BBVA

BBVA Colombia Consolidated Report 2014

adelante.

2014 was a challenging year for BBVA Colombia, where market conditions were raffled satisfactorily, which resulted in the activity's growth and in margins generation that exceed the previous periods.

Index


BBV

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

Independent auditors' report

To the President and Board of Directors of

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.:

Bogotá, Colombia

1. Identification of the financial statements

We have audited the consolidated balance sheets of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and subsidiaries (BBVA Asset Management S.A., Sociedad Fiduciaria S.A. and BBVA Valores Colombia S.A. Comisionista de Bolsa), hereinafter the "Entity", as of December 31, 2014 and 2013 and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the supplemental information included in their explanatory notes (note 3 presents a summary of significant accounting policies).

The Entity's Board of Directors and Management are responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the accounting principles generally accepted in Colombia and accounting instructions and practices established by the Superintendent of Finance in Colombia. This responsibility includes: (i) the design, implementation and maintenance of relevant internal control regarding to the reasonable preparation and fair presentation of the financial statements that are free from material misstatement, whether due to errors, omissions or fraud, (ii) the selection and application of appropriate accounting policies, and (iii) making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit carried out pursuant to the scope of work outlined in section 2 of this report.

2. Scope of our work

We conducted our audit in accordance with auditing standards generally accepted in Colombia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures, substantially on a test basis, to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to errors, omissions or to fraud. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Entity's Board of Directors and Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion, the consolidated financial statements referred to in section 1 present fairly, in all material respects, the consolidated financial position of BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. and subsidiaries as of December 31, 2014 and 2013, and the consolidated results from its operations, changes in its stockholders' equity, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Colombia and accounting instructions and practices established by the Office of the Superintendent of Finance.

4. English translation

As further explained in note [36], the accompanying consolidated financial statements are a free translation into English of those originally prepared by the Entity in Spanish, expressed in local currency (Colombian pesos) and presented in accordance with accounting principles generally accepted in Colombia and accounting instructions and practices established by the Office of the Superintendent of Finance. The effects of the differences, if any, between such accounting principles in Colombia and generally accepted accounting principles in the countries in which these financial statements may be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the information on the Entity's consolidated financial position, and the related results of operations and cash flows in conformity with generally accepted accounting principles in countries other than Colombia.

Bogotá, January 26, 2015.

GABRIEL JAIME LÓPEZ DÍEZ
Statutory Auditor
Professional Card No. 12838-T
Designated by Deloitte & Touche Ltda.

Balance sheets as of december 31, 2014 and 2013

(Amounts stated in millions of Colombian pesos)

ASSETS	2014	2013
Cash on hand (Note 6)	$ 2,602,047	$ 2,421,331
Active positions in monetary market and related transactions (Note 7)	469,842	99,500
Investments (Note 8)	5,811,362	5,387,287
Marketable	3,244,185	3,534,855
• Held-to-maturity	416,140	1,337,891
• Available-for-sale in equity securities	82,544	75,150
• Available-for-sale in debt securities	787,784	-
• Investments transfer rights	1,280,709	439,391
Loan portfolio and leasing operations	**30,953,508**	**25,856,524**
Loan portfolio (Note 9):	28,662,816	24,306,252
• Commercial	11,835,057	9,780,228
• Consumer	10,142,905	8,733,167
• Housing	6,684,837	5,792,816
• Microcredit	18	41
Leasing portfolio (Note 10):		
• Financial Leasing (includes housing)	2,290,691	1,550,272
• Less – provision for loan portfolio protection (Notes 9 and 10)	1,042,302	857,839
Total net portfolio	**29,911,205**	**24,998,685**
Bankers' acceptances, cash transactions and derivatives (Note 12)	885,025	129,079
Accounts receivable, net (Note 13)	465,006	547,415
Realizable, received-as-payment and restituted goods (Note 14)	9,284	8,376
Property and equipment, net (Note 15)	302,488	308,591
Prepaid expenses and deferred charges (Note 16)	201,989	313,524
Other assets, net (Note 17)	382,637	189,565
Valorization and negative valorization of assets, net (Note 18)	495,150	470,296
TOTAL ASSETS	**$ 41,536,035**	**$ 34,873,649**
CONTINGENT AND DEBIT MEMORANDUM ACCOUNTS (Note 30)	**$ 141,193,085**	**$ 111,028,223**
CONTINGENT AND CREDIT MEMORANDUM ACCOUNTS (Note 30)	**$ 132,150,745**	**$ 109,908,240**

LIABILITIES AND STOCKHOLDERS' EQUITY	2014	2013
PASIVOS:		
LIABILITIES:		
Deposits (Note 19):		
• Without interest -	$ 3,014,265	$ 2,920,264
• Current accounts	455,150	366,036
Other		
• With interest-Current account	1,896,932	1,767,019
• Single deposits	9,137	7,345
• Term deposit certificates	10,665,127	7,596,774
• Real value savings certificates	33,799	32,917
• Savings deposits	16,221,620	15,482,749
Total deposits	**32,296,030**	**28,173,105**
Passive positions in monetary market and related operations (Note 20)	1,311,220	352,274
Outstanding bankers' acceptances and derivative financial instruments(Note 21)	937,121	138,466
Bank credits and other financial obligations (Note 22)	1,028,244	803,728
Accounts payable (Note 23)	674,755	622,199
Outstanding investment securities (Note 24)	1,301,650	1,094,760
Other liabilities (Note 25)	236,466	211,658
Accrued liabilities and provisions (Note 26)	249,196	231,630
Minority interest	5,707	5,336
TOTAL LIABILITIES	**$38,040,389**	**31,633,156**
STOCKHOLDERS' EQUITY		
Subscribed and paid-in capital (Note 27)	89,779	89,779
• Reserves (Note 28)	2,404,844	2,139,498
Profit from prior periods	(69)	16,692
Profit for the period	504,327	523,722
Surplus for:		
• Valorization and negative valorization of asset, net	495,150	470,296
• Article 6° Law 4 / 80	506	506
Unrealized accumulated gains or losses	1,109	-
TOTAL STOCKHOLDERS' EQUITY	**3,495,646**	**3,240,493**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 41,536,035**	**$ 34,873,649**
CONTINGENT AND DEBIT MEMORANDUM ACCOUNTS PER CONTRA (Note 30)	**$ 141,193,085**	**$ 111,028,223**
CONTINGENT AND CREDIT MEMORANDUM ACCOUNTS PER CONTRA (Note 30)	**$ 132,150,745**	**$ 109,908,240**

The accompanying notes are an integral part of the financial statements

The undersigned Legal Representative and Public Accountant do hereby certify that we have previously verified the assertions contained in these financial statements and the same have been truly taken from the accounting books of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

JOSÉ WILLIAM LONDOÑO MURILLO
Public Accountant
T.P. No. 51445-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, 2014 and 2013

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

INCOME AND EXPENSES	2014	2013
INTEREST REVENUE:		
• Interest and amortized discount - loan portfolio	$ 2,771,760	$ 2,464,938
• Interbank funds	27,870	23,514
• Other	54,644	45,158
Total interest revenue	**2,854,274**	**2,533,610**
INTEREST EXPENSES:		
• Time savings certificates	518,079	393,481
• Savings deposits	496,159	486,461
• Current accounts	18,458	18,458
Total interest on deposits	**1,032,696**	**898,400**
• Obligations discounted by financial entities	15,970	19,899
• Outstanding securities	79,598	86,023
• Interbank funds	8,051	6,271
• Others	246	48
Total interest expenses	**1,136,561**	**1,010,641**
Total net interest revenues	**1,717,713**	**1,522,969**
PROVISION FOR LOAN PORTFOLIO (Notes 9 and 10)	855,685	788,631
ACCOUNTS RECEIVABLE PROVISION (Note 13)	37,190	34,032
Total provision for loan portfolio and accounts receivable	**892,875**	**822,663**
Total net interest revenues after provision for loan portfolio and accounts receivable	**824,838**	**700,306**
NON-INTEREST REVENUES (Note 32)	5,350,976	3,809,181
DIVIDENDS REVENUE	24,002	12,120
Total non-interest and dividend revenues	**5,374,978**	**3,821,301**
NON-INTEREST EXPENSES (Note 33)	**5,438,337**	**3,776,147**
MINORITY INTEREST	**1,077**	**851**
Profit before income tax provision and provision for income tax for equity CREE	760,402	744,609
INCOME TAX PROVISION AND PROVISION FOR INCOME TAX FOR EQUITY - CREE	256,075	220,887
NET PROFIT	**$ 504,327**	**$ 523,722**
NET PROFIT PER SHARE	**$ 35**	**$ 36**

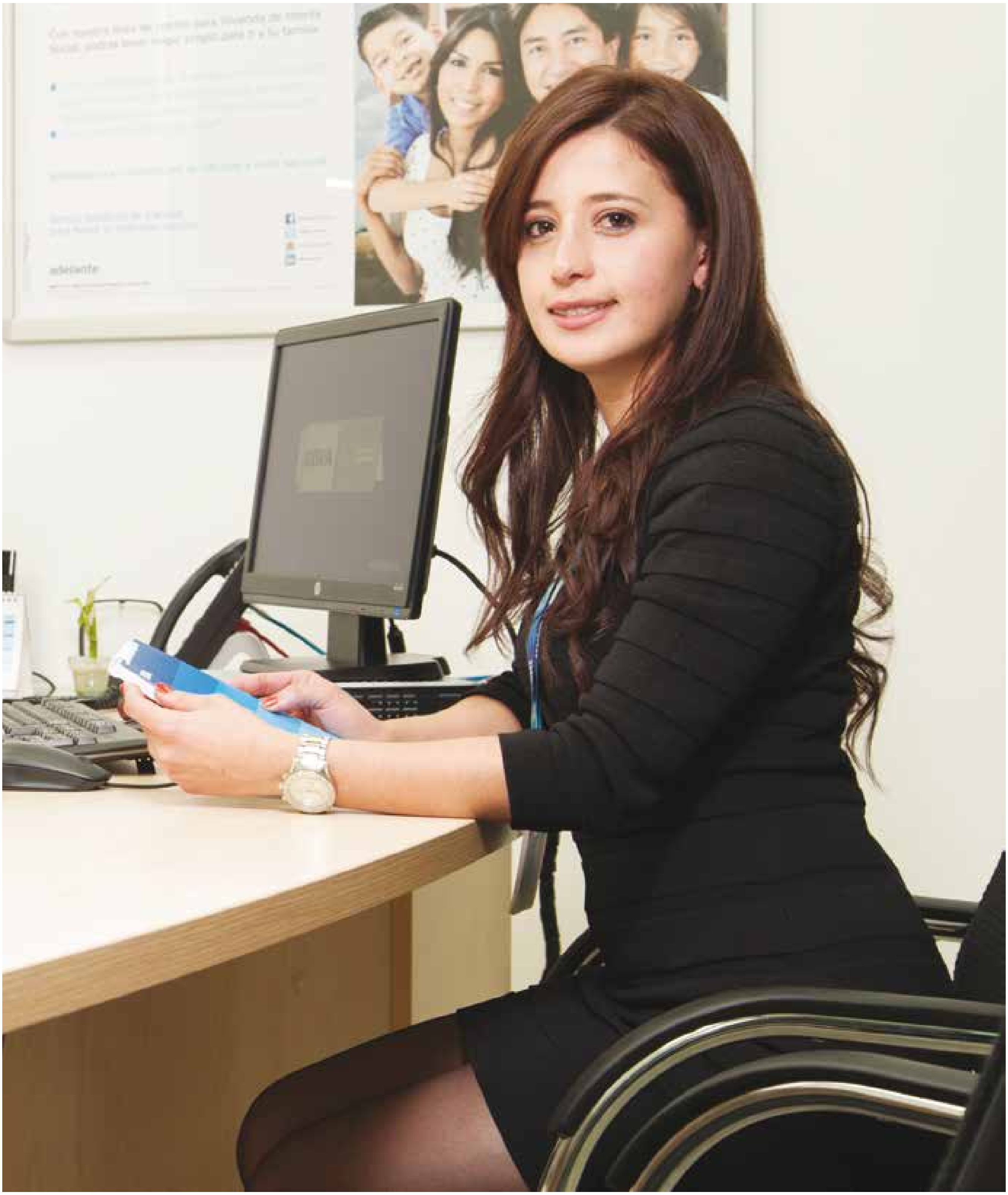
The accompanying notes are an integral part of the financial statements

The undersigned Legal Representative and Public Accountant do hereby certify that we have previously verified the assertions contained in these financial statements and the same have been truly taken from the accounting books of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

JOSÉ WILLIAM LONDOÑO MURILLO
Public Accountant
T.P. No. 51445-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, 2014 and 2013

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

Concept	Shares			
	Non-voting with preferential dividend		Ordinary	
	Number	Value	Number	Value
BALANCES AS OF DECEMBER 31, 2012	$ 479,760	$ 2,994	$ 13,907,929	$ 86,785
Eliminations in consolidation	-	-	-	-
Appropriation for reserves approved by Stockholders' Meeting	-	-	-	-
Appropriation for other reserves	-	-	-	-
Dividends paid in cash	-	-	-	-
Profit for the period	-	-	-	-
Increase in valorization	-	-	-	-
Increase in investment negative valorization	-	-	-	-
Non-received accrued gains in available-for-sale investments	-	-	-	-
SALDOS AL 31 DE DICIEMBRE DE 2013	$ 479,760	$ 2,994	$ 13,907,929	$ 86,785
Eliminations in consolidation	-	-	-	-
Appropriation for reserves approved by Stockholders' Meeting	-	-	-	-
Appropriation for other reserves	-	-	-	-
Dividends paid in cash	-	-	-	-
Profit for the period	-	-	-	-
Increase in valorization	-	-	-	-
Increase in investment negative valorization	-	-	-	-
Non-received accrued gains in available-for-sale investments	-	-	-	-
BALANCES AS OF DECEMBER 31, 2014	$ 479,760	$ 2,994	$ 13,907,929	$ 86,785

Heritage							
Retained Earnings			Surplus by				Total Stockholders' Equity
Appropriated	Results for the Period	Results from Prior Periods	Asset Appraisal	Investment Negative Valorization	Article 6 Law 4 of 1980	Unrealized Accrued Gains or Losses	
$ 1,910,203	$ 453,654	$ 15,297	$ 362,168	$ (194)	$ 506	$ 25,827	$ 2,857,240
-	(2,214)	1,395	-	-	-	-	(819)
244,460	(244,460)	-	-	-	-	-	-
(15,166)	15,166	-	-	-	-	-	-
-	(222,146)	-	-	-	-	-	(222,146)
-	523,722	-	-	-	-	-	523,722
-	-	-	108,406	-	-	-	108,406
-	-	-	-	(84)	-	-	(84)
-	-	-	-	-	-	(25,827)	(25,827)
$ 2,139,497	$ 523,722	$ 16,692	$ 470,574	$ (278)	$ 506	$ -	$ 3,240,493
-	4,631	(16,761)	-	-	-	-	(12,130)
668,947	(668,946)	-	-	-	-	-	-
(403,600)	403,600	-	-	-	-	-	-
-	(263,007)	-	-	-	-	-	(263,007)
-	504,327	-	-	-	-	-	504,327
-	-	-	24,811	-	-	-	24,811
-	-	-	-	43	-	-	43
-	-	-	-	-	-	1,109	11,089
$ 2,404,844	$ 504,327	$ (69)	$ 495,385	$ (235)	$ 506	$ 1,109	$ 3,495,646

The accompanying notes are an integral part of the financial statements

The undersigned Legal Representative and Public Accountant do hereby certify that we have previously verified the assertions contained in these financial statements and the same have been truly taken from the accounting books of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

JOSÉ WILLIAM LONDOÑO MURILLO
Public Accountant
T.P. No. 51445-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, 2014 and 2013

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

Concept	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit	$ 504,327	$ 523,722
Adjustments for reconcile net profit for the year with the cash provided by operating activities:		
• Depreciation	61,220	53,321
• Amortization	162,466	156,362
• Provision for credit receivables and accounts receivable protection	892,876	822,662
• Recovery of provision for credit receivables and accounts receivable protection	(432,816)	(485,287)
• Recovery of provision for realizable and received-as-payment goods protection, net	936	1,491
• Investments provision	9,098	3,123
• Provision for property, equipment and other assets	794	1,808
• Reclassification of unrealized investments. Available for sale	1,109	(25,827)
• Dividends received in shares	(7,354)	(4,731)
• Net profit in sale of investments, Net	(787)	(15,039)
• Net profit in sale of investments	2,463	24,995
• Net profit on sale of realizable and received-as-payment goods, net	(1,016)	(756)
• Net profit on sale of property and equipment, net	(662)	(277)
• Recovery of written-off receivables	(69,332)	(74,861)
• Recovery of other accrued liabilities provision	(5,206)	(12,522)
• Reimbursement of investments provision	(4,524)	(2,001)
• Reimbursement of other assets provision	(12,927)	(19,671)
• Reimbursement of property and equipment provision	(134)	(372)
Cash provided by reconciliation of net profit	**1,100,531**	**946,140**
Variations in operating assets and liabilities accounts:		
• Credit portfolio	(5,284,359)	(4,913,804)
• Accounts receivable	61,056	(20,975)
• Prepaid expenses and deferred charges	(50,932)	12,631
• Other assets	(180,923)	(31,405)
• Deposits and financial claims	4,122,926	3,911,122
• Bankers' acceptances	798,655	(41,669)
• Minority interest	371	(174)
• Accounts payable	52,556	28,510
• Other liabilities	24,808	(8,434)
• Accrued liabilities and provisions	12,860	8,575
• Other effects on the equity resulting from consolidation	(1,077)	(816)
Total net cash flows (used in) provided by operating activities	**656,472**	**(110,299)**
CASH FLOWS FROM INVESTING ACTIVITIES		

Concept	2014	2013
Investments	(420,508)	(1,157,056)
• Active positions in monetary and related market transactions	(370,342)	550,099
• Acceptances and derivatives	(755,946)	34,816
• Realizable and received-as-payment goods and restituted goods	(827)	(3,509)
• Property and equipment	(54,401)	(94,116)
Total net cash flows used in investing activities	**(1,602,024)**	**(669,766)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
• Passive positions in monetary and related market transactions	958,946	297,660
• Bank credits and other financial obligations	224,516	(63,631)
• Outstanding investment securities	206,890	(168,130)
• Dividends paid in cash	(264,084)	(222,146)
Total net cash flows used in financing activities	**1,126,268**	**(156,247)**
NET CASH FLOWS OF CASH ON HAND	**180,716**	**(936,312)**
FUNDS AVAILABLE AT BEGINNING OF THE YEAR	**2,421,331**	**3,357,643**
FUNDS AVAILABLE AT BEGINNING OF THE YEAR	**$ 2,602,047**	**$ 2,421,331**

The accompanying notes are an integral part of the financial statements

The undersigned Legal Representative and Public Accountant do hereby certify that we have previously verified the assertions contained in these financial statements and the same have been truly taken from the accounting books of the consolidated entities.

OSCAR CABRERA IZQUIERDO
Legal Representative

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

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


BBVA
BBVA

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the years ended as of december 2014 and 2013

(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 formed by BBVA Asset Management S.A. Trust Company (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 Deed No. 1160 granted in Notary Public Office 3ª of Bogotá and with term of duration until December 31, 2099; this term may be extended according to the law.

The Office of the Superintendent of Finance in Colombia (hereinafter, "the Superintendence or SFC") through Resolution No. 3140 dated September 24, 1993, renovated, on a definitive character 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.

The Bank conducts its activities in its corporate domicile in Bogotá and 513 offices that include branch offices, In-house, service centers, agencies, cash extensions, and mini-banks located in 95 cities of Colombia, distributed as follows:

Type of Office	Amount
Branch offices	412
In-house	51
Service centers	15
Agencies	20
Cash extensions	8
Mini-banks	7
Total offices	**513**

Additionally, it counts on five (5) financial services contracts through Non-Banking Correspondents (NBC) that amount to 11,160 points of service.

The entrepreneurial group the entity belongs to is registered in the mercantile registry as Grupo Empresarial BBVA Colombia and it is formed by BBVA Asset Management S.A. Trust Company and BBVA Valores Colombia S.A. Comisionista de Bolsa.

BBVA Asset Management S.A. Trust Company, and hereinafter, "the Trust Company", is a joint-stock, private commercial entity of financial services, legally incorporated through Public Deed 679 of Notary Public Office 13 of Bogotá dated April 5, 1976. The bylaws of the Trust Company have been reformed through Public Deed 2145 dated May 2, 1978 of Notary Public Office 4 of Bogotá, through Public Deed 3675 dated August 2, 1982 of Notary Public Office 1 of Bogotá; through Public Deed 8381 dated August 30, 1996 of Notary Public Office 29 of Bogotá; through Public Deed 2372 dated May 27, 1998 of Notary Public Office 13 of Bogotá; through Public Deed 5408 dated July 29, 1999 of Notary Public Office 29 of Bogotá; through Public Deed 8897 dated November 7, 2001 of Notary Public Office 29 of Bogotá; through Public Deed 3971 dated April 9, 2003 of Notary Public Office 29 of Bogotá; through Public Deed 4897 dated May 2, 2003 of Notary Public Office 29 of Bogotá; through Public Deed 4065 dated April 14, 2004 of Notary Public Office 29 of Bogotá; through Public Deed 16127 Dated November 13, 2007 of Notary Public Office 29 of Bogotá; through Public Deed 3348 dated April 8, 2009 of Notary Public Office 72 of Bogotá; through Public Deed 4878 dated June 5, 2009 of Notary Public Office 72 of Bogotá; through Public Deed No. 3742 dated April 29, 2010 of Notary Public Office 72 of Bogotá; through Public Deed No. 3041 dated April 28, 2011 of Notary Public Office 72 of Bogotá; and through Public Deed No. 3933 dated May 10, 2012 of Notary Public Office 72 of Bogotá.

Through Public Deed 3742 dated April 29, 2010 of Notary Public Office 72 of Bogotá, it was protocolized the change of name into BBVA Asset Management S.A. Trust Company, and for all legal purposes it may use the name BBVA Asset Management or BBVA Fiduciaria.

The Trust Company is a subordinate of Banco Bilbao Vizcaya Argentaria Colombia S.A.; it has its corporate domicile in the city of Bogotá. As of December 31, 2014 and 2013 it had 94 and 84 employees, respectively. Its term of duration goes until November 13, 2107 and it has a definitive operating permit issued by the Office of the Superintendent of Finance in Colombia (hereinafter, "the Superintendence"), as per Resolution 223 dated January 12, 1979,

Financial sector continues being key in the economic structure of the country, allowing financial expansion and maintaining capital stock

The main objective of the Trust Company consists of the celebration of mercantile trust agreements, the celebration of trust state contracts as foreseen by Law 80 of 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 development of its objective, the Trust Company essentially may acquire, transfer, tax, manage movable and immovable goods, 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 prior an authorization by the Office of the Superintendent of Finance in Colombia, formerly, the Office of the Superintendent of Securities (hereinafter "the Superintendence"). Its corporate purpose is the development of the commission contract for the purchase and sale of securities registered in the National Securities Registry ("Registro Nacional de Valores"), the development of security funds management contracts of its local and foreign clients and the performance of transactions on its own account. Further, it has authorization given by the Superintendence to carry out the activities that are proper of the securities market and for the advisory services in capital-market related activities.

The Broker belongs to the Grupo BBVA Colombia S.A.; it has its corporate domicile and exercises its commercial activity in the city of Bogotá, D.C. Its term of duration expires on April 11, 2091. As of December 31, 2014 and 2013 it had 20 and 23 employees, respectively.

On a country level, the Bank and its Subsidiaries have a cadre of personnel that amounted to 5,680 and 5,462 officers, respectively.

As of the December 2014 and 2013 closing the breakdown of the balance sheet of the entities that can be consolidated was as follows:

	2014			2013		
Entity	Assets	Liabilities	Equity	Assets	Liabilities	Equity
BBVA Colombia S.A.	$ 41,527,856	$ 38,032,216	$ 3,495,645	$ 34,883,283	$ 31,642,790	$ 3,240,493
BBVA Asset Management S.A.	99,208	7,669	91,539	93,376	7,274	86,102
BBVA Valores S.A.	14,342	2,046	12,296	12,557	1,558	10,999

2. Bases for presentation of the Financial Statements

Consolidation - The Bank and its Subsidiaries keep independent accounting records and prepare their financial statements in conformity with accounting principles generally accepted in Colombia and accounting instructions and practices established by the Superintendence, All these norms are considered by law as accounting principles generally accepted in Colombia for financial institutions.

Additionally, the Code of Commerce requires the elaboration of general-purpose consolidated financial statements in the fiscal periods, which are presented to the general stockholders' meeting, as supplementary information, but are not taken as a basis for dividend distribution or appropriation of profits.

These consolidated financial statements have been prepared on the basis of requirements prescribed by the Superintendence, with elimination of intercompany accounts and transactions.

The consolidated financial statements include the national financial subsidiaries under the supervision of the Superintendence, in which the Bank holds, either directly or indirectly, 50% or more of the outstanding voting shares. All the entities in which the Bank holds (directly or indirectly) less than 50% are recorded at cost in the "Available for sale investments in equity securities" item in the consolidated financial statements. The cost recorded in Financial Statements of this type of investment is the purchase price of the share, increased only by receiving dividends paid in shares.

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

	Nombre	Percentage of Share as of December 31		Acquisition or Start Month
Location	Name	2014	2013	
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

Inflation adjustments - Through External Circular Letter 014 dated April 17, 2001 issued by the Superintendence, the application of inflation adjustments for accounting purposes was eliminated as from January 1, 2001, for the Bank and the Trust Company, and as from January 1, 2002 for the Broker, Law 1111 of December 27, 2006 eliminated the adjustments for fiscal purposes.

The value of inflation adjustments applied from January 1, 1992 to December 31, 2000, for the Bank and the Trust Company, and until December 31, 2001 for the Broker, is part of the non-monetary assets and equity balances for all accounting purposes.

3. Significant accounting policies and practices

For the process of identification, recording, preparation and disclosure of its financial statements, the Bank and its subsidiaries apply the instructions and practices established by the Superintendence and the accounting principles enunciated in the Basic Accounting and Financial Circular Letter ("Circular Básica Contable y Financiera - hereinafter "CBCF") and in those matters not foreseen by them, it applies the accounting principles generally accepted in Colombia, established by Decree 2649 of 1993 and supplementary norms. Below there is a summary of significant accounting policies:

a. **Monetary market and related transactions** – According to Chapter XIX of the CBCF, the monetary market transactions are repo transactions, simultaneous transactions, temporary security transfers transactions, and interbank funds transactions.

   The difference between the present value (cash) and future value (resale price) is recorded, which constitutes income by way of financial performance, calculated exponentially during the term of the transaction and recognized in the income statement, in accordance with the accounting principle of causation.

   Repurchase agreement (Reporto) or repo, simultaneous and temporary security transfer transactions – Are those mentioned and defined in Decree 4432 of 2006 as:

   Repurchase agreement (Reporto) or repo and simultaneous transactions are those in which a party (the " Alienator/Transferor"), transfers the ownership of securities to another party (the "Acquirer/Transferee") in exchange for the payment of an amount of money (the "Initial Amount ") and in which at the same time the Acquirer/Transferee agrees to transfer to the Alienator/Transferor securities of the same species and characteristics in exchange for the payment of an amount of money (the "Final Amount ") on the same date or on a previously agreed-to subsequent date.

   And temporary security transfer transactions are those in which a party (the "Originator") transfers the ownership of some securities (subject matter of the transaction) to another party (the "Receiver"), with the agreement of re-transferring them on the same or a subsequent date. Concomitantly, the Receiver shall transfer to the Originator the ownership of other securities or an amount of money of the same or greater value than that of the subject matter of the transaction.

   Interbank funds: They are loans granted by the Bank to another financial entity or loans received directly, without the mediation of an investment transfer or credit portfolio agreement. In case the latter are present, it shall be considered that the transaction counts on collaterals for its performance. They are used with the purpose of helping as liquidity transfer mechanism.

   Interbank funds transactions likewise include the so-called over-night transactions, carried out with foreign banks using the national financial entity's funds.

   On January 8, 2008, the Banking Association created the formation scheme of the Reference Banking Indicator ("Indicador Bancario de Referencia – IBR") with the participation of the Ministry of Finance and Public Credit and of the Central Bank ("Banco de la República"), which seeks to establish a reference, short-term interest rate for the Colombian interbank market, reflecting the price at which participating agents are willing to offer or gather resources in the market.

The IBR's formation scheme for the overnight and one-month term consists of the fact that each of the eight participants quotes a nominal "choice" rate that reflects their liquidity position overnight and one-month term, with which the Central Bank calculates the median for each term, and establishes the bidders participating resource whose contribution rate is lower than the median, and the demanding participants when the rate is higher. The total nominal amount on which the IBR operates for the overnight and one-month term shall be $20,000 distributed amongst the four (4) entities (i.e., $5,000 each) granted by the offerors to the demanders. The yields generated are credited or charged to operations, as the case may be, on an accrual basis, according to External Circular Letter 001 of 2008 issued by the Superintendence.

Reporto or repo transactions, simultaneous and temporary security transfer – They are monetary market transactions in which a security is given or received as collateral for the loans granted or received. External Circular Letter 018 of 2007 modified the accounting treatment for each transaction and added the concept of closed and open repo, in which it is established that the securities subject matter of the repo transaction may or may not be immobilized, respectively.

b. Investments – Investments are classified, valued and recorded according to the provisions of Chapter I of the CBCF, that compiles in only one document the standards and instructions that are in force and effect issued by the Superintendence.

Classification of Investments – Investments are classified into marketable investments, held-to-maturity investments, or available-for-sale investments. In turn, marketable investments and available-for-sale investments are classified between debt and equity securities and in general any type of asset that may be part of the investments portfolio.

Debt securities mean those that grant to the holder of the respective security the capacity as creditor of the issuer.

Equity securities mean those that grant to the holder of the respective security the capacity as co-owner of the issuer.

Equity securities include mixed securities that come from securitization processes that simultaneously recognize credit and equity rights.

Bonds convertible into shares are understood as debt securities, so long as they have not been converted into shares.

Marketable investments - 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 marketable investments.

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 held-to-maturity investment. The purpose of keeping the investment is the positive and unequivocal intention of not transferring the security, in such a way that the rights incorporated therein are understood in the lead of investor.

With 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 National Treasury General Direction or the entities supervised by the Superintendence.

Without detriment to the foregoing, the securities classified as held-to-maturity investments may be given as collateral in a central counterpart risk chamber ("cámara de riesgo central de contraparte") with the purpose of backing-up compliance with the transactions accepted by the latter for its offsetting and liquidation, and on all other cases exceptionally determined by the competent authority.

Available-for-sale investments - Any value or security and, in general, any type of investment not classified as marketable investments or held-to-maturity investments are considered available-for-sale investments and with respect to which the investor has the serious purpose and the legal, contractual, financial and operating capacity of keeping them at least during six (6) months counted as from the day when they were classified in this category.

Once the six (6) month term referred to by the previous paragraph expires, on the first following business day, those investments may be reclassified into any of the other two (2) categories referred

to by numeral 3 of this standard, provided that they fully comply with the characteristics attributable to the classification applied. If they are not reclassified on that date, it is understood that the entity maintains the serious purpose of continuing to classify them as available-for-sale; consequently, the entity must keep them for a period equal to the one stated for that class of investments, they may not be reclassified without the prior and particular authorization of this Superintendence.

The serious purpose of keeping the investment is the positive and unequivocal intention of not transferring the respective value or security during the period referred to by the previous paragraphs, in such a way that the rights incorporated therein are understood during that time to be maintained by the investor.

Securities classified as available-for-sale investments may be delivered as collateral in a central counterpart risk chamber ("cámara de riesgo central de contraparte") with the purpose of backing up the compliance with transactions accepted thereby for their offsetting and liquidation. Likewise, liquidity, reporto or repo transactions, simultaneous or temporary securities transfer transactions may be carried out with these investments.

In all cases, available-for-sale investments include: equity securities with low or minimum marketability; securities that have no quotation, and equity securities held by an investor when they have the capacity as being the parent or controlling company of the respective issuer of these securities. Notwithstanding, for purposes of their being sold, these investments do not require the six (6) month permanence referred to in the first paragraph.

Adoption of investments classification - The decision of classifying an investment in any of the three (3) categories must be adopted by the entity at the moment of acquiring or purchasing such investments, and on the maturity dates of the term foreseen for available-for-sale investments.

In all cases, the classification must be adopted by the internal instance of the Bank with attributions to do it, and must consult the policies established for risk management and control.

Every study, evaluation, analysis, and, in general, all information that has been taken into account or as a result of which it could have been adopted the decision of classifying or reclassifying a security as held-to-maturity investments or available-for-sale investments, must be documented and kept available to the Office of the Superintendent of Finance in Colombia.

Reclassification of investments - For an investment to be maintained in any of the aforementioned classification categories, the same must comply with all characteristics or conditions that are proper of the class of investments it is a part of, indicated by numeral 4 Chapter I of the CBCF.

At any time, the Office of the Superintendent of Finance in Colombia may order to the entity supervised, the reclassification of a security, whenever it does not comply with the characteristics that are proper of the class in which it pretends to be classified or such reclassification is required to achieve better disclosure of the investor's financial position.

Without detriment to the provisions made in the previous paragraph, entities that are supervised may reclassify their investments only in conformity with the following norms indicated in numeral 4 Chapter I of the CBCF.

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

For the respective effects, the fair exchange price that shall be established must correspond to that for which a buyer and a seller, sufficiently informed, are willing to trade the corresponding security.

Fair exchange price or value for marketable investments is considered:

i.) The one that shall be determined by the price providers using those methodologies that comply with the requirements contained in Chapter XVI of Title I of the CBJ.

ii.) The one that should be determined through other methods established by the CBCF.

Behavior codes and controls implanted in the Bank mitigate risks and maintain Group's righteousness and integrity in relief and measurement of operational risk factors

Criteria for investments valuation - The determination of the fair exchange price or value of a value or security must consider all criteria necessary to guarantee compliance with the objective of the investments valuation established in the CBCF, and for all cases: objectivity, transparency, representativeness, evaluation and permanent 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 norms indicate a different frequency. Likewise, the accounting records necessary for the recognition of the investments valuation must be made with the same frequency foreseen for the valuation.

Investments valuation – Debt securities classified as marketable investments or as available-for-sale investments are valued according to the price supplied by the supplier of prices for valuation designated as official for the corresponding segment. According to External Circular 006/2012 of the Financial Superintendence of Colombia, market segments are all the investments that are part of the balance sheet of the controlled entity. For purposes of supervised entities forced to consolidate and those forced to submit to the Financial Superintendence combined financial statements, market segment are all the investments that are part of the consolidated balance sheet and/or combined as appropriate. Investments of funds from third parties, and generally any instrument of collective investment such as pension trusts, collective funds, universals and portfolios of third parties, are market segments.

