

## Financial Results Third Quarter 2018<sup>1</sup>

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### 1. Subsequent and Relevant Facts

- As a result of the application of IFRS 15 and its effect on the four fourth generation concessions, the financial statements of September showed a significant variation in total assets, equity and financial results.
- On September 3, the offer of Corficolombiana shares was successfully completed through the placement of securities for a total value of COP \$ 990,591 million, equivalent to a capital increase of 17%.
- On September 14 the Superintendency of Industry and Commerce (SIC) announced the opening of a formal investigation against Corficolombiana, two of its officials, its subsidiary Episol, and other companies and individuals, for an alleged violation of the rules of free competition in the bidding of the RDS2 project. As part of the process, Corficolombiana and Episol, as well as the officers involved in the investigation, have contested this allegation in the month of October.
- On November 6, Corficolombiana acquired 7,350,858 shares of Promigas in the stock market, equivalent to 0.65% of the shares of this company.
- Consolidated EBITDA for 3Q-18 reached \$1.3 million (164.9% YoY), growth mainly explained by the application of IFRS 15 and the progress of construction works in Covipacífico and Coviandina.

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<sup>1</sup> Figures in Colombian pesos

## Equity Investment Portfolio

### Road Concessions

- Coviandes selected the French firm Eiffage, whose subsidiary in Colombia is the company Puentes y Torones, to design and construct the new Chirajara bridge. The execution period will be a maximum of 27 months.
- On November 13, Covioriente's initiation of construction phase minutes was signed.

### Hospitality

- In September, Estelar Square and La Torre Suites hotels in Medellin started operation, adding 146 rooms and 35 suites.

## 2. Separate Financial Statements

### Financial Results

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018/ YTD 2017
<b>Operating Revenue</b>	<b>130.084</b>	<b>229.456</b>	<b>651.545</b>	<b>430.556</b>	<b>1.097.324</b>	<b>400,9%</b>	<b>154,9%</b>
Net Margin of Treasury	-2.034	17.405	6.478	11.492	26.563	418,4%	131,1%
Treasury Revenue	51.427	70.906	38.841	204.728	169.073	-24,5%	-17,4%
Interests - Treasury Funding	53.461	53.501	32.363	193.236	142.510	-39,5%	-26,3%
Commissions revenue	2.054	9.136	4.040	6.880	16.047	96,7%	133,2%
Dividends	3	4.013	2	42.936	47.455	-33,3%	10,5%
EEB	0	0	0	32.388	37.622	N/A	16,2%
Natural Gas	0	3.985	0	4.633	3.985	N/A	-14,0%
Others	3	28	2	5.915	5.848	-33,3%	-1,1%
Equity Method	130.061	198.902	641.025	369.248	1.007.259	392,9%	172,8%
Energy & Gas	86.402	99.195	87.278	247.142	271.292	1,0%	9,8%
Infrastructure	37.404	95.562	550.218	105.627	723.597	1371,0%	585,0%
Hospitality	3.953	2.946	4.590	9.385	10.540	16,1%	12,3%
Agroindustry	235	2.266	-1.053	-4.525	367	-548,1%	108,1%
Financial	1.585	-1.928	-584	9.877	-146	-136,8%	-101,5%
Others	482	861	576	1.742	1.609	19,5%	-7,6%
Interests - Equity Investment Funding	38.076	36.517	39.689	121.648	113.554	4,2%	-6,7%
Provisions, net	24.963	6.160	269	41.834	15.856	-98,9%	-62,1%
<b>Net Financial Income</b>	<b>67.045</b>	<b>186.779</b>	<b>611.587</b>	<b>267.074</b>	<b>967.914</b>	<b>812,2%</b>	<b>262,4%</b>
Administrative Expenses	22.683	23.137	24.523	67.753	70.653	8,1%	4,3%
Personnel Expenses	9.873	11.651	11.223	31.534	34.048	13,7%	8,0%
Commissions and Fees	4.241	4.430	3.953	11.027	12.606	-6,8%	14,3%
General Expenses	8.569	7.056	9.347	25.192	23.999	9,1%	-4,7%
Other Revenue / Expenses	-1.184	-1.455	-1.865	-8.380	-5.515	-57,5%	34,2%
<b>Income before Taxes</b>	<b>43.178</b>	<b>162.187</b>	<b>585.199</b>	<b>190.941</b>	<b>891.746</b>	<b>1255,3%</b>	<b>367,0%</b>
Income tax	3.600	3.648	3.794	15.150	12.236	5,4%	-19,2%
<b>Net Income</b>	<b>39.578</b>	<b>158.539</b>	<b>581.405</b>	<b>175.791</b>	<b>879.510</b>	<b>1369,0%</b>	<b>400,3%</b>

Operating revenue increased fourfold in the quarter compared to 3Q-17, reaching \$ 1.1 trillion in the accumulated to September. This variation mainly reflects the effect of the retroactive application of IFRS 15 in our 4G concessions; therefore, profits for the quarter include \$ 330 billion related to the difference between the revenues to be recognized with IFRS 15 and those registered between January and June 2018 under IFRIC 12. The adoption of IFRS 15 has a predominant impact on the results of Coviandina and Covipacífico since these two concessions had already signed the initiation of construction phase minutes and recorded as of September a project advance of 27.8% and 9, 6%, respectively.

