

Financial Results Second Quarter 2019

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1. Subsequent and Relevant Facts

- Consolidated EBITDA for 2Q-19 reached COP 918.8 billion (+ 57.4% YoY). This growth is mainly explained by the progress in the construction of the 4G concessions that have already signed the initiation of construction phase (Coviandina, Covioriente and Covipacífico).
- On May 6, a dividend payment of COP 463.3 billion was made, equivalent to a dividend per share of COP 1,657.9; out of which COP 70.6 billion (15%) were paid in cash. The dividend per share for common and preferred shares was 101% and 232% higher than paid in 2018, respectively.
- Fitch Ratings and Standard and Poor's confirmed Corficolombiana long-term foreign currency (BBB) and local currency (AAA) ratings, in June and August respectively.
- On June 26, the Board of Directors of Corficolombiana approved the Regulations of the General Guarantee Bonds Issuance and Placement Program for up to COP 1 trillion, which was authorized by the Financial Superintendence of Colombia on August 20.

Equity Investment Portfolio

Infrastructure

- Heavy rains have triggered landslides at Km 58 of the Bogotá - Villavicencio highway, which is operated by Coviandes. In response to that situation, on June 14 the Ministry of Transportation ordered the closure of 1.5 kilometers in that highway. Coviandes has been working alongside the government to allow for the opening of the highway, which is expected to occur in September.
- As of June, the three 4G concession projects under construction have achieved the following progress: Coviandina: 51.4%, Covipacífico: 22.9% y Covioriente: 16.4%.

Energy

- Promigas put into operation the initial part of the Canacol gas pipeline that includes the Canal del Dique crossing, which is the longest subfluvial gas pipeline in Latinoamérica.
- Promigas obtained a new gas distribution concession in Peru that will take natural gas to the Piura region, serving 64,000 homes and benefiting 260,000 people, with an expected investment of USD 230 million.

Financial

- On May 30, Leasing Corficolombiana requested the Financial Superintendence to carry out the voluntary liquidation process of its remaining equity.

Hospitality

- In June, the Meliá Cartagena Karmairi hotel entered into operation, adding 147 rooms to Hotel Estelar's operation.

Agroindustry

- Mavalle completed the approval process with the company Goodyear, leaving us a step away of becoming one of its strategic suppliers of natural rubber in the region.

CRDS

Arbitration Court: It ruled on August 6th. On August 14th requests for clarification, corrections and additions were sent, which were answered on August 16th without modification of the initial ruling:

a) the contract and its amendments was declared null

b) the ANI must pay COP 211 billion to CRDS destined to the payment of debts with good-faith third-parties, in the order and terms stated in the ruling. In the valuation, the Tribunal did not consider the works already executed by Consol but not yet billed to CRDS, neither those related to exonerating circumstances.

Superintendence of Industry and Commerce (SIC): As part of the process, the SIC issued a resolution decreeing evidence, the majority of which had been requested by the parties.

Cundinamarca Administrative Court: The appeal filed by Episol was accepted and a reporting magistrate at the Consejo de Estado (highest administrative court) has been already assigned.

2. Separate Financial Statements

Financial Results

COP MM	2Q-18	1Q-19	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Operating Revenue	229.456	512.339	457.262	445.779	969.601	99,3%	117,5%
Net Margin of Treasury	17.405	29.762	29.022	20.085	58.784	66,7%	192,7%
Treasury Revenue	70.906	75.591	83.775	130.232	159.366	18,1%	22,4%
Interests - Treasury Funding	53.501	45.829	54.753	110.147	100.582	2,3%	-8,7%
Commissions revenue	9.136	607	1.740	12.007	2.347	-81,0%	-80,5%
Dividends	4.013	71.016	45	47.453	71.061	-98,9%	49,8%
EEB	0	61.789	0	37.622	61.789	N/A	64,2%
Natural Gas	3.985	3.842	0	3.985	3.842	-100,0%	-3,6%
Others	28	5.385	45	5.846	5.430	60,7%	-7,1%
Equity Method	198.902	410.954	426.455	366.234	837.409	114,4%	128,7%
Energy & Gas	99.195	86.006	116.511	184.014	202.517	17,5%	10,1%
Infrastructure	95.562	327.744	310.984	173.379	638.728	225,4%	268,4%
Hospitality	2.946	3.254	1.677	5.950	4.931	-43,1%	-17,1%
Agroindustry	2.266	685	-1.927	1.420	-1.242	-185,0%	-187,5%
Financial	-1.928	-7.698	-1.702	438	-9.400	-11,7%	-2246,1%
Others	861	963	912	1.033	1.875	5,9%	81,5%
Interests - Equity Investment Funding	36.517	39.304	38.397	73.865	77.701	5,1%	5,2%
Provisions, net	6.160	-4	10	15.587	6	-99,8%	-100,0%
Net Financial Income	186.779	462.318	418.855	356.327	881.173	124,3%	147,3%
Administrative Expenses	23.137	24.335	25.717	46.130	50.052	11,2%	8,5%
Personnel Expenses	11.651	12.744	12.219	22.825	24.963	4,9%	9,4%
Commissions and Fees	4.430	3.407	4.526	8.653	7.933	2,2%	-8,3%
General Expenses	7.056	8.184	8.972	14.652	17.156	27,2%	17,1%
Other Revenue / Expenses	-1.455	-2.982	-2.969	-3.650	-5.951	104,1%	63,0%
Income before Taxes	162.187	435.001	390.169	306.547	825.170	140,6%	169,2%
Income tax	3.648	2.640	1.816	8.442	4.456	-50,2%	-47,2%
Net Income	158.539	432.361	388.353	298.105	820.714	145,0%	175,3%

