

## **Presentation of Results 1Q-17**

June 2017

# Legal Notice

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*The information provided in this presentation has relevant information about the results obtained by Corficolombiana S.A, (“Corficolombiana”) in the first quarter 2017, 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 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.*

*This document was not prepared for a presentation or publication to third parties.*

## 1. Relevant Facts

## 2. Financial Results

## 3. Portfolio Management

# Relevant Facts

Figures in COP\$ MM

## Consolidated Figures – 1Q17

Assets:	\$19,801,760 MM
Total Equity:	\$5,012,450 MM
Net Income:	\$83,012 MM
ROE:	8.5%
Solvency:	41%

## Separate Figures – 1Q17

Assets:	\$8,556,167 MM
Total Equity:	\$3,015,859 MM
Net Profit:	\$83,944 MM
ROE:	9.4%
Solvency:	46%

## Investment Grade Rating

**Fitch**  
Ratings

AAA Local  
BBB International

**BRC**  
Standard & Poor's  
S&P Global

AAA Local

## Relevant Facts

- The Board of Directors approved the corporate strategy for the next 5 years.
- Shareholder's equity continues to grow. 62.5% of the dividends decreed in March were paid in shares, representing a capitalization of 97.2% of 2S-16 net income.
- Despite the impact of CRDS, consolidated EBITDA as of March 2017 is \$479 billion.
- The average tenor of Corficolombiana CDs has increased. Similarly, in line with market conditions, there was a reduction in the average cost of CDs and saving accounts.

### Investment Portfolio

- Promigas: 100% operational availability in the plants of Canacol and Hocol.
- The new international terminal of Alfonso Bonilla Aragon Airport was launched on March 8.
- As of the end of March, equity contributions to the four 4G concession projects totaled \$568 billion.

Consolidated Figures: Equity without excluding minority interest.

Controlling Net Income.

ROE calculated as net profit attributable to Corficolombiana over average controlled equity.

# Corporate Strategy



## Equity Investments

Growth guided by the following investment principles:

- Long-term strategic investor in capital intensive sectors,
- Controlling position or significant influence,
- Seeks stable and growing results and cash generation, with low volatility,
- Relevant presence in the sectors in which it participates,
- Seeks to obtain synergies between the companies in which it participates and to transfer best practices,
- Target market: Colombia, Peru, Central America, and the Caribbean.



## Treasury

- Diversification of Treasury business targeting new customers (e.g. corporate), products and markets in order to increase returns and reduce volatility in the fixed income portfolio.
- Strengthening of risk control and monitoring.



## Investment Banking

Expansion of the investment banking business through

- (i) Growth in Colombia seeking a leading position in Project Finance, M&A, capital market and syndicated loans
- (ii) Entry to the Central America and Peru markets
- (iii) Expansion of the customer base focusing on large corporations, while continuing supporting Corficolombiana and Grupo Aval investments.



## Commercial Banking

Transformation from Commercial into Corporate Banking working as a supporting unit/sales force for the Treasury and Investment Banking units (relationship with the 200 largest customers and complex derivatives).



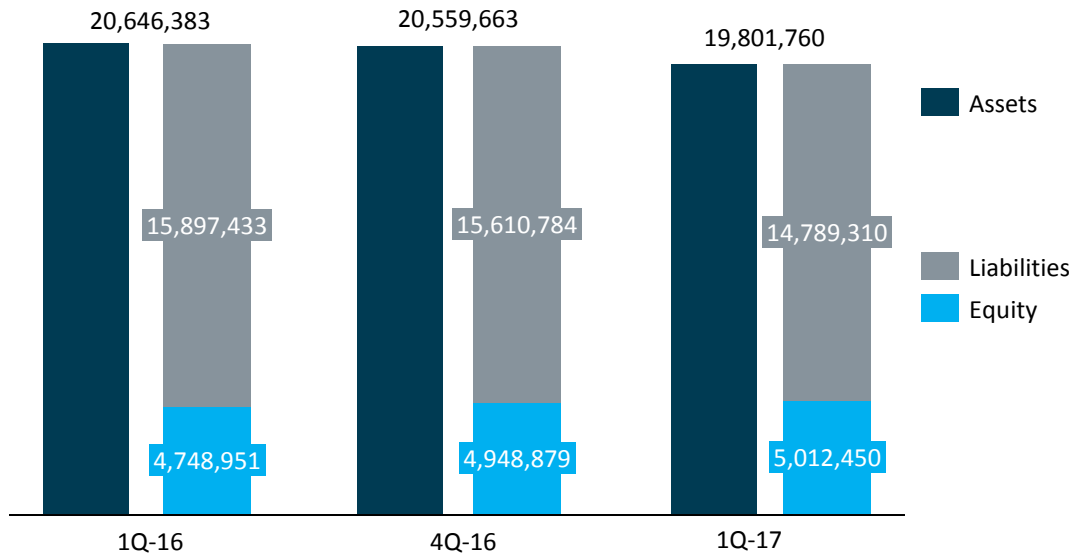
1. Relevant Facts

**2. Financial Results**

3. Portfolio Management

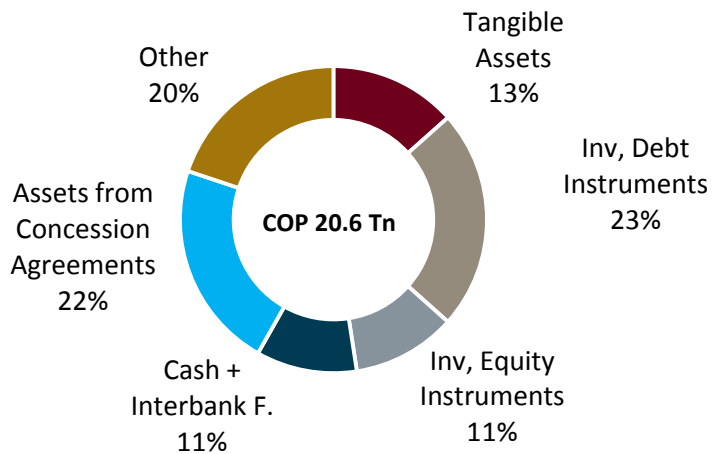
# Consolidated Balance Sheet

Figures in COP\$ MM

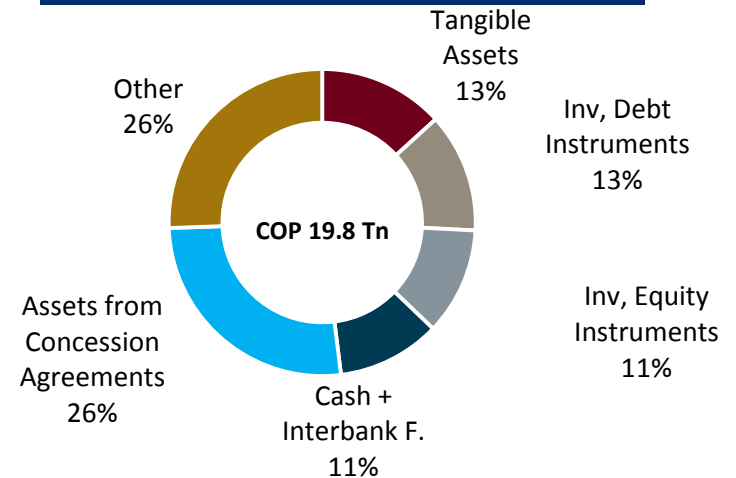


- In comparison with 1Q-16, the assets account reflects the reduction of around COP 2 trillion in the fixed income portfolio of Corficolombiana. This reduction is related to disinvestment of the available for sale portfolio, in line with the business model and market opportunities.
- Such reduction is partially compensated by an increase in the loan portfolio considering that a financial leasing for \$1.1 million was recorded with the entry into operation of SPEC.

