

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



ASSETS	Notes	31 December		1 January	LIABILITIES	Notes	31 December		1 January
		2016	2015	2015			2016	2015	2015
Cash and cash equivalents	6	\$ 113.415.372	\$ 93.484.655	\$ 140.851.789	Financial instruments at amortized cost	18	\$ 3.790.529.044	\$ 3.447.936.483	\$ 3.398.278.789
Investments at fair value with changes in results - debt instruments	7	966.070.833	782.875.074	664.012.873	Financial instruments at fair value	7	22.550.950	57.348.109	135.118.754
Investments at amortized cost	7	6.414.414	5.400.470	6.800.921	Bank credits and other financial obligations	19	1.983.888.747	2.089.032.483	1.496.909.108
Investments at fair value with changes in income - instruments of Equity	7	22.702.197	21.094.201	77.820.734	Current tax liabilities	27	4.008.420	3.698.650	18.812.368
Investments at fair value with changes in the OCI - instruments of Equity	7	123.669.747	103.100.754	15.216.158	Commercial accounts payable and other accounts payable	20	32.281.180	32.218.824	24.611.977
Investment in agreements sets		562.622	492.305	-	Provisions for employee benefits	21	7.268.423	6.453.884	6.581.813
Derivatives	7	27.170.920	72.674.504	112.631.103	Other provisions	22	2.160.292	1.667.480	1.255.640
Other financial assets	8	93.005.734	82.331.311	11.965.736	Other Liabilities	23	143.448.290	161.036.000	171.383.727
Portfolio of credit and leasing operations, net	9	6.025.565.140	5.951.882.527	5.601.498.455	Deferred tax liability		<u>97.184.446</u>	<u>78.379.865</u>	<u>43.035.165</u>
Commercial accounts receivable and other accounts receivable, net	10	25.484.475	32.056.426	19.281.478					
Deferred tax assets	27	36.166.023	30.127.857	23.165.501	Total liabilities		6.083.319.792	5.877.771.778	5.295.987.341
Other non-financial assets	11	45.864.991	37.176.075	30.062.575	SHAREHOLDER'S EQUITY				
Non-current assets held for sale, net	12	30.637.876	20.346.989	5.373.396	Social capital				
Properties plant and equipment, net	13	54.259.883	58.964.499	56.072.629	Authorized: 1,100,000,000 actions of nominal value \$1,000 each. Subscribed and paid: 1,062,556,872 shares through December 31, 2016	24	1.062.556.872	1.062.556.872	1.062.556.872
Operating lease properties and equipment	14	6.545.775	2.516.353	2.978.676	Legal reserve	24	138.296.495	134.876.595	127.528.609
Investment Properties	15	4.128.997	-	-	Occasional reserves	24	37.836.918	44.774.939	40.246.939
Capital lease	16	1.079.928	-	-	Statutory reserves	24	49.346.690	49.346.690	49.346.690
Intangible assets	17	10.011.589	10.520.245	8.429.696	Other comprehensive income		274.380.766	278.368.478	277.196.746
Investments accounted for using the equity method and cost	7	<u>113.422.926</u>	<u>110.610.116</u>	<u>145.686.477</u>	Earnings (loss) accrued previous periods		(44.830.003)	9.495.469	68.985.000
					Period earnings (loss)		105.280.912	(41.536.460)	0
Total assets		<u>\$ 7.706.179.442</u>	<u>\$ 7.415.654.361</u>	<u>\$ 6.921.848.197</u>	Total Shareholder Equity		<u>1.622.859.650</u>	<u>1.537.882.583</u>	<u>1.625.860.856</u>
					Total liabilities and shareholders' equity		<u>\$ 7.706.179.442</u>	<u>\$ 7.415.654.361</u>	<u>\$ 6.921.848.197</u>

The accompanying notes are an integral part of these financial statements.

 LUIS FERNANDO CASTRO VERGARA
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 (See my attached report)
 Appointed by Deloitte & Touche Ltda.

