

## **Presentation of Results 2Q-17**

September 2017

# Legal Disclaimer

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*The information provided in this document contains relevant information about the results obtained by Corficolombiana S.A. (“Corficolombiana”) in the second quarter of 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 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.*

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

## **1. Relevant Facts**

2. Financial Results

3. Portfolio Management

# Relevant Facts

## Consolidated Figures – 2Q17

Assets:	\$20,029,293 MM
Total Equity:	\$5,181,234 MM
Net Profit:	\$44,274 MM
ROE:	8.37%
Solvency:	30.1%

## Separate Figures – 2Q17

Assets:	\$8,576,364 MM
Total Equity:	\$3,141,632 MM
Net Profit:	\$52,269 MM
ROE:	9.0%
Solvency:	46%

## Investment Grade Rating

**Fitch**  
Ratings

AAA Local  
BBB Internacional

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

AAA Local

Consolidated Figures: Equity without excluding a minority interest. Controlling Net Income. ROE net profit attributable to Corficolombiana on the average controlled equity. All figures in this presentation are in Colombian Pesos

## Relevant Facts

- On May 5<sup>th</sup>, payment of the dividends corresponding to one dividend per share of \$396.08 was completed. A total of \$57,327 million were paid in shares and COP 34,438 in cash. The total dividends paid corresponds to 155% of the profits of 2S-16.
- On June 30, Fitch Ratings affirmed the local rating of Corficolombiana AAA with a Stable Perspective and the international rating BBB, reviewing the perspective from Negative to Stable.
- The average tenor of Corficolombiana CDs continues to increase, going from 2.58 years in 2Q-16 to 3.65 years in 2Q-17.
- The consolidated EBITDA of 2Q-17 reached COP 538,553 million (-5.6% a/a).

## Subsidiaries

- The first regasification in the SPEC plant took place on May 11, injecting 60 MCF/D to the National Transportation System of the Atlantic Coast, marking a milestone by initiating consumption of imported gas in the country.
- The average daily traffic in the road concessions that are in operation grew by 2.5% a/a during first semester 2017.
- Between January and June 2017, equity contributions to the four 4G concession projects totaled COP 187 billion.
- The construction of Hotel Square in Medellin, where Hoteles Estelar will be the operator, continues to move forward and it is expected to start operations in the first quarter of 2018.

# Update Concesionaria Ruta del Sol

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- As of June, the payment of more than 70% to employees and over 65% of the balance to suppliers was reached.
- In the last session of the Arbitration Tribunal held on August 3, the ANI disregarded the liquidation formula included in the termination and liquidation agreement subscribed with that entity on February 22.
- On August 23, a measure of preventive detention was placed against the former president of Corficolombiana Jose Elias Melo, who did not accept the charges alleged. On this particular, we reiterate that the investigations made in relation with this issue established that neither Corficolombiana nor its subordinates participated in the corrupt practices associated with the Ruta del Sol II concession contract. Grupo Aval's corporate policies, applicable to Corficolombiana and its subsidiaries strictly demand compliance with legal provisions.

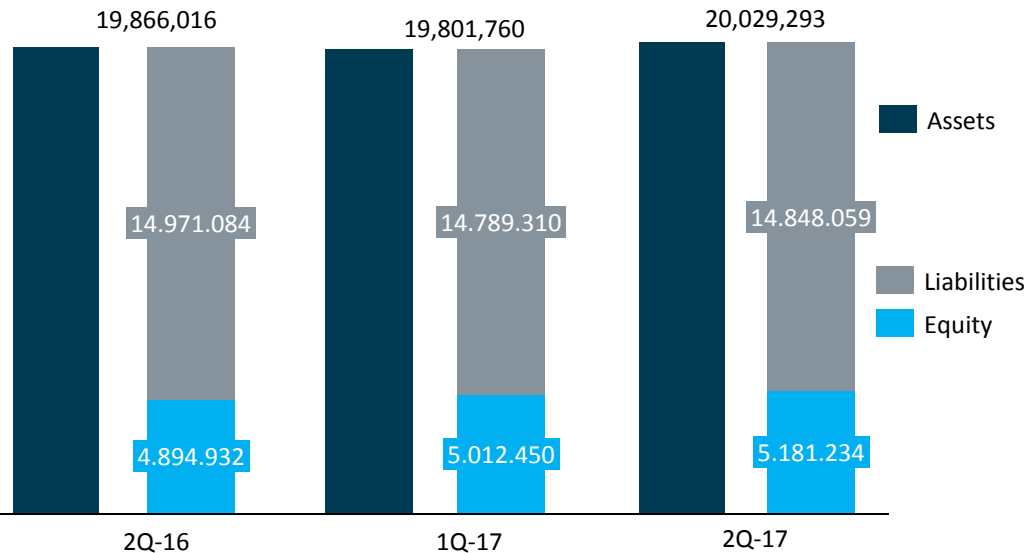
1. Relevant Facts

**2. Financial Results**

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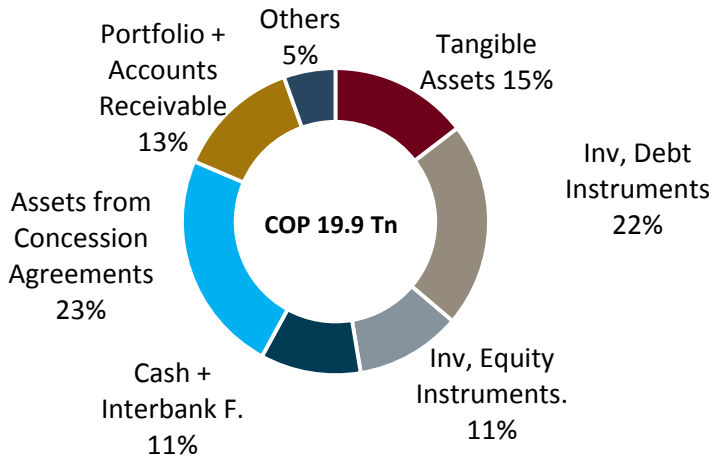
# Consolidated Balance Sheet

Figures in COP\$ MM

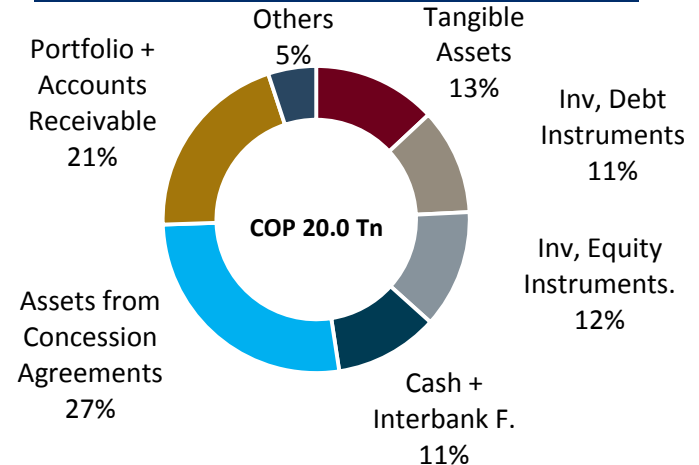


- Compared with 2Q-16, the assets reflect the reduction of around COP 2 trillion in the fixed income portfolio of Corficolombiana.
- Such reduction was partially compensated by an increase in the loan portfolio as a result of the entry into operation of SPEC, since a financial leasing was recorded.
- In addition, a greater value of the assets from concession agreement of the order of COP 700 billion was recorded.
- On the other hand, the growth of investments in equity (COP 300 billion) is related to the Equity Method and valorization of companies.