Assets 1Q-16



Assets 1Q-2017

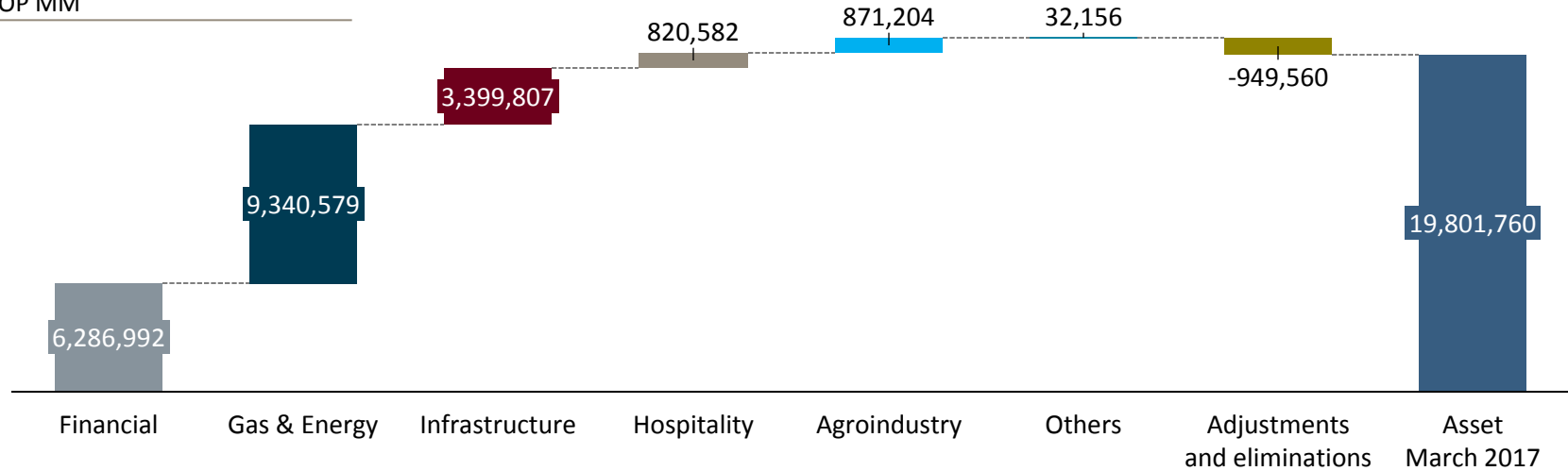


Other Assets: Net Loan Portfolio, Net Accounts Receivable and Other Assets

# Consolidated Asset per Sector

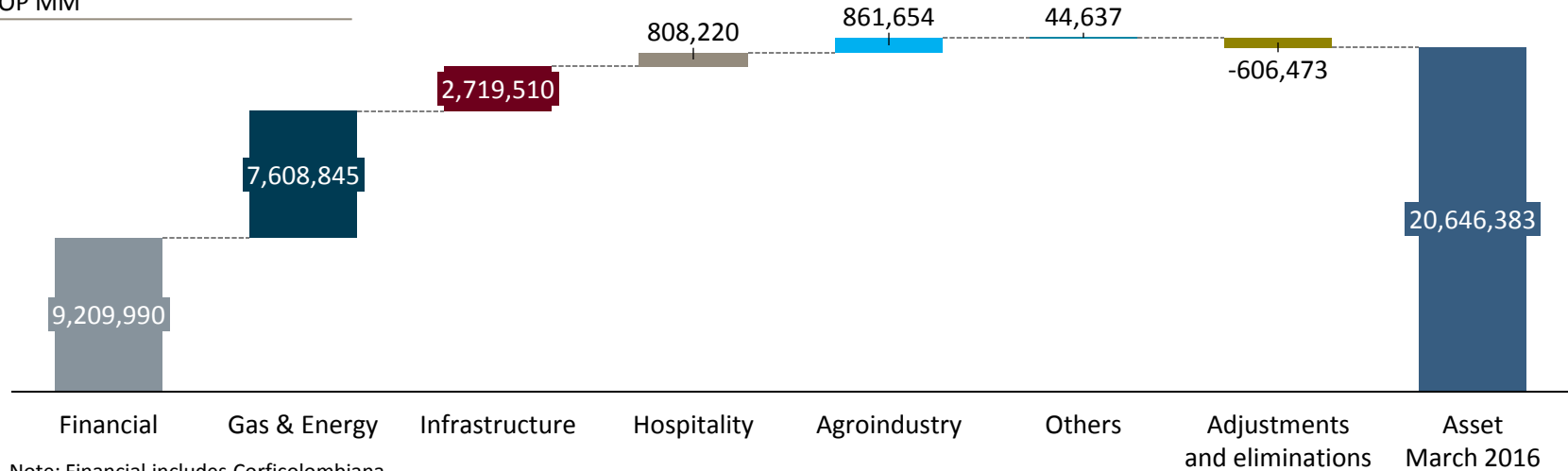
**March 2017**

COP MM



**March 2016**

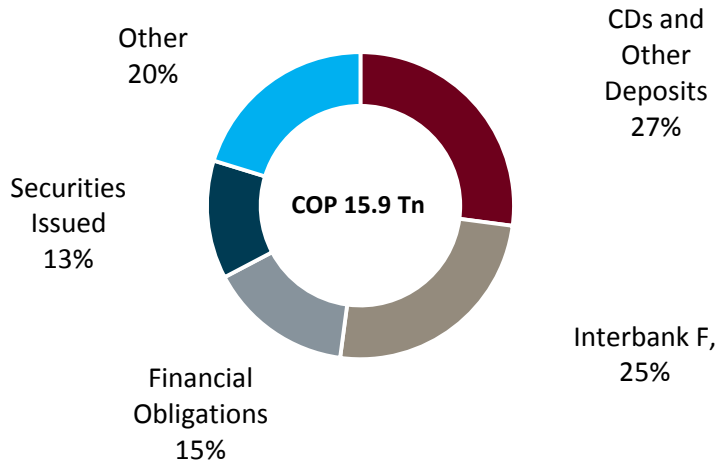
COP MM



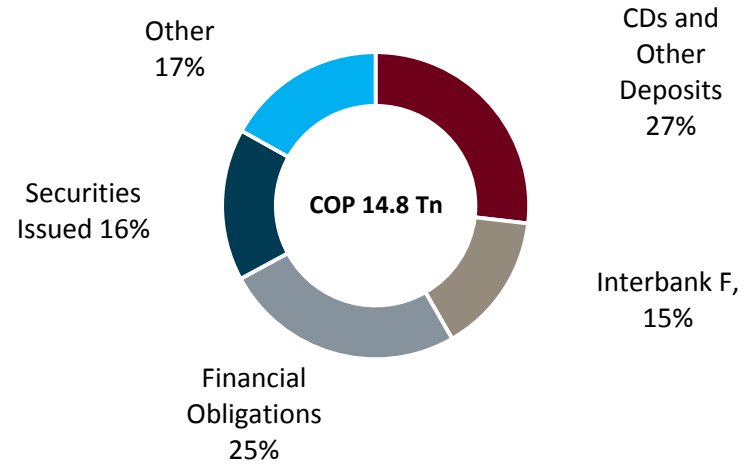
Note: Financial includes Corficolombiana