Promigas records higher revenues due to higher regasification volumes from the SPEC plant, an increase in the commercialization business and the application of transitional rates in 2018 in the distributors.

On the other hand, the treasury margin improves compared to the previous year and presents a decrease compared to 2Q-18 due to lower performance in its trading positions. The fall in the provision expense is related to Electricaribe since in May the provision of 100% of the exposure to said company was reached.

Controlling net income for 3Q-18 reached \$ 581,405 million, out of which \$ 330,421 million reflects the effect of the retroactive (January-June 2018 ) application of IFRS 15 in our 4G concessions, resulting in an ROAA and ROAE of 9.5% and 26.4%, respectively.

Indicators	3Q-17	2Q-18	3Q-18
Net Financial Income / Operating Revenue	51,5%	81,4%	93,9%
Administrative Expenses / Net Financial Income	33,8%	12,4%	4,0%
ROAE	7,7%	11,7%	26,4%
ROAA	2,7%	4,1%	9,5%

Note: ROAA and ROAE calculated as the profit of the last twelve months 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

COP MM	3Q-17	2Q-18	3Q-18	3Q-18 / 3Q-17	3Q-18 / 2Q-18
<b>Assets</b>	<b>8.868.139</b>	<b>9.448.063</b>	<b>11.768.092</b>	<b>32,7%</b>	<b>24,6%</b>
<b>Cash + Interbank Funds</b>	<b>1.847.626</b>	<b>1.154.377</b>	<b>1.752.470</b>	<b>-5,2%</b>	<b>51,8%</b>
Cash	1.152.821	806.264	1.162.572	0,8%	44,2%
Interbank Funds	694.805	348.113	589.898	-15,1%	69,5%
<b>Investments</b>	<b>6.675.830</b>	<b>8.068.541</b>	<b>9.721.807</b>	<b>45,6%</b>	<b>20,5%</b>
Subsidiaries & Associated Companies	3.968.171	4.609.202	5.637.987	42,1%	22,3%
<i>Energy &amp; Gas</i>	1.451.309	1.584.531	1.565.981	7,9%	-1,2%
<i>Infrastructure</i>	1.563.502	2.148.387	3.175.433	103,1%	47,8%
<i>Hospitality</i>	300.715	314.029	318.696	6,0%	1,5%
<i>Agroindustry</i>	435.108	398.274	412.770	-5,1%	3,6%
<i>Financial</i>	182.744	137.980	138.528	-24,2%	0,4%
<i>Others</i>	34.794	26.001	26.578	-23,6%	2,2%
Other Equities Investments	884.045	908.343	1.205.927	36,4%	32,8%
Fixed Income Investments + Derivatives	1.823.614	2.550.996	2.877.893	57,8%	12,8%
<b>Other Assets</b>	<b>344.683</b>	<b>225.145</b>	<b>293.815</b>	<b>-14,8%</b>	<b>30,5%</b>

Assets at a separate level grew 32.7% compared to the same quarter of the previous year, mainly as a result of an increase in the value of investments in the infrastructure sector, related to the application of IFRS 15, for \$ 883.852 million.

As of September 2018, the fixed income investments portfolio and derivatives of the Corporation reached \$2.9 trillion, with a growth of 57.8% compared to 3Q-17. The growth in investments in TES (government securities), mainly available for sale, pursue a higher carry given the lower cost of liabilities. On the other hand, cash and interbank funds that until 2Q-18 had showed a downward trend, increased in 3Q-18 as a result of the issuance of shares by Corficolombiana in August 2018.

COP MM	3Q-17	2Q-18	3Q-18	3Q-18 / 3Q-17	3Q-18 / 2Q-18
<b>Liabilities</b>	<b>5.706.120</b>	<b>5.984.398</b>	<b>6.405.486</b>	<b>12,3%</b>	<b>7,0%</b>
<b>Deposits and Current Liabilities</b>	<b>3.349.682</b>	<b>3.381.231</b>	<b>3.173.675</b>	<b>-5,3%</b>	<b>-6,1%</b>
CDs	2.865.704	2.959.436	2.928.800	2,2%	-1,0%
Savings and other funds at sight	483.978	421.795	244.875	-49,4%	-41,9%
<b>Money Market Operations</b>	<b>2.263.181</b>	<b>2.501.210</b>	<b>3.151.255</b>	<b>39,2%</b>	<b>26,0%</b>
<b>Other Liabilities</b>	<b>93.257</b>	<b>101.957</b>	<b>80.556</b>	<b>-13,6%</b>	<b>-21,0%</b>
<b>Equity</b>	<b>3.162.019</b>	<b>3.463.665</b>	<b>5.362.606</b>	<b>69,6%</b>	<b>54,8%</b>

Regarding liabilities, passive money market operations which are mainly linked to the treasury business, behave in line with the fixed income portfolio posting a growth of 39.2% YoY. CDs, which finance the treasury and investment businesses, remain stable. The average tenor of such deposits is 4.3 years in 3Q-18, increasing compared to 3.9 years in 3Q-17. In 3Q-18, the CDs effective cost rate was 6.2%, which represents a decrease of 128 basis points in line with the reduction of the Central Bank's intervention rate and inflation levels.