Operating revenue grew 99.3% YoY in 2Q-19, mainly explained by the contribution of the infrastructure sector to the *Equity Method*, due to the progress in construction work of the 4G concessions that have already signed the initiation of construction phase (Coviandina, Covioriente and Covipacífico) and the good performance of Promigas. On the contrary, the financial and agroindustry sectors report negative results; the first related to Leasing Corficolombiana, which in 1Q-19 made effective the transfer of its assets, liabilities and contracts, and the second mainly due to the fall in the prices of rice and palm oil. On the other hand, the treasury margin grew 66.7% y/y in 2Q-19 and more than doubled in the accumulated at June, as a result of the realization of profits in the portfolio available for sale, due to the reduction in the TES rate, and lower funding costs.

Provision expenses decrease compared to the same quarter of the previous year, related to Electricaribe and Pizano since the provision of 100% of the exposure to these companies was reached in May and December 2018, respectively.

The 2Q-19 net income was COP 388.3 billion, resulting in a ROAA and ROAE of 17.7% and 37.3%, respectively.

Indicators	2Q-18	1Q-19	2Q-19
Net Financial Income / Operating Revenue	81,4%	90,2%	91,6%
Administrative Expenses / Net Financial Income	12,4%	5,3%	6,1%
ROAE	11,7%	38,9%	37,3%
ROAA	4,1%	17,2%	17,7%

Note: ROAA and ROAE calculated as the last twelve months separate net income over average assets and equity for the same period. It does not include the impact of the CRDS impairment, since it is not recurrent.

Financial Position Statement

Assets at a separate level grew 39.3% compared to June of the previous year as a result of an increase in equity investments, a portfolio that adds up to a value of COP 8.8 trillion. The greatest growth is observed in investments in *Subsidiaries and Associated Companies*, where the infrastructure sector registers an increase of COP 2.7 trillion resulting from the capitalizations made to 4G projects and their results. The financial sector decreases as a result of the transfer of assets, liabilities and contracts made by Leasing Corficolombiana in 1Q-19.

COP MM	2Q-18	1Q-19	2Q-19	2Q-19 / 2Q-18	2Q-19 / 1Q-19
Assets	9.448.063	12.447.053	13.157.720	39,3%	5,7%
Cash + Interbank Funds	1.154.377	1.438.858	2.168.684	87,9%	50,7%
Cash	806.264	1.116.603	1.301.788	61,5%	16,6%
Interbank Funds	348.113	322.255	866.896	149,0%	169,0%
Investments	8.068.541	10.472.361	10.612.001	31,5%	1,3%
Subsidiaries & Associated Companies	4.609.202	6.939.918	7.415.121	60,9%	6,8%
<i>Energy & Gas</i>	<i>1.584.531</i>	<i>1.549.355</i>	<i>1.667.488</i>	5,2%	7,6%
<i>Infrastructure</i>	<i>2.148.387</i>	<i>4.509.502</i>	<i>4.839.756</i>	125,3%	7,3%
<i>Hospitality</i>	<i>314.029</i>	<i>329.859</i>	<i>332.016</i>	5,7%	0,7%
<i>Agroindustry</i>	<i>398.274</i>	<i>414.029</i>	<i>439.040</i>	10,2%	6,0%
<i>Financial</i>	<i>137.980</i>	<i>109.618</i>	<i>108.314</i>	-21,5%	-1,2%
<i>Others</i>	<i>26.001</i>	<i>27.555</i>	<i>28.509</i>	9,6%	3,5%
Other Equities Investments	908.343	1.326.658	1.366.724	50,5%	3,0%
Fixed Income Investments + Derivatives	2.550.996	2.205.785	1.830.156	-28,3%	-17,0%
Other Assets	225.145	535.834	377.035	67,5%	-29,6%

At the end of June, the Fixed Income Investments and Derivatives amounted COP 1.8 trillion decreasing compared to 2Q-18 and 1Q-19, reflecting the treasury strategy to realize gains in the available for sale TES portfolio given market conditions. On the other hand, cash and interbank funds registered a growth consistent with the reduction of the fixed income portfolio and the increase in Certificates of Deposits.

