very good quality indicators in the sector in the Retail Portfolio.

We have implemented preventive management and product offerings in advance for customers with outstanding risk anticipating potential future defaults.

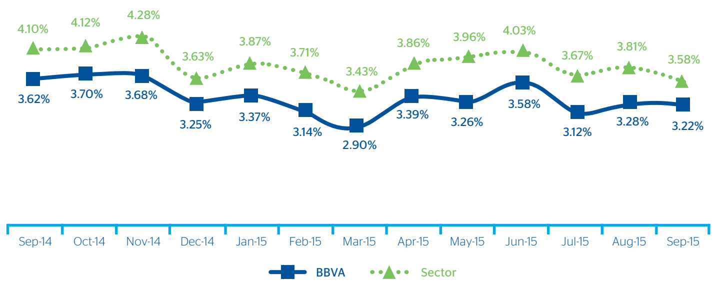
Maturity Rate (31 – 60 Days) Consumer



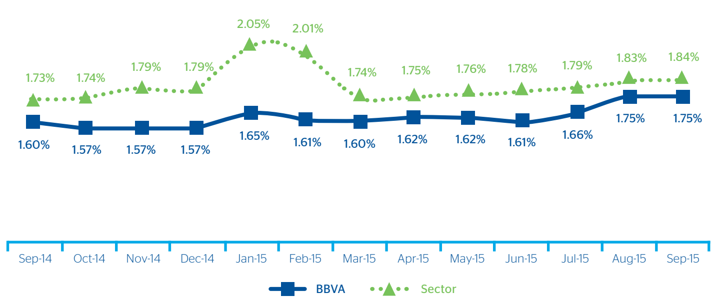
Maturity Rate (31 – 120 Days) Mortgage



Default Rate (More than 60 Days) Consumer



Default Rate (More than 120 Days) Mortgage



Efficiency has been improved throughout the year in the reports and early warnings generated, achieving a global view of the evolution in invoicing, investment and quality of its different channels quickly and efficiently.

Anticipation of possible impairment of the country's macroeconomic situation has been strengthened, consolidating the automated processes of legal management and modification of the structure for dual management in the recovery groups of the regions.

An ample portfolio of products is offered aimed at providing different alternatives to each client, which allows the Bank to position itself with lower doubtful portfolio and risk premium rates than those presented by the sector. Considering the behavior of the portfolio of the Personal and Premium Banking segments, a specialist group of advisors was established to respond to this client group, thus improving the effectiveness indicators in the year so far.

From the second semester of the year, a new incentives model was designed for external channels, which integrates and considers the main management indicators, such as efficiency, effectiveness, ratios, roll rate, etc. This has allowed us to generate competition between the channels that respond to the different regions.

Given the impact of the oil sector and the crisis on the border with Venezuela, strategies and differential normalization alternatives according to client needs were established.

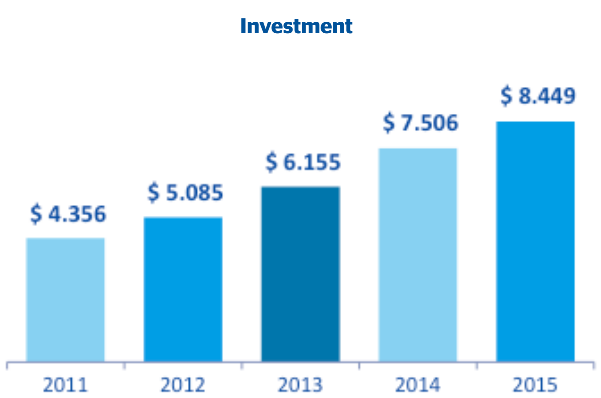
Preventative management and advance product offers have been implemented for clients with outstanding risk, preventing possible future defaults. The automation of the restructured process for payroll loans and other shares will allow the containment of the portfolio and improvement of efficiency throughout 2016.

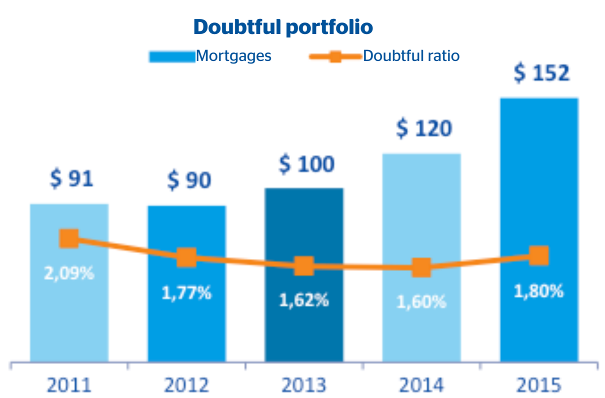
The intrinsic value model was implemented for portfolio valuation and definition of strategies based on loss given default (LGD), aiming to improve the efficiency of the normalization campaigns according to client segment and the variables used in the model.

One of the aspects to highlight in 2015 is the modification of the commercial leasing portfolio allocation criterion, using the type of asset as a segmentation variable, proposing specific strategies that have allowed it to focus on management and create an efficient process for this group.

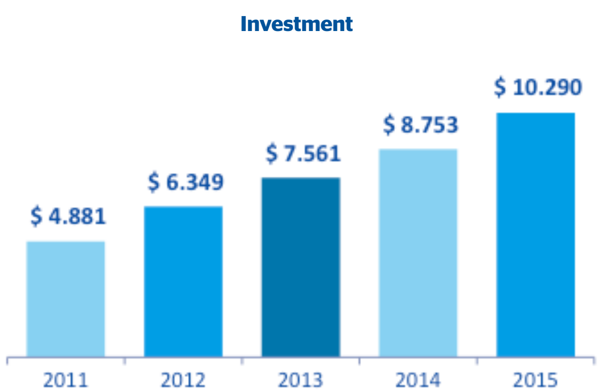
Despite the economic situation in 2015, BBVA Colombia obtained excellent indicators in investment growth, maintaining a controlled trend of the portfolio quality indicators for each one of its lines of business, as shown below:

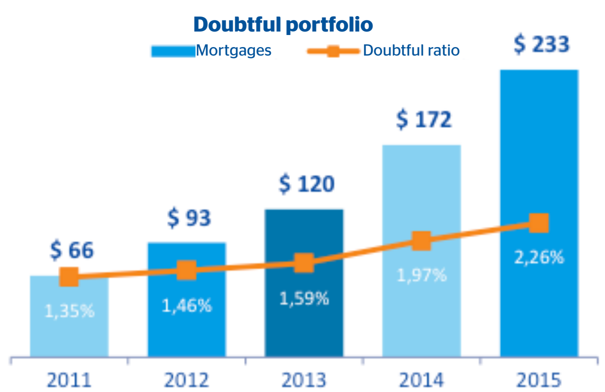
Mortgage



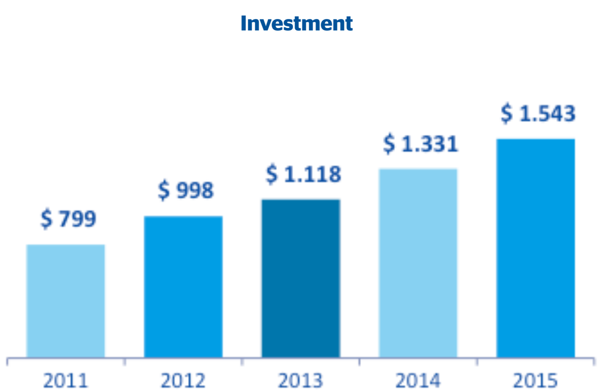


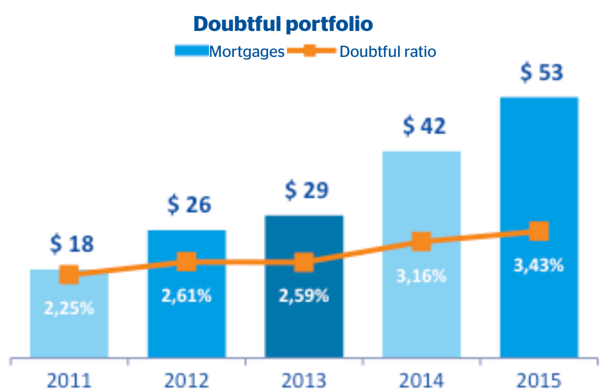
Consumer





Credit card





- Method and Tools – Models and tools notably evolved in 2014. The implementation of new scoring (consumer) tools in October 2013 has permitted the adequate control of invoicing and decision-making on risk with tools that have greater predictive capacity.