Equity grows for two factors; the result of the issuance of shares for a total value of COP \$ 990,591 million and the impact of the application of IFRS 15 that amounts to \$ 883.852 million between profits from the period and retained earnings.

### 3. Consolidated Financial Statements

#### Financial Results

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018/ YTD 2017
Operating Revenue Real Sector	1.533.161	1.451.098	2.488.654	4.417.397	5.333.478	62,3%	20,7%
Cost of Sales	910.471	804.590	1.106.476	2.584.200	2.701.492	21,5%	4,5%
<b>Gross Margin of Real Sector</b>	<b>622.690</b>	<b>646.508</b>	<b>1.382.178</b>	<b>1.833.197</b>	<b>2.631.986</b>	<b>122,0%</b>	<b>43,6%</b>
<b>Equity Method and Dividends</b>	<b>42.958</b>	<b>48.846</b>	<b>51.446</b>	<b>172.263</b>	<b>187.078</b>	<b>19,8%</b>	<b>8,6%</b>
<b>Margin of Financial Activities</b>	<b>-93.217</b>	<b>-73.641</b>	<b>-108.671</b>	<b>-272.028</b>	<b>-229.748</b>	<b>-16,6%</b>	<b>15,5%</b>
Interests Revenue, net of provisions	68.524	68.844	51.659	223.774	190.214	-24,6%	15,0%
Interests Expenses	215.388	216.598	186.057	696.465	606.612	-13,6%	-12,9%
Other Financial Revenue, net	53.647	74.113	25.727	200.663	186.650	-52,0%	-7,0%
Administrative expenses	336.371	320.390	321.303	991.584	946.694	-4,5%	-4,5%
Personnel and General Expenses	232.403	202.873	210.517	684.315	613.378	-9,4%	-10,4%
Depreciations, Amortizations and Provision	103.968	117.517	110.786	307.269	333.316	6,6%	8,5%
Other Revenues / Expenses	20.955	100.048	63.583	39.581	194.464	203,4%	391,3%
<b>EBITDA</b>	<b>506.333</b>	<b>583.642</b>	<b>1.341.257</b>	<b>1.559.515</b>	<b>2.500.258</b>	<b>164,9%</b>	<b>60,3%</b>
<b>Net Income before taxes</b>	<b>257.015</b>	<b>401.371</b>	<b>1.067.233</b>	<b>781.428</b>	<b>1.837.086</b>	<b>315,2%</b>	<b>135,1%</b>
Net income from discontinued operations		-2.241	-1.549	-	-3.790	N/A	N/A
Income tax	109.519	97.141	375.440	317.234	587.131	242,8%	85,1%
<b>Net Income</b>	<b>147.496</b>	<b>301.989</b>	<b>690.244</b>	<b>464.194</b>	<b>1.246.165</b>	<b>368,0%</b>	<b>168,5%</b>
<b>Controlling Net Income</b>	<b>50.048</b>	<b>165.609</b>	<b>583.019</b>	<b>177.334</b>	<b>894.394</b>	<b>1064,9%</b>	<b>404,4%</b>

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

In 3Q-18 controlling net income reached \$ 583,019 million, increasing as a result of the adoption of IFRS 15 as it incorporates the retroactive effect of 2018 in that quarter. The results of the Corporation are positive even in the absence of the IFRS 15 adjustment. Controlling net income excluding the impact of the application of this methodology would have grown from \$ 177 billion YTD September 2017 to \$ 382 billion YTD September 2018, equivalent to a growth rate of 116% YoY.

The contribution per sector to the consolidated financial results of 2Q-18 is presented below, highlighting the contribution of the infrastructure sector positively impacted by the adoption of IFRS15.

3Q-18 COP MM	Adjustments								Total
	Holding	Financial	Energy	Infrastructure	Hospitality	Agroindustry	Dividends & Other	& Eliminations	
Income from Non-Financial Sector			105.179	892.116	11.737	431	396	-4.770	1.005.088
EBITDA	-9.697	1.592	379.296	946.086	14.530	2.757	3.159	3.534	1.341.257
Net Income	-49.386	-7.820	185.560	559.077	7.502	-2.584	3.032	-5.136	690.244
Controlling Net Income	-49.386	-7.820	172.198	249.643	5.920	-2.461	3.032	211.893	583.019

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: Tesicol and Lehner plus Corficolombiana's dividends and MPU received from the companies that don't consolidate.