COLOMBIAN FOREIGN TRADE BANK - BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. BANCÓLDEX AND SUBORDINATES
CONSOLIDATED 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		\$ 465.610.733	\$ 323.204.571
Financial operations income and money market and other interests		11.803.172	4.540.510
Valuation of investments at fair value - debt instruments		162.959.346	53.536.774
Valuation of investments at fair value - equity instruments		2.501.996	981.823
Valuation at amortized cost of investments		221.880	131.420
Commissions and fees		21.596.105	22.493.637
Valuation of positions in short of operations. Repo open, simultaneous and trans. temporal values		2.687.945	1.462.009
Gain from sale of investments - debt instruments		7.263.684	5.080.221
Gain from sale of investments - equity instruments		3.004.127	-
Gain from sale of portfolio		-	269.784
Utility in the valuation of derivatives - of speculation		1.227.938.610	1.561.677.378
Utility of sale of non-current asset held for sale		-	491.995
Changes		542.992.522	489.731.012
Revenue operational leasing		52.753.363	38.629.038
Assay of derivatives coverage -		-	-
		<u>2.501.333.483</u>	<u>2.502.230.172</u>
OPERATIONS EXPENSES:			
Interest deposits and accruals		254.292.928	152.165.732
Interest bank credits and other financial obligations		36.596.245	21.071.167
Financial income from money market operations and other interests		82.890.682	53.950.326
Loss from sale of goods received in payment and reinstated		1.185.150	-
Assay investments at fair value - debt instruments		66.077.875	35.782.251
Commissions		14.532.342	12.064.938
Valuation of positions in short 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	4.636.581
Assessment derivatives - negotiation		1.199.098.689	1.579.211.617
Changes		554.047.161	497.504.725
		<u>2.216.267.193</u>	<u>2.358.012.529</u>
DIRECT OPERATIONAL INCOME		285.066.290	144.217.643
OTHER OPERATIONAL INCOME AND EXPENSES - NET			
OPERATIONAL INCOME			
Dividends and Interests		5.132.005	3.646.768
Other	25	<u>50.508.174</u>	<u>40.588.056</u>
		55.640.179	44.234.824
OPERATIONAL EXPENSES			
Employee benefits		57.882.994	54.409.186
Fees		8.614.457	7.996.735
Taxes and rates		36.917.109	38.183.047
Leases		3.526.384	3.607.946
Other	26	<u>44.002.595</u>	<u>40.965.093</u>
		150.943.539	145.162.007
OPERATIONAL INCOME PRIOR TO DETERIORATION, DEPRECIATION AND AMORTIZATION		189.762.930	43.290.460
DETERIORATION OF ASSETS			
Credit portfolio		37.804.034	17.209.688
Financial leasing operations		7.809.129	3.835.222
Operating leasing operations		603	-
Accounts receivable		5.057.273	2.898.189
Goods received in payment and reinstated		1.696.963	4.585.150
Other assets		140.506	115.315
Individual countercyclical components		-	2.119.419
		<u>52.508.508</u>	<u>30.762.983</u>
DEPRECIATION OF OWNERSHIP SITE AND EQUIPMENT		2.907.700	2.840.741
AMORTIZATION OF INTANGIBLE ASSETS		2.321.618	2.153.440
EARNINGS BEFORE TAX		132.025.104	7.533.296
INCOME AND RELATED TAXES	27	<u>26.744.192</u>	<u>49.069.756</u>
PERIODS EARNINGS (LOSS)		<u>\$ 105.280.912</u>	<u>\$ (41.536.460)</u>

The accompanying notes are an integral part of these financial statements.

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



	2016	2015
PERIODS EARNINGS (LOSS)	\$ 105.280.912	\$ (41.536.460)
OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income not reclassified as period earnings, net of taxes		
Other comprehensive income, net of taxes, gains (losses) on revaluation	8.734.662	(1.982.542)
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	<u>-</u>	<u>(26.898.460)</u>
Total other comprehensive income not reclassified as period earnings, net of taxes	8.734.662	(28.881.002)
Components of other comprehensive income reclassified as period earnings, net of taxes		
EXCHANGE RATE DIFFERENCES FROM CONVERSION		
Earnings (loss) from exchange rate differences from conversion, net of taxes	499.913	2.591.096
Other comprehensive income, net of taxes, exchange rate differences from conversion	816.702	61.288
FINANCIAL ASSETS AVAILABLE FOR SALE		
Earnings (loss) per new measures of financial assets available for sale, net of taxes	(751.839)	27.400.350
Other (Difference of utility COLGAAP vs. NCIF)	<u>(13.287.150)</u>	<u>-</u>
Total other comprehensive income reclassified as period earnings, net of taxes	(12.722.374)	30.052.734
Total other comprehensive income	<u>(3.987.712)</u>	<u>1.171.732</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 101.293.200</u>	<u>\$ (40.364.728)</u>

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COLOMBIAN FOREIGN TRADE BANK - BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. BANCÓLDEX AND SUBORDINATES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER 'S EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Figures expressed in thousands of Colombian Pesos)