Additionally, in 2014, BBVA Colombia started two modernization projects of the monitoring platforms and construction of rating and scoring models, being the first bank in the whole group to access these platforms. The completion of said projects is expected in 2015, which will allow the Risk Area of BBVA Colombia to position itself as an example for technology, not only in the BBVA Group, but globally as well.

- Consumer Finance - The structure implemented the previous year, allowed us to be aligned in 2014 to achieve the growth and positioning objectives in financing of private automobiles in the Colombian automotive sector in an increasingly demanding environment in terms of quality and response times. We are prepared to respond to strategic partnerships with Colombia's main brands with specialized human resources and processes from the sale of the product and the decision to the signing of the contract.

The specialization of the acceptance and recovery processes of this segment was an ongoing task in 2014.

In the fourth quarter of 2013, the new vehicle scoring was implemented, and in 2014, the fruits of a tool with good discriminatory capacity were enjoyed, which ensure the adequate acceptance process of a specialized sector such as the automotive one.

The market quota was 6.49% in September 2012, 8.41% in 2013 and 10.29% at the end of the third quarter of 2014.

Risk Technology

In 2015, we continued to improve, innovate and implement tools for the risk areas, such as Power Curve for the consumer and mortgage portfolios to improve the recovery circuits. Processes such as mortgage restructuring were automated and together with the business areas, the new feature for loans was installed.

Similarly, in 2016, we will continue to implement Power Curve for the card and portfolio products, which support decision-making in the area of acceptance of credits for individuals with greater predictive capacity.

For the SME segment, a modernization project has been started for the tools that will provide support to the business areas and facilitate risk management. In the business areas, work is carried out on the automation of processes along with new tools for decision-making.

SME Risk

Different work was carried out during 2015. The first was to establish and review the default entries such as client stock and with this, the policies of undesirable client profiles were defined given the share in doubtful portfolio and drop in investment.

On the other hand, a manual was prepared for this portfolio where the minimum acceptance criteria for our clients were established, such as the procedures for the different kinds of applications.

The third task was to separate the commercial role of the responsible persons in the business centers, and from July 1, these remained with a single role of acceptance in the regions. With this separation and the support of the persons responsible for monitoring the SMEs in each region, we can keep improving our risk management in the regions.

Finally, we worked with HR and the SME risk certification segment and the office managers and business executives of the sales network. This more specialized certification for this area allows us to have greater knowledge of the reality and vision to analyze credit risk to improve our risk profiles.

Internal Control and Operational Risk

We keep strengthening the Operational Risk Management Model, adjusted to the local regulatory framework (Public Notice 041 / 2007 and 038 / 2009) and the current Corporate Policy.

The following management activities in 2015 stand out:

- Consolidation of the project to focus on operational risk management in critical processes, which strengthens the execution and mitigation of this risk.

- Detailed monitoring of the losses from operational risk, promoting improvements in the control and mitigation processes and activities through its analysis.

- Holding of the New Businesses, Products and Services Committee, which aims to anticipate the potential risks, ensuring mitigation prior to supply.

In terms of internal control, it is important to note the management in the removal of weaknesses identified in the assessment of the control model carried out in 2014, as follows: i) Provision of resources for the implementation of the Operational Risk and Internal Control Model in the Financial Services Reseller and leveling of its contract to the current outsourcing standard. ii) Completion of the overdraft project in Phase I. The technological developments and improvements to processes carried out allow greater control of the product granting and monitoring circuits.

In terms of the generation of a culture for the prevention of operational risk, work is continued with the HR Department to train employees and providers. From Technology Risk Management, the requirements of the European Central Bank on cyber security were met, making campaigns to minimize the materialization of associated risks in the digital transformation environment in BBVA.

We continue to strengthen the Management Operational Risk Model adjusting the local regulatory framework

BBVA Valores S.A.

Internal Control and Operational Risk

With the implementation of the Operational Risk Management System established by the Superintendence since 2008, BBVA Valores has driven and promoted compliance with its elements through a standard methodology implemented in the BBVA companies in Colombia. Therefore, during 2015, risks corresponding to the processes related to compliance with the FATCA and VOLCKER RULE regulations were incorporated into the Internal Control Model, which were included according to the corporate methodology in line with the strategic plan and the organizational structures of the brokerage firm.

Additionally, as a result of the prioritization assessment of the inherent risks and the existing controls for their mitigation executed under the method established in the Operational Risk Management System (SARO, for the Spanish original) Manual, the model was strengthened and a greater sensitivity of the role was reasonably generated in the companies' areas, also complying with the identification, assessment, control and monitoring stages of operational risk management.

The SARO model was continued and in compliance with Public Notice 052 / 2007 of the Superintendence regarding the minimum security requirements and quality in information management through media and distribution channels of products and services for clients and users, policies and controls were implemented for the mitigation of the risks posed by the information assets.

In terms of the SARO training plan, all of the brokerage firm's employees were trained through the e-campus tool, as follows: SARO: The basic concepts of the Operational Risk Management Model were strengthened in said training. It is important to mention that the course was completed and authorized.

The area's objectives for next year are aimed at strengthening risk analysis and control in new processes, products, services and channels, and in projects of high priority for the Entity, both locally and corporately. This, finally supported by the review and/or improvement of the processes and incorporation of key risk indicators (KRIS), as well as continuation, adjusts them to the new changes that arise for the management of the STORM platform.

Corporate Operational Risk Model - In 2015, the Corporate Operational Risk Model was continued and its scope was increased, developing the quarterly Internal Control and Operational Risk Committees with each one of the areas, following the local and corporate established guidelines. Additionally, the mitigation and action plans were monitored, as well as the commitments to the internal and external control bodies regarding operational risk management.

The instructed improvements regarding the BBVA Group in Colombia requested in the STORM tool were made.

The Risk Management Model established by the corporation was continued, highlighting the implementation of the Specialists figure in the Operational Risk Model (Corporate Assurance).

Market Risk

In 2015, the management was focused on strengthening the support tools used for the monitoring and control of the market risk of the bank books, the impact on the financial margin and the entity's liquidity risk with the aim to achieve the budget targets with cautious risk exposure. Additionally, the implemented tools served as support for timely decision-making in Senior Management.

In this way, the daily controls by the area were continued, such as measurement of the VaR of the treasury with the aim for the daily management to maintain controlled risk and accumulated loss levels (stop loss) in accordance with the annual policies and guidelines. Additionally, other risk measures were monitored, such as open sensitivity to the different risk factors and term, as well as the assessment of the credit risk in treasury operations.

In addition to the regulatory requirements, by the regular control of the entity's liquidity, the short-term liquidity was monitored through the Basic Capacity Indicator, as well as the financial structure of the balance through additional indicators.

The Board of Directors is informed monthly of the following aspects:

- • Market Risk Management System and Liquidity Risk Management System Report: This reports on the latest measures issued by the oversight and control bodies on the market and liquidity risk, as well as the credit risk in treasury. Similarly, the levels of exposure to market and treasury credit risk are presented, as well as the liquidity and structural risk indicators.

- Risk and portfolio composition report: Regular reports are made on the behavior of the markets and the risks of the positions of treasury operations and the balance operations, as well as the monitoring of the market, liquidity and structural risk limits.

- Applications and authorizations of new products: The applications for new treasury products are reported and authorized.

- Request for changes to the risk policies in the cases in which Management has not delegated their definition.

- Exposure and loss limits: The evolution of these indicators and their diversion from the levels authorized by the Board of Directors are reported.

Said reports have been designed in such a way to clearly, concisely, quickly and accurately report on the exposure by type of risk, by business area and by portfolio.

44. Market risk management

The Bank manages the market risk resulting from the activity of its operations with the basic objective to limit possible losses, quantify the economic capital necessary for the development of its activity and optimize the relationship between the level of exposure assumed and the fixed results.

To have the maximum guarantees for this management, the Bank has developed a series of organizational, identification, assessment, control and monitoring systems and policies of the risks inherent to treasury transactions as well as balance transactions.

Market risk for treasury operations - Senior Management has allocated the following objectives to the Treasury:

- Management of the Bank's short-term liquidity; and

- Management of the necessary tools and mechanisms for hedging interest, exchange rate and liquidity risks in the operation of own resources as well as in operations with clients.

Therefore, the Treasury Department carries out procedures on its own account to respond to its liquidity needs and those of external clients. It also actively participates as a market generator in fixed income and in currency and term transactions, as well as in monetary market transactions. Therefore, it has an organizational structure comprised of a Trading Floor (interest rates and operations in currency), Front Office (customer needs) and structuring activity.