### Energy & Gas

The gross operating margin remains relatively stable in the accumulated to September. It benefits from higher revenues from the entry into operation of Quavii, an increase in the GdO commercialization business due to a decrease in losses of 13%, and the application of transitional rates of distribution in 2018. However, it registered higher distribution costs and related to connection in Quavii, as well as higher inventory and network maintenance costs in Surtigas.

Revenue from financial asset increases by recalculation of the IRR with the real operating and macroeconomic variables.

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018 / YTD 2017
Revenue from Sale of Goods and Services	911.835	833.762	996.868	2.555.510	2.679.202	9,3%	4,8%
Revenue Financial Asset (concession) Promigas	45.838	75.035	50.167	148.030	177.212	9,4%	19,7%
Cost of Sales and Services	576.236	508.183	671.803	1.585.148	1.717.650	16,6%	8,4%
<b>Gross Operating Margin</b>	<b>381.437</b>	<b>400.614</b>	<b>375.232</b>	<b>1.118.392</b>	<b>1.138.764</b>	<b>-1,6%</b>	<b>1,8%</b>
Equity Method and Dividends	36.175	42.492	45.296	112.847	124.691	25,2%	10,5%
<b>Margin from Financial Activities</b>	<b>-64.858</b>	<b>-63.117</b>	<b>-62.782</b>	<b>-198.861</b>	<b>-188.948</b>	<b>3,2%</b>	<b>5,0%</b>
Financial Revenue, Net of provisions	20.550	21.457	21.039	69.317	62.947	2,4%	-9,2%
Interest Expenses	85.408	84.574	83.821	268.178	251.895	-1,9%	-6,1%
Personnel and General Expenses	71.014	75.025	75.521	201.347	217.282	6,3%	7,9%
Depreciations, Amortizations and Provisions	46.379	59.082	51.640	141.292	162.614	11,3%	15,1%
Other Revenues / Expenses	12.220	22.312	20.208	18.189	62.684	65%	244,6%
<b>EBITDA</b>	<b>374.054</b>	<b>401.371</b>	<b>379.296</b>	<b>1.096.452</b>	<b>1.144.094</b>	<b>1,4%</b>	<b>4,3%</b>
<b>Net Income before taxes</b>	<b>247.581</b>	<b>268.194</b>	<b>250.793</b>	<b>707.928</b>	<b>757.294</b>	<b>1,3%</b>	<b>7,0%</b>
Income tax	69.099	61.028	65.233	185.915	179.529	-5,6%	-3,4%
<b>Net Income</b>	<b>178.482</b>	<b>207.166</b>	<b>185.560</b>	<b>522.013</b>	<b>577.765</b>	<b>4,0%</b>	<b>10,7%</b>
Minority Interest	7.468	11.970	13.362	34.937	39.910	78,9%	14,2%
<b>Controlling Net Income</b>	<b>171.014</b>	<b>195.196</b>	<b>172.198</b>	<b>487.076</b>	<b>537.855</b>	<b>0,7%</b>	<b>10,4%</b>

Note: The revenue from sale of goods and services includes SPEC's leasing revenue: \$54,087.3 million in 1Q-17, \$69,320 million in 2Q-17, \$53,185 million in 1Q-18, \$59,748 in 2Q-18 and \$57.746 in 3Q-18. The EBITDA considers revenue from non-banking lending activities (Brilla), registered in financial revenue net of provisions, and the revenue from financial assets.

During 2018, the SPEC plant received six LNG tankers with 484,350 m3 of LNG and has provided regasification service during 166 interrupted days, delivering 8,138 million cubic feet of natural gas to the thermal customers. The gas distribution business continues to grow with a total number of connected users exceeding 4.2 million compared to 3.9 in the same period of the previous year, driven mainly by Cálidda, which registered an increase of 32.4% YoY. The start date of the Quavii supply occurred on April 6, 2018 and by September reached 9,930 connected users.

Regarding the financial margin, financial expenses are reduced due to lower debt rates resulting from a reduction in Libor, DTF and CPI.

### Infrastructure

The application of IFRS 15 - Revenues from Contracts with Customers began in January 1, 2018. In accordance with this new standard, the recognition of revenues is directly related to the satisfaction of the performance obligations of the contract. Given the start of the construction phase in two of Corficolombiana's 4G concessions and the detailed analysis of the IFRS 15 accounting standard, the accounting methodology for those projects was revised recognizing revenues to better reflect the economic reality of the concession contracts. The application of IFRS 15 in Corficolombiana has effect starting September 2018. In 3Q-18, the effect of the full year 2018 of the application of the IFRS 15 methodology is incorporated.

As a result, accumulated EBITDA grew 244.2% YoY. Adjusting for the recognition of retroactive January-June in the application of IFRS 15, the EBITDA for 3Q-18 would have been \$ 427,569 million.

