

Presentation of Results 4Q-16

April 2017

Legal Notice

The information provided in this presentation has relevant information about the results obtained by Corficolombiana S.A. (“Corficolombiana”) in the second half of 2016, it is provided by way of summary and it does not intend to be exhaustive nor exhausts all business aspects of Corficolombiana.

The Financial Statements are presented under Accounting Financial Reporting Standards accepted in Colombia (NCIF).

The content of this presentation is not, nor should be understood as an invitation to contract or invest in any of the projects or businesses where Corficolombiana has participated. Likewise, it does not constitute legal or financial advisory, recommendation or suggestion of investment or tool for making a decision or any action by its readers.

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

1. Relevant Facts

2. Macroeconomic Context

3. Financial Results

4. Portfolio Management

5. CRDS Update – Early Termination by Mutual Agreement

Relevant Facts

Consolidated Figures - 2016

Assets:	\$20,559,663 MM
Total Equity:	\$4,948,879 MM
Net Profit:	\$301,796 MM
ROE:	10.3%
Solvency:	36.7%

Separate Figures - 2016

Assets:	\$9,428,471 MM
Total Equity:	\$2,906,716 MM
Net Profit:	\$308,455 MM
ROE:	9.1%
Solvency:	41.2%

Investment Grade Rating

Fitch
Ratings

AAA Local
BBB International

BRC
Standard & Poor's
S&P Global

AAA Local

Relevant Facts

- During 2016, the fixed income portfolio of Corficolombiana recorded a significant decrease, related to divestment of the portfolio available for sale.
- In 2016, the consolidated financial obligations increased 72% mainly related to the financing for SPEC and other projects of Promigas.
- The Solvency index remains above the regulatory limits.
- Net income was mainly affected by the impairment made by the affiliate Episol on its investment in CRDS. In absence of this adjustment, our net consolidated profit would have been \$404,070 million.
- During 2016 the EBITDA attributable to Corficolombiana of the companies where it participates grew by 25.5%, reaching a total of \$735,789 million.
- A greater interest expense from investment funding is the result of capitalizations related to 4G projects and high interest rates.

Note: Total equity without excluding minority interest

ROE is calculated by dividing the net profit attributable to Corficolombiana by average controlled equity

1. Relevant Facts

2. Macroeconomic Context

3. Financial Results

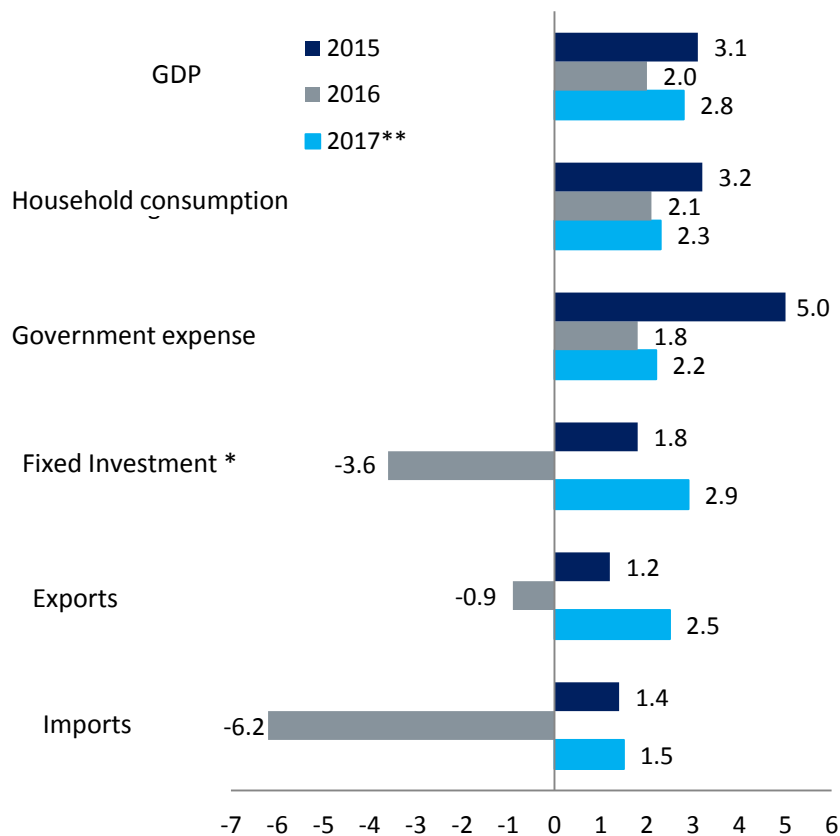
4. Portfolio Management

5. CRDS Update – Early Termination by Mutual Agreement

GDP Growth

GDP Projections (demand components)

Annual real variation (%)

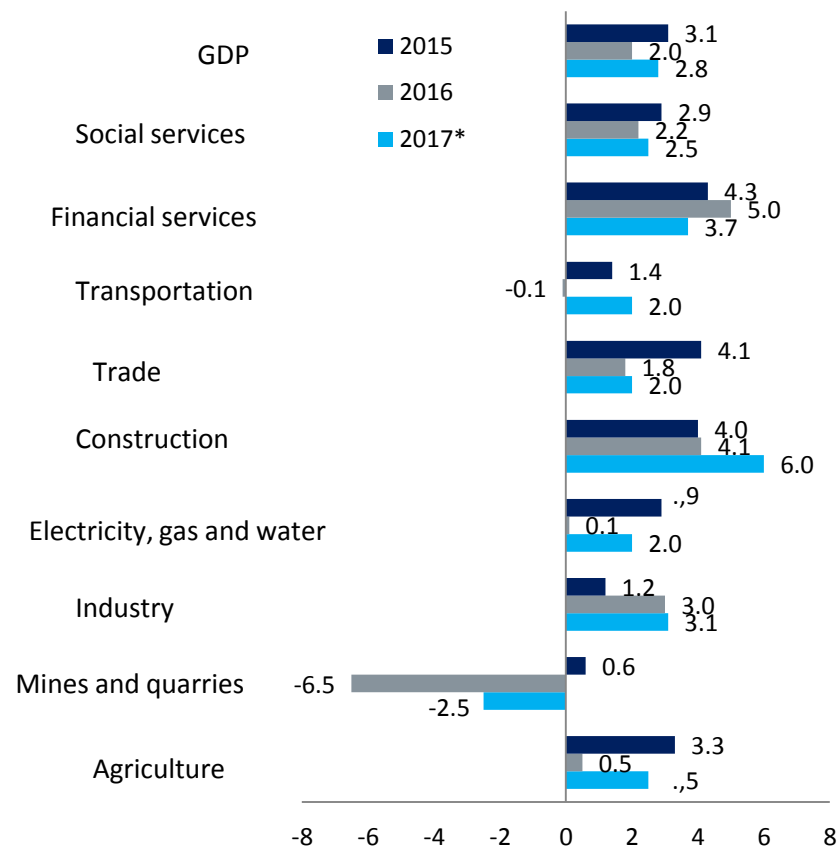


Source: Dane. *Fixed capital gross formation (FBKF).

**Projections Corficolombiana

GDP Projections (sectors)

Annual real variation (%)

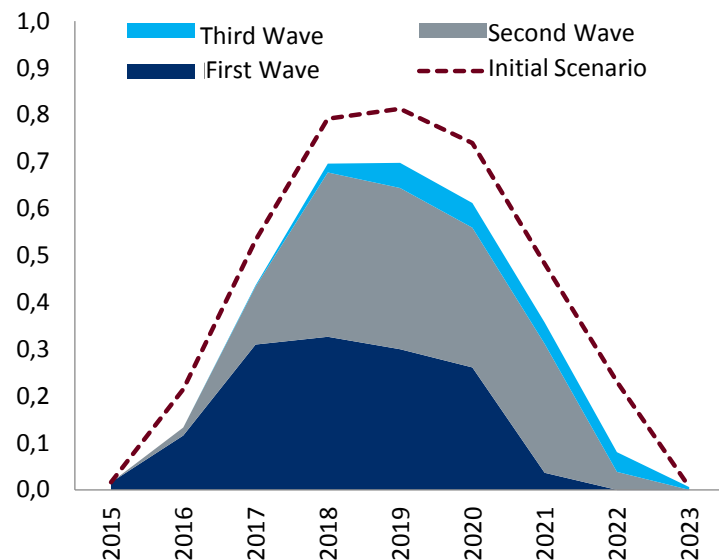


Source: DANE. *Projections Corficolombiana

We expect economic growth to continue at a moderate pace in 2017; however, the GDP growth rate will be higher than in 2016, mainly due to an upturn of fixed-capital investment, led by the construction of civil works.