# Consolidated Liability and Equity

## Liabilities 1Q-16

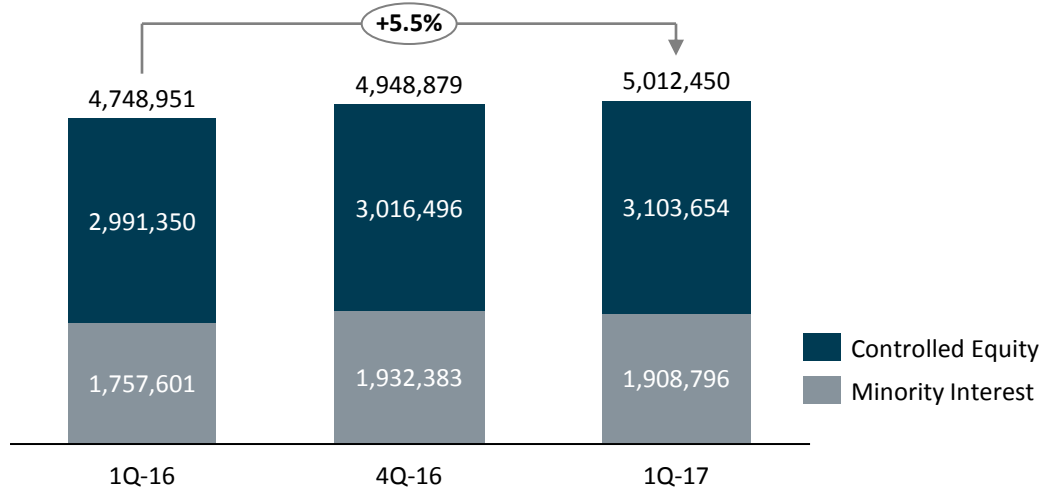


## Liabilities 1Q-17



## Equity Composition

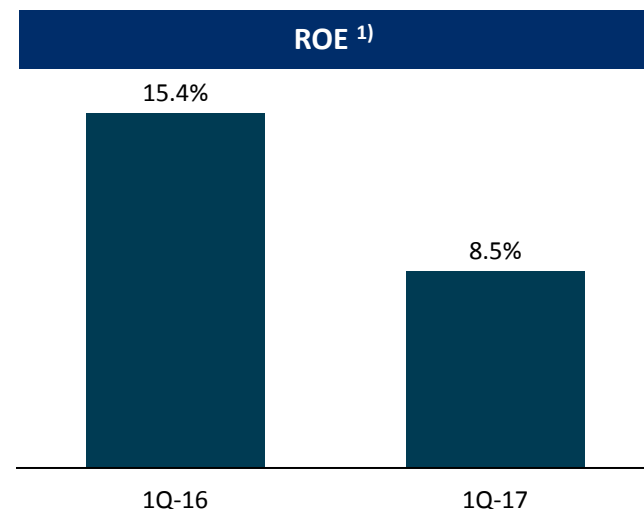
COP MM



Liabilities reflect a negative variation in money market operations (Interbank funds) related to the treasury business, partially offset by the increase in financial obligations required for the financing of SPEC.

# Consolidated Income Statement

Consolidated Income Statement (COP Billion)	1Q16	1Q17	Δ 1Q17 / 1Q16
Operating Revenue	1,530,573	1,401,936	-8%
Operating Costs & Expenses	1,182,069	1,052,818	-11%
Operating Margin	348,504	349,118	0%
Financial Margin	-123,933	-76,908	38%
Valuation of Financial Instruments	76,621	21,314	-72%
Revenues from Dividends and Equity Method	81,857	82,012	0%
Depreciations and Amortizations	58,080	89,901	55%
<b>EBITDA</b>	<b>496,944</b>	<b>479,037</b>	<b>-4%</b>
<b>Net Income</b>	<b>218,758</b>	<b>181,319</b>	<b>-17%</b>
<b>Controlling Net Income</b>	<b>125,758</b>	<b>83,012</b>	<b>-34%</b>



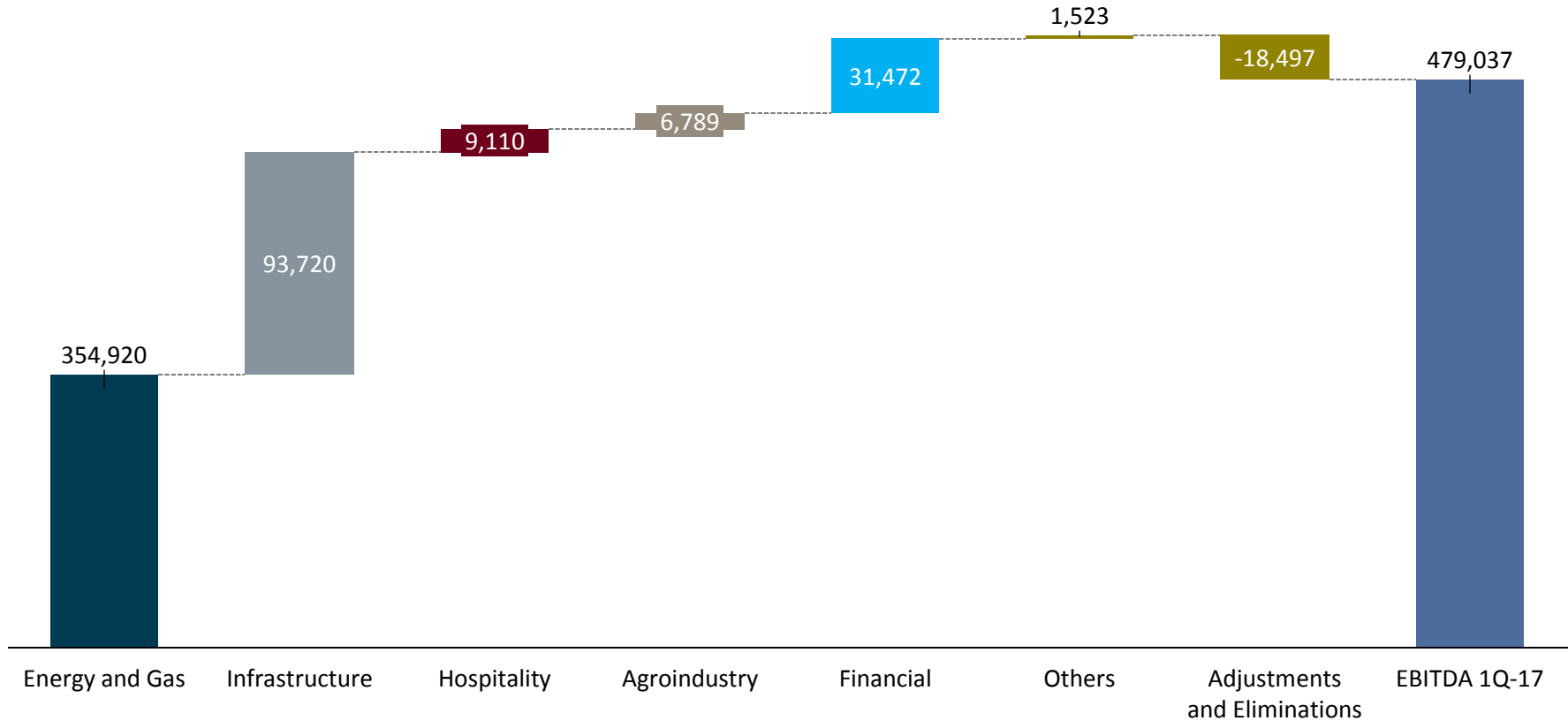
1) Net profit attributable to Corficolombiana's shareholders over average controlled equity