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018 / YTD 2017
Revenue from Sale of Goods and Services	416.680	429.791	1.318.220	1.253.397	2.121.849	216,4%	69,3%
Cost of Sales and Services	249.817	236.417	371.324	748.128	796.595	48,6%	6,5%
<b>Gross Operating Margin</b>	<b>166.863</b>	<b>193.374</b>	<b>946.895</b>	<b>505.269</b>	<b>1.325.254</b>	<b>467,5%</b>	<b>162,3%</b>
<b>Equity Method and Dividends</b>	<b>3.103</b>	<b>414</b>	<b>3.185</b>	<b>8.822</b>	<b>8.068</b>	<b>2,6%</b>	<b>-8,5%</b>
<b>Margin from Financial Activities</b>	<b>5.146</b>	<b>5.785</b>	<b>-35.710</b>	<b>-3.838</b>	<b>-3.742</b>	<b>-793,9%</b>	<b>2,5%</b>
Financial Revenue, Net of provisions	27.699	32.982	-8.983	46.447	71.328	-132,4%	53,6%
Interest Expenses	22.553	27.197	26.727	50.284	75.070	18,5%	49,3%
Personnel and General Expenses	56.469	38.140	37.361	157.368	112.310	-33,8%	-28,6%
Depreciations, Amortizations and Provisions	49.978	53.035	53.903	148.217	158.305	7,9%	6,8%
Other Revenues / Expenses	2.269	57.453	36.485	6.571	96.377	1507,9%	N/A
<b>EBITDA</b>	<b>121.226</b>	<b>158.450</b>	<b>946.086</b>	<b>368.711</b>	<b>1.269.023</b>	<b>680,4%</b>	<b>244,2%</b>
<b>Net Income before taxes</b>	<b>70.934</b>	<b>165.851</b>	<b>859.591</b>	<b>211.239</b>	<b>1.155.342</b>	<b>1111,8%</b>	<b>446,9%</b>
Income tax	33.522	31.472	300.514	96.159	381.994	796,5%	297,3%
<b>Net Income</b>	<b>37.412</b>	<b>134.379</b>	<b>559.077</b>	<b>115.080</b>	<b>773.348</b>	<b>1394,4%</b>	<b>572,0%</b>
Minority Interest	5.543	43.925	309.433	14.993	375.816	5482,4%	2406,7%
<b>Controlling Net Income</b>	<b>31.869</b>	<b>90.454</b>	<b>249.644</b>	<b>100.087</b>	<b>397.532</b>	<b>683,3%</b>	<b>297,2%</b>







The application of IFRS 15 has an impact on the net income of the 4G concessions, mainly Coviandina and Covipacífico, which had already signed the initiation of construction phase minutes and report the most important advances.

Concession	% Project Progress
Coviandina	27,8%
Covipacífico	9,6%
Covimar	2,6%
Covoriente	9,3%

IFRS 15 establishes the allocation of a differentiated price to each of the services that are part of the contract. In the case of the 4G contracts of the Corporation, each of them establishes the provision of two services: construction and operation and maintenance. The foregoing implies that all the revenues to which the concessionaire is entitled, and which remunerate the construction, will be recognized during this stage as the construction work is executed. Likewise, the revenues corresponding to the Operation and Maintenance will be recognized during the execution of said activities.

It is important to clarify that the application of this accounting methodology does not imply additional profits to those foreseen in the 4G projects and does not affect the total profitability of the projects or the cash flow.

On the other hand, the average daily traffic in the six concessions that are in operation remains relatively stable in the accumulated of the year.

Concession	Average Daily Traffic (ADT)			Accumulated Sept-17	Accumulated Sept-18	%
	3Q-17	2Q-18	3Q-18			
 COVIANDES	29.157	28.535	26.089	30.374	28.660	-5,6%
 COPSA	25.437	26.421	27.044	25.291	26.326	4,1%
 isa	33.044	31.581	33.535	32.328	32.915	1,8%
 FERROVIAL PANAMERICANA	5.017	4.909	5.158	4.997	5.091	1,9%
 Concesionaria Vial del Pacifico	6.778	5.606	6.639	6.886	6.528	-5,2%
 Concesionaria Vial del Oriente	15.067	14.507	15.098	15.018	15.097	0,5%
<b>Total</b>	<b>114.500</b>	<b>111.559</b>	<b>113.563</b>	<b>114.894</b>	<b>114.617</b>	<b>-0,2%</b>

The variations in financial income are due to FX translation in relation to the credit in dollars obtained by Covioriente. Interest expense increases as a result of financing for the construction progress of the 4G concessions. Other income includes the recognition to the date of \$ 35 billion in the framework of claims filed with insurance companies in relation to the Chirajara bridge incident.