Marketable investments are investments in debt securities, equity securities, real estate investments, investment securities and other economic rights that make up the portfolios or collective portfolios under their control, whether owned or managed on behalf of third parties.

The price provider for valuation in financial markets is an entity authorized by the Financial Superintendence of Colombia to advance activities of calculation, determination and information service for investment valuation. The providers are Infovalmer, Proveedor de Precios para Valoración S.A. (Resolution 1531 of 2012) and Proveedor Integral de Precios Colombia, Proveedor de Precios para Valoración S.A. (Resolution 1530 of 2012). For BBVA Colombia, the official provider, approved by the Board of Directors and reported as such to the Superintendence is INFOVALMER.

i) Marketable investments and available-for-sale investments, represented in debt securities or titles, must be valued based upon the price determined by the valuation price supplier using the following formula. *MV=NV * DP*

ii) For those cases where, for the valuation day, there are no fair exchange prices, the valuation must be made on an exponential fashion as from the internal rate of return. The fair market exchange price or value of the respective security must be estimated or approximated through the calculation of the summation 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-to in each security.

Determination of the internal rate of return: The respective securities must be valued in an exponential fashion starting from the internal rate of return calculated, in which case, the value for which the investment is recorded must be taken as purchase value and taking into account the future flows estimate. This procedure must be maintained until the security can be valued with a price determined by the price supplier.

Securities classified as held-to-maturity investments are valued on an exponential fashion as from the internal rate of return calculated at the moment of the purchase, on the basis of a 365-day year. Whenever it was established the use of the value of indicator of the start date off the period to be remunerated pursuant to terms and conditions of the issue, the internal rate of return must be recalculated every time that the face indicator value changes. In these cases, the present value as of the indicator's re-price date, excluding the yields enforceable pending to be collected, must be taken as the purchase value.

Whenever the use of the indicator value of the expiration date for the period to be remunerated should have been established in the conditions of the issue, the internal rate of return must be calculated each time that the face indicator value shall change.

In the case of securities that incorporate prepayment option, the internal rate of return must be calculated each time that future flows and payment dates for valuation purposes change, In these cases, the present value as of the recalculation date of the future flows must be taken as the purchase value.

Whenever there is objective evidence that a value impairment loss in these assets has been incurred in, the carrying value of the assets shall be directly reduced and the loss amount shall be recognized in results for the period.

Posting of investments - Se deben registrar inicialmente por su costo de adquisición y desde ese mismo día deberán valorarse a precios de mercado. La contabilización de los cambios entre el costo de adquisición y el valor de mercado de las inversiones, se realizará a partir de la fecha de su compra, individualmente, por cada valor, de la siguiente manera:

Initially, they must be recorded at their acquisition cost and as from that very day they must be valued at market prices. The posting of changes between the acquisition cost and the market value of investments shall be made as from the date of their purchase, individually, per each security, as follows:

In the case of marketable investments, the difference that shall appear between the current market value and the immediately prior one of the respective security must be recorded as a greater or lower value of the investments and its balancing entry affects the results of the period. In the case of debt securities, enforceable yields pending to be collected are recorded as a greater value of the investments. Accordingly, the collection of those yields is posted as a lower value of the investment.

In the case of available-for-sale equity securities, when dividends of profits are distributed in kind, they must be recorded as revenues, therefore, they affect the investment value. Dividends or profits that are distributed in cash must be recorded as a lower value of the investment.

In the case of held-to-maturity investments, the updating of present value is recorded as a greater value of the investment and its balancing entry affects the results for the period. Enforceable yields pending to be collected are recorded as a greater value of the investment. Consequently, the collection of those yields is recorded as a lower value of the investment.

In the case of available-for-sale investments, any changes suffered by the debt securities or securities value are recorded pursuant to the following procedure:

i) Posting of the present value change. The difference between the present value on the valuation day and the immediately previous one must be recorded as a greater value of the investment with credit to operating accounts.

ii) Adjustment to market value. Any difference existing between the market value of those investments and the present value referred to by the previous literal must be recorded as an unrealized accrued gain or loss within the equity accounts.

Enforceable yields pending to be collected should be maintained as a greater value of the investment. Consequently, the collection of those yields must be posted as a lower value of the investment..

Provisions or losses due to credit risk rating - Debt securities or titles as well as equity securities with low or minimum marketability or with no quotation (unlisted) are adjusted each valuation date based upon the credit risk rating.

Internal or external public debt securities issued or endorsed by the Nation, securities issued by the Central Bank and those issued or guaranteed by the Financial Institutions Collateral Fund ("Fondo de Garantías de Instituciones Financieras – FOGAFIN") are not subject to the provisions of the previous paragraph.

According to the regulation modified through External Circular Letters 021 of 2003 and 003 of 2004 issued by the Superintendence, investments are classified per credit risk levels as follows:

- *Securities or titles of issues or issuers that have external ratings* - The securities or titles that count on one or several ratings granted by external rating agencies duly recognized by the Superintendence, or the debt securities or titles issued by entities that have been rated by the same, 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:

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

- *Securities and/or titles of non-qualified issues or issuers* – For the securities and/or titles that do not count on an external rating or debt securities and/or titles issued by entities that are not rated, the amount of the provisions must be determined based upon the methodology that shall be determined for that purpose by the investor entity. Such methodology must be previously approved by the Superintendence.

  Investor entities that do not count on an approved internal methodology for determination of provisions referred to by this numeral must be subject to the following:

- *Category "A"*- Investment with "normal" risk: Corresponds to issue that are complying with all terms agreed-to in the security or tittle and count with adequate capacity of payment of principal and interest, as well as those investments of issuers that according to their financial statements and other information available reflect an adequate financial position.

  For all securities or tittles that are in this category the recording of provisions is no applicable.

- *Category "B"*- Investment with "acceptable" risk, greater than normal: Corresponds to issues that show uncertainty factors that might affect the capacity to continue to adequately comply with the services of debt. Likewise, it includes those investments from issuers that according to their financial statements and other available information, present weaknesses that might affect their financial position.

- *Category "C"*- Investment with "appreciable" risk: Corresponds to issues that show a high or medium probability of default with the timely payment of principal and interest. Likewise, it includes those investments of issuers that according to their financial statements and other available information show deficiencies in their financial position that compromise the recovery of the investment.

- *Category "D"*- Investment with "significant" risk. Corresponds to those issues that show default with the terms agreed-to in the security, as well as the investments made in issuers that according to their financial statements and other available information show deficiencies accentuated in their financial position, so that the likelihood of recovering the investment is highly doubtful.

- *Category "E"*- IUncollectible investment: Corresponds to those investments of issuers that according to their financial statements and other available information it is estimated to be uncollectible. The net value of the investments classified in this category must be equal to zero.

When an entity that is supervised should rate in this category any of the investments, it must carry to the same category all of its investments from the same issuer, except is it is demonstrated to the Superintendence the existence of true reasons for their classification in a different category.

External classifications which are referred to for this type of valuation must be made by a security rating company duly authorized by the Superintendence, or by an internationally recognized security rating agency, when referring to securities issued by foreign entities and placed abroad.

In case that the investment or the issuer counts with classifications/ratings from more than one rating agency, the lowest rating must be taken into account, if they were issued within the last three (3) months, or the most recent one whenever there is a term greater than such period between one and the other rating.

- *Availability of evaluations* - All evaluations conducted by the institutions supervised must remain available to the Superintendence and the Statutory Audit.

c. Portfolio of receivables, leasing contracts, accounts receivable and their provisions - Loans are posted based upon their nominal value and are classified as: commercial, consumer, housing (mortgage) and microcredit.

   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 certified by the Central Bank and reflects the purchasing power based on the change in the Consumer Price Index (CPI) during the month prior to the start of the calculation period.

   - Are covered with first mortgage collateral constituted on the housing that is financed.

   - 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 Non IH Housing (Non Income Housing), the financing shall be up to eighty five percent (85%). Income Housing is for disadvantaged people in Colombia, which earn less than four (4) monthly legal minimum wages.

   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 different to those classified as microcredits.

   Microcredit portfolio: Records the set of transactions granted to micro-companies the cadre of personnel of which does not exceed ten (10) workers and has total assets lower than 501 and the maximum amount of the credit operation is 25 minimum legal monthly wages in force and effect (SMMLV, for its Spanish initials). 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 microcredit modality,

   According to the standards of the Superintendence in force and effect, the Bank has been conducting two evaluations to its commercial portfolio, during the months of May and November, as well as one monthly update over the new ordinary loans and restructured loans. The update of the ratings is recorded during the months of June and December and based upon those the provisions are posted. According to the regulations, loans are classified by risk levels: (A- Normal, B- Acceptable, C-Appreciable, D- Significant, and E- Uncollectible). Portfolio assessment seeks to identify subjective risk factors, determining the short- and medium-term payment capacity; in this fashion, it allows anticipating to the possible losses through the adjustment in the rating.

As from the second semester of 2010, the portfolio assessment is conducted in an entirely automated fashion, through statistical processes that infer client information such as minimum probable income, adding the behavior with the sector and the service of debt, with the purpose of determining the most relevant risk factors. It is a proactive process for the most prudent and effective measurement of risk.

For commercial portfolio, the Bank may deepen minor segments, due to the new technology developments. The assessment of commercial portfolio is performed for the entire portfolio.

As from July 1, 2007 and from July 1, 2008 the commercial and consumer portfolio credits, respectively, are rated and provisioned on a monthly basis based upon the reference models defined by the Superintendence. Likewise, the standard in force and effect for calculating procyclical and countercyclical provisions is applied as from April 2010.

Prior to the process of allowance determination and ratings for each debtor, it is carried out the internal alignment that consists of carrying to the greater risk category the credits of the same modality granted thereto.

The evaluations and estimates of the likelihood of credits impairment and of the expected losses are made by weighting objective and subjective criteria, taking into account the following aspects:

Credit risk rating – Until the internal credit risk methodology, in compliance with the Credit Risk Management System ("Sistema de Administración de Riesgo Crediticio – SARC), is in full operation, the following criteria are applied as sufficient objective conditions to classify the credits into risk categories:

Risk	Micro-credit (Months in arrears)	Mortgage (Months in arrears)
"A" Normal	Current & up to 1	Up to 2
"B" Acceptable	From 1 to 2	From 2 to 5
"C" Appreciable	From 2 to 3	From 5 to 12
"D" Significant	From 3 to 4	From 12 to 18
"E" Uncollectible	Greater than 4	Greater than 18

Commercial credits have the following minimum conditions to classify risk according to the reference model (MRC):

A comprehensive system of Risk Management makes BBVA Colombia a safe and reliable bank

Risk	Commercial (Days in arrears)
"AA"	Current & up to 29
"A"	From 30 to 59
"BB"	From 60 to 89
"B"	From 90 to 119
"CC"	From 120 to 149
"D & E" Unfulfilled	More than 149

Ratings of credits with territorial entities – In addition to the foregoing, the Bank reviews and verifies compliance with the different conditions established by Law 358 of 1997.

Loans in charge of clients that are admitted within the normative of Law 550 of December of 1999, keep the rating they had before the restructuring agreement, keep the provisions they had created and the accrual of interest is suspended.

Créditos de consumo – The rating of consumer loans is made according to the MRCO – Consumer Portfolio Reference Model *("Modelo de Referencia para Cartera de Consumo – MRCO")* established by the Superintendence, which considers segments of products (automobiles, credit cards, and others) and credit establishments (Banks and financing companies); behavioral variables such as: delinquency at cut-off date, payment behavior during the last 36 months, payment behavior of the most recent three quarterly cut-offs, other active credits different to the segment to be evaluated, guarantees and prepayment in credit cards; the previous variables allow assigning a value (z) for each client, which is replaced in the following formula to obtain the score, as follows:

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

Where (z) varies according to the segment to which the debtor belongs, taking into account the specifications established in the MRCO model for each sector.

The table for determining the rating according to the score obtained is:

Rating	Score up to		
	General automobiles	General Others	Credit Card
AA	0.2484	0.3767	0.3735
A	0.6842	0.8205	0.6703
BB	0.81507	0.89	0.9382
B	0.94941	0.9971	0.9902
CC	1	1	1
D-E	Delinquency in excess of 90 days, clients with written-off or restructured portfolios		

Subsequently, it may change its rating to lower-risk categories, provided the conditions established by the Superintendence are complied with.

Individual provision – Provisions are calculated according to Chapter II of the CBCF, as indicated below for each credit modality:

Housing (mortgage) credit - Provisions the principal amount of the loans according to the ratings assigned below:

Credit Rating	Percentage of provision on the portion guaranteed	Percentage of provision on the non-guaranteed portion
A	1%	1%
B	3,2%	100%
C	10%	100%
D	20%	100%
E	30%	100%

Additionally, once 2 and 3 years have elapsed since the credit has been rated in category E, 60% and 100%, respectively, shall be provisioned on the guaranteed portion.

Micro-credit loans – The lower limit of principal provision for each risk level is as follows, weighting the collateral at 70% for the credits of up to twelve months in arrears:

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

Guarantees (Collateral) - For provision calculation purposes the collaterals are weighted using the following percentages according to the delinquency of credits:

Mortgage Collateral		Non-mortgage Collateral	
Time in Arrears (months)	Percentage	Time in Arrears (months)	Percentage
0 – 18	70%	0 – 12	70%
18 – 24	50%	12 – 24	50%
24 – 30	30%	> 24	0%
30 – 36	15%	-	-
> 36	0%	-	-

According to current norms in force, as from January 1, 2002, any pledge collateral that should exist on the debtor's commercial or industrial establishments, the mortgage collateral on immovable assets where it operates the respective establishment and the collateral on immovable assets for destination that are part of the respective establishment, weight at 0% of their value; for that reason, they were reclassified as non-fit collateral.

Commercial portfolio credits (reference model): The expected loss for commercial portfolio credits shall result from applying the following formula:

Expected loss = (P.I.) * (asset's exposed value) * (P.D.I)

Where:

PI (Default probability): Probability that over a 12-month period a debtor incurs in default. It is assigned according to the company's segment and its rating, as follows:

Segment	Size as per Asset level
Large	More than 15,000 s.m.m.l.v.
Medium	Between 5,000 and 15,000 s.m.m.l.v.
Small	Less than 5,000 s.m.m.l.v.
Natural person	Not applicable

The default probabilities by segment for 2014 and 2013, are as follows:

Matrix A

Rating	Large Company	Medium Company	Small Company	Natural Person
AA	1.53%	1.51%	4.18%	5.27%
A	2.24%	2.40%	5.30%	6.39%
BB	9.55%	11.65%	18.56%	18.72%
B	12.24%	14.64%	22.73%	22.00%
CC	19.77%	23.09%	32.50%	32.21%
In Default	100.00%	100.00%	100.00%	100.00%

Matrix B

Rating	Large Company	Medium Company	Small Company	Natural Person
AA	-	4.19%	7.52%	8.22%
A	3.54%	6.32%	8.64%	9.41%
BB	14.13%	18.49%	20.26%	22.36%
B	15.22%	21.45%	24.15%	25.81%
CC	23.35%	26.70%	33.57%	37.01%
In Default	100.00%	100.00%	100.00%	100.00%

PDI (loss given default): It is the economic impairment the Bank shall incur in case the default is materialized.

A client is considered in default in the following cases:

- Commercial portfolio credits that are past due for a period greater than or equal to 150 days.
- Debtors that record written-off receivables with the Bank or in the financial system, according to risk central bureaus' information,
- Clients that are in a bankruptcy proceeding.
- Debtors with restructurings in the Bank under the same modality.
- Clients with extraordinary restructurings (rated C, D or E)

In 2014, BBVA strengthened its electronic network of services with the introduction of more than 11.000 Non-Banking Correspondents throughout the country

The PDI for debtors rated in the in-default category suffers a gradual increase according to the days elapsed after the rating into such category. The PDI by type of collateral is as follows:

Type of Collateral	P.D.I.	Past due days in default	New PDI	Past due days in default	New PDI
Non-admissible collateral	55%	270	70%	540	100%
Subordinated credits	75%	270	90%	540	100%
Admissible financial collateral	0% Dineraria 12% FNG	-	-	-	-
Commercial and residential real estate	40%	540	70%	1.080	100%
Good given under real estate leasing	35%	540	70%	1.080	100%
Good given under other than real estate leasing	45%	360	80%	720	100%
Other collateral	50%	360	80%	720	100%
Collection fees	45%	360	80%	720	100%
Without collateral	55%	210	80%	420	100%

Asset's exposed value: The outstanding balance for principal, interest and other concepts that the client owes at the moment of estimating expected losses is considered as the asset's exposed value.

Consumer credits: The expected loss for consumer receivables credits shall result from the application of the following formula:

Expected loss = (P.I.) * (Asset's exposed value) * (P.D.I)

Where:

PI (Default probability): IProbability that over a 12-month period the debtors of certain segment and consumer receivables rating incurs in default.

For the second time, Recognition IR (Investor Relations) was awarded to the Bank, an initiative promoted by the Colombian Stock Exchange (BVC) by the voluntary adoption of practices that optimize the relationship with investors

The default probabilities for 2014 and 2013, were defined as follows:

Matrix A

Rating	General -automobiles	General - Other	Credit Card
AA	0.97%	2.10%	1.58%
A	3.12%	3.88%	5.35%
BB	7.48%	12.68%	9.53%
B	15.76%	14.16%	14.17%
CC	31.01%	22.57%	17.06%
In-default	100.00%	100.00%	100.00%

Matrix B

Rating	General -automobiles	General - Other	Credit Card
AA	2.75%	3.88%	3.36%
A	4.91%	5.67%	7.13%
BB	16.53%	21.72%	18.57%
B	24.80%	23.20%	23.21%
CC	44.84%	36.40%	30.89%
In-default	100.00%	100.00%	100.00%

In addition to compliance with External Circular Letter 043 of 2011 issued by the Superintendence and taking into account the principle of prudence, the PDI rates for each default level, for consumer credits with no collateral that the Bank uses are as follows:

For transactions past due up to 119 days, a 75% PDI is applied.

For transactions past due between 120 and 149 days, an 85% PDI is applied.

For transactions past due between 150 and 179 days, a 90% PDI is applied.

For transactions past due in excess of 179 days, a 100% PDI is applied.

For all other collaterals, it was applied what was established in the "PDI per type of collateral" table, of Numeral 5.2, Annex 5, Chapter II, of the CBCF.

Additional provisions of a temporary character, Circular Letter 026 of 2012: La Superintendencia en ejercicio de sus facultades legales, considera prudente que las entidades constituThe Superintendence in exercise of its legal powers considers prudent for the entities to create, on a temporary basis, an additional individual provision on the consumer portfolio, prior compliance with the growth indicators of the past due receivables that are indicated in the aforementioned circular letter.

Entities obliged to create the additional individual provision must calculate the procyclical individual component as they normally do, as established by numeral 1.3.4.1, of Chapter II of the CBCF, and they shall add to it 0.5% over the principal balance of each consumer credit of the month of reference, multiplied by the corresponding PDI.

PDI (loss given default): – It is the economic impairment the Bank shall incur if default is materialized.

A client is considered in default in the following cases:

- Consumer portfolio credits that are past due in excess of 90 days.
- Debtors that record written-off receivables with the Bank or in the financial system, according to risk central bureaus' information.
- Clients that are in a bankruptcy proceeding.
- Debtors with restructurings in the Bank under the same modality.

The PDI for debtors rated in the in-default category suffers a gradual increase according to the days elapsed after the rating into such category. The PDI by type of collateral is as follows:

Type of Collateral	PDI	Days after default	New PDI	Days after default	New PDI
Non-admissible collateral	60%	210	70%	420	100%
Admissible financial collateral	0-12%	-	-	-	-
Commercial and residential real estate	40%	360	70%	720	100%
Goods given under real estate leasing	35%	360	70%	720	100%
Goods given under other than real estate leasing	45%	270	70%	540	100%
Other collaterals	50%	270	70%	540	100%
Collection fees	45%	360	80%	720	100%
With no collateral	75%	30	85%	90	100%

Asset's exposed value: The outstanding balance for principal, interest and other concepts that the client owes at the moment of estimating expected losses is considered the asset's exposed value.

During 2009 and until March 31, 2010, the Bank determined the individual provision based upon Matrix B, the total individual provision (currently individual provision) based upon Matrix A (currently procyclical individual component) and the countercyclical individual provision (currently countercyclical individual component) as the difference between Matrix B and Matrix A.

As from April 1, 2010, according to External Circular Letter 035 of 2009 issued by the SFC, the Bank applied the provision calculation methodology in a cumulative phase based upon the evaluation of indicators.

With the foregoing, the individual provision of credit portfolio under the reference models is established as the addition of two individual components defined as follows:

Procyclical individual component (hereinafter CIP): Corresponds to the portion of the individual provision of the credit portfolio that reflects the credit risk of each debtor, in the present.

Countercyclical individual component (hereinafter CIC):): Corresponds to the portion of the individual provision of the credit portfolio that reflects the possible changes in credit risk of debtors in times where the impairment of those assets increases. This portion is created with the purpose of reducing the impact on the statement of income whenever that situation should appear. Internal or reference models must take into account and calculate this component based upon the available information that reflects those changes.

With the purpose of determining the methodology to be applied for calculating these components, the following indicators must be evaluated on a monthly basis:

a) Actual quarterly variation (deflated) of individual provisions of total receivables B, C, D and E.

b) Quarterly accumulation of provisions net of recoveries (credits and leasing receivables) as a percentage of the quarterly accumulated revenue from receivables and leasing interest.

c) Quarterly accumulation of provisions net of recoveries of credits and leasing receivables as a percentage of the quarterly accumulated figure of the gross adjusted financial margin.

d) Actual annual growth rate (deflated) of the gross portfolio of receivables.

The expectations in normalization of monetary terms by USA towards the end of 2015 are optimistic, due to its growth during 2014 that allowed the gradual clearing of the Federal Reserve liquidity measures

Once the above indicators are calculated, it is determined the methodology for calculating the components of the individual provisions of credit portfolio of receivables. If during three consecutive months the following conditions are jointly complied with, the calculation methodology to be applied during the following six months shall be the calculation methodology in de-cumulative phase. In any other case, the calculation methodology to be applied in the following month shall be the Methodology of Calculation in Cumulative Phase:

$$(\Delta \Pr ovInd_{BCDE})_T \geq 9\% \ y (PNR/IxC)_T \geq 17\% \ y$$
$$[(PNR/MFB_{Adjusted})_T \leq 0\% \text{ ó } (PNR/MFB_{Adjusted})_T \geq 42\%] \ y \ \Delta CB_T < 23\%$$

Methodology of calculation in cumulative phase: – For each modality of portfolio subject to reference models, it shall, independently be calculated the individual portfolio provision defined as the addition of two components (CIP + CIC), hereinafter, i shall be understood as each obligations and t as the moment when provisions are calculated:

Procyclical individual component (CIP, for its Spanish initials): For all the portfolio, it is the expected loss calculated with Matrix A, i.e., the result obtained after multiplying the debtor's exposure, the Default Probability (hereinafter PI) of Matrix A and the Loss Given Default (hereinafter PDI, for its Spanish initials) associated to the debtor's collateral, as established in the corresponding reference model.

Countercyclical individual component (CIC, for its Spanish initials): It is the maximum value between the countercyclical individual component in the previous period (t-1) affected by the exposure and the difference between the expected loss calculated with Matrix B and the expected loss calculated with Matrix A at the moment of calculating the provision (t), in conformity with the following formula:

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

Where $Exp_{i,t}$ corresponds to the exposure of the obligation ***(i)*** at the moment of the calculation of the provision ***(t)*** according to what is established in the different reference models.

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

Methodology for calculation in de-cumulative phase: For each portfolio modality subject to reference models, it shall be calculated, independently, the individual portfolio provision defined as the addition of two components (CIP + CIC), hereinafter, i shall be understood as each obligations and t as the moment when provisions are calculated:

Procyclical individual component (CIP): For portfolio A, it is the expected loss calculated with Matrix A, i.e., the result obtained after multiplying the exposure of the debtor, the PI of Matrix A and the PDI associated to the debtor's collateral, as established in the corresponding reference model.

For portfolios B, C, D, and E it is the expected loss calculated with Matrix B, i.e., the result obtained after multiplying the exposure of the debtor, the PI of Matrix B and the PDI associated to the debtor's collateral, as established in the corresponding reference model.

Countercyclical individual component (CIC): It is the difference between the countercyclical individual component in the previous period (t-1), and the maximum value between the individual de-accumulation factor (FD) and the countercyclical individual component of the previous period (t-1) affected by the exposure, in conformity with the following formula:

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

The de-accumulation factor is given by:

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

- PNR_{CIP-m} Are the provisions net of recoveries for the month, associated to the procyclical individual component in the respective portfolio modality (m).

- $\sum_{activa\,(st)} CIC_{i,t\text{-}1}$: It is the addition over the active obligations at the moment of calculating the provision (t) in the respective modality (m), of the balance of the countercyclical individual component thereof in (t-1).

- $FD_{i,t} > 0$, if the amount is negative, it is assumed as being zero.
- When $\left(\frac{Exp_{i,t}}{Exp_{i,t-t}}\right) > 1$,it is assumed as being one (1).

According to External Circular Letter 026 of 2012, the Bank performed the creation of an individual provision additional to the procyclical individual component, which corresponds to 0.5% over the principal balance of each consumer credit, multiplied by the corresponding PDI. According to guidelines defined by the regulator, this measure is temporary in character; the impact on the financial statements of this normative change is disclosed in Note 9.

General provision – As established by current norms of the Superintendence, the Bank has created a mandatory general provision corresponding to one percent (1%) of the gross portfolio for credits corresponding to housing (mortgage) and microcredit portfolios.

Credits write-off – The Bank makes a selection of those transactions that are 100% provisioned the collection management of which has been fruitless, after having executed sundry collection mechanisms including the judicial methods, in order to request to the Board of Directors the retirement of those assets by means of a write-off. Once the Board of Directors authorizes the write-off of the transactions selected, they are recorded and the corresponding report is made to the Superintendence in the format designed for that purpose.

Notwithstanding having made the write-off of credit transactions given the impossibility of their collection, the administrators continue with their collection management through formulas that lead to the total recovery of the obligations.

As a general rule, there is inclination for an integral punishment to the client, i.e., to pass all active operations

of the debtor to "failed". Likewise, the best possible ratio regarding missing provisions should be sought so that in such a way that the least impact on the expenses write-off is achieved.

Suspension of interest accrual and other concepts – EWith respect to the suspension of yield accrual, the norm establishes that whenever a credit is delinquent in excess of two (2) months for housing (mortgage) and consumer credits, in excess of one (1) month for microcredits, and in excess of three (3) months for commercial credits, it will not accrue interest, monetary correction, exchange adjustments, rates of rental and other revenues.

At the same time when yield accrual is suspended, the entire amount pending to be collected corresponding to those concepts is provisioned.

Agreement for company business recovery ("Acuerdos concordatarios") – Loans in charge of 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, loan 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.

The Trust Company and Broker showed no credit portfolio balance.

d. **Accounts receivable** – In this item, the Broker Company recorded all accounts receivable from clients related to the management of securities and foreign investment funds, the management of security funds, and accounts receivable from employees, among others.

It records a provision equivalent to 100% of the account receivable balance whenever it shows six (6) months past due (Resolution Number 497, dated August 1, 2003)

The Trust Company assesses for credit risk the accounts receivable from commissions, taking into account the provisions of the "CBCF", which states in numeral 2.5.1 of Chapter II that accounts receivable generated by service commission of trust companies shall be rated according to the delinquency period criterion established for commercial credits. Likewise, provisions will be determined as established in numeral 2.1.2.1 of the aforementioned chapter's annex, the most recent update of which was made with External Circular Letter 004 of December 2005 issued by the Superintendence, taking into consideration the ratings and maturities, as follows:

Rating	Maturities	Percentage of Provision
A Normal risk	Up to one (1) month	-
B Greater-than-normal, acceptable risk	From 1 to 3 months	1%
C Appreciable risk	From 3 to 6 months	20%
D Significant risk	From 6 to 12 months	50%
E Un-collectability risk	More than 12 months	100%

For purposes of the creation of 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 until they are actually collected. While their collection is produced, the respective recording is made in contingent accounts.

When the trust company receives credit portfolio through trust mandates or should manage them through autonomous equities, it is understood that it must manage the credit risk in accordance with the scope established in Chapter II of the "CBCF". Therefore, the trust companies must maintain adequate management and measurement of the credit risk implicit in those assets through a SARC. The latter assumes 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-to 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 SARC approved to the trustor with whatever scope is contractually agreed-to will be used.

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-to in the respective contract.

As of December 31, 2014 and 2013, the Trust Company showed no credit risk that implied the need and compulsoriness to adopt a SARC under the terms indicated in Chapter II of the "CBCF".

Management meet 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.

e. **Banker's acceptances** – Banker's acceptances are bills accepted by financial entities to be paid to the beneficiaries within a term not to exceed six (6) months. They may only be originated in goods import and export transactions or of the purchase-sale of movable assets in the country. Upon acceptance of those bills, their value is simultaneously recorded by the Bank in assets and in liabilities. The amounts recorded in assets are assessed for credit risk according to the general procedures for loan portfolio assessment.

f. **Contracts with derivative financial instruments** – Are classified, valued and recorded in accordance with the provisions of Chapter XVIII of the CBCF, that collects in one document the existing standards and instructions issued by the Superintendence; the new chapter is issued by External Circular Letter 025 in 2014.

The valuation of derivative financial instruments and of structured products must be carried out on a daily basis and at fair exchange price, defined according to the terms of numeral 2.21 of the aforementioned Chapter.

The Bank must record all its derivative financial instruments, structured products and primary positions covered in its financial statements, using the PUC accounts available, in accordance with the guidelines and criteria established by the Superintendence.

Accounting codes for recording the derivative financial instruments have been enabled to distinguish between those with speculative purposes and those with hedging purposes. In turn, accounting codes are established within these classifications for the different classes of instruments. The derivative financial instruments that shall give a positive fair exchange price, i.e., favorable to the Bank, must be recorded in assets, separating the value of the right and the value of the obligation, except in the case of options where the book record is made in only one account. In turn, those that shall give a negative fair exchange price, i.e., unfavorable to the bank, must be recorded in liabilities, making the same separation. Such accounting treatment must be applied both if the derivative financial instruments are realized with speculative purposes or with hedging purposes.

Whenever the Bank should purchase options, either "call" or "put", the book record of both the premium paid, and its daily variation at fair exchange price is always made in the respective options subaccounts in the Assets. In turn, whenever the Bank should sell options, either "call" or "put", the book record of the premium received, and of its daily variations at fair exchange price must always be made in the respective options subaccounts in the Liabilities.

Colombia has been able to absorb the clash supply of two of its main export products: petroleum and coal, due to the consistency of its macroeconomic policies and to the exchange flexibility

Whenever the fair exchange price of the derivative financial instrument should be zero (0), whether on the initial date or on a subsequent date, its book record must be made in Assets if it is a derivative financial instrument with speculative purposes. But, if it is a derivative financial instrument with hedging purposes, in that case, its book record must be made in the corresponding side of the balance sheet (assets or liabilities) on the basis that it should be recorded in the opposite side to that where the primary position hedged is located.

In balance sheet accounts, no offsetting (nettings) between favorable and unfavorable balances of different derivative financial instruments should be made, even if they are the same type. So, for instance, peso-dollar forward transactions that have fair exchange prices with opposing signs may not be offset (netted), but each of them must be recorded in assets or liabilities, as it should correspond.

Given that the derivative financial instruments must be valued as from the very day they are entered into, their fair exchange price may be different from zero (0) at the closing of the initial date and in that way must be recorded in books.

On the other part, given that on the date an option is entered into it is customary to have the payment or receipt of a premium, corresponding to the value for which the parties trade the option, the variations in the fair exchange price of the option with respect to such initial value, actually paid, that should occur as a result of the daily valuation, must affect the statement of income and/or the corresponding equity account, according to whether it is a derivative financial instrument entered into with speculative purposes or with hedging purposes.

Also, with respect to options, the agreed-to nominal fixed amount multiplied times the respective price or exercise rate agreed-to by the contracting parties, must be reported by the Bank in the respective contingent memorandum accounts enabled for that purpose.

On the liquidation date of those derivative financial instruments, the corresponding balances of balance sheet accounts (including those equity accounts used when recording derivative financial instruments for hedging purposes) must be cancelled and any difference must be imputed as profit or loss in the respective statement of income accounts, as applicable. If the accumulated balance of the derivative financial instrument on that date is positive, it must be immediately recorded in the revenues subaccount, and if it is negative, it must be recorded in the respective expenditures subaccount. This procedure must be carried out independently, instrument by instrument, each time they are liquidated.

Whenever there are derivative financial instruments in which a counterparty central risk chamber is placed as counterparty thereof and their offsetting and liquidation are performed daily and at maturity, the right is equal to the obligation and their book record must be made in the balance sheet in the futures accounts or in those enabled for that purpose. The offsetting and liquidation of those instruments is only carried upon maturity, the right is different from the obligation and their book record must be made in the balance sheet in the respective derivative accounts, according to their purpose, type and underlying, in the same way it is made for the recording of OTC derivative financial instruments, applying the corresponding accounting instructions.

Whenever there are structured products in which a counterpart central risk chamber is placed as counterparty thereof, regardless of whether their liquidation is on a daily basis and upon maturity or only upon maturity, their book record must be made in the respective accounts enabled for this purpose, applying the corresponding accounting instructions.

The Bank makes time (term) contracts for the purchase or sale of investments in securities and/or foreign-currency investments for investment financial hedging purposes. The most common ones are forwards, options, futures and swaps or financial barters. These contracts are recorded in the derivatives item.

The Broker and the Trust Company did not show this type of transactions.

g. **Cash options** – Through External Circular Letter 028 of 2009, the SFC issued the new Chapter XXV of the CBCF, where it gives rules for the operation, recording, risk assumption and defines it as "A cash operation is that recorded with a term for its compensation and liquidation that is equal to the celebration date or recording date of the transaction, i.e., from today to today (t+0), or up to three (3) business days counted as from the day after the transaction is recorded (t+3)". Likewise, it reiterates that these transactions will be recorded in the balance sheets of the entities on the compliance or liquidation date, and not on the negotiation date, unless the two of them match. This standard clearly states that the market risk is assumed as from the negotiation date.

