

**COLOMBIAN FOREIGN TRADE BANK -
BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX**
STATEMENT OF FINANCIAL SITUATION AS OF DECEMBER 31, 2016 AND 2015 AND JANUARY 1, 2015
(Figures expressed in thousands of Colombian Pesos)



ASSETS	Notes	December 31		January 1	LIABILITIES	Notes	December 31		January 1
		2016	2015	2015			2016	2015	2015
Cash and cash equivalents	6	\$ 82.664.994	\$ 63.485.203	\$ 112.764.535	Financial instruments at amortized cost	17	\$ 3.389.773.795	\$ 3.150.807.714	\$ 3.104.133.096
Investments at fair value with changes in results - debt instruments	7	553.706.250	421.998.948	386.234.870	Derivatives	7	22.550.950	57.348.109	135.118.754
Investments at fair value with changes in the OCI - debt instruments	7	411.354.568	358.571.056	277.494.485	Credits of banks and other financial obligations	18	1.952.070.709	2.039.772.307	1.443.493.445
Investments at fair value with changes in results - instruments of wealth	7	-	-	56.414.928	Current tax liabilities	26	1.175.824	1.046.823	17.267.051
Investments at fair value with changes in the OCI - instruments of wealth	7	121.269.165	101.233.042	50.565.552	Commercial accounts payable and other accounts payable	19	16.775.131	13.703.057	11.452.381
Derivatives	7	27.170.920	72.674.504	112.631.103	Provisions for employee benefits	20	5.050.076	4.414.459	4.417.266
Other financial assets	8	87.996.813	82.331.311	11.965.736	Other provisions	21	725.451	589.813	477.747
Portfolio of credit and financial leasing operations, net	9	5.366.681.700	5.360.672.801	5.017.647.549	Other Liabilities	22	117.111.677	138.429.836	145.238.247
					Deferred tax liability	26	<u>40.614.008</u>	<u>22.493.317</u>	<u>24.186.447</u>
Commercial accounts receivable and other accounts receivable, net	10	48.697.006	50.311.150	38.161.327	Total liabilities		5.545.847.621	5.428.605.435	4.885.784.434
Deferred tax assets	26	32.494.821	26.680.913	19.077.071					
Other non-financial assets	11	23.716.552	19.042.015	727.216	SHAREHOLDER'S EQUITY				
Non-current assets held for sale, net	12	7.237	-	-	Social capital				
Plant and equipment properties, net	13	27.202.366	32.054.584	32.722.795	Authorized: 1,100,000,000 shares of nominal value \$1,000 each. Subscribed and paid: 1,062,556,872 shares at 31 December 2016	23	1.062.556.872	1.062.556.872	1.062.556.872
Investment Properties	14	4.128.997	-	-	Legal reserve		129.496.317	126.675.724	120.177.904
Finance Lease	15	1.079.928	-	-	Occasional reserves		34.374.742	40.200.952	36.784.763
Intangible assets other than capital gains	16	8.018.569	8.225.052	7.914.467	Statutory reserves		49.346.690	49.346.690	49.346.690
Investments accounted for using the equity method and cost	7	113.666.106	118.928.677	120.545.132	Another integral result		91.883.089	85.066.657	104.366.709
					Accumulated earnings from previous periods		-	-	64.880.076
Investments in subsidiaries	7	<u>104.036.039</u>	<u>91.056.995</u>	<u>79.030.682</u>	Period earnings		100.386.700	14.813.921	-
Total assets		<u>\$ 7.013.892.031</u>	<u>\$ 6.807.266.251</u>	<u>\$ 6.323.897.448</u>	Total Shareholders' Equity		<u>1.468.044.410</u>	<u>1.378.660.816</u>	<u>1.438.113.014</u>
					Total liabilities and shareholders' equity		<u>\$ 7.013.892.031</u>	<u>\$ 6.807.266.251</u>	<u>\$ 6.323.897.448</u>

The accompanying notes are an integral part of these financial statements

LUIS FERNANDO CASTRO VERGARA
Legal Representative

JAIRO PEDRAZA CUBILLOS
Accountant
Professional Licence No. 36799-T

RICARDO RUBIO RUEDA
Statutory Auditor
Professional License No. 7192 -T
(See my attached report)
Appointed by Deloitte & Touche Ltda.

