

Results Presentation 3Q-18

November 2018

Legal Disclaimer

The information provided in this document contains relevant information about the results obtained by Corficolombiana S.A. (“Corficolombiana”) in the third quarter of 2018. It is submitted as a summary and does not intend to be exhaustive and does not exhaust all the business aspects of Corficolombiana.

The Financial Statements are submitted under the International Financial Reporting Standards accepted in Colombia (IFRS).

The content of this presentation is not, and shall not be understood as an invitation to contract or invest in any of the projects or businesses in which Corficolombiana has participated. Likewise, it does not constitute legal or financial advice, recommendation or suggestion of investment or tool for its readers to make a decision or action.

1. Relevant Facts

2. Application of IFRS 15 in Road Concessions

3. Financial Results

4. Portfolio Management

Relevant Facts

Consolidated Figures¹ – 3Q18

Assets:	\$25,281,857 MM
Total Equity:	\$7,495,297 MM
Net Profit 3Q ² :	\$583,020 MM
Net Profit YTD:	\$894.394 MM
ROE (LTM) ³ :	23.63%
Solvency:	39.08%

Separate Figures – 3Q18

Assets:	\$11,768,092 MM
Total Equity:	\$5,362,606 MM
Net Profit 3Q ² :	\$581,405 MM
Net Profit YTD:	\$879.510 MM
ROE (LTM) ³ :	26.36%
Solvency:	41.77%

Investment Grade Rating

Fitch
Ratings

AAA Local
BBB International

BRC
Standard & Poor's
S&P Global

AAA Local

¹Equity without excluding minority interest. Controlling Net Income. ²Includes a non-recurring income of \$ 330 billion for the January-June cumulative effect of applying IFRS 15

³ROE: controlling net profit of last 12 months on the average controlled equity. **All figures are in Colombian pesos**

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.
- 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.
- On September 3, the offer process of Corficolombiana shares was successfully completed through the placement of securities for a total value of \$ 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 allegations 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.

Infrastructure

- Coviandes selected the French firm Eiffage, which 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

1. Relevant Facts

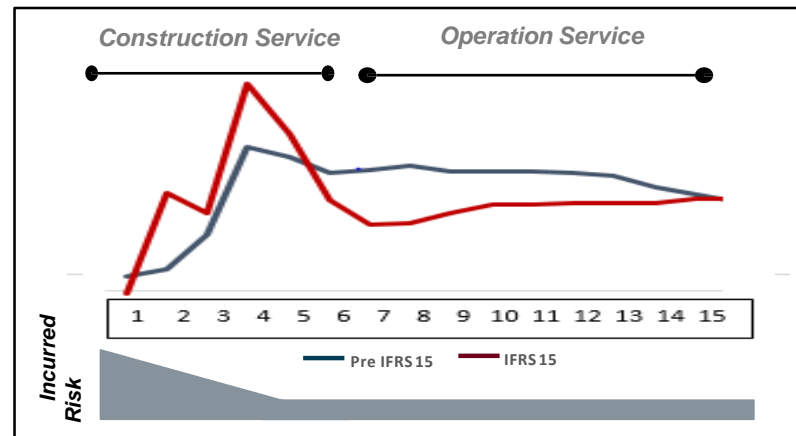
2. Application of IFRS 15 in Road Concessions

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Application of IFRS 15 in accounting for concessions

- **IFRS 15** establishes the model for the recognition of revenue in contracts with customers.
- This norm establishes the following steps to perform the accounting record
 - Identify all the **individual performance obligations (services)** within the contract
 - Determine the **price of the contract** and the **price of each service**
 - **Recognize revenue (price) as the services are provided**
- The 4G contracts provide **two services to the client** (in this case, the State):
 - **Construction Service** (during the pre-operational phase)
 - **Operation and Maintenance Service** (from the beginning of the contract)
- 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**



- The above implies that the **greatest impact on results** from the application of IFRS 15 is reflected in the **concessions that have started construction** (as of September **CoviAndina** and **CoviPacífico**)

Implementation and Effect on the Financial Statements for September 2018

- Given that 2018 is the first year of mandatory application and transition of the IFRS 15 standard, Corficolombiana in compliance with said norm reviewed the accounting of its concessions.
- The effects of the implementation of IFRS 15 in the Corficolombiana concessions in September 2018 are as follows:

1. Equity Adjustment. The income already registered until December 2017 is compared with the income that would have been incurred in that same period with the new methodology. This difference (positive or negative) is recorded in the equity as an adjustment in the previous years earnings account:

Concession	Equity Adjustment September 2018 (COP\$MM)
Covipacífico	4.648
Covimar	-14.424
Coviandina	398.324
Covioriente	8.902
Total	397.450

Implementation and Effect on the Financial Statements for September 2018

2. Adjustment in the Income Statement. In the Income Statement as at September 2018, the corresponding retroactive adjustment, of having applied the new methodology going back to the beginning of the year, is registered. As a result, a non-recurring revenue of \$ 330,421 million is recorded in 3Q-18.

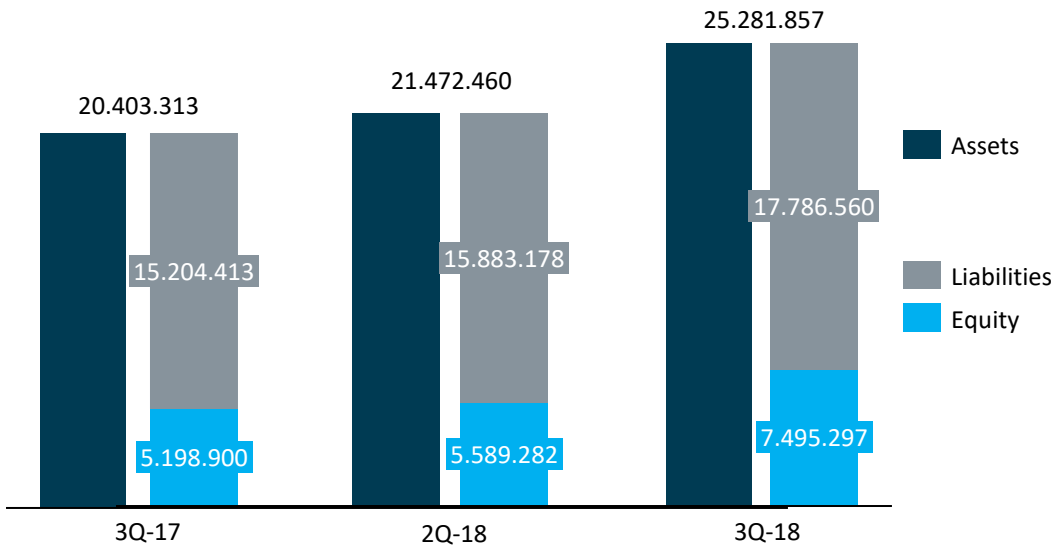
	A	B	C	D	E	F	B+D+F = A+C+E
Concession	1Q-18 Reported	1Q-18 NIIF15	2Q-18 Reported	2Q-18 NIIF15	3Q-18 Reported	3Q-18 NIIF15	Accumulated sep18
CoviPacífico	2.161	-1.993	2.467	120.311	135.750	22.060	140.378
CoviAndina	19.503	104.988	24.897	185.403	441.067	195.076	485.467
CoviOriente	9.195	8.756	8.306	-15.685	-24.368	61	-6.867
CoviMar	1.449	-876	1.642	-864	-5.806	-975	-2.715
Total	32.308	110.876	37.312	289.165	546.644	216.222	616.264