COP MM	2Q-18	1Q-19	2Q-19	2Q-19 / 2Q-18	2Q-19 / 1Q-19
Liabilities	5.984.398	5.925.132	6.336.624	5,9%	6,9%
Deposits and Current Liabilities	3.381.231	3.745.205	4.112.615	21,6%	9,8%
CDs	2.959.436	2.991.575	3.338.267	12,8%	11,6%
Savings and other funds at sight	421.795	753.630	774.348	83,6%	2,7%
Money Market Operations	2.501.210	2.095.774	2.139.171	-14,5%	2,1%
Other Liabilities	101.957	84.153	84.838	-16,8%	0,8%
Equity	3.463.665	6.521.921	6.821.096	96,9%	4,6%
Total Liabilities + Equity	9.448.063	12.447.053	13.157.720	39,3%	5,7%

Liabilities grew 5.9% compared to the same period of the previous year. CDs continue to be the main item in liabilities and in 2Q-19 grew COP 346.7 billion as a result of the market liquidity conditions. The average tenor of these deposits increased compared to 2Q-18 from 4.3 years to 4.7 years. Additionally, the effective CDs cost rate was 6.15%, which represents a decrease of 74 basis points compared to a year ago, even closing the differential against the IBR benchmark from 258 basis points in 2Q -18 to 189 bps in 2Q-19.

The Corporation's Equity grew 96.9% YoY as a result of the capitalization, the result of the year and an increase in profits from previous years related to the application of IFRS 15. As a result, the solvency ratio was 41.5% in June 2019.

3. Consolidated Financial Statements

Financial Results

COP MM	2Q-18	1Q-19	1Q-19 Updated	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Operating Revenue Real Sector	1.451.098	1.948.666	1.948.666	2.120.822	2.844.824	4.069.488	46,2%	43,0%
Cost of Sales	804.590	899.832	899.832	1.073.857	1.595.016	1.973.689	33,5%	23,7%
Gross Margin of Real Sector	646.508	1.048.834	1.048.834	1.046.965	1.249.808	2.095.799	61,9%	67,7%
Equity Method and Dividends	48.846	115.686	115.686	55.555	135.632	171.241	13,7%	26,3%
Net Financial Expenses	-73.641	-102.505	-75.514	-92.437	-121.077	-167.951	25,5%	38,7%
Interests Revenue, net of provisions	68.844	43.629	38.467	45.740	138.555	84.207	-33,6%	-39,2%
Interests Expenses	216.598	199.602	195.758	221.138	420.555	416.896	2,1%	-0,9%
Other Financial Revenue, net	74.113	53.468	81.777	82.961	160.923	164.738	11,9%	2,4%
Administrative Expenses	320.390	339.513	344.861	360.390	625.391	705.251	12,5%	12,8%
Personnel and General Expenses	202.873	228.804	217.690	232.830	402.861	450.520	14,8%	11,8%
Depreciations, Amortizations and Provisions	117.517	110.709	127.171	127.560	222.530	254.731	8,5%	14,5%
Other Revenues / Expenses	100.048	33.275	33.066	30.296	130.881	63.362	-69,7%	-51,6%
EBITDA	583.642	998.746	998.746	918.838	1.159.001	1.917.584	57,4%	65,5%
Net Income before taxes	401.371	755.776	777.210	679.989	769.853	1.457.200	69,4%	89,3%
Net income from discontinued operations	-2.241	-211	-21.745	-21.395	-2.241	-43.140	854,7%	1825,1%
Income tax	97.141	234.278	234.178	167.915	211.691	402.093	72,9%	89,9%
Net Income	301.989	521.287	521.287	490.679	555.921	1.011.966	62,5%	82,0%
Controlling Net Income	165.609	422.226	422.226	364.721	311.375	786.947	120,2%	152,7%

Note: The Operating Revenue Real Sector includes income from leasing of SPEC and from Financial Asset of Promigas.