## Comments

- Operating result reflects the impact of CRDS and a better performance compared to 2016 in the energy and gas sector. The agroindustrial sector had a lower performance than the previous year, a situation that is expected to be partially reversed in 2017.
- The recovery of the financial margin is due to both higher revenues and lower expenses, the latter in line with the decrease in Corficolombiana's fixed income position.
- In 2017, the dividends (decreed by the companies where interest is lower than 20%) doubled compared to the previous year, offsetting the reduction in revenues by the equity method.

# Consolidated EBITDA by Sector

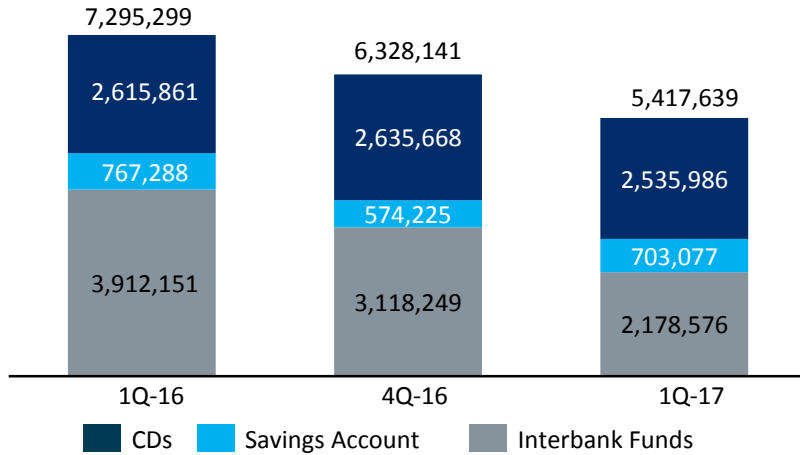
Figures in COP\$ Billion



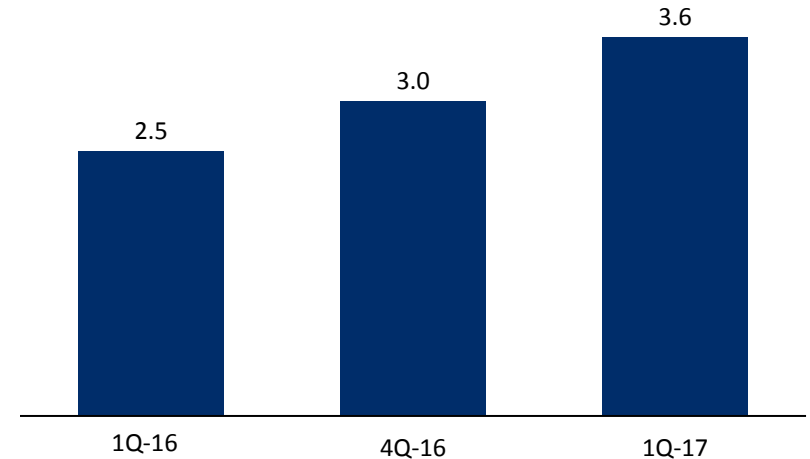
Note: Financial sector includes Corficolombiana

# Corficolombiana Funding (Separate)

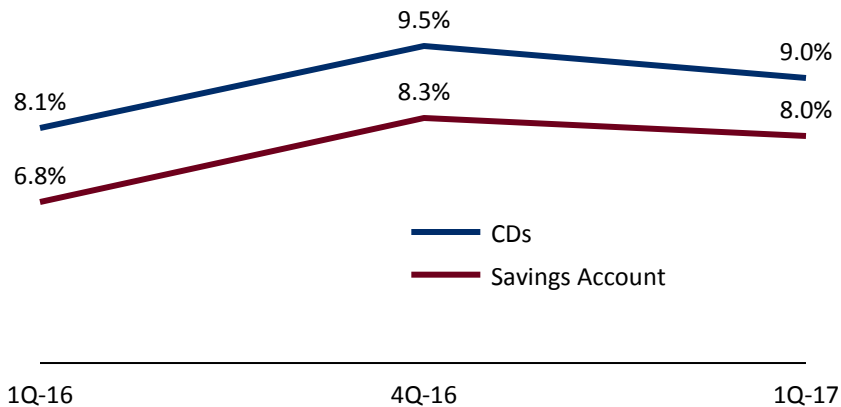
## Separate Funding Structure COP Billion