Cash options are recorded in the balance sheets of entities in the compliance date or settlement date and not on the trade date, unless these two coincide. Therefore, the records in the balance sheet are in harmony with the records of trading systems or systems registration of securities transactions. Without limiting the foregoing, changes in the market value of the alienated instruments should be reflected in the income statement from the date of negotiation, as appropriate.

Under the method of the settlement date, the seller will record the financial asset on its balance sheet until delivery there until delivery thereof and additionally accounting record in the asset accounts enabled for this type of operation, the right to receive the proceeds of the transaction and an obligation to deliver the negotiated asset. These negotiated asset will be valued at market prices and therefore should be recorded in the income statement the variations of the value of this obligation.

For its part, the asset buyer will not record the financial asset on its balance sheet until its delivery, but will accounting record, in the asset accounts enabled for this type of operation, the right to receive the asset, which should be evaluated at market price and an obligation to deliver the money agreed in the operation.

When the operation is complied, the buyer and the seller of the asset revert the right and the obligation recorded since the time of negotiation.

Therefore, in a cash transaction, the buyer of an asset assumes its market risks (e.g. interest rate, exchange rate or price of the instrument) from the trade date, for which daily records the changes in market value charged or credited to income statement accounts, using as counterpart the registered right, as applicable to a greater or lesser value of the asset.

h. **Foreclosed assets - BRDP –** The goods received as payment of obligations are recorded for the final value agreed-to with the debtors, or for the value determined in the judicial award.

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

The Bank has two (2) years to transfer the foreclosed assets and two (2) years of extension, at the most.

The commercial value of the immovable assets is updated with a new appraisal, the date of elaboration of which cannot be greater than three (3) years.

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 recognized in the statement of income.

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

When the market value of the BRDP should be greater than the net cost, appraisals/ valorization is recorded in memorandum accounts.

For purposes of the provisions of Article 110, numerals 6 and 7 of the Organic Bylaws of the Colombian Financial System ("Estatuto Orgánico del Sistema Financiero Colombiano - EOSF"), credit establishments must have a BRDP Administration System that allows adequately managing them with the purpose of transferring them and calculating the level of allowances necessary to cover for expected losses derived from the non-transfer thereof within the terms established in the norm of the Superintendence. This system must contemplate at least the following:

- Policies related to acceptance, administration and transfer of BRDP.
- Procedures for the acceptance, administration and transfer of BRDP.
- Mechanisms for estimation of losses and quantification of provisions.
- Rules on the system's control procedures.

In order to determine the maximum expected loss, the Bank applied the norms indicated in numerals 1.3.1.2 and 1.3.2 of Chapter III of the CBCF, which was approved by the Superintendence through communication 2008005319-001-000 dated March 3, 2008. They are as follows:

Good	Provision percentage for 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 (see description in Note 14).

Movable BRDP - In any event, the application of provision rules on movable BRDP should consider the nature of the good, so that provisions corresponding to investment securities should reflect the criteria established for that purpose by the Superintendence in the CBCF, Chapter I Classification, valuation and recording of investments, taking into consideration for that purpose the type of investment (marketable, available-for-sale or held-to-maturity).

Restructuring Agreement Law 550 of December 30, 1999 (Territorial Entities) or Law 1116 of Enterprise Reorganization - Immovable goods other than commercial or industrial establishments received as dation in payment (foreclosed assets) resulting from restructuring agreements are provisioned starting after the twelve (12) months following the date the agreement is entered into, through monthly aliquots.

Such provision shall be applied as follows:

- During the subsequent thirty-six (36) months, and up to seventy percent (70%) of their value, in the case of immovable devoted to housing.
- During the subsequent twenty-four (24) months, and up to eighty percent (80%) of their value, in the case of other type of immovable assets.

Whenever the commercial value of the good is lower than the amount recorded in the balance sheet, it is immediately provisioned with a charge to operating profit.

The Broker and the Trust Company did not record goods received as payment (foreclosed assets) as of the 2014 and 2013 cut-offs.

i. **Goods given under leasing and depreciation** – – The Leasing is a financing mechanism whereby, through a contract, one party gives to another party a productive asset for their usufruct (use and enjoyment), in exchange for a rate of rental.

The so-called financial leasing is a contract whereby the Bank gives to a natural or legal person, denominated "The lessee", the tenancy of an asset that is 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.

General principles and criteria that the Bank applies for the adequate assessment of credit risk have been considered in the Financial Leasing transactions.

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.

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.

In operating leasing transactions, the cost of goods given is recognized as property, plant and equipment, and their depreciation is conducted over the useful life of the good, or the leasing contract term, whichever is lower; the methodology is the financial depreciation (deducting the residual or rescue value). However, when the entity does not have the residual or rescue value guaranteed by a third party, the depreciation is made for one hundred percent of the value of the leased good.

A general 1% provision is made on these goods; however, the addition of the accrued depreciation and the general provision may not exceed one hundred percent of the good given under leasing.

The Broker and the Trust Company did not record goods given under leasing at the 2014 and 2013 cut-offs.

j. **Goods not used in the corporate purpose** – The goods that are not used in the corporate purpose correspond to goods that are for its own use that the Bank has stopped using in the development of its corporate purpose. These goods continue to be depreciated until they are realized and are computed together with the Bank's fixed assets to calculate the limit established by numeral 1.2 of Chapter VII of the first title of External Circular Letter 007 of 1996 (Basic Juridical/Legal Circular Letter).

The same terms of those goods received in payment (foreclosed assets) shall apply for the permanence of the goods restituted within this account, because they are assets that are computed in the restrictions foreseen in numeral 6 of Article 110 of the Organic Bylaws of the Financial System ("Estatuto Orgánico del Sistema Financiero - EOSF").

k. **Property and equipment, and depreciation** – Property and equipment are recorded at cost and were adjusted for the inflation occurred between January 1, 1992 and December 31, 2000. Sales and retirements of those assets are recorded at the net value adjusted in books and the difference between the sales price and the net value adjusted in books is carried to results for the year.

A diversified and balanced portfolio model in terms of regions, business and segments, with leadership in the franchises in which we operate

Additions, improvements and extraordinary repairs that increase the assets' efficiency or useful life, as well as the valorization tax, are recorded as greater value, and the disbursements for maintenance and repairs that are made for preservation of these assets are charged to expenses, during the year as they are accrued.

Depreciation of property and equipment is calculated on the acquisition cost adjusted for inflation until December 31, 2000, using the straight-line method based upon the useful life thereof at the following annual rates:

- Buildings, 5% (20 years).
- Furniture, equipment and fixtures, telecommunications equipment and security equipment, 10% (10 years).
- Computer equipment, 33% (3 years).
- Vehicles and Automatic Teller Machines, and self-services, 20% (5 years).

Unlike the Bank, the Broker Company and the Trust Company depreciate the computer equipment using a 20% rate (5 years).

Individual provisions are recorded on those assets the net carrying value of which is greater than the commercial value established through an appraisal; and when the net value is lower than the commercial value, such difference is recorded as assets appraisal.

l. **Branches and agencies** – These accounts include the charges and credits not corresponded between the Bank Headquarters and its Branches, or amongst the latter, corresponding to internal transactions.

The Bank records the operations transferred from its branches and agencies in the asset account 1904, and leaves no items pending to correspond for more than thirty (30) days in the year-end balance sheets (see note 17).

m. **Prepaid expenses and deferred charges** – Prepaid expenses include interest, leases, equipment maintenance and insurance premiums, which are amortized during the period when services are received, or costs and expenses are accrued.

Deferred charges record all costs applicable to future periods that correspond to goods from which it is expected to obtain economic benefits in several periods, and ordinarily correspond to deferred income tax, contributions and affiliations, voluntary retirement bonuses, organization and pre-operating expenses, office reconditioning, computer programs, automatic teller machines, leasehold improvements, and are amortized based upon presumptions on benefited periods, as hereinafter explained.

Whenever an asset has been fully depreciated and requires reconditioning, it is only susceptible of being put into periods via a deferred charge on account of reconditioning, the amortization term of which cannot exceed two (2) years; this policy is included in the accounting policies manual inside the chapter of the Bank's fixed assets.

Deferred charges were adjusted for inflation up to December 31, 2000.

Computer programs are amortized over a period up to 36 months. Office reconditioning is amortized over a two (2) year period. Leasehold improvements are amortized over the term of the respective contract (without taking into account any extensions), provided that it does not exceed five (5) years, unless the lease term is shorter. Improvements to properties where in-house operates are amortized over the term of the respective commercial agreement, provided that it does not exceed five (5) years. Organization and pre-operating expenses are amortized over the time estimated in the study, and the duration of the specific project that generated them, whichever is lower, using the straight-line method. These policies are included in the Bank's accounting policies manual, within the chapter of prepaid expenses and deferred charges.

Bonuses recognized to personnel in compliance with the voluntary retirement program or a similar program, are amortized according to the authorization given by the Superintendence.

As of September 2006, the Bank recorded a mercantile credit (goodwill) as a result of the purchase of Banco Commercial Granahorrar S.A., the linear amortization of which started in January 2006 for an initial ten- (10) year period, according to the provisions of Chapter XVII of the CBCF.

On October 9, 2006 the Superintendence through External Circular Letter 034, incorporated the following modifications to the aforementioned Chapter:

- The mercantile credit (goodwill) acquired is determined at the moment when the entity actually obtains control on the acquired company, which should be distributed in each of the business lines identified, inclusive at accounting level.

- A term to amortize the mercantile credit (goodwill) of up to twenty (20) years is established, according to the reasonable time to obtain future benefits.

- The exponential amortization method must be applied.

- On an annual basis, an expert duly authorized by the Superintendence must evaluate the cash-generating units or business lines.

- Whenever it is foreseen a possible future impairment of the business lines associated to the mercantile credit (goodwill), the acceleration of the amortization is established as an anti-cyclical measure.

- It is required to recognize, immediately, the impairment loss in the statement of income as (non-deferrable) amortization of the mercantile credit (goodwill). If the situation subsequently becomes to the contrary, the losses may not be reverted, and also it is not allowed to increase the mercantile credit (goodwill) balance.

- A transition regime is established, which allows the entities that show a balance in the mercantile credit (goodwill) account on the date the Circular Letter enters into force and effect, to amortize exponentially for the remaining period to the new term established, supported by a study that justifies and supports their fair value.

On December 28, 2006, the Superintendence authorized the firm INCORBANK S.A., to act as expert under the terms established by External Circular Letter 034 of 2006. However, following the guidelines of Chapter XVII of the CBCF, which clearly states that the permanence of the appraiser person and/or entity of the commercial fund in the supervised entity may not exceed five (5) years, to undertake the valuation at market prices of the mercantile credit (goodwill) in 2011, the Bank engaged the services of the firm Valor en Finanzas – Valfinanzas S.A.

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

In 2006, the Bank accepted the transition regime mentioned in the aforementioned circular letter.

In compliance with External Circular Letter 013 dated April 15, 2008, the Bank reclassified the balance of mercantile credit (goodwill) from deferred charges into intangible assets.

n. Reappraisals of assets – The reappraisals of certain assets that increase the stockholders' equity is determined by the excess value of commercial appraisals of goods such as the immovable assets, over the net adjusted carrying value.

Under this understanding, the Bank initially recognizes the value of immovable assets for their acquisition cost and every three years it updates such value in asset valuation accounts, carrying the value of those immovable assets at the amount given by the commercial appraisals conducted by legal entities of proven professional suitability, moral solvency, experience and independence.

Such appraisal is prepared by an independent third party and in writing according to the following rules:

- Presents the amount broken down by units.

- Treats, on a coherent fashion, the assets of the same class and characteristics.

- Takes into account the criteria used by the Bank to record additions, improvements and repairs.

- Indicates the remaining useful life that the asset is expected to have under normal operating conditions.

With the purpose of preparing for the convergence of International Standards, the Bank has decided to update 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 Bank's results.

With respect to low or minimum marketability or not listed equity securities, which are classified as available-for-sale investments (variable yield), it records its initial recognition at acquisition cost and for the issuer's equity variations subsequent to the investment acquisition date, in the equity share acquired therewith, that corresponds to the investor, they will be recorded as valorization or negative valorization surplus or deficit.

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

p. **Retirement pensions** – The Bank establishes its pension liability based upon the actuarial estimate that covers the entire personnel, who according to legal norms 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.

The Bank conducted its actuarial estimate as of December 31, 2013, using the mortality tables of rentier men and women, updated by the Superintendence through Resolution No. 1555 dated July 30, 2010. Although the current local norm, Decree 4565 of 2010, states that the pension liability existing as from the financial statements with cut-off date as of December 31, 2010 should be amortized until 2029 on a linear basis, without prejudice to terminating such authorization before 2029. The Bank made a determination to assume the total value of the reserve of the actuarial estimate immediately upon closing of the 2010 exercise.

Currently, Colpensiones (formerly, Instituto de Seguros Sociales "ISS") and other entities authorized by law (private AFPs since 1994), receive contributions from the Bank 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 Bank 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 Bank 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 norms in that respect that are currently in force. The total value of the reserve, as well as the actuarial losses or gains generated during 2013 and the values deferred during 2014 were immediately assumed by the Bank and recorded against the income statement account.

The methodologies and actuarial bases adjusted to the norms in force for elaboration of actuarial estimates (Decree 2738 of 2001 and Decree 2984 of 2009) were used for evaluation of the mathematical retirement reserve, pension bonds and securities.

q. **Consortia and joint ventures** – The Trust Company records in the book accounts defined by the Superintendence within External Circular Letter 029 dated June 28, 2002, the assets, liabilities, revenues and expenses of the consortia and/or joint ventures, according to the participation that the Trust Company has in each of them, starting from the financial statements issued by each joint venture and/or consortium. These figures are updated with the financial statements received at each cut-off date and their periodicity may not be greater than 3 months.

r. **Income tax** – The income tax expenses is determined based upon the taxable income or presumptive (minimum taxable) income, whichever is greater. The income tax provision includes, among others,

those taxes resulting from temporary differences between deductible expenses for tax purposes and the expenses recorded for financial statement purposes.

As from tax year 2013, the income tax rate is 25%, as established by Article 94 of Law 1607 of 2012; this modification was made when it was created the income tax for equity (CREE).

With the issuance of the tax articles mentioned in the previous paragraph as from January 1, 2013 it is created the income tax for equity (CREE) whereby income-taxpayer companies and legal persons and similar contribute for the benefit of the workers, employment generation and social investment.

BBVA an entity centered in the client, with distribution models leading efficiency and very leveraged in innovation and technology

Until tax year 2013, the tax base for the income tax for equity (CREE) is determined pursuant to the provisions of Article 22 of Law 1607 of 2012 (revenues less costs and deductions expressly indicated). The rate of this tax is 9%. Its collection shall be devoted to finance the ICBF, the SENA and the health social security system.

s. **Tax on equity and its surtax** – According to provisions of the Law that regulates accounting principles generally accepted in Colombia and the book recording alternatives established therein, the Bank decided to accrue the entire tax on equity and its surtax, with charge to a deferred asset, which is amortized against operations, on an annual basis during four years for the value of the installments enforceable in the respective period. The tax on equity established for 2011 was amortized and fully paid during the years 2011, 2012, 2013 and 2014.

t. **Real Value Unit ("Unidad de Valor Real – UVR")** – The real value unit (UVR) 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 the financial entities to keep the purchasing power of the money lent and 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, to grant short- and long-term loans and investments, in real value units (UVR) reduced at the legal tender in conformity with the provisions of Law 546 of December 23, 1999, which created the legal framework for housing financing.

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 being linked to the consumer price index.

As of December 31, 2014 and 2013 the quotation rate of the real value unit (UVR) was $215.0333 and $207.8381, respectively.

u. **Translation of foreign-currency denominated transactions and balances** – Foreign-currency denominated transactions are translated into Colombian pesos using the market representative exchange rate certified by the Superintendence for the last working day of the month.

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, 2014 and 2013 was $2,392.46 and $1,926.83 per USD 1, respectively.

The exchange difference generated by foreign-currency denominated accounts payable and obligations required for the acquisition of property, plant 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.

v. **Adequate equity** – According to the provisions in numeral 2.1 of Chapter XIII-13 of the CBCF, the adequate equity of the Bank must meet the following two conditions:

- *Basic Solvency Ratio:* It is defined as the Ordinary Basic Equity 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%).

$$Basic\ Solvency = \frac{Basic\ Ordinary\ Equity}{APNR + \frac{100}{9} VeR_{RM}} \geq 4.5\%$$

- *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%).

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

w. **Premium in placement of shares (additional paid-in capital)** – The premium in placement of shares 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 that is higher than the nominal value.

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

x. **Recognition of revenues, costs and expenses** – Revenues, costs and expenses are carried to operations on an accrual basis; however, as from March 2002 the Superintendence requires not to record interest income from the loan portfolio whenever a credit shows the delinquency indicated in the table below:

Credit Modality	Delinquency in excess of
Commercial	3 months
Consumer	2 months
Housing (Mortgage)	2 months
Microcredits	1 month

Those credits that become delinquent and which as from March 2002 had anytime stopped accruing interest, monetary correction, exchange adjustments, rates of rental and revenues for other concepts, shall stop accruing those revenues as from the first day in arrears. Once they become current, they may accrue again. While their collection is made, the corresponding record shall be kept in contingent accounts.

In order for the suspension of interest accrual and other concepts to be applicable, it is required the simultaneous presence of two situations: that the credit is at least one day past due; and that prior to that situation, the respective credit had stopped accruing interest.

Whenever the portfolio restructuring agreements or any other modality of agreements should contemplate capitalization of interest that is recorded in memorandum accounts, or of written-off receivable balances, including principal, interest and other concepts, they shall be recorded as deferred credit on account and their amortization and recognition as revenues shall be made proportionally to the actually collected amounts, except in the credits endorsed by the Nation in restructurings of Law 617 of 2000.

Likewise, the interest that should be generated from this type of restructurings shall have the same treatment indicated in the previous paragraph.

All costs originated in the granting of loans are carried to income statement accounts when incurred and to revenues, when collected.

y. **Contingent and memorandum accounts –** Contingent accounts include those transactions whereby the Bank acquires a right or assumes an obligation the arising of which is conditioned to whether or not a fact is produced, depending upon future, eventual or remote factors.

The Legal area and its legal advisors analyze the contingencies for penalties, sanctions, litigation and lawsuits because the estimate of these possible losses necessarily involves an exercise of a legal judgment.

With respect to the estimate of loss contingency in legal processes pending against the Bank, the legal area and its advisors evaluate, among other aspects, the merits of the claims, the jurisprudence of the courts in that respect, and the current status of the processes.

Under this understanding, if the contingency evaluation indicates that it is probable the occurrence of a material loss and the liability amount may be reliably estimated, then it is recorded as an accrued (estimated) liability in the financial statements and the result is affected; but if the evaluation indicates that a potential loss is remote, then the nature of the contingency does not affect actual balance sheet accounts and it is fully recorded in contingent accounts.

The Bank records letters of credit issued but not used, endorsements, loans approved but not disbursed, credit card limits, processes against the Bank, collaterals granted, uncollected interest of past due loans, fiscal losses to be amortized, and other contingent obligations, as contingent accounts.

Memorandum accounts record the transactions carried out with third parties that due to their nature do not affect the Bank's financial position. There, we find the assets, securities received and given under custody and as collateral, the rights in term contracts and derivative transactions, the unused credits in favor, the written-off assets, other securities and the portfolio by age. Memorandum accounts also carry the inflation adjustments of the fiscal values of assets and equity, the inflation adjustments of book balances that applied until December 2000, fully-depreciated property and equipment, reciprocal transactions with affiliates, goods and securities received under management, and the fiscal value of the assets and equity.

z. **Statements of cash flows** – The accompanying statements of cash flows are presented using the indirect method, which includes the reconciliation of the year's net profit and the net cash provided by operating activities.

aa. **Net income per share** – Net income per share, is calculated by dividing the net profit for the year by the weighted average number of the subscribed and paid-in shares both common and preferred that are outstanding during each year.

bb. **Trust memorandum accounts** – In the Broker, all those actions by virtue of which a person delivers to a Broker one or more assets with the purpose that the latter fulfills with them a specific end, for the benefit of the constituent, the subscriber, the investor or the depositor, are recorded in trust memorandum accounts. Additionally, trust memorandum accounts record the portfolios managed by the Broker, property of third parties, at their par value, and the foreign capital funds. This does not affect the independent accounting management for each fund or managed portfolio and of the need to prepare separate financial statements by the businesses that so require it.

The Trust Company records those balances that correspond to goods under trust separated from the company's financial statements, using the same accounting policies and practices applicable thereto, and form independent equities according the Code of Commerce and of the Superintendence.

The assets subject matter of trust businesses are not part of the general guarantee of the Trust Company's creditors and only guarantee the obligations contracted in fulfillment of the purpose contemplated in each Trust agreement.

4. Maturity of assets and/or expiration of liabilities

Credits portfolio – PThe periodical amortization of principal and interest of each obligation, as contractually agreed-to 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 microcredit credits, and their evaluation is separately conducted for legal tender, foreign currency, and total currency.

Investments – The maturity of the principal and interest of investments in marketable fixed-yield debt securities and 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 in a lower extent private debt securities, with expiration in excess of 12 months, which mainly correspond to TES, TCO, and CDTs.

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

5. Foreign-currency transactions

The External Regulatory Circular Letter DODM – 139 dated March 5, 2014 issued by the Central Bank, which regulates the Own Position (PP), Own Cash Position (PPC), Gross Leveraging Position (PBA) and exposure indicators per currency of the exchange market intermediaries. For that purpose, the following is defined:

The PP is determined by the difference between foreign-currency denominated rights and obligations, recorded inside and outside the balance sheet, realized or contingent, including those that can be liquidated in Colombian legal tender. The arithmetical average of three (3) business days of the PP may not exceed twenty percent (20%) of the Bank's technical equity equivalent in foreign currency, and the minimum amount may be negative without exceeding five percent (5%) of the Bank's technical equity stated in US Dollars.

The PPC is the difference between all assets and liabilities denominated in foreign currency. The arithmetical average of three (3) business days may not exceed fifty percent (50%) of the Bank's technical equity and the minimum amount is zero (0), in other words, it may not be negative.

The PBA is the summation of the rights and obligations in term and futures contracts denominated in foreign currency, cash transaction denominated in foreign currency with compliance greater than or equal to one banking day (t+1), and the exchange exposure associated to those debit contingencies and the credit contingencies acquired in the trading of options and derivatives on the exchange rate. The (PBA) may not exceed five hundred and fifty percent (550%) of the Bank's technical equity amount when making the calculation of the arithmetical average of three (3) business days thereof.

Additionally, through External Resolution No. 3 of 2011 issued by the Board of Directors of the Central Bank and the External Circular Letter 024 of 2011, it is stated that the futures on exchange rate and the forward contracts offset and liquidated in a counterparty central risk chamber acting on its own name and of third parties, shall be included in the calculation of the PBA, weighted by 0%.

To determine the maximum or minimum amount of the daily PP, of the PPC, and the PBA in foreign currency, it must be based upon the technical equity of the Bank reported in the financial statements to the la SFC, corresponding to the second prior calendar month, with respect to the month subject matter of control translated using the exchange rate established by the Superintendence at the closing of the immediately prior month.

As of December 31, the balances of the position equivalent to US Dollars was:

Position	2014		2013	
Own cash	USD$	335,500,485	USD$	404,955,572
Own		5,906,231		14,454,082
Gross leverage	$	6,654,152,290	$	5,942,401,421

Those figures are within the legal limits in force and effect established by the Superintendence.

The own position is determined by the difference between rights and obligations denominated in foreign currency, registered in and out of balance sheet

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

Concept	2014		2013	
	US Dollars			
Assets:				
• Cash, deposits in banks and interbank funds	USD$	58,129,487	USD$	80,650,141
• Loan portfolio and financial lease transactions		570,695,018		676,514,842
• Acceptances, cash transactions and derivative instruments, net		3,037,254,354		3,111,956,417
• Accounts receivable		6,931,424		3,226,001
• Other assets		70,736,491		847,772
• Options Delta		289,124,379		5,744,459
Total foreign currency assets	**USD$**	**4,032,871,153**	**USD$**	**3,878,939,632**
Liabilities:				
• Deposits	USD$	31,897,641	USD$	52,346,737
• Outstanding banker's acceptances		3,377,893,398		3,480,864,809
• Financial obligations		309,306,386		323,092,148
• Accounts payable		18,297,588		1,442,200
• Other liabilities		459,728		994,129
• Options Delta		289,108,961		5,744,459
Total liabilities in foreign currency	**USD$**	**4,026,963,702**	**USD$**	**3,864,484,482**
Net assets (liabilities) in foreign currency	**USD$**	**5,907,451**	**USD$**	**14,455,149**

The Trust Company and the Broker did not record foreign-currency balances; due to that, as of December 31, 2014 and 2013, the Bank's participation in foreign currency was 100%.

6. Cash on hand

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

Concept	2014		2013	
Legal tender in Colombian pesos:				
• Cash	$	1,685,246	$	1,404,721
• Deposits in the Central Bank (1)		769,273		856,189
• Deposits in other banks		7,761		1,469
• Remittances in transit of negotiated checks		1,117		3,732
Subtotal		**2,463,397**		**2,266,111**
Foreign currency:				
• Cash		1,492		1,058
• Deposits in the Central Bank		341		274
• Foreign correspondents		137,240		153,996
• Remittances in transit of foreign negotiated checks		-		71
Subtotal		2,602,470		2,421,510
Less – Provision on cash on hand (2)		**(423)**		**(179)**
Total cash and deposits in banks	**$**	**2,602,047**	**$**	**2,421,331**

(1) The decrease in the Central Bank's balance between 2014 and 2013 is mainly generated by the cancellation of active repo transactions with the Central Bank, active simultaneous transactions and correspondents.

(2) The decrease in cash on hand provision between 2014 and 2013, is mainly represented in write-offs of the Correspondent Bank accounts of March 2014 amounting to COP $ 87 according to Minute No. 1590 issued by the entity's Board of Directors on January 27, 2014.

As of December 31, 2014 and 2013 there was restriction on the use of the cash and deposits in the Central Bank amounting to $2,512,726 and $2,394,678, respectively. The restriction, which is determined according to the cash reserve norms set by the Central Bank's Board of Directors, is based upon percentages of the average deposits kept at the Bank by its clients.

The accounts in foreign banks are denominated in the following foreign currencies: US Dollar, Euro, Sterling Pound, Canadian Dollar, Swiss Franc, Japanese Yen, Swedish Krona, Chinese Yuan, and Mexican peso. As of December 31, 2014, there were 359 items pending to be reconciled versus 266 reconciling items reported as of December 31, 2013 as a consequence of an increase in the items generated by commissions and foreign-currency checks withdrawn.

As of December 31, 2014 and 2013 there were reconciling items denominated in foreign currency aging in excess of thirty (30) days, on which the Bank conducted an analysis and created the respective provisions in the applicable items, as detailed below:

Foreign Currency	2014			2013		
	Number of Pending Items	Value of Provision		Number of Pending Items	Value of Provision	
Citibank New York	2	$	3	3	$	64
BBVA Madrid	3		13	5		74
Bank Of America	1		2	1		1
Total foreign currency items	**6**	**$**	**18**	**9**	**$**	**139**

As of December 31, 2014 and 2013, the Trust Company had neither reconciling items in excess of thirty (30) days, nor restrictions on the cash on hand.

The Broker handles three (3) bank accounts as follows:

Concept	2014		2013	
BBVA – Current account	$	70	$	2
BBVA- Savings account		2,409		222
Central Bank – remunerated deposit		5,576		385
Total accounts	**$**	**8,055**	**$**	**609**

As of December 31, 2014 and 2013, the Trust Company had no restrictions on the cash on hand and there were reconciling items in excess of thirty (30) days in local currency amounting to $52 and $ 0, respectively:

Local Currency	2014		2013	
Debit notes pending in the statement	$	4	$	-
Non-recorded debit notes		48		-
	$	**52**	**$**	-

The reconciling items that are considered to be risky for the Trust company, on which an analysis was conducted and the respective provisions were created, are as follows:

Trust Company	2014			2013		
	Number of Items Provisioned	Value of Provision		Number of Items Provisioned	Value of Provision	
Collective portfolios (1)	46	$	364	11	$	38
Trust businesses (2)	200		41	150		2
Total foreign-currency items	**246**	**$**	**405**	**161**	**$**	**40**

(1) The variation in provision is mainly due to the Collective Portfolio FAM on account of items of charges not recorded by the Company amounting to $166; and for credits not recorded in the Bank amounting to $178. In the Country Collective Portfolio corresponding to items for charges not recorded by the Company an amount of $14 and for credits on account not recorded by the bank amounting to $3.

(2) The variation in provision is mainly due to the management of items cleaning during 2014 and request of supports to the banking entities for identification thereof. Eighty-one percent (81%) out of total items are debit notes pending to be recorded and is due to the ICT withholdings pending to be reimbursed by the bank entity amounting to $2; on account of items for charges not recorded by the Company, an amount of $34 and, on account of credits on account not recorded by the bank amounting to $5.

As of December 31, 2014, the Bank's share in the account balance was 99.53%; the Trust Company's share was 0.16%; and for the Broker, it was 0.33%, whereas those as of December 31, 2013 were: 99.01% for the Bank; 0.96% for the Trust Company, and 0.02% for the Broker.

7. Active positions in monetary market and related transactions

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

Description	Rate	2014	Rate	2013
Commitments of transfer closed repo transactions:		$ -		$ -
• Banks		-	3,80%	10,005
Total transfer commitments		**$ -**		**$ 10,005**
Transfer commitments in simultaneous transactions:				
• Central Bank	4.29%	369,768	1,86%	67,686
• Insurance and reinsurance companies	4.73%	66,325	3,63%	21,809
• Financial Corporations	4.34%	33,749		-
Total simultaneous transactions		**469,842**		**89,495**
Total active transactions		**$ 469,842**		**$ 99,500**

Between 2013 and 2014, active simultaneous transactions conducted with the Central Bank increased by 300 base points their share with respect to the total simultaneous transactions, passing from 75.63% in 2013 to 78.70% in 2014.

As of December 31, 2014 and 2013, the Bank's participation in the account balance was 100%.

BBVA reiterates its commitment to the implementation of good practices on disclosure information and corporate governance

8. Investments

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

Descripción	2014	2013
Marketable:		
Securities issued or guaranteed by the Nation (1)	$ 2,124,099	$ 2,808,530
• Securities issued by financial institutions	1,071,525	695,876
• Securities issued by national public entities	16,777	-
• Participative collective portfolio	26,895	25,902
• Participative – Pension and severance funds	4,889	4,547
Total marketable investments	**3,244,185**	**3,534,855**
Held-to-maturity: (2)		
• Internal public debt	367,841	861,053
• Securities issued in securitization processes	47,730	71,974
• Securities issued by financial institutions	4,065	30,719
• Securities issued by national public entities	-	382,165
Total held-to-maturity without provisions	**419,636**	**1,345,911**
• Less – provision	(3,496)	(8,020)
Total held-to-maturity investments	**416,140**	**1,337,891**
Available-for-sale:		
• In equity securities	82,564	75,170
• Less – provision	(20)	(20)
Total available-for-sale in equity securities	**82,544**	**75,150**
Available-for-sale in debt securities: (2)		
• Securities issued or guaranteed by the Nation	721,326	-
• Securities issued in securitization processes of mortgage portfolio	66,458	-
Total available-for-sale in debt securities	**787,784**	**-**
Total available-for-sale	**870,328**	**75,150**
Transfer rights of marketable investments in debt securities or titles	528,112	26
Transfer rights of held-to-maturity investments (3)	700,609	331,881
Marketable investments delivered as collateral in transactions with derivative financial instruments in debt securities or titles	-	9,648
Held-to-maturity investments delivered as collateral in transactions with financial institutions	51,988	97,836
Total investments transfer rights	1,280,709	439,391
Total investments	**$ 5,811,362**	**$ 5,387,287**

BBVA Colombia has a direct communication channel with investors, which allows BBVA to position as the largest foreign bank in the country

(1) The variation with respect to the securities issued or guaranteed by the Nation between 2014 and 2013 is explained by the fact that these investments for the immediately prior year were in guarantee; therefore, they were not included in the Bank's investment portfolio.

(2) The variation of the securities classified as available-for-sale (DPV, for its Spanish initials) and held-to-maturity securities (VTO) between the periods 2014 and 2013, is originated by application of the External Circular Letter 035 of December 2, 2013 and External Circular Letter 033 of 2013, in which the Financial Entities are informed about the transition regime established for reclassifying into held-to-maturity or marketable the investments classified as available-for-sale in their portfolio.

(3) The variation is due to the creation of collateral for Repo transactions as established by Resolution 6 of 2011 issued by the Central Bank.

During 2014, BBVA Valores did not make reclassification of its investments, whereas for 2013 it reclassified its investments as marketable and held-to-maturity, which generated positive results of $78.

For 2013 BBVA Fiduciaria BBVA Fiduciaria reclassified $6,075 from available-for-sale investments into marketable and on the very same day sold them. The effect thereof in the statement of income was $233. Likewise, it transferred to the investments portfolio the value of the stabilization reserve for yields of funds managed by the Autonomous Equity FONPET 2012, which as of December 31, 2012 was recorded in other assets.

As of December 31, 2014 the investments account balance was broken down as follows: for the Bank, 98.37%; for the Trust Company, 1.56%; and for the Broker, 0.07%. As of December 31, 2013 it included: for the Bank, 98.63; for the Trust Company, 1.20%; and for the Broker, 0.17%.