On May 30, Leasing Corficolombiana requested the Financial Superintendence authorization to proceed with the voluntary liquidation process of its remaining equity. Consequently, in the accumulated to June the net profit of Leasing Corficolombiana was reclassified as *Net income from*

discontinued operations. For the purpose of this report and for the purposes of comparison with 2Q-19, 1Q-19 was re-expressed making this reclassification of income and expenses to the *Net Income from discontinued operations* account.

In 2Q-19 the controlling consolidated net income reached COP 364.7 billion, equivalent to an annual growth of 120.2%. The contribution by sector to the consolidated financial results of 2Q-19 is presented below, which highlights the contribution of the infrastructure sector.

2Q-19 COP MM							Adjustments &		
	Holding	Financial	Energy	Infrastructure	Hospitality	Agroindustry	Dividends & Other	Eliminations	Total
Income from Non-Financial Sector			104.064	489.891	6.484	450	1.052	-10.246	591.695
EBITDA	-10.565	14.562	388.562	512.650	10.151	3.312	3.904	-3.737	918.838
Net Income	-48.962	-8.628	237.924	313.699	1.519	-1.543	3.449	-6.779	490.679
Controlling Net Income	-48.962	-8.912	114.773	311.849	1.090	-1.630	3.391	-6.878	364.721

Income from non-financial sector: Gross Operating Margin, excluding SPEC leasing and Financial Asset (concession) of Promigas - Personnel and General Expenses - Depreciations and Amortizations + Other Revenues and Expenses. Holding: corresponds to expenses of Corficolombiana's equity investment business. Financial: Includes Corficolombiana, except for income and expenses of the equity investment business, and its financial subsidiaries. Dividends & Others: Corficolombiana's dividends and MPU received from the companies that don't consolidate plus Tesicol, Lehner and Energy Holdings.

Energy & Gas

COP MM	2Q-18	1Q-19	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Revenue from Sale of Goods and Services	833.762	909.987	1.004.708	1.682.334	1.914.695	20,5%	13,8%
Revenue Financial Asset (concession) Promigas	75.035	53.697	53.435	127.045	107.133	-28,8%	-15,7%
Cost of Sales and Services	508.183	585.931	663.059	1.045.847	1.248.990	30,5%	19,4%
Gross Operating Margin	400.614	377.754	395.084	763.532	772.838	-1,4%	1,2%
Equity Method and Dividends	42.492	39.386	52.697	79.395	92.083	24,0%	16,0%
Net Financial Expenses	-63.117	-59.629	-69.208	-126.167	-128.837	9,7%	2,1%
Financial Revenue, Net of provisions	21.457	27.906	20.221	41.907	48.127	-5,8%	14,8%
Interest Expenses	84.574	87.535	89.429	168.074	176.964	5,7%	5,3%
Personnel and General Expenses	75.025	68.845	80.788	141.761	149.633	7,7%	5,6%
Depreciations, Amortizations and Provisions	59.082	56.923	66.266	110.974	123.189	12,2%	11,0%
Other Revenues / Expenses	22.312	19.961	22.402	42.476	42.364	0%	-0,3%
EBITDA	401.371	380.036	388.562	764.797	768.598	-3,2%	0,5%
Net Income before taxes	268.194	251.704	253.921	506.501	505.625	-5,3%	-0,2%
Income tax	61.028	73.242	15.997	114.296	89.239	-73,8%	-21,9%
Net Income	207.166	178.462	237.924	392.205	416.386	14,8%	6,2%
Minority Interest	11.970	5.334	11.858	26.548	17.192	-0,9%	-35,2%
Controlling Net Income before Consolidation Adjustments	195.196	173.128	226.066	365.657	399.194	15,8%	9,2%
Controlling Net Income	97.744	87.952	114.773	183.628	202.725	17,4%	10,4%

Note: The revenue from sale of goods and services includes SPEC's leasing revenue: \$53,185 million in 1Q-18, \$58,885 million in 4Q-18, \$56,918 in 1Q-19 and \$58.445 million in 2Q-19. The EBITDA considers revenue from non-banking lending activities (Brilla), registered in financial revenue net of provisions, and the revenue from financial assets (concessions).

Gross operating margin remains relatively stable in 2Q-19 compared to the same quarter of the previous year, particularly due to a reduction in revenue from financial assets resulting from the recalculation of the WACC. Promigas benefited from higher revenues in the distribution business, due to the new gas distribution tariffs for GDO and Surtigas and to Quavii's commencement of supply in April 2018. The gas distribution business continues to grow reaching in Colombia and Peru more than 4.5 million users with a growth of more than 350 thousand users compared to June 2018,

mainly in Peru. Additionally, higher revenues are recorded in the construction business (Promisol) associated with the 100 MPCD project for the expansion of the Promigas transport system from Jobo. This project continues as scheduled during 2Q-19 with the opening of a first capacity to Cartagena at the end of July (Jobo-Sincelejo gas pipeline, 85 km, 20 inches). On the other hand, during 2Q-19 SPEC has provided the regasification service for 41 days (not continuous) to deliver 1,485 MPC of natural gas to the National Transportation System.