Taking into account the objectives assigned to the Treasury Department and with the aim to optimize, manage and administrate the risks inherent to them, Senior Management has decided to establish roles by areas, quantifiable limits and risk assessment tools, as follows:

(i) Division - Depending on the role that the contracting, accounting, compliance or risk monitoring activities are related to, the responsibility was assigned to each one of the following areas:

- Treasury - Department responsible for managing the application of policies and programs to ensure efficient management of the Bank's human resources and also, for ensuring that there is the necessary liquidity for the normal development of the institution's operations, designing policies on the investment portfolios that contribute to the strengthening of the financial, competitive and expansion position of the Group in the national and international spheres.

- Market Management - Area responsible for controlling the trading floor's daily transactions, as well as for confirming, settling and clearing the transactions of the Treasury. In turn, it is responsible for the custody of the contracts and the management of the securities deposits, reporting to the Media Vice-Presidency.

- Market Accounting - Area responsible for validating and ensuring the appropriate incorporation of the treasury transactions into the Bank's balance sheet, as well as controlling, calculating and reporting the position of foreign currency, reporting to the Finance Vice-Presidency.

- Market and Structural Risks - Area responsible for quantifying, assessing and promptly reporting the risks of treasury operations, as well as the risks of liquidity and structural balance, reporting to the Risk Vice-Presidency.

- Legal Area: - Responsible for analyzing and assessing the legal risks that may result from the arrangements or contracts that formalize the transactions, such that no legal situation arises that legally affects the instrumentation or documentation of them. In exercise of its roles, the Legal Area verifies that the relevant legal regulations are observed and that the Entity's policies and standards are in line with them. In all cases, it legally structures operations based on the current legal regulations that the Bank is subject to, including participation in new markets or products.

- Internal Control and Operational Risk Area - Responsible for analyzing, assessing and managing internal control (processes) together with the operational risks that may result from the Treasury's operations, identifying them and proposing mitigating control measures in compliance with the corporate model and local regulatory guidelines required for adequate maintenance of the Internal Control System and the Operational Risk Management System (SARO, for the Spanish original).

(ii) Limits - Limits were established for the exposures by risk of treasury activity, allocating the following:

- Credit risk in treasury activity - Three types of limit have been established: issuer risk, counterparty in the operation of derivatives and risk of liquidation. These are requested annually by the business unit according to the operation to carry out and the income budget, and they are authorized by the risk admission units. The Online Market Risk Department carries out the monitoring and control through the treasury and risk management system: STAR-LAMBDA.

- Market risk for treasury operations, economic capital limit - To make its assessment, the maximum loss is estimated daily in the cash positions through the value at risk (VaR) method. The monitoring is carried out through a "global limit", which, in turn, is broken down by risk factor, as well as by desk, currency and product, for which there are internal warning signs when its consumption is 70% or 85%, as applicable.

  The limits are approved by the Board of Directors, while the assessment, monitoring and control is carried out daily by the Market and Structural Risk Department, issuing annual reports to Senior Management and monthly reports to the Board of Directors,

(iii) Assessment and Monitoring Tools - The main risk assessment tools include VaR and delta sensitivity. However, other tools are used such as stress testing and stop loss.

- Value at Risk: This calculation tool follows a parametric model based on a matrix of covariances estimated from the analysis of the historical behavior of the main factors of market risk, which are interest rates, exchange rates and implicit volatilities of options. Assuming that the future evolution of the market variables resembles the past evolution from a statistical perspective, the model obtains the maximum loss that could occur in the market positions in the worst-case scenario of variables, which would not occur with a confidence level of 99% (it would only occur in 1% of the cases from a non-critical situation).

  For the monitoring and control of limits for treasury operations, two measurements are taken: The first is based on the "parametric VaR without exponential smoothing" using two years of information on the financial markets to estimate the volatilities and correlations of the risk factors; and the second assessment is based on "VaR with exponential smoothing", which gives greater weight to the volatilities of recent days.

- Stop loss: This is a monitoring measure of the accumulated losses in the treasury portfolios with the aim to limit the negative impact on the income account.

  The stop loss was monitored in 2015 through a double control mechanism, implementing an annual limit with the aim to control possible accumulated losses in the income account, accompanied by a monthly loss limit. These limits aim to minimize the impact on the total income account.

- Sensitivity (Delta): This is another measure that BBVA Colombia uses to estimate the maximum expected loss of the treasury portfolios. The tool estimates the sensitivity of the portfolios to a variation of one basis point in the interest rates and it aims to make internal warnings of interest rate risk. Therefore, additional sublimits are established for products.

2015 Market Risk Profile (in Millions of COP)

Treasury Risks	12/30/2015	Average	Maximum	Minimum
VaR - Interest rates	1.782	2.339	4.472	775
VaR - Exchange rates	1.215	797	2.377	110
Total VaR	1.964	2.392	4.302	778
Economic capital consumption limit	18%	22%	39%	7%
Total Delta to 1 bp	(19)	(120)	(285)	-
Delta consumption sublimit	4%	24%	53%	0%

2014 Market Risk Profile (in Millions of COP)

Treasury Risks	12/30/2014	Average	Maximum	Minimum
VaR - Interest rates	2.969	1.769	3.297	553
VaR - Exchange rates	853	284	1.491	14
Total VaR	3.413	1.925	3.485	660
Economic capital consumption limit	36%	22%	37%	7%
Total Delta to 1 bp	(182)	(102)	(261)	(30)
Delta consumption sublimit	34%	20%	53%	6%

As can be appreciated, during 2015, the average consumption or market risk (VaR) of treasury operations was $2,392 million with consumption over the internal limit of authorized economic capital of 22%. The average sensitivity of the interest rate to one basis point (Delta) was $120 million with 24% consumption over the authorized internal limit.

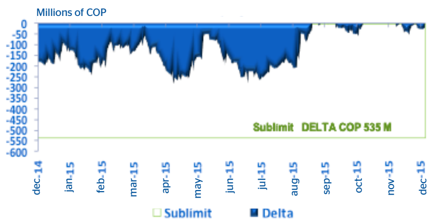
Evolution of the market risk - treasury: Daily assessments and controls were carried out in 2015 on the consumption levels of the authorized internal limits, regularly reporting to Senior Management on observance of them.

The following graphs show their evolution:

Monitoring of Market Risk

2015 Economic capital treasury

Total sensitivity evolution before the first half of 2015



The previous consumptions are mainly based on the treasury strategy to maintain the majority of its portfolio in short, medium and long-term high-liquidity securities. The main exposure is found in the risk factor of the interest rates of public fixed income in Colombian pesos, which had an average annual position of $1.4 trillion.

The comparative table of the cash positions that were taken into account for the assessment of the previously described risks is presented below.

2015 Cash Positions (in Millions)

Classification	Amount 12/30/2015	Local Currency		Other Currencies	
		Average	Maximum	Average	Maximum
Public debt $	1,243	1,406	2,040	-	-
Corporate securities $	744	1,047	1,286	-	-
FX cash USD	341	-	-	390	718
FX USD	109	-	-	44	129

2014 Cash Positions (in Millions)

Classification	Amount 12/30/2014	Local Currency		Other Currencies	
		Average	Maximum	Average	Maximum
Public debt $	2,355	2,010	3,759	90	1,084
Corporate securities $	1,080	844	1,137	-	-
FX cash USD	300	-	-	543	815
FX USD	(29)	-	-	11	86

The market risk monitoring process is complemented with stress-testing scenarios, which aim to estimate the losses that the Bank would incur in the event that extreme situations are caused in the markets.