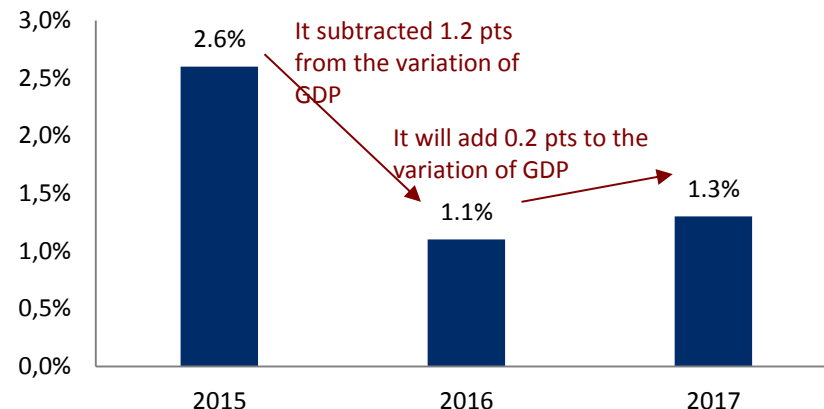
Fixed Investment and Public Expense

Capital investment of 4G works % GDP



Source: ANI, FDN. Calculations: Corficolombiana

Capital investment of oil companies in Colombia % GDP



Source: Oil companies, DANE. Calculations: Corficolombiana

Public expense according to the National General Budget PLUS additional collection from tax reform (trillions of pesos)

	2015*	2016*	2017	Variation 2015/2016	Real Var. 2015/2016	Variation 2016/2017	Real Var. 2016/2017
Total expense budget	207.6	210.6	232.1	1.4%	-5.7%	10.2%	5.7%
Operation	114.5	126.7	140.2	10.6%	2.8%	10.6%	6.1%
Investment	46.1	36.7	39.6	-20.4%	-26.0%	7.8%	3.4%
Debt Service	47	47.2	52.4	0.5%	-6.6%	10.9%	6.4%
Expenses without debt	160.6	163.4	179.7	1.7%	-5.5%	10.0%	5.5%

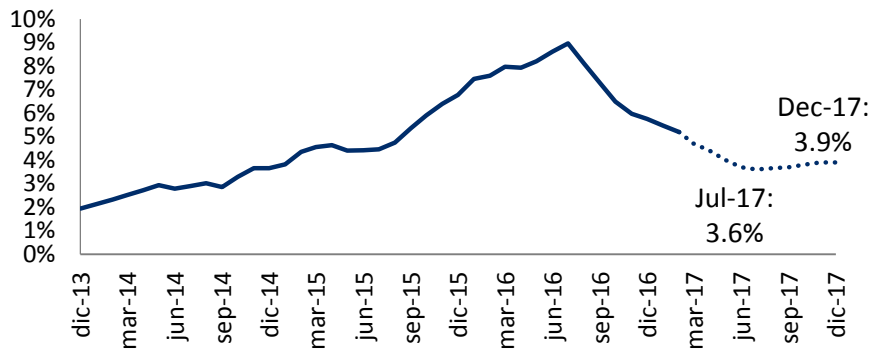
Source: MinHacienda. Calculations Corficolombiana. * It corresponds to budgetary appropriations (budget approved less cuts).

We expect the construction of civil works (especially 4G roads) to add several tenths to the GDP growth rate in 2017. Housing will also increase due to the stimulus from the Government. The impact from reduced investment of oil companies will dissipate.

Household Expense, Inflation and Monetary Policy

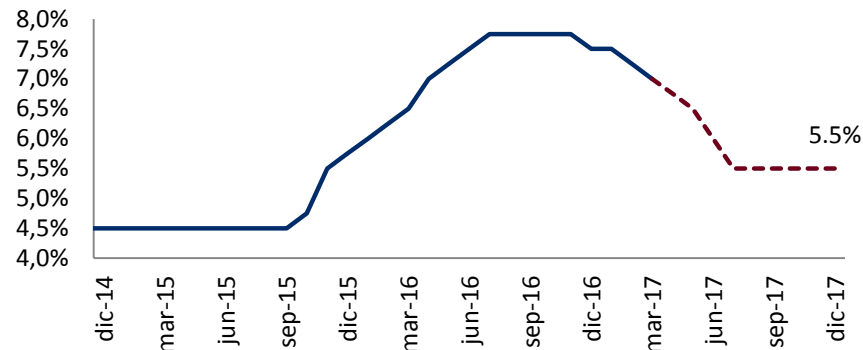
Consumer Price Index (CPI)

Annual Variation



Source: DANE, Calculations Corfic Colombiana

Intervention Rate of Banco de la Republica



Source: BanRep. Forecast: Corfic Colombiana

Additional collection of tax reform in 2017

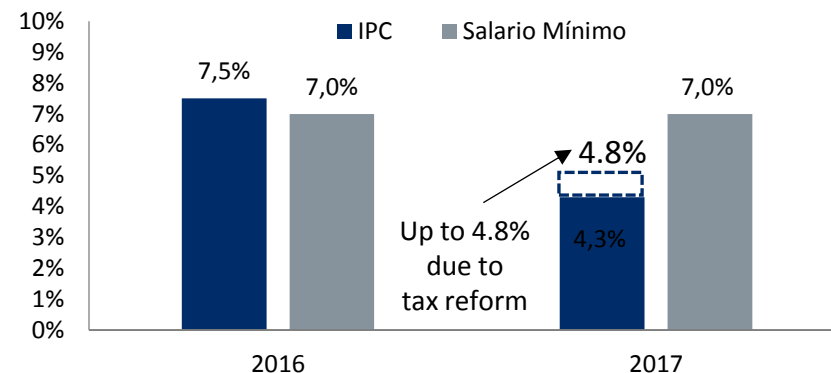
Concept	Trillions of pesos
VAT	6.5
Consumption tax	0.2
GMF (4 per thousand)	0.0
Individuals income tax	0.0
Companies income tax	-1.3
Carbon tax (Fuels)	0.7
Total	6.1

0.8% del PIB (Total additional collection)

Source: MinHacienda. Calculations: Corfic Colombiana

CPI (annual average) vs minimum salary

Annual variation (%)



Source: DANE. Calculations: Corfic Colombiana

The decrease in inflation and interest rates reduces the burden on household expenditure, offsetting the greater tax burden

1. Relevant Factors

2. Macroeconomic Context

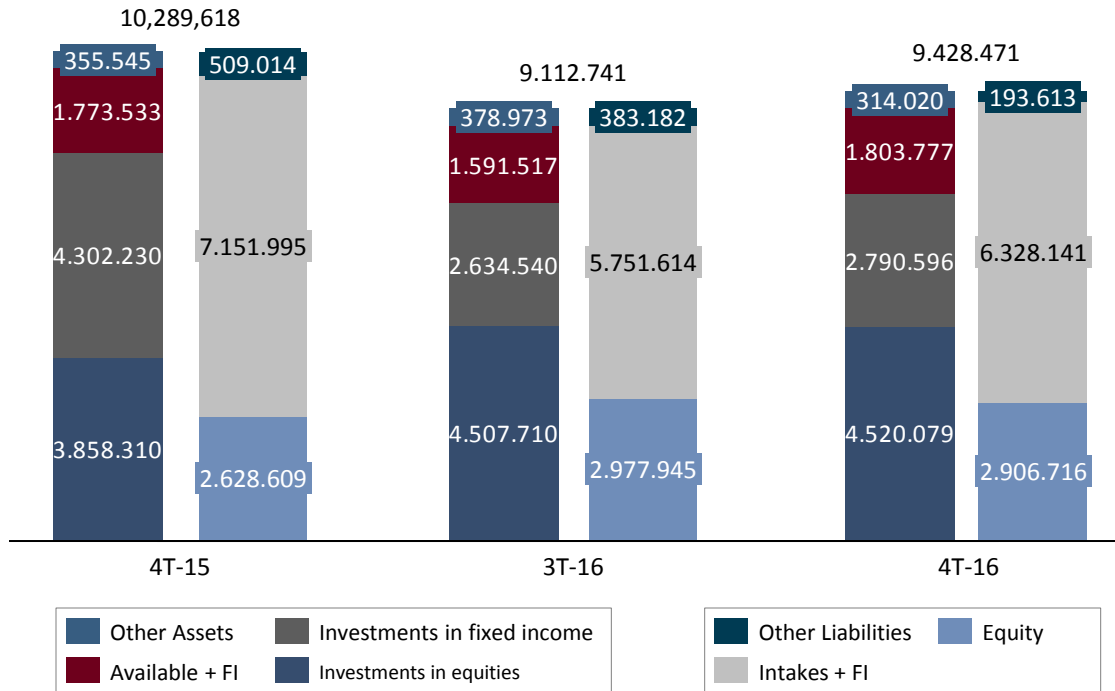
3. Financial Results

4. Portfolio Management

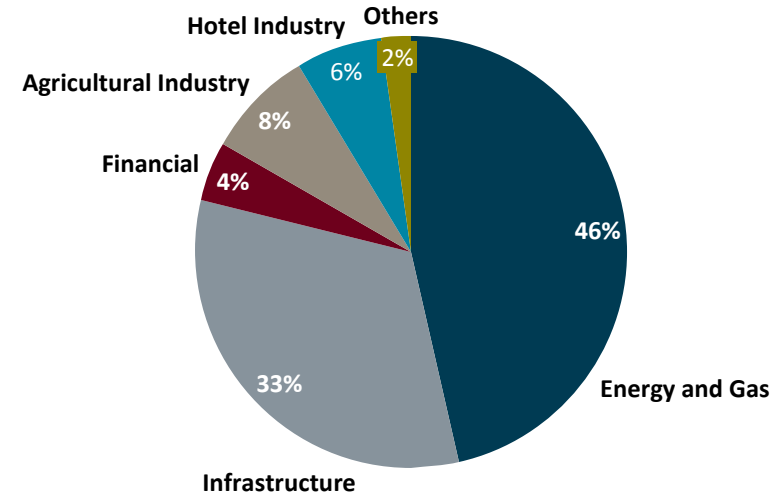
5. CRDS Update – Early Termination by Mutual Agreement

Separate Balance Sheet

Structure of the Individual Balance Sheet COP MM



Equity Investments 4Q-16 COP MM



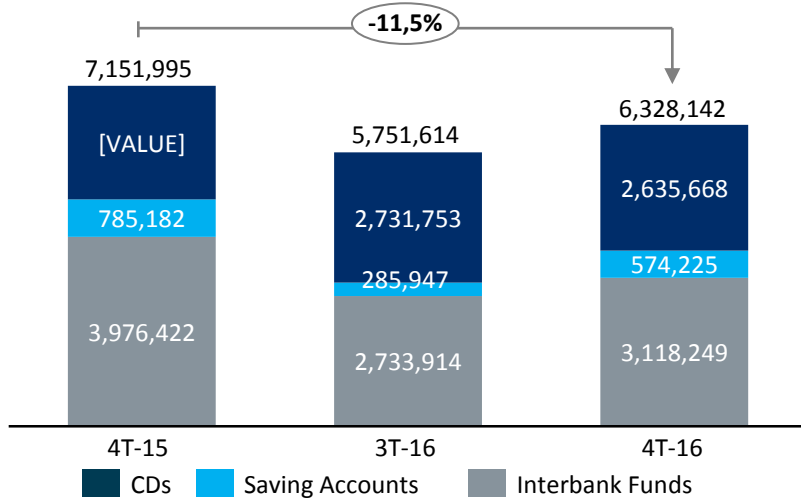
Comments

- Despite an impairment in CRDS investment, the equity portfolio grew by 10% as a result of the capitalizations and other variations in the equity method.
- The fixed income portfolio (CFC) shows a significant decrease, both in the semester and in the year, variation related to the divestment of the available for sale portfolio, in line with the business model and market opportunities.