### Hospitality

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018 / YTD 2017
Revenue from Sale of Goods and Services	88.094	74.770	89.272	244.495	248.656	1,3%	1,7%
Cost of Sales and Services	29.659	27.968	30.355	85.475	87.336	2,3%	2,2%
<b>Gross Operating Margin</b>	<b>58.435</b>	<b>46.802</b>	<b>58.917</b>	<b>159.019</b>	<b>161.320</b>	<b>0,8%</b>	<b>1,4%</b>
Equity Method and Dividends	0	0	0	0	0	N/A	N/A
<b>Margin from Financial Activities</b>	<b>-2.215</b>	<b>-2.117</b>	<b>-2.418</b>	<b>-6.490</b>	<b>-6.135</b>	<b>-9,2%</b>	<b>5,5%</b>
Financial Revenue, Net of provisions	-82	-219	-437	970	-638	-435,8%	-165,7%
Interest Expenses	2.133	1.898	1.981	7.460	5.497	-7,1%	-26,3%
Personnel and General Expenses	45.358	39.685	45.784	129.673	131.004	0,9%	1,0%
Depreciations, Amortizations and Provisions	3.203	2.709	2.583	9.407	8.016	-19,4%	-14,8%
Other Revenues / Expenses	1.076	1.907	1.187	3.956	4.317	10,4%	9,1%
<b>EBITDA</b>	<b>14.298</b>	<b>9.172</b>	<b>14.530</b>	<b>33.027</b>	<b>35.162</b>	<b>1,6%</b>	<b>6,5%</b>
<b>Net Income before taxes</b>	<b>8.735</b>	<b>4.198</b>	<b>9.319</b>	<b>17.405</b>	<b>20.482</b>	<b>6,7%</b>	<b>17,7%</b>
Income tax	1.568	827	1.817	3.662	4.023	15,9%	9,9%
<b>Net Income</b>	<b>7.167</b>	<b>3.371</b>	<b>7.502</b>	<b>13.743</b>	<b>16.459</b>	<b>4,7%</b>	<b>19,8%</b>
Minority Interest	1.336	415	1.582	2.692	3.385	18,4%	25,7%
<b>Controlling Net Income</b>	<b>5.831</b>	<b>2.956</b>	<b>5.920</b>	<b>11.050</b>	<b>13.074</b>	<b>1,5%</b>	<b>18,3%</b>

In the hotel sector, the gross operating margin grew 0.8% in the quarter and 1.4% in the YTD to September. The occupancy fell slightly from 61% in 3Q-17 to 59% in 3Q-18, while the number of rooms sold fell 4.5% during the period. This is due in part to the fact that since April 2018 the Hotel Colina in Manizales is not operating and to a lower occupation in Bogotá and Paipa.

### Agroindustry

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018 / YTD 2017
Revenue from Sale of Goods and Services	66.114	34.817	32.864	199.548	98.030	-50,3%	-50,9%
Cost of Sales and Services	49.870	28.273	29.242	150.720	81.754	-41,4%	-45,8%
<b>Gross Operating Margin</b>	<b>16.244</b>	<b>6.544</b>	<b>3.622</b>	<b>48.828</b>	<b>16.276</b>	<b>-77,7%</b>	<b>-66,7%</b>
Equity Method and Dividends	332	514	120	1.500	1.286	-63,9%	N/A
<b>Financial Expenses, Net</b>	<b>-2.407</b>	<b>-2.564</b>	<b>-2.335</b>	<b>-10.558</b>	<b>-6.325</b>	<b>-3,0%</b>	<b>40,1%</b>
Financial Revenue, Net of provisions	952	-11	-21	917	377	-102,2%	N/A
Interest Expenses	3.359	2.553	2.314	11.474	6.702	-31,1%	-41,6%
Personnel and General Expenses	20.081	8.322	7.876	64.187	23.966	-60,8%	-62,7%
Depreciations, Amortizations and Provisions	1.840	1.388	1.508	4.595	3.937	-18,1%	-14,3%
Other Revenues / Expenses	4.565	5.265	6.193	15.371	17.182	35,6%	11,8%
<b>EBITDA</b>	<b>3.446</b>	<b>4.695</b>	<b>2.757</b>	<b>8.800</b>	<b>12.523</b>	<b>-20,0%</b>	<b>42,3%</b>
<b>Net Income before taxes</b>	<b>-3.187</b>	<b>49</b>	<b>-1.784</b>	<b>-13.641</b>	<b>516</b>	<b>-44,0%</b>	<b>103,8%</b>
Income tax	-937	-1.837	800	3.450	276	-185,4%	-92,0%
<b>Net Income</b>	<b>-2.250</b>	<b>1.886</b>	<b>-2.584</b>	<b>-17.091</b>	<b>240</b>	<b>14,8%</b>	<b>101,4%</b>
Minority Interest	156	-76	-123	38	-268	-178,8%	805,7%
<b>Controlling Net Income</b>	<b>-2.406</b>	<b>1.962</b>	<b>-2.461</b>	<b>-17.129</b>	<b>508</b>	<b>2,3%</b>	<b>-103,0%</b>

Net income for the sector remains stable compared to 3Q-17, reflecting the fact that in 2018 no loss is recorded from Pizano, since this company is in liquidation process.