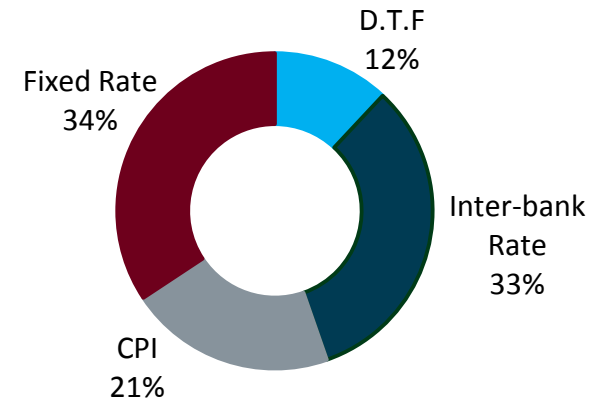
## CDs Average Tenor Years



## Average Cost



## CDs per Type of Rate– Mar 2017



1. Relevant Facts

2. Financial Results

**3. Portfolio Management**

# Main Investments

## Infrastructure



## Energy



## Agroindustry



## Hospitality

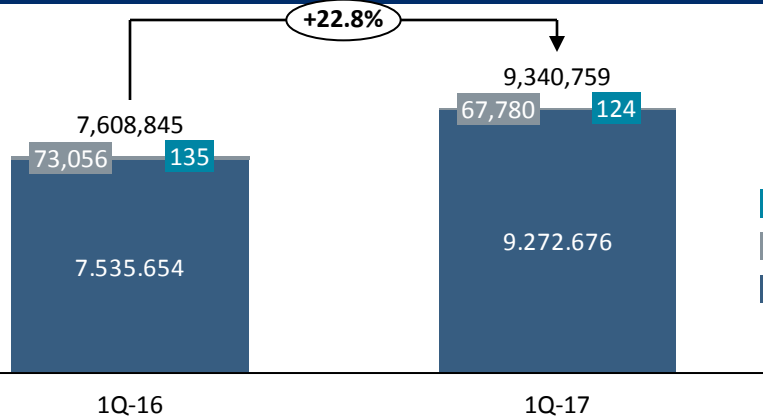


## Financial

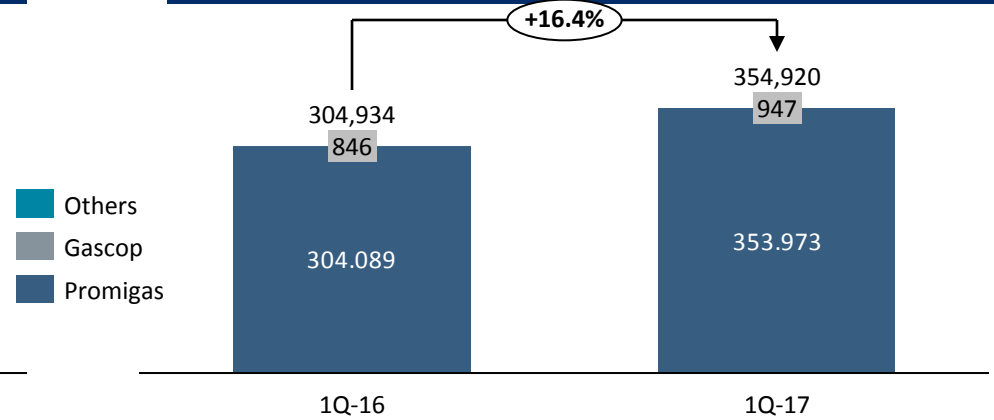


# Energy and Gas

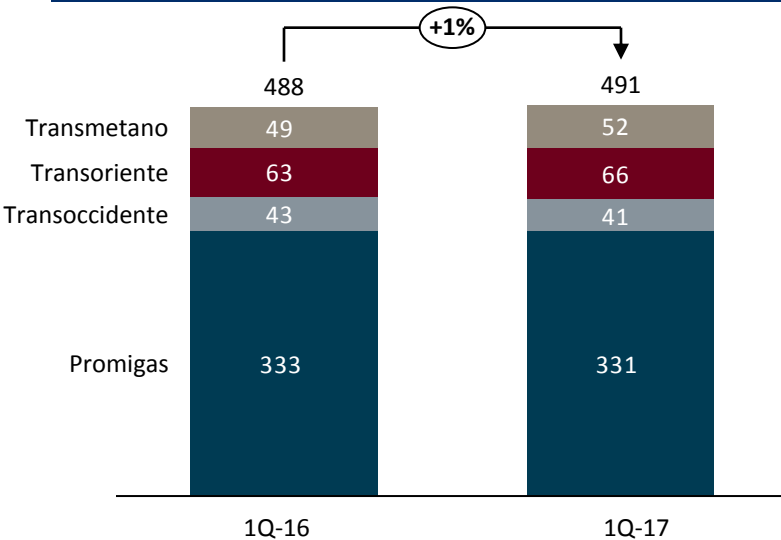
## Consolidated Asset COP Billion



## Consolidated EBITDA COP Billion



## Transportation Business – Volume Transported MCF/D



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

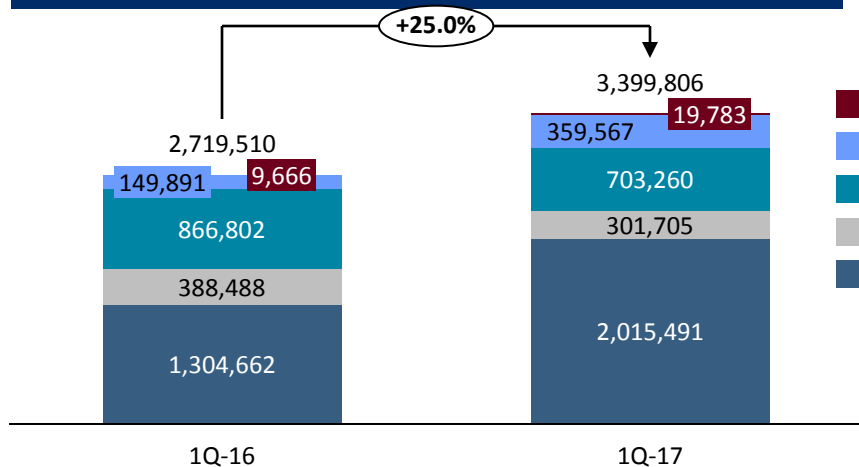
1Q 2017	GdO	Surtigas	GdC	Cálidda	Total
Residential	103	45	175	26	349
Industrial	87	158	122	1,140	1,507
<b>Total Volume</b> (Billion m3)	<b>190</b>	<b>202</b>	<b>298</b>	<b>1,166</b>	<b>1,856</b>
<b># Users</b>	<b>1,061,049</b>	<b>688,489</b>	<b>1,529,458</b>	<b>464,785</b>	<b>3,743,781</b>

1Q 2016	GdO	Surtigas	GdC	Cálidda	Total
Residential	106	45	164	21	336
Industrial	225	174	83	1,270	1,752
<b>Total Volume</b> (Billion m3)	<b>331</b>	<b>220</b>	<b>246</b>	<b>1,291</b>	<b>2,088</b>
<b># Users</b>	<b>1,018,689</b>	<b>664,801</b>	<b>1,460,278</b>	<b>369,542</b>	<b>3,513,310</b>

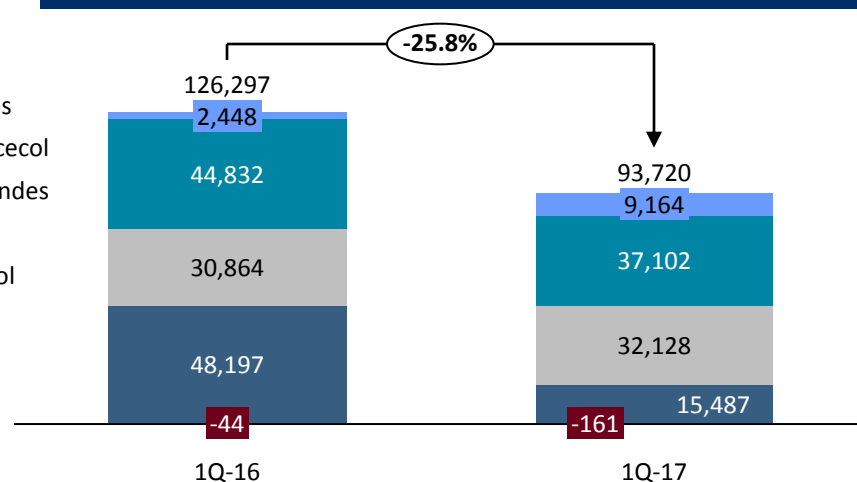
The reduction in the volume of Cálidda is due to lower demand from the thermal plants, as a result of greater contribution from hydro plants to the system.