Separate Funding

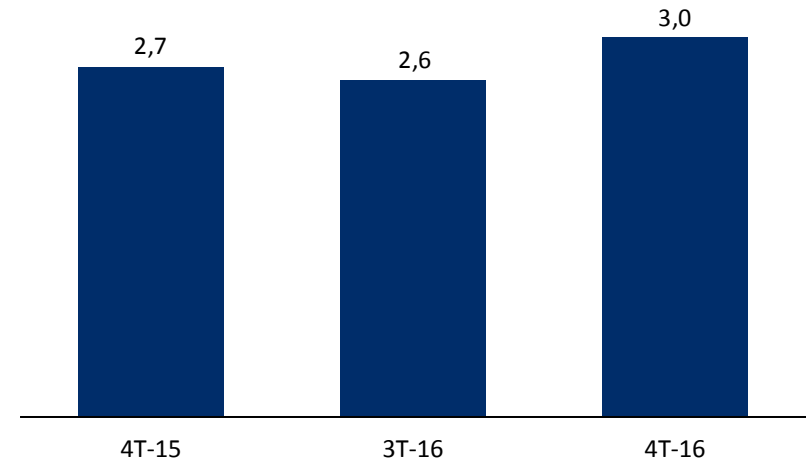
Separate Funding Structure

COP MM

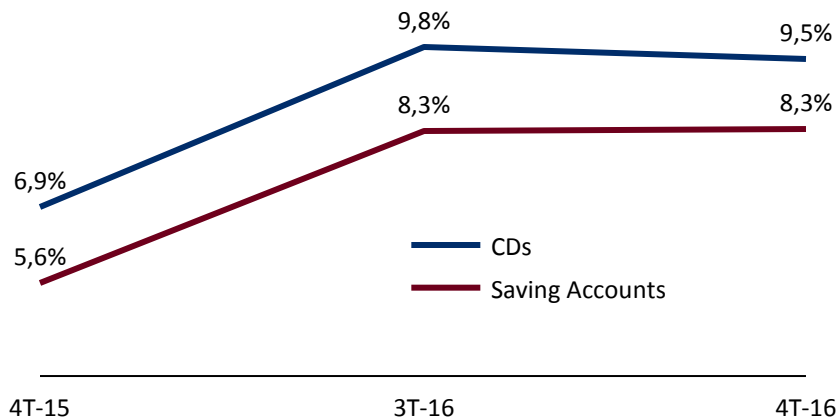


Average CDs Tenor

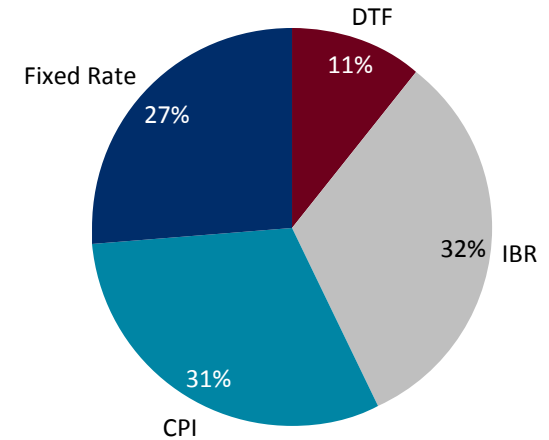
Years



Average Cost



CDs per Type of Rate – Dec 2016

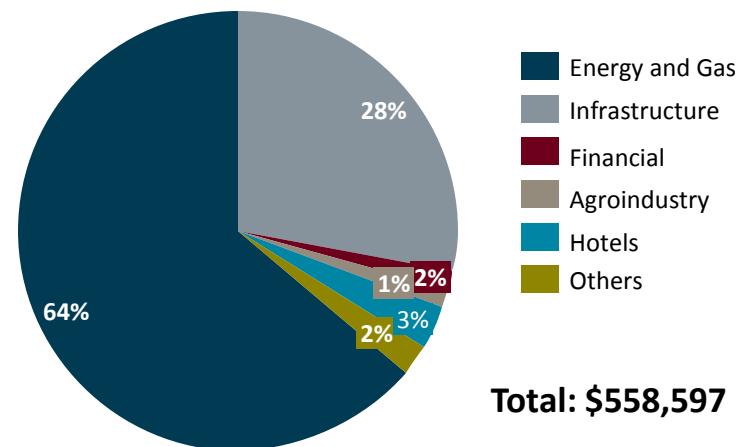


Separate Income Statement

Separate Income Statement (COP MM)	3Q16	4Q16	Accumulated		Δ 2016 / 2015
			Dec-15	Dec-16	
Treasury financial margin	1,556	-7,891	52,470	3,547	-93.2%
Net fees	2,204	2,374	20,830	18,402	-11.7%
Investments	106,773	7,828	508,146	398,805	-21.5%
MPU Income	144,713	51,772	545,044	503,516	-7.6%
Other Income	-77	-50	40,036	40,641	1.5%
Expenses - Funding	37,863	43,894	76,934	145,352	88.9%
Administration Expenses	16,941	19,407	64,539	72,131	11.8%
Operating profit	93,591	-17,096	516,908	348,623	-32.6%
Net Provisions	9	6,341	-805	10,649	-1422.4%
Other Income/Expenses	-997	-1,922	1,660	-8,906	-636.4%
Profit before taxes	92,585	-25,359	519,373	329,068	-36.6%
Taxes provision	5,236	2,956	17,683	20,613	16.6%
Net Profit	87,349	-28,315	501,690	308,455	-38.5%

Investments Portfolio Profit ¹⁾

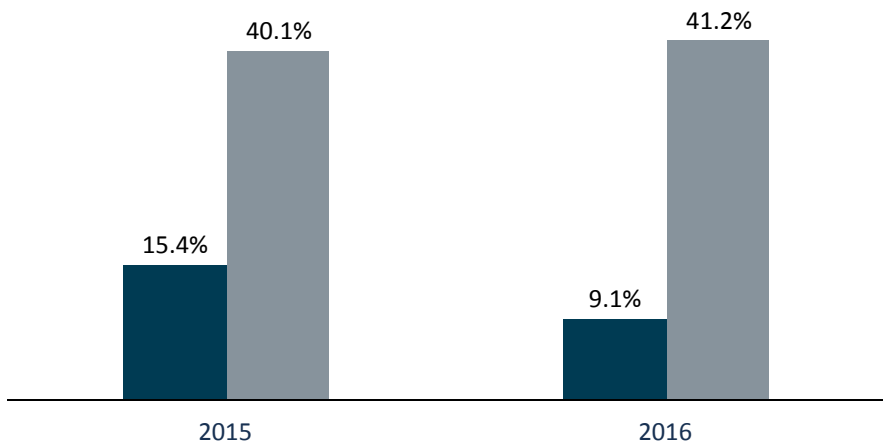
COP MM



1) Net income for the year 2016 multiplied by CFC's share, for each company

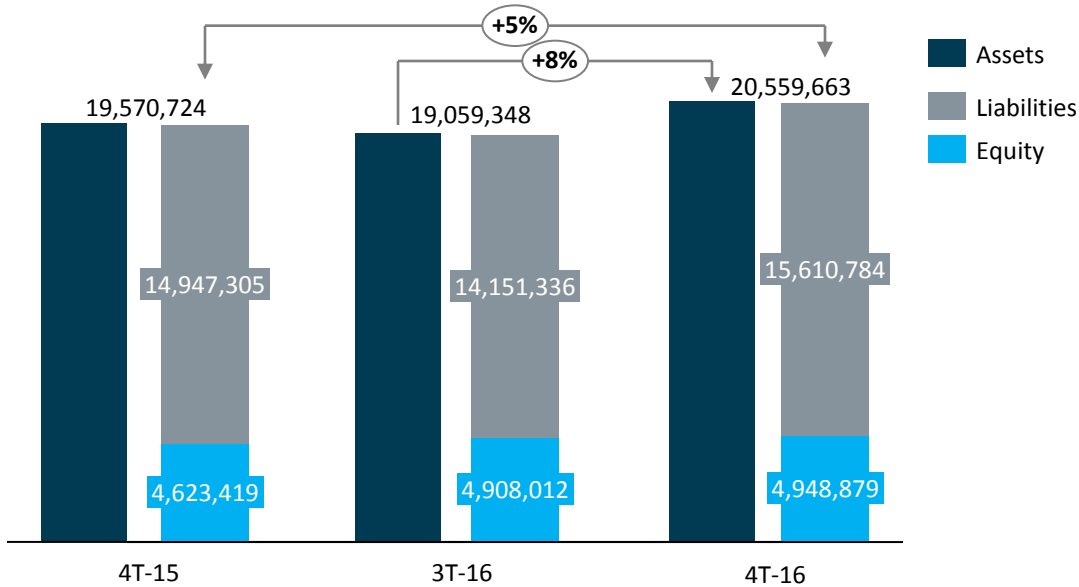
ROE & Solvency

ROE Solvency Rate



- CFC's financial margin was affected by the carry, due to high rate levels on the liability side and low levels on the assets side.
- The decrease in equity method shows the effect of the impairment for \$102,275 million on Episol's investment in CRDS.
- The increase in funding of investments is the result of capitalizations related to 4G projects and high interest rates.
- The provisions in the second semester correspond to Electricaribe.