B-A: 78.568	+	D-C: 251.853	=	330.421
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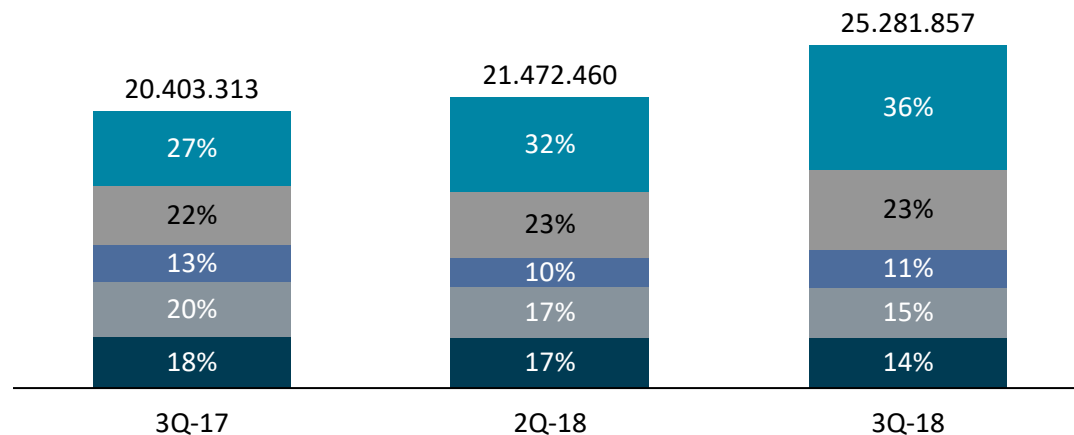
1. Relevant Facts
2. Application of IFRS 15 in Road Concessions
- 3. Financial Results**
4. Portfolio Management

Consolidated Balance Sheet

Figures in COP MM



Asset Composition COP MM



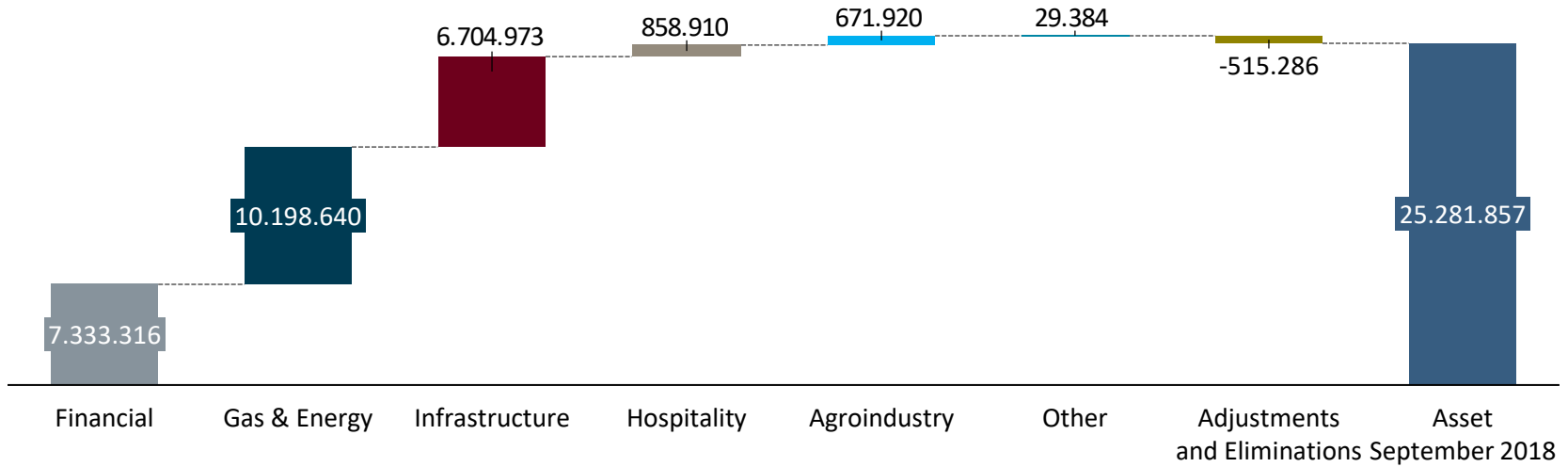
- Growth in *Assets* is mainly explained by *Assets from Concession Agreements*, resulting from the application of IFRS 15, which accumulates in the assets the income caused in the 4G concessions.
- *Investments* include:
 - Fixed income investments that increase in line with the strategy of Corficolombiana's 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.

- Assets from Concession Agreement
- Investments
- Cash + Interbank Funds
- Loan Portfolio + Accounts Receivable
- Fixed Assets + Other