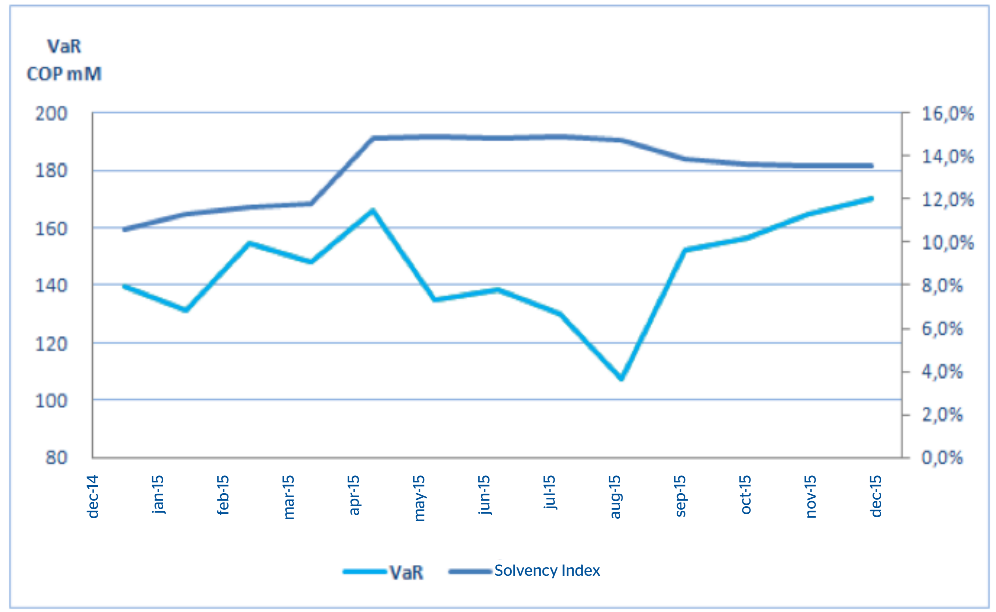
It subjects the maintained positions to strong hypothetical oscillations of the market based on historical or possible situations obtained through the generation of scenarios. In this way, the effect of the results is quantified with the aim to identify possible adverse impacts and ones greater than the VaR figures, which could potentially be used to produce and design contingency plans that must be immediately applied in the event that an abnormal situation arises.

BBVA Colombia uses a stress testing model, which through the generation of a set of historical scenarios, puts pressure on the different risk factors related to the different cash positions. The observed period of time starts in January 2008 and extends to December 2015.

Monitoring of Value at Risk (VaR) Regulatory Model – Standard Model - In accordance with Public Notice 09 / 2007 of the Superintendence, the Bank has been assessing its exposure to market risk (interest rate, exchange rate). This incorporates the assessment for the available-for-sale and negotiable cash positions, and those securities classified upon maturity that are delivered to form collateral in a central counterparty clearing house, with the aim to establish the effect that possible changes in the market conditions may have on the economic value of the Bank's equity, the impact of which is reflected in the solvency ratio, a measurement that is taken daily.

The following graph shows the value at risk assessment and the solvency margin::

Value at risk assessment vs. Solvency Index



(iv) Policies *in terms of assessment of fair value of the cash positions* - As a policy of BBVA Colombia, it has been established that the Market Risk Area, appointed to the Risk Vice-Presidency, is responsible for providing the end-of-day fair values for the valuation of the treasury portfolios.

The sources of information used for the valuation of the portfolios are those approved by the Financial Superintendence and published by the official price provider, Infovalmer, on a daily basis.

The tool used for capturing and disclosing the fair values to the different management, accounting and risk assessment systems on a daily basis is Asset Control.

(v) Internal control policies with the aim to prevent undue market conduct - As a policy, BBVA Colombia has established the following codes for all the employees of the Treasury, Back Office, Market Risk and Middle Office areas in the management of their daily activities to prevent risks and to safeguard the Bank's honesty and integrity:

- BBVA Group Code of Conduct.
- Code of Conduct in the Securities Market.
- Code of Conduct and Manual of Procedures for the Prevention of Money Laundering and Financing of Terrorism.

The internal control area specialized in markets is responsible for monitoring the executed processes or those that support the development of the markets' operations, including the following of note: call recording systems that provide transparency in the transactions carried out in the markets, disclosure and assessment of the operational risk factors of the trading floors and their supporting areas.

Market risk for balance operations - As an independent area from the trading areas, where the risk originates, Market Risk is responsible for developing the procedures for the assessment and control of the market risks of balance, it oversees observance of the current limits and risk policies and reports to Senior Management. This is controlled through the monitoring of the limits of economic capital and impact on the financial margin.

Four indicators arise from the established procedures, which protect the future evolution of the financial margin and economic capital. Using parallel movements of the interest rate curves, the sensitivity to the financial margin and the economic value is estimated. The objective of these indicators is to not exceed the established level depending on the Bank's forecast financial margin, as well as the economic capital, respectively.

Additionally, the entity's risk margin and structural capital risk is generated through the Monte Carlo simulation, correlating the interest rates. Out of these four measures, sensitivity to the financial margin is established as a limit set at 6% in the forecast financial margin, while the others serve as a warning of the evolution of the structural balance.

Liquidity risk - Internal Model - The liquidity and financing structure are measured daily through tools established as follows: Firstly, monitoring of the basic capacity with a time horizon of 360 days, listing the liquidity needs against the high-quality assets with a limit set at 30 days of 100%. The second tool is the monitoring of the balance financing structure, self-financing ratio, which contrasts the clients' stable resources with the net credit investment and has its upper limit set at 125%. The third monitoring is carried out on the short-term net financing, for which a limit of $11 trillion was set for 2015. The Liquidity Committee and Senior Management are informed daily of the evolution of these indicators for timely decision-making.

The following graphs show the evolution of short-term liquidity for 2015:

Self-financing ratio:

Self-Financing (Net Credit Investment / Stable Client Funds Self-financing ratio warning Self-financing ratio limit				Year 2015 121% 125%	
jan-15	112.3%	may-15	118.2%	sep-15	119.8%
feb-15	109.5%	jun-15	115.2%	oct-15	117.4%
mar-15	111.5%	jul-15	117.9%	nov-15	115.9%
apr-15	112.2%	aug-15	115.5%	dec-15	119.8%

Short-term wholesale financing ratio:

Short-Term Net Financing ST WF ratio warning ST WF ratio limit				Year 2015 9.9 11	
jan-15	7,464	may-15	7,124	sep-15	7,301
feb-15	5,795	jun-15	6,159	oct-15	7,016
mar-15	6,779	jul-15	7,293	nov-15	7,071
apr-15	6,077	aug-15	6,216	dec-15	8,233

Basic capacity ratio at 30 days:

Basic Capacity at 30 Days BC ratio warning BC ratio limit				Year 2015 110% 100%	
jan-15	174%	may-15	247%	sep-15	203%
feb-15	532%	jun-15	437%	oct-15	182%
mar-15	240%	jul-15	266%	nov-15	300%
apr-15	576%	aug-15	717%	dec-15	141%

Standard Model – During 2015, the liquidity risk indicators with time horizons of 7 and 30 days were above those required by the regulator, which indicates that for a short-term horizon, BBVA Colombia has sufficient liquidity for its needs.

The limits and warning signs are authorized by the Board of Directors, while the assessment, monitoring and control is carried out by the Market and Structural Risk Area, submitting annual reports to Senior Management and monthly reports to the Board of Directors and Risk Committee.

BBVA Valores S.A

At BBVA Valores S.A., the Market Risk Management System (SARM) is an essential role to maintain the risk profile within the risk appetite declared by BBVA Valores. Therefore, effective procedures were established for identification, management, mitigation, monitoring, control and communication of the risks to which it is exposed or may be exposed. All of this is with the intention to achieve various objectives:

- Limit exposure to losses, whether in terms of maximum loss or in terms of open position exposed to losses, through in-depth knowledge of the existing risks in investments, of the levels of concentration and of diversification, which allow it to anticipate its future evolution.

- Establish warning systems in the management of market risks allowing decisions to be made on time and according to the set objectives.

- Continuously monitor the risk levels and their evolution.

Establish a remuneration system compatible with adequate and effective risk management that does not offer incentives to assume risks that exceed the level tolerated by the Entity, among others.

To achieve these objectives, Senior Management established roles by areas, quantifiable limits and risk assessment tools as follows:

a. Division - According to the role that the contracting, accounting, compliance or risk monitoring activities are related to, the responsibility was assigned to each one of the following areas:

- Front Office - The area responsible for managing interaction with clients to contract and manage the market positions.

- Back Office - Area responsible for managing the Company itself and with which the client does not require direct contact. It complies with, validates and reports the activity of Front Office.

- Accounting – Validates the correct incorporation of the transactions made by Front Office and reviewed by Back Office in the Entity's financial statements.

- Market Risk - Through regular monitoring, it is responsible for preventing losses in the portfolio value as a result of changes in the quotes of fair value, above all in the cash positions that integrate the Treasury Portfolio. This is in the positions maintained in the short term with the aim to obtain a profit from the variations between the purchase and sale prices.