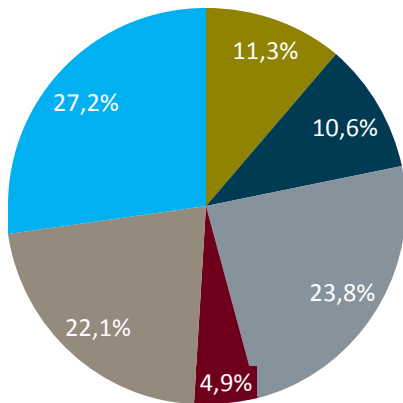
Consolidated Balance Sheet



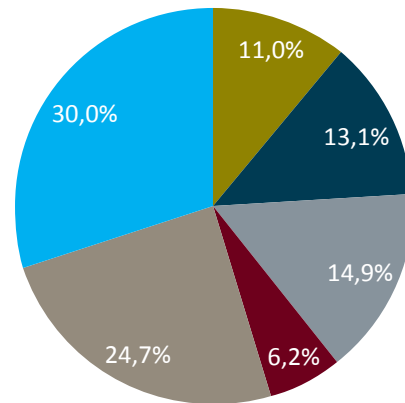
- Investment in equity instruments reflects the impairment on the investment in CRDS for \$102 billion
- the fixed income portfolio recorded a significant decrease related to divestment of the portfolio available for sale, in line with the business model and market opportunities.
- The increase in net loan portfolio is mainly related to Promigas considering that a financial leasing for \$1.1 million was recorded with the entry into operation of SPEC. In addition, there was a reclassification from other assets (fixed assets) to financial lease agreements.

Asset Composition

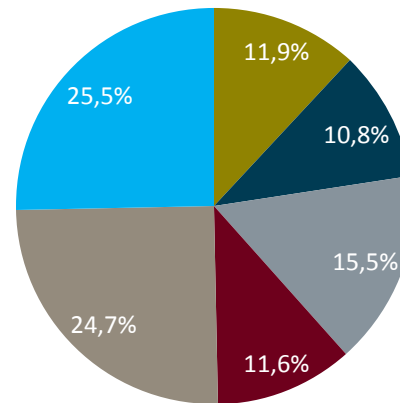
4Q - 15



3Q - 16



4Q - 16

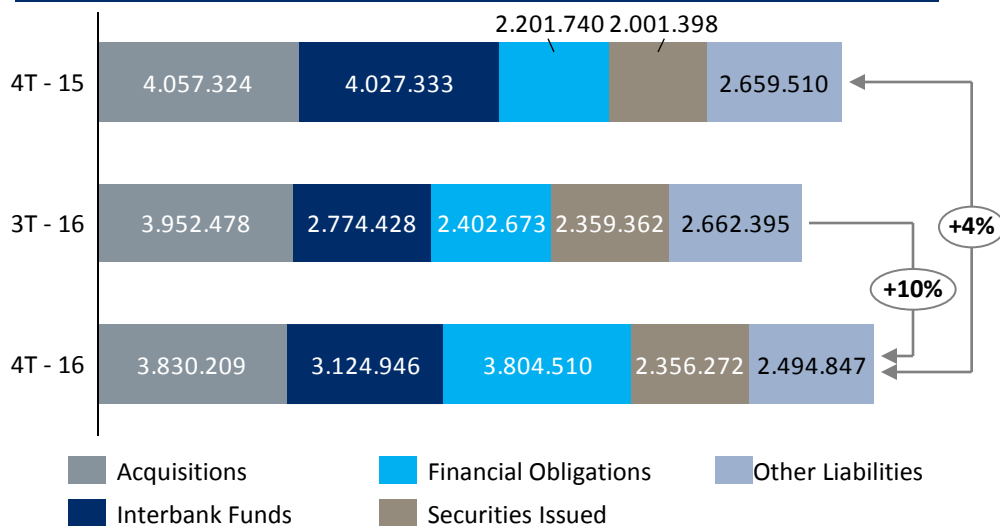


- Cash + Interbank F.
- Inv. Equity Instruments
- Inv. Fixed Income + Derivatives
- Net Loan Portfolio
- Assets from Concession Agreements
- Others

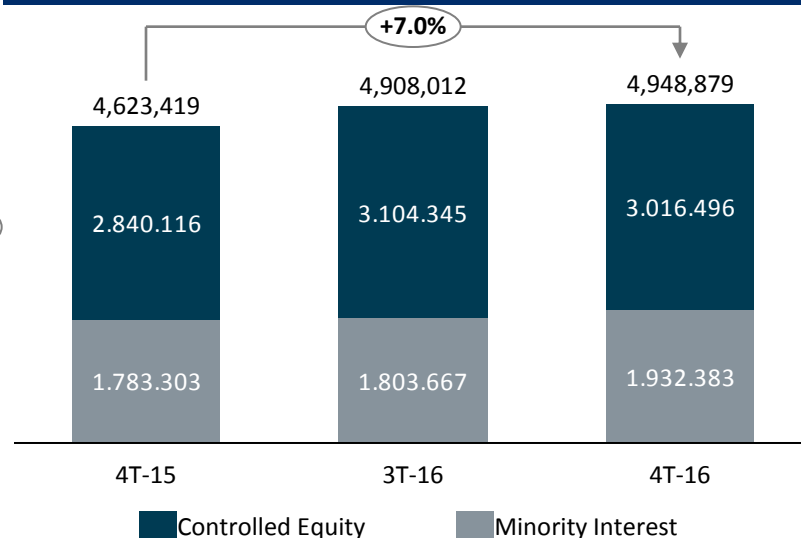
Others: Net Accounts Receivable, Fixed Assets and Other Assets

Liability and Consolidated Equity

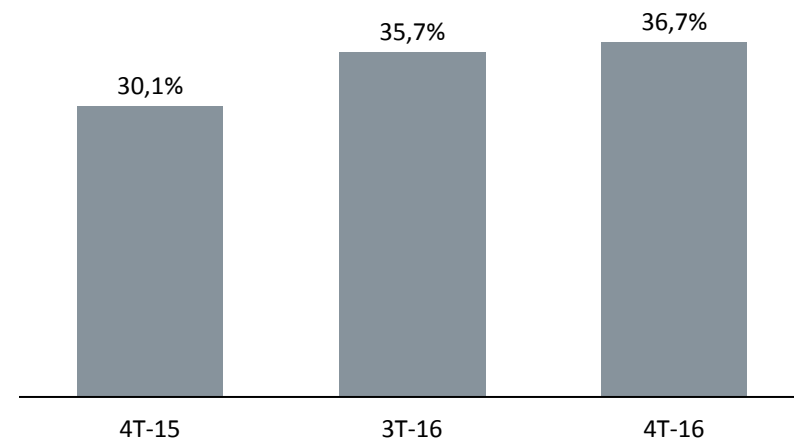
Liability Composition COP MM



Equity Composition COP MM



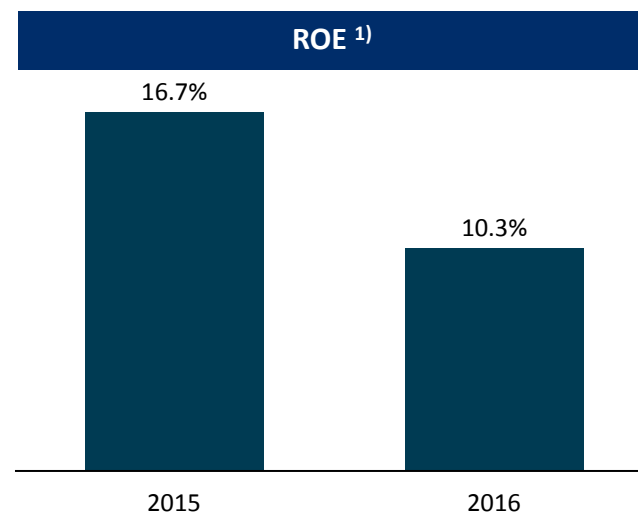
Solvency Ratio (Financial Companies)



- The increase in financial obligations is mainly explained by the financing of SPEC and other Promigas projects. Two loans approved totaling USD 310 million: USD 110 million (bank loan and international leasing) to finance SPEC and USD 200 million for investments in Loop del Sur and Gases del Pacifico concession.
- Securities issued correspond mainly to Promigas and its subsidiaries.
- Solvency Ratio (Financial Companies) above the regulatory limits.