## Assets 2Q-16

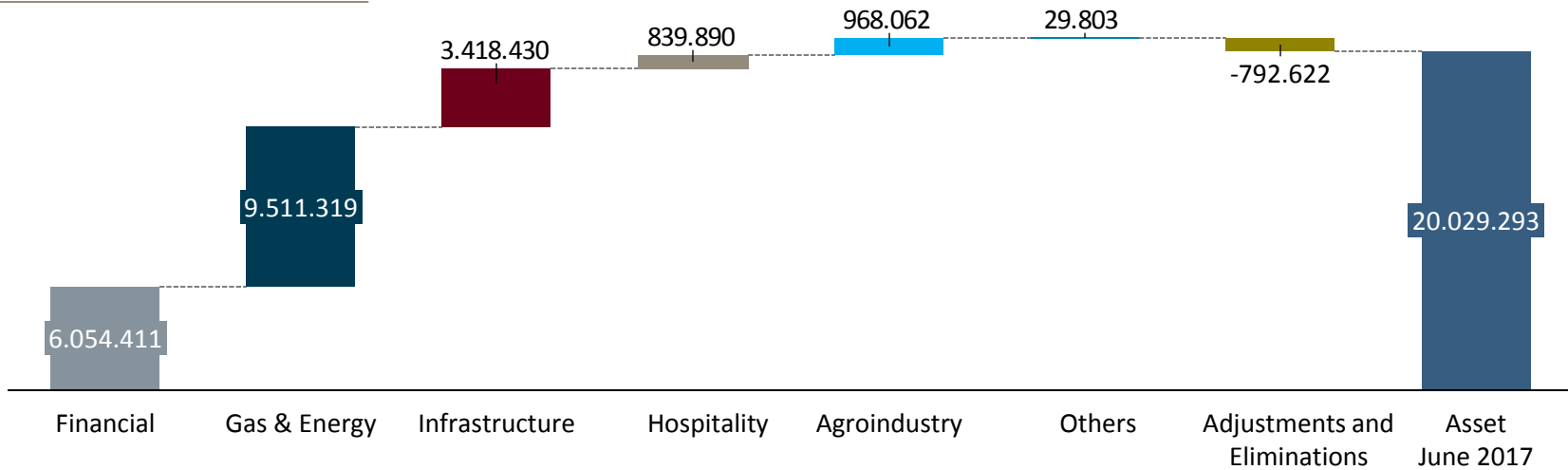


## Assets 2Q-17

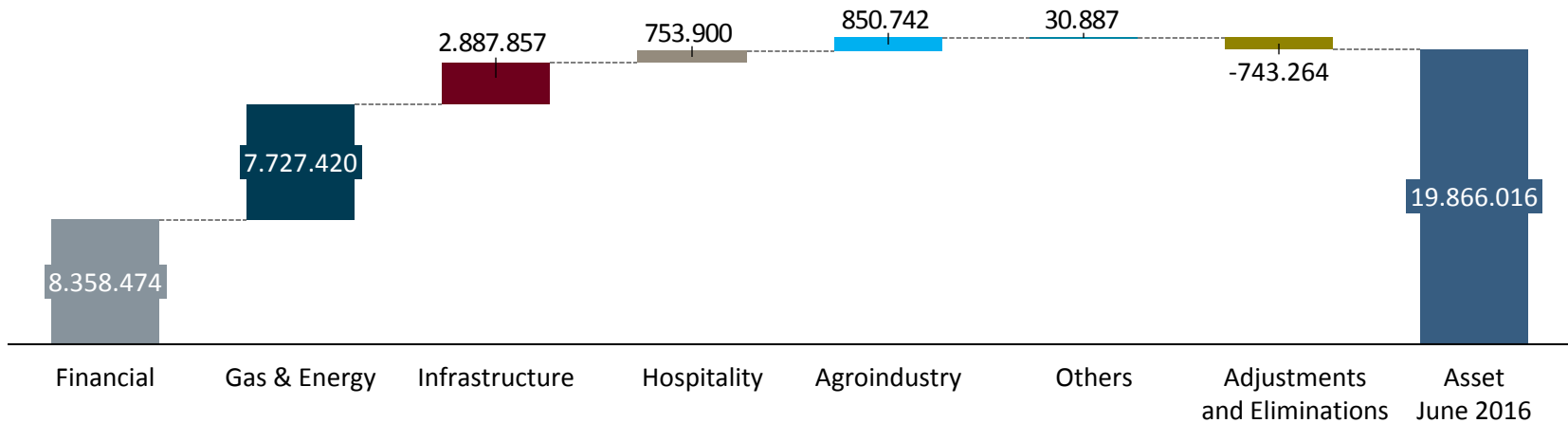


# Consolidated Asset per Sector

**June 2017**  
COP MM



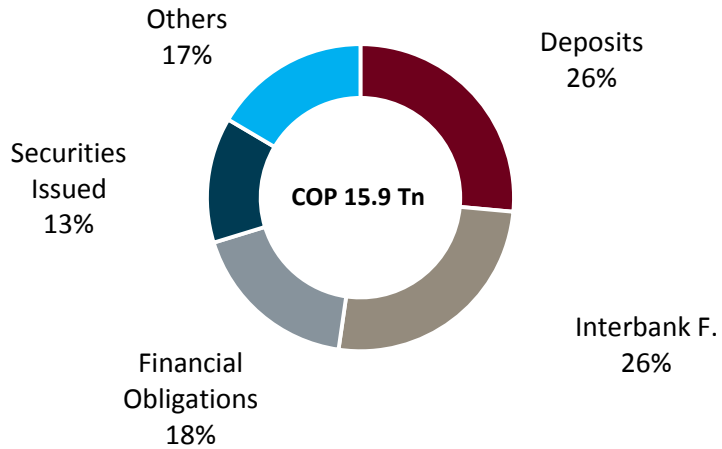
**June 2016**  
COP MM



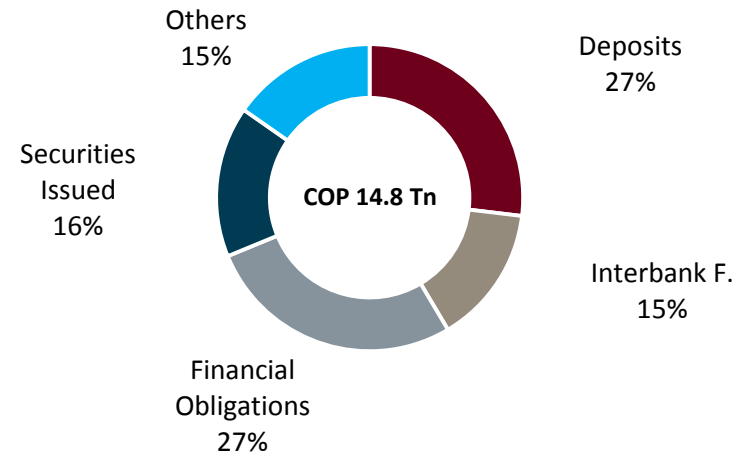
Note: Financial includes Corficolombiana

# Liability and Consolidated Equity

## Liabilities 2Q-16

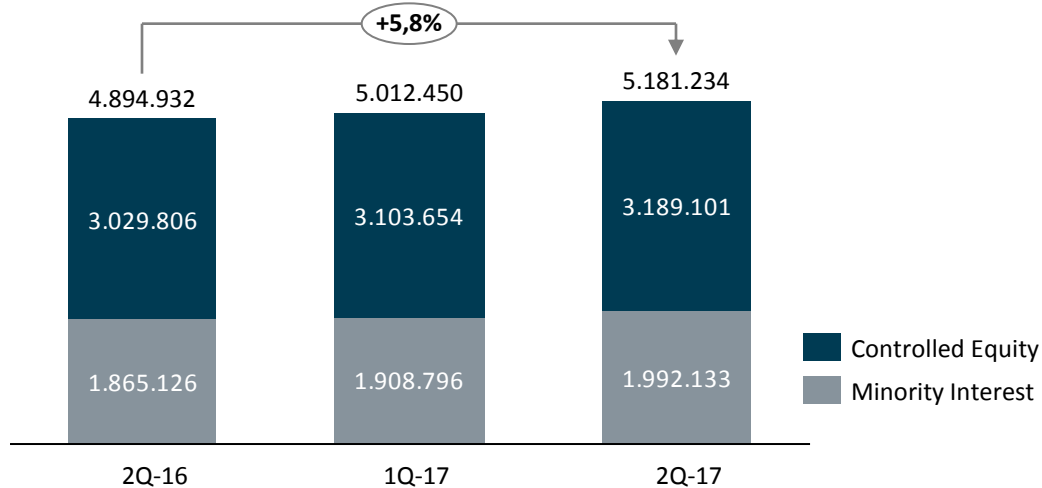


## Liabilities 2Q-17



## Equity Composition

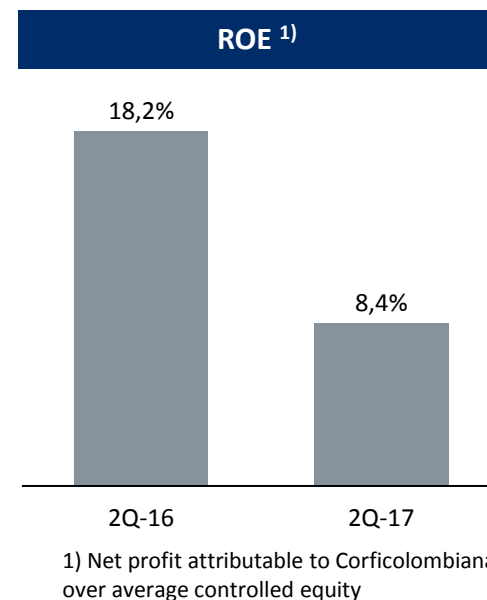
COP MM



- The deposits from interbank funds correspond mainly to Corficolombiana.
- The financial obligations, related to the operation of our subsidiaries mainly reflect a greater indebtedness of Promigas.

# Consolidated Income Statement

COP Billion	2Q-16 Update	1Q-17	2Q-17	1S-16	1S-17	2Q-17/ 2Q-16	1S-17/ 1S-16
Operating Revenue Real Sector	1,663,177	1,414,267	1,469,970	3,193,252	2,884,236	-11.6%	-9.7%
Cost of Sales and Provision of Services	1,023,649	825,323	848,406	2,000,748	1,673,729	-17.1%	-16.3%
<b>Gross Margin of Real Sector</b>	<b>639,528</b>	<b>588,944</b>	<b>621,563</b>	<b>1,192,504</b>	<b>1,210,507</b>	<b>-2.8%</b>	<b>1.5%</b>
<b>Equity Method and Dividends</b>	<b>79,987</b>	<b>82,013</b>	<b>47,292</b>	<b>161,844</b>	<b>129,305</b>	<b>-40.9%</b>	<b>-20.1%</b>
<b>Margin of Financial Activities</b>	<b>-86,058</b>	<b>-78,334</b>	<b>-100,477</b>	<b>-134,608</b>	<b>-178,812</b>	<b>16.8%</b>	<b>32.8%</b>
Net interest margin	-200,072	-145,915	-179,913	-374,114	-325,828	-10.1%	-12.9%