The reduction in income tax is due to the adjustment in the methodology for calculating the deferred tax for the financial asset in Promigas, Transmetano, Promioriente, Surtigas and Gdo. Additionally, during 2019 Promigas presented income tax recoveries due to the sale of the treatment plant to Canacol, deductions for real productive fixed assets, as well as recoveries of deductible expenses after payment of the arbitration process with Gecelca and the Riohacha case ruling.

Infrastructure






COP MM	2Q-18	1Q-19	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Revenue from Sale of Goods and Services	429.791	861.660	943.795	803.630	1.805.455	119,6%	124,7%
Cost of Sales and Services	236.417	257.919	344.266	425.271	602.185	45,6%	41,6%
Gross Operating Margin	193.374	603.742	599.529	378.358	1.203.270	210,0%	218,0%
Equity Method and Dividends	414	2.091	-677	4.883	1.414	-263,5%	-71,0%
Net Financial Expenses	5.785	-10.978	-28.654	31.968	-39.632	-595,4%	-224,0%
Financial Revenue, Net of provisions	32.982	22.001	15.657	80.311	37.658	-52,5%	-53,1%
Interest Expenses	27.197	32.979	44.311	48.343	77.290	62,9%	59,9%
Personnel and General Expenses	38.140	52.431	56.005	74.949	108.436	46,8%	44,7%
Depreciations, Amortizations and Provisions	53.035	64.709	54.059	104.402	118.768	1,9%	13,8%
Other Revenues / Expenses	57.453	5.821	426	59.893	6.247	-99,3%	-89,6%
EBITDA	158.450	548.443	512.650	322.937	1.061.092	223,5%	228,6%
Net Income before taxes	165.851	483.536	460.560	295.751	944.095	177,7%	219,2%
Net income from discontinued operations	0	-181	121	0	-60	N/A	N/A
Income tax	31.472	155.023	146.982	81.480	302.005	367,0%	270,6%
Net Income	134.379	328.332	313.699	214.271	642.030	133,4%	199,6%
Minority Interest	43.925	65.759	45.885	66.383	111.644	4,5%	68,2%
Controlling Net Income before Consolidation Adjustments	90.454	262.573	267.814	147.889	530.386	196,1%	258,6%
Controlling Net Income	74.858	310.208	311.849	147.889	622.057	316,6%	320,6%

The sector's gross operating margin grew in 2Q-19 compared to 2Q-18, mainly driven by the progress in the construction works of the 4G projects that already signed the initiation of construction phase (Coviandina, Covipacífico and Covioriente) and which recorded the following progress percentage:

Concession	% Project progress Mar / 19	% Project progress Jun / 19	Phase
Coviandina	44.6%	51.4%	Construction
Covipacífico	18.1%	22.9%	Construction
Covioriente	15.1%	16.4%	Construction
Covimar	2.6%	3.3%	Pre- Construction

Coviandina recorded the greatest progress in the quarter followed by Covipacífico, where on May 28 a winter wave caused a large-scale mass movement on the road affecting a stretch of double-lane under construction in the UF1.

On the other hand, the Average Daily Traffic in the concessions that are in operation had a slight reduction of 0.9% versus 2Q-18 and in the accumulated to June it remains relatively stable with a growth of 0.6%. Traffic during the quarter has been impacted by the traffic restriction with the temporary closure of the Bogotá – Villavicencio highway, in charge of Coviandes, presenting a reduction of 29.7% versus 2Q-18. Which has been offset by increased traffic in the other concessions, particularly Covioriente that has seen an increase of 13.1% in the same period partly as a result of the temporary closure of the Bogotá – Villavicencio highway and its establishment as an alternate way.