Consolidated Income Statement

Consolidated Income Statement (COP MM)	3T16	4T16	Accumulated		
			2015	2016	Δ 2016 / 2015
Financial Margin CFC Ind	3,997	(9,019)	35,063	24,202	-31.0%
Net Fees CFC Ind	2,203	2,321	18,482	19,500	5.5%
Total income Inv, Variable Income	156,172	31,473	532,205	490,290	-7.9%
<i>Energy and Gas</i>	68,648	77,043	236,219	307,216	30.1%
<i>Infrastructure</i>	71,497	(56,933)	251,467	141,292	-43.8%
<i>Financial</i>	9,445	4,115	18,838	16,047	-14.8%
<i>Hotels</i>	4,331	6,778	16,949	18,488	9.1%
<i>Agroindustry</i>	2,046	196	8,339	5,229	-37.3%
<i>Others</i>	205	275	393	2,019	413.5%
Dividends	17	3	23,876	17,513	-26.7%
Equity Method CFC Ind	5,299	4,798	14,375	19,272	34.1%
Interest Expense for Investments Funding	(37,863)	(43,894)	(76,934)	(145,352)	88.9%
Administrative Expenses	(16,941)	(19,407)	(64,539)	(72,131)	11.8%
Provision	(11)	(6,908)	(454)	(11,226)	2374.7%
Other Income and Other Expenses	(1,933)	(17,338)	(12,820)	(19,660)	53.4%
Profit Before Taxes	110,941	(57,971)	471,389	322,408	-31.6%
Taxes provisions	(5,236)	(2,956)	(17,527)	(20,613)	17.6%
Net Profit	105,704	-60,926	453,862	301,796	-33.5%



1) It is calculated by dividing the net profit attributable to Corficolombiana by average controlled equity

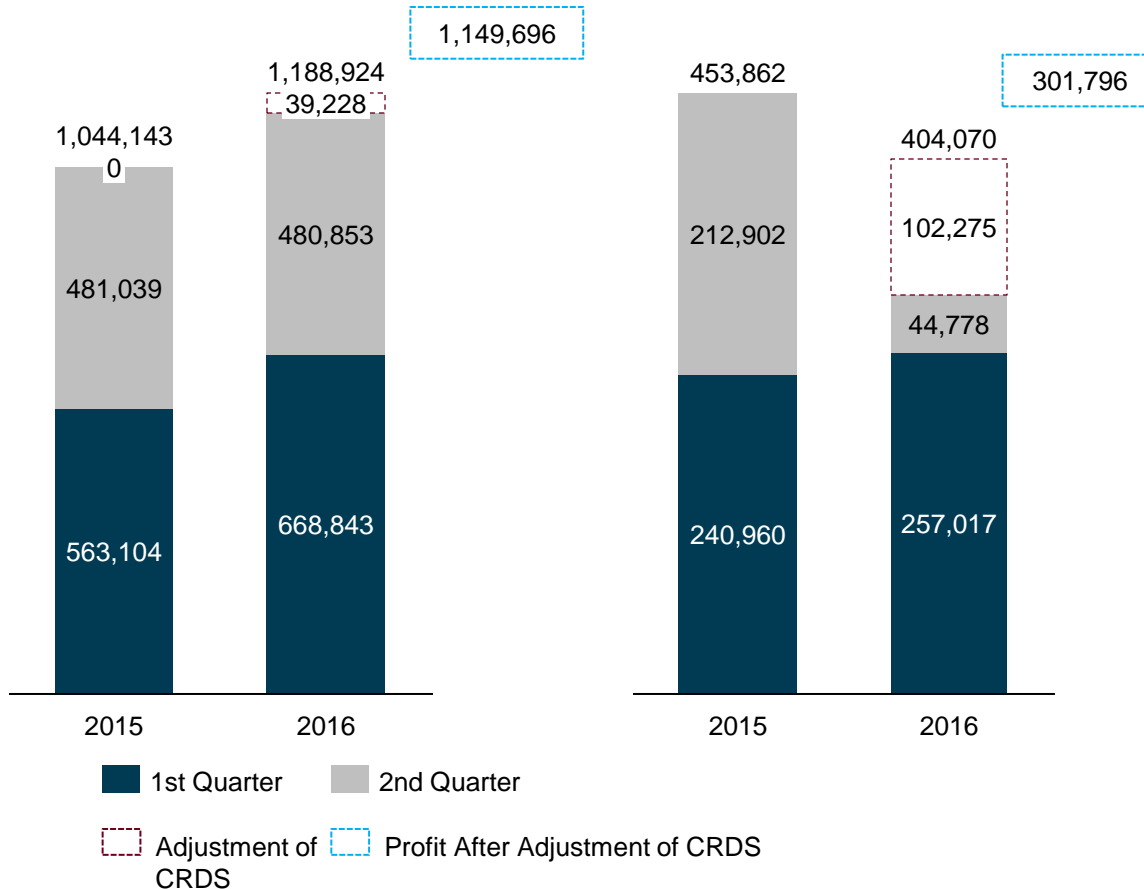
Comments

- CFC's financial margin was mainly affected by the carry, due to high rate levels on the liability side and low levels on the asset side.
- The Infrastructure sector was affected by the impairment on CRDS and due to lower results of Coviandes in the second semester
- In Energy and Gas, although Promigas grew its revenue, the variation in the expense was greater (fees, taxes, insurance and financial expense)
- Leasing CFC is the company that affects the variation of the Financial sector
- The greater interest expense from investment funding is the result of capitalizations related to 4G projects and high interest rates
- The consolidation of Casa de Bolsa (brokerage firm) generated a negative accounting impact of \$12,418 million

Impairment Impact of the Investment in Concesionaria Ruta del Sol

Operating Profit- Consolidated COP MM

Net Profit- Consolidated COP MM



In December, our affiliate Episol, which holds a 33% interest in Concessionaire Ruta del Sol (CRDS), realized an impairment on that investment, resulting in an impact on the Income Statement totaling \$102,275 million:

- Registration of a provision for \$63,046 million.
- Non recognition of the equity method revenue of the period amounting to \$39,228 million.

1. Relevant Facts
2. Macroeconomic Context
3. Financial Results
- 4. Portfolio Management**
5. CRDS Update – Early Termination by Mutual Agreement

Major Investments

Infrastructure



Energy



Agroindustry



Hotels

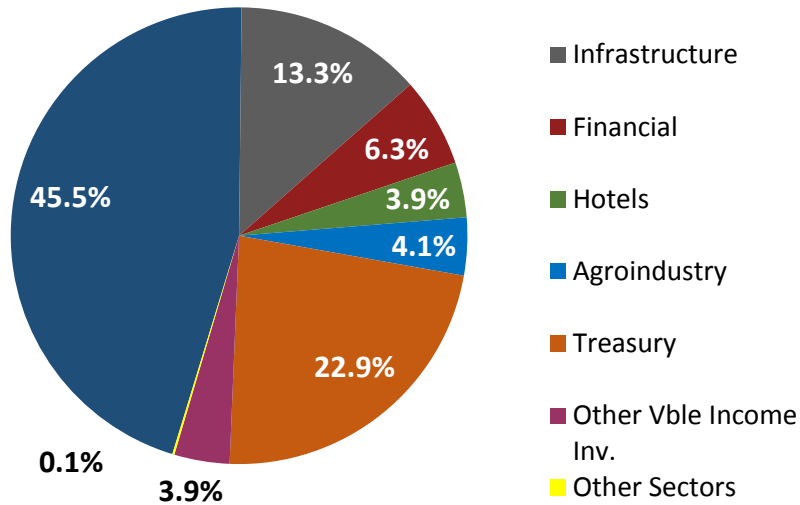


Financial



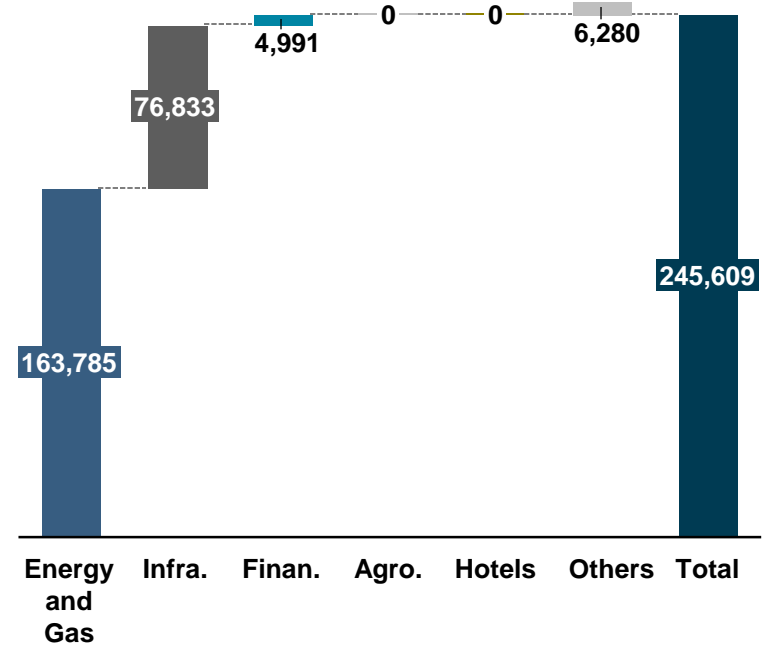
Diversified Investment Portfolio and with Relevant Presence

Asset Participation– Consolidated
COP MM



Total: \$20,559,663

Dividends Received 2016
COP MM



Energy & Gas: Leaders through our stake in Promigas, company that transports 50% of Colombia’s natural gas and serves 40% of the national distribution market.

Infrastructure: We are the main investor in road infrastructure in Colombia with 8 concessions and 671.7 km in concession.