Other financial revenues, net	114,015	67,580	79,436	239,506	147,016	-30.3%	-38.6%
Administrative Expenses	347,543	316,793	338,420	619,984	655,213	-2.6%	5.7%
Other revenues / Expenses	35,938	9,806	8,820	47,065	18,626	-75.5%	-60.4%
<b>EBITDA</b>	<b>570,361</b>	<b>514,630</b>	<b>538,553</b>	<b>1,073,636</b>	<b>1,053,183</b>	<b>-5.6%</b>	<b>-1.9%</b>
<b>Net Profit before taxes</b>	<b>321,852</b>	<b>285,635</b>	<b>238,779</b>	<b>646,821</b>	<b>524,413</b>	<b>-25.8%</b>	<b>-18.9%</b>
Income tax	88,413	104,316	103,399	194,624	207,714	16.9%	6.7%
<b>Net Profit</b>	<b>233,439</b>	<b>181,319</b>	<b>135,380</b>	<b>452,197</b>	<b>316,699</b>	<b>-42.0%</b>	<b>-30.0%</b>
<b>Controlling Net income</b>	<b>131,259</b>	<b>83,012</b>	<b>44,274</b>	<b>257,017</b>	<b>127,286</b>	<b>-66.3%</b>	<b>-50.5%</b>



## Comments

- The operating revenue of the real sector drops as a result of a reduction in the revenues of Promigas, since in 2016 a greater volume of gas was commercialized due to El Niño phenomenon, and because in 2017 there are no construction revenues related to Ruta del Sol.
- In 2017, Episol no longer registers the revenue corresponding to the participation that it had until December 2016 in Concesionaria Ruta del Sol, which impacts the Equity Method revenue.
- The margin of financial activities mainly reflects an increase in interest expenses of Promigas.
- The EBITDA drops by 5.6% a/a in 2Q-17 reaching COP538,533 million. This drop is mainly explained by a reduction in the EBITDA of the Infrastructure and Agroindustry sectors.