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

Ranges	2014			2013		
	Marketable	Held-to-Maturity	Available-for-sale	Marketable	Held-to-Maturity	Available-for-sale
Less than 1 year	$ 1,824,187	$ 1,079,824	$ 368,735	$ 3,037,078	$ 1,192,137	$ -
From 1 to 5 years	1,821,942	7,526	176,810	441,563	473,793	-
From 6 to 10 years	28,944	50,978	242,238	32,507	57,390	-
From 11 to 20 years	65,441	33,906	-	2,932	52,309	-
Total	**$ 3,740,514**	**$ 1,172,234**	**$ 787,783**	**$ 3,514,080**	**$ 1,775,629**	**$ -**

Break-down of securities portfolio by security as of the 2014 closing

(in millions of colombian pesos)

Clase título	Negociable		Al vencimiento		Disponible para la venta		Total General
Descripción	**Monto**	**%**	**Monto**	**%**	**Monto**	**%**	**Monto**
Peace Bonds	$ 111	0%	$ -	-	$ -	-	$ 111
Ordinary bonds	39,129	1%	4,065	0%	8,137	1%	51,331
CDT'S	1,049,211	28%	-	-	-	-	1,049,211
TIPS	-	0%	47,730	4%	-	-	47,730
TRD	-	0%	89,172	8%	-	-	89,172
Treasury securities TES	2,652,064	70,9%	415,384	35%	779,646	99%	3,847,094
TDAS	-	-	615,883	53%	-	-	615,883
TCO	-	-	-	-	-	-	-
Total general	**$ 3,740,515**	**-**	**$ 1,172,234**	**-**	**$ 787,783**	**-**	**$ 5,700,531**

Break-down of securities portfolio by security as of the 2014 closing

(in millions of colombian pesos)

Clase título	Negociable		Al vencimiento		Disponible para la venta		Total General
Descripción	**Monto**	**%**	**Monto**	**%**	**Monto**	**%**	**Monto**
Peace Bonds	$ 110	-	$ -	-	$ -	-	$ 110
Ordinary bonds	75,760	2%	4,145	-	-	-	79,904
CDT'S	620,143	18%	26,779	2%	-	-	646,921
TIPS	-	0%	71,975	4%	-	-	71,974
TRD	-	0%	159,267	9%	-	-	159,267
Treasury securities TES	2,817,060	80%	799,621	45%	-	-	3,616,681
TDAS	-	-	713,842	40%	-	-	713,842
TCO	1,008	-	-	-	-	-	1,008
Total general	**$ 3,514,081**	**-**	**$ 1,775,629**	**-**	**$ -**	**-**	**$ 5,289,707**

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

The variation in the held-to-maturity investments provision is due to the fact that in 2013 there were 3 securities provisioned for an amount of $8,020; Security No. TSBC171119-200 in UVR amounting to $4,524 issued by the Titularizadora was sold in 2014.

Securities issued by the *Titularizadora Colombiana* TIPS, derived from securitization processes of mortgage portfolio in Colombian pesos, issued in 5-, 10- and 15- year terms.

During 2014 the Bank BBVA Colombia S.A. did not participate in securitization processes.

Currently, in the market there are nineteen (19) series, out of which the Bank holds series E9, E10, E11, E12 and N6 that presented a balance of $47,730 and $67,451, respectively, as of December 31, 2014 and 2013.

A summary and the balance of securities derived from securitization processes (TIPS) are shown in the table below:

Series	Nominal Value	Issue Date	Maturity Date	Term	2014	2013
TIPS E-9 A 2018	$ 61,420	17/12/2008	17/12/2018	10	$ -	$ -
TIPS E-9 A 2023	25,950	17/12/2008	17/12/2023	15	-	3,928
TIPS E-9 B 2023	10,485	17/12/2008	17/12/2023	15	6,149	10,484
TIPS E-9 MZ 2023	699	17/12/2008	17/12/2023	15	699	699
Subtotal	**98,554**				**6,848**	**15,111**
TIPS Pesos E-10 A 2019	28,046	12/03/09	12/03/2019	10	-	-
TIPS Pesos E-10 A 2024	18,025	12/03/09	12/03/2024	15	-	-
TIPS Pesos E-10 B 2024	5,529	12/03/09	12/03/2024	15	1,113	5,311
TIPS Pesos E-10 MZ 2024	1,474	12/03/09	12/03/2024	15	1,474	1,474
Subtotal	**53,074**				**2,587**	**6,785**
TIPS Pesos E-11 A 2019	19,436	13/05/2009	13/05/2009	-	-	-
TIPS Pesos E-11 A 2024	10,971	13/05/2009	13/05/2009	-	-	-
TIPS Pesos E-11 B 2024	3,649	13/05/2009	13/05/2024	15	-	2,528
TIPS Pesos E-11 MZ 2024	1,216	13/05/2009	13/05/2024	15	949	1,216
Subtotal	**35,272**				**949**	**3,744**
TIPS Pesos E-12 A 2019	34,327	26/08/2009	26/08/2019	10	-	-
TIPS Pesos E-12 A 2024	14,888	26/08/2009	26/08/2024	15	-	31
TIPS Pesos E-12 B 2024	5,906	26/08/2009	26/08/2024	15	1,472	5,906
TIPS Pesos E-12 MZ 2024	1,969	26/08/2009	26/08/2024	15	1,968	1,968
Subtotal	**57,09**				**3,440**	**7,905**
TIPS Pesos N-6 B 2027	26,641	23/08/2012	23/08/2027	15	26,736	26,736
TIPS Pesos N-6 MZ 2027	6,104	23/08/2012	23/08/2027	15	6,104	6,104
TIPS Pesos N-6 C 2027	1,066	23/08/2012	23/08/2027	15	1,066	1,066
Subtotal	**33,811**				**33,906**	**33,906**
Total	**$ 277,800**				**$ 47,730**	**$ 67,451**

As of December 31, 2014 and 2013, there were no encumbrances on the investments.

The BBVA Group strengthens its management model based on prudence, anticipating and globality

Available-for-sale investments in equity securities - Correspond to the variable-yield investments with low or minimum quotation, and as of December 31, they consisted of:

2014	Capital Stock	Equity Capital	Percentage of Share
Acciones con baja o mínima bursatilidad:			
• Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 82,292	$ 29,113	% 35,38
• Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	794,954	72,240	9,09
• DECEVAL S.A.	78,738	9,254	14,51
• A.C.H. Colombia S.A.	24,804	2,659	10,72
• Cámara de Compensación de Divisas de Colombia S.A.	4,770	164	3,43
• Compañía Promotora de Inversiones del Café S.A.	-	20	0,13
• Redeban S.A.	89,690	9,249	10,31
• Cifin.	35,097	3,762	10,72
• Cámara de Riesgo Central de Contraparte de Colombia S.A.	32,773	815	1,77
• S.W.I.F.T. SCRL	-	-	0,000009063
• Bolsa de Valores de Colombia S.A.	108,734	1,503	1,38
• Fogacol (compulsory investment)	11,562	349	3,02
Subtotal	**-**	**-**	**-**
Menos – Provisión para protección	-	-	-
Total inversiones disponibles para la venta en títulos participativos	**$ -**	**$ -**	**% -**

There were neither hedging investments nor legal restriction on the property.

During 2014, these companies decreed dividends as follows: BBVA Asset Management S.A., $10,756; BBVA Valores Colombia S.A., $1,201; Finagro, $6,199 (in shares); Deceval S.A., $1,672; ACH Colombia S.A., $268; Cámara de Compensación de Divisas, $22; and Cifin, $769 in cash and 1,155 in stock.

In December 2014, 6,009,426 shares of the Counterparty Central Risk Chamber were acquired for an amount of $141, and in August 2013, 3,084,295 shares were acquired for an amount of $11.

These investments are valued according to the marketability ratio that they kept on the valuation date, taking into account the equity variations subsequent to the acquisition of the investment. For that purpose, the variations in the issuer's equity were calculated based upon the last certified financial statements.

	Carrying Value	Commercial Value	Valorization and/or Negative Valorization	Provision	Solvency and market risk rating
	$ 6,988	$ 29,113	$ 22,125	$ -	A
	62,282	72,24	9,958	-	A
	5,916	9,674	3,758	-	A
	711	2,659	1,948	-	A
	91	164	73	-	A
	20	20	-	20	E
	3,114	9,249	6,135	-	A
	1,797	3,762	1,965	-	A
	815	580	(235)	-	A
	10	10	-	-	
	471	1,503	1,032	-	A
	349	349	-	-	A
	$ 82,564	**$ 129,324**	**$ 46,759**	**$ 20**	
	(20)	-	-	-	
	$ 82,544	**$ -**	**$ -**	**$ -**	

BBVA has a strong corporate culture incident on its acting manner and that allows cope with success future challenges

BBVA Asset Management S.A. acquired one (1) share of the Company S.W.I.F.T. SCRL based in Belgium; the par value of an amount of shares is EURO 125, at the same time the total capital stock amounts to EURO 13,792,500, which represent 110,340 shares.

As of December 31, 2014 a sale process is undertaken in a Public Offering for 432,376,901 shares that are the property of Almacenes Generales de Depósito Almagrario S.A.; the minimum sale price of all the shares subject matter of the sales process is COP $82,250. This process is being undertaken by Compañía de Asesoría Àgora Corporate Consultants SAS, in their capacity as advisor for the sellers (BBVA and FIDUPREVISORA); for that purpose, on October 02, 2014 the Office of the Superintendent of Finance in Colombia informed about the purposes of the Bylaws of Sale in the Public Offering being undertaken.

Available-for-sale investments in equity securities - Correspond to the variable-yield investments with low or minimum quotation, and as of December 31, they consisted of:

2013	Capital Stock	Equity Capital	Percentage of Share
Acciones con baja o mínima bursatilidad:			
• Almacenes Generales de Depósito S.A. "ALMAGRARIO"	$ 83,757	$ 28,233	% 35,38
• Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	716,133	65,077	9,09
• DECEVAL S.A.	66,067	9,584	14,51
• A.C.H. Colombia S.A.	23,393	2,508	10,72
• Cámara de Compensación de Divisas de Colombia S.A.	4,270	136	3,19
• Compañía Promotora de Inversiones del Café S.A.	28,903	20	0,13
• Redeban S.A.	72,263	7,452	10,31
• Cifin.	27,768	2,977	10,72
• Cámara de Riesgo Central de Contraparte de Colombia S.A.	30,340	815	1,77
• Bolsa de Valores de Colombia S.A.	110,361	1,525	1,41
• Fogacol (compulsory investment)	10,910	329	-
Subtotal	-	-	-
Less – Protection provision	-	-	-
Total available-for-sale investments in equity securities	**$ -**	**$ -**	**% -**

There were neither hedging investments nor legal restriction on the property. During 2013, these companies decreed dividends as follows: BBVA Asset Management S.A., $12,661; BBVA Valores Colombia S.A., $4,100; FINAGRO, $4,731 (in shares); DECEVAL S.A., $3,769; ACH Colombia S.A., $118; REDEBAN, $2,954; and Cámara de Compensación de Divisas, $29.

In January 2013, 74,345,253 shares of the Counterparty Central Risk Chamber were acquired for an amount of $141, and in August 2013, 3,084,295 shares were acquired for an amount of $6.

In January 2013, 64,320 shares were acquired with the entity CIFIN, for an amount of $643. These investments are valued according to the marketability ratio that they kept on the valuation date, taking into account the equity variations subsequent to the acquisition of the investment. For that purpose, the variations in the issuer's equity were calculated based upon the last certified financial statements.

Investments that are the property of the Broker, which required an assessment for the credit risk, were classified in the AAA and A categories, respectively. Within the available-for-sale investments, the securities of low or minimum marketability or without any quotation are valued based upon the participation percentage that should correspond to the investor on the equity variations subsequent to the acquisition of the investment. As of this date, it records no provision according to the parameters given by the "CBFC".

	Carrying Value	Commercial Value	Valorization and/or Negative Valorization	Provision	Solvency and market risk rating
	$ 6,987	$ 28,233	$ 21,246	$ -	A
	56,083	65,077	8,994	-	A
	5,917	9,584	3,669	-	A
	711	2,508	1,797	-	A
	80	136	56	-	A
	20	20	-	20	E
	3,114	7,452	4,338	-	A
	643	2,977	2,334	-	A
	815	537	(278)	-	A
	471	1,525	1,054	-	A
	329	329	-	-	A
	$ 75,170	**$ 118,378**	**$ 43,210**	**20**	
	(20)	-	-	-	
	$ 75,150	**$ -**	**$ -**	**$ -**	

9. Loan Portfolio

The loan portfolio is represented for the consolidated 100% by the Bank. Below there is a list of the classification and rating per portfolio modality as of December 31:

Loan portfolio - 2014

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Other Provision	Guarantee
Commercial:							
With suitable collateral:							
• Category "A"	$ 2,593,893	$ 32,440	$ -	$ 26,800	$ 448	$ -	$ 9,127,880
• Category "B"	97,796	835	-	1,750	146	-	314,909
• Category "C"	30,970	573	-	6,610	394	-	75,926
• Category "D"	14,680	502	-	10,640	461	-	44,045
• Category "E"	39,301	2,809	-	28,275	2,434	-	141,086
Subtotal	**2,776,640**	**$ 38,606**	**$ -**	**74,075**	**3,883**	**$ -**	**9,703,846**
With other collateral:							
• Category "A"	$ 8,808,231	$ 61,852	$ 727	$ 76,039	$ 628	$ 62	$ -
• Category "B"	79,540	2,724	139	7,909	781	73	-
• Category "C"	108,823	2,244	103	4,925	403	234	-
• Category "D"	10,918	197	163	3,952	189	163	-
• Category "E"	50,905	1,023	1,123	23,736	1,305	1,823	-
Subtotal	**$ 9,058,417**	**$ 68,040**	**$ 2,255**	**$ 116,561**	**$ 3,306**	**$ 2,355**	**$ -**
Total commercial	**$ 11,835,057**	**$ 106,646**	**$ 2,255**	**$ 190,636**	**$ 7,189**	**$ 2,355**	**$ 9,703,846**
Consumer:							
With suitable collateral:							
• Category "A"	$ 617,780	$ 3,813	$ -	$ 4,949	$ -	$ -	$ 982,616
• Category "B"	17,115	278	-	1,574	43	-	28,872
• Category "C"	14,288	172	-	2,041	127	-	25,567
• Category "D"	10,034	149	-	5,837	141	-	22,249
• Category "E"	15,186	277	-	9,647	263	-	31,564
Subtotal	**$ 674,403**	**$ 4,689**	**$ -**	**$ 24,048**	**$ 574**	**$ -**	**$ 1,090,868**
With other collateral:							
• Category "A"	$ 8,958,427	$ 78,448	$ 767	$ 160,535	$ -	$ 2,105	$ -
• Category "B"	182,933	3,704	119	17,352	592	26	-
• Category "C"	107,676	2,170	118	18,056	1,509	145	-
• Category "D"	119,506	2,912	213	88,911	2,896	237	-
• Category "E"	99,960	2,346	563	83,301	2,223	586	-
Subtotal	**$ 9,468,502**	**$ 89,580**	**$ 1,780**	**$ 368,155**	**$ 7,220**	**$ 3,099**	**-**
Total consumer	**$ 10,142,905**	**$ 94,269**	**$ 1,780**	**$ 392,203**	**$ 7,794**	**$ 3,099**	**$ 1,090,868**

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Other Provision	Guarantee
Microcredit:							
With suitable collateral:							
• Category "A"	$ 8	$ -	$ -	$ -	$ -	$ -	$ 15
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	1	-	-	2	-	-	-
Subtotal	**$ 9**	**$ -**	**$ -**	**$ 2**	**$ -**	**$ -**	**$ 15**
With other collateral							
• Category "A"	$ 9	$ -	$ -	$ -	$ -	$ -	$ -
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	1	-	-	-	-	-	-
Subtotal	**$ 10**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total microcredits	**$ 17**	**$ -**	**$ -**	**$ 2**	**$ -**	**$ -**	**$ 15**
Housing:							
With suitable collateral:							
• Category "A"	$ 6,410,760	$ 31,950	$ 2,376	$ 65,375	$ 2,727	$ 316	$ 17,746,736
• Category "B"	157,712	1,791	388	5,396	1,79	383	494,215
• Category "C"	45,419	629	326	4,544	630	322	140,088
• Category "D"	17,540	286	223	3,519	287	218	58,643
• Category "E"	53,406	1,236	1,111	18,135	1,225	1,152	161,513
Total mortgage (housing)	**$ 6,684,837**	**$ 35,892**	**$ 4,424**	**$ 96,969**	**$ 6,659**	**$ 2,391**	**$ 18,601,195**
General Provision	-	-	-	66,849	-	-	-
Countercyclical individual provision	-	-	-	226,271	2,163	-	-
Other	$ -	$ 9,077	$ -	$ -	$ -	$ -	$ -
Total credits portfolio	**$ 28,662,816**	**$ 245,884**	**$ 8,459**	**$ 972,930**	**$ 23,805**	**$ 7,845**	**$ 29,395,924**

Loan portfolio - 2013

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Other Provision	Guarantee
Commercial:							
With suitable collateral:							
• Category "A"	$ 2,171,123	$ 31,244	$ -	$ 17,291	$ 435	$ -	$ 7,820,989
• Category "B"	101,035	1,991	-	2,279	125	-	336,495
• Category "C"	28,532	1,044	-	3,278	848	-	87,524
• Category "D"	12,582	307	-	10,246	301	-	41,145
• Category "E"	29,626	1,641	-	21,002	1,548	-	111,886
Subtotal	**$ 2,342,898**	**$ 36,227**	**$ -**	**$ 54,096**	**$ 3,257**	**$ -**	**8,398,039**
With other collateral:							
• Category "A"	7,250,709	50,234	561	66,631	509	37	$ -
• Category "B"	72,264	826	71	5,443	774	64	-
• Category "C"	79,917	448	54	11,475	172	99	-
• Category "D"	4,381	81	41	1,048	76	107	-
• Category "E"	30,059	800	448	15,924	898	876	-
Subtotal	**$ 7,437,330**	**$ 52,389**	**$ 1,175**	**$ 100,521**	**$ 2,429**	**$ 1,183**	**$ -**
Total commercial	**$ 9,780,228**	**$ 88,616**	**$ 1,175**	**$ 154,617**	**$ 5,686**	**$ 1,183**	**$ 8,398,039**
Consumer:							
With suitable collateral:							
• Category "A"	$ 557,261	$ 3,494	$ -	$ 4,837	$ -	$ -	$ 916,961
• Category "B"	15,423	262	-	744	34	-	27,284
• Category "C"	11,520	156	-	1,627	96	-	21,336
• Category "D"	8,637	142	-	4,885	132	-	16,056
• Category "E"	9,607	185	-	7,304	175	-	26,327
Subtotal	**$ 602,448**	**$ 4,239**	**$ -**	**$ 19,397**	**$ 437**	**$ -**	**$ 1,007,964**
With other collateral:							
• Category "A"	$ 7,659,953	$ 71,523	$ 770	$ 141,840	$ -	$ 1,836	$ -
• Category "B"	195,086	3,701	134	16,808	454	19	-
• Category "C"	110,003	2,159	102	15,040	1,368	113	-
• Category "D"	100,527	2,364	161	74,020	2,302	201	-
• Category "E"	65,150	1,487	331	52,002	1,396	332	-
Subtotal	**$ 8,130,719**	**$ 81,234**	**$ 1,498**	**$ 299,710**	**$ 5,520**	**$ 2,501**	**$ -**
Total consumer	**$ 8,733,167**	**$ 85,473**	**$ 1,498**	**$ 319,107**	**$ 5,957**	**$ 2,501**	**$ 1,007,964**

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Other Provision	Guarantee
Microcredit:							
With suitable collateral:							
• Category "A"	$ 24	$ 2	$ -	$ -	$ 1	$ -	$ 109
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	7	-	-	8	-	-	29
Subtotal	**$ 31**	**$ 2**	**$ -**	**$ 8**	**$ 1**	**$ -**	**$ 138**
With other collateral							
• Category "A"	10	$ -	$ -	$ -	$ -	$ -	$ -
• Category "B"	-	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-	-
Subtotal	**$ 10**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total microcredits	**$ 41**	**$ 2**	**$ -**	**$ 8**	**$ 1**	**$ -**	**$ 138**
Housing:							
With suitable collateral:							
• Category "A"	$ 5,539,620	$ 29,346	$ 2,117	$ 55,844	$ 2,555	$ 294	$ 14,709,107
• Category "B"	152,010	1,643	327	4,926	1,636	354	457,357
• Category "C"	41,090	601	339	4,128	604	329	121,353
• Category "D"	15,668	272	213	3,144	273	217	48,178
• Category "E"	44,428	1,056	913	15,580	977	931	128,905
Total mortgage (housing)	**5,792,816**	**32,918**	**3,909**	**83,622**	**6,045**	**2,126**	**15,464,900**
General Provision	-	-	-	57,929	-	-	-
Countercyclical individual provision	-	-	-	197,592	2,023	-	-
Other	-	5,041	-	-	-	-	-
Total credits portfolio	**$ 24,306,252**	**$ 212,050**	**$ 6,582**	**$ 812,875**	**$ 19,712**	**$ 5,810**	**$ 24,871,041**

In order to generate the maximum shareholder value, there is an early adjusted return model

The movement of the credit portfolio provisions account during the year ended as of December 31 was as follows:

2014

Description	Commercial	Consumer	Mortgage (Housing)	Microcredit	Total
Balance at the beginning of year	$ 214,061	$ 457,255	$ 141,551	$ 8	$ 812,875
Provision charged to expenses in the year	228,908	522,039	61,743	-	812,690
Less - Provisions recovery (See Note 32)	(143,861)	(232,349)	(24,841)	-	(401,051)
Loans written-off as uncollectible	(29,070)	(201,215)	(5,980)	(6)	(236,271)
Cancellations	(2,083)	(6,271)	(5,688)	-	(14,042)
Other movements	(3,791)	5,487	(2,967)	-	(1,271)
Balance at year end	**$ 264,164**	**$ 544,946**	**$ 163818**	**$ 2**	**$ 972,930**

2013

Description	Commercial	Consumer	Mortgage (Housing)	Microcredit	Total
Balance at the beginning of year	$ 210,475	$ 431,242	$ 133,750	$ 23	$ 775,490
Provision charged to expenses in the year	206,492	487,200	65,054	2	758,748
Less - Provisions recovery (See Note 32)	(157,973)	(262,559)	(29,506)	-	(450,038)
Loans written-off as uncollectible	(37,259)	(200,917)	(11,366)	(41)	(249,583)
Cancellations	(1,496)	(3,839)	(6,359)	(2)	(11,696)
Other movements	(6,178)	6,128	(10,022)	26	(10,046)
Balance at year end	**$ 214,061**	**$ 457,255**	**$ 141,551**	**$ 8**	**$ 812,875**

During the years ended as of December 31, 2014 and 2013, previously written-off portfolio amounting to $69,332 and $74,861, respectively, was recovered. Those recoveries were recorded as "other-than-interest revenues" in the statement of income (see Note 32).

During 2014, the Bank conducted portfolio sale transactions for an amount of $216,894 million, represented by 21,810 obligations, where 96.58 % of such 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:

Mes	Estado	N° Contratos	Total Deuda (*)	Total Provisión	Precio de Venta
jan-14	Balance	4	$ 358	$ 224	$ 258
feb-14	Balance	5	298	78	220
	Write-off	2	119	-	69
mar-14	Write-off	3,633	23,867	-	4,294
apr-14	Balance	11	768	154	464
	Write-off	7	918	-	413
may-14	Balance	3	142	49	138
jun-14	Balance	144	1,243	1,140	209
	Write-off	7,624	66,098	-	7,265
jul-14	Balance	42	1,694	-	961
	Write-off	1	119	615	65
aug-14	Balance	2	689	-	542
	Write-off	9	478	235	188
sep-14	Balance	37	164	-	14
	Write-off	927	12,619	155	867
oct-14	Write-off	1	44	-	28
nov-14	Balance	17	667	217	371
	Write-off	403	16,900	-	1,581
dec-14	Balance	39	1,389	1,278	74
	Write-off	8,899	88,320	-	11,981
Total sales	**Active**	**304**	**$ 7,412**	**$ 3,140**	**$ 3,251**
	Written-off	**21,506**	**$ 209,482**	**$ 1,005**	**$ 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.

During 2013, 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:

Mes	Estado	N° Contratos	Total Deuda (*)	Total Provisión	Precio de Venta
jan-13	Write-off	4	$ 261	$ 42	$ 127
feb-13	Balance	1	34	9	31
	Write-off	2	85	9	50
mar-13	Balance	2,135	5,129	3,940	1,201
	Write-off	11,178	64,016	-	10,100
may-13	Balance	12	394	278	324
	Write-off	8	342	-	154
jun-13	Balance	1,000	2,389	2,120	502
	Write-off	4,942	28,078	-	4,475
jul-13	Balance	9	288	80	190
	Write-off	3	3	-	2
sep-13	Balance	193	8,761	8,449	2,641
	Write-off	7,646	68,675	-	7,598
oct-13	Balance	57	966	304	340
	Write-off	1,084	26,284	-	5,199
nov-13	Balance	2,404	19,971	14,774	4,880
	Write-off	1,253	11,265	-	2,339
dec-13	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 $29,324 revenue in the sale transaction.

As of December 31, the classification of loan portfolio and provisions by geographic area were as follows:

2014

Zone	Principal	Interest	Other	Principal Provision	Interest Provision	Others Provision
Barranquilla	$ 4,686,957	$ 43,770	$ 1,680	$ 183,068	$ 5,191	$ 1,182
Bogotá	10,990,665	93,595	2,578	298,986	6,434	3,783
Cali	2,755,089	21,139	1,053	104,670	2,830	751
Cundiboyacá	953,244	8,077	413	39,078	1,317	289
Eje Cafetero	1,277,898	11,331	414	39,982	1,282	270
Huila	723,271	7,141	415	26,078	875	335
Llanos Orientales	1,179,808	11,741	487	48,361	1,719	347
Medellín	3,852,617	31,481	798	96,135	2,280	557
Santander	1,661,338	12,536	427	48,794	1,219	216
Tolima	581,930	5,073	194	20,929	658	115
General provision	-	-	-	66,849	-	-
Total	**$ 28,662,816**	**$ 245,884**	**$ 8,459**	**$ 972,930**	**$ 23,805**	**$ 7,845**

2013

Zone	Principal	Interest	Other	Principal Provision	Interest Provision	Others Provision
Barranquilla	$ 4,081,662	$ 42,437	$ 1,338	$ 150,331	$ 4,406	$ 904
Bogotá	8,927,714	71,701	1,819	242,360	5,027	2,968
Cali	2,350,181	20,529	925	93,312	2,601	544
Cundiboyacá	845,731	7,570	340	33,678	1,296	186
Eje Cafetero	1,041,423	10,466	338	34,147	996	186
Huila	594,912	5,169	257	21,568	772	174
Llanos Orientales	1,007,044	10,499	365	37,316	1,159	176
Medellín	3,560,875	28,437	690	86,844	1,953	410
Santander	1,405,353	11,026	347	38,349	1,020	182
Tolima	491,357	4,216	163	17,041	482	80
General provision	-	-	-	57,929	-	-
Total	**$24,306,252**	**$ 212,050**	**$ 6,582**	**$ 812,875**	**$ 19,712**	**$ 5,810**

Sales operations of massive portfolio were performed with carriers Covinoc S.A, Inversionistas Estratégicos S.A.S., Konfigura Capital S.A., New Credit S.A.S. and Serlefin S.A.

The Bank's loan portfolio as of December 31 was distributed in debtors devoted to the following economic activities:

Activity	2014	2013
Association – education – health activities	$ 1,070,503	$ 932,201
Amusement activities –cultural activities	72,309	86,084
Real estate – companies – rental activities	932,468	818,451
Capture – depuration – distribution of water	38,075	106,852
Wholesale trade – commission – contracting	1,553,500	1,168,326
Retail trade – non-specialized establishments	1,616,396	1,427,921
Construction – reconditioning – finishing	1,413,254	1,326,856
Mail and telecommunications	347,372	405,934
Elaboration of food and beverage products	830,460	496,450
Exploitation of public administration and defense	930,881	720,401
Exploitation non-metallic minerals	12,556	12,597
Extraction of coal	31,595	31,399
Extraction of metallic minerals	9,590	12,475
Extraction oil and gas – natural gas	708,611	649,368
Factory of paper – cardboard and their products	19,270	17,525
Fabrication– refinement – petroleum–chemical products	385,264	351,218
Fabrication non-metallic minerals	44,357	28,317
Fabrication other manufacturing industries	109,057	124,357
Fabrication metallic products – machinery	276,510	200,631
Fabrication of textile products	201,495	143,291
Financing of safe plans	40,816	27,453
Generation– fabrication electricity – gas – water	1,460,539	1,085,684
Hotels and restaurants	218,865	177,015
Industry – fabrication – metals	105,048	121,594
Financial intermediation	490,896	444,856
Wage earners	11,180,598	9,633,124
Capital rentiers	185,466	148,664
Printing activities	36,669	29,819
Non-differentiated activities of individual households	173	117
Organizations and extraterritorial bodies	7,908	7,276
Other community service activities	2,691,633	2,187,483
Fishing production fish farm	13,039	12,997
Agricultural and animal husbandry production	847,278	760,966
Sanitations and similar services	25,979	21,501
Forestry, wood extraction and services	7,377	5,776
Transformation– factory– basketwork	16,551	14,087
Transportation	730,459	567,186
Total	**$ 28,662,816**	**$ 24,306,252**

BBVA Colombia remains as third biggest bank in credit housing in the country

Below it is a summary of restructured loans and in charge of companies with which informal agreements were reached and which were requesting meetings of creditors; 10,382 and 10,839 operations as of December 31, 2014 and 2013, respectively by type of portfolio:

2014

Restructured	Principal	Interest	Other	Principal provision	Interest Provision	Others Provision	Collaterals
Commercial:							
• Category "A"	$ 26,497	$ 368	$ 10	$ 333	$ 18	$ -	$ 23,809
• Category "B"	52,303	1,216	7	3,662	112	2	34,794
• Category "C"	79,256	254	19	13,400	134	13	13,815
• Category "D"	14,348	197	15	10,044	165	15	10,114
• Category "E"	34,657	797	215	24,081	742	212	18,279
Total commercial	**207,061**	**2,832**	**266**	**51,520**	**1,171**	**242**	**100,811**
Consumer:							
• Category "A"	17,767	162	5	1,144	32	1	2,548
• Category "B"	25,062	246	9	4,890	71	3	2,366
• Category "C"	16,805	185	9	4,412	93	6	1,674
• Category "D"	22,987	287	29	16,508	255	28	2,435
• Category "E"	39,483	573	109	26,152	520	106	6,199
Total consumer	**122,104**	**1,453**	**161**	**53,106**	**971**	**144**	**15,222**
Mortgage:							
• Category "A"	26,807	208	17	1,093	73	9	26,718
• Category "B"	27,706	284	38	1,186	284	38	27,633
• Category "C"	4,570	46	26	445	46	26	4,569
• Category "D"	2,746	40	24	556	40	24	2,746
• Category "E"	10,836	169	106	3,238	170	108	10,863
Total mortgage	**72,665**	**747**	**211**	**6,518**	**613**	**205**	**72,529**
Total restructured portfolio	**$ 401,830**	**$ 5,032**	**$ 638**	**$ 111,144**	**$ 2,755**	**$ 591**	**$ 188,562**

2013

Restructured	Principal	Interest	Other	Principal provision	Interest Provision	Others Provision	Collaterals
Commercial:							
• Category "A"	$ 37,651	$ 552	$ 17	$ 580	$ 29	1	154,264
• Category "B"	48,816	803	15	3,662	85	4	103,202
• Category "C"	85,644	484	21	11,271	184	18	61,510
• Category "D"	10,941	117	8	9,067	114	8	32,870
• Category "E"	20,622	277	49	15,716	266	49	55,743
Total commercial	203,674	2,233	110	40,296	678	80	407,589
Consumer:							
• Category "A"	26,115	247	9	2,487	51	2	28,392
• Category "B"	21,376	225	8	4,851	63	3	9,263
• Category "C"	17,718	209	10	5,657	106	7	6,801
• Category "D"	21,856	320	25	17,282	292	24	9,407
• Category "E"	28,445	465	79	19,887	431	77	15,579
Total consumer	115,510	1,466	131	50,164	943	113	69,442
Mortgage:							
• Category "A"	20,924	179	18	165	71	9	82,998
• Category "B"	24,957	265	36	809	265	36	81,286
• Category "C"	5,398	66	23	521	66	23	16,695
• Category "D"	2,601	31	17	513	31	18	8,399
• Category "E"	10,330	173	81	3,212	173	81	27,104
Total mortgage	64,210	714	176	5,221	606	167	216,482
Total restructured portfolio	$ 383,394	$ 4,413	$ 417	$ 95,681	$ 2,227	$ 360	$ 693,513

At BBVA we work to build durable relationships with our customers and provide the maximum value to our interest groups and to society in general

2014

	Principal	Interest and other accounts receivable	Provision	Collateral
Per restructuring type:				
• Circular Letter 039 Superintendence	$ 2	$ -	$ -	$ -
• Law 550	189	1	85	92
• Law 617	22,144	210	4,844	22,144
• Other restructurings	372,353	5,179	108,032	159,888
• Rainy Season	7,142	280	1,529	6,438
Total	**$ 401,830**	**$ 5,670**	**$ 114,490**	**$ 188,562**
By rating:				
• A	$ 71,071	$ 771	$ 2,704	$ 53,075
• B	105,071	1,801	10,250	64,793
• C	100,631	538	18,576	20,058
• D	40,081	592	27,634	15,294
• E	84,976	1,969	55,326	35,342
Total	**$ 401,830**	**$ 5,671**	**$ 114,490**	**$ 188,562**

2013

	Principal	Interest and other accounts receivable	Provision	Collateral
Per restructuring type:				
• Circular Letter 039 Superintendence	$ 28	$ -	$ 2	$ 15
• Law 550	100	-	38	90
• Law 617	35,152	337	5,894	64,043
• Other restructurings	334,150	4,019	90,287	500,288
• Rainy Season	13,965	472	2,045	129,077
Total	**$ 383,395**	**$ 4,828**	**$ 98,266**	**$ 693,513**
By rating:				
• A	$ 84,690	$ 1,021	$ 3,394	$ 265,654
• B	95,149	1,352	9,777	193,752
• C	108,760	813	17,852	85,006
• D	35,398	519	27,349	50,676
• E	59,398	1,123	39,894	98,425
Total	**$ 383,395**	**$ 4,828**	**$ 98,266**	**$ 693,513**

The following is a summary by economic sector of the values of restructured loans and in charge of the companies with which informal agreements were achieved and of those that were requesting meetings of creditors; 10,302 and 10,839 operations as of December 31, 2014 and 2013, respectively:

Concept	Año 2014			Año 2013		
	Capital	Interest and Other accounts receivable	Provision	Capital	Interest and Other accounts receivable	Provision
Per economic sector:						
• Association – education – health activities	$ 10,676	$ 151	$ 3,186	$ 10,516	$ 135	$ 3,158
• Amusement activities –cultural activities	542	5	185	502	7	137
• Real estate – companies – rental activities	24,015	471	7,584	11,116	205	2,408
• Public administration and defense	46,412	301	19,174	62,346	418	20,001
• Capture – depuration – distribution of water	1	-	-	69	2	43
• Wholesale trade – commission – contracting	17,219	362	4,452	14,540	282	2,961
• Retail trade – non-specialized establishments	24,430	496	7,507	23,317	366	6,429
• Construction – reconditioning – finishing	13,058	917	1,501	14,477	532	2,478
• Mail and telecommunications	771	9	141	5,536	31	2,695
• Elaboration of food and beverage products	6,395	63	5,022	606	12	247
• Exploitation non-metallic minerals	5	-	4	11	-	11
• Extraction of coal	966	15	298	671	12	199
• Extraction of metallic minerals	33	-	5	-	-	-
• Extraction oil and gas – natural gas	1,023	33	438	1,390	20	155
• Factory of paper – cardboard and their products	267	2	6	38	-	38
• Fabrication– refinement – petroleum-chemical products	3,684	17	1,429	2,111	27	285
• Fabrication non-metallic minerals	136	8	96	171	3	71
• Fabrication other manufacturing industries	970	26	317	1,006	17	151
• Fabrication metallic products – machinery	2,583	32	1,017	1,515	7	566
• Fabrication of textile products	2,967	22	394	954	14	271
• Financing of insurance plans	924	16	474	489	6	179
• Generation- fabrication electricity – gas – water	190	2	119	243	2	139
• Hotels and restaurants	2,529	36	527	2,502	25	500
• Industry – fabrication – metals	191	2	51	140	1	86
• Financial intermediation	12,809	22	1,030	11,933	8	781

Concept	Año 2014			Año 2013		
	Capital	Interest and Other accounts receivable	Provision	Capital	Interest and Other accounts receivable	Provision
• Wage earners	107,141	1,260	34,111	98,250	1,236	32,157
• Capital rentiers	2,958	49	874	2,073	33	402
• Non-differentiated activities of individual households	19	-	7	19	-	7
• Organizations and extraterritorial bodies	112	1	34	182	3	81
• Other community service activities	25,417	334	7,535	22,559	280	6,530
• Fishing production fish farm	55	1	15	99	2	10
• Agricultural and animal husbandry production	25,091	862	6,372	26,845	841	5,185
• Sanitation and similar services	569	11	148	212	2	83
• Forestry, wood extraction and services	339	7	184	48	1	10
• Transformation- factory- basketwork	1257	41	545	948	14	154
• Transportation	66,076	96	9,708	65,961	284	9,658
Total	**$ 401,830**	**$ 5,670**	**$ 114,490**	**$ 383,395**	**$ 4,828**	**$ 98,266**

Concept	Año 2014			Año 2013		
	Capital	Interest and Other accounts receivable	Provision	Capital	Interest and Other accounts receivable	Provision
By geographic area:						
• Barranquilla	$ 79,232	$ 1,076	$ 26,514	$ 78,156	$ 1,047	$ 17,923
• Bogotá	110,327	2,087	34,585	103,641	1,548	31,303
• Cali	94,618	439	21,182	99,059	671	23,380
• Cundiboyacá	14,591	305	4,474	11,540	228	3,427
• Eje Cafetero	16,314	325	4,772	17,931	321	4,584
• Huila	8,866	145	2,425	7,269	129	2,084
• Llanos Orientales	18,117	491	5,571	10,550	210	3,087
• Medellín	40,459	502	9,542	40,508	439	8,325
• Santander	9,073	112	2,214	5,693	103	1,495
• Tolima	10,233	189	3,211	9,048	132	2,658
Total	**$ 401,830**	**$ 5,671**	**$ 114,490**	**$ 383,395**	**$ 4,828**	**$ 98,266**

10. Leasing portfolio

Leasing operations for the consolidated are held 100% by the Bank; below there is a list of the classification and the rating by modality as of December 31:

Financial leasing operations - 2014 (includes Housing Leasing)

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Collateral
Commercial:						
With suitable collateral:						
• Category "A"	$ 1,299,919	$ 6,598	$ 2,034	$ 14,373	$ 115	$ 52,923
• Category "B"	54,527	793	214	1,922	39	2,69
• Category "C"	14,929	175	227	1,145	124	70
• Category "D"	4,757	150	-93	2,079	133	2,162
• Category "E"	17,265	628	640	10,654	610	21,560
Total commercial	**1,391,397**	**8,344**	**3,022**	**30,173**	**1,021**	**79,405**
Consumer:						
With suitable collateral:						
• Category "A"	10,127	116	-	81	1	140
• Category "B"	202	9	-	3	-	-
• Category "C"	152	2	-	28	3	-
• Category "D"	90	2	-	40	2	-
• Category "E"	-	-	-	-	-	-
Total Consumer	**10,571**	**129**	**-**	**152**	**6**	**140**
Housing:						
With suitable collateral:						
• Category "A"	856,548	3,403	-	15,803	106	2,482
• Category "B"	23,722	260	-	801	40	-
• Category "C"	4,865	99	-	492	86	-
• Category "D"	566	10	-	198	10	-
• Category "E"	2,477	62	-	976	62	-
Subtotal	**888,178**	**3,834**	**-**	**18,270**	**304**	**2,482**
With other collateral						
• Category "A"	545	1	-	15	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Subtotal	**545**	**1**	**-**	**15**	**-**	**-**
Total housing	**888,723**	**3,835**	**-**	**18,285**	**304**	**2,482**
• Countercyclical individual provision	-	-	-	20,762	187	-
• Other	-	2,530	-	-	-	-
Total financial leasing (includes housing)	**$ 2,290,691**	**$ 14,838**	**$ 3,022**	**$ 69,372**	**$ 1,518**	**$ 82,027**

Financial leasing operations - 2013 (includes Housing Leasing)

Portfolio	Principal	Interest	Other	Principal provision	Interest provision	Collateral
Commercial:						
With suitable collateral:						
• Category "A"	$ 1,054,838	$ 5,561	$ 810	$ 11,412	$ 93	$ 94,010
• Category "B"	49,325	528	196	1,973	31	5,173
• Category "C"	12,737	133	80	683	96	549
• Category "D"	1,724	71	63	841	67	-
• Category "E"	10,043	274	242	7,780	266	21,607
Total commercial	**1,128,667**	**6,567**	**1,391**	**22,689**	**553**	**121,339**
Consumer:						
With suitable collateral:						
• Category "A"	6,005	33	-	75	1	151
• Category "B"	286	4	-	15	-	-
• Category "C"	159	2	-	13	2	-
• Category "D"	-	-	-	-	-	-
• Category "E"	12	-	-	12	-	-
Total Consumer	**6,462**	**39**	**-**	**115**	**3**	**151**
Housing:						
With suitable collateral:						
• Category "A"	398,075	1,593	-	7,346	52	2,149
• Category "B"	14,711	201	-	472	14	-
• Category "C"	1,112	39	-	94	39	-
• Category "D"	211	7	-	74	7	-
• Category "E"	570	13	-	200	13	-
Subtotal	**414,679**	**1,853**	**-**	**8,186**	**125**	**2,149**
With other collateral						
• Category "A"	464	-	-	13	-	-
• Category "B"	-	-	-	-	-	-
• Category "C"	-	-	-	-	-	-
• Category "D"	-	-	-	-	-	-
• Category "E"	-	-	-	-	-	-
Subtotal	**464**	**-**	**-**	**13**	**-**	**-**
Total housing	**415,143**	**1,853**	**-**	**8,199**	**125**	**2,149**
• Countercyclical individual provision	-	-	-	13,961	123	-
• Other	-	3,621	-	-	-	-
Total financial leasing (includes housing)	**$ 1,550,272**	**$ 12,080**	**$ 1,391**	**$ 44,964**	**$ 804**	**$ 123,639**

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

2014

Description	Commercial	Consumer	Housing	Total
Balance at the beginning of year	$ 32,283	$ 115	$ 12,566	$ 44,964
Provision charged to expenses in the year	25,420	200	17,373	42,993
Less - Provisions recovery (See Note 32)	(13,610)	(121)	(2,195)	(15,926)
Write-offs	(2,730)	-	-	(2,730)
Cancellations	(281)	-	-	(281)
Other movements	560	(42)	(166)	352
Balance at year end	**$ 41,642**	**$ 152**	**$ 27,578**	**$ 69,372**

2013

Description	Commercial	Consumer	Housing	Total
Balance at the beginning of year	$ 25,594	$ 722	$ 2,534	$ 28,850
Provision charged to expenses in the year	21,840	159	7,880	29,879
Less - Provisions recovery (See Note 32)	(10,636)	(32)	(1,615)	(12,283)
Write-offs	(4,551)	-	-	(4,551)
Cancellations	(58)	-	-	(58)
Other movements	94	(734)	3,767	3,127
Balance at year end	**$ 32,283**	**$ 115**	**$ 12,566**	**$ 44,964**

Beyond business relations and our activity in the financial sector, in BBVA we are aware that we work for a better future for people

La siguiente era la clasificación de leasing financiero y provisiones por zona geográfica, al 31 de diciembre::

2014

Zone	Principal	Interest	Other	Principal provision	Interest provision
Barranquilla	$ 268,628	$ 1,725	$ 292	$ 8,359	$ 159
Bogotá	959,263	5,644	1,286	28,008	614
Cali	304,100	1,941	491	8,423	207
Cundiboyacá	56,375	308	118	2,161	37
Eje Cafetero	92,806	667	68	3,444	64
Huila	42,535	211	52	1,078	11
Llanos Orientales	65,605	878	288	3,171	116
Medellín	251,673	1,739	217	7,373	183
Santander	204,005	1,257	117	5,775	92
Tolima	45,701	468	93	1,580	35
Total	**$ 2,290,691**	**$ 14,838**	**$ 3,022**	**$ 69,372**	**$ 1,518**

2013

Zone	Principal	Interest	Other	Principal provision	Interest provision
Barranquilla	$ 172,173	$ 2,832	$ 208	$ 6,241	$ 100
Bogotá	639,333	3,741	375	18,416	331
Cali	226,945	1,841	196	5,255	71
Cundiboyacá	30,642	208	28	1,237	19
Eje Cafetero	61,821	406	65	1,701	17
Huila	32,869	130	17	727	13
Llanos Orientales	49,258	642	175	2,036	77
Medellín	156,225	993	163	4,094	73
Santander	147,600	1,078	133	4,150	87
Tolima	33,406	209	31	1,107	16
Total	**$ 1,550,272**	**$ 12,080**	**$ 1,391**	**$ 44,964**	**$ 804**

As of December 31, the Bank's financial leasing was distributed in debtors devoted to the following economic activities:

Activity	2014	2013
Association – education – health activities	$ 204,949	$ 161,407
Amusement activities –cultural activities	28,757	22,152
Real estate – companies – rental activities	164,827	130,172
Exploitation public administration and defense	1,366	1,098
Capture – depuration – distribution of water	215,564	142,826
Wholesale trade – commission – contracting	211,780	164,036
Retail trade – non-specialized establishments	153,585	105,948
Construction – reconditioning – finishing	5,495	6,302
Mail and telecommunications	60,381	52,661
Elaboration of food and beverage products	12,431	8,590
Exploitation non-metallic minerals	5,247	6,343
Extraction oil and gas – natural gas	4,001	2,894
Extraction of coal	2,977	2,312
Extraction of metallic minerals	28,527	28,232
Fabrication non-metallic minerals	4,690	1,700
Factory of paper – cardboard and their products	25,961	26,324
Fabrication– refinement – petroleum–chemical products	3,656	2,630
Fabrication other manufacturing industries	14,919	13,233
Fabrication metallic products – machinery	22,773	21,568
Fabrication of textile products	18,103	14,258
Financing of insurance plans	10,587	3,134
Generation– fabrication electricity – gas – water	6,161	3,436
Hotels and restaurants	55,872	20,026
Industry – fabrication – metals	6,785	5,812
Financial intermediation	27,661	31,957
Wage earners	624,276	287,23
Capital rentiers	16,912	9,723
Printing activities	6,615	4,711
Organizations and extraterritorial bodies	1,095	364
Other community service activities	97,157	56,258
Fishing production fish farm	2,646	1,539
Agricultural and animal husbandry production	114,323	96,023
Sanitation and similar services	5,581	4,649
Forestry, wood extraction and services	574	721
Transformation– factory– basketwork	2,686	990
Transportation	121,771	109,013
Total	**$ 2,290,691**	**$ 1,550,272**

The following was a summary of the values of restructured loans and in charge of the companies with which informal agreements were reached and which were requesting meetings of creditors; 62 and 34 operations as of December 31, 2014, and 2013, respectively, by portfolio type:

2014

Restructured	Principal	Interest	Other	Principal provision	Interest provision	Others provision	Collateral
Commercial:							
• Category "A"	$ 571	$ 2	$ 4	$ 12	$ -	$ -	$ -
• Category "B"	3,942	31	14	301	2	1	-
• Category "C"	4,380	30	63	575	8	15	35
• Category "D"	100	1	4	53	1	4	-
• Category "E"	2,803	79	96	1,368	76	86	100
Total commercial	**11,796**	**143**	**181**	**2,309**	**87**	**106**	**135**
Total restructured portfolio	**$ 11,796**	**$ 143**	**$ 181**	**$ 2,309**	**$ 87**	**$ 106**	**$ 135**

2013

Restructured	Principal	Interest	Other	Principal provision	Interest provision	Others provision	Collateral
Commercial:							
• Category "A"	$ 137	$ -	$ 2	$ 5	$ -	$ -	$ -
• Category "B"	4,992	63	15	350	6	2	200
• Category "C"	1,236	3	29	132	-	5	170
• Category "D"	89	1	8	42	-	8	-
• Category "E"	3,321	2	46	1,67	2	46	-
Total commercial	**9,775**	**69**	**100**	**2,199**	**8**	**61**	**370**
Total restructured portfolio	**$ 9,775**	**$ 69**	**$ 100**	**$ 2,199**	**$ 8**	**$ 61**	**$ 370**

2014

	Principal	Interest and other accounts receivable	Provision	Collateral
Por tipo de reestructuración:				
• Other restructuring	$ 11,796	$ 324	$ 2,502	$ 135
Total	**$ 11,796**	**$ 324**	**$ 2,502**	**$ 135**

2013

	Principal	Interest and other accounts receivable	Provision	Collateral
Por tipo de reestructuración:				
• Other restructuring	$ 9,775	$ 169	$ 2,268	$ 370
Total	**$ 9,775**	**$ 169**	**$ 2,268**	**$ 370**

A summary by economic sector of the amounts of restructured loans and in charge of companies with which informal agreements were reached and which were requesting meetings of creditors; 62 and 34 operations as of December 31, 2014 and 2013, respectively:

2014 was a remarkable year in credit mortgage matters, due to partnership work between central areas, offices and sales forces, which was reflected in increases in balances, revenue and market share

2014	Principal	Interest and accounts receivable	Provision
Per economic sector:			
• Association - education - health activities	$ 1,350	$ 53	$ 131
• Amusement activities- cultural activity	2,449	1	205
• Real estate - companies - rental activities	652	29	187
• Wholesale trade - commission - contracting	463	39	295
• Retail trade establishments	1,099	47	444
• Construction - reconditioning - finishing	1,199	29	211
• Coal extraction	34	1	2
• Metallic minerals extraction	1,025	52	482
• Oil and gas extraction - natural gas	150	14	111
• Fabrication metallic products - machinery	191	-	24
• Fabrication of textile products	745	14	96
• Electricity - gas - water generation/fabrication	39	1	9
• Financial intermediation	109	3	4
• Agricultural and animal husbandry products	1,591	37	257
• Transformation- factory- basketwork	60	1	10
• Transportation	640	3	34
Total	$ 11,796	$ 324	$ 2,502

2013	Principal	Interest and accounts receivable	Provision
Per economic sector:			
• Association - education - health activities	$ 1,180	$ 21	$ 127
• Amusement activities- cultural activity	2,539	25	187
• Wholesale trade - commission - contracting	2,873	38	1,472
• Retail trade establishments	955	16	166
• Construction - reconditioning - finishing	546	10	54
• Coal extraction	56	-	25
• Metallic minerals extraction	868	9	70
• Oil and gas extraction - natural gas	152	16	11
• Electricity - gas - water generation/fabrication	46	1	9
• Financial intermediation	137	2	5
• Wage earners	77	1	60
• Agricultural and animal husbandry products	52	8	33
• Transportation	294	22	49
Total	$ 9,775	$ 169	$ 2,268

La siguiente era la clasificación por zona geográfica de los valores de los préstamos reestructurados y a cargo de las empresas con las cuales se alcanzaron acuerdos informales y de las que se encontraban tramitando procesos de concurso de acreedores; 62 y 34 operaciones al 31 de diciembre de 2014 y 2013, respectivamente:

Año 2014	Principal	Interest and accounts receivable	Provision
By geographic zone:			
• Barranquilla	$ 1,583	$ 84	$ 518
• Bogotá	4,226	60	770
• Cali	2,071	17	257
• Cundiboyacá	191	-	24
• Eje Cafetero	249	2	37
• Llanos Orientales	1,083	51	274
• Medellín	969	75	451
• Santander	503	16	110
• Santander	921	19	61
Total	**$ 11,796**	**$ 324**	**$ 2,502**

Año 2013	Principal	Interest and accounts receivable	Provision
By geographic zone:			
• Barranquilla	$ 3,540	$ 67	$ 1,553
• Bogotá	3,884	34	306
• Cali	169	1	96
• Eje Cafetero	107	1	16
• Llanos Orientales	191	11	85
• Medellín	1,046	29	77
• Santander	838	26	135
Total	**$ 9,775**	**$ 169**	**$ 2,268**

11. Securitizations and repurchase of securitized portfolio

During the period January to December 2014, 100% of these transactions were conducted by the Bank:

Securitization 2014 - During the period January to December 2014, the following portfolio transactions were carried out:

Cancellation E5: In April 2014 the grounds for early liquidation of the universality TIPS foreseen in the issuance bylaws appeared, considering that on that date the result of adding the total principal balance of the Non-IH credits plus the total principal balance of all IH credits was lower than or equal to 3% of the amount of the total principal balance of Non-IH and IH credits, to the date of issue.

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, taking into account that on May 17, 2010 it stopped in its capacity as supplier of the partial IFC hedging mechanism applicable to the NON-IH E-5 Class A securities issued as from the Non-IH E-5 Universality.

Also Fogafin was not notified given the termination on November 17, 2013 of the Nation – Fogafin Collateral Contract applicable to the IH E-5 Class A Securities issued as from the IH E-5 Universality derived from the total payment of the Class A TIPS.

As of the date of formalization of the liquidation causal of the TIPS E5 Issue, the underlying assets of the universalities consisted of NON-IH mortgage credits and IH mortgage credits for a book value of $15,191.95 million.

The Bank participated in the repurchase of receivables originated by BBVA, according to the invitation received from Titularizadora Colombiana S.A., obtaining the following settlement figures in the Bank's financial statements.

Below there is a summary of Bank figures corresponding to the advanced liquidation with portfolio purchases:

A strong leadership position in the Spanish market, the largest financial institution in Mexico, leading presence in South America and in the Sunbelt region of the United States

Concept	Value	
Securities book balance	$	4,603
Securities provision (Local)		(4,603)
Securities Net	**$**	**-**
Cash residual payment	$	4,148
Net Result - TIPS	**$**	**4,148**
Total Balance	$	2,416
Receivables provision	$	(207)
Portfolio of receivables – Net	**$**	**2,209**
* Payment of receivables	$	(2,313)
Net resulted – Portfolio purchase	**$**	**(104)**
Total	**$**	**4,044**

* As on May 20, 2014 cut-off date, 267 obligations originated by BBVA and in force in this issue were purchased.

Securitization of productive portfolio: During 2014, the bank BBVA Colombia S.A. did not participate in securitization processes; below there is a list of the active securitization processes or previous periods:

Issue	Managed Portfolio – Total Principal		Balances in BBVA TIPS Securities	
TIPS E-9	$	10.204	$	6.848
TIPS E-10		6.904		2.587
TIPS E-11		4.167		949
TIPS E-12		4.083		3.440
TIPS N-6		71.251		33.811
Total	**$**	**96.609**	**$**	**47.635**

Portfolio repurchases: Repurchases of 646 credits were made from Titularizadora Colombiana S.A. of the Issues TIPS E5 – VIS, TIPS E5 – NON-VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS, for an amount of $25,007 million, which included 267 credits for Advanced Liquidation Issue E5 amounting to $2,407 million as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number 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	1,149	1,061	223	23,860
Debt total balance	3,073	4,035	2,714	3,027	3,946	1,886	2,184	862	1,114	1,159	1,070	224	25,293

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 value 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. In this time, 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. As a novelty, securities denominated MZ or mezzanine appeared in this issue, and they took the interest-rate spread that is generated between the weighted average rates of the securitized portfolio and the weighted average rate at which securities were placed.

Securitization 2008 - EIn December 2008, it was conducted the issue of mortgage-portfolio representative TIPS originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total amount of $401,000, where BBVA participated with $140,000.

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

On December 18, 2008 the second lot was assigned to the originating banks (70% of the issue) and $98,554 corresponded to BBVA Colombia, including the MZ security that corresponds to the present value of the excess cash flow and that was recorded as revenue for the Bank. Additionally, this operation 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, it was made the issue of mortgage-portfolio representative TIPS, originated by BBVA Colombia S.A., Bancolombia S.A., BCSC S.A. and Davivienda S.A., for a total amount of $498,593, where BBVA participated with $74,233.

On March 12, 2009 the market was offered the first lot corresponding to 39% of the issue (Series A 2019) with a 1.8 times demand at a 9.00% rate equal to the closing rate of the TES 2020. The value placed was $194,695 with total demand of $345,995, where 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 that corresponds to the present value of the excess cash flow and that is recorded as revenue for the Bank. In addition, this transaction generated provisions reimbursement of $1,483.

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, it was made the issue of E-11 TIPS representative of mortgage portfolio, originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., and for a total amount of $431,857, where BBVA participated with $48,650.

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

The remaining 70% of this TIPS E-11 issue was entirely purchased by the originators of the portfolio for an amount of $313,096, where 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, it was made the issue of E – 12 TIPS representative of mortgage portfolio, originated by BBVA Colombia S.A., Bancolombia S.A. and Davivienda S.A., for a total amount of $376,820, where BBVA participated with $78,745.

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

The remaining 66% of this issue of E - 12 TIPS was entirely purchased by the portfolio originators for an amount of $253,488, where BBVA Colombia purchased $57,090, including the MZ security, which represents profit for the Bank. Additionally, this operation generated $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.

Securitization 2010 - In 2010, the portfolio repurchase operations from Titularizadora Colombiana S.A. were the Issues TIPS E3-VIS, TIPS E3 – NON-VIS, TIPS E4 - VIS, TIPS E4 – NON-VIS, TIPS E5 – VIS, TIPS E5 – NON-VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS and E12 PESOS, corresponding to a Law 546 Assignment amounting to $33,025 million pesos, as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of credits	1	3	5	11	4	3	3	8	5	89	127	268	527
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 participate in securitization processes.

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

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

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of credits	127	137	63	66	133	200	181	41	47	52	75	35	1,157
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	$ 47,448

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

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

On August 23, it was made the issue TIPS N6 Pesos Non-IH, for a total amount of $381,882 distributed in the following classes and amounts:

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

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

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

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

Class B, MZ and C TIPS issued have ratings of A+, BBB- and BB+, respectively.


BBVA

Portfolio repurchases: The repurchase of 508 credits was made from Titularizadora Colombiana S.A. of Issues TIPS E3-VIS, TIPS E3 - NON-VIS, TIPS E4 - VIS, TIPS E4 - NON-VIS, TIPS E5 – VIS, TIPS E5 – NON-VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS, for an amount of $15,520 million, which include 313 credits for Advanced Liquidation E3 Issue amounting to $3,705 million, as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of credits	34	9	11	15	15	8	322	11	22	18	22	21	508
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 participate in securitization processes.

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

Cancellation E4: Dated February fourteen (14) of 2013 it appeared the advanced liquidation causal of the TIPS Universality foreseen in the issuance bylaws, considering that on that date the result of adding the total principal amount of the Non-VIS credits plus the principal balance of all VIS credits was lower than or equal to 3% of the addition of the total principal amount of Non-VIS plus VIS credits, on the issuance date.

In compliance with the provisions of this bylaws, the advanced liquidation causal of the issuance of TIPS was formalized on February 14, 2013, through a communication remitted both to Helm Fiduciaria S.A. in its capacity as Legal Representative of the holders of the TIPS issue as well as to the International Finance Corporation (IFC) in its capacity as supplier of the IFC partial hedging mechanism applicable to the Non-VIS E-4 securities issued as from the Non-VIS E-4 Universality, reporting the occurrence of the advanced liquidation causal.

As of the formalization date of the liquidation causal of the TIPS Issue, the underlying assets of the universalities consisted of Non-VIS mortgage credits and VIS mortgage credits for a book value of $15,148.53 million and goods received in payment (foreclosed assets) for a book value of $14 million originated by the bank BBVA Colombia.

Fogafin was not notified taking into account the termination of the Nation – Fogafin Collateral Contract applicable to the VIS E-4 Class A Securities issued as from the VIS E-4 Universality derived from the total payment of the Class A TIPS on February 14, 2013.

Portfolio repurchases: Repurchases of 1186 credits were made from Titularizadora Colombiana S.A. of the Issues TIPS E4 - VIS, TIPS E4 – NON-VIS, TIPS E5 – VIS, TIPS E5 – NON-VIS, TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS and N6 PESOS, for an amount of $70,168 million, which included 283 credits for Advanced Liquidation E4 Issue amounting to $3,298 million as follows:

Concept	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of credits	14	301	18	225	201	55	45	59	77	82	38	71	1186
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	$ 69,056
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

The participation of the bank in the balance of securitizations and securitized portfolio repurchase as of December 31, 2014 and 2013 was 100%.

12. Banker's acceptances, cash transactions and derivatives

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

Forward Contracts	Maturity in Days			
	2014	2013	2014	2013
Purchase on foreign currency:	14- 646	2-120		
• Rights			$ 4,164,758	$ 972,463
• Obligations			(3,677,398)	(960,097)
Sale on foreign currency:	2 - 503	2-699		
• Rights			828,403	3,656,683
• Obligations			(815,034)	(3,626,236)
Purchase of securities	6- 6			
• Rights			14,531	-
• Obligations			(14,504)	-
Sale on securities:	6- 6	2-14		
• Rights			117,231	272,219
• Obligations			(115,589)	(271,705)
Total forward contracts			**$ 502,398**	**$ 43,327**

Cash transactions		
	2014	2013
Purchase on foreign currency:		
• Rights	$ 11,962	$ 47,917
• Obligations	(11,922)	(47,873)
Sale on foreign currency:		
• Rights	38,360	6,312
• Obligations	(38,350)	(6,310)
Purchase of securities		
• Rights	-	9,387
• Obligations	-	(9,406)
Sale on securities:		
• Rights	5,957	3,013
• Obligations	(5,949)	(3,011)
Total cash transactions	**$ 58**	**$ 29**

Banker's Acceptances	Importes	
	In term	2013
En Plazo	$ 6,604	$ 5,318
Total banker's acceptances	**$ 6,404**	**$ 5,138**

Options	Importes	
	2014	2013
Options on foreign currencies purchased - put:		
• Rights	$ 862,002	$ 531,080
• Fair exchange price	3,507	7,647
Options on foreign currencies purchased - call:		
• Rights	965,161	476,812
• Fair exchange price	123,435	8,395
Total fair exchange price	**$ 126,942**	**$ 16,042**

Swaps	Importes	
	2014	2013
On interest rates:		
• Rights	$ 808,124	$ 664,862
• Obligations	(773,933)	(642,072)
On foreign currencies:		
• Rights	1,274,838	908,566
• Obligations	(1,059,807)	(866,813)
Total swaps	**$ 249,222**	**$ 64,543**

Futures	Importes	
	2014	2013
Purchase on foreign currencies:		
• Rights	$ 557,401	$ 929,388
• Obligations	(557,401)	(929,388)
Sale on foreign currencies:		
• Rights	246,875	342,397
• Obligations	(246,875)	(342,397)
Purchase on 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	**$ 885,025**	**$ 129,079**

The entire cash transactions, acceptances and derivatives with financial instruments for 2014 and 2013 were 100% conducted by the Bank.

Derivative transactions are basically covered with crossed forwards.

The Bank has conducted forward operations on foreign currencies and on securities, future contracts on national bonds, at the Market Representative Exchange Rate (TRM, for its Spanish initials) and standardized forwards, option on foreign currencies, swap on foreign currencies and swap on interest rates, which are valued according to the provisions of Chapter XVIII of the la CBCF in force and effect.

As a general policy for derivative transactions, the Bank is ruled by the norms issued by the Superintendence and it takes into account the restrictions and limits of its own position, the own cash position, the leveraging position, and the interest rates established by the BBVA Group.

As of December 31, 2014 and 2013, transactions with derivatives show no charges, restrictions or encumbrances of a legal or financial nature, or pledges, embargoes, litigation or any other limitation to the exercise of rights inherent to these transactions.

As of December 31, 2014, the breakdown of transactions with derivative financial instruments was as follows:

			Maturity in days		Dates in Million Colombian pesos		
Class of Instrument	Type of Operation	Currency	Min	Max	Value of Right	Net Result	Net Result
• Forward securities	Sale	COP	6	6	$ 117,231	$ (115,589)	$ 1,642
	Purchase	COP	6	6	21,256	(21,281)	(24)
		Total forward securities			**$ 138,487**	**$ 136,870**	**$ 1,618**
• Futures	Purchase	USD	-	-	620,801	(620,801)	-
	Sale	USD	-	-	310,275	(310,275)	-
	Purchase	COP	-	-	18,136	(18,136)	-
	Sale	COP	-	-	75,447	(75,447)	-
		Total futures			**$ 1,024,659**	**$ (1,024,659)**	**$ -**
• Financial options	Call Purchase	USD/COP	2	358	123,436	-	123,436
	Call Sale	USD/COP	2	358	-	(123,579)	(123,579)
	Put Purchase	USD/COP	2	358	3,507	-	3,507
	Put Sale	USD/COP	2	358	-	(3,516)	(3,516)
		Total financial options			**$ 126,943**	**$ (127,095)**	**$ (152)**
• Cash foreign currencies	Purchase	USD/COP	2	2	11,962	(11,922)	41
	Sale	USD/COP	2	5	38,360	(38,350)	10
		Total cash foreign currencies			**$ 50,322**	**$ (50,272)**	**$ 51**
• 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	Purchase	USD/COP	2	1707	4,813,694	(4,336,031)	477,663
	Sale	USD/COP	2	503	5,295,485	(5,800,423)	(504,938)
	Purchase	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)	(87)
	Sale	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)	87
	Purchase	MXM/USD	27	27	11,246	(11,962)	(716)
		Total foreign currency forward			**$ 10,310,909**	**$ (10,344,288)**	**$ (33,380)**
• Cash on securities	Sale	COP	2	5	5,957	(5,949)	8
		Total Cash on securities			**$ 5,957**	**$ (5,949)**	**$ 8**
				Total	**$ 15,903,206**	**$ (15,681,844)**	**$ (52,377)**

A diciembre 31 de 2013, la composición de las operaciones con instrumentos financieros derivados, fue de:

			Maturity in days		Dates in Million Colombian pesos		
Class of Instrument	Type of Operation	Currency	Min	Max	Value of Right	Net Result	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 futures			**$ 1,359,962**	**$ (1,359,962)**	**$ -**
• Financial options	Call Purchase	USD/COP	2	360	8,395	-	8,395
	Call Sale	USD/COP	2	360	-	(8,395)	(8,395)
	Put Purchase	USD/COP	2	360	7,647	-	7,647
	Put Sale	USD/COP	2	360	-	(7,647)	(7,647)
		Total cash foreign currencies			**$ 16,042**	**$ (16,042)**	**$ -**
• Cash foreign currencies	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 cash foreign currencies			**$ 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	Purchase	USD/COP	2	699	3,721,711	(3,733,600)	(11,889)
	Sale	USD/COP	2	699	5,122,084	(5,110,311)	11,773
	Purchase	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)	(771)
	Sale	COP/EUR	7	715	21,779	(22,401)	(622)
	Purchase	EUR/USD	2	715	24	(23,305)	695
	Purchase	MXM/USD	8	22	73,626	(72,839)	787
		Total foreign currency forward			**$ 9,051,240**	**$ (9,051,320)**	**$ (79)**
				Total	**$ 13,532,128**	**$ 13,541,516**	**$ (9,387)**

BBVA designed and successfully developed Web project IFRS, to strengthen the process of convergence to GAAP Financial Information IAS – IFRS. In this manner confirms its commitment to the evolution and improvement of accounting practices

The collateral received and delivered in derivative transactions as of December 31, were:

Counterpart		2014		2013
Goldman Sachs International	USD	$ 440,000	USD	$ 550,000
Banco Santander Central Hispano	USD	3,200,000	USD	310,000
BBVA Madrid(1)	USD	66,943,994	USD	-

(1) The amount with BBVA Madrid corresponds to the collateral agreement on all derivative transactions that the Bank has with this counterparty

13, Cuentas por cobrar, neto

Al 31 de diciembre el saldo de esta cuenta se descomponía así:

Concept	2014		2013	
Credits portfolio interest	$	245,891	$	212,041
Leasing transactions financial component		14,837		12,080
Yields of investments, commissions and rentals		2,689		2,697
Rates of rental goods given under leasing		234		121
Payment on behalf of clients		11,481		7,973
Promising sellers		-		1,716
Advances of contracts and to suppliers (1)		187,582		299,187
Claims to insurance companies		474		2
National Treasury Direction		17,935		17,824
Accounts receivable from FOGAFIN (2)		5,808		18,046
Use of affiliate networks		22		78
Accrual of insurance Titularizadora Colombiana S,A,		112		155
Other (3)		18,623		8,566
Subtotal		**505,688**		**580,486**
Less protection provision		(40,682)		(33,049)
Total accounts receivable, net	**$**	**465,006**	**$**	**547,437**

(1) The decrease in 2014 is mainly due to the regularization of advanced payments for leasing transactions,

(2) The decrease is given as a result of the change in methodology for the refund of the deposit insurance premium, payment was made of an account receivable amounting to $12,492

(3) Recording of market transactions with Banco BBVA Madrid $10,174 and Banco BBVA Bancomer Mexico $1,331,

Total Group Assets increased by 16%, reflecting strong performance in its loan portfolio and investments

The share in the accounts receivable balance as of December 31, 2014 was: the Bank, 99,63%; the Trust Company, 0,16%; and the Broker, 0,21%, As of December 31, 2013 it was: the Bank, 99,66%; the Trust Company, 0,22%; and the Broker, 0,12%,

The movement of the accounts receivable protection provision account in the years ended as of December 31, was as follows

Concept	2014		2013	
Balance at the beginning of year	$	33,049	$	33,134
Provision charged to expenses for the year		37,198		34,028
Plus or less – Transfer other items		(1,257)		1,072
Less – Provision recovery		(16,756)		(23,577)
Less – Write-offs and utilizations		(11,552)		(11,608)
Balance at year end	**$**	**40,682**	**$**	**33,049**