Consolidated Asset per Sector

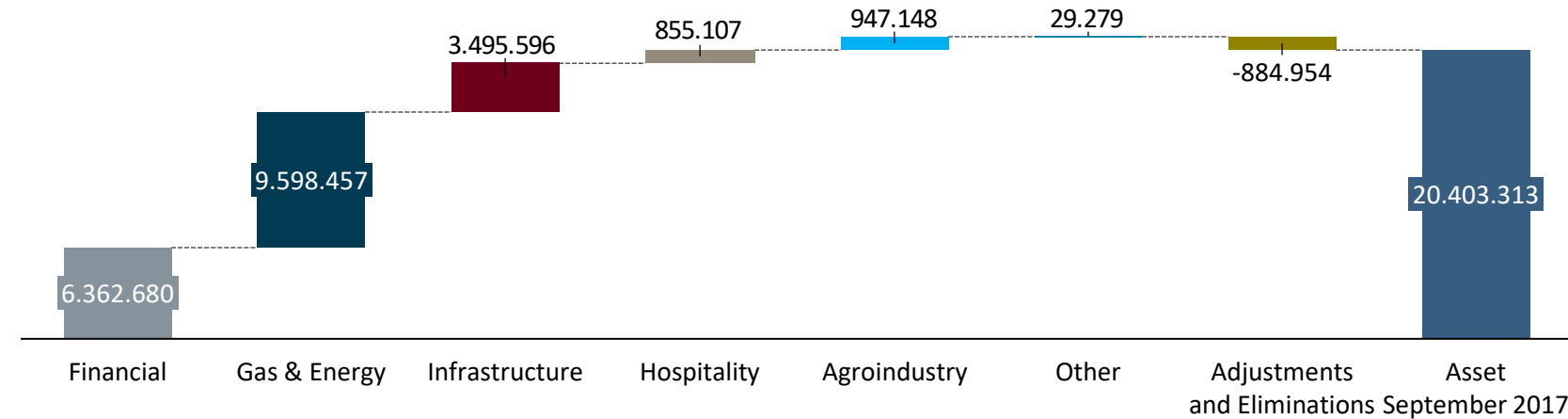
September 2018

COP MM



September 2017

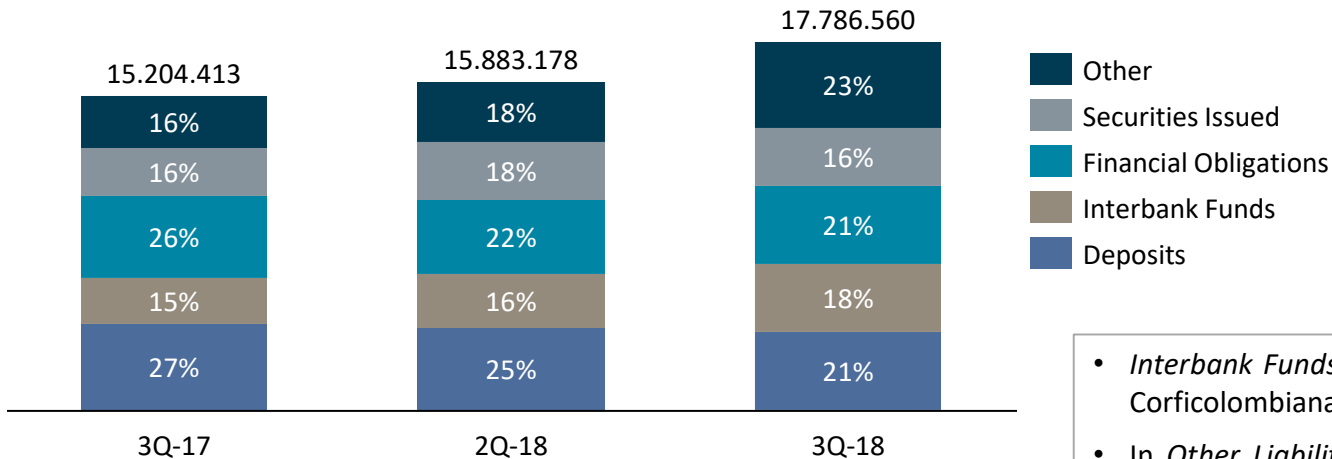
COP MM



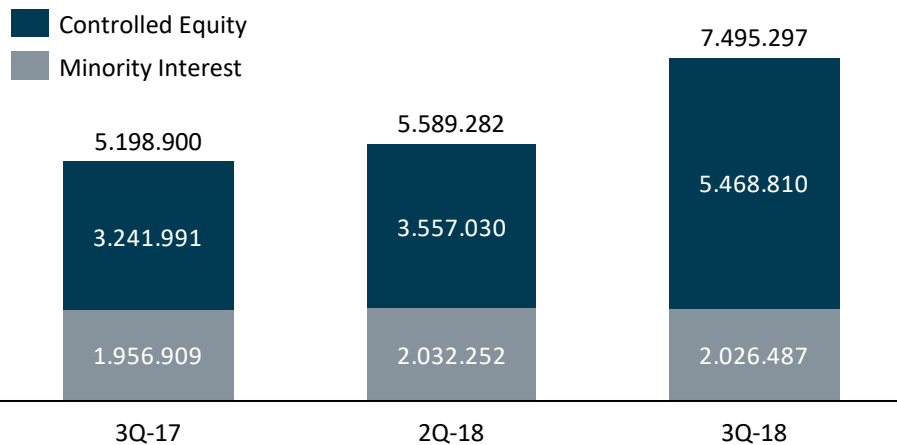
Note: Financial includes Corficolombiana

Liability and Consolidated Equity

Liability Composition COP MM



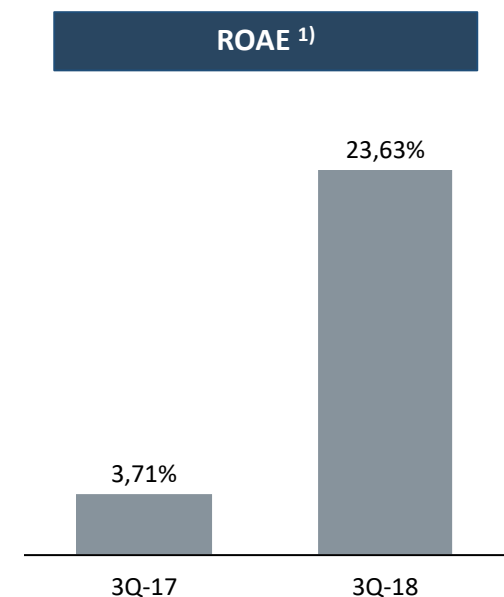
Equity Composition COP MM



- *Interbank Funds* are in line with the growth of Corficolombiana's fixed income portfolio.
- 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.).
- 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)

Consolidated Income Statement

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%
Gross Margin of Real Sector	622.690	646.508	1.382.178	1.833.197	2.631.986	122,0%	43,6%
Equity Method and Dividends	42.958	48.846	51.446	172.263	187.078	19,8%	8,6%
Margin of Financial Activities	-93.217	-73.641	-108.671	-272.028	-229.748	-16,6%	15,5%
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%
EBITDA	506.333	583.642	1.341.257	1.559.515	2.500.258	164,9%	60,3%
Net Income before taxes	257.015	401.371	1.067.233	781.428	1.837.086	315,2%	135,1%
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%
Net Income	147.496	301.989	690.244	464.194	1.246.165	368,0%	168,5%
Controlling Net Income	50.048	165.609	583.019	177.334	894.394	1064,9%	404,4%



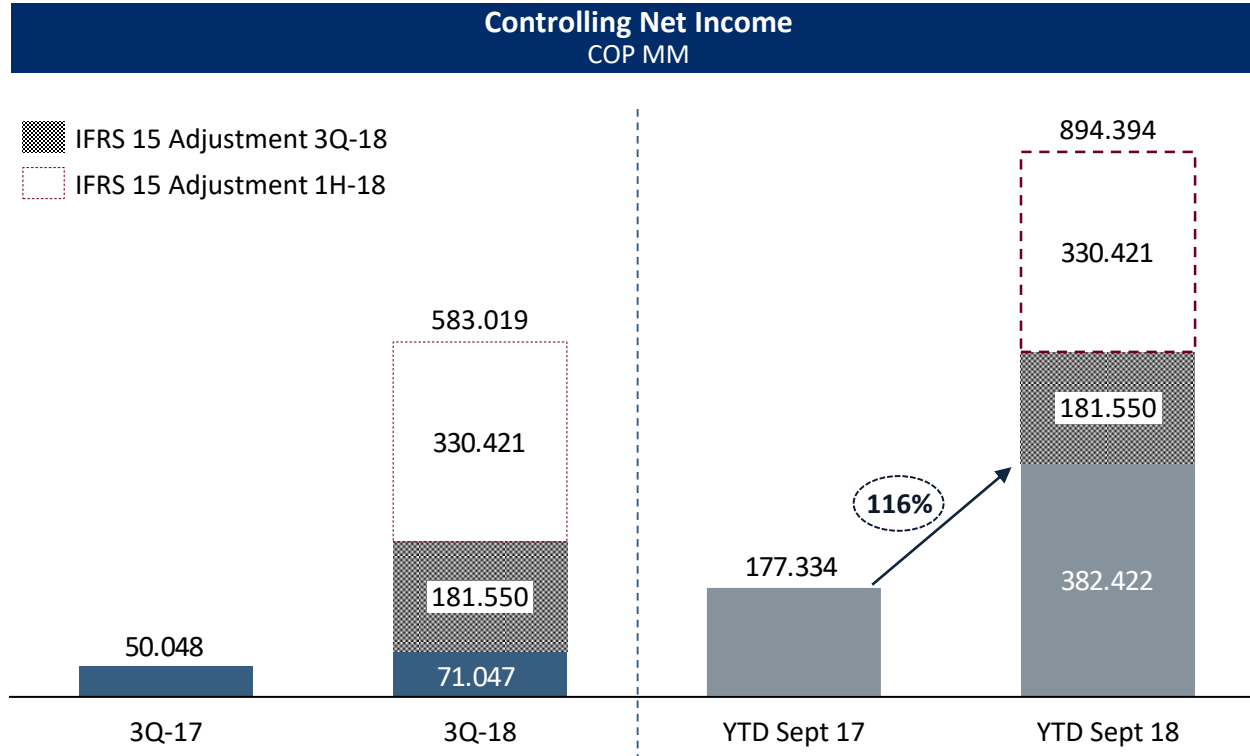
1) Net income attributable to Corfic Colombiana on average controlled Equity