The EBITDA published in 1Q-17 was COP 479,037, for this report there was a change in methodology in the calculation of the EBITDA that is explained in the report

# Consolidated Income Statement - Summary Format

For comparison purposes, we include the summarized version of the Consolidated Income Statement in the format used for the presentation of results 1Q-17.

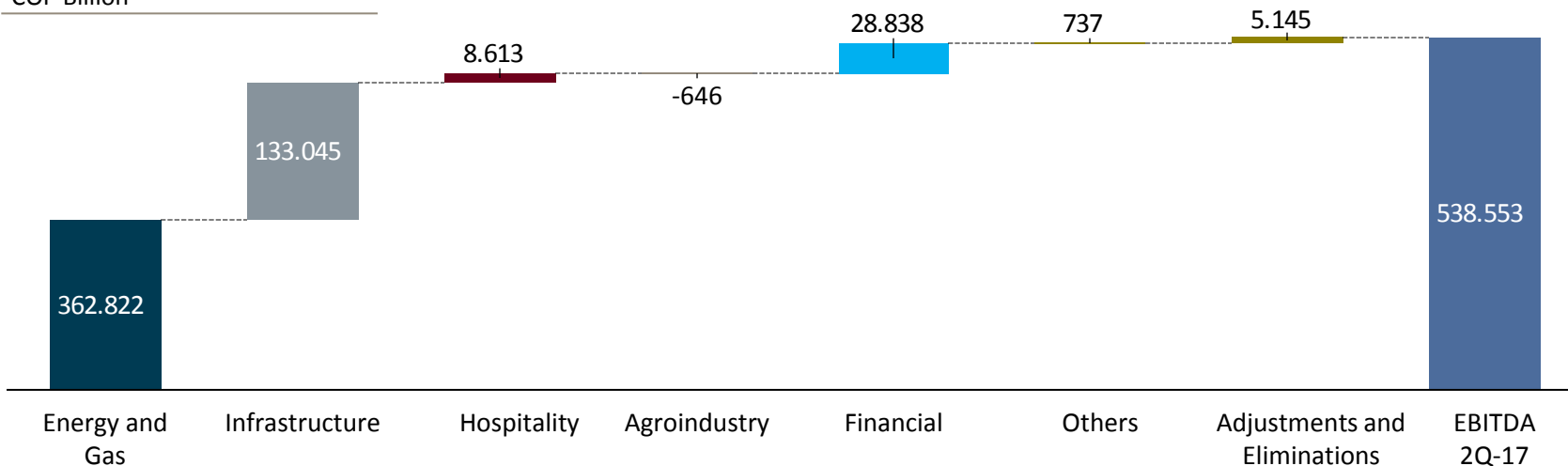
Consolidated Income Statement (COP Billion)	2Q-16	1Q-17	2Q-17	1S-16	1S-17	2Q-17/ 2Q-16	1S-17/ 1S-16
Operating Income	1,623,795	1,415,968	1,412,337	3,165,754	2,828,305	-13%	-11%
Operating Costs and Expenses	1,250,052	1,052,818	1,088,454	2,432,121	2,141,272	-13%	-12%
Operating Margin	373,743	349,118	323,883	722,247	673,001	-13%	-7%
Financial Margin	-65,019	-90,940	-71,974	-200,338	-162,914	11%	-19%
Valuation of Financial Instruments	47,875	21,314	30,561	124,496	51,875	-36%	58%
Income for Dividends and Other Equities	79,987	82,012	47,293	161,844	129,305	-41%	-20%
Depreciations and Amortizations	114,734	89,901	90,985	172,814	180,886	-21%	5%
<b>Profit before Taxes</b>	<b>321,852</b>	<b>285,635</b>	<b>238,779</b>	<b>646,821</b>	<b>524,414</b>	<b>-26%</b>	<b>-19%</b>
<b>Net Profit</b>	<b>233,439</b>	<b>181,319</b>	<b>135,380</b>	<b>452,197</b>	<b>316,699</b>	<b>-42%</b>	<b>-30%</b>
<b>Controlling Net Profit</b>	<b>131,259</b>	<b>83,012</b>	<b>44,274</b>	<b>257,017</b>	<b>127,286</b>	<b>-66%</b>	<b>-50%</b>

The financial margin includes financial revenue from concessions of Promigas and excludes fees income.