- Legal Area - Responsible for analyzing and assessing the legal risks that may result from the arrangements or contracts that formalize the transactions, so that no legal situation arises that legally affects the instrumentation or documentation of them. In exercise of its roles, the Legal Area verifies that the relevant legal regulations are observed and that the entity's policies and standards are in line with them. In all cases, it legally structures operations based on the current legal regulations that the Company is subject to, including participation in new markets or products.

b. Limits - To maintain caution and quantify the risk, limits were established for the risk exposure of the activity developed with own resources, allocating the following limits:

- Stop Loss - The limit structure considers all the cases with a real maximum loss system (stop loss) for different horizons (month, year). This system starts a procedure by those responsible for the business with the aim to limit the amount of losses, preventing the increase of the positions and actively managing the positions that have generated the losses.

- VaR and Economic Capital - The market risk assessment and control system is based on a series of limits and early warnings in terms of VaR/ERC (economic risk capital), as well as in terms of positions. As well as marking the desired risk thresholds, the aim of this system of limits and early warnings is to limit the risks that may not be completely covered in the VaR measurement, or if they are, may be obscured by the benefits of diversification. Definitively, the limit and early warning systems serve to contain and monitor all the market risks related to the activity of BBVA Valores, preventing unexpected losses.

- Backtesting - The risk assessment model is regularly contrasted with the real results in terms of gains and losses. This test is of vital importance to ensure the validity of the assumptions and simplifications made in the risk assessment model and it is carried out on a daily basis.

- Stress Testing - In addition to the risk assessments in terms of VaR, sensitivities and/or open positions, the stress testing scenarios are analyzed on a daily basis to calculate the impact that a stress scenario could have on investments.

c. Assessment and Monitoring Tools

The main risk assessment tools include the application of corporate value at risk (AcVaR) used by the Bank's Market Risk Area, which is directly managed by the GMRU in the Parent Company.

Value at Risk (VaR)

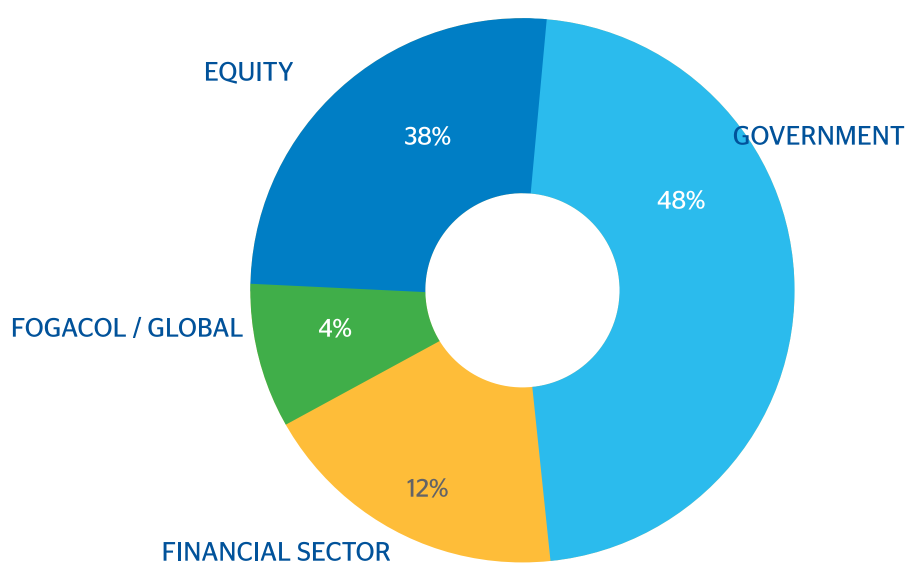
The methodology for estimating market risk follows corporate guidelines, and the VaR tool has been adopted for this.

VaR estimates the maximum loss that may occur in the positions for an established time horizon and with a given level of confidence. At BBVA Valores, the VaR is calculated with a confidence level of 99% and a time horizon of one (1) day. The VaR is estimated through the following estimation:

Portfolio

SPECIES	VPN	% OF THE PORTFOLIO	CLASIFICATION	Minimum
Banco Davivienda	$223	2,46%	Marketable	775
Bancolombia	0	0,00%	Marketable	110
Bco Colpatria Red Multibanca	240	2,65%	Marketable	778
Bco de Bogotá	0	0,00%	Marketable	7%
Bco de Occidente	10	0,11%	Marketable	-
Bco Popular	262	2,89%	Marketable	0%
C.F.C. Leasing Colombia	332	3,67%	Marketable	775
BVC shares	102	1,13%	Marketable	775
BVC shares	3.337	36,85%	Available for sale	775
FOGACOL	357	3,94%	Available for sale	775
TRD	2	0,02%	Maturity	775
Tes Tasa Fija	4.176	46,12%	Marketable	775
Banco Corpbanca	8	0,09%	Marketable	775
Findeter	6	0,07%	Marketable	775
TES UVR	0	0,00%	Marketable	775
TOTAL	$9.055	100%		775

Los valores expuestos en la tabla para títulos clasificados como al Vencimiento corresponden a la valoración como lo enuncia el capítulo I de la Circular Básica Contable y Financiera 100 de 1995. En la siguiente gráfica se especifica la concentración del portafolio:



Monitoring of Market Risk

• Internal Model - Daily controls and assessments were carried out in 2015 on the consumption levels of the authorized internal limits, regularly reporting to Senior Management on the observance of them.

• Superintendence Standard Model - In accordance with Public Notice 09 / 2007 of the Superintendence, the brokerage firm has been assessing its exposure to market risk (interest rate and equity). This incorporates the assessment for the positions held with own resources with the aim to establish the effect that the possible changes in the market conditions may have on the economic value of the brokerage firm's equity, the impact of which is reflected in the solvency ratio. The assessment is carried out daily.

Limit: According to that established by the solvency margin regulator, it cannot be lower than 9%. For this reason, the brokerage firm has established 20% as a minimum limit, which serves as a warning sign.

Risk Policies

These are derived from the guidelines of the BBVA Group:

- The Board of Directors decides the brokerage firm's strategy and risk profile.
- Management of risk exposure throughout the life of the operation, assigning specific responsibilities in the different phases in which it is developed, whether they are those of identification, assessment, analysis, acceptance or monitoring, and in the case of worsening of credit quality, intensive monitoring and recovery management.

Reports for Risk Management

- Daily Management Table - The aim of this table is to keep Senior Management informed of the acceptance of risks, management of them and the corresponding controls. It contains the evolution of market risk, preliminary results of own position and consumption of internal limits and stop-loss limits, among others.
- Report to the Board of Directors - The aim of this report is to fulfill its responsibility as the area responsible for the assessment of market risk related to treasury activities and for keeping the Board of Directors informed of the risks assumed by BBVA Valores.

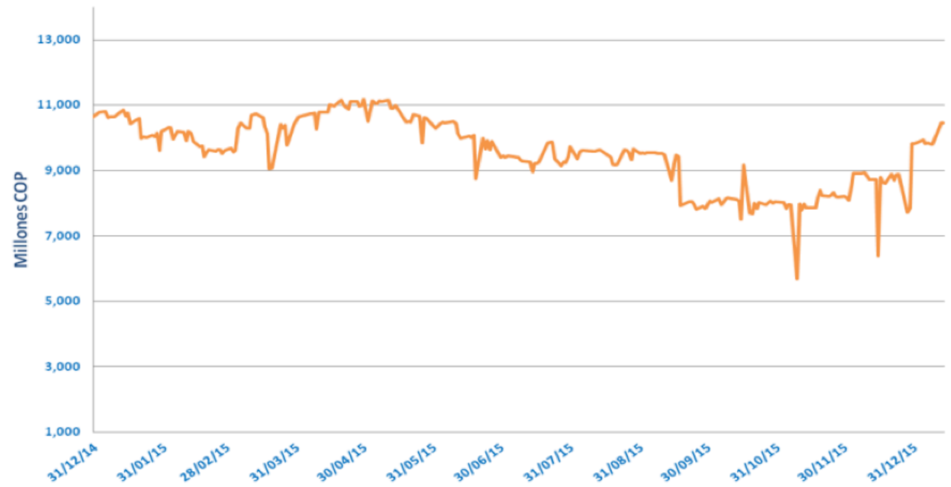
Liquidity Risk Management System (SARL, for the Spanish original)

The liquidity assessment and, therefore, the identification of its risk profile, is carried out on a daily basis through the calculation of the liquidity risk indicator (daily and at seven days). This measurement allows the quantification of the minimum level of liquid assets that must be held daily. The Liquid Assets Portfolio is the main element for the management of the firm's liquidity, which permits full capacity to transfer the liquid assets, whether through the markets or through transactions with the Central Bank of Colombia.