Note: Operating Revenue Real Sector includes Promigas' income from leasing of SPEC and from financial assets (concessions). The EBITDA published in 1Q-17 was COP 479,037; however, as of 2Q-17 there was a change in methodology in the calculation of EBITDA that was explained in the report for that period

Comments

- The EBITDA for the nine months ended September grew 60.3% YoY, mainly due to the application of IFRS 15 on the 4G concessions, with a particular impact on Coviandina and Covipacífico both of which signed the construction commencement minutes and report to September a progress of 27.8% and 9.6%, respectively.
- Net financial expenses falls due to FX translation in relation to the credit in dollars obtained by Covioriente and to decrease in the loan portfolio of Leasing Corfic Colombiana.
- The impact on the controlling net income of the application of the methodology to comply with IFRS 15 was \$ 512 billion in 3Q-18, out of which \$ 330 billion corresponds to the difference between the profits to be recognized with IFRS 15 between January and June of 2018.

Controlling Net Income



Corficolombiana's net income exhibits a positive behavior in the accumulated of the year. Even excluding the total adjustment related to the application of IFRS 15, the cumulative controlling profit would have registered a growth of 116%.

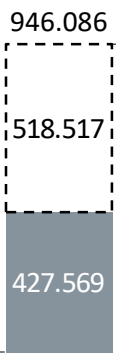
Contribution per Sector to Consolidated EBITDA

3Q-18

COP MM



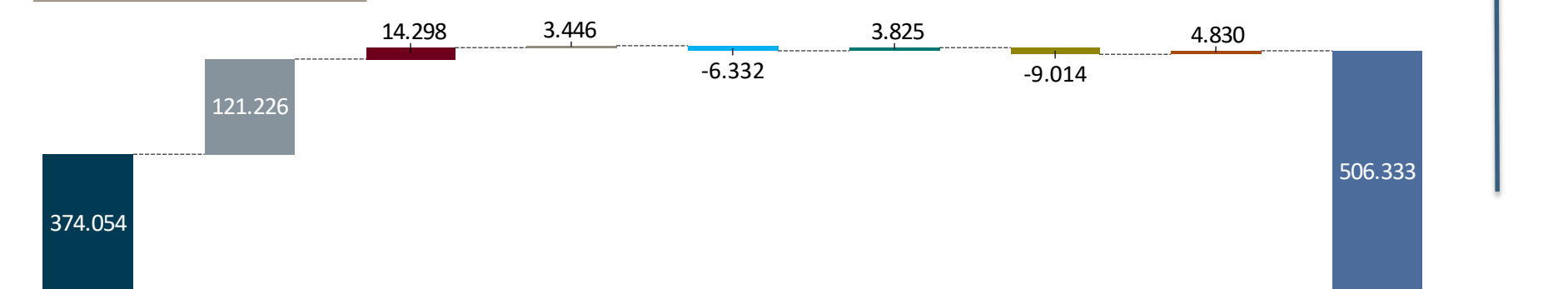
IFRS 15 Adjustment IS-18



+164,9% YoY
+62,5% YoY

3Q-17

COP MM

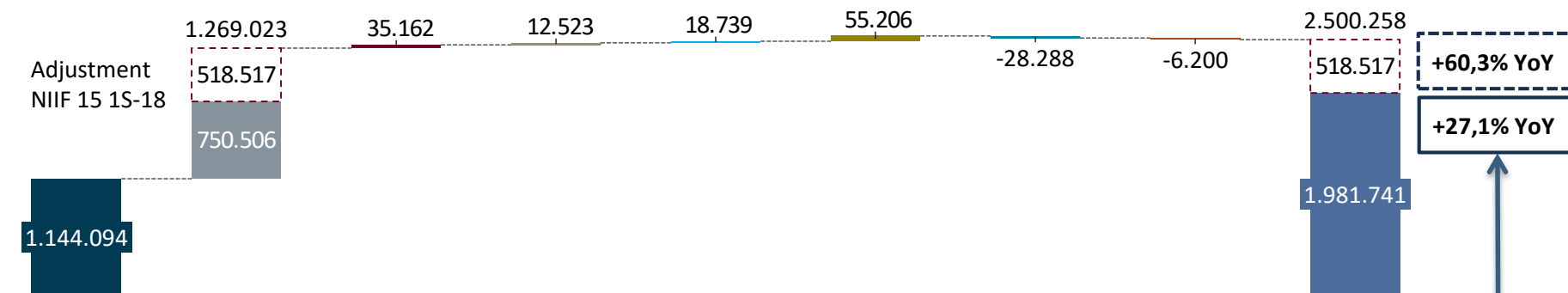


Note: total EBITDA of the consolidating companies, without adjusting for the participation of Corfic Colombiana. Holding: corresponds to expenses of the investment business. Financial: Includes Corfic Colombiana, except for income and expenses of the investment business, and its financial subsidiaries. Equity Method, Dividends & Others: Tesicol and Lehner plus Corfic Colombiana's dividends and equity method revenue received from the companies that don't consolidate.