# Contribution per Sector to Consolidated EBITDA

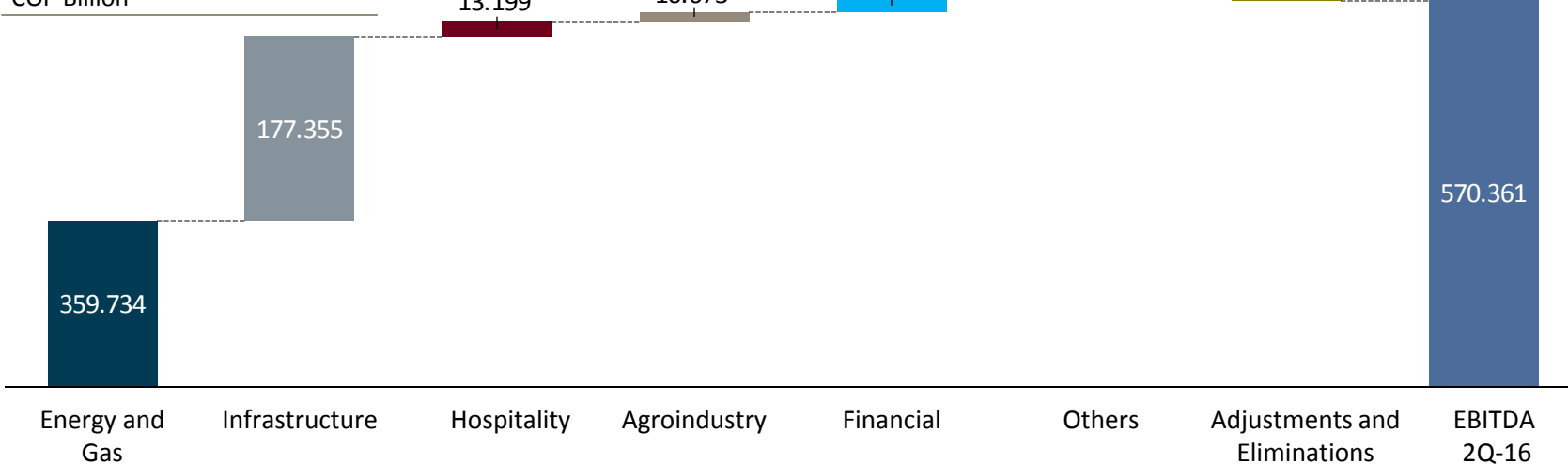
**2Q-17**

COP Billion



**2Q-16**

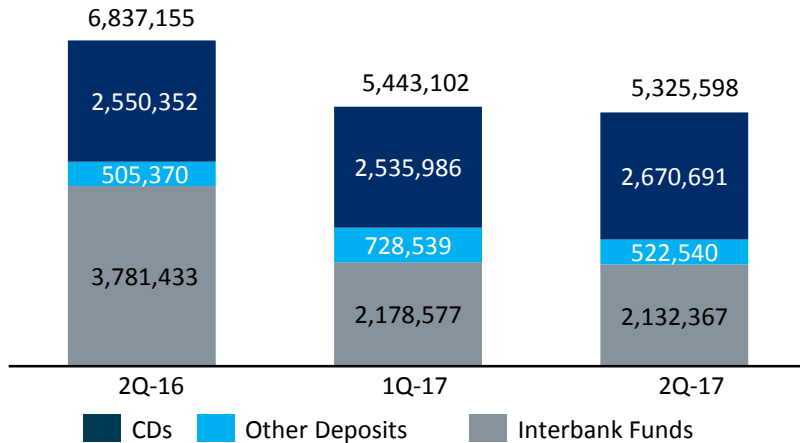
COP Billion



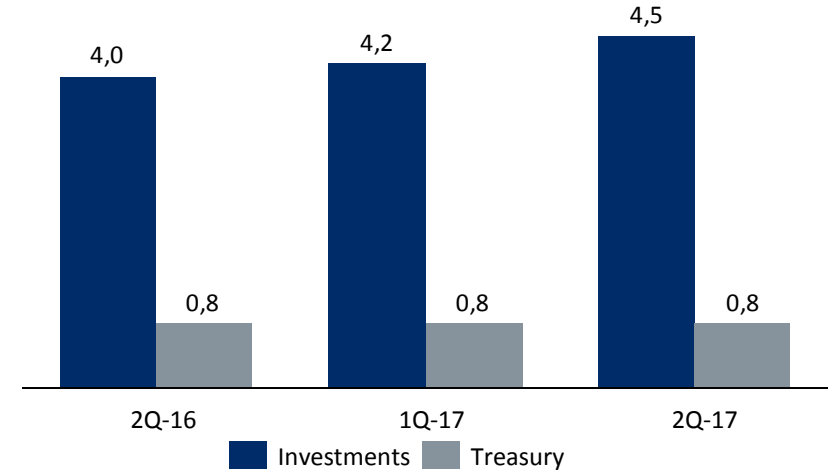
Note: Total EBITDA of the consolidating companies, without adjusting for the equity of Corficolombiana. Financial Sector includes Corficolombiana.

# Corficolombiana Funding (Separate)

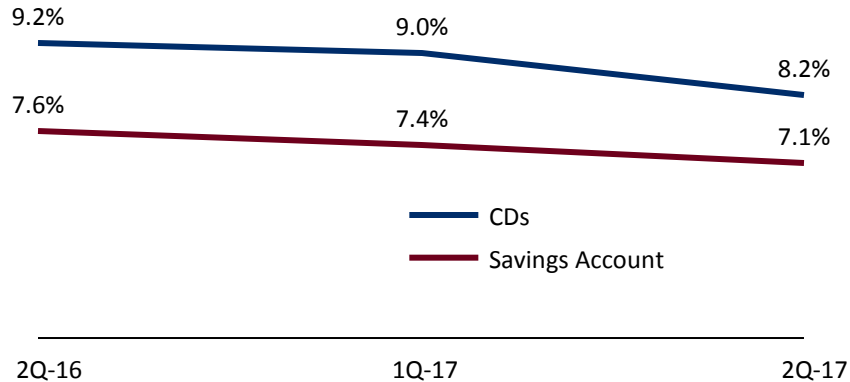
## Separate Funding Structure COP Billion