# Infrastructure





## Consolidated Asset COP MM



## Consolidated EBITDA COP MM







## 1G and 3G Road Concessions– As of Mar 2017

Concession	Interest	Section	Km	Estimated Termination Date	Progress in Construction Work	ADT 1Q2016	ADT 1Q2017
 COVIANDES CONCESIONARIA VIAL DE LOS ANDES S.A.	59,70%	Bogota - Villavicencio	86	2019	90%	32,734	31,361
 CCFC S.A.	50,50%	Bogota-Facatativa-Los Alpes	42.9	2024	79.1%	24,359	24,904
 Pisa	88,25%	Buga-Tuluá-La Paila-La Victoria	80	2033	N/A	32,550	32,410
 CONCESIONARIA PANAMERICANA	100,0%	Los Alpes Villeta & Chuguacal - Cambao	111	2035	90.2%	5,181	5,009

ADT: Average Daily Traffic

# 4G Concessions

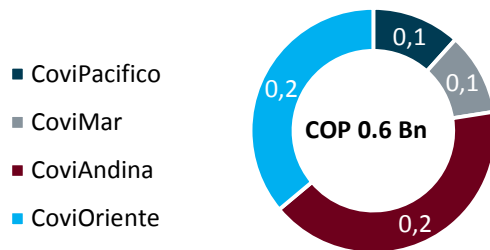
Concession	Section	Progress				
		Licenses/Consultations	Final Designs	% Properties Availability	Financial Closing	Commencement of Construction Work <sup>1)</sup>
 Concesionaria Vial del Pacifico	Ancon Sur – Bolombolo	✓	✓	79%	✓	✓
 Concesionaria Nueva Via al Mar	Mulalo - Loboguerrero	Conclusion of the two consultations. Start of License Processing (~3Q2017). License Procurement (~2Q2018). Lifting of Regional Ban: Obtained. Subtraction of Protected Area and Lifting of National Ban: In progress.	Pending Non-Objection from auditors (~3Q2017)	42%	In due diligence to go to road show	~2Q2018
 Concesionaria Vial Andina	Chirajara – Villavicencio*	✓	UF1, 2, 4, 5 & 6: Final designs – UF2: pending non-objection from the auditor– UF3: Everything was delivered except for bridge 4	81%	In process	✓
 Concesionaria Vial del Oriente	Villavicencio - Yopal	Environmental license UF1 issued with motion for reconsideration, we expect it to be firm in 2Q2017 CAR and MADS permits 55%	Final designs completed and delivered to auditors in 2016. Non-objection 35%	30%	Bridge Loan: USD\$100MM Senior Loan: In process ~3Q2017	~1H2017

\* Section under concession for construction, Additionally, it has the OAM of the corridor Bogotá-Villavicencio

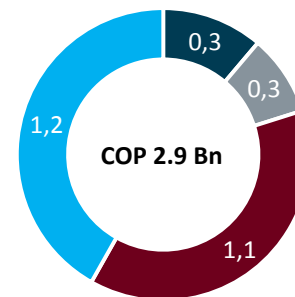
~ Refers to estimated dates

1) Covipacifico: Commencement of Consortium, There is no initiation minutes of the Construction Stage

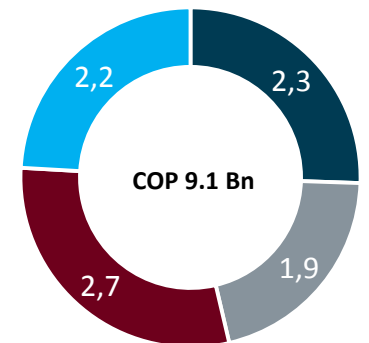
**Equity Contribution CFC as of March**



**Total Equity Contribution CFC**



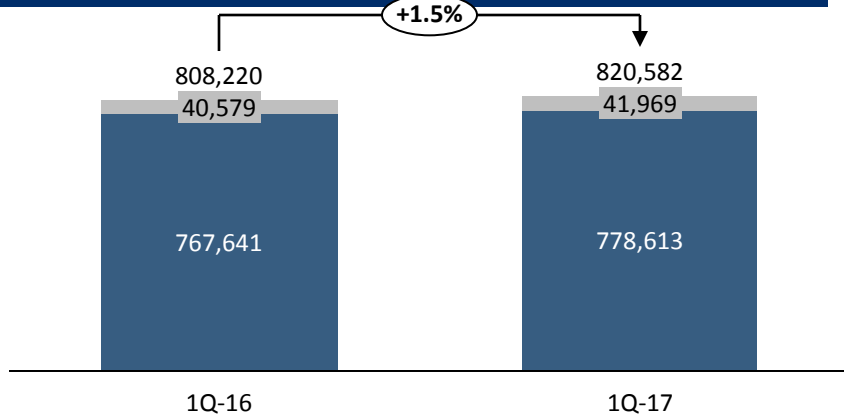
**Total CAPEX**



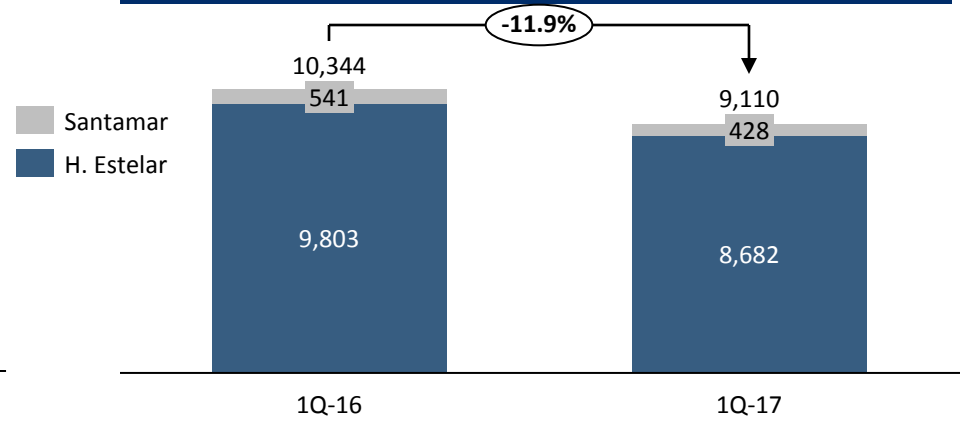
Note: Estimated figures subject to change,