The methodology of liquidity risk assessment implemented from 2014 measures the liquidity risk in a horizon of 1 to 7 days. This measurement is considered to be a time horizon of up to more than 30 days, distributed by periods of time according to current legal regulations. The tool to manage and assess liquidity risk is a matrix that compares the assets considered to be liquid assets against the liabilities and/or current rights that the brokerage firm has, in which the control and monitoring are found in the accumulated liquidity gap for one day.

At December 31, 2015 and 2014, the indicator was of $9,829,761 and $10,628,918, respectively, which indicates that BBVA Valores presents a high level of liquidity. The evolution of the indicator during 2015 is presented below:

Liquidity risk indicator



Limit System

The liquidity risk limits detect any incidence related to the level of liquidity. For this, limits and alerts were implemented that establish the real status of liquidity in the entity and the market.

Regulatory Model Limits - Financial Superintendence of Colombia

- Liquidity risk indicator: It is considered that BBVA Valores has significant exposure to liquidity risk when in a certain daily report, the liquidity risk indicator at one (1) or up to seven (7) days is negative, and when the liquidity risk indicator is less than or equal to 100%.

- Level of high-quality liquid assets: It is considered that BBVA Valores has sufficient high-quality liquid assets when they exceed 70% of the total liquid assets.

Central Bank Overnight Repo Limits

A quantitative limit on the repos was established with the Central Bank of Colombia. These repos must not exceed $200 million.

Warnings

Preventative indicators of liquidity risk are as follows:

• Warning on liquidity risk indicator at 1 and 7 days: A warning is established on the liquidity risk indicator that anticipates adverse behavior in cases of precrisis. This warning is generated when the indicator reaches 150%.

• Warning on the level of high-quality liquid assets: A warning is established on high-quality liquid assets that anticipates adverse behavior in cases of precrisis. This warning is generated when the high-quality liquid assets are less than 80%.

Counterparty Risk Management System (SARiC, for the Spanish Original)

The Market Risk Area is responsible for the daily control and monitoring of the issuer, counterparty and settlement risk limits of the treasury transactions according to the current authorizations provided by the Board of Directors.

The counterparty risk assessment process comprises all the transactions and starts with the initial process of identifying the type of client with which the transaction is closed for each kind of risk.

The management procedures include the authorization processes of the counterparty limits and an internal monitoring model, using tools that permit the control and assessment of the counterparty quotas, compared to the transactions pending completion.

BBVA Valores applies clear policies in the event that there is transfer of limits and for the procedure in the case of exceeded limits.

Allocation of Quotas

The quotas for the operation of the firm's own position are allocated as follows:

• Front Office makes a proposal of the credit quotas that it considers appropriate for the development of the operations of the business. This proposal is prepared with the support of the Market Risk Area of BBVA Valores.

• The Market Risk Area of BBVA Valores sends a proposal to the Credit Risk Area of BBVA Colombia for its study.

• The Credit Risk Area of BBVA Colombia studies the proposal and issues an opinion on it, making recommendations for the quotas.

• The recommendations of the Credit Risk Area of BBVA Colombia are taken into account by BBVA Valores and are submitted for their authorization by the General Management to the Board of Directors.

45. Corporate governance

The BBVA Group has developed an online corporate governance system with best international practices and adapting to the requirements of the regulators of the countries in which its different business units operate.

Therefore, the Corporate Governance System of BBVA Colombia is found online with the international, corporate and local trends and recommendations. Its principles and elements are included in the Corporate Governance Code; the Rules of Procedure of the General Meeting of Shareholders which regulates its operation, powers and shareholders' rights; the Rules of Procedure for the Board of Directors and in the rules of procedure of the Board's supporting committees. Complemented with the internal rules of conduct, the above are included in the BBVA Group's Code of Conduct, Code of Conduct in the Securities Market and Code of Conduct for the Prevention of Money Laundering and Financing of Terrorism, which state the terms that govern the actions of its executives, managers and employees.

The Corporate Governance System is essentially based on the distribution of roles between the Board of Directors and its different supporting committees, each with specific roles: Audit Committee, Corporate Responsibility Committee, Corporate Governance Committee and Nominations and Retributions Committee; and on an appropriate decision-making process.

Pursuant to the Bank's Company Bylaws, the Board of Directors constitutes the Company's natural administration, management and oversight body and it is formed of five primary directors, two of which are independent. In the development of their roles, the directors learn about the most relevant aspects of corporate management, which are proposed to the corporate bodies by the Bank's main executives and are informed of the responsibility entailed by the management of the different risks, and they are aware of the processes and structure of the Bank's businesses, allowing them to provide the due support and monitoring.

As the Entity's main manager of corporate governance, the Board of Directors met on 12 occasions, once a month, fulfilling the established schedule. There was a prior invitation in which the agenda was indicated, and the supporting documents and information related to each one of the points that would be covered in the meeting were disclosed in advance. The quality and efficiency of the operation of the Board of Directors is assessed annually by the full Board from the activity reports that are prepared for that purpose. The adequate operation of the Board of Directors requires great dedication of all the members, who are also subject to a strict system of incompatibilities and conflicts of interest contained in the regulations of the same Board of Directors.

For the better performance of its control and management roles, the Board of Directors has formed four committees with ample roles assigned in their respective rules of procedure, which provide support in subjects in their area of competence, having established a work system coordinated between their own commissions and those with respect to the Board. In this way, the corporate bodies' awareness of the relevant matters is ensured, reinforcing the existing control environment in BBVA Colombia.

These committees are led by independent directors with ample experience in the subjects of their competence in accordance with the committees' rules of procedure. They also have ample powers and autonomy in the management of their corresponding committees, allowing them to convene the meetings they deem necessary for the development of their roles, decide their agenda and have the support of external experts when they consider it appropriate, to which the direct access of the Bank's executives must be added.

The Rules of Procedure for the Board of Directors and said committees may be consulted on the Company's website: www.bbva.com.co.

IR (Investor Relations) Recognition

For the third time in a row, BBVA Colombia was awarded the IR (Investor Relations) Recognition[1]. This is an initiative promoted by Bolsa de Valores de Colombia (BVC) with the aim to promote the securities market issuers' voluntary adoption of practices to optimize their investor relations.

As a result of the adopted measures, BBVA Colombia now has a direct channel of communication with its investors as stakeholders, which allows it to position itself as the main foreign bank in the country and to reiterate its commitment to the implementation of good practices in terms of information disclosure and corporate governance, strengthening security, trust and credibility among the national and international investor community.

(1)

2014 Código País Survey - Financial Superintendence of Colombia

The Financial Superintendence of Colombia issued the annual report on the degree of acceptance of the recommendations of the Best Corporate Practices Code, which is a tool for the achievement of adequate corporate governance and contributes to the fulfillment of the objectives of stability, security and reliability, promotion and development of the Colombian securities market, and protection of investors and savers. This report shows a quantitative analysis of the issuers regarding adoption of the recommendations for the January to December 2013 period.

In the report's results, it is noted that BBVA Colombia has implemented 36 measures, positioning it among the four financial entities that report the most implemented measures.

Risk Management

Regarding our Risk Management Policy, we report that in the first instance, the Board of Directors is responsible for approving the Risk Management Strategy, as well as the internal control and management systems which are incorporated into the institution's other activities. In greater detail, the risk strategy authorized by the Board of Directors includes the following as a minimum: a) declaration of the risk appetite; b) fundamental measures and basic structure of limits; c) types of risk and classes of asset; and d) bases of the control and risk management models.

Additionally, in adoption of the recommendations of Código País, the Board of Directors created the Risk Committee, which is comprised of the non-executive board members and is led by an independent member. Its main objective is to support the Board of Directors in the fulfillment of its supervisory roles regarding risk management without being a decision-making body on risk operations. In Senior Management or the Bank's Management, the role of risk management is led by the Executive Risk Vice-Presidency, which has a decision-making process supported by a system of committees comprised of highly-qualified professionals on the subject. These professionals study and propose the strategies, policies, procedures and infrastructures necessary to identify, assess, measure and manage the material risks that BBVA Colombia faces in the development of its businesses.

Therefore, according to the framework established by the Board of Directors and Senior Management, the business areas have the responsibility of daily risk management. Similarly, with the aim to adequately manage risk management, it is understood as a unique, global and independent role of the sales areas.

In turn, at each ordinary meeting of the Board of Directors, the Entity's risk positions are clearly, concisely, quickly and accurately reported, indicating the exposure by type of risk, business area and portfolio, and its budget alignment to the approved risk appetite. Similarly, the credit transactions that correspond to its level of delegation are reported, including the companies or people connected to the Bank.