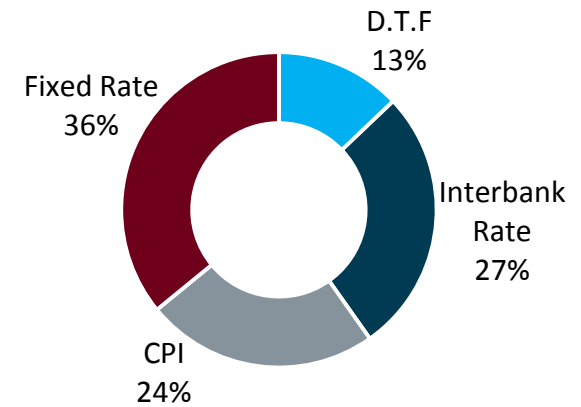
## CDs Average Tenor Years



## Average Cost (Annual Effective Rate)



## CDs per Type of Rate– June 2017



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# Main Investments

## Infrastructure



## Energy



## Agroindustry



## Hospitality

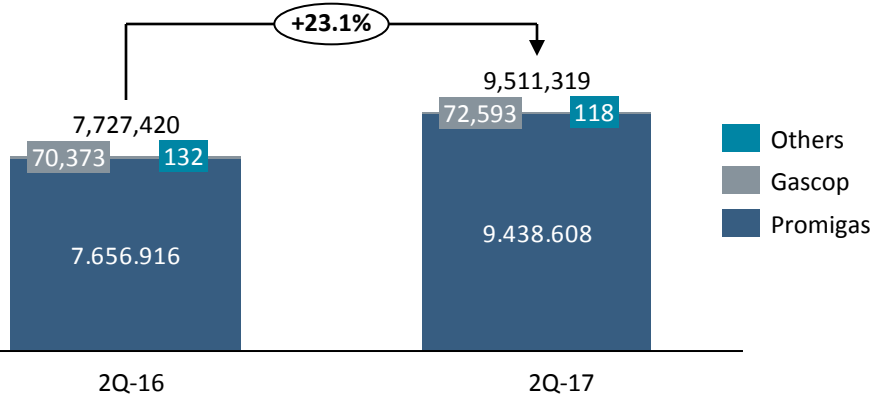


## Financial

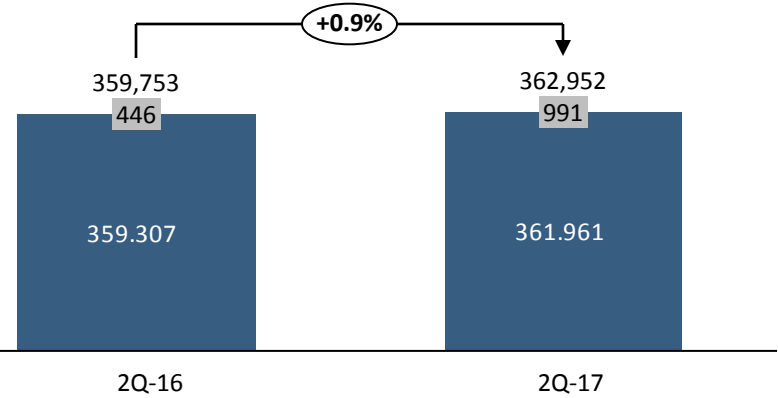


# Energy and Gas

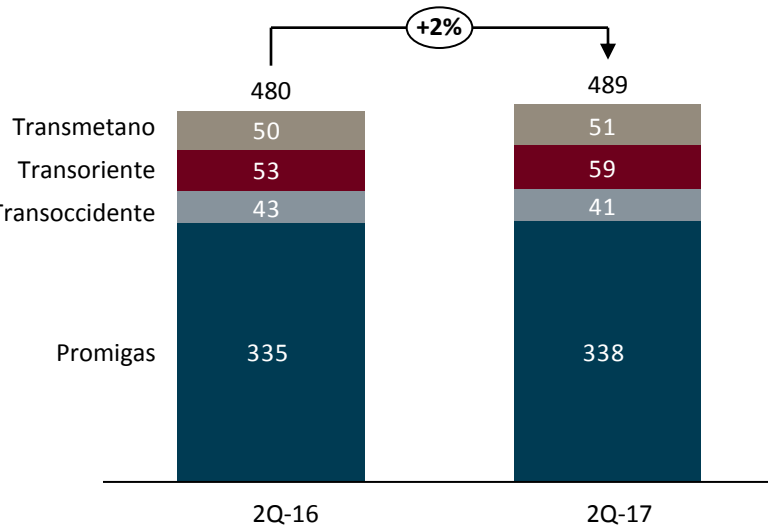
## Consolidated Asset COP Billion



## Consolidated EBITDA COP Billion



## Transportation Business – Volume Transported MCF/D



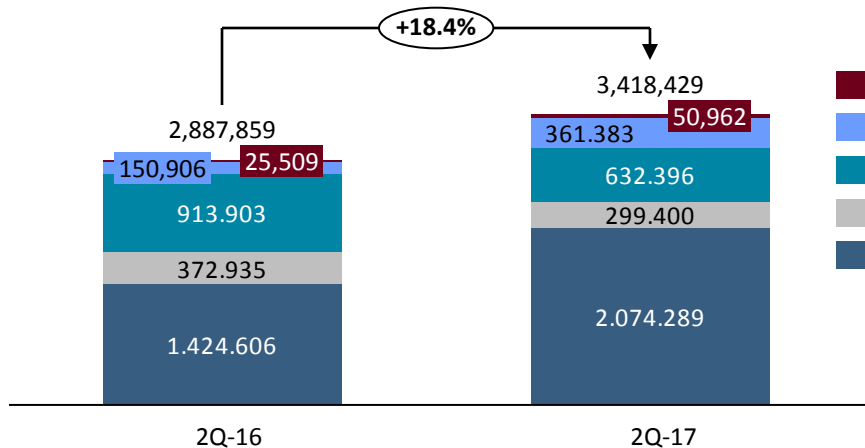
## Distribution Business – Volume Sold and Number of Users Billion m3 and # of users

2Q 2017	GdO	Surtigas	GdC + Subsidiaries	Cálidda	Total
Residential	209	88	470	54	821
Industrial	257	336	254	2,348	3,195
<b>Total Volume (Billion m3)</b>	<b>466</b>	<b>424</b>	<b>724</b>	<b>2,402</b>	<b>4,016</b>
<b># of Users</b>	<b>1,072,683</b>	<b>716,942</b>	<b>1,545,058</b>	<b>501,589</b>	<b>3,836,272</b>

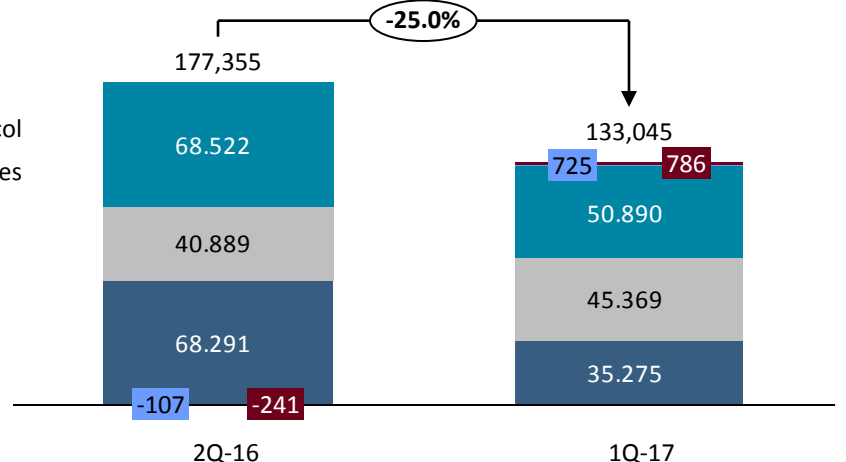
2Q 2016	GdO	Surtigas	GdC + Subsidiaries	Cálidda	Total
Residential	208	89	444	46	787
Industrial	383	312	243	2,735	3,673
<b>Total Volume (Billion m3)</b>	<b>591</b>	<b>401</b>	<b>688</b>	<b>2,781</b>	<b>4,461</b>
<b># of Users</b>	<b>1,027,991</b>	<b>689,330</b>	<b>1,475,963</b>	<b>395,718</b>	<b>3,589,002</b>