# Hospitality

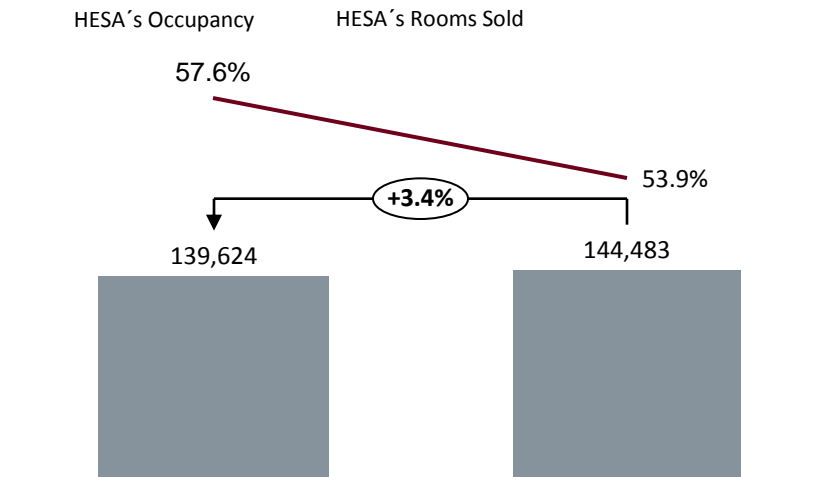
## Consolidated Asset COP MM



## EBITDA COP MM

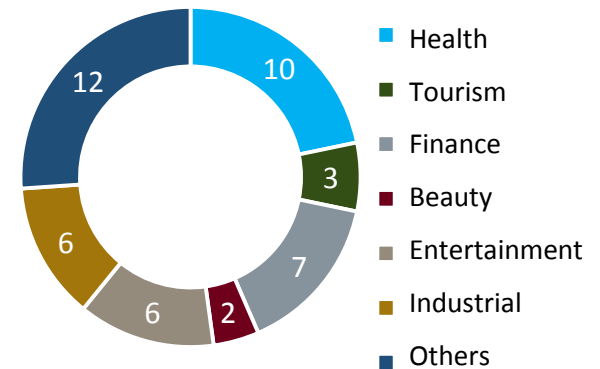


## Historical Occupancy



## Hotel Estelar Cartagena de indias

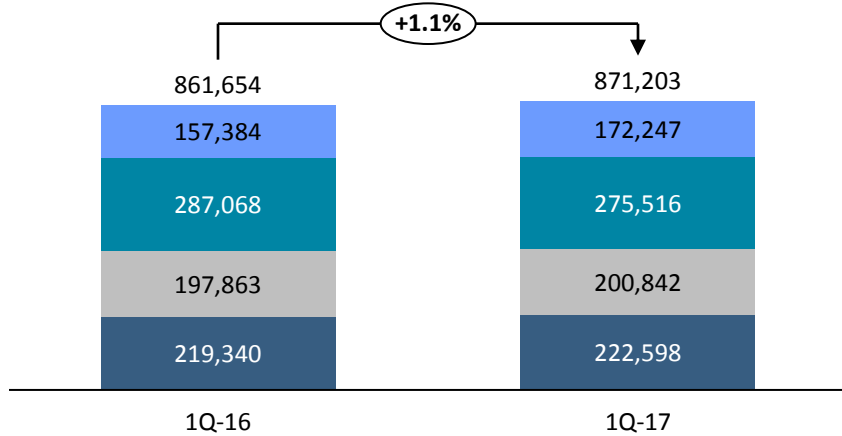
During 2017, 62 events have been held (mainly in the health and pharmaceutical sector), serving over 6,000 participants



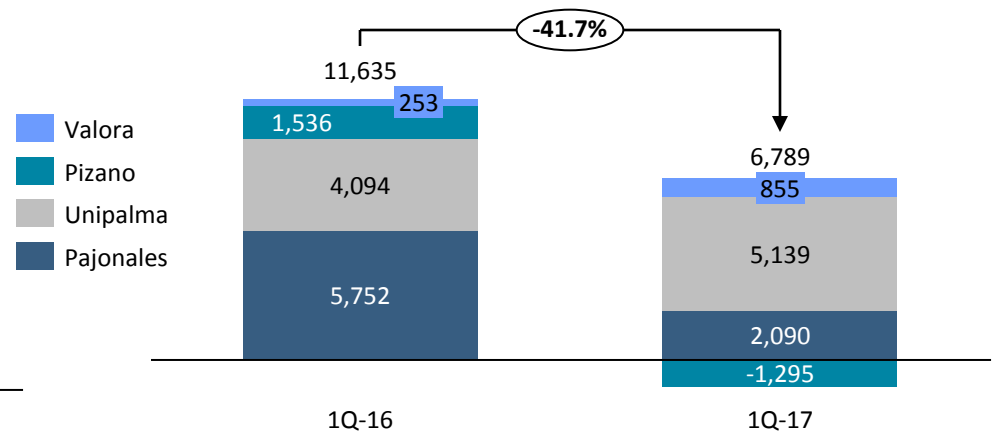
Source: Colombia Occupation: Monthly Sample of Hotels - DANE