The Entity's risk role is unique and independent, where the assumed risks must be compatible with the target level of solvency and be identified, measured and assessed, and there must be procedures for monitoring and management, as well as solid control and mitigation mechanisms. All the risks must be managed in an integrated manner throughout their life cycle with differentiated treatment according to their type. The risk integration model recognizes the diversification between the different kinds of risks: credit, market, liquidity, operational, etc. The business areas are responsible for proposing and maintaining the risk profile within their autonomy and framework for action (defined as the set of risk policies and procedures). The risk infrastructure is adequate in terms of human resources, tools and technology, information systems, and methodologies for measuring the different types of risks and procedures, which facilitates the clear definition of roles and responsibilities, ensuring independence between the trading, risk control and accounting areas, as well as the efficient allocation of resources.

Regarding the technology infrastructure of the Risk Management and Control Area, we highlight the continuous improvement, innovation and implementation of the tools throughout the life-cycle of the managed risks. The above is reflected in the following aspects: i) Implementation of Power Curve for consumer loans and mortgages, inclusion of the pre-approved loan circuit within a new management channel, online banking and integration of a specialized Consumer Finance Team with ad hoc scoring tools of vehicles and new recovery processes; ii) Development of risk assessment and management tools and monitoring of early warnings in the Business segment, aimed at the optimization of times and maintenance of the quality of the loan portfolio; and iii) Start of the modernization project of the tool for the SME segment, which will provide support to the business areas and facilitate risk management; a project estimated to be completed in 2016.

We also report that the existing methods for risk management perfectly identify the different kinds of risk. Therefore, in 2015, BBVA Colombia carried out Enterprise Risk Management through the development of models and tools that allow the coordination of monitoring and control activities with a dynamic and anticipatory vision which makes the fulfillment of the risk appetite approved by the Board of Directors possible.

In the loan acceptance areas, the regular review of policies, circuits and regulations was maintained with the continuous formation of the network, maintaining the adequate use of powers, which has allowed it to maintain the leading position in terms of portfolio quality and the sustained increase in the market quota.

Regarding, market risk, during the period, the established controls were continued. The measurement limits of treasury VaR were maintained and the short-term liquidity was regularly reviewed, as well as the financial structure of the balance.

From a corporate perspective, BBVA has processes for risk identification and analysis of scenarios that allow the Group to carry out dynamic and preventative risk management. The risks are demonstrated and assessed with the methods deemed appropriate in each case. Their assessment includes the design and application of the analysis of scenarios and stress testing, and considers the controls that the risks are subject to. In this context, emerging risks have been identified that could affect the evolution of the Group's business, which include macroeconomic and geopolitical risk, and regulatory, legal and reputational risks. Therefore, constant surveillance is carried out on the changes in the regulatory framework, which allow it to anticipate and adapt to them in sufficient time, adopting the most efficient and rigorous best practices and criteria in their implementation. It is also evident that the financial sector is subject to a growing level of scrutiny by regulators, governments and society itself. Therefore, negative news or inappropriate behavior can pose significant damages to reputation and affect an entity's capacity to develop a sustainable business. Due to this, the behavior of the Group's members is governed by principles of integrity, honesty, long-term vision and best practices, all in accordance with the Group's Internal Control Model, Code of Conduct and Responsible Business Strategy.

An end risk identified by the group is business and operative risk, which results from the development experienced by the digital world and information technology that poses important challenges for financial entities, bringing threats and new opportunities, a new framework of customer relations, greater capacity to adapt to customer needs, and new products and distribution channels. Therefore, digital transformation is a priority for the Group.

In terms of internal control and operational risk, management in the removal of control weaknesses identified in the Risk and Control Self-Assessment (RCSA); operational risk management's focus on critical processes; and detailed monitoring of the operating losses were relevant, promoting improvements to the control and mitigation processes and activities.

Parallel to all of the above and taking into account threats that have been identified as cyber-attacks, fraud in payment systems, etc., important investment is required in security from both the technological and human perspective. At BBVA Colombia, with the support of the HR Department, we have continued to work on the training and generation of a control culture for this kind of risk. Additionally, the local regulatory requirements on operational risk were met on cyber security and, through the Technology Risk Management Area, the necessary awareness-raising campaigns were carried out in the digital transformation environment at BBVA.

Regarding credit risk, the implementation of the International Financial Reporting Standards (IFRS) involved anticipatory adjustments and management in the credit and market risk models.

Auditing

In turn, the Internal Audit and the Statutory Audit are informed of the Entity's operations and the recommendations implemented regarding compliance with the limits, closure of operations and market conditions, as well as the transactions carried out between related parties. Specifically, the Statutory Audit reported that it had not observed significant situations that would give it the opinion that BBVA Colombia is not complying with the practices, methodologies, procedures and standards established for management of the different kinds of risk.

Additionally, the implementation of the Comprehensive Supervision Framework by the Financial Superintendence of Colombia led to the Internal Audit Unit adapting its structure, methodology and resources to fulfill a new preventative and prospective approach based on the entities' risk analysis and business strategy. This has allowed the Superintendence to focus on the reality of the operations and daily activities of the supervised entities.

All of the above leads to the conclusion that BBVA Colombia has an adequate general control and management model for its business profile, organization and region in which it operates, which allows it to develop its activity in the framework of the Corporate Governance System, in turn, adapting to a changing economic and regulatory environment.

BBVA Asset Management S.A.

EAt BBVA Asset Management S.A. Sociedad Fiduciaria, the principles and elements that comprise the Corporate Governance System of BBVA Fiduciaria are included in BBVA's Company Bylaws, Corporate Governance Code and Code of Conduct, which adopt, define and develop the principles assumed and the ethical behavior that shall be applied to the businesses and activities of the companies of BBVA in Colombia.

In 2015, the General Meeting of Shareholders was held pursuant to the terms established by law, in the Company Bylaws and in the Corporate Governance Code of BBVA Asset Management (AM). The Board of Directors of BBVA AM held an ordinary meeting every month in 2015.

Internal Control System - The Internal Control System of BBVA Asset Management S.A. Sociedad Fiduciaria is inspired by the best practices developed in the "Enterprise Risk Management - Integrated Framework" of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as well as by the "Framework for Internal Control Systems in Banking Organizations" prepared by the Bank for International Settlements of Basel (BIS). Therefore, the Internal Control System of BBVA Asset Management S.A. Sociedad Fiduciaria covers all of the Organization's spheres and is designed to identify and manage the risks that the areas of the Company face to ensure the established corporate objectives.

The control model has a system of three lines of defense:

- The first line of defense is comprised of the business areas of BBVA Asset Management S.A., which are responsible for control in their area and the execution of the measures set on a corporate and local scale by the Board of Directors.

- The second line is comprised of the specialist control units (Regulatory Compliance, Internal Financial Control, Internal Control of Risks, Technology, Fraud Prevention and Security, and Operations Control; as well as the support areas, such as Human Resources, Legal Counsel, etc.). This line supervises the control of the different areas in their cross-cutting specialty, defines the mitigating measures and those for necessary improvement, and promotes the correct implementation of them. Additionally, the Operational Risk Area forms part of this line, which provides a methodology and tools for management.

- The third line is comprised of the Internal Audit, which conducts an independent review of the model, verifying the compliance and effectiveness of the corporate and local policies, providing independent information on the control model.

The Internal Audit conducted an independent assessment of the effectiveness of the Internal Control System of

BBVA Asset Management S.A. Sociedad Fiduciaria at December 31, 2015, in accordance with Public Notice 029 / 2014, issued by the Financial Superintendence of Colombia.

Said assessment concludes that the Internal Control System implemented by

BBVA Asset Management S.A. Sociedad Fiduciaria reasonably complies with the criteria established by the Financial Superintendence of Colombia in Public

For technology risks backup processes of information and profiling transactions were evaluated, helping to improve integrity and protect information.

Notice 029 / 2014. The improvement plans established by

BBVA Asset Management S.A. Sociedad Fiduciaria to mitigate risks identified in the assessment of the internal control system have been implemented or are in the process of implementation and refer to non-material weaknesses that do not affect the financial statements or the management report.

Audit Committee - In compliance with the provisions of the Financial Superintendence of Colombia, the following report on the work carried out by the Audit Committee of BBVA ASSET MANAGEMENT S.A. Sociedad Fiduciaria in 2015 is submitted to the Ordinary General Meeting of Shareholders. The work is summarized as follows:

In 2015, the Internal Audit Department continued to apply the corporate guidelines, assuming its role independently, permanently, impartially and objectively as support for Senior Management in the monitoring of established controls to support the Company in the achievement of its business objectives. The Internal Audit makes its reports directly to the Audit Committee and to the General Management of the trust company. In the year, no limits arose that would obstruct its adequate performance and it has the necessary resources for the adequate development of its roles.