**COLOMBIAN FOREIGN TRADE BANK -
BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX -
INCOME STATEMENT
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Figures expressed in thousands of Colombian Pesos)**



	Notes	2016	2015
INCOME FROM GENERAL ORDINARY OPERATIONS			
Financial Income portfolio		\$ 429.216.957	\$ 310.235.721
Financial operations income and money market and other interests		8.283.260	3.814.904
Valuation of investments at fair value - debt instruments		71.470.366	53.496.978
Commissions and fees		6.122.337	7.282.866
Valuation of positions in short of operations. Repo open, simultaneous and trans. Temporal values		2.687.945	1.462.009
Gain in sale of investments - debt instruments		7.244.600	5.080.164
Gain on sale of investments - equity instruments		3.004.127	-
Gain in sale of portfolio		-	269.784
Utility in valuation of derivatives - of speculation		1.227.938.610	1.561.677.378
Changes		<u>540.174.703</u>	<u>489.730.162</u>
		2.296.142.905	2.433.049.966
OPERATIONS EXPENSES:			
Interest deposits and accruals		228.419.861	136.218.988
Interest bank credits and other financial obligations		32.875.547	18.710.107
Financial income from money market operations and other interests		59.194.575	53.929.222
Valuation of investments at fair value - debt instruments		5.044.713	11.598.232
Commissions		13.307.064	11.267.269
Valuation in short positions of operations. Repo open, simultaneous and trans. Temporal values		2.906.301	1.625.192
Loss on Sale of Investments - debt instruments		4.639.820	4.636.556
Valuation of derivatives - trading		1.199.098.689	1.579.211.617
Changes		<u>551.272.210</u>	<u>496.296.225</u>
		2.096.758.780	2.313.493.408
DIRECT OPERATIONAL RESULT		199.384.125	119.556.558
OTHER INCOME AND OPERATIONAL EXPENSES - NET			
OPERATIONAL INCOME			
Dividends and Interests		10.476.279	11.262.184
Equity method		9.437.111	-
Other	24	<u>151.971.684</u>	<u>128.543.895</u>
		171.885.074	139.806.079
OPERATIONAL EXPENSES			
Employee benefits		38.556.133	36.417.719
Fees		5.673.304	5.775.798
Taxes and rates		32.346.756	34.121.880
Leases		2.524.807	2.695.101
Other	25	<u>16.554.742</u>	<u>16.670.898</u>
		95.655.742	95.681.396
OPERATIONAL RESULTS PRIOR TO DETERIORATION, DEPRECIATION AND AMORTIZATION		275.613.457	163.681.241
DETERIORATION OF ASSETS			
Credit portfolio		126.540.486	93.945.842
Accounts receivable		3.234.039	1.094.879
Investments - instruments of wealth		765.422	226.305
Other assets		161.924	239.950
Individual countercyclical components		<u>25.573.026</u>	<u>42.141.644</u>
		156.274.897	137.648.620
DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT		967.023	1.072.427
AMORTIZATION OF INTANGIBLE ASSETS		1.370.279	1.214.036
EARNINGS BEFORE TAX		117.001.258	23.746.158
INCOME AND RELATED TAXES	26	<u>16.614.558</u>	<u>8.932.237</u>
PERIOD EARNINGS		<u>\$ 100.386.700</u>	<u>\$ 14.813.921</u>
EARNINGS PER SHARE (In pesos)		<u>\$ 94,48</u>	<u>\$ 13,94</u>

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**COLOMBIAN FOREIGN TRADE BANK -
BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX
OTHER COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Figures expressed in thousands of Colombian Pesos)**



	2016	2015
PERIOD EARNINGS	\$ 100.386.700	\$ 14.813.921
OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income not reclassified as period earnings, net of taxes		
Share of other comprehensive income from associated and joint businesses accounted for using the equity method that does not reclassify period earnings, net of taxes	(9.981.229)	(22.577.675)
Total other comprehensive result not reclassified as period earnings, net of taxes	(9.981.229)	(22.577.675)
Components of other comprehensive income reclassified as period earnings, net of taxes		
EXCHANGE RATE DIFFERENCES FROM CONVERSION		
Other comprehensive income, net of taxes, exchange rate differences from conversion	816.702	61.288
FINANCIAL ASSETS AVAILABLE FOR SALE		
Earnings (loss) per new measurements of financial assets available for sale, net of taxes	29.268.108	3.216.335
Other	(13.287.149)	-
Total other comprehensive income reclassified as period earnings, net of taxes	16.797.661	3.277.623
Total other comprehensive income	6.816.432	(19.300.052)
TOTAL COMPREHENSIVE INCOME	\$ 107.203.132	\$ (4.486.131)

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**COLOMBIAN FOREIGN TRADE BANK -
BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A.- BANCÓLDEX
CASH FLOW STATEMENT
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Figures expressed in thousands of Colombian Pesos)**