# Agroindustry

## Consolidated Asset COP Billion

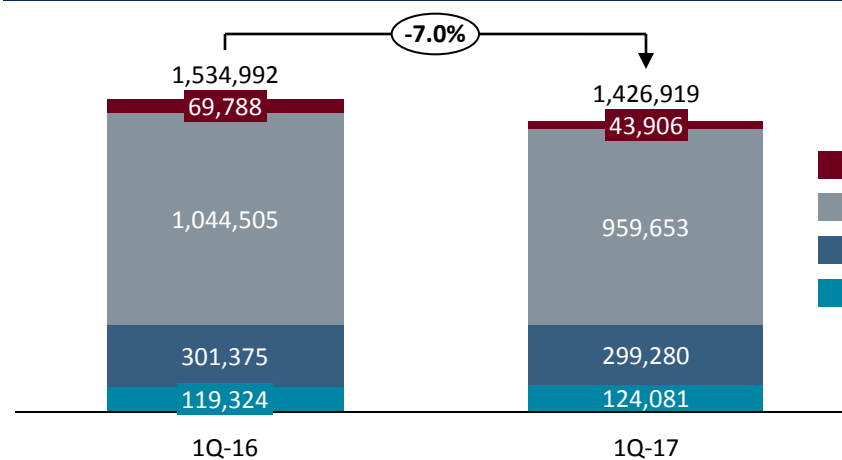


## Consolidated EBITDA COP Billion

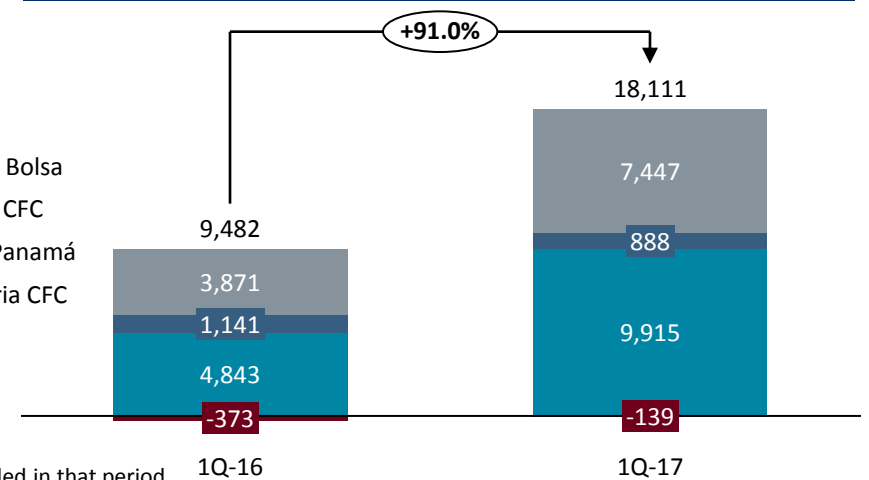


# Financial

## Portfolio Value COP Billion



## Operating Profit COP Billion



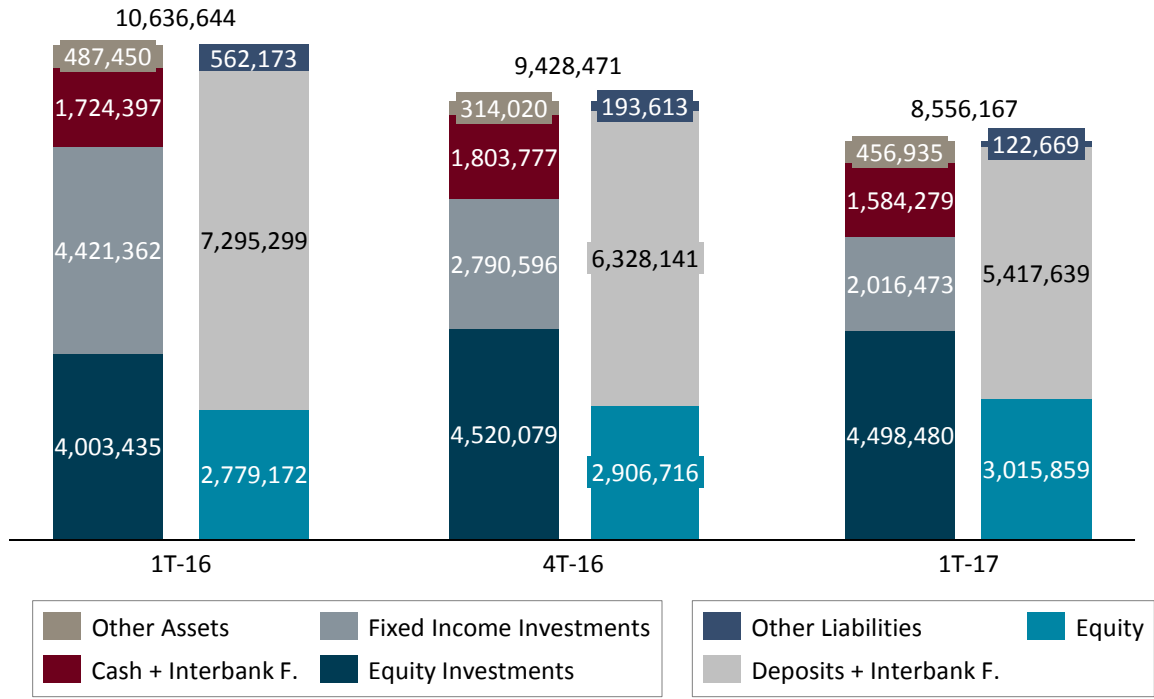
Note: For comparison purposes, Casa de Bolsa which was not consolidated in 1Q-16 is included in that period.

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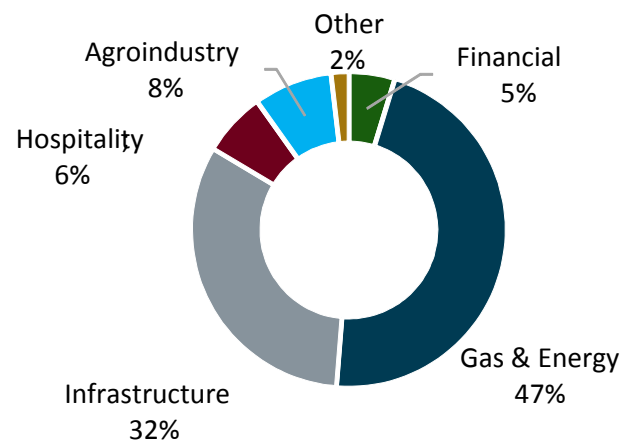
# ANNEXES

# Separate Balance Sheet

Figures in COP\$ MM



## Equity Investments – Mar 17



# Separate Income Statement

Separate Income Statement (COP MM)	1Q16	4Q16	1Q17	Δ 1Q17 / 1Q16
Treasury financial margin	17,479	-7,891	-4,812	-128%
Net Fees	2,892	2,374	1,045	-64%
Investments	139,812	7,828	123,922	-11%
Equity Method	133,867	51,772	123,965	-7%
Other Income	35,343	-50	43,552	23%
Expenses - Funding	29,399	43,894	43,595	48%
Personal + Admin, Expenses	17,880	19,407	18,335	3%
<b>Operating Profit</b>	<b>142,302</b>	<b>-17,096</b>	<b>101,820</b>	<b>-28%</b>
Net Provisions	40	6,341	3,332	8194%
Other Income/Expenses	-2,577	-1,922	-7,794	-202%
<b>Profit before taxes</b>	<b>139,685</b>	<b>-25,359</b>	<b>90,694</b>	<b>-35%</b>
Income Tax	6,981	2,956	6,750	-3%
<b>Net Income</b>	<b>132,704</b>	<b>-28,315</b>	<b>83,944</b>	<b>-37%</b>

# Consolidated Income Statement – Sectors Format

Consolidated Income Statement (COP MM)	1Q16	4Q16	1Q17	$\Delta$ 1Q17 / 1Q16
Financial MarginCFC Separate	24,282	-9,019	-5,052	-121%
Net Fees CFC Separate	4,041	2,321	2,231	-45%
<b>Total income Inv, Variable Income</b>	<b>139,726</b>	<b>31,473</b>	<b>118,782</b>	<b>-15%</b>
<i>Energy and Gas</i>	78,308	77,043	81,521	4%
<i>Infrastructure</i>	52,891	-56,933	30,810	-42%
<i>Financial</i>	3,292	4,115	5,314	61%
<i>Hospitality</i>	2,506	6,778	1,809	-28%
<i>Agroindustry</i>	2,164	196	-1,579	-173%
<i>Other</i>	565	275	908	61%
Dividends	17,491	3	42,366	142%
Equity Method CFC Separate	4,828	4,798	4,144	-14%
Profit on valuation and sale of investments	1	0	0	-100%
Interest Expense for Investments Funding	-29,399	-43,894	-43,595	48%
Administrative Expenses	-17,880	-19,407	-18,335	3%
Provisions	24	-6,908	493	1952%
Other Income / Expenses	-3,842	-17,338	-11,272	-393%
<b>Profit Before Taxes</b>	<b>139,273</b>	<b>-57,971</b>	<b>89,762</b>	<b>-36%</b>
Income Tax	-13,515	-2,956	-6,750	-50%
<b>Net Income</b>	<b>125,758</b>	<b>-60,926</b>	<b>83,012</b>	<b>-34%</b>

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**THANK YOU**