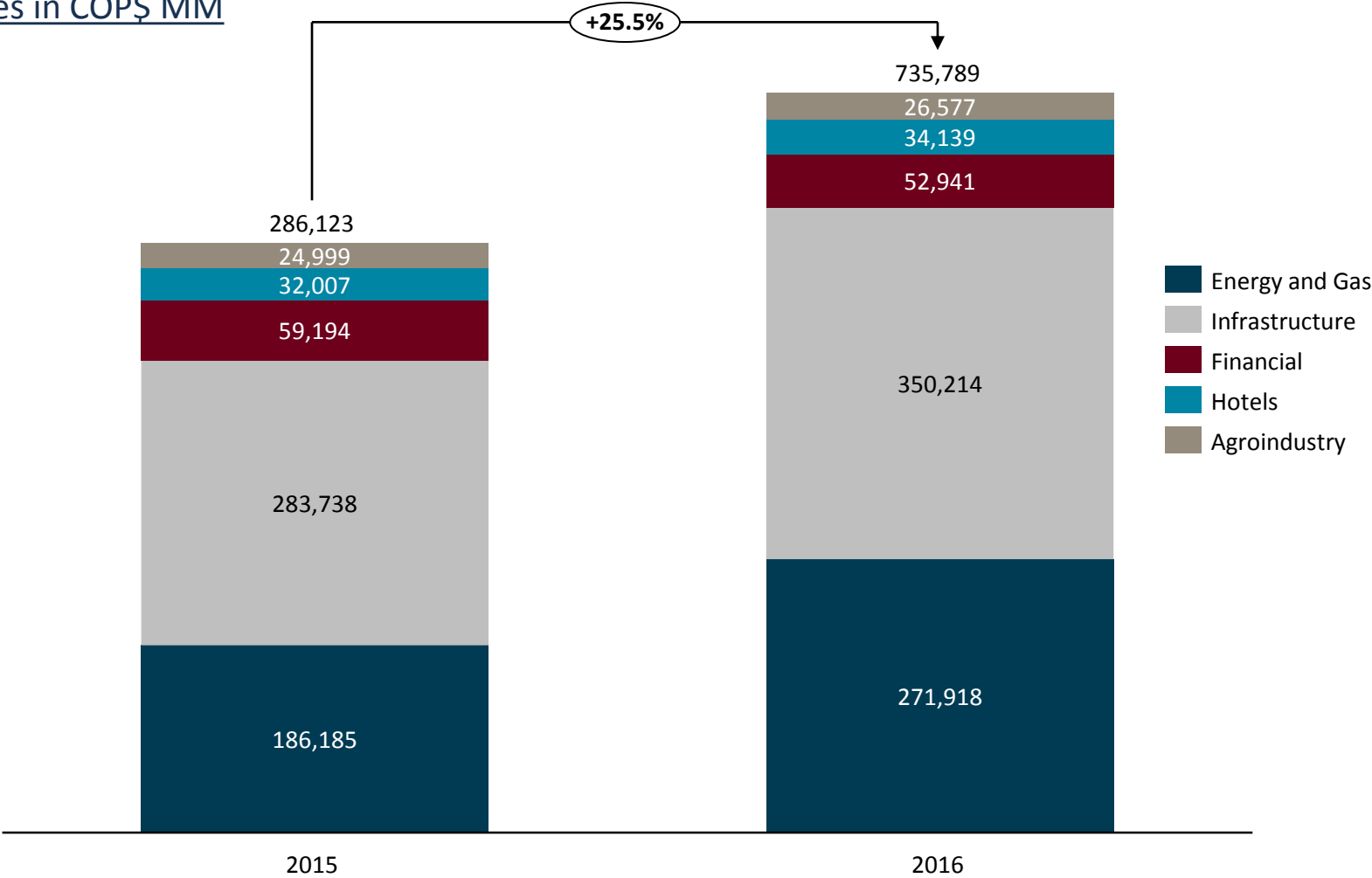
Hotels: Hoteles Estelar is the main hotel chain in Colombia with 30 hotels in Colombia, Peru and Panamá.

Agroindustry: Leaders in the sector with more than 26,000 gross hectares with palm and rubber plantations.

Financial: COP\$ 901,786 MM in assets of Leasing Corficolombiana and COP\$ 14,165,072 MM in assets under management by Fiduciaria Corficolombiana (trust company).

Accumulated EBITDA per Sector

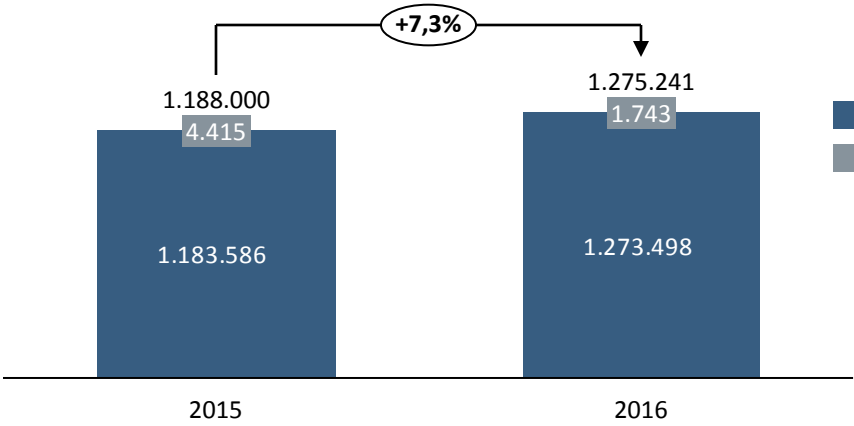
Figures in COP\$ MM



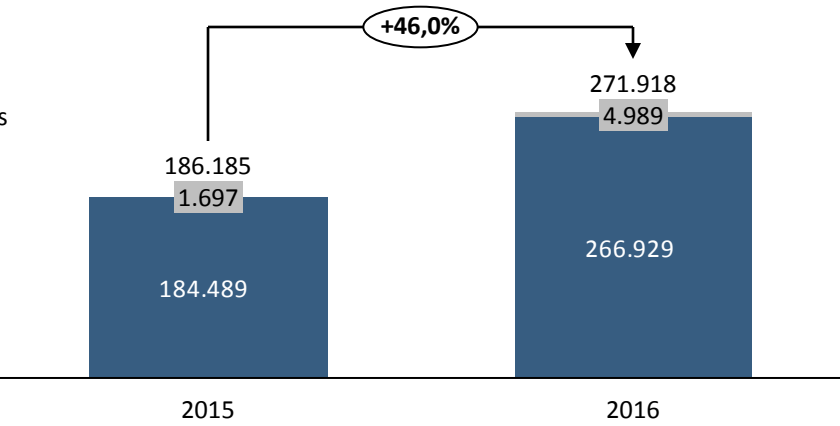
Corficolombiana's participation in the EBITDA of its subsidiaries. In the case of the Financial Sector corresponds to Operating Profit

Energy and Gas

Portfolio Value COP MM



EBITDA ¹⁾ COP MM



1) Participation of CFC in EBITDA of Promigas, and Gascop

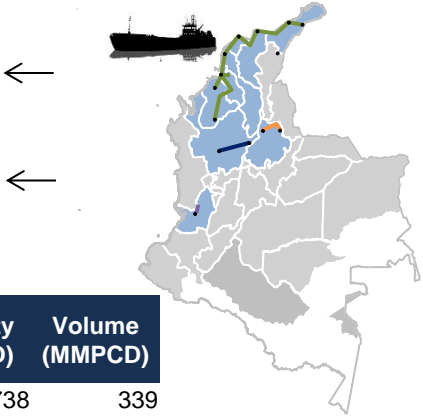
Transportation Business - Gas

The regasification plant of SPEC has a capacity of 400 MMPCD

←

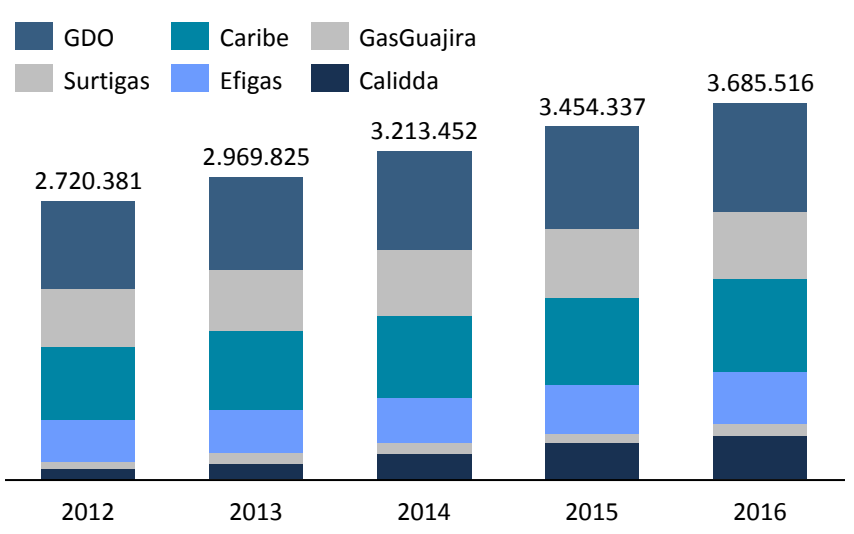
Loop del Sur has 187km built with additional capacity of 95 MMPCD