Contribution per Sector to Consolidated EBITDA YTD Sept

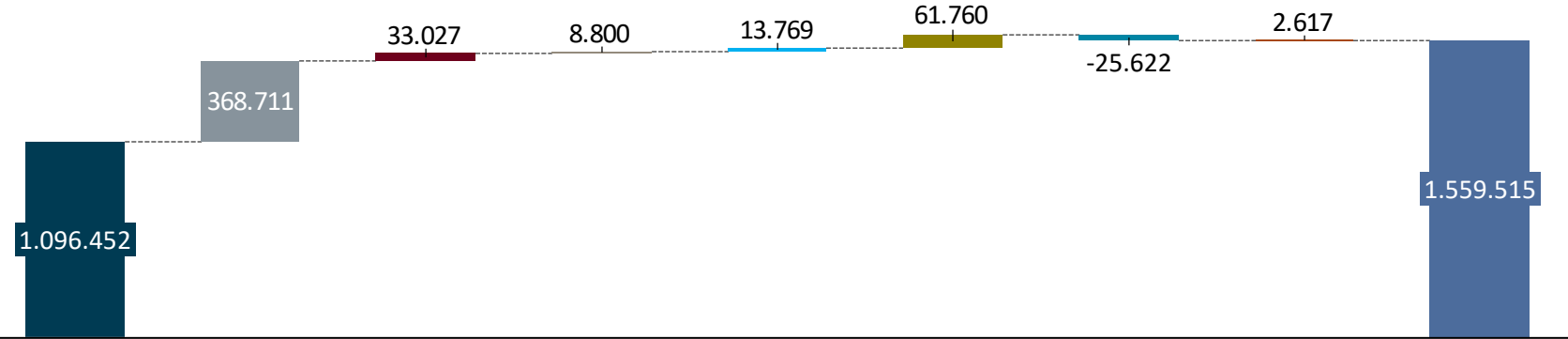
YTD Sept 18

COP MM



YTD Sept 17

COP MM



+60,3% YoY

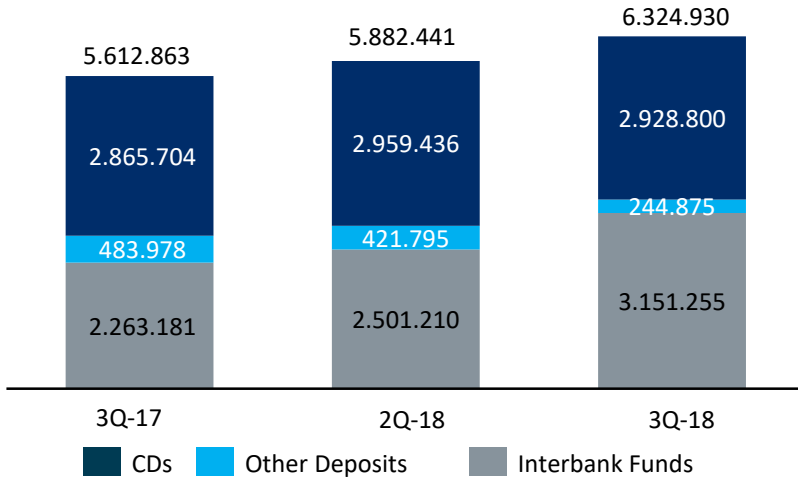
+27,1% YoY

Nota: EBITDA total de las empresas que consolidan, sin ajustar por la participación de Corficolombiana.

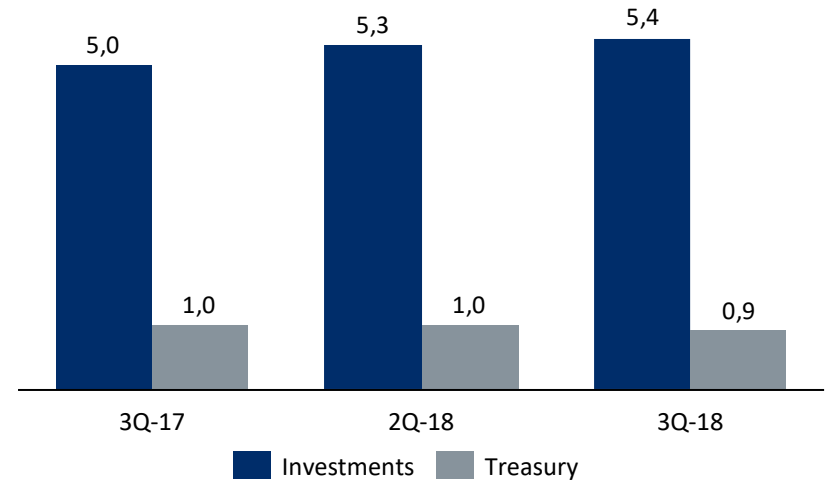
Holding: corresponde a gastos del negocio de inversiones. Financiero: incluye a Corficolombiana, excepto por ingresos y gastos del negocio de Inversiones, y sus subsidiarias financieras. MPU, Dividendos & Otros: Tesicol y Lehner, dividendos y MPU de las compañías que no consolidan.

Corficolombiana Funding (Separate)

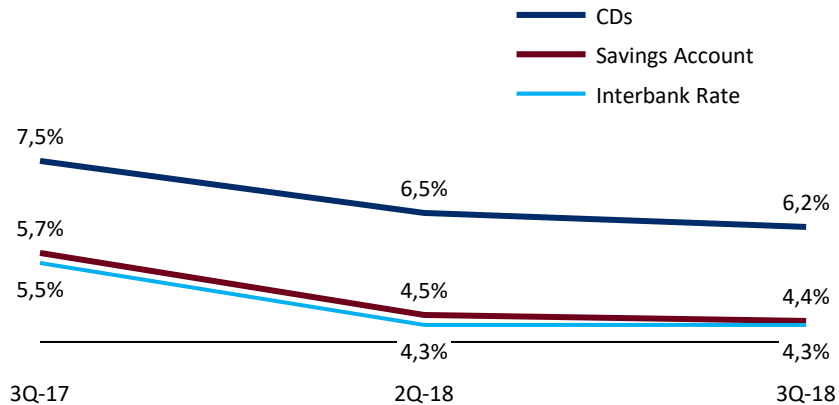
Separate Funding Structure COP MM



CDs Average Tenor Years



Average Cost (Annual Effective Rate)



- The average tenor of the CDs funding equity investments increased from 5 years to 5.4 years.
- The liabilities for money market operations increase in line with the growth of the fixed income portfolio and treasury operations.
- The rates of CDs and savings account deposits decreased by 128 bps, in line with the reduction in the Central Bank's intervention rate and inflation levels.