# Infrastructure





## Consolidated Asset COP MM







## Consolidated EBITDA COP MM



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

Concession	Interest	Section	Km	Estimated Termination Date	Progress in Construction Work	ADT 2Q-16	ADT 2Q-17
 COVIANDES CONCESIONARIA VIAL DE LOS ANDES S.A.	59.7%	Bogota - Villavicencio	86	2019	94%	27.980	30.029
 CCFC S.A.	50.5%	Bogota-Facatativa-Los Alpes	42.9	2024	90%	24.506	25.532
 Pisa	88.25%	Buga-Tuluá-La Paila-La Victoria	80	2033	N/A	29.503	31.530
 CONCESIONARIA PANAMERICANA	100.00%	Los Alpes Villeta & Chuguacal - Cambao	111	2035	90%	4.713	4.995

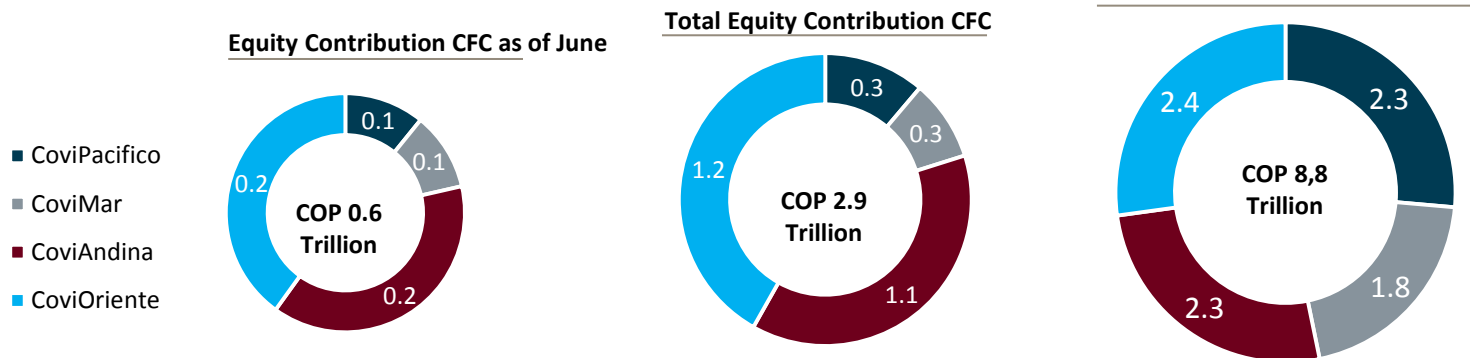
# 4G Concessions

Concession	Section	Progress				
		Licenses/Consultations	Final Designs	% Properties Availability	Financial Closing	Commencement of Construction Work 1)
	Ancon Sur – Bolombolo	✓ Pending modification of the license that does not restrict the project in the medium term	✓ Designs not objected for all the FU. Once Addendum 4 is signed, the adjustments of the designs shall be submitted according to what is proposed therein	83%	✓ Currently there is a request by the concessionaire to allow the signing of Addendum 4 and adjustments derived from the tax reform	✓ Initiation of the Consortium. There are no minutes of initiation of the Construction period of the Concessionaire
	Mulalo – Loboquerrero	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.	✓	48%	In due Diligence to go to road show	~2Q2018
	Chirajara – Villavicencio*	✓	FU 1, 2, 3, 4, 5 and 6: Final designs. FU 2: pending Non-objection of the Inspection. FU 3 all was delivered but bridge 4.	89%	In process	✓
	Villavicencio - Yopal	✓ Environmental license FU1 issued. CAR's and MADS permits granted	Final designs completed and delivered to auditors in 2016. Non-objection 57%	33%	Bridge loan: USD \$100 MM. Senior loan: In process ~3Q2017	~3Q2017

\*Section granted in concession for construction. Additionally it has the AOM of the Bogota-Villavicencio corridor

1) Refers to estimated dates.

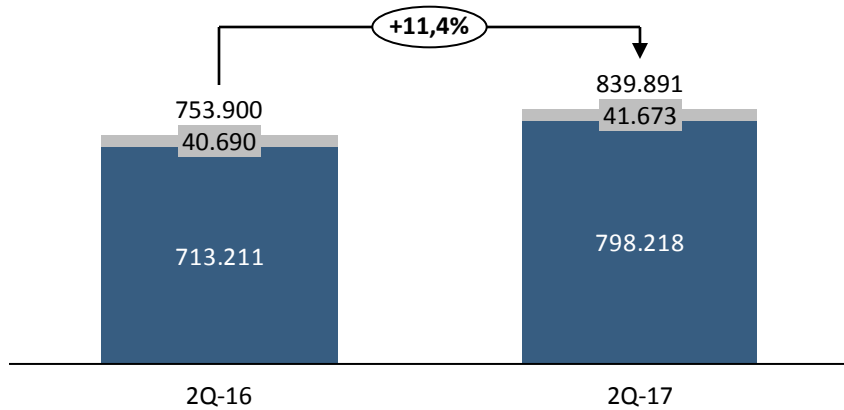
1) Covipacifico: Commencement of Consortium. There is no inflation minutes of the Construction Stage



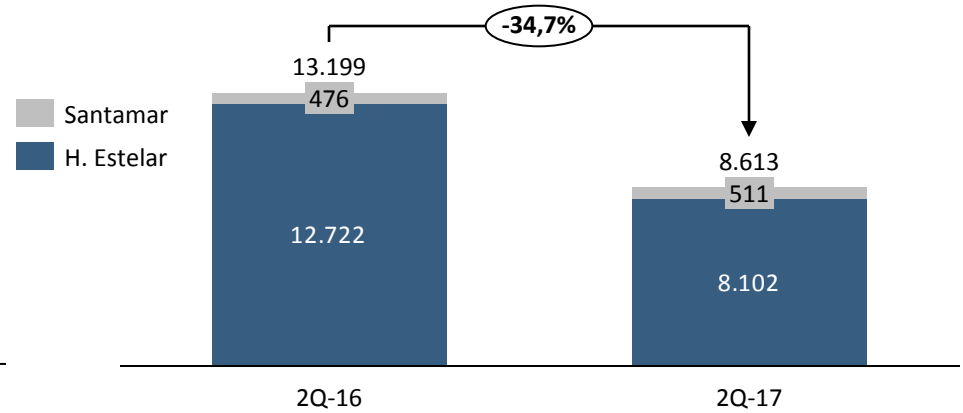
Note: Estimated figures and subject to change