	Reserves				Other comprehensive income	Earnings (loss) accrued previous periods	Period earnings (loss)	Shareholders' Equity
	Equity Capital	Legal	Statutory	Occasional				
BALANCE AS JANUARY 1, 2015	\$ 1.062.556.872	\$127.528.609	\$49.346.690	\$40.246.939	\$ 277.196.746	\$ 68.985.000	-	\$ 1.625.860.856
Distribution of period net income								
Utility of 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, on 1,062,556,872 Shares	-	6.497.820	-	3.416.189	-	(64.880.076)	-	(54.966.067)
Period movement	-	850.166	-	1.111.811	1.171.732	5.390.545	-	8.524.254
Loss of exercise	-	-	-	-	-	-	(41.536.460)	(41.536.460)
BALANCE AS DECEMBER 31, 2015	1.062.556.872	134.876.595	49.346.690	44.774.939	278.368.478	9.495.469	(41.536.460)	1.537.882.583
Transfer to accumulated earnings from previous periods	-	-	-	-	-	(41.536.460)	41.536.460	-
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 balance and IFRS Transition Matrix	-	-	-	-	(13.287.149)	13.287.149	-	-
Period movement	-	599.307	-	(1.111.811)	9.299.437	2.015.909	-	10.802.842
Period earnings	-	-	-	-	-	-	105.280.912	105.280.912
BALANCE AS DECEMBER 31, 2016	\$ 1.062.556.872	\$ 138.296.495	\$ 49.346.690	\$ 37.836.918	\$ 274.380.766	\$ (44.839.003)	\$ 105.280.912	\$ 1.622.859.650

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



	2016	2015
CASH FLOWS BY ACTIVITIES OF OPERATION:		
Period earnings (loss)	\$ 105.280.912	\$ (41.536.460)
Adjustments to reconcile net income and net cash		
Deterioration portfolio of credits	45.613.766	23.115.317
Deterioration accounts receivable	5.057.273	2.947.201
Deterioration non-current assets held for sale	1.696.963	4.585.150
Deterioration operating lease properties and equipment	-	277.227
Deterioration other assets	140.504	115.315
Severance expenses	1.719.848	1.639.100
Depreciation of property, plant and equipment	2.305.304	1.969.743
Depreciation of properties and equipment in operating lease	602.396	870.998
Amortization of intangible assets	2.321.618	2.153.440
Utility of sale of non-current asset held for sale	-	(491.995)
Utility of sale of property, plant and equipment, net	(191.543)	(1.439)
Utility of sale of investments, net	(5.627.991)	(443.641)
Refund from deterioration of portfolio of credits at amortized cost	(13.440.715)	(5.729.121)
Refund from deterioration of accounts receivable	(3.254.242)	(821.075)
Investment valuation	(99.605.347)	(18.867.765)
Derivatives valuation	(28.839.921)	17.534.239
(Decrease) increase in other comprehensive income	(3.987.712)	1.171.732
Increase in portfolio of credit and financial leasing operations at amortized cost	(105.988.884)	(367.697.897)
Decrease (increase) in accounts receivable	4.902.138	(14.973.446)
Increase non-current assets held for sale	(11.926.621)	(19.066.747)
Decrease (increase) in property plant and equipment	379.495	(155.147)
Increase in property and equipment in operating lease	(1.837.757)	(685.902)
Increase of intangible assets	(649.166)	(293.060)
Increase active deferred tax	(6.038.166)	(6.962.356)
Increase in other assets	(8.829.419)	(7.228.815)
Proceeds from sale of property, plant and equipment	2.830	173.111
Proceeds from sales of intangible asset	6.220	67.208
Increase financial instruments at amortized cost	342.592.561	49.657.694
Increase deferred tax liability	18.804.581	35.344.700
Increase (decrease) accounts payable	372.126	(7.506.871)
Decrease other liabilities	(17.587.709)	(10.347.727)
Increase other provisions	492.812	411.840
Increase (decrease) employee benefits	731.659	(160.612)
Increase wealth product minority interest	1.503.405	7.352.521
Increase (decrease) effect on the income from CFSI convergence	13.287.149	-
Severance payments	(1.636.968)	(1.606.416)
Total adjustments	<u>133.090.487</u>	<u>(313.653.496)</u>
Net cash provided by (used in) operating activities	<u>238.371.399</u>	<u>(355.189.956)</u>
CASH FLOWS OF INVESTMENT ACTIVITIES:		
Increase in money market operations	(10.674.423)	(70.365.575)
Increase in derivative investments and operations	(29.692.976)	(72.301.991)
Additions non-current assets held for sale	(61.230)	-
Purchase property, plant and equipment	(1.920.466)	(4.878.137)
Operating lease properties and equipment	(2.794.061)	-
Capital lease	(1.079.928)	-
Purchase intangible asset	(1.170.016)	(4.018.137)
Net cash used for investment activities	<u>(47.393.100)</u>	<u>(151.563.840)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease financial instruments at fair value	(34.797.159)	(77.770.645)
(Decrease) increase bank credits and other financial obligations	(106.041.327)	591.604.792
Increase capital lease liability	897.591	518.582
Payment of Dividends	(31.106.687)	(54.966.067)
Net cash (used in) provided by financing activities	<u>(171.047.582)</u>	<u>459.386.662</u>
INCREASE (DECREASED) NET CASH AND CASH EQUIVALENTS	19.930.717	(47.367.134)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>93.484.655</u>	<u>140.851.789</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 113.415.372</u>	<u>\$ 93.484.655</u>

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