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Main Investments

Infrastructure



Energy



Agroindustry



Hospitality

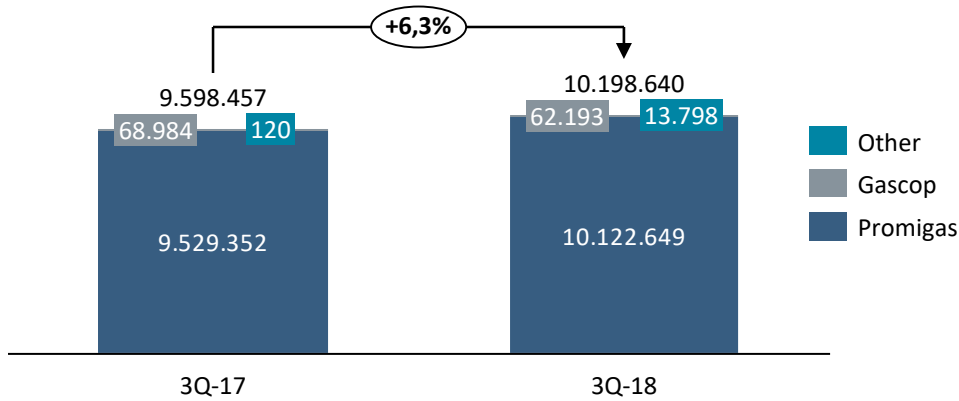


Financial

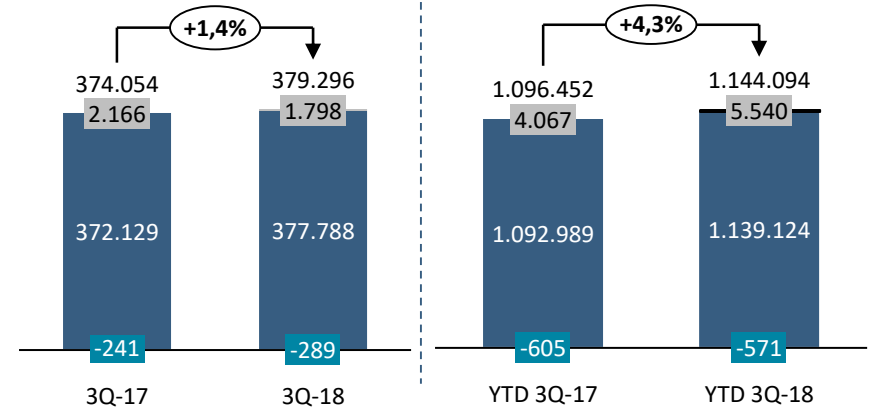


Energy and Gas

Consolidated Asset COP MM

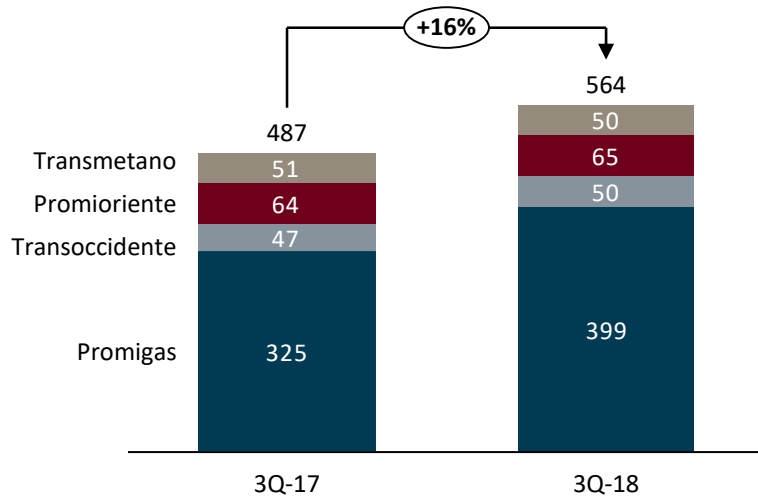


Consolidated EBITDA COP MM



Note: Promigas' EBITDA includes revenues from non-bank financing operations (Brilla) and financial assets from concessions. Since 4Q-17 Energy Holdings consolidates in infrastructure

Transportation Business – Volume Transported MCF/D



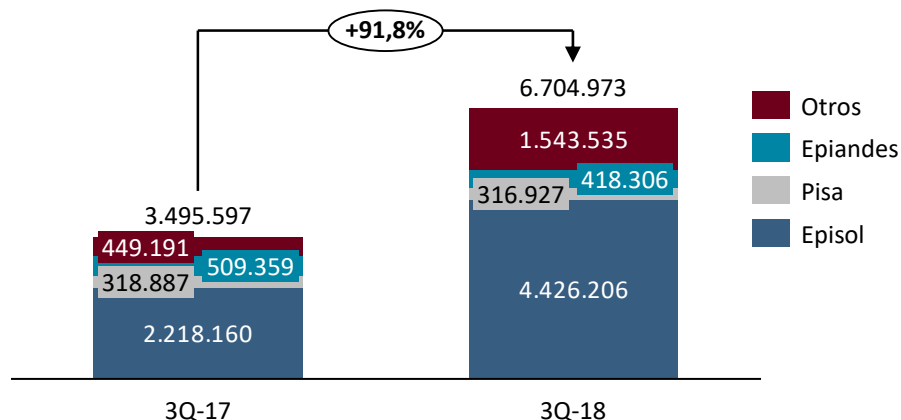
Distribution Business – Volume Sold and Number of Users Million m3 and # of users

3Q 2018	GdO	Surtigas	GdC + Filiales	Cálidda	Total
Residential	322	136	702	107	1.267
Industrial	406	493	443	4.046	5.388
Total Volume (Billion m3)	728	629	1.089	4.152	6.598
# of Users	1.128.157	764.418	1.639.168	706.857	4.238.600

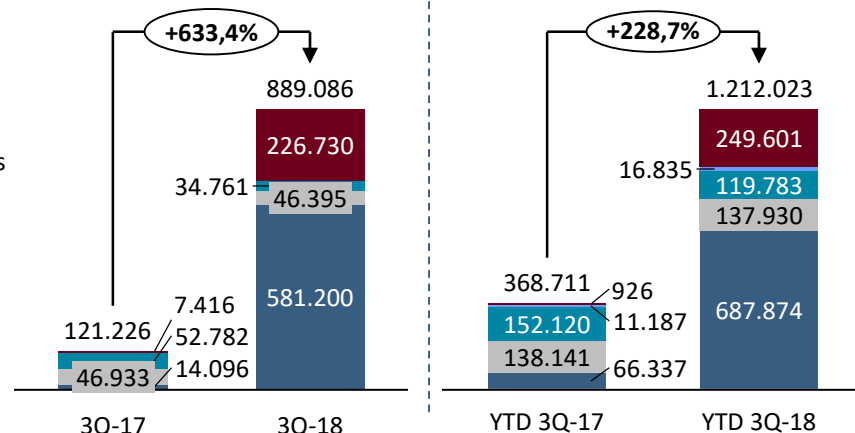
3Q 2017	GdO	Surtigas	GdC + Filiales	Cálidda	Total
Residential	318	134	707	87	1.246
Industrial	394	519	382	3.875	5.170
Total Volume (Billion m3)	712	652	1.089	3.962	6.415
# of Users	1.083.575	726.498	1.561.712	534.038	3.905.823

Infrastructure

Consolidated Asset COP MM



Consolidated EBITDA COP MM



Note: Other includes Concecol and for 4Q-17 includes Prodepacífico, Prodevimar, Covipacífico Covimar and Energy Holdings

Road Concessions in Operation – As of September 2018

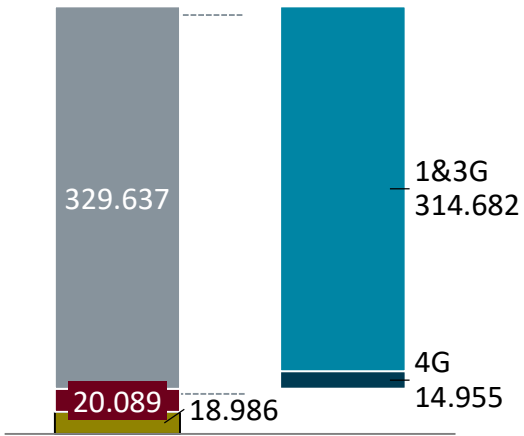
Concession	CFC Participation	Section	Km	Estimated Termination Date	ADT			
					3Q-17	3Q-18	YTD Sept 17	YTD Sept 18
COVIANDES	59,70%	Bogotá - Villavicencio	86	2019	29.157	26.089	30.374	28.660
EPIANDES	44,60%	Bogotá-Facatativa-Los Alpes	42,9	2024	25.437	27.044	25.291	26.326
Pisa	88,25%	Buga-Tuluá-La Paila-La Victoria	80	2033	33.044	33.535	32.328	32.915
CONCESIONARIA PANAMERICANA	100,00%	Los Alpes Villeta & Chuguacal - Cambao	111	2035	5.017	5.158	4.997	5.091
Concesionaria Vial del Pacífico	89,90%	Ancón Sur - Bolombolo	48,4	2042	6.778	6.639	6.886	6.528
Concesionaria Vial del Oriente	100,00%	Villavicencio - Yopal	266,1	2042	15.067	15.098	15.018	15.097
Total			634		114.500	113.563	114.894	114.617