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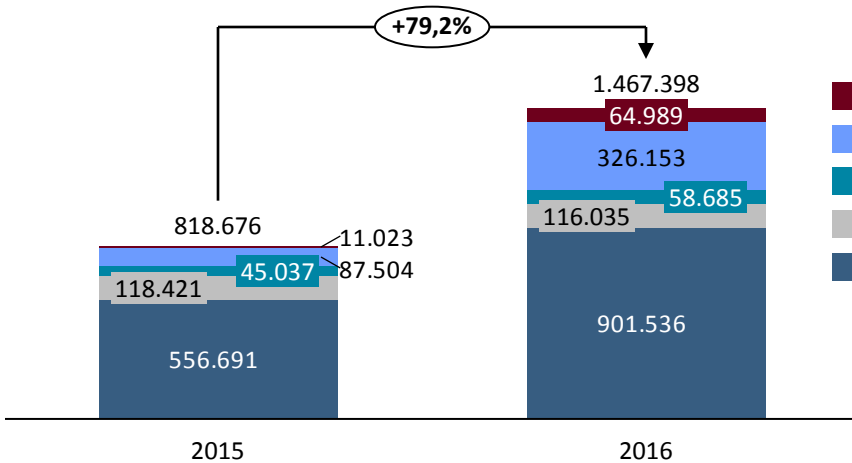
Affiliate	Gas Pipeline (KM)	Capacity (MMPCD)	Volume (MMPCD)
Promigas	2,559	738	339
Promioriente	333	85	59
Transmetano	189	64	50
Transoccidente	11	74	50
Total	3,092	961	498

Distribution Business (# of users)

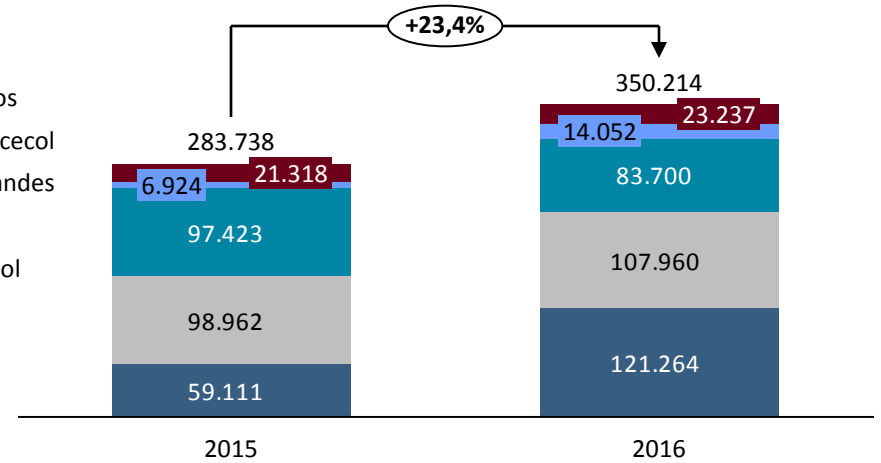


Infrastructure

Portfolio Value COP MM







EBITDA ¹⁾ COP MM







1) Participation of CFC in EBITDA of Episol, Pisa, Epiandes, Concecol, Proindesa and Aerocali

Road Concessions 1G and 3G – As of Dec 2016

Concession	Participation	Section	Km	Estimated Date of Completion	Progress in Works under Construction	AADT 2015	AADT 2016
 COVIANDES CONCESIONARIA VAL DE LOS ANDES S.A.	60.0%	Bogotá - Villavicencio	86	2019	84%	33,272	30,431
 CCFC S.A.	44.6%	Bogotá-Facatativa-Los Alpes	42.9	2024	63.4%	24,488	24,789
 Pisa	88.3%	Buga-Tuluá-La Paila-La Victoria	80	2033	N/A	30,734	31,812
 CONCESIONARIA PANAMERICANA	100.0%	Los Alpes Villeta & Chuguacal - Cambao	111	2035	90.2%	5,301	5,004

AADT: Annual average daily traffic

4G Concessions

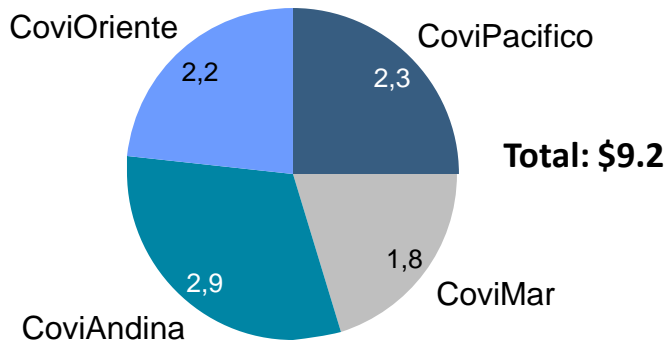
Concession	Participation	Section	Km	Estimated Term (Years)	Progress				
					Licenses/Consultations	Definitive Designs	% Availability Properties	Financial Closing	Commencement of Work ¹⁾
 Concesionaria Vial del Pacifico	49.9%	Ancón Sur - Bolombolo	53,8	25	✓	✓	77%	✓	✓
 Concesionaria Nueva Via al Mar	60%	Mulaló - Loboguerrero	31,8	26	Pending consultation Mulaló (~ 1Q2017)	Pending non-objection from auditors and Filing of EIA (~2Q2017)	42%	To begin road show with banks	~ 4Q2017
 Concesionaria Vial Andina	100%	Chirajara – Villavicencio*	32	39	✓	Definitive designs of the FU 1, 2, 4, 5 and 6; FU 2 is pending non-objection from the auditor. Regarding FU3 everything was delivered except for bridge 4	78%	In process	✓
 Concesionaria Vial del Oriente	100%	Villavicencio - Yopal	266,2	28	Environmental license FU1: complete process of public hearing, Obtaining ~ 2Q2017 CAR's and MADs Permissions: 50%	Completed and delivered to auditor in 2016. Non-objection 38%	27%	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

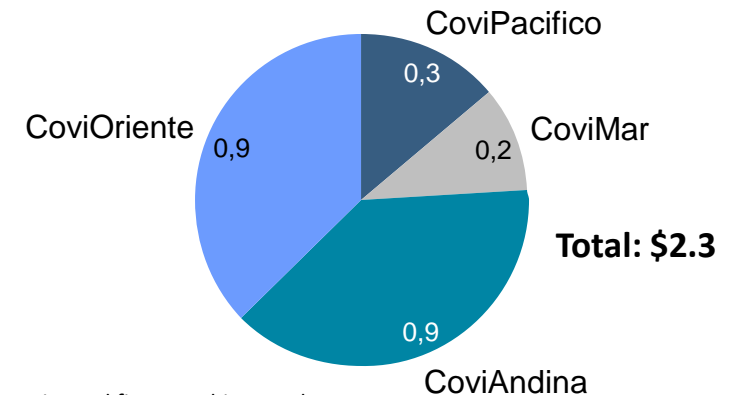
~ Making reference to estimated dates

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

Total Capex per Concession
COP Trillion



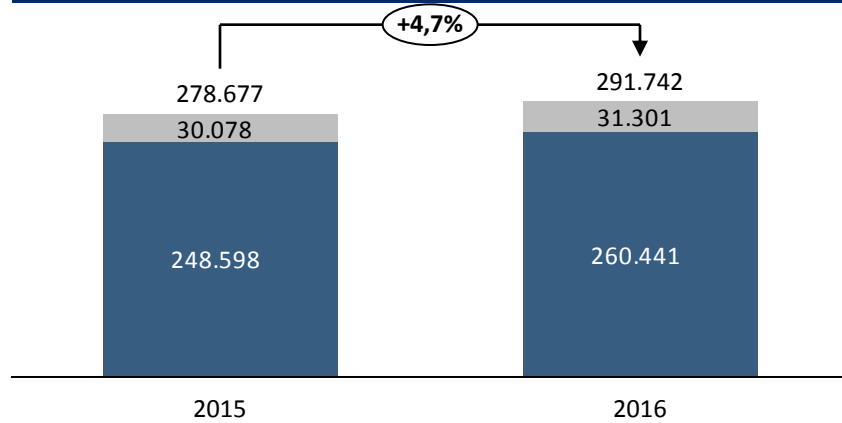
Equity Contributions by CFC
COP Trillion