Average Daily Traffic (ADT)							
Concession	2Q-18	1Q-19	2Q-19	1H-18	2H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
 COVIANDES	28.535	31.448	20.061	29.945	25.755	-29,7%	-14,0%
 COVIPACÍFICO	26.421	27.070	28.008	25.968	27.539	6,0%	6,0%
 COVIORIENTE	31.581	34.184	33.917	32.605	34.051	7,4%	4,4%
 CONCESIONARIA VIAL DEL PACÍFICO	4.909	5.325	5.229	5.058	5.277	6,5%	4,3%
 CONCESIONARIA VIAL DEL ORIENTE	5.606	7.249	6.947	6.472	7.098	23,9%	9,7%
Total	111.559	121.329	110.569	115.145	115.885	-0,9%	0,6%

In relation to Coviandes it is important to remember that since May 2019, intermittent closures had been presented due to landslides on the Bogotá – Villavicencio road at km 58. The treatment of the geological fault that causes these landslides is not part of the object of Contract 444 of Coviandes. As a preventive measure, the Ministry of Transportation decreed the restriction of traffic with the temporary closure of the road (Res. 2312 of June 14, 2019). The Transit and Transportation Directorate established the Bogotá-Sogamoso-Aguazul-Villavicencio and Transversal del Sisga (Sisga-El Secreto-Aguaclara-Villavicencio) roads as alternate routes. As a result of the collapse and given the alternate routes established, the Ministry of Transportation issued resolutions No. 2700 and No. 2743 of 2019 that establish an average reduction of 49% in the tolls rate of Puente Amarillo, Veracruz and San Pedro, corresponding to Covioriente, which will be compensated by the National Infrastructure Agency in accordance with the compensation mechanism provided in the contract in relation to the risk of lower collection.

Hospitality

COP MM	2Q-18	1Q-19	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Revenue from Sale of Goods and Services	74.770	91.641	85.289	159.384	176.930	14,1%	11,0%
Cost of Sales and Services	27.968	31.032	30.930	56.981	61.962	10,6%	8,7%
Gross Operating Margin	46.802	60.609	54.359	102.403	114.968	16,1%	12,3%
Equity Method and Dividends	0	0	0	0	0	N/A	N/A
Net Financial Expenses	-2.117	-2.394	-4.095	-3.716	-6.489	93,4%	74,6%
Financial Revenue, Net of provisions	-219	-342	-382	-200	-724	74,4%	261,6%
Interest Expenses	1.898	2.052	3.713	3.516	5.765	95,6%	64,0%
Personnel and General Expenses	39.685	49.224	46.260	85.220	95.484	16,6%	12,0%
Depreciations, Amortizations and Provisions	2.709	3.126	3.481	5.433	6.607	28,5%	21,6%
Other Revenues / Expenses	1.907	1.719	1.866	3.129	3.585	-2,2%	14,6%
EBITDA	9.172	13.306	10.151	20.632	23.457	10,7%	13,7%
Net Income before taxes	4.198	7.584	2.389	11.163	9.973	-43,1%	-10,7%
Income tax	827	1.580	870	2.206	2.450	5,2%	11,1%
Net Income	3.371	6.004	1.519	8.957	7.523	-54,9%	-16,0%
Minority Interest	415	1.528	235	1.803	1.763	-43,4%	-2,2%
Controlling Net Income before Consolidation Adjustments	2.956	4.476	1.284	7.154	5.760	-56,6%	-19,5%
Controlling Net Income	2.499	3.802	1.090	6.077	4.892	-56,4%	-19,5%

The hospitality sector's gross operating margin grew by 16.0% in 2Q-19 compared to 2Q-18. The occupancy and number of rooms sold increased during the year, with the average occupancy rate increasing from 54% in 2Q-18 to 58% in 2Q-19, while the number of rooms sold had an annual growth of 10.9%. The aforementioned reflects the consolidation of the Estelar hotel in Cartagena and the entry into operation in 2018 of two new hotels in Medellin. On the other hand, in January 2019, the San Isidro hotel started operation in Lima Peru, adding 80 rooms. Moreover, in June 2019, the Meliá Cartagena Karmairi hotel, an all-inclusive and adults-only hotel with 147 rooms, started operation. Organic growth has also been positive, the number of rooms sold from comparable hotels (without taking into account those that came out and entered) was 7.3% compared to 2Q-18. The increase in interest expense reflects the fact that the interests related to the Cartagena project were no longer capitalized and are recorded in the income statement.

Agroindustry

The results of Pajonales are mainly affected by the results of Rice and Seeds. As a result of the higher level of rainfall in the year, there have been planted varieties with greater resistance to herbicides used for weed control but with lower yields. It has been partially offset by an increase in rice prices, which on average were at COP 1,059 / kg, as a result of the closure of the Bogotá -Villavicencio highway. Additionally, certified seed sales remain depressed due to a significant inventory elimination that did not meet the germination percentages necessary to be commercialized and was sold as paddy rice. To solve this situation, the company made a crash plan which includes a quick reconstruction of the inventory to recover unrealized sales. As for the rubber project, good agronomic management has allowed an increase in estimated productions, reaching 115% of sales compliance, which adds to an increase in the price (COP 1,750 / kg in 1S-19 vs. COP 1,450 / kg in 1S-18).