Infrastructure EBITDA

Figures in COP\$ MM

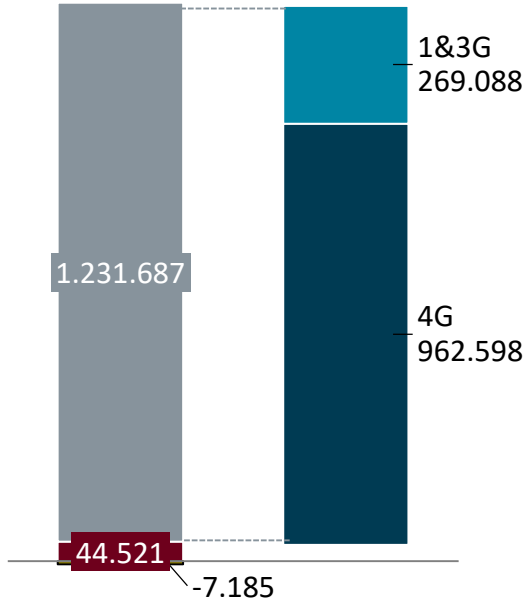
YTD 3Q-17

368.711



YTD 3Q-18

1.269.023







1&3G: Pisa, Coviandes, Panamericana and CCF

4G: Coviandina, Covipacífico, Covoriente and Covimar

Concession
 Constructor
 Other

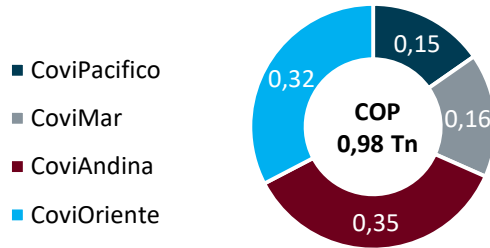
4G Concessions

Concession	Section	Progress					
		Licenses / Consultations	Final Designs	% Properties Availability ²	Financial Closing	Commencement of Construction Work	% Project Progress ²
	Ancón Sur - Bolombolo	✓	✓ Designs not objected for all the FUs. As per Amendment 4 the adjusted designs were submitted on May 11.	91%	Currently, the Concessionaire has a 5-year loan with Grupo Aval banks for \$ 583,000 mm. Through this loan, the bridge loan approved in 2016 for \$ 150,000 mm was renewed. In September, the first disbursement was made. The due diligence reports are being updated and the first approximations with the different financiers to obtain the financial closure	✓	9,6%
	Mulaló - Loboguerrero		✓ The ANLA indicated that the procedure to obtain Environmental License should be ruled by Decree 1753 of 1994 (under which the DAA was issued). On April 27 the EIA was presented. A public hearing was held on September 22. License obtention Est. 2Q-2019. Other environmental procedures: granted the lifting of the national and regional ban, as well as the theft of the National Reserve. Two pending subtractions.	56%	On October 18, 2018, the Audit Office ratified the No Objection to the designs warning that it will receive the Interventions that were delivered based on the detailed studies delivered by the concessionaire.	Est. 2Q-2019	2,6%
	Chirajara - Villaviciencio ¹	✓		100%	There are already definitive designs not objected to all the functional units.	✓ Senior loan: subscribed in February 2018 for COP 1,6 trillion	27,8%
	Villaviciencio - Yopal	✓		39%	Final designs completed and delivered to auditors in 2016. No objection to design and geometric layout subject to signature of otrosí, already has a favorable concept. Detail design volumes not objected to UF1 and UF7. For UF2 to 6 they were settled in their last version first semester of 2018.	✓ Senior loan for USD550 million subscribed with Grupo Aval Limited on October 13, 2017. First disbursement and a partial second disbursement already made. Disbursements suspended until commencement of construction work is resolved.	3,3%

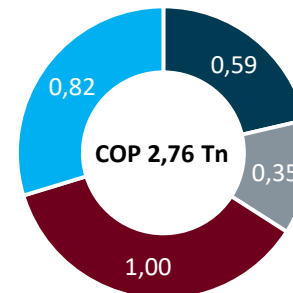
1) Section granted in concession for construction. Additionally it has the ADM of the Bogotá-Villaviciencio once the current operator is reversed

2) % project progress and properties availability as of september 2018

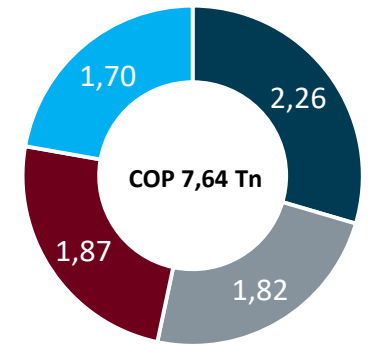
Equity Contribution CFC as of September



Total Equity Contribution CFC



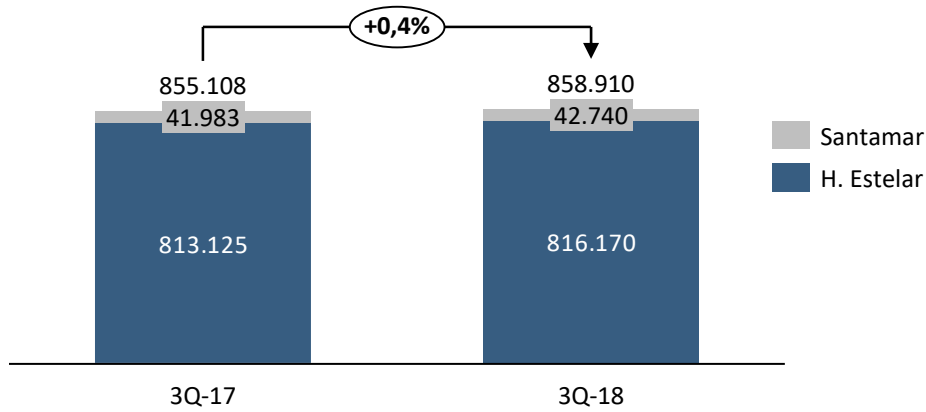
Total CAPEX



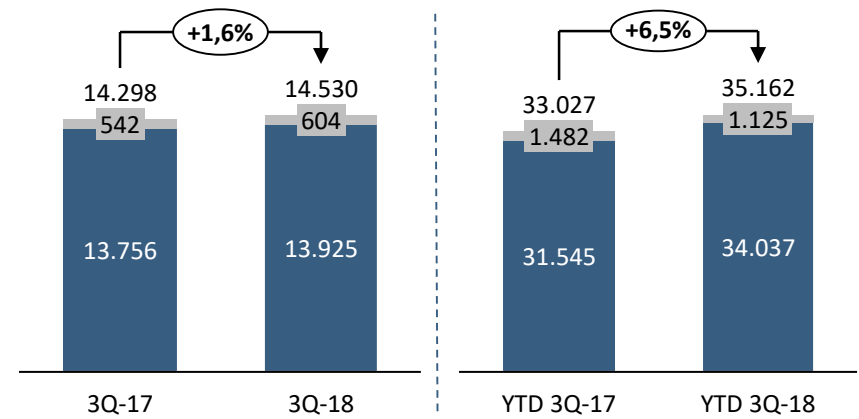
Note: estimated figures and subject to change