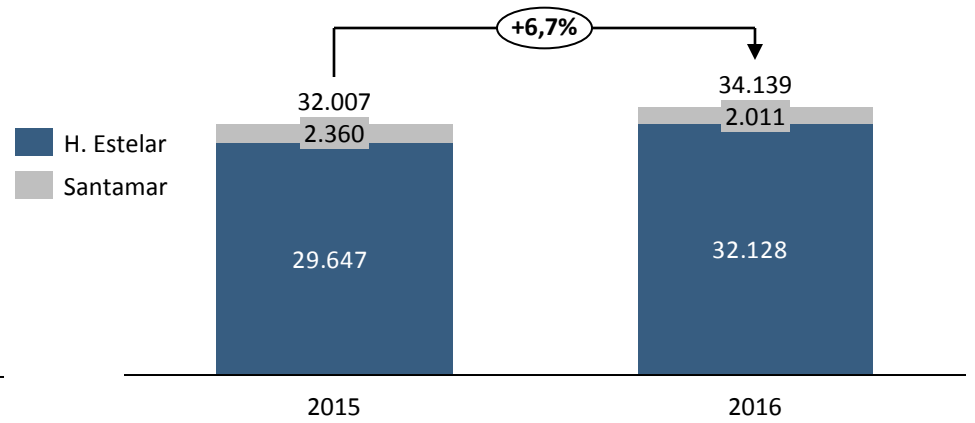
Estimated figures subject to change

Hotel Industry

Portfolio Value COP MM



EBITDA ¹⁾ COP MM

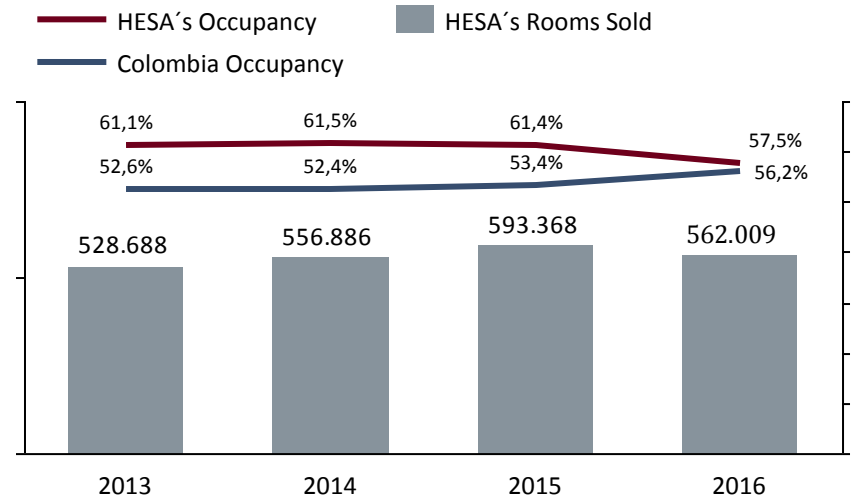


1) Participation of CFC in EBITDA of H. Estelar and Santamar



Swimming pool 12th floor Hotel Estelar Cartagena de Indias

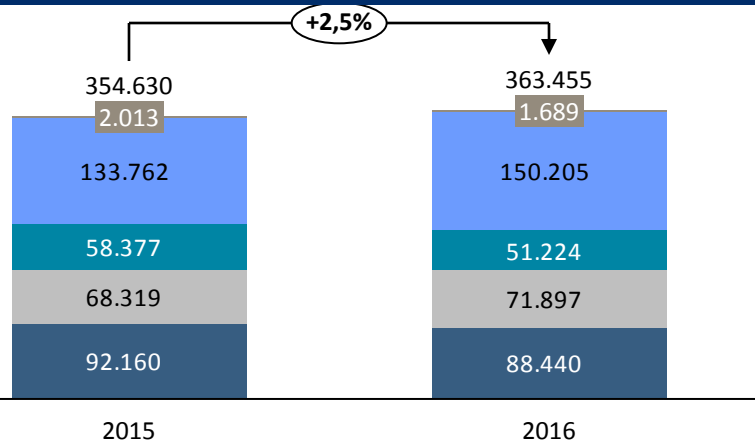
Historical Occupancy



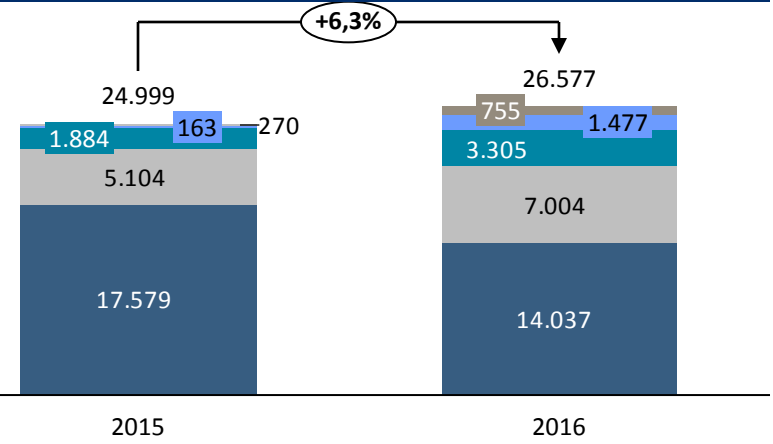
Source: Colombia Occupancy: Monthly Sample of Hotels - DANE

Agroindustry

Portfolio Value COP MM



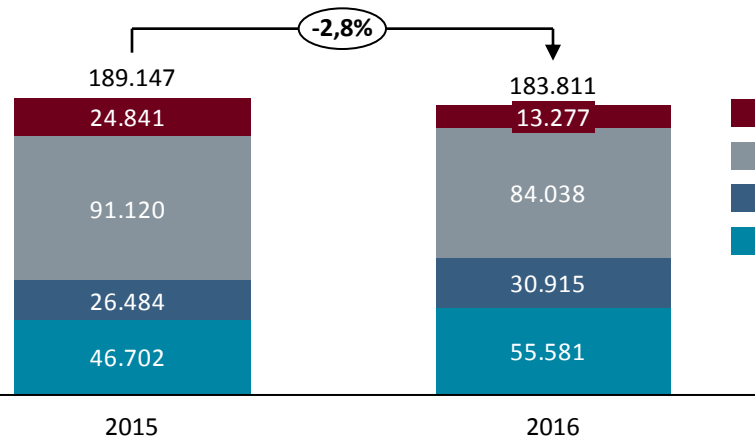
EBITDA ¹⁾ COP MM



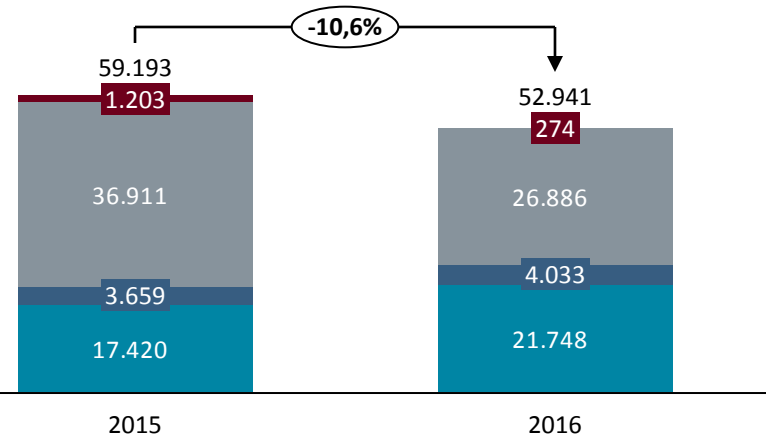
1) Participation of CFC in EBITDA of Pajonales, Unipalma, Pizano and Valora

Financial

Portfolio Value COP MM



Operating Profit¹⁾ COP MM



1) Participation in the Operating Profit of Leasing Corficolombiana, Fiduciaria Corficolombiana, Banco Corficolombiana Panamá and Casa Bolsa

1. Relevant facts
2. Macroeconomic Context
3. Financial Results
4. Portfolio Management
- 5. CRDS Update – Early termination by Mutual Agreement**

Early Termination by Mutual Agreement & Impairment

On February 22, 2017 an agreement with the ANI to terminate and liquidate the concession contract was signed:

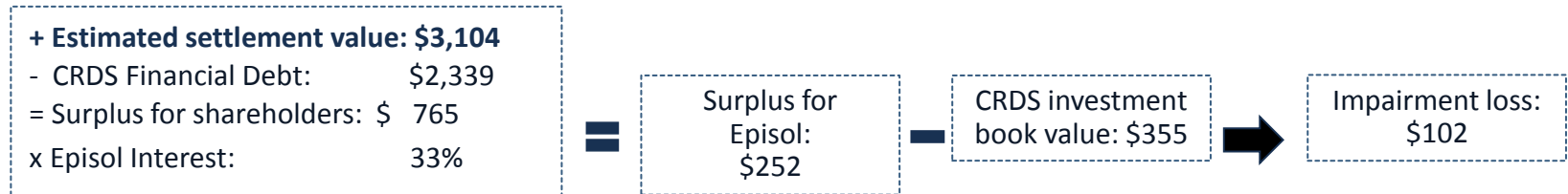
- Termination of the contract effective upon the execution of the agreement.
- Withdrawal of the claims submitted by the parties to the arbitration tribunal.
- The agreement includes a liquidation formula, to be approved by a judicial authority (Approval Date):
 - Recognizes the investments made and costs incurred by CRDS (CAPEX, OPEX), as well as interest on the debt.
 - Deducts the value of payments already made by the ANI and the tolls effectively collected.
- Payment mechanism by the ANI:
 - i) Resources in the Trust Fund (TF): \$1.5 trillion
 - ii) Future budget allocations approved and not yet deposited in the TF.
 - iii) Government bonds, in case i) and ii) are not sufficient.

▪ Schedule:



- The resulting value for the shareholders will be withheld by the ANI until December 31, 2020, to address possible contingencies.

Estimated Settlement and Impairment Value - COP billion



Note: The formula includes both the Puerto Salgar - San Roque Trunk Line and the Rio de Oro-Aguaclara-Gamarra Transversal Line

Early Termination by Mutual Agreement & Impairment

With the primary purpose of guaranteeing the labor and contractual rights of the third parties that may have been affected by the early termination of the Concession Contract, as well as guaranteeing the continuity and efficient provision of the public service, an addendum to the agreement to terminate and liquidate the concession contract was signed with the ANI on March 27, 2017 :

- Immediately begins the Reversion Period, ending the Transition Period.
- During the Reversion Period, subject to the approval of ANI and the review of the construction auditor, the funds available in a subaccount intended for this purpose will be paid in the following order of priority:
 - (i) Payments regarding the liquidation of personnel of the Concessionaire and the EPC contractor.
 - (i) Payment to suppliers and subcontractors of the Concessionaire.
 - (ii) Once these priority payments have progressed, a partial payment will be made to the obligations that the Concessionaire have with banks.
- Immediately proceed to conduct worktables for the purpose of:
 - (i) Coordinating the reversion of the project.
 - (ii) Defining the procedure and timeline to determine the final amount of the contract's liquidation.
- The agreement and its amendments will be submitted to the arbitration tribunal as a conciliation agreement, for the approval of the liquidation formula.

THANK YOU