The results of Pajonales were boosted by the entry into operation of 1,639 hectares of rubber trees, which came into production in March 2018, increasing revenue, costs and biological assets. On the other hand, a 62% drop in the sale of rice seeds, caused by lower area planted and local increase in the use of illegal seeds, has been offset by good performance in Heno Pagola plantations and bonus received for high quality of cotton.

In relation to Unipalma, palm crops in the Llanos area were affected by Lethal Wilt, a highly contagious disease among the palms. In order to avoid a greater contagion and affectation by the disease, the decision was taken to eradicate 823 hectares equivalent to 15% of the area planted, which had an impact on the production of fruit, that dropped 16% compared to 2017, and the generation of operational revenues.

### Financial

COP MM	3Q-17	2Q-18	3Q-18	YTD 2017	YTD 2018	3Q-18 / 3Q-17	YTD 2018 / YTD 2017
<b>Equity Method and Dividends</b>	<b>3</b>	<b>240</b>	<b>11</b>	<b>463</b>	<b>349</b>	<b>266,7%</b>	<b>-24,6%</b>
<b>Margin from Financial Activities</b>	<b>14.290</b>	<b>46.110</b>	<b>39.741</b>	<b>76.280</b>	<b>109.202</b>	<b>178,1%</b>	<b>43,2%</b>
Interest Income Expenses, net provisions	42.547	32.407	36.625	134.348	100.085	-13,9%	-25,5%
Interest Expenses	72.160	69.296	47.094	251.204	190.132	-34,7%	-24,3%
Other Financial Revenues, net	43.903	82.999	50.210	193.135	199.249	14,4%	3,2%
Personnel and General Expenses	37.056	39.726	40.822	118.524	118.657	10,2%	0,1%
Depreciations, Amortizations and Accounts	2.479	567	761	3.691	-1.428	-69,3%	-138,7%
Receivable Provisions							
Other Revenues / Expenses	1.630	8.762	830	1.964	10.605	-49,1%	439,9%
<b>Operating Income</b>	<b>-6.332</b>	<b>16.297</b>	<b>1.592</b>	<b>13.770</b>	<b>18.739</b>	<b>-125,1%</b>	<b>36,1%</b>
<b>Net Income before taxes</b>	<b>-23.612</b>	<b>14.820</b>	<b>-1.001</b>	<b>-43.507</b>	<b>2.927</b>	<b>-95,8%</b>	<b>-106,7%</b>
Income tax	5.923	5.403	6.819	26.595	20.499	15,1%	-22,9%
<b>Net Income</b>	<b>-29.535</b>	<b>9.417</b>	<b>-7.820</b>	<b>-70.103</b>	<b>-17.572</b>	<b>-73,5%</b>	<b>-74,9%</b>

The financial sector includes financial subsidiaries and Corficolombiana, except for revenue and expenses of the equity Investment business. Interest income falls due to the deceleration of loan growth in Leasing Corficolombiana and weakened results from Corficolombiana's treasury, which are partially offset by a reduction in provisions related to Electricaribe in Corficolombiana.

### Statement of Financial Position

COP MM	3Q-17	2Q-18	3Q-18	3Q-18 / 3Q-17	3Q-18 / 2Q-18
<b>Assets</b>	<b>20.403.313</b>	<b>21.472.460</b>	<b>25.281.857</b>	<b>23,9%</b>	<b>17,7%</b>
<b>Cash + Interbank Funds</b>	<b>2.657.572</b>	<b>2.156.367</b>	<b>2.854.405</b>	<b>7,4%</b>	<b>32,4%</b>
<b>Investments</b>	<b>4.500.490</b>	<b>4.988.366</b>	<b>5.862.848</b>	<b>30,3%</b>	<b>17,5%</b>
Associated Companies and Joint Venture	934.727	771.080	819.878	-12,3%	6,3%
Other Variable Income Investments	1.479.240	1.351.866	1.804.281	22,0%	33,5%
Fixed Income + Derivatives	2.086.523	2.865.420	3.238.689	55,2%	13,0%
<b>Loan Portfolio + Account Receivables, net</b>	<b>4.100.096</b>	<b>3.739.131</b>	<b>3.708.166</b>	<b>-9,6%</b>	<b>-0,8%</b>
Portfolio	2.448.883	2.344.974	2.305.995	-5,8%	-1,7%
Accounts Receivable	1.651.213	1.394.157	1.402.171	-15,1%	0,6%
<b>Fixed Asset</b>	<b>2.641.118</b>	<b>2.508.022</b>	<b>2.523.301</b>	<b>-4,5%</b>	<b>0,6%</b>
<b>Assets in Concession Agreements</b>	<b>5.476.089</b>	<b>6.929.198</b>	<b>9.210.530</b>	<b>68,2%</b>	<b>32,9%</b>
Financial Asset	2.523.796	3.435.936	4.229.514	67,6%	23,1%
Intangible Asset	2.952.293	3.493.262	4.981.016	68,7%	42,6%
<b>Other Assets</b>	<b>1.027.948</b>	<b>1.151.377</b>	<b>1.122.607</b>	<b>9,2%</b>	<b>-2,5%</b>

In 2Q-18, total consolidated assets of the Corporation reached \$ 25.3 trillion with an annual growth of 23.9%. This result mainly reflects an increase in assets by concession agreements as a result of the adoption of IFRS 15 under which the retroactive income accrued in the 4G concessions is recorded in the Asset account.