14, Realizable goods, received as payment and restituted goods, net

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

Concept	2014	2013
Goods not used in the corporate purpose:		
• Lands	$ 348	$ 201
• Offices, garages and locales	2,839	2,028
• Equipment, furniture and fixtures (1)	6,245	-
Less – Depreciation (2)	(9,003)	(1,949)
Subtotal goods not used in the corporate purpose	**429**	**280**
Realizable goods:		
• Immovable goods	5,675	6,122
Subtotal goods received as payment (foreclosed assets)	**5,675**	**6,122**
Goods restituted leasing contracts:		
• Immovable goods (2)	6,306	6,340
• Vehicles	2,527	380
Subtotal restituted goods	**8,833**	**6,720**
Subtotal realizable, received as payment, restituted and not used in the corporate purpose	**14,937**	**13,122**
Less provision for the protection of:		
• Restituted goods	3,630	2,062
• Goods received as payment of obligations	2,023	2,684
Subtotal provisions	**(5,653)**	**(4,746)**
Total goods not used in the corporate purpose, received as payment and restituted goods, net	**$ 9,284**	**$ 8,376**

As of December 31, 2014 and 2013, the Bank's share in the net balance of the "realizable goods, received as payment and restituted goods" account was 100%,

The Trust Company and the Broker recorded no goods received in dation of payment,

The Bank's Management is currently undertaking the necessary actions for the realization of these goods within the terms established by the Superintendence, The movement of the provision for protection of realizable and received as payment goods during the years ended as of December 31 was as follows:

Concept	2014	2013
Balance at the beginning of year	$ 4,746	$ 3,341
Provision charged to expenses in the year	2,363	3,201
Transfers	(30)	124
Less – write-offs or utilizations	-	(210)
Less – Retirement for sales and recoveries	(1,426)	(1,710)
Balance at year end	**$ 5,653**	**$ 4,746**

With respect to the methodology implemented to evaluate the provision level, the Bank applied External Circular Letter 034 of 2003 issued by the Superintendence that determined the deadline of December 31, 2005 for financial entities to keep, at least, provisions equivalent to 80% of the adjusted cost of the immovable goods received before October 1, 2001,

The Bank calculates and records the provisions within the framework of the provisions of those rules established in numeral 1,3,1,2 of Chapter III of the CBCF, as follows:

- Through monthly proportional parts, it shall be created a provision equivalent to thirty percent (30%) of the value of reception of the good within the year following the date of reception thereof, Such provision percentage shall be increased until reaching sixty percent (60%) through monthly proportional parts 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 provisions is made according to numeral 1,3,2 of Chapter III of the CBCF, Notwithstanding, the Bank, as per principle of prudence, in some cases, makes a provision for up to 100% of the value received of the good,

  The amounts, permanence time, and provision level of the goods received in dation of payment as of December 31, 2014 and 2013 were as follows:

Type of Good	Amount		2014		2013	
	2014	2013	Permanence Time (3)	Provision	Permanence Time (3)	Provision
Immovable goods	$ 5,675	$ 6,122	16	$ 2,023	16	$ 2,684
Total	**$ 5,675**	**$ 6,122**		**$ 2,023**		**$ 2,684**

The commercial value of these goods is updated based upon the appraisals, the term of which is three years, However, each time a good is received it is necessary to make a valuation thereof to record it in books; if the commercial value results being lower than the cost in books, a provision is made for the difference,

(1) Corresponds to the transfer of the Furniture and Office equipment, and Security Equipment accounts, Minutes Nos, 1593, 1597 and 1598 of April, August and September 2014, signed by the Bank's Board of Directors and through which they approve the transfer, the fiscal write-off, sale, dation and/or lease of the Bank's assets and transfer to the book account and cost center managed by Non-Financial Assets (GANF),

(2) Corresponds to the fixed asset depreciation amounts transferred to the disaffected account,

(3) Stated as average permanence time in months,

15, Property and equipment, net

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

Concept	2014	2013
Lands	$ 54,959	$ 55,494
Constructions under course (1)	4,988	16,604
Buildings	290,314	284,836
Furniture, equipment and fixtures	210,860	193,602
Computer equipment	205,348	193,464
Vehicles	5,313	3,873
Goods given under leasing (2)	22,391	17,025
Subtotal	**794,173**	**764,898**
Less – Accrued depreciation	491,528	456,027
Property and equipment provision	157	280
Subtotal	**491,685**	**456,307**
Total property and equipment, net	**$ 302,488**	**$ 308,591**

(1) The increase for 2013 corresponds to works pending to be finished, basically supported in the strategic plan that pretends the corporate expansion at country level; the main cities that receive office works are: Soacha, Avenida Tercera Norte Cali, La Dorada branch, Calle 71 Building; and the decrease for 2014 corresponds to the legalization of corporate expansion strategic plan works,

(2) The share in the property and equipment account balance as of December 31, 2014 was: the Bank, 99,99%; the Trust Company, 0,01%; and the Broker, 0,00%; and as of December 31, 2013 it was: the Bank, 99,99%; the Trust Company, 0,01%; and the Broker, 0,00%,

All the property and equipment of the Bank are duly covered against fire, related dangers, weak current (damage in electrical and electronic equipment), machinery breakage, HAMCCop (malicious act) and subtraction, through insurance policies that are current and there is no domain restriction,

In the case of BBVA Securities, through the Board of Directors' Meeting held on October 23, 2014 (minute No, 285), they wrote-off the Computer and Communication Equipment, which as of that date are fully depreciated and meet the following characteristics:

- There is no physical stock of the asset
- It is nor operating in the Company
- It generates no income to the Company,

Total depreciation charged to operations for the years ended as of December 31, 2014 and 2013 was $61,217 and $53,321, respectively (see Note 33),

For purposes of establishing provisions or individual valorization on the immovable assets, the Bank and its Subsidiaries conduct commercial appraisals through independent firms registered at the Real Estate Organized Exchange ("Lonja de Propiedad Raíz"), The term applied to these appraisals is three (3) years; as of the December 31, 2014 cut-off date appraisals were conducted at the Bank on 100% of the immovable assets,

Appraisal Date	Amount	Percentage of Participation
2013	271	99
2014	2	1

As of December 31, 2014 and 2013, the valorization of property and equipment was $448,391 and $427,086, respectively (see Note 18),

Vehicles and computer equipment given under operating leasing have comprehensive insurance, which is assumed by the lessee,

(3) A summary of assets given under operating leasing is as follows:

Concept	2014	2013
Vehicles	$ 3,208	$ 3,060
Machinery and equipment	19,183	12,973
Computer equipment	-	992
Subtotal – Capital	**22,391**	**17,025**
Less – Accrued depreciation	(8,923)	(5,141)
Subtotal – Capital	**13,468**	**11,884**
Provision goods given under operating leasing	(157)	(280)
Total	**$ 13,311**	**$ 11,604**

The classification of goods given under operating leasing and provisions by geographic zone as of December 31 is as follows:

2014

Zone	Principal	Depreciation	Other	Principal provision
Bogotá	$ 13,153	$ 3,329	$ 175	$ 95
Cali	114	100	-	-
Llanos Orientales	554	320	10	26
Eje Cafetero	791	140	13	3
Barranquilla	7,246	5,013	23	27
Medellín	533	19	13	6
Total	**$ 22,391**	**$ 8,921**	**$ 234**	**$ 157**

2013

Zone	Principal	Depreciation	Other	Principal provision
Bogotá	$ 8,881	$ 2,118	$ 85	$ 221
Cali	114	74	-	-
Llanos Orientales	554	182	13	4
Eje Cafetero	230	13	2	5
Barranquilla	7,246	2,754	21	50
Total	**$ 17,025**	**$ 5,141**	**$ 121**	**$ 280**

The goods given under operating leasing as of December 31 were distributed in debtors devoted to the following economic activities:

Actividad	2014	2013
Association – education – health activities	$ 44	$ 165
Amusement activities – Cultural activity	-	82
Real estate activities – companies - rental	650	217
Wholesale trade – commission - contracting	1,179	1,875
Retail trade – non-specialized establishments	514	-
Construction – reconditioning – finishing	248	413
Exploitation public administration and defense	2,233	4,132
Hotels and restaurants	308	438
Community service activities	8,292	4,562
Total	**$ 13,468**	**$ 11,884**

16. Prepaid expenses, intangible assets and deferred charges

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

Concept	2014	2013
Prepaid expenses:		
• Insurance	$ 1,405	$ 1,433
• Maintenance, lease and others	6,086	3,568
Subtotal	**7,491**	**5,001**
Deferred charges:		
• Deferred income tax	4,949	4,949
• Computer programs	65,115	48,617
• Leasehold improvements	31,829	11,769
• Office remodeling	4,233	3,510
• Retirement plan bonus (1)	3,634	2,165
• CDT present	1,677	1,785
• Tax on equity	-	33,581
• Other	10,720	9,944
Subtotal	**122,157**	**116,320**
Intangible assets:		
• Mercantile credit (goodwill) (3)	72,341	192,203
Subtotal	**72,341**	**192,203**
Total prepaid expenses – intangible assets and deferred charges	**$ 201,989**	**$ 313,524**

The movement of prepaid expenses, deferred charges and intangibles as of December 31 was as follows:

Concept	2013	Addition	Amortization or Retirement	2014
Insurance	$ 1,433	$ 4,781	$ 4,809	$ 1,405
Maintenance, lease and others	3,568	35,878	33,360	6,086
Office remodeling	3,510	5,845	5,122	4,233
Computer programs	48,617	53,228	36,730	65,115
Leasehold improvements	11,769	26,846	6,786	31,829
Deferred income tax	4,949	-	-	4,949
Retirement plan bonus (1)	2,165	3,634	2,165	3,634
CDT present	1,785	3,486	3,595	1,676
Tax on equity	33,581	-	33,581	-
Mercantile credit (goodwill) (3)	192,203	-	119,862	72,341
Contributions and affiliations	-	6,746	6,746	-
Other	9,944	7,919	7,142	10,721
Total	**$ 313,524**	**$ 148,363**	**$ 259,898**	**$ 201,989**

(1) At the Bank, expenses for bonuses recognized to personnel in compliance with voluntary retirement plans are amortized according to the individual authorizations received by the Superintendence in compliance with all legal and presentation requirements for that purpose.

A summary of the authorizations that the Bank has received with respect to retirement programs is as follows:

Authorization Date	Number of Filing	Term	Amount Approved
August 10, 2010	2010052985-000-000	36	$ 30,576
March 5, 2009	2009008425-001-000	36	41,761
April 30, 2008	2008013322-003-000	36	30,033
August 8, 2007	2007043968-002-000	36	32,612
September 13, 2006	2006044885-000-000	21	29,450
February 20, 2006	2006007367-001-000	24	8,300
August 31, 2005	2005040550-001-000	36	12,576

The table below reflects the detail of the deferred balances for retirement plan and amortization made in the period 2014, as well as the payments made during the same period:

Concept	Amount
Balance of deferred authorizations prior to 2014	$ 2,165
• Payment made during 2014	3,634
• Amortizations made during 2014	(2,165)
Total balance pending to be amortized	**$ 3,634**

The goal we have set is that each of the multiple contacts we have with our interest groups transmits a differential experience that provides sustainable value

The table below reflects the summary of deferred balances for the retirement plan and amortization made in the period 2013 as well as the payments made during the same period:

Concept	Amount	
Balance of deferred authorizations prior to 2013	$	10,257
• Payment made during 2013		6,991
• Amortizations made during 2013		(15,083)
Total balance pending to be amortized	**$**	**2,165**

(2) The purchase of Banco Granahorrar, which gave place to the creation of a mercantile credit (goodwill) in BBVA Colombia's balance sheet, which amounted to $514,415 as of September 30, 2006. The business lines determined at the moment of the merger with Banco Commercial Granahorrar S.A., were: consumer, mortgage and credit cards with distribution of $270,824, $952,419 and $61,831, respectively. The valorization of the business lines for purposes of comparing before the mercantile credit balance were made using the profit flow method generated for each business line.

By its own decision, the Bank decided to accelerate as from January 2012 the amortization of the mercantile credit (goodwill) in monthly aliquots of $9,989 and the projection of total depletion of such assets is planned for August 2015, as shown in the table below:

Period	Amortization		Balance	
2011	$	18,053	$	431,927
2012	$	119,862	$	312,065
2013	$	119,862	$	192,203
2014	$	119,862	$	72,341
2015	$	72,341	$	-

The distribution corresponding to the mercantile credit (goodwill) was as follows:

Business Line	Acquired		Percentage of Participation	Balance	
Consumer	$	270,824	21,07	$	15,2455
Mortgage		952,419	74,11		53,615
Credit cards		61,831	4,82		3,481
	$	**1,285,074**	**100,00**	**$**	**72,341**

Attending the norms of Chapter XVII of the CBCF, which states that the permanence of the expert who carries out the valuation may not exceed five (5) years, for 2012, BBVA Colombia engaged the firm Valor en Finanzas – Valfinanzas to carry out such valuation.

For the sake of conducting a valuation of the business lines in a robust manner and being consequent with the behavior of the economy, in general, and BBVA Colombia goals, parameters were used that result key for purposes of projecting profit flows, which were obtained from reliable sources. In this sense, macroeconomic variables were incorporated to the projection model, which were obtained from the Medium Term Fiscal Framework, such as:

Macro-economic assumptions: One of the fundamental parameters for exercising projections is the inflation *rate. This rate was estimated pursuant to the policies of the Medium Term Fiscal Framework of 2013, established by the Ministry of Finance and Public Credit. In this fashion, during the term of projection a 3.32% annual rate was used.*

Regarding income tax, and income tax for equity – CREE, which correspond to National taxes that tax the income of natural and legal persons, it was used the implicit in the projections of Bank's operations. The latter, given that for its estimation, BBVA gathers the different elements of the Tax Statute to estimate the different tax bases for each year, the applicable rates and surtaxes, as well as the last tax reform included in Law 1739 of 2014.

BBVA continues to strengthen its commitment to develop its activity under the strictest principles of integrity, prudence and transparency

Discount rate: For determining the cost of capital, the following parameters were taken into account:

1) It was estimated the risk-free rate as the yield rate of 10-year US Treasury Bonds, because it tends to be less volatile and has greater liquidity than the State issues of a larger term. This figure was obtained on December 29, 2014 from the database offered by the US Treasury Department.

2) The market premium (Rm-Rf) corresponds to the geometric average of the S&P 500 ratio yield from 1928 and until 2013/9 less the geometric average of the yield rate of 10-year US Treasury Bonds for the same period.

3) The beta-leveraged ratio was estimated according to the most recent update of the related figure for the US Banking industry, with a value of 0.72.

4) The country risk is measured by the EMBI+, which corresponds to the differential of the average cost of the public debt of Colombia in US Dollars with that of the sovereign debt of the United States.

5) The implicit devaluation corresponds to the expected devaluation of the Colombian peso versus the US Dollar, estimated as the differential between the yields of bonds issued in US Dollar (Yankee)/13 and the bonds issued in Colombian pesos (TES)/14 in the long-term.

Financial revenues: Financial revenues were calculated for each business line evaluated, taking as input the medium balances of the gross portfolio projected for the years 2014 to 2019 and the respective placement rates.

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 of the mercantile credit (goodwill) as per the valuation report performed by Valfinanzas Banca de Inversión, as of the October 2014 cut-off, was:

Línea de negocio	Valor total	Valor por línea	Saldo crédito mercantil
Consumo	$ 4,629,776	$ 702,800	$ 19,456
Hipotecario	2,770,641	1,907,864	68,421
Tarjetas de crédito	1,399,825	328,819	4,442
	$ 8,800,242	**$ 2,939,483**	**$ 92,319**

Historical amortization of the mercantile credit (goodwill) in the Bank as of the December 31, 2014 cut-off amounted to $442,111 million and was broken-down as follows:

Period	Annual Amortization	Mercantile Credit balance
Initial balance - mercantile credit	$ -	$ 514,451
Año 2006	3,174	511,277
Año 2007	13,828	497,449
Año 2008	14,781	482,668
Año 2009	15,800	466,868
Año 2010	16,889	449,980
Año 2011	18,053	431,927
Año 2012	119,862	312,065
Año 2013	119,862	192,203
Año 2014	119,862	72,341
	$ 442,111	**$ 72,341**

The participation in the prepaid expenses, intangibles and deferred charges item for 2014 was 99.88% for the Bank; 0.10% for the Trust Company; and 0.03% for the Broker. For 2013, it was: 99.59% for the Bank; 0.34% for the Trust Company; and 0.08% for the Broker.

17. Other assets, net

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

Concept	2014	2013
Furniture and fixtures in the storehouse	$ 421	$ 809
Rights in trusts	197	197
Letters of credit of deferred payment	365	1,034
Permanent contributions	579	579
Deposits (1)	172,184	4,125
Consortium	2,016	1,840
Withholding taxes	-	2
Advances and tax withholdings surpluses	157	13
Art and cultural goods	455	455
Goods pending to be placed in leasing contract (2)	88,790	59,531
Payment express money remittances from abroad	72	13
Tele remittances issued and received from abroad	484	926
Other	1,196	4,520
Subtotal other assets	**266,916**	**74,044**
Less other assets provision	(15,548)	(7,917)
Total other assets, net	**$ 251,368**	**$ 66,127**
Loans made to employees	132,760	$ 124,951
Less provision of loans made to employees	(1,491)	(1,513)
Total loans made to employees, net	**$ 131,269**	**$ 123,438**
Total other assets and loans to employees, net	**$ 382,637**	**$ 189,565**
Movement of provisions		
Initial balance	$ 9,430	$ 11,706
• Provision charged to expenses	9,892	1,834
• Reclassification other accounts	906	(161)
• Recoveries	(3,189)	(3,949)
Final balance of provision for protection	**$ 17,039**	**$ 9,430**

The participation in the other assets account balance as of December 31, 2014 was: for the Bank, 98.39%; for the Trust Company, 0.54%; and for the Broker, 0.07%. As of December 31, 2013 it was: for the Bank, 98.49%; for the Trust Company, 1.00%; and for the Broker, 0.51%.

(1) Deposits made by BBVA Colombia with collateral given in collateralization contract for derivative products transactions, see explanation in Note 12.

(2) Loans made to employees are granted for acquisition of housing, at a low interest rate (betyween 3% and 8.5% a year) and for limited terms (not to exceed 15 years).

18. Valorization and negative valorization of assets, net

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

Concept	2014	2013
Valorization of investments (1)	$ 46,994	$ 43,488
Valorization of property and equipment (2)	448,391	427,086
Negative valorization of investments (3)	(235)	(278)
Total	**$ 495,150**	**$ 470,296**

(1) A summary of the valorization on variable-yield investments is:

Entity	2014	2013
BBVA Asset Management S.A.	$ -	$ -
BBVA Valores Colombia S.A. Comisionista de Bolsa	22,125	21,246
Almagrario S.A.	9,958	8,994
Finagro	3,758	3,669
Deceval S.A.	1,948	1,797
ACH Sistema Electrónico	6,135	4,338
Redeban	73	56
Cámara de Compensación de Divisas de Colombia	1,032	1,054
Cifin	1,965	2,334
Total	**$ 46,994**	**$ 43,488**

(2) (During 2014, the Bank updated 31% of the technical appraisals of its fixed assets, which generated an increase in the valorization item of 4.99%.

(3) The negative valorization on variable-yield investments entirely corresponds to the investment in the Counterparty Central Risk Chamber.

The participation in the assets valorization and negative valorization account balance as of December 31, 2014 was: for the Bank, 99.77%; for the Trust Company, 0.04%; and for the Broker, 0.19%. As of December 31, 2013 it was: for the Bank, 99.75%; for the Trust Company, 0.04%; and for the Broker, 0.21%.

19. Deposits

The passive portfolio of the Bank as of December 31, 2014 and 2013 consisted of the following:

Description	2014	%	2013	%
Savings deposits	$ 16,204,357	50,2	$ 15,468,012	54.9
CDT'S pesos	10,665,127	33,0	7,596,774	26.9
Checking accounts	4,911,197	15,2	4,687,283	16.6
Financial claims banking services	381,698	1,2	308,511	1.1
CDT'S UVR	33,799	0,1	32,917	0.1
Special deposits	73,436	0,2	55,093	0.2
Banks and correspondents	15	0,0	2,432	0.0
Special savings accounts	17,263	0,1	14,738	0.1
Electronic deposits	1	0,0	-	-
Simple deposit	9,137	0,0	7,345	0.1
Total deposits	**$32,296,030**	**100**	**$ 28,173,105**	**100**

2014 was a year of excellent performances in activity, market share and number of customers

A summary of deposits and financial claims as of December 31, 2014 is as follows:

Checking Accounts	Local Currency	Foreign Currency	Total Currency
Private sector	$ 2,363,044	$ 43,863	$ 2,406,907
Official sector	2,503,752	538	2,504,290
Total current account	**$ 4,866,796**	**$ 44,401**	**$ 4,911,197**

Simple Deposit	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 9,137	$ -	$ 9,137
Total simple deposit	**$ 9,137**	**$ -**	**$ 9,137**

CDT - Pesos	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 9,461,765	$ -	$ 9,461,765
Official Sector	1,203,362	-	1,203,362
Total CDT-Pesos	**$ 10,665,127**	**$ -**	**$ 10,665,127**

Savings Deposits	Local Currency	Foreign Currency	Total Currency
Deposits:			
• Private Sector	$ 10,998,832	$ -	$10,998,832
• Official Sector	5,205,525	-	5,205,525
• Special Savings:	-	-	-
• Private Sector	17,263	-	17,263
Total savings deposits	**$ 16,221,620**	**$ -**	**$ 16,221,620**

Checking Accounts	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 33,799	$ -	33,799
Total CDT-UVR	**$ 33,799**	**$ -**	**$ 33,799**

Other Deposits	Local Currency	Foreign Currency	Total Currency
Banks and correspondents	$ 15	$ -	$ 15
Special deposits	73,436	-	73,436
Electronic deposits	1	-	1
Banking services	349,785	31,913	381,698
Total other deposits	$ 423,237	$ 31,913	$ 455,150
Total deposits	**$ 32,219,716**	**$ 76,314**	**$ 32,296,030**

A summary of deposits as of December 31, 2013 is as follows:

Checking Accounts	Local Currency	Foreign Currency	Total Currency
Private sector	$ 2,304,288	$ 37,932	$ 2,342,220
Official sector	2,325,825	19,238	2,345,063
checking accounts	**$ 4,630,113**	**$ 57,170**	**$ 4,687,283**

Simple Deposit	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 7,345	$ -	$ 7,345
Total simple deposit	**$ 7,345**	**$ -**	**$ 7,345**

CDT - Pesos	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 6,912,369	$ -	$ 6,912,369
Official Sector	684,405	-	684,405
checking accounts	**$ 7,596,774**	**$ -**	**$ 7,596,774**

Savings Deposits	Local Currency	Foreign Currency	Total Currency
Deposits:			
• Private Sector	$ 10,347,907	$ -	$ 10,347,907
• Official Sector	5,120,105	-	5,120,105
• Special Savings:			
• Private Sector	14,738	-	14,738
Total savings deposits	**$ 15,482,750**	**$ -**	**$ 15,482,750**

Checking Accounts	Local Currency	Foreign Currency	Total Currency
Private Sector	$ 32,917	$ -	$ 32,917
Total CDT-UVR	**$ 32,917**	**$ -**	**$ 32,917**

Other Deposits	Local Currency	Foreign Currency	Total Currency
Banks and correspondents	$ 2,381	$ 51	$ 2,432
Special deposits	54,033	1,060	55,093
Banking services	265,929	42,582	308,511
Total other deposits	$ 322,343	$ 43,693	$ 366,036
Total deposits	**$ 28,072,242**	**$ 100,863**	**$ 28,173,105**

The increase of deposits for 2014 had the following impact on the results:

Depósitos ahorro	2014	2013	Variación absoluta
Savings deposits cost	$ 514,171	$ 504,491	$ 9,680
CDTS cost	518,079	393,481	124,598
Cost other savings interest	447	428	19
Total deposits	**$ 1,032,697**	**$ 898,400**	**$ 134,297**

The participation of the Bank in the deposits account balance as of December 31, 2014 and 2013 was 100%..

20. Passive positions in monetary market and related operations

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

Description	Rate % 2014	Rate % 2013	2014	2013
Ordinary interbank funds purchased:				
• Banks	4.36%	3.12%	$ 57,000	$ 39,000
Total interbank purchased			57,000	39,000
Transfer commissions in closed repo transactions:				
• Banks	4.34%	3.15%	$ 1,105,267	$ 305,054
Total closed repo transactions			1,105,267	305,054
• Commitments originated in short positions for simultaneous transactions			148,953	8,220
Total passive positions in monetary market transactions			**$ 1,311,220**	**$ 352,274**

As of December 31, 2014, the entity conducted the opening of closed Repo transactions with the Central Bank for an amount of COP 1,105 mm at a 4.34% rate and maturity of 03 days (calendar days).

The participation of the Bank in the balance of passive positions in monetary market and related transactions as of December 31, 2014 and 2013 was 100%.

21. Outstanding banker's acceptances and derivative financial instruments

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

Forward Contracts	Maturity in Days			
	2014	2013	2014	2013
Purchase on foreign currencies:	2-503	2-699		
• Rights			$ (753,686)	$ (2,853,238)
• Obligations			767,758	2,875,946
Sale on foreign currencies:	14-646	2-120		
• Rights			(4,565,943)	(1,568,856)
• Obligations			5,085,698	1,589,040
Purchase on Colombian pesos :				
• Rights	6-6		(6,725)	-
• Obligations			6,777	-
Total forward contracts			**$ 533,879**	**$ 42,892**

Banker's acceptances	2014	2013
In term	$ 6,404	$ 5,138
Total banker's acceptances	**$ 6,404**	**$ 5,138**

Options	2014	2013
Options on foreign currencies issued - put:		
• Obligations	$ 862,026	$ 531,080
• Fair exchange price	3,516	7,648
Options on foreign currencies issued - call:		
• Obligations	(965,183)	(476,812)
• Fair exchange price	123,579	8,395
Total fair exchange price	**$ 127,095**	**$ 16,043**

Swaps	Importe	
	2014	2013
On interest rates:		
• Rights	$ (1,063,915)	$ (374,440)
• Obligations	1,102,378	400,814
• On foreign currencies:		
• Rights	(1,099,053)	(818,167)
• Obligations	1,330,333	866,186
Total swaps	**$ 269,744**	**$ 74,393**
Total cash transactions, acceptances and derivatives	**$ 937,121**	**$ 138,466**

The analysis of monetary market transactions is disclosed in Note 12, given that the derivative financial instruments must be jointly seen, although due to accounting norms in force, the accounting books are recorded separately depending upon the results of the valuation, so understanding that the positive result in this type of operations is recorded in the assets and the loss in the liabilities; the latter attending to the guidelines of Resolution 1420 of 2008, issued by the Office of the Superintendent of Finance.

The participation of the Bank in the balance of outstanding banker's acceptances and transactions of financial instruments as of December 31, 2014 and 2013 was 100%.

22. Bank credits and other financial obligations

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

Foreign currency	2014	2013
• Banco de Comercio Exterior S.A. – Bancoldex	$ 60,047	$ 140,101
• Mercantil Commerce Bank Miami	5,340	37,762
• Commerzbank AG Frankfur	-	19,268
• Bank of America N.A. San Francisco	-	28,955
• Citibank N.A. (1)	354,963	92,304
• Corporación Andina de Fomento – CAF	47,849	67,439
• Bladex – Panamá		86,707
• Wells Fargo Bank N.A.	230,996	110,539
• Bank of Nova Scotia		-
• Toronto Dominion Bank - Houston AG	40,808	39,469
Total foreign currency	**$ 740,003**	**$ 622,544**

Legal tender	2014	2013
• Fondo para el Fomento del Sector Agropecuario - FINAGRO	$ 75,001	$ 95,929
• Banco de Comercio Exterior S.A. – BANCOLDEX	76,952	38,417
• Financiera de Desarrollo Territorial – FINDETER	136,288	46,838
Total legal tender	**288,241**	**181,184**
Total credits in banks and other financial obligations	**$ 1,028,244**	**$ 803,728**

(1) The foreign-currency resources obtained coming from Citibank NY increased due to two factors: the TRM presents an increase of 240 base points from one year to the following year and for 2014, USD 148.3 million at 90 and 180 days were constituted, and the obligations that were carried forward from the previous year with 180-day terms amounting to USD 47.9 million were cancelled.

The participation of the Bank in the account's balance as of December 31, 2014 and 2013 was 100%.

Foreign-currency denominated financial obligations were contracted to maintain the Bank's liquidity and were acquired without real collateral.

Average interest rates of the obligations denominated in foreign currencies were Libor +0.75% and 0.78% for short-term obligations, with maturity of up to one year; and Libor +0.84% and +1.49% for the medium-term obligations with maturity from one to five years, as of the December 31, 2014 and 2013, respectively.

Maturity of the loans vary according to the program (normally 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.

As of December 31, the breakdown of these obligations by term was:

Foreign currency obligations

2014

2014	Interest	Principal			Total
		Short term	Medium term	Large 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**

Foreign currency obligations

Año 2013

2013	Interest	Principal			Total
		Short term	Medium term	Large term	
Banco de Comercio Exterior S.A. - Bancoldex	$ 442	$ 107,526	$ 32,576		$ 140,101
Bank of America N.A. San Francisco	25	28,955	-	-	28,955
Bladex - Panamá	78	86,707	-	-	86,707
Citibank N.A.	84	92,304	-	-	92,304
Corporación Andina de Fomento - CAF	215	67,439	-	-	67,439
The Toronto Dominion Bank	73	39,469	-	-	39,469
Commerzbank AG Frankfurt	40	19,268	-	-	19,268
Mercantil Commerce Bank Miami	49	32,756	5,006	-	37,762
Wells Fargo Bank N.A.	46	110,538	-	-	110,538
Total	**$ 1,052**	**$584,962**	**$ 37,582**	**$ -**	**$ 622,544**

Growth has consolidated due to the implementation of the Strategic Plan and the BBVA Group global vision, generating value for customers

Legal Tender obligations

2014	Interest	Principal			Total
		Short term	Medium term	Large term	
Fondo para el Fomento del Sector Agropecuario – FINAGRO	$ 822	$ 13,624	$ 31,198	$ 30,179	$ 75,001
Banco de Comercio Exterior S.A. – BANCOLDEX	167	30,987	30,534	15,431	76,952
Financiera de Desarrollo Territorial - FINDETER	165	10,544	934	124,810	136,288
Total	**$ 1,154**	**$ 55,155**	**$ 62,666**	**$ 170,420**	**$ 288,241**

Legal Tender obligations

2014	Interest	Principal			Total
		Short term	Medium term	Large term	
Fondo para el Fomento del Sector Agropecuario – FINAGRO	$ 886	$ 26,565	$ 40,155	$ 29,209	$ 95,929
Banco de Comercio Exterior S.A. – BANCOLDEX	45	1,731	17,382	19,304	38,417
Financiera de Desarrollo Territorial - FINDETER	12	291	3,735	42,812	46,839
Total	**$ 943**	**$ 28,587**	**$ 61,272**	**$ 91,325**	**$ 181,185**

23. Accounts payabler

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

Concept	2014	2013
Deposits and financial claims	$ 93,519	$ 71,477
Monetary market and related transactions	14	11
Bank credits and other financial obligations	2,050	2,193
Outstanding investment securities	7,679	4,608
Commissions and fees	565	663
Monetary market and related transactions (1)	31,281	100,691
Bank credits and other financial obligations	40,914	33,765
Outstanding investment securities (2)	5,219	14,006
Commissions and fees	4,538	3,749
Promising purchasers	11,229	12,267
Suppliers (3)	55,794	25,235
Withholding taxes	51,702	53,124
Withholding tax employees	55	21
Written not-collected checks	16,998	12,992
Collections made (4)	38,142	24,068
Nation Law 546 of 1999	29,727	29,389
Purchase of housing leasing immovable assets, leasing providers, payment of invoices, payment embargoes to clients for processes (5)	128,061	93,056
Security bonds principal	11,409	11,387
Foreign currency transactions surpluses (6)	44,408	2,116
Efipagos waiting account	3,331	3,098
Fogafin's deposit insurance (7)	45,930	21,479
Security bonds interest	3,910	3,975
ISS covenant payrolls (8)	34,357	77,957
Fire and earthquake, life and vehicles insurance	439	598
Securitized portfolio collection	306	825
Other	13,178	19,449
Total	**$ 674,755**	**$ 622,199**

(1) The decrease is mainly due to the Bank and results from a greater tax advanced payment of 2014, paid in the 2013 income tax return and to self-withholdings created by the National Government and established by Law 607 of 2012. In addition to the payment of the tax-on-equity aliquot for 2014.

This item includes the tax on equity liquidated for an amount of $104,081 taking as a base the net equity possessed as of January 1, 2011 at a 4.8% rate plus 25% of the surtax. The tax return was filed in May 2011 and its payment will be made in eight (8) equal installments in the months of May and September during the years 2011, 2012, 2013 and 2014. In May 2011, BBVA Colombia accrued and recorded 100% of the tax on equity and its surtax against a deferred charge of $132,171.

For the Trust Company the income tax provision for 2014 and 2013 was calculated based upon ordinary income; for the income tax on equity – CREE, it was calculated over revenues less the costs and deductions expressly indicated by the latter.

(2) Account payable corresponding to tax on financial movements, week 52 of 2014, which is paid off on the fourth business day of January 2015.

(3) Corresponds to leasing operations payments, which will be cancelled once the contract with the client is constituted or activated.

(4) The balance increase corresponds to the collection of national and district taxes that are made in the office network by the different covenants that the Bank has with official entities.

(5) Records the net purchase value of the immovable assets that will be placed under housing leasing.

Resources payable of suppliers originated by leasing operations when making the disbursement of credits; the main operations are: Maria Elvira Ayala $2.322, Distribuidora Nissan $230, Casa Toro Automotriz $210.

Amounts pending to be transferred to Banco Agrario coming from embargos exercised to clients through judicial orders amounting to $23,444.

Payments pending to be made to suppliers with respect to the acquisition of hardware and software; the main suppliers are: IBM Colombia, $4,792; EVO $2,625; Tecnocom Colombia, $2,321; Glokal, $2,107; Q&C Ingeniería, $1,407; V&G, $1,334; Inmancorp, $1,245; Lexmark International, $1,074; Hernán Sánchez, $975; and Refriconfort, $892.

(6) Resources generated by foreign-currency derivative transactions pending to be paid to clients, among them, mainly: BBVA Madrid, $40,898; and Banco de Occidente, $1,312.