The trust company has complied with the policies of the Internal Control System established by the Entity.

In addition to the described activities, during 2015, the reports issued by the oversight bodies and the recommendations of the Internal Audit, the Regulatory Auditor and the Statutory Audit were monitored. Additionally, the Financial Consumer Ombudsman's report on the work carried out in 2014 was brought to its attention.

The reports submitted by the Statutory Audit and Internal Audit to the Audit Committee include the following of note:

- The committee received memorandums of recommendations from the Statutory Audit on the procedures established for the Money Laundering and Financing of Terrorism (ML/FT) Risk Management System with the cut-off at the third and fourth quarters of 2014 and the first and second quarters of 2015. In these memorandums, the Audit makes conclusions on the standards and procedures established by the trust company on the ML/FT Risk Management System, without observing situations that would lead it to believe that the trust company had not complied with the practices, methodologies, procedures and standards established for said system.

- The committee received the report from the Statutory Audit on the Liquidity Risk Management System (SARL, for the Spanish original) for the second semester of 2014, in which it makes conclusions on compliance with the standards and procedures established by the trust company in the SARL without observing situations of note.

- The committee received the report from the Statutory Audit on the Market Risk Management System (SARM, for the Spanish original) for the second semester of 2014 in which it concludes on the standards and procedures established by the trust company in the SARM, without observing significant situations that would lead it to believe that the trust company had not complied with the practices, methodologies, procedures and standards established for said system.

- The committee received the Memorandum of Recommendations on the Financial Consumer Service System for the second semester of 2014 and first semester of 2015 from the Statutory Audit in which it makes conclusions on the standards and procedures established by the trust company for the Consumer Service System without observing significant situations that would lead it to believe that the trust company had not complied with the practices, methodologies, procedures and standards established for said system or without making recommendations.

- The committee received a report from the Internal Audit that indicates that the trust company has complied with the process of convergence of the financial statements under local standards (COLGAAP) to the International Financial Reporting Standards (IFRS) at January 1, 2014, for its own financial statements as well as for those of the 27 trust businesses and those of the mutual funds that it manages. The audit brought to light that some improvements are required.

- The committee reviewed the manual of general accounting policies for trust companies, Group 1 IFRS and the opening statements of financial position. Additionally, it had the opportunity to review the global amendment to the Code of Conduct for the BBVA Group.

- The committee was informed that the Financial Superintendence of Colombia closed the ex situ inspection - ML/FT Risk Management System, because it considered that the trust company had taken into account the observations and recommendations made in the course of the inspection process. However, it reminds it of the importance of the system's improvement processes and highlights the following recommendations:

a.The Board of Directors must request the timely delivery of the annual reports on the ML/FT Risk Management System from the Internal Audit and it must make declarations on said reports.

b. The annual report of the Internal Audit must incorporate the results of the monitoring carried out on the findings, requested adjustments and implementation.

c.The duty to apply the measures, strategies and procedures for updating the information and documentation of all of the clients.

- The committee received the Memorandum of Recommendations from the Statutory Audit, which includes suggestions by the Statutory Audit for the improvement of the accounting and internal control procedures for the year ending on December 31, 2014. Likewise, an assessment of the Internal Control System was received, including the standards and instructions of the risk management systems applicable to the company with the aim to facilitate a basis to trust them when establishing the nature, opportunity and extension of the audit tests related to the final examination of the financial statements at December 31, 2014.

- The Statutory Audit presented the Memorandum of Recommendations of review of the financial statements at December 31, 2014, of the trust company, the mutual funds, public trusts and businesses required by the Financial Superintendence of Colombia. In this memorandum, it expresses that the financial statements reasonably present the financial position of BBVA Fiduciaria at December 31, 2014 and 2013, its revenue, cash flows and changes in equity according to the accounting principles accepted in Colombia in all material aspects

Details	Amount	Opinion
Mutual funds (1)	5	Unqualified
Pension	7	Unqualified
Public trusts	101	Unqualified
Requirement of Financial Superintendence	7	2 Qualified
Total reports (including trust company)	121	
Total Informes (incluyendo Sociedad Fiduciaria)	121	

Business Requirement of Financial Superintendence	Qualified Observation on the Opinion
San Rafael Trust 4	Out of date appraisal
Hogares Digitales Trust	No record of accumulated depreciation

- The committee monitored compliance with the regulations applicable to the mutual funds managed by the trust company and the recommendations made by the Regulatory Auditor regarding this case. Similarly, the committee was informed of the update of the audit bylaw.

- Among the findings of the Audit Committee the contents are of note in the requirements of the Financial Superintendence of Colombia in the memorandums issued by the Statutory Audit; the recommendations of the ML/FT Risk Management System, SARM, Financial Consumer Service System and IFRS; the findings of the Internal Audit regarding the IFRS; and the Regulatory Auditor's reports.

- The activities planned by the Statutory Auditor included: a) Audit planning and risk assessment; b) Tests on design, implementation and operational efficiency controls (roll forward); c) Quarterly review of the ML/FT Risk Management System; d) Review of the Credit Risk Management System (SARC, for the Spanish original) and Financial Consumer Service System; e) Operational Risk Management System (SARO, for the Spanish original) assessment; f) Tests on treasury controls, review of SARM, SARL and VaR; g) Update of tax risk, review of tax procedures and review of income provision; h) Review of general technology controls, controls on transaction flow; i) SARO work – continuity and Notice 052; j) Preliminary audit of financial statements; k) Review of preliminary notes to financial statements under IFRS; and l) Final review of financial statements – issuance of report and closing activities.

- The activity plan of the Internal Audit for 2015 included the review of the ML/FT Risk Management System, Internal Control System and SARL. The Internal Audit conducted the corresponding assessments on these topics.

For the committee members, the procedures applied by Management allow them to account for compliance with the trust company's obligations and reasonably protect the managed assets of third parties, and the risks associated with the execution of the trust businesses are mitigated by applying each one of the manuals and procedures implemented by the trust company.

The Audit Committee was aware of the quarterly draft of the balance sheet and income statement of the trust company.

Generally speaking, the Audit Committee reviewed the assessments of accounts receivable made by the Portfolio Committee, and it assessed, monitored and supervised the internal control structure, finding it adequate for the preservation and custody of the goods of the entity and third parties that are under its control.

BBVA Valores S.A.,

At BBVA Valores S.A., the principles and elements that comprise the Corporate Governance System are included in the BBVA's Company Bylaws, Corporate Governance Code and Code of Conduct, which adopt, define and develop the principles assumed and the ethical behavior that shall be applied to the businesses and activities of the companies of BBVA in Colombia.

In 2014, the General Meeting of Shareholders was held pursuant to the terms established by law, in the Company Bylaws and the Corporate Governance Code of BBVA. The Board of Directors of BBVA Valores is comprised of five primary directors and five alternates. In 2014, it held an ordinary meeting every month. This governance body is responsible for defining and developing the risk culture, establishing the policies and risk profile desired for the entity and actively participating in the risk management and control process, as well as being regularly informed of the investment activities, exposure by type of risk, excess of the regulatory limits and the results obtained, among other topics, as shown in the respective reports.

46. Other items of interest

Join Venture – BBVA / Renault

In accordance with the application registered in the Financial Superintendence of Colombia, BBVA Colombia S.A., together with RCI Banque S.A., a French financial entity that is part of the Renault Group, has the intention to form a Commercial Financing Company with the aim to provide funding for the purchase of vehicles in Colombia.

Pursuant to the agreement of partners signed between BBVA Colombia and RCI Banque on July 17, 2015, BBVA Colombia shall be the holder of 49% of the Company's shares and the remaining 51% shall be subscribed by RCI Banque, such that out of the $234,000 of authorized capital, BBVA Colombia must subscribe $114,660, which is 49%.

General Coordination:

Área de Comunicación e Imagen
mauricio.floresmarin@bbva.com • liliana.corrales@bbva.com • dianamarcela.ovies@bbva.com

Área de Contabilidad General
o.rodriguez@bbva.com • claudiarocio.lopez@bbva.com • rosalina.rojas@bbva.com

Área de Gestión y Planificación Financiera
germanenrique.rodriguez@bbva.com • libia.fernandez@bbva.com • diana.romero@bbva.com

Editorial Design and Photography:

Marketing Group D+C Ltda.
www.mgcreativos.com • info@mgcreativos.com

adelante.