Fixed income investments increase in line with the strategy of Corficolombiana's treasury looking for a higher carry given the lower cost of liabilities. Investments in equity instruments incorporate Corficolombiana's increased stake in GEB, which took place in July 2018.

The decrease in Loan Portfolio is mainly due to Leasing, provisioning of Electricaribe and the liquidation of Banco de Panamá.

COP MM	3Q-17	2Q-18	3Q-18	3Q-18 / 3Q-17	3Q-18 / 2Q-18
<b>Liabilities</b>	<b>15.204.413</b>	<b>15.883.178</b>	<b>17.786.560</b>	<b>17,0%</b>	<b>12,0%</b>
<b>Deposits</b>	<b>4.146.673</b>	<b>3.974.996</b>	<b>3.727.275</b>	<b>-10,1%</b>	<b>-6,2%</b>
<b>Interbank Funds</b>	<b>2.259.272</b>	<b>2.587.008</b>	<b>3.285.885</b>	<b>45,4%</b>	<b>27,0%</b>
<b>Financial Obligations</b>	<b>6.304.171</b>	<b>6.394.731</b>	<b>6.653.148</b>	<b>5,5%</b>	<b>4,0%</b>
Credits	3.943.509	3.554.575	3.803.624	-3,5%	7,0%
Securities Issued	2.360.662	2.840.156	2.849.524	20,7%	0,3%
<b>Other Liabilities</b>	<b>2.494.297</b>	<b>2.926.443</b>	<b>4.120.252</b>	<b>65,2%</b>	<b>40,8%</b>


Interbank funds and deposits correspond mainly to the funding of Corficolombiana and its financial subsidiaries. The financial obligations, related to the operation of our subsidiaries, mainly reflect the indebtedness of Promigas and its subsidiaries. In Other Liabilities, the application of NIIF 15 implied \$527 billion related to income in concessions, whose difference compared to the fiscal balance should be accounted for as deferred tax, and \$ 630 billion for the provision of mandatory escrow accounts in the concessions (for right of way, social and environmental, etc.)

COP MM	3Q-17	2Q-18	3Q-18	3Q-18 / 3Q-17	3Q-18 / 2Q-18
Controlled Equity	3.241.991	3.557.030	5.468.810	68,7%	3,9%
Minority Interest	1.956.909	2.032.252	2.026.487	3,6%	7,8%
<b>Equity</b>	<b>5.198.900</b>	<b>5.589.282</b>	<b>7.495.297</b>	<b>44,2%</b>	<b>5,3%</b>

The increase in Equity is mainly explained by the issuance of shares by Corficolombiana for \$ 990 billion and the application of IFRS 15 that impacts the net income for the period and retained earnings (by retroactively recognizing the change in revenue for \$ 397 billion).

1. Annexes

Consolidated Companies per Industry

<p><b>Infrastructure</b></p>	 <small>Filial Corficolombiana</small>		 <small>proyectos de infraestructura.</small>		<p>Prodepacifico</p>	<p>Energy Holding</p>
				<p>Prodevimar</p>	<p>Private Equity Holding</p>	
<p><b>Energy</b></p>		 <small>Gas Comprimido del Perú S.A.</small>	<p>Gas Holding</p>			
<p><b>Agroindustry</b></p>	 <small>VISION URBANA</small>					
<p><b>Hospitality</b></p>						
<p><b>Financial</b></p>				 <small>la compañía de bolsa de Grupo Avil</small>		
<p><b>Others</b></p>		 <small>TEJIDOS SINTETICOS DE COLOMBIA S.A.</small>				

## **IFRS 15 Revenue from ordinary activities from contracts with customers.**

In July 2014, the IASB issued IFRS 15 "Revenues from contracts with customers", this new standard with mandatory application as of January 1, 2018, requires that revenues from ordinary activities of different customers than those originated in financial instruments and financial leasing contracts are recognized with specific rules for their registration. This standard provides an integral framework for the recognition of income from ordinary activities from contracts with customers, and therefore, replaces the other previous standards that addressed different aspects of revenue recognition, IAS 11 Construction Contracts, IAS 18 Revenue from Ordinary Activities, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Properties, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenues-Swap for Advertising Services.

In accordance with this new standard, the recognition of revenues from contracts with customers is directly related to the satisfaction of performance obligations of the contract. The basic principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenues in accordance with that basic principle by applying the following steps:

1. Identification of the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price
4. allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
5. Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

The revenue must be measured based on the consideration specified in the contract with the customer, and excludes the amounts received on behalf of third parties. Revenue is recognized when the control over a good or service is transferred to a customer, to the extent that the economic benefits are likely to flow to the Company and if it is possible to measure it reliably.