Hospitality

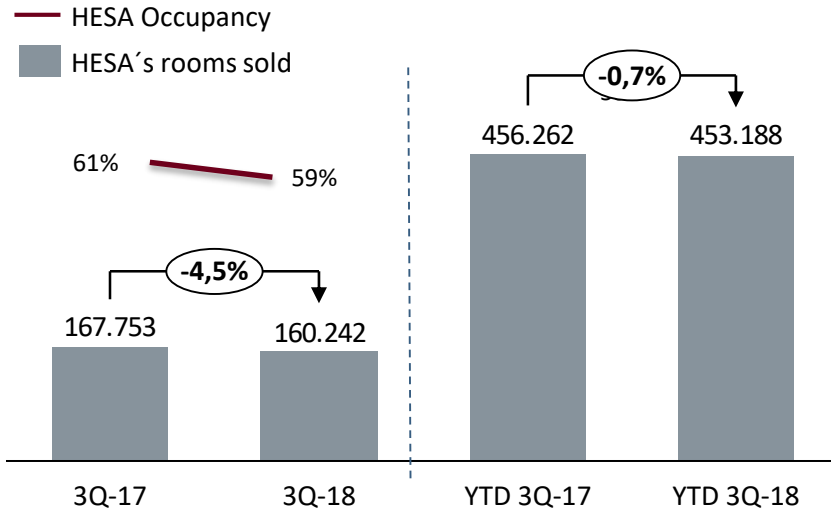
Consolidated Asset COP MM



Consolidated EBITDA COP MM



Occupancy



Hotel Estelar Square



Superior Line
146 rooms

Hotel La Torre Suites

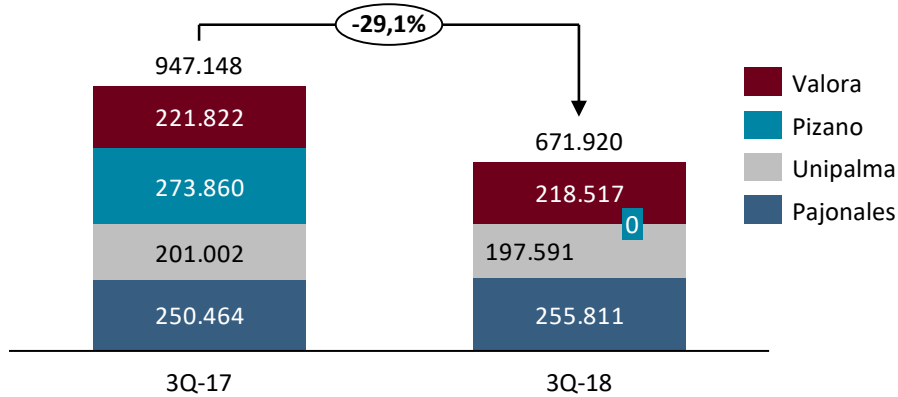


Long-stay Line
35 suites in 1st stage

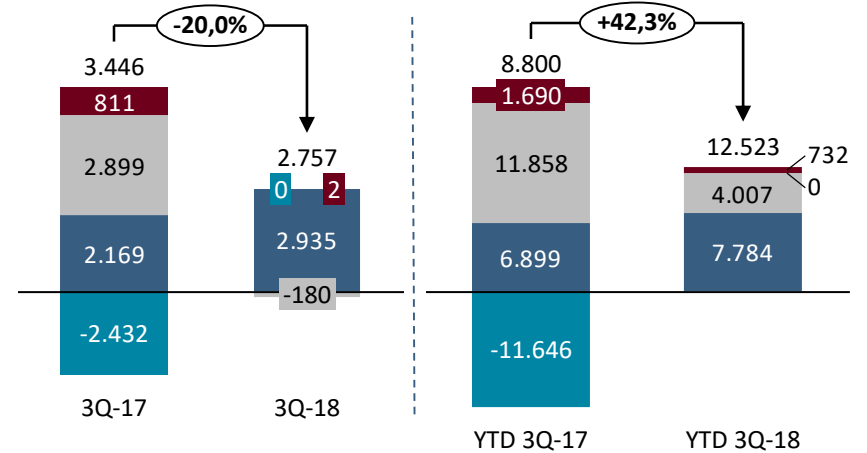
Plaza Estelar and La Torre Suites hotels in Medellin started operation. The San Isidro hotel in Lima (80 rooms) is expected to begin operation before the end of 2018. With these additions, we will close the year with 3,769 rooms.

Agroindustry

Consolidated Asset COP MM

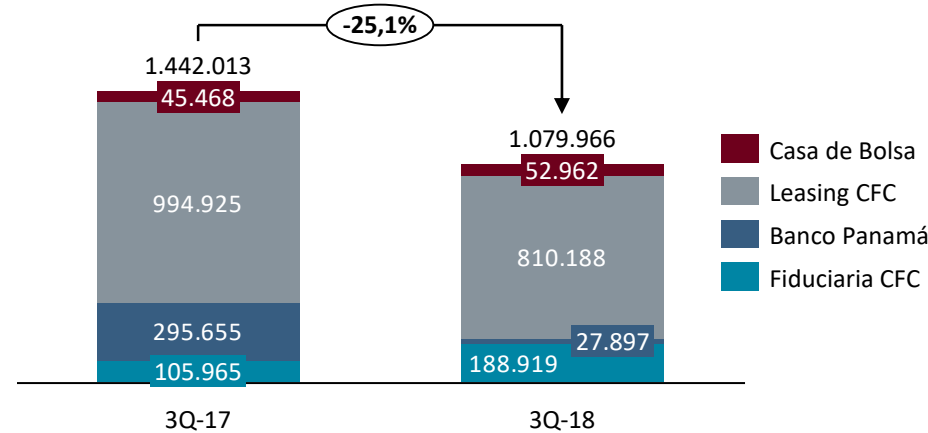


Consolidated EBITDA COP MM

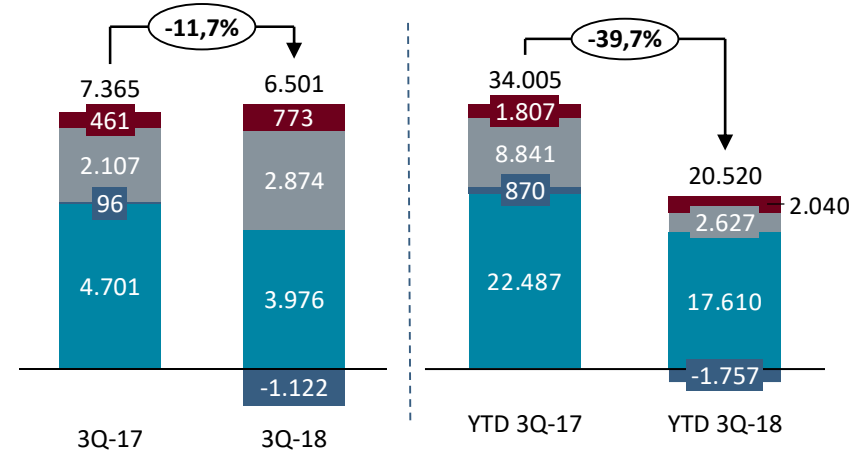


Financial

Consolidated Asset COP MM



Operating Profit COP MM



THANK YOU