COP MM	2Q-18	1Q-19	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Revenue from Sale of Goods and Services	34.817	26.662	36.882	65.166	63.544	5,9%	-2,5%
Cost of Sales and Services	28.273	21.646	30.709	52.512	52.355	8,6%	-0,3%
Gross Operating Margin	6.544	5.016	6.173	12.654	11.189	-5,7%	-11,6%
Equity Method and Dividends	514	897	295	1.166	1.192	-42,6%	2,2%
Net Financial Expenses	-2.564	-1.081	-1.802	-3.990	-2.883	-29,7%	-27,8%
Financial Revenue, Net of provisions	-11	1.169	474	398	1.643	-4313,4%	312,9%
Interest Expenses	2.553	2.250	2.276	4.388	4.526	-10,8%	3,1%
Personnel and General Expenses	8.322	8.519	9.865	16.090	18.384	18,5%	14,3%
Depreciations, Amortizations and Provisions	1.388	909	1.762	2.429	2.671	26,9%	10,0%
Other Revenues / Expenses	5.265	5.261	5.904	10.989	11.165	12,1%	1,6%
EBITDA	4.695	3.459	3.312	9.766	6.770	-29,5%	-30,7%
Net Income before taxes	49	665	-1.057	2.300	-392	-2257,1%	-117,0%
Income tax	-1.837	193	486	-524	679	-126,5%	-229,6%
Net Income	1.886	472	-1.543	2.824	-1.071	-181,8%	-137,9%
Minority Interest	-76	285	301	-145	586	-496,1%	-504,1%
Controlling Net Income before Consolidation Adjustments	1.962	187	-1.844	2.969	-1.657	-194,0%	-155,8%
Controlling Net Income	2.461	-77	-2.145	3.136	-2.222	-187,2%	-170,8%

In relation to Unipalma, own-fruit production have been affected by severe drought in the plains during 1Q-19 which affected April productions. To compensate for lower own productions, additional fruit was obtained from third-party plantations. During 2Q-19 the downward trend in the international price of Palm Oil (CPO) and Palmiste Oil (KPO) has continued, which have reached their minimum values in the last 3 years. As a result, a strategic decision was made to accumulate KPO inventory awaiting an increase in prices. On the other hand, the closure of the Bogotá - Villavicencio highway has increased transport costs with an impact in operational and sales expenses. The company signed a collective agreement with the trade unions, which will be valid for 4 years and will represent savings of COP 1.2 billion during that period.

Financial

COP MM	2Q-18	1Q-19	1Q-19 Updated	2Q-19	1H-18	1H-19	2Q-19 / 2Q-18	1H-19 / 1H-18
Equity Method and Dividends	240	105	105	256	338	361	6,7%	6,8%
Margin from Financial Activities	46.110	13.662	40.653	52.782	69.461	93.435	14,5%	34,5%
Interest Income Expenses, net provisions	32.407	19.267	14.105	24.552	63.460	38.657	-24,2%	-39,1%
Interest Expenses	69.296	51.072	47.228	55.968	143.038	103.196	-19,2%	-27,9%
Other Financial Revenues, net	82.999	45.467	73.776	84.198	149.039	157.974	1,4%	6,0%
Personnel and General Expenses	39.726	45.532	34.418	34.817	77.835	69.235	-12,4%	-11,0%
Depreciations, Amortizations and Accounts Receivable Provisions	567	-15.176	1.286	2.376	-2.189	3.662	319,2%	-267,3%
Other Revenues / Expenses	8.762	1.235	1.026	750	9.775	1.776	-91,4%	-81,8%
Operating Income	16.297	-16.915	-16.915	14.562	17.147	-2.352	-10,6%	-113,7%
Net Income before taxes	14.820	-15.355	6.080	16.595	3.928	22.675	12,0%	477,3%
Net income from discontinued operations	0	0	-21.534	-21.942	0	-43.476	N/A	N/A
Income tax	5.403	3.910	3.811	3.281	5.403	7.092	-39,3%	31,3%
Net Income	9.417	-19.265	-19.265	-8.628	17.694	-27.893	-191,6%	-257,6%
Controlling Net Income	8.980	-19.223	-19.223	-8.912	-9.584	-28.135	-199,2%	193,6%

The financial sector includes the financial subsidiaries (Casa de Bolsa, Fiduciaria y Leasing) and Corficolombiana's treasury business. On May 30, Leasing Corficolombiana requested the Financial Superintendence to carry out the voluntary liquidation process of its remaining equity. As a result of this, in financial statements at the end of June 2019, the net profit of Leasing Corficolombiana was reclassified as *Net income from discontinued operations*. Margin of financial activities improves

in the quarter compared to the same period of the previous year, mainly due to better results of the treasury business and lower provisions of the Corporation.