(7) Moneys pending to be transferred to Fogafin on account of the deposit insurance corresponding to the last two quarters of 2014. The increase is basically due to the change in the form of payment modified by Resolution No. 001 of 2013 dated November 21, 2013 issued by this entity.

(8) Corresponds to the service offered by the Bank to enterprise clientele that wishes to make their employees payroll payment automatically; the service is subscribed through a previously established agreement between the entity and the Bank. The credit balance corresponds to resources from companies pending to be paid to third parties who use no banking services (no-bancarizados).

The participation in the accounts payable balance as of December 31, 2014, was as follows: 99.08% of the Bank; 0.71% of the Trust Company; and 0.21% of the Broker. As of December 31, 2013 it was as follows: 99.27% of the Bank; 0.57% of the Trust Company; and 0.16% of the Broker.

24. Outstanding debt securities

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

Concept	2014	2013
Bonos:		
• Series A and B – 2008 ordinary bonds	$ 155,000	$ 198,110
• Series A and B – 2009 ordinary bonds	167,650	167,650
• Series G-2011 subordinated bonds	364,000	364,000
• Series G-2013 subordinated bonds	365,000	365,000
• Series G-2013 subordinated bonds	250,000	
Total bonds	**$ 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 of maximum variable yield 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 of 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 of maximum variable rate of CPI + 4.38% for 15 years, and of CPI + 4.50% for 20 years.

The issue prospects contemplate the following characteristics:

Ordinary 2008 Bonds Prospect

- *Subordination of obligations:* Since they are ordinary bonds, there is no obligations subordination..

- *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 determined in the public offering notice. No prepayments are contemplated in this issue.

The issuer may repurchase their own bonds through the Bolsa de Valores de Colombia, provided that it is met the minimum expiration term established in numeral 5 of Article 1.2.4.2 of Resolution 400 of 1995 issued by the Superintendence or by the norms that modify or add it. This transaction is voluntary for the security holders. In case the issuer acquires their own securities, it shall operate the confusion principle without the need to having to wait until the maturity of those securities.

Collateral the issue counts on: Because they are ordinary bonds of a direct and unconditional obligation of the institution, it is not necessary to establish specific collateral; the equity of the Issuer becomes the general collateral before the creditors.

This issue has no coverage of the Deposits Insurance of the Financial Institutions Collateral Fund ("Seguro de Depósitos del Fondo de Garantías de las Instituciones Financieras – FOGAFIN").

Ordinary 2009 Bonds

- *Subordination of obligations:* Since they are ordinary bonds, there is no obligations subordination.

- *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 determined in the corresponding public offering notice. Pre-payable bonds may be issued, which is determined in the respective public offering notice. The issue of ordinary bonds made 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 their own bonds, it shall operate the confusion principle without having to wait until the maturity of the securities.

Collateral that ordinary bond issues count on: When referring to ordinary bonds there is no subordination of the obligations. In this sense, all holders of bonds that are issued within the framework of this program shall have the same range (pari passu) and 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 to be paid.

This issue has no coverage of the Deposits Insurance of the Financial Institutions Collateral Fund ("Seguro de Depósitos del Fondo de Garantías de las Instituciones Financieras – FOGAFIN").

Subordinated 2009 Bonds (issues made in Sept. 2011, Feb. 2013, and Nov. 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; this latter obligation is irrevocable.

- *Form of capital amortization, prepayments and reacquisition events:* The principal of 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 determined in the corresponding public offering notice. Pre-payable bonds may be issued, which is determined in the respective public offering notice. The issue of subordinated bonds made under this Program in 2011, 2013 and 2014 do 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 their own bonds, it shall operate the confusion principle without having to wait until the maturity of the securities.

This issue has no coverage of the Deposits Insurance of the Financial Institutions Collateral Fund ("Seguro de Depósitos del Fondo de Garantías de las Instituciones Financieras – FOGAFIN").

A summary of the issues and bonds is shown in the table below:

Issue of 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	26/08/2008	26/08/2019
		5	IPS+3.05%	TV	33,600	29/09/2010	29/09/2015
Ordinary 2009		7	IPC+3.70%	TV	134,050	29/09/2010	29/09/2017
		7	IPC+4.28%	TV	102,000	19/09/2011	19/09/2018
Subordinated 2011	2.000.000	10	IPC+4.45%	TV	106,000	19/09/2011	19/09/2021
		15	IPC+4.70%	TV	156,000	19/09/2011	19/09/2026
		10	IPC+3.60%	TV	200,000	19/02/2013	19/02/2023
Subordinated 2013		15	IPC+3.89%	TV	165,000	19/02/2013	19/02/2028
		15	IPC+4.38%	TV	90,000	26/11/2014	26/11/2029
Subordinated 2014		20	IPC+4.50%	TV	160,000	26/11/2014	26/11/2034
Total bonds	$ 2.500.000				$ 1,301,650		

The participation of the Bank in the balance of outstanding debt securities as of as of December 31, 2014 and 2013 was 100%.

25. Other liabilities

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

Concept	2014	2013
Deferred income	$ 590	$ 1,418
Labor liabilities (1)	51,458	46,953
Retirement pensions (2)	47,623	51,130
Deferred partial payments (3)	10,646	8,207
Letters of Credit of deferred payment	365	1,034
Cancelled accounts (4)	525	437
Save good collection	36,742	27,654
Balances in favor of third parties M.E.	735	881
Balances to apply to obligations	22,396	17,726
CDT incidences	28,168	21,374
Surpluses credit cards payments	4,834	4,081
Surpluses in barter	65	62
Debit card transactions in ATM and others	21,460	19,651
Joint Ventures (5)	191	706
Remittances pending confirmation	350	1,231
Other	10,318	9,113
Total other liabilities	**$ 236,466**	**$ 211,658**

(1) The items that form the labor liability balance for the years ended as of December 31 were:

Labor obligations	2014	2013
Severance payment	$ 11,276	$ 10,320
Interest on severance	1,324	1,190
Vacations	11,392	9,831
Other social benefits	19,294	17,841
Social security contributions	8,172	7,771
Total	**$ 51,458**	**$ 46,953**

(2) *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 of 1945 and 65 of 1946, the retirement was a special benefit only for certain employers, i.e., companies with capital stock in excess of $800,000 thousand Colombian pesos. Subsequently, as from 1967, the ISS started to assume the recognition and payment of pensions of private workers. As from that date, the Bank subrogated the pension risk of those people that were working in the different sectional offices of the country where the Social Security institute had coverage, assuming only those pensions of the workers that were not affiliated to the Social Security because of the non-coverage.

As from April 1, 1994 the Colombian Pension System managed by the Medium Premium Regime and the Individual Savings with Solidarity Regime are the entities authorized to manage and assume the pension responsibility.

The actuarial estimate covers a total of 275 people, with a series of benefits established in the legal norms and the adjustment of Circular Letter 039 of October 21, 2009, in which there is a calculation of the reserves for the extralegal benefits that the Company offers its retirees and beneficiaries.

The Superintendence issued Resolution 1555 dated July 30, 2010 whereby it updated the Mortality Table of Validated Rentiers Men and Women, which is of compulsory use to generate the actuarial estimates of the pension liabilities.

The liability that the Bank directly assumes according to law, on account of pensions is summarized as follows:

Concept	Pension Liability	Deferred Cost	Net
Balances as of December 31, 2013	$ 51,130	$ -	$ 51,130
Plus - Adjustment as per actuarial estimate charged to expenses	665	-	665
Less:			
• Pension payment	(4,172)	-	(4,172)
Balances as of December 31, 2014	**$ 47,623**	**$ -**	**$ 47,623**

The amounts of the pension liability as of December 31, 2014 and 2013, were determined based upon actuarial estimates in compliance with legal norms.

As of December 31, 2014, the impact on results for BBVA Colombia showed revenue from decrease of the pension reserve that amounted to ($3,507) and for payment of pensions, $4,172.

The main factors used in the actuarial estimates for the years ended as of December 31, were as follows::

Concept	2014	2013
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 norms for elaboration of actuarial estimates (Decree 2738 of 2001 and Decree 2984 of 2009) were used for the evaluation of the mathematical reserve of retirement, pension bonds and securities.

Technical bases for the actuarial estimate

a. Table of mortality of rentiers valid for men and women "experience 2005 – 2008", as per Resolution 1555 of 2010 issued by the Superintendence.

b. Pension and salary adjustment: 2.99% annual.

c. Technical interest rate: 4.8 % annual.

With respect to taxation aspects, it is conducted according to Decree No. 2783 dated December 20, 2001.

Covered beneficiaries - The actuarial retirement pension liability covers the legal social benefits of the personnel:

a. Retirement reserve:
   - Retiree in charge of the company.
   - Retiree with pension that is shared with the ISS.
   - Retiree by the company and in expectation of the ISS.
   - Retiree whose pension is in charge of the company and is a quota-part of the pension.
   - Personnel with life rent (annuity) in charge of the company.
   - Personnel with life rent (annuity) shared with the ISS.
   - Personnel with life rent (annuity) in charge of the company and is 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 service length.
   - Pension bond – salary difference.
   - Pension security/ title.

(3) *Deferred partial payments* – The items that form the deferred partial payments balance for the years ended as of December 31 were:

Deferred partial payments	2014	2013
Deferred profit on sale of foreclosed assets	$ 2,583	$ 732
Restructured credits revenues	8,063	7,475
Total deferred partial payments	**$ 10,646**	**$ 8,207**

The deferred profits on sale of foreclosed assets are generated as a consequence of the celebration of term sales transactions, which are deferred over the term in which the transaction was agreed-to; its amortization must be made against the statement of income as long as its collection is effective.

With respect to the deferred income generated in restructured credit transactions, the norm states that whenever it is contemplated the capitalization of interest that are recorded in memorandum accounts or of written-off portfolio balances including principal, interest and other concepts, they shall be recorded as deferred partial payment and their amortization to the statement of income shall be made proportionally to the amounts actually collected.

(4) *Cancelled accounts* – With respect to cancelled accounts, the unilateral cancellation of current account contracts by the Bank, the numeral II "Current Account Bylaws", numeral 7 of the contract signed with the clients, states that if the decision is adopted by the Bank, evidence must be left of the motives that determined the contract dissolution.

In the case of savings accounts, Article 29 "Cancellation of the Account", states that in case of making such decision, the Bank shall transfer the deposits existing in the accounts into a book item of accounts payable, where they shall be available to the accountholder, stated in Colombian pesos as of the account cancellation date.

With respect to inactive accounts, the transfer is being made based upon the regulation issued by the SFC, External Circular Letter 001 of January 5, 1999, which indicates that the current and savings accounts balances that should have remained inactive for a period in excess of one year and do not exceed 321.55 UVR, shall be transferred to the National Treasury Direction (Ministry of Finance and Public Credit),.

(5) *Consortia and joint ventures* – Law 80 of 1993 regulates this type of agreement by virtue of which the Trust Company jointly participates in the proposals for the award, celebration and execution of contracts, being jointly and severally responsible for compliance therewith.

In this sense, the Trust Company, following the guidelines of External Circular Letter 029 of 2002 issued by the Superintendence, records on a monthly basis in its financial statements the total value corresponding to its share on the liabilities of the consortia or joint ventures it is part of.

As of December 31, these are the balances recorded in the consolidated financial statement:

Name	2014	2013
Joint Venture Horizonte Fidugan	$ 6	$ 7
Consortium EPM Une	34	34
Consortium FIA	95	661
Consortium Fimproex 2009	40	4
U.T.Horizonte Pensiones Fidugan / Fonpet 2006	2	-
Joint Venture Horizonte and BBVA Fiduciaria	14	-
Total	**$ 191**	**$ 706**

The participation in the other liabilities account balance as of December 31, 2014 was: the Bank, 99.69%; the Trust Company, 0.28%; and the Broker, 0.03%. As of December 31, 2013, it was: the Bank, 99.43%; the Trust Company, 0.53%; and, the Broker, 0.04%.


BBVA

26. Accrued liabilities and provisions

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

Concept	2014		2013	
Interest	$	7,792	$	7,792
Bonuses		39,750		38,132
Labor obligations		8,548		-
Other benefits		10,663		11,494
Fines and sanctions, litigations, and indemnifications (1)		86,615		80,755
Accrued expenses payable (2)		94,757		92,737
Other		1,071		720
Total accrued liabilities and provisions without minority interest		**249,196**		**231,630**
Minority interest		**5,707**		**5,336**
Total accrued liabilities, provisions and minority interest	**$**	**254,903**	**$**	**236,966**

(1) Corresponds to the provisions recorded by civil, criminal, tax and labor processes that are currently held against the Bank and the Trust Company.

(2) For the Bank, they correspond to accrued expenses payable as suppliers, public services and other services provided during 2014, which will be billed during 2015, for the Trust Company corresponds to Statutory Audit fees, IT developments, financial education project in investment funds – Asofiduciaria, implementation of new software; for BBVA Valores it corresponds to the recording of estimated expenses related to messaging, transportation, public services, IT services and the management and custody of the securities. The above were estimated with an average of related invoices from the last three months of the year.

The share in the accrued liabilities and provisions account balance as of December 31, 2014 was: for the Bank, 98.89 %; for the Trust Company, 0.90%; and for the Broker, 0.20%. For December 31, 2013 it was: for Bank, 98.68%; for the Trust Company, 1.12%; and for the Broker, 0.20%.

The Bank is involved in nine hundred and fifty 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 $254,209.

For these judicial contingencies provisions amounting to $56,271 are created. Further, for the processes guaranteed by Fogafín (purchase of Granahorrar) there is coverage between 85% and 95% of the net economic effect.

The dedication and good management of our resources showed a growth in equity of 7.3% for 2014, which is represented in a figure of $3.5 billion

In management's opinion, after consulting with its legal internal and external advisors, these processes will not reasonably have an adverse material effect on the financial condition of the Bank or on the results of its operations and are adequately provisioned.

The main processes that are currently filed against the entity are as follows:

Civil Processes

a) Ordinary process of Prounida and Coloca: In 1982 the companies Prounida and Coloca as promising buyers and the stockholders of Banco Caldas as promising sellers, entered into contracts of promise on shares and agreed to $265M as earnest money, with which Coloca and Prounida constituted two CDTs (Time Deposits), with instructions to give them to the sellers or restitute them to the constituents when some conditions are met. In August 1982, the Banco de Caldas, understanding that conditions were met, delivered the CDTs to the promising sellers. In April 1983 Prounida and Coloca, being in disagreement with the delivery of the CDTs, filed a lawsuit against the Bank and other defendants, pretending, inter alia, the annulment or the resolution of the contracts together with the restitution of the moneys. Likewise, it was requested the declaration of liability by Banco de Caldas for the payment of the CDTs.

In April 2001, the Tenth Civil Court of the Venue of Bogotá resolved to condemn the Bank to pay $265 of principal plus interest of 34% from May to September 1982 and on this basis, all the interest on arrears, according to pertinent legal norms, accrued since October 1982 and until the day when payment is made. The BBVA and other defendants appealed the first-instance ruling. In 2007, the Higher Court of the Judicial District of Bogotá – Civil Room decided to condemn the Bank to pay $12,460, which corresponds to principal of 1982 plus CPI.

The extraordinary motion to vacate (appeal for annulment) filed by the parties is being processed before the Supreme Court of Justice; through it the Bank pretends the annulment of the condemnation, and the plaintiffs, their increase. A $16,578 provision has been made for this contingency; this amount includes the indexation effect since 2007.

b) Servientrega S.A.: The plaintiff company claims a declaration of the extra-contractual civil liability of BBVA Colombia, BBVA Trust, BBVA Securities and Fenalco for the purchase, democratization and subsequent merger of Banco de Caldas, that subsequently changed its denomination into that of Banco Nacional del Comercio (BNC).

The lawsuit was notified to the Bank on September 26, 2013, and subsequently, it was filed an appeal for reversal against the writ of admission of the lawsuit. Servientrega's claims were already rejected twice. The contingency is classified as "remote". The lawsuit's claim amounts to $26,895.

c) Verbal action of Miguel Ángel Buitrago Berrio: Financial consumer protection action (Law 1480 of 2011), where the plaintiff claims $27,110 corresponding to principal and interest of deposits under custody, apparently issued by Banco Ganadero in 1980 with a nominal value of $9.

The lawsuit was contested on time with an opposition. The contingency is classified as "remote". Conciliatory hearing is pending.

d) Executive process of IFI against Corfigán: The claim is the collection of the final liquidation of a salt refinery contract in which Corfigán participated within a joint venture. An executive process is under way at the Council of State, and an annulment process is under way in the Tribunal of Bolívar. The payment order dictated amounted to $6,000 for principal plus interest. The contingency is classifies as “probable”. The litigation has a provision of $10,800.

e) Ordinary proceeding of Kachina: A proceeding that initiated in 1999 at the Bolivarian Republic of Venezuela, related to Telegán, a telecommunications company of the Grupo Ganadero.

Through a second-instance ruling dated December 14, 2012, it was resolved to condemn BBVA Colombia to pay an amount of $8,330M, an amount that has been duly provisioned, because the contingency has been classified as “probable”, although a new remedy is pending to be processed.

f) Incident damage regulation from Melian Ltda. and others: The claim is for damages initially valued in $10,500, corresponding to precautionary measures exercised within a mortgage enforcement process where their exceptions succeeded. The decision in the first instance, dated December 16, 2014, denies the indemnification. Litigation guaranteed by Fogafín, classified as “remote” and provisioned for $1,486.

g) Ordinary process of Sandra Patricia Galvis and others: The lawsuit refers to the delivery of some defective immovable assets in the project developed by Constructora Provisoc denominated “Ciudadela Paseo Real de Soacha”, and financed by Granahorrar. The contingency is classified as “remote”, and guaranteed by Fogafin. Process pending to be ruled in the first instance.

h) People’s and Class Actions: Several lawsuits are being processed, initiated by clients or users of BBVA or of Granahorrar, on housing and other type of loans, termination of enforcement processes, rates review, commissions, housing loan and credit card interest, and impairment of assets given as collateral. These undetermined-amount processes are classified as “remote” contingency, without rulings against the entity.

Labor processes - The Bank is part in 190 labor processes (182 as defendant and the remaining 8 as plaintiff) with estimated claims of $25,611 and provisions of $10,310. Out of the 190 labor processes to which the Bank is a party, 80 are classified as “remote contingency”, 67 as “eventual contingency”, and 43 as “probable contingency”.

The main reasons for the lawsuits are: “salarization”, legal and conventional reinstatement, alleged unfair dismissal indemnities, and controversies about the juridical nature of the conventional vacation and service-length premiums, and pension issues. These processes are adequately provisioned as per legal norms, as per the procedures established by the Bank, and as per the guidelines of the Superintendence.

Tax processes - In the government methods and before the contentious-administrative jurisdiction, the Bank is attending tax processes with estimated claims amounting to $2,300 and provisions amounting to $1,755, which correspond to three (3) class actions for withholdings of the tax on financial transactions; and to processes for territorial taxes, in essence for Industry and Commerce Tax, and Property Tax.

BBVA Valores Colombia and BBVA Asset Management S.A. show no labor, civil or tax lawsuits.

BBVA Fiduciaria attends in the government methods an Official Settlement of Review amounting to $778, which corresponds to the greater tax payable, interest and inaccuracy penalty in the 2011 tax on equity tax return alleged by the tax authorities; they consider that there are differences in the calculation of the taxable base. The provision created amounts to $208, and the Bank and its advisors have classified this contingency as “probable”..

Income tax - As from tax year 2013 the income tax rate is 25%, and the income tax for equity (CREE) was created at an 8% rate; however, for the period from 2013 to 2015, the tax rate is 9%.

For purposes of calculation of the income tax and income tax for equity (CREE) liability, this liability is determined by applying the tax rate to 3% of net equity as of December 31 of the immediately prior year or the income actually perceived, whichever is greater.

Below we present the reconciliations between profit before taxes and taxable income, as well as the determination of the income tax and income tax for equity – CREE expense:

Description	2014	2013
Profit before income tax and income tax for equity – CREE expense	$ 760,402	$ 744,609
Elimination of reciprocal items in consolidation process	1,077	16,890
Revenues that do not constitute income or tax exempt	(24,377)	(29,257)
Revenues recognized in books but not fiscally	(255,313)	(242,668)
Revenues recognized fiscally but not in books	497	17,825
Costs and expenses recognized in books but not fiscally	317,612	207,218
Costs and expenses recognized fiscally but not in books	(61,340)	(74,364)
Fiscal profit (loss), base to calculate income tax	738,559	640,253
Plus: Revenues recognized in books but not fiscally for CREE (1)	54,349	27,541
Fiscal profit (loss), base to calculate income tax on equity CREE	792,908	667,794
Income tax rate	25%	25%
Income tax for equity CREE rate	9%	9%
Income tax expense	184,640	160,063
Income tax for equity CREE expense	71,362	60,101
Prior years' income tax expense	27	723
Total Income Tax Expense	**$ 256,075**	**$ 220,887**

(1) Corresponds to revenues obtained from leasing transactions that are taken as taxed income on the calculation of the Income tax for equity - CREE.

The Bank BBVA, BBVA Valores and BBVA Fiduciaria calculated their taxes on ordinary income.

The income tax returns for tax years 2012 and 2013 are within the term for review by the tax authorities. The Bank's management and its legal advisors consider that there will not be significant differences with respect to the amounts already paid for such term.

The income tax returns for 2012 and 2013 BBVA Fiduciaria are subject to the review and acceptance of the fiscal authorities. The Trust Company's Management and its legal advisors consider that there will not be significant differences with respect to the amounts already paid for those terms.

The income tax returns for 2012 and 2013 of BBVA Valores are open to the review of the National Tax and Customs Direction.

A comprehensive system of Risk Management makes BBVA Colombia a safe and reliable bank

As of December 31, the book equity differs from the fiscal equity due to the following:

Descripción	2014	2013
Book Equity	**$ 3,495,645**	**$ 3,240,493**
Plus or (less) items that increase or decrease equity for fiscal purposes:		
Elimination of reciprocal items in the process of consolidation	103,835	97,101
Fiscal adjustments and readjustments of assets	191,845	95,164
Provisions of assets that do not constitute a fiscal decrease thereof	82,711	67,526
Deferred income	2,199	2,225
Accrued liabilities and provisions	222,192	151,183
Book appraisal of property and equipment	(448,391)	(427,086)
Amortization deferred charges	(75,975)	(216,010)
Other (includes tax on equity - securities)	221	(144)
Fiscal equity	**$ 3,574,282**	**$ 3,010,452**

BBVA defines its vision as a company with an idea: Working towards a better future for people. We work to build durable relationships with our customers and provide maximum value to our interest groups and society in general, with projects such as education, social entrepreneurship, research and culture, with the major integrity and transparency

27. Subscribed and paid-in capital

The subscribed and paid-in capital of the Bank is divided into ordinary shares and non-voting preferred dividend shares. The latter may not represent more than 50% of the subscribed capital. As of December 31, 2014 and 2013, 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 as of December 31, 2014 and 2013 was represented by 55,089,695 common shares with a nominal value of $1,000 (in Colombian pesos) each, which were subscribed and paid-in as of those dates. In 2014 and 2013 dividends in cash were paid to the shareholders for an amount of $11,381 and $13,396, respectively.

The subscribed and paid-in capital of the Broker as of December 31, 2014 and 2013 was represented by $3,882. The ordinary General Stockholders' Meetings held on February 27, 2014 and March 19, 2013 approved dividends of $327.70 and $1,118.42 Pesos, respectively, per subscribed and paid-in share, and they amounted to $1,271 and $4,341, as of those very dates.

28. Reserves

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

Concept	2014	2013
Legal reserve	$ 2,350,346	$ 1,681,400
Occasional reserves:	-	-
• Equity strengthening	-	294,444
• As per fiscal norms and others	54,498	163,654
Total reserves	**$ 2,404,844**	**$ 2,139,498**

Legal Reserve – In accordance with Legal Provisions, 10% of Bank's net profit each year must be credited to a "Reserve Fund" until its balance reaches the 50% of subscribed capital minimum. As a result, Legal Reserve may not be reduced bellow this percentage, except to respond to losses in excess of undistributed earnings. Premiums on share placement are also paid 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.
- Non-taxed and fiscal reserve, the balance equivalent to $53,965.

Dividends decreed - During the years ended on December 31, 2014 and 2013, dividends were decreed payable in the fashion detailed below:

Concept	2014	2013
Prior year's profit	**$ 525,837**	**$ 444,272**
• Outstanding preferred shares	479,760,000	479,760,000
• Preferential dividends per share (Colombian pesos)	18,28	15,44
Total dividends decreed	**8,770**	**7,407**
• Outstanding ordinary shares	13,907,929,071	13,907,929,071
• Ordinary dividends per share (Colombian pesos)	18,28	15,44
Total dividends decreed	**$ 254,237**	**$ 214,738**
Dividends payable on December 31	**$ 40,852**	**$ 33,762**

Preferential and ordinary dividends of the 2013 period were paid off in cash in two (2) equal installments on June 11 and October 1, 2014.

In 2013 and 2012, the Trust Company paid dividends in cash to the stockholders amounting to $$11,381 and $13,396, respectively.

The Broker, in its ordinary meetings held on February 27, 2014 and March 19, 2013 approved a dividend of $327.70 and $1,118.42 Colombian pesos, respectively, per subscribed and paid-in share, the total amount of which amounted to $1,272 and $4,341, on the same dates.


BBVA

29. Contingent and memorandum accounts

In development of its normal course of operations, as of December 31, there were the following contingent liabilities and commitments recorded as memorandum accounts:

Concept	2014	2013
Debit contingent accounts:		
• Credit portfolio interest	$ 76,914	$ 53,234
• Option rights (1)	1,827,164	1,007,893
• Securities as collateral repo and simultaneous transactions (2)	1,177,415	331,881
• Purchase options receivable	92,726	81,319
• Relief Law 546 of 1999	17,940	17,940
• Monetary correction credit portfolio	517	528
• Rates of rental receivable (3)	1,719,631	1,373,699
• Other	16,794	15,292
Total debit contingent accounts	**4,929,101**	**2,881,786**
Credit contingent accounts:		
• Collateral signatures	329	400
• Bank collaterals granted (4)	905,050	925,171
• Securities received in simultaneous operations	406,621	95,203
• Issued, not-used letters of credit	340,700	293,068
• Approved, not-disbursed legal-tender credits	1,114,512	721,247
• Credits opening (5)	2,392,481	1,747,895
• Obligations in speculative options (6)	1,827,209	1,007,893
• Accounts payable Nation – Law 546 of 1999	21,708	21,708
• Litigation	215,174	193,454
• Other credit obligations	102,671	98,594
Total credit contingent accounts	**7,326,455**	**5,104,633**
Debit memorandum accounts:		
• Goods and securities given under custody and collateral	$ 4,909,301	4,557,659
• Written-off assets	891,674	856,383
• Non-used credits in favor	1,133,301	1,195,911
• Asset inflation adjustment	42,896	42,896
• Subscribed capital distribution	89,779	89,779
• Dividends for equity reappraisal	161	161
• Investment yield accounts receivable	72,074	68,226
• New loans – agricultural portfolio	6,127	4,496
• Fully depreciated property and equipment	262,409	233,282
• Fiscal value of assets (7)	34,618,919	30,183,827
• Provision people under deed of arrangement	1,899	1,956
• Active reciprocal operations	1,223	1,349
• Reciprocal operations - expenses and costs	9,466	9,524
• Investments	59,876	35,008
• Spot purchase rights – forward (8)	37,819,813	24,974,920

Concept	2014	2013
• Written-off items – offices	101,966	101,966
• Figures control – Form 110 (9)	20,411,867	16,233,396
• Forgiveness/cancellations	74,737	73,922
• Foreign-currency purchase operations, forex, forward and futures	558,184	925,703
• Assigned value goods under trust	310	310
• Foreign currency letters of credit operations for exports, stand-by and collection	218,987	12,750
• Tax base (10)	31,342,611	26,095,744
• Appraisal goods received as payment	2,819	2,889
• Securitized portfolio issues E5 and E9	97,532	161,032
• Settlement of interest after write-offs	600,937	522,613
• Approved, non-disbursed credits	1,083,898	721,247
• Delta of options purchased	779,368	317,549
• Other debit memorandum accounts	1,071,850	721,939
Total debit memorandum accounts	**136,263,984**	**108,146,437**
Credit memorandum accounts:		
• Goods and securities received under custody	89,450	62,586
• Goods and securities received as collateral (11)	60,604,937	51,706,667
• Recovery of written-off assets	69,332	74,861
• Collections received	-	412
• Equity inflation adjustment	532,144	532,144
• Equity reappraisal capitalization	532,144	532,144
• Marketable investments yield	200,786	190,776
• Fiscal value of equity	3,172,682	2,902,701
• Portfolio rating, interest and accounts receivable (12)	31,466,984	26,307,686
• Passive reciprocal operations	102,809	92,091
• Reciprocal operations – revenues	59,199	50,715
• Delta of options issued	779,369	317,549
• Foreign currency letters of credit operations for imports, stand by and collection (13)	11,870,142	9,170,471
• Securitized portfolio, interest, accounts receivable and financial interest	113,499	189,695
• Foreign currency sale operations, forex, forward and futures	247,525	393,097
• Spot sale obligations, forward and swap	7,827,546	6,360,987
• Mutual (common) funds	2,242,377	2,006,663
• Bounced checks	477,602	167,722
• Managed portfolio (other than FOGAFÍN)	678	678
• Profit on sale of issued securities	-	-
• Other credit memorandum accounts (14)	4,435,085	3,743,962
Total credit memorandum accounts	**124,824,290**	**104,803,607**
Total contingent and memorandum account	**$ 273,343,830**	**$ 220,936,463**

((1) Corresponds to rights executed by the Bank in the purchase of option with speculative purposes, defined in Chapter XVIII of the Basic Accounting and Financial Circular Letter

(2) Record of the delivery of the security at market prices for the transfer on the initial date of repo and simultaneous operations.

(3) Leasing credit rates of rental that have suspended accrual

(4) Records the obligation acquired by the bank in a collateral contract, whereby, in case of non-compliances by the counterpart, BBVA responds moneywise.

(5) Records the availability in favor of clients pursuant to the credit opening contract, accepted by the client and granted by BBVA Colombia

(6) Record of the obligations derived from contracts entered into by the bank in the issue or sale of speculative options.

(7) Record of equity (fiscal) values of assets, including their inflation adjustment.

(8) Record of amounts for purchase rights, swaps and forwards

(9) Record for amounts control listed in Form 110 - NO PUC

(10) Control accounts used for extracting information used in tax withholding, VAT withholding, and ICT withholding certificates.

(11) Record of amounts of immovable goods, transferable securities and other movable goods, as well as the securities comparable to suitable guarantee, that have been received as support of future credit transactions; those that should be pending or in a cancellation procedure; those received as collateral of active credit operations and supported with another guarantee.

(12) Record of credit investment per past-due age with respect to principal, interest and other concepts, derived from the assessment conducted by the Bank.

(13) Record of letters of credit transactions for imports, stand by and collection operations denominated in foreign currency.

(14) The amount basically consists of the recording of sundry memorandum accounts of the technical equity value that amounts to $3,637,062, which has been calculated based upon solvency ratio standards, which is taken as a base to completing form NO PUC 110-Adequate equity.

2014 remained favorable economic conditions for Colombia, which moved to the performance indicators

30. Contingencies

The Bank and Subsidiaries had the following contingencies as of December 31, 2014:

Credit commitments – In the normal course of its operations, the Bank issues financial instruments, which are recorded in contingent accounts. The Bank's Management does not expect material losses as a result of these transactions. Below there is a summary of the most important commitments:

Letters of credit issued and not used – Generally speaking, letters of credit are to be used within a term not to exceed ninety (90) days. In the case of letters of credit with correspondents that do not belong to Grupo BBVA, an opening commission equivalent to 1% of the value of the letter of credit, minimum USD 130 + VAT; plus USD 35 commission per swift message + VAT; plus $5,300 (in Colombian pesos) for stationary, is charged for import letters; for export letters the charges are: for opening notice, USD 50; for confirmation, 0.225% over the value of the letter of credit, minimum USD 50 and a 0.15% negotiation commission, minimum USD 50. In the case of letters of credit opened with banks of Grupo BBVA, the charges are: an opening commission of 0.70%, minimum USD 80 + VAT, plus USD 20 commission per swift message + VAT, for import letters; for export letters, the charges are: opening notice USD 30; confirmation, 0.15%, minimum USD 35, and negotiation commission of 0.10%, minimum USD 35.

Collateral signatures and collaterals of obligations – The Bank issues collateral signatures and collaterals to guarantee contracts and obligations of special clients. These collaterals have maturities between one and fifteen years, and for this service commissions are charged with correspondent banks non- Grupo BBVA members equivalent to 0.30%, on the value of the collateral signature or collateral, minimum USD 100 quarter in advance. With Grupo BBVA bank members a 0.20% commission, minimum USD 80, is charged.

Unused Credit Card limits – Upon delivery of the credit card to the clients a credit limit is authorized which the client may use at any time; for that reason it should be available. As per internal bank policy, the cards are issued for eight-year periods. The maximum effective average annual interest rate for credit cards was 29.07% EA in 2014.

The risk of loss for the Bank in case of breach by the clients in the commitments to grant credits, letters of credit and collaterals is represented by the nominal values of the respective financial instruments; however, given that credit commitments may expire without having been used, the total amount of the commitment not necessarily represents future cash requirements. The Bank uses the same credit policies to grant loans whenever it assumes credit conditional commitments and obligations. In general, for granting these financial instruments, the Bank assesses the client's financial capacity and obtains the collateral considered necessary. The collateral obtained, if the Bank considers it pertinent, is based upon the credit risk assessment. Collateral types vary but may include accounts receivable, inventories, property and equipment, and financial investments, among others.

Additionally, the Trust Company and the Broker had recorded the following trust memorandum accounts, which are not included in the consolidated balance sheet:

Concept	2014	2013
In the Trust Company:		
• Investment trust	$ 102,533	$ 67,284
• Real estate trust	220,927	101,196
• Administration and payments trust	3,105,059	3,217,983
• Trust as collateral	473,791	422,733
• Resources from the general social security system and other related retirement pension and disability funds	4,355,105	4,463,013
• Collective portfolio- General Collective portfolio	1,947,351	1,721,306
In the Broker:	**10,204,766**	**9,993,515**
Other		
• Securities received under management (1)	6,669	7,424
• Títulos recibidos en administración (1)	5,228,240	112,773
Total	**$ 15,439,675**	**$ 10,113,712**

(1) The variation corresponds to the modification that the Superintendence made through External Circular Letter 031 of 2013, whereby it regulates the book recording at fair exchange price of the values in trust memorandum account as from January 31, 2014, in other words, it passes from recording the securities received under custody from clients at their nominal value to recording the market value of those securities.