	2016	2015
CASH FLOWS FOR OPERATION ACTIVITIES:		
Period earnings	\$ 100.386.700	\$ 14.813.921
Adjustments to reconcile net income and net cash (used in) provided operating activities:		
Deterioration investments	765.422	226.305
Deterioration portfolio of credits	151.822.391	136.014.758
Deterioration accounts receivable	3.551.447	1.295.489
Deterioration other assets	135.638	112.068
Severance Expenses	899.978	882.425
Depreciation of property, plant and equipment	967.023	1.072.427
Amortization of intangible assets	1.370.279	1.214.036
Utility in Sale of property, plant and equipment, net	(692)	(600)
Usefulness for sale of investments, net	(5.608.907)	(443.608)
Refund from deterioration of investments	(336.059)	(69.941)
Refund from deterioration of portfolio of credits	(147.862.910)	(121.520.341)
Refund from deterioration of accounts receivable	(1.183.175)	(235.803)
Investments valuation	(66.425.653)	(41.898.746)
Derivatives valuation	(28.839.921)	17.534.239
Increase (decrease) other comprehensive income	6.816.432	(19.300.052)
(Increase) in portfolio of credit and financial leasing operations	(9.968.381)	(357.519.668)
Increase in accounts receivable	(5.856.744)	(31.044.201)
Increase active deferred tax	(5.813.908)	(7.603.842)
Decrease (increase) in other assets	292.441	(592.175)
Proceeds from sale of property, plant and equipment	2.830	600
Proceeds from sales of intangible asset	6.220	-
Increase financial instruments at amortized cost	238.966.081	46.674.618
Increase (decrease) deferred tax liability	18.120.691	(1.693.130)
Increase (decrease) accounts payable	3.201.076	(13.969.552)
Decrease other liabilities	(21.318.159)	(6.808.412)
Increase other provisions	135.638	112.067
Increase employee benefits	603.640	11.431
Increase (decrease) effect on the income from CFRS convergence	13.287.149	-
Severance payments	(868.002)	(896.663)
	<u>146.861.865</u>	<u>(398.446.271)</u>
Total adjustments		
Net cash provided the (used in) operating activities	<u>247.248.565</u>	<u>(383.632.350)</u>
CASH FLOWS OF INVESTMENT ACTIVITIES:		
Increase in money market operations	(5.665.501)	(70.365.575)
(Increase) decrease in investments and operations with derivatives	(66.294.709)	(56.894.718)
Additions non-current assets held for sale	(7.237)	-
Purchase property, plant and equipment	(245.940)	(404.216)
Capital lease	(1.079.928)	-
Purchase intangible asset	(1.170.016)	(1.524.622)
	<u>(74.463.331)</u>	<u>(129.189.131)</u>
Net cash (used in) provided by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase financial instruments at fair value	(34.797.159)	(77.770.645)
(Decrease) increase bank credits and other financial obligations	(88.781.525)	596.278.861
Increase capital lease liability	1.079.928	-
Payment of Dividends	(31.106.687)	(54.966.067)
	<u>(153.605.443)</u>	<u>463.542.149</u>
Net cash (used in) provided by financing activities		
INCREASE (DECREASED) NET CASH AND CASH EQUIVALENTS	<u>19.179.791</u>	<u>(49.279.332)</u>
CASH AND CASH EQUIVALENTS OF THE BEGINNING OF THE YEAR	<u>63.485.203</u>	<u>112.764.535</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 82.664.994</u>	<u>\$ 63.485.203</u>

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**COLOMBIAN FOREIGN TRADE BANK -
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STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Figures expressed in thousands of Colombian Pesos)



	Reserves				Other comprehensive income	Accumulated earnings from previous periods	Period Earnings	Shareholder 's Equity
	Equity Capital	Legal	Statutory	Occasional				
BALANCE AS JANUARY 1, 2015	\$1.062.556.872	\$120.177.904	\$49.346.690	\$36.784.763	\$ 104.366.709	\$ 64.880.076	\$	\$ 1.438.113.014
Distribution of period net income								
Usefulness for payment of dividends								
Payment of cash dividends: \$ 54,966,067								
Dividend Preferred Shares and Series C								
\$ 51.73 was cancelled on June 18, 2015								
Common Shares Series A and B Series								
\$ 51.73 was between June 18, 2015 and December 15, 2015, over 1,062,556,872 Shares	-	6.497.820	-	3.416.189	-	(64.880.076)	-	(54.966.067)
Period movement	-	-	-	-	(19.300.052)	-	-	(19.300.052)
Period earnings	-	-	-	-	-	-	14.813.921	14.813.921
BALANCE AS DECEMBER 31, 2015	1.062.556.872	126.675.724	49.346.690	40.200.952	85.066.657	-	14.813.921	1.378.660.816
Transfer to accumulated earnings from previous periods	-	-	-	-	-	14.813.921	(14.813.921)	-
Distribution of period net income								
Payment of cash dividends: \$ 31,106,687								
Dividend Preferred Shares and Series C								
\$ 47.09 was cancelled on June 15, 2016								
Common Shares Series A and B Series								
\$ 29.26 was between June 15, 2016 and August 12, 2016, on 1,062,556,872 Shares	-	2.820.593	-	(5.826.210)	-	(28.101.070)	-	(31.106.687)
Difference Utility COLGAAP and IFRS Transition balance	-	-	-	-	(13.287.149)	13.287.149	-	-
Period movement	-	-	-	-	20.103.581	-	-	20.103.581
Period earnings	-	-	-	-	-	-	100.386.700	100.386.700
BALANCE AS DECEMBER 31, 2016	<u>\$ 1.062.556.872</u>	<u>\$ 129.496.317</u>	<u>\$ 49.346.690</u>	<u>\$ 34.374.742</u>	<u>\$ 91.883.089</u>	<u>\$</u>	<u>\$ 100.386.700</u>	<u>\$ 1.468.044.410</u>

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