Statement of Financial Position

Total consolidated assets of the Corporation reached COP 28.5 trillion with an annual growth of 32.7%. Assets grew mainly by the item related to the assets of concession agreements, as a result of the progress made in the construction of the 4G concessions and as the gas distribution companies grow their distribution network.

COP MM	2Q-18	1Q-19	2Q-19	2Q-19 / 2Q-18	2Q-19 / 1Q-19
Assets	21.472.460	27.127.599	28.497.980	32,7%	5,1%
Cash + Interbank Funds	2.156.367	3.007.759	3.848.159	78,5%	27,9%
Investments	4.988.366	5.341.068	4.744.859	-4,9%	-11,2%
Associated Companies and Joint Ventures	771.080	661.276	714.096	-7,4%	8,0%
Other Variable Income Investments	1.351.866	2.057.469	1.911.853	41,4%	-7,1%
Fixed Income + Derivatives	2.865.420	2.622.323	2.118.910	-26,1%	-19,2%
Loan Portfolio + Account Receivables, net	3.739.131	3.455.189	3.508.778	-6,2%	1,6%
Portfolio	2.344.974	1.666.369	1.666.081	-29,0%	0,0%
Accounts Receivable	1.394.157	1.788.820	1.842.697	32,2%	3,0%
Fixed Asset	2.508.022	2.711.024	2.720.123	8,5%	0,3%
Assets in Concession Agreements	6.929.198	11.377.074	12.347.071	78,2%	8,5%
Financial Asset	3.435.936	5.502.744	5.917.644	72,2%	7,5%
Intangible Asset	3.493.262	5.874.330	6.429.427	84,1%	9,4%
Other Assets	1.151.377	1.235.485	1.328.990	15,4%	7,6%

Fixed-income investments reflect the strategy of Corficolombiana's treasury to take profits on available for sale TES (government bonds) investments given market conditions; which is additionally reflected in an increase in cash. Cash also grew by the infrastructure sector, particularly by the transfer of government's future budgetary allocations to the specific purpose trust of the 4G concessions. The reduction of Portfolio and Accounts Receivable versus 2Q-19 is mainly due to the transfer of assets of Leasing Corficolombiana to Banco de Bogotá and Banco de Occidente, carried out during 1Q-19.

COP MM	2Q-18	1Q-19	2Q-19	2Q-19 / 2Q-18	2Q-19 / 1Q-19
Liabilities	15.883.178	18.581.761	19.555.286	23,1%	5,2%
Deposits	3.974.996	3.617.213	4.006.158	0,8%	10,8%
Interbank Funds	2.587.008	2.219.116	2.170.804	-16,1%	-2,2%
Financial Obligations	6.394.731	7.407.721	7.889.640	23,4%	6,5%
Credits	3.554.575	4.658.977	5.199.358	46,3%	11,6%
Securities Issued	2.840.156	2.748.744	2.690.282	-5,3%	-2,1%
Other Liabilities	2.926.443	5.337.711	5.488.684	87,6%	2,8%

Interbank Funds and *Funding* are mainly related to the operation of Corficolombiana. The reduction in *Interbank Funds* is in line with the strategy of Corficolombiana's treasury. On the other hand, the increase in *Deposits* versus 1Q-19 reflects the Corporation's ability to manage the resources required to finance its investments and the liquidity conditions of the market.

On the other hand, the *Financial Obligations* are related to the operation of our subsidiaries. This is how they mainly reflect the indebtedness of the infrastructure sector, particularly related to the construction of 4G projects, and of Promigas and its subsidiaries.

Other Liabilities includes the impact of the application of IFRS 15 related to revenue from concessions, whose difference against the fiscal balance must be accounted for as deferred tax, and the provision of the contractual funding of the concessions (land, social, etc).

COP MM	2Q-18	1Q-19	2Q-19	2Q-19 / 2Q-18	2Q-19 / 1Q-19
Controlled Equity	3.557.030	6.633.410	6.911.038	94,3%	4,2%
Minority Interest	2.032.252	1.912.428	2.031.656	0,0%	6,2%
Equity	5.589.282	8.545.838	8.942.694	60,0%	4,6%

Equity grew 60% compared to the same quarter of the previous year, due to the issuance of shares of Corficolombiana for COP 990.6 billion carried out in August 2018 and the capitalization of 2018 profits.