# Hospitality

## Consolidated Asset COP MM

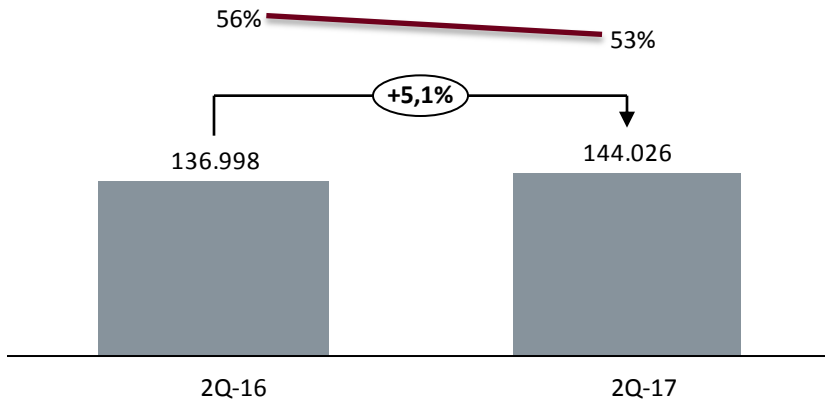


## EBITDA COP MM



## Historical Occupancy

— HESA Occupancy ■ HESA's Rooms Sold



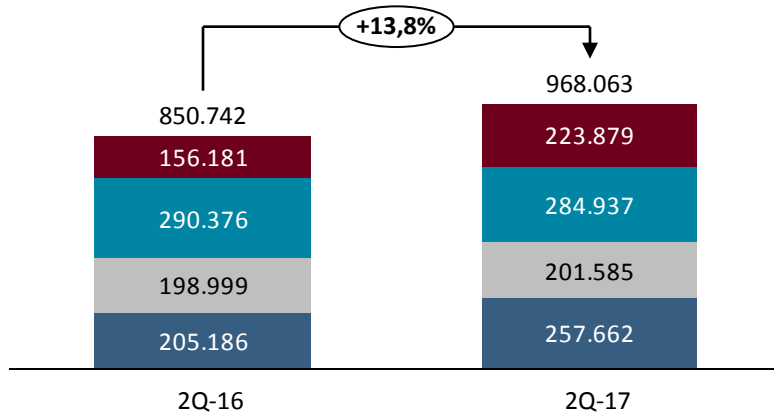
Hotel Square in Medellin, which Hoteles Estelar will operate, expects to begin operation in 1S-2018



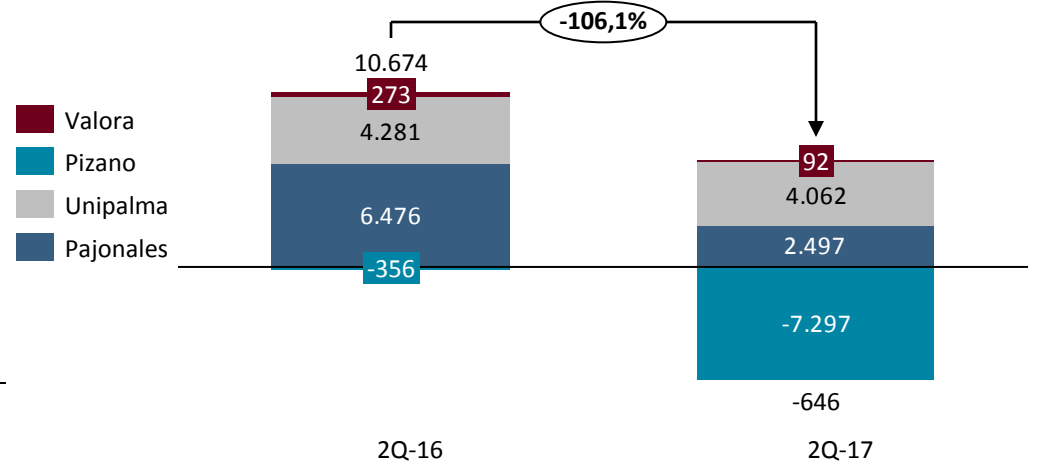
Source: Occupancy Colombia: Monthly Sample of Hotels - DANE

# Agroindustry

## Consolidated Asset COP Billion

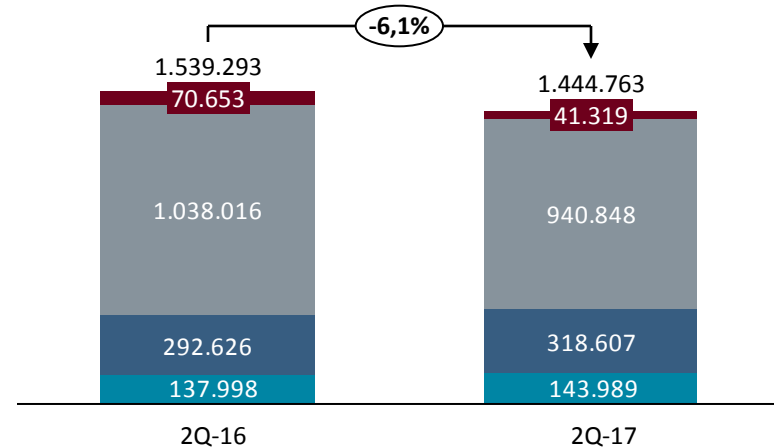


## Consolidated EBITDA COP Billion

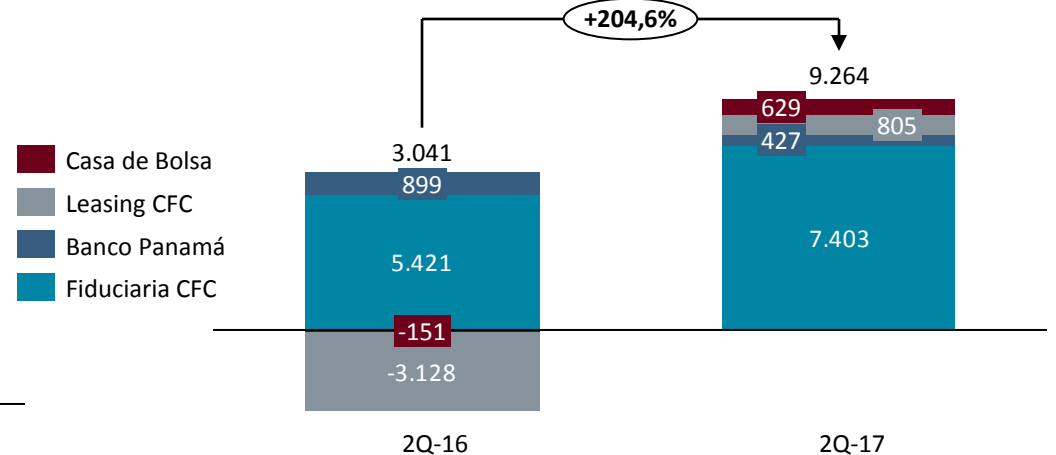


# Financial

## Portfolio Value COP Billion



## Operating Profit COP Billion



Note: For comparison purposes, Casa de Bolsa is included in 1Q-16 which did not consolidate.

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**THANK YOU**