31. Non-interest revenues

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

Concept	2014	2013
Commissions and fees (1)	$ 391,869	$ 363,023
Sale of checkbooks	17,216	17,245
Exchange profit (2)	509,097	575,167
VISA financing partial payment	10,552	5,922
Cables and postage	2,172	1,478
Profit on sale of investments (3)	49,691	57,577
Consortia revenue	2,314	3,155
Recovery of provisions other accrued liabilities	5,206	12,522
Recovery of provision for goods received as payment	1,426	1,710
Recovery of accounts receivable provision	15,837	22,949
Recovery of provision for credit portfolio and financial leasing operations (4)	288,709	348,918
Recovery of provision for financial leasing operations portfolio	11,207	8,612
Recovery of countercyclical component portfolio (5)	117,063	104,808
Reimbursement other assets provision	17,989	22,044
Profit on sale of goods received as payment and restituted	1,272	991
Profit on sale of property and equipment	671	277
Profit on short positions of repo, simultaneous and temporary transfer of securities	12,852	9,921
Profit on the market value of investments (6)	553,498	573,934
Leases	1,439	973
Recovery of written-off loans (7)	69,332	74,861
Derivatives revenue (8)	3,062,563	1,413,553
Leasing operations revenue (9)	178,696	133,992
Sundry revenues (10)	30,305	55,549
Total	**$ 5,350,976**	**$ 3,809,181**

(1) Increase in commissions is mainly due to the management fee of the Electron banking card, acquirement by the Visa and MasterCard franchises, for intermediation interbanking rate issuer Visa and MasterCard.

2014 represented a recovery of the Colombian industry, highlighting the construction industry for its good performance in civil works and housing, as well as the agricultural sector for their high coffee production and sustained international prices

(2) 54% was generated by the restatement of foreign-currency assets, and 46% by the realization of foreign currency denominated assets.

(3) Corresponds to the negotiation of fixed-yield securities basically for treasury securities TES.

(4) The recovery in credit investment provisions is mainly due to the result of collection campaigns undertaken throughout 2014, where the recovery of provisions results from the payment of the clientele for the commercial, consumer, microcredit, credit card, housing and financial leasing credit lines.

(5) The recovery of countercyclical credit investment provisions is mainly due to the result of collection campaigns undertaken throughout 2014, where the recovery of provisions results from the payment of the clientele for the different credit lines.

(6) For investment valuation corresponds to 82% of the Marketable; 13% To Held-to-Maturity; and the remaining part to Available-for-sale.

(7) Decrease with respect to the prior year in the recovery of written-off receivables for the consumer and housing lines.

(8) The contracting of derivative financial instruments, such as forward and swap, and the exchange rate volatility generated the following result: 69% for liquidation, and 31% for valuation.

(9) The increase is given by the increase in the volume of housing leasing operations, which grew with respect to the previous year.

(10) Decrease due to the accrual made during 2013 of the deposit insurance with Fogafin.

The participation in the non-interest revenues account as of December 31, 2014 was: 99.08% for the Bank; 0.76% for the Trust Company; and 0.16% for the Broker. As of December 31, 2013 the participation was: 98.83% for the Bank; 1.01% for the Trust Company; and 0.16% for the Broker.

32. Non-interest expenses

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

Concept	2014	2013
Personnel expenses	$ 463,909	$ 442,279
Depreciation	61,221	53,321
Contributions and affiliations	10,161	12,110
Commissions (1)	207,283	176,532
Public utilities	28,568	24,584
Provisions for investments, BRDP, fixed assets and others	20,391	15,178
Transportation	42,499	38,508
Insurance (2)	100,082	91,770
Service, cleaning and security	15,305	13,819
Other-than-income taxes	110,996	108,559
Implements and stationery	6,767	6,274
Consortium	1,870	2,442
Maintenance and repairs	26,158	21,576
Electronic Data Processing	63,646	56,612
Loss on sale of investments (3)	49,307	42,538
Temporary services	33,166	28,939
Amortization deferred charges	162,466	156,362
Fees	23,538	24,513
Leases	28,982	20,468
Advertising and propaganda	21,621	20,188
Travel expenses	11,544	10,796
Investments valuation (4)	348,945	340,099
Monetary correction	1,137	587
Public relations	2,156	2,184
Office reconditioning and installation	4,238	3,067
Loss on sale of receivables (5)	2,463	24,995
Loss from derivatives (6)	3,292,413	1,475,340
Buildings management	22,267	5,756
Receivables cancellation	-	12
CDT prizes and "libretón" payroll	3,857	2,559
ATM withdrawals, network usage and others	9	11
Food expenses employees	866	730
Documents file administration	1,444	1,261
Collaterals custody and transportation	8,097	6,734
Risk central office consultations - call center	14,746	16,073
Development CDR software recording and technical support	7,598	7,478
Exchange loss (7)	159,836	447,004
Mileage Points Program (8)	25,447	17,444

Concept	2014	2013
Loss on sale of goods received as payment	256	235
Expenses from goods received as payment and restituted	965	947
Donations	127	71
Fines, sanctions, costs and litigation and indemnities	6,106	5,191
Corporate social responsibility	1,401	1,842
Operating risk	6,877	4,864
Sundry expenses	37,606	44,295
Total	**$ 5,438,337**	**$ 3,776,147**

(1) Sales force commissions for placement of Bank products to the public; transactions conducted through interbank services networks.

(2) Premiums of FOGAFIN deposits insurance..The deposits insurance of FOGAFIN, corresponds to a premium paid by financial institutions that collect funds from the public, whereby it is intended to preserve the confidence of savers in the Colombian financial system, to guarantee full recovery, or at least part of the money deposited in banks. Payment is made on a quarterly basis and is calculated on the basis of basically saving liabilities, time deposits, cashier checks and bills of collection. .

(3) 99% of the loss generated by marketable investments is mainly due to the transfer of treasury securities TES

(4) The loss in valuation of fixed-yield investment caused by the constant fluctuation in curves and prices, with 89% of marketable, 7% of held-to-maturity, and the remaining portion of available-for-sale.

(5) Is basically due to the portfolio sales made during 2014 corresponding to consumer loan portfolio and credit cards.

(6) The volatility in exchange rates and interest rates generated a decrease in the result by liquidation, 69% and by valuation, 31% of the operations with derivative financial instruments.

(7) 83% was generated by the restatement of foreign-currency liabilities and the remaining 17%, by the loss in realization of the assets that form the foreign-currency balance sheet.

(8) During 2014 there was an increase in the number of users registered in the mileage points program, as well as in the redemptions made by clients registered in that program. Average monthly billing for Lifemiles Corp. amounted to $1,298 approximately during 2014; this billing corresponds to the points-miles and shared brand commercial agreement programs.

The participation in the other-than-interest expense account balance as of December 31, 2014 was: for the Bank, 99.64%; for the Trust Company, 0.21%; and for the Broker, 0.08%. As of December 31, 2013 it was: for the Bank, 99.48%; for the Trust Company, 0.41%; and for the Broker, 0.11%.

In compliance with the provisions of Article 446 of the Code of Commerce, numeral 3, literals a), b), c) and d), we inform that the expenditures made by the following concepts during 2014 and 2013 were:

Concept	2014	2013
Payments to management:		
• Salaries	$ 7,033	$ 7,024
• Allowances	2,078	2,379
• Other	3,557	3,060
Propaganda and public relations expenses:		
• Advertising	$ 21,621	$ 20,188
• Public relations	2,156	2,184
Other payments:		
• Fees	$ 23,538	$ 24,513
• Donations	127	71

The detailed list is included in the documents that are presented to the General Stockholders' Meeting.

33. Transaction with related parties

Below, there is a summary of the main operations of stockholders whose share is greater than 10% in BBVA Colombia:

2014

Assetes	Amount		Description
Banks and other financial entities	$	2,310	Correspondent banks
Accounts receivable		10,174	Forward operations security depositories
Total	**$**	**12,484**	

Liabilities	Amount		Description
Accounts payable	$	40,898	Maturity forward operation BBVA Madrid.
Total	**$**	**40,898**	

Revenues	Amount		Description
Profit on derivatives valuation	$	192,792	Forward and swaps operations BBVA Madrid
Total	**$**	**192,792**	

Expenses	Amount		Description
Loss in derivatives valuation	$	484,689	Forward and swaps operations BBVA Madrid
Advisory and consulting service fees		2,930	Corporate applications advisory BBVA Madrid
Corporate application services		8,318	Corporate applications maintenance BBVA Madrid
Total	**$**	**495,937**	

2013

Assetes	Amount	Description
Banks and other financial entities	$ 2,455	Correspondent banks
Accounts receivable	1,392	Forward operations security depositories
Total	**$ 3,847**	

Liabilities	Amount	Description
Accounts payable	$ 1,246	Maturity forward operation BBVA Madrid.
Total	**$ 1,246**	

Revenues	Amount	Description
Profit on derivatives valuation	$ 56,827	Forward and swaps operations BBVA Madrid
Total	**$ 56,827**	

Expenses	Amount	Description
Loss in derivatives valuation	$ 70,220	Forward and swaps operations BBVA Madrid
Advisory and consulting service fees	2,274	Corporate applications advisory BBVA Madrid
Corporate application services	8,052	Corporate applications maintenance BBVA Madrid
Total	**$ 80,546**	

Between 2013 and 2014 BBVA opened 89 branches nationwide, 201 ATMs and reached about 210 thousand costumers in Mobile Banking since its launch

As of December 31, a summary was as follows:

2014

2014	Stockholders' participation greater than 10%	Board of Directors' Members	Legal representatives and Vice Presidents in the Main Office	Other BBVA group companies not subordinated to BBVA Colombia	
				BBVA Seguros	BBVA Seguros de Vida
Assets:					
Loans portfolio	$ -	$ 54	$ 4,097	$ -	$ -
Banks and other Financial Entities	2,310	-	-	-	-
Accounts receivable	10,174	-	-	474	-
Prepaid expenses	-	-	-	984	185
Total	-	-	-	-	-
Liabilities:	**$ 12,484**	**$ 54**	**$ 4,097**	**$ 1,458**	**$ 185**
Deposits					
Accounts payable	$ -	$ 50	$ 3,599	$ 12,369	$ 54,860
Total	40,898	-	-	-	304
Revenues:	**$ 40,898**	**$ 50**	**$ 3,599**	**$ 12,369**	**$ 55,164**
Dividends					
Interest and/or investments' yields	$ 192,792	$ 1	$ 28	$ -	$ -
Commissions	-	5	32	11,283	47,838
Leases	-	-	-	8	70
Total	**$ 192,792**	**$ 6**	**$ 60**	**$ 11,291**	**$ 47,908**
Expenses:					
Interest	$ -	$ -	$ 10	$ 368	$ 3,819
Salaries	-	-	11,395	-	-
Derivatives operations	484,689	-	-	-	-
Insurance	-	-	-	4,666	509
Advisory and consulting service fees	2,930	308	-	-	-
Corporate applications services	8,318	-	-	-	-
Total	**$ 495,937**	**$ 308**	**$ 11,405**	**$ 5,034**	**$ 4,328**
Others - Dividends paid preferred and ordinary stock	**$ 250,989**	**$ -**	**$ -**	**$ -**	**$ -**

The operations above were conducted under general market conditions in force and effect for similar transactions with third parties, except in the cases of loans to attend health, education, housing, and transportation needs, made to Bank officers, which were conducted according to the entity's policies, pursuant to what is expressly allowed by the legal norms that regulate the matter.

As of December 31, a summary was as follows:

2013

2013	Stockholders' participation greater than 10%	Board of Directors' Members	Legal representatives and Vice Presidents in the Main Office	Other BBVA group companies not subordinated to BBVA Colombia	
				BBVA Seguros	BBVA Seguros de Vida
Assets:					
Loans portfolio	$ -	$ 176	$ 2,694	$ -	$ -
Banks and other Financial Entities	2,455	-	-	-	-
Accounts receivable	1,392	-	-	-	2
Prepaid expenses	-	-	-	1,035	201
Other Assets	-	-	-	-	-
Total	**$ 3,847**	**$ 176**	**$ 2,694**	**$ 1,035**	**$ 203**
Liabilities:					
Deposits	$ -	$ 598	$ 58,187	$ 8,456	$ 83,540
Accounts payable	1,246	-	-	-	95
Total	**$ 1,246**	**$ 598**	**$ 58,187**	**$ 8,456**	**$ 83,635**
Revenues:					
Dividends	$ -	$ -	$ -	$ -	$ -
Interest and/or investments' yields	56,827	23	386	-	-
Commissions	-	6	14	10,385	40,255
Leases	-	-	-	8	68
Total	**$ 56,827**	**$ 29**	**$ 400**	**$ 10,393**	**$ 40,323**
Expenses:					
Interest	$ -	$ 1	$ 175	$ 387	$ 3,819
Salaries	-	-	10,576	-	-
Derivatives operations	70,220	-	-	-	-
Insurance	-	-	-	4,869	449
Advisory and consulting service fees	2,274	322	-	-	-
Corporate applications services	8,052	-	-	-	-
Total	**$ 80,546**	**$ 323**	**$ 10,751**	**$ 5,256**	**$ 4,268**
Others - Dividends paid preferred and ordinary stock	**$ 211,995**	**$ -**	**$ -**	**$ -**	**$ -**

The operations above were conducted under general market conditions in force and effect for similar transactions with third parties, except in the cases of loans to attend health, education, housing, and transportation needs, made to Bank officers, which were conducted according to the entity's policies, pursuant to what is expressly allowed by the legal norms that regulate the matter.

Transactions with related parties between subordinated and non-subordinated Companies - BBVA Colombia and other companies of the BBVA Group

As of December 31, 2014 a summary was as follows:

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	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenues:						
Dividends	$ -	$ -	$ -	$ -	$ -	$ -
Interest and/or investment yields	-	-	-	-	-	-
Commissions	-	-	-	28	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ 28**	**$ -**	**$ -**
Expenses:						
Commissions	$ 18	$ -	$ -	$ -	$ -	$ -
Insurance	-	308	14	-	-	-
Leases	-	-	-	-	-	-
Total	**$ 18**	**$ 308**	**$ 14**	**$ -**	**$ -**	**$ -**

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
$ -	$ -	$ -	$ 5	$ 2	$ -
-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ 5**	**$ 2**	**$ -**
$ -	$ -	$ -	$ -	$ -	$ -
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 35	$ 312	$ -	$ 35	$ 312	$ -
-	15	-	58	359	-
-	-	-	-	-	-
-	-	**-**	**-**	**-**	**-**
$ 35	**$ 327**	**$ -**	**$ 93**	**$ 671**	**$ -**
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Growth has consolidated due to the implementation of the Strategic Plan and overview of BBVA Group, creating value for customers

Transactions with related parties between subordinated and non-subordinated Companies - BBVA Colombia and other companies of the BBVA Group

As of December 31, 2013 a summary was as follows:

2013	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	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Revenues:						
Dividends	$ -	$ -	$ -	$ -	$ -	$ -
Interest and/or investment yields	-	-	-	-	-	-
Commissions	-	1	-	33	-	-
Leases	-	-	-	-	-	-
Total	**$ -**	**$ 1**	**$ -**	**$ 33**	**$ -**	**$ -**
Expenses:						
Commissions	$ 31	$ -	$ -	$ -	$ -	$ -
Insurance	-	291	13	-	34	-
Leases	-	-	-	-	-	-
Total	**$ 31**	**$ 291**	**$ 13**	**$ -**	**$ 34**	**$ -**

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
$ -	$ -	$ -	$ 3	$ -	$ -
-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ 3**	**$ -**	**$ -**
$ -	$ -	$ -	$ -	$ -	$ -
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 121	$ 367	$ -	$ 121	$ 367	$ -
-	20	-	39	305	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 121	**$ 387**	**$ -**	**$ 160**	**$ 672**	**$ -**
$ -	$ -	$ -	$ -	$ 1	$ -
-	-	-	-	-	-
-	-	-	-	-	-
$ -	**$ -**	**$ -**	**$ -**	**$ 1**	**$ -**

The performance risk management during 2014 allowed the growth in market share in most segments. In addition to a growth f 19% return on investment

34. Corporate governance (non-audited)

BBVA Group has developed a system of corporate government in line with the international best practices, and adapted to the requirements of regulators in the country in which they operate their business units.

BBVA Colombia's Corporate Governance System is in line with international, corporate and local recommendations and trends; its principles and elements are gathered in the Corporate Governance Code, the Bylaws of the General Stockholders' Meeting which regulates its operation, powers and stockholders' rights; the Board of Directors' Bylaws and in the bylaws of the committees that support the Board. The latter supplemented with internal conduct standards contained in the BBVA Group's Code of Conduct, the Code of Conduct in the Securities Market Environment, and the Code of Conduct for Prevention of Asset Laundry and Terrorism Financing, which consecrate the assumptions that rule the actions of its directors, administrators and employees.

The Corporate Governance System fundamentally consists of the distribution of functions amongst the Board of Directors and its different support committees, each with specific functions: Audit Committee, Corporate Responsibility, Corporate Governance and Nominations and Retributions, as well as an adequate decision-making process.

According to the Bank's Corporate Bylaws, the Board of Directors is the natural body of administration, management and supervision of the Company and it consists of five Principal Directors (two of which are independent) who are aware of the responsibility that implies the management of different risks and know about the Bank's processes and business structure, allowing them to provide the due support and follow-up.

The Board of Directors, as principal promoter of the entity's Corporate Governance, met in 12 occasions, once per month, complying with established schedule, among prior call with the agenda and previously showing the support documents and related information with each of the points to be discussed at the session. Quality and efficiency of the performance of the Board of Directors is annually evaluated, by the full Board of Directors, from the activity reports that are made. The proper functioning of the Board of Directors requires high dedication of all Directors, who are also subjected to a strict regimen of incompatibilities and conflict interest contained in the regulations of the Board of Directors.

For the best performance of their management and control functions, the Board of Directors has established four committees, with broad functions assigned in their respective regulations, which assist them in their own competition matters, having established a system of coordinate work in the commissions and between them and the Board of Directors. In this manner, the knowledge by the governing bodies of the relevant issues is ensured, reinforcing the existing control environment in BBVA Colombia.

The committees are chaired by independent directors with extensive experience in matters within their competence, in accordance with regulation, they also have broad powers and autonomy in the management of their respective committees, being able to convene meetings as deemed necessary for the performance of their functions, to decide the agenda and to have the assistance of external experts when deemed appropriate, as well as direct access to the Bank executives.

The regulations of the Board of Directors and the committees mentioned, cab be consulted on the company's website www.bbva.com.co

IR (Investor Relations) Recognition - Last August 29, 2014, and for the second time, BBVA Colombia obtained the IR (Investor Relations) Recognition, which is an initiative promoted by Bolsa de Valores de Colombia (BVC) with the purpose of promoting amongst Colombian security market issuers the voluntary adoption of practices that optimize the relationships with their investors.

As a consequence of the measures adopted, nowadays BBVA Colombia counts with a direct communication channel with the investors as a stakeholder group, which allows positioning as the main foreign Bank in the country and reiterate its commitment with the implementation of good practices related to information disclosure and corporate governance, strengthening the security, trust and reliability between the national and international investing community.

Survey country code 2013 - Office of the Superintendent of Finance in Colombia. - The Office of the Superintendence of Finance in Colombia issued the annual report on the level of assumption of recommendations made in the Best Corporate Practices Code, which constitutes a tool for achieving adequate corporate governance and contributes to complying with the objectives of stability, security and trust, promotion and development of the Colombian securities market, and protection of the investors and savers. This report shows a quantitative analysis of the issuers with respect to the adoption of recommendations for the January – December 2013 period.

From the results of the report, it outstands the fact that BBVA Colombia has 36 measures implemented, placing itself amongst the four financial entities that report more measures implemented.

Risk management - Risk management in the BBVA Group from corporate action framework set by the governing bodies of BBVA S.A, is carried out by units of corporate risk management and the respective business units (local bank). The risk areas of the business units in each country (local bank) propose and manage risk profiles within their independence, still always respecting the corporate framework for action.

In risk matters, it corresponds to the Bank's Board of Directors to approve the risk management and control policy; define the risk profile desired for the entity, as well as the periodical follow-up of the internal information and control systems. For the best performance of this function, the Board counts on its Support Committees, the Risk Committees (Central Risk Committee – CRC and the Technical Operations Committee – TOC) and other main actors in risk management, such as the business-area Risk Units, each of them with well-defined roles and responsibilities.

In each ordinary session of the Board of Directors, the entity's risk positions are clearly, concisely, speedily and accurately reported, indicating the exposures by risk type, by business area, and by portfolio and the operations with companies or people related to the Bank.

The risk function at the entity is unique and independent, with the following principles: risks assumed must be compatible with the target's solvency level; they have to be identified, measured and valued, and in addition to solid control and mitigation mechanisms, there must exist procedures for follow-up and management thereof. All risks must be managed on an integrated fashion during their life cycle, giving them a differentiated treatment according to their typology; the risks integration model recognizes the diversification amongst the different risk types (credit, market, liquidity, operational, etc.); the business areas are responsible for proposing and maintaining the risk profile within their autonomy and the acting framework (defined as the set of risk policies and procedures). The risk infrastructure is adequate in terms of Human Resources, tools and technology, information systems, methodologies for measurement of the different types of risk and procedures, which facilitates a clear definition of roles and responsibilities, assuring independence between the negotiation, risk control and recording areas, as well as the efficient assignment of resources.

From the corporate perspective in risk management, is also taken into consideration environmental, social, ethic and corporate governance (ESG) aspects. These extra financial risks may affect the clients' credit profile or the profile of projects that the group finances, and therefore the quality of the assumed risk. Its integration into risk management is consistent with the principle of prudence that rules the Group.

During 2014 BBVA Colombia worked on improving the model of operational risk management within local regulation (External Circular Letters 041 of 2007 and 038 of 2009) and the Corporate Policy for Operational Risk Management.

There were several developed lines of action that contributed to a proactive model for control decision making and business decisions, and the efforts prioritization to mitigate relevant risk, reduce Group exposure, and maintain operational risk between the limits defined corporately:

- Updating and publication of the Operational Risk Management System Manual (SARO), strengthening the management of the entire operational risk lifecycle.

- Implementation of the library risks, in the application STORM (Support Tool for Operational Risk Management), unique tool for Operational Risk management, providing homogeneity, integrity and adequate coverage for all possible risks.

- Strengthening the management of operational risk admission sources, in the New Business Products and Services Committee forum, with areas involvement and support tools.

With active participation by reviews of integrity in the updating processes, policies and procedures, formulating and accompanying improvement actions with transversal vision circuits comprising lifecycle of credit risk. These actions were helped in improving the internal control environment, prevention and operational risk mitigation.

Giving continuity to the improvement of the control environment and strengthening corporative culture, a participation in the elaboration of a new Case of Comprehensive Legal Education was made, published on the virtual training group website.

The detailed information related to the Credit Risk Report at year-end 2014, on admission, monitoring and recovery, as well as the report of Structural Interest Rate Risk and Operational Risk is disclosed in Note 35 to the Financial Statements.

Internal Control System – SCI - Internal Control System of BBVA Group is inspired by the best practices developed in the "Enterprise Risk Management – Integrated Framework" of COSO (Committee of Sponsoring Organizations of the Treadway Commission) as in the "Framework for Internal Control Systems in Banking Organizations", prepared by the Basilea International Bank for settlements (BIS). In this sense, the Internal Control System of the Group reaches all the organization areas and is designed to identify and manage the risks that the Group entities face, in order to ensure the established corporate goals.

The control model has a system of three lines of defense:

- The first line is constituted by the Group's business units, in this case, BBVA Colombia, which is responsible for monitoring in its scope and for implementing the measures set corporately and locally by the Board of Directors.

- The second line is constituted by control special units (Normative Compliance, Global Accounting & Informational Management/Internal Financial Control, Risk Internal Control, Technology, Fraud Prevention and Security; Operational Control and support areas, as Human Resources, Legal etc.) This line oversees control of the different areas within its field of cross – specialty, define the mitigation and of necessary improvement measures and promote their proper implementation. Additionally, Operational Risk area, that provides a methodology and tools for management is part of this line.

- The third lines is constituted by Internal Audit, which conducts an independent review of the model, verifying compliance and effectiveness of corporate and local policies, providing independent information of the control model.

Internal Audit conducted an independent assessment of the Internal Control System effectiveness of BBVA Colombia S.A as of December 31st, 2014, in accordance with the provisions of External Circular Letter 038 of 2009, issued by the Superintendencia Finaniciera de Colombia.

The evaluation concludes that the Internal Control System implemented by the Bank reasonably meets the criteria established by the Superintendencia Financiera de Colombia in External Circular Letter 038 of 2009. The improvement plans established by the Bank to mitigate risks identified in the SCI assessment, are implemented or being implemented and refer to non-material weaknesses that do not affect the financial statements and the management report.

Audit Committee - The Audit and Compliance Committee of BBVA Colombia, integrated by three (3) Board of Directors' members, two (2) of which are independent, during 2014 supported within their competence the management of the Board of Directors.

The Committee was able to verify that both the internal audit as well as the Statutory Audit monitored that both the transactions with third parties and those with the Bank's related parties, were conducted within the limits, and under market conditions. In logical security matters, the risks to which the Bank is exposed due to new technologies and information security were evaluated, arising from the increasingly widespread use of cyberspace; helping to improve the integrity and consistency of information, as well as the implementation of protection circuits, information security incidents detection and management; that the Internal Control System implemented by the Bank meets the criteria established by the Superintendencia Financiera de Colombia through External Circular Letter 038 of 2009 and; that no material deficiencies affecting the financial statements and the management report were presented.

35. Other aspects of interest

Tax Reform - Below, there is a summary of some modifications introduced by Law 1739 of December 23, 2014 to the Colombia tax regime for 2015 and subsequent years:

Tax on wealth – As from January 1, 2015 the tax on wealth is created. This tax is generated by the possession of wealth (gross equity less current debts) that is greater than or equal to Col$ 1,000 million as of January 1, 2015. The legal obligation is accrued on January 1, 2015, on January 1, 2016 and on January 1, 2017. The tax base of the tax on wealth is the value of gross equity on legal persons (entities), less the current debts in force, possessed as of January 1, 2015, 2016 and 2017. Its marginal rate corresponds to the following:

Tax Base Ranges	2015	2016	2017
From $ 0 to $2.000.000	0.20%	0.15%	0.05%
From $2.000.000 to $3.000.000	0.35%	0.25%	0.10%
From $3.000.000 to $5.000.000	0.75%	0.50%	0.20%
From $5.000.000 and above	1.15%	1.00%	0.40%

Income tax for equity - CREE and its surtax – As from tax period 2016 and, transitorily for 2015, the tax rate of CREE shall be 9%.

All fiscal losses incurred in by CREE taxpayers as from 2015 may be offset in this tax. Likewise, the excess from the minimum base of CREE may also be offset as from 2015 within the five (5) subsequent years, fiscally readjusted.

In no event, may the CREE tax of its surtax be offset with balances in favor corresponding to other taxes that should have been calculated in the tax returns. Likewise, any balances in favor liquidated in CREE tax returns and its surtax may not be offset with debts corresponding to other taxes, advanced payments, withholdings, interest and sanctions.

The surtax to the CREE is created for 2015, 2016, 2017 and 2018. The tax generating fact of the surtax applies to taxpayers the annual CREE tax return of which should result in a profit that is greater than or equal to Col$ 800 million. The marginal rate applicable for establishing the surtax shall be:

Surtax	2015	2016	2017	2018
Tax base - Col$ 800 million	5%	6%	8%	9%

The surtax shall be subject to a 100% advanced payment of the value thereof, calculated on the tax base of CREE on which the taxpayer calculated the aforementioned tax for the immediately prior tax year. The advanced payment of the CREE surtax must be paid in two annual installments on the terms that the bylaws shall set.

Income taxes – Residence for tax purposes is clarified and the following rates are established for income obtained by foreign companies and entities that should not be attributable to a branch or permanent establishment:

	2015	2016	2017	2018
Annual Rates	39%	40%	42%	43%

The application of the tax credit/discount corresponding to taxes paid abroad is made, and this same is distributed between income tax and CREE, in the following proportion: 64% and 36%, respectively.

Modifications are established to the tax incentives: i) Deduction for investments made in research, technological development or innovation; ii) tax discount from the income tax of the VAT paid in the acquisition of capital goods and heavy machinery.

The handling the exchange difference of foreign investments without fiscal effects is alloweed, until the moment of transfer of the respective investment.

Also, it postpones the entered into effect of the limitation of deductions of cash payments for 2019 and subsequent years is postponed.

Other standards. Once again, mechanism of reconciliation, transaction and special payment conditions are established to finish all processes or discussions that taxpayers may have with the authorities related to tax issues, contributions to the social security, customs and exchange system.

International Financial Reporting Standards - IFRS - For 2014, the Bank continued with the IFRS project, structured since 2013, focusing and strengthening the following points:

a) General Process - IFRS Project BBVA Colombia:

Training – The personnel immerse in the entity's accounting and financial operations received training on conceptual issues of IFRS. Likewise, practical sessions were conducted to clarify the application process and the effects of this new methodology on the transactions performed within the organization.

Evaluation of IFRS to be used – To generate its opening balance sheet, the Bank defined the adjustments applicable to the entity, identifying concretely the transactions susceptible of being adjusted by the new norm.

Evaluation of components of the current financial statements – Once the previous point was conducted, information was classified per accounts or account groups with the purpose of determining how the balance is formed and establishing whether or not is necessary to carry adjustments and/or reclassification of those items.

Format of information under XBRL – To attend to this requirement, the Bank has made approaches to external suppliers in order to acquire software and license that allow generating the accounting information in the new electronic format scheme for remittal XBRL (eXtensible Business Reporting Language), which [LG(-M1] shall be required by the office of the Superintendents of Control and Supervision, once they have decided the applicable taxonomy.

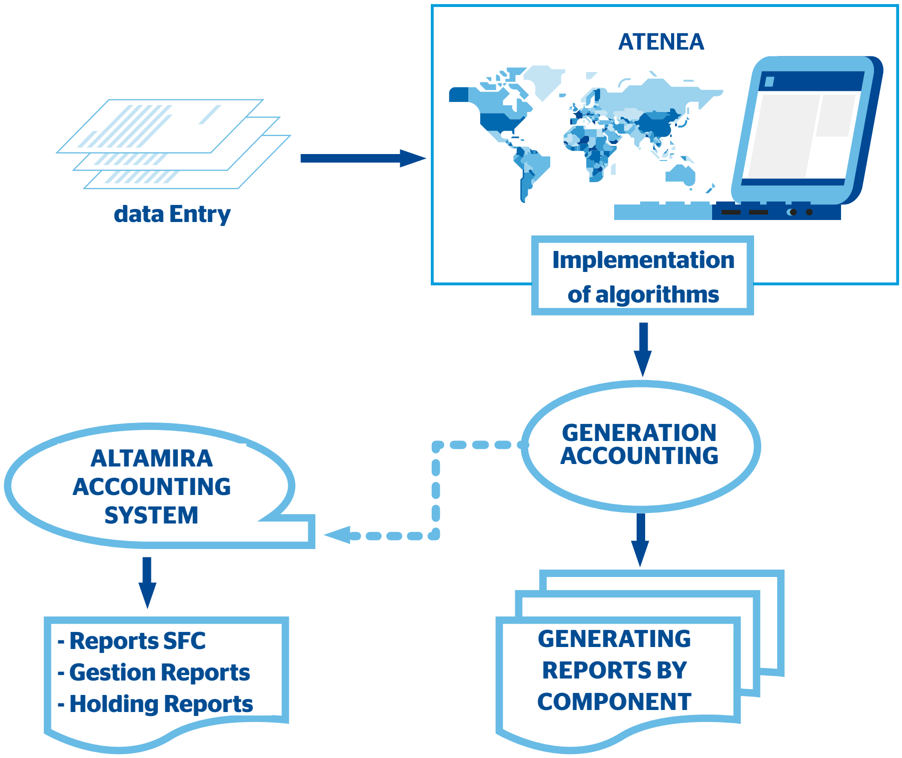
Knowledge of the Project by Top Management – Throughout 2014, the Bank's Board of Directors knew and approved the policies applicable to opening and subsequent Financial Statements through Minute No. 1600 dated on November 25, 2014; for that purposes, simulations were conducted with the purpose of knowing figures, the equity and results impact that the international norm implied.

Technological impact – The Bank's technical area evaluated the feasibility of changing its information systems that are native since their origin; however, as a consequence of the norms instability with regards to the implementation issue, a decision was made to develop a peripheral application to attend to the international standard.

b) Technology (IT) Tool:

The Bank designed and developed a Web application to attend its needs in the process of conversion of the Financial Statements into International Financial Reporting Standards IAS – IFRS, in compliance with Law 1314 of 2009 and Regulatory Decree 2784 of 2012 (IFRS for Group 1).

The application works on an integrated fashion, allowing unification of internal procedures and the effective generation of accounting reporting. Likewise, it facilitates the decision-making process through the analysis and quick access to information, adjusting to the entity's business model and preserving a structure and design that make a simple interaction with each of their users.



Through the application of predefined and parameterized Algorithms, the tool allows generating accounting adjustments on those components of the Financial Statement that are affected by the change in norms. The general scheme of the tool operates as follows:

36. Translation of financial statements into english

These financial statements are the English translation of those originally issued in Spanish. They are presented in accordance with accounting principles generally accepted in Colombia and accounting instructions and practices established by the Office of the Superintendent of Finance ("COL GAAP"). Certain accounting practices applied by the Bank, that conform with COL GAAP, may not conform with generally accepted accounting principles in other countries. The effects of the differences, if any, between COL GAAP and the generally accepted accounting principles in the countries in which these financial statements may be used, have not been quantified. Accordingly, these financial statements are not intended to present the information on the Bank's financial position, and the related results of operations and cash flows in conformity with generally accepted accounting principles in countries other than Colombia.company's website www.bbva.com.co

BBVA

General Coordination:
Area of Communication and Image
mauricio.floresmarin@bbva.com • jhon.naranjo@bbva.com • liliana.corrales@bbva.com

Area General Accounting
william.londono@bbva.com • oscar.rodriguez@bbva.com

Area Management and Financial Planning
germanenrique.rodriguez@bbva.com • libia.fernandez@bbva.com • paula.contreras@bbva.com

Desing:
BBVA
www.bbva.com

Editorial Design - Photography:
Marketing Group D+C Ltda.
www.mgcreativos.com • info@mgcreativos.com

BBVA

adelante.