

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX
STATEMENT OF FINANCIAL SITUATION AS OF DECEMBER 31, 2018 AND 2017
(Figures expressed in thousands of Colombian Pesos)



| ASSETS | Notes | 2018 | 2017 | LIABILITIES | Notas | 2018 | 2017 |
|--|-------|-------------------------|-------------------------|--|-------|-------------------------|-------------------------|
| Cash and cash equivalents | 7 | \$ 122.547.167 | \$ 131.576.842 | Financial instruments at amortised cost | 18 | \$ 3.388.681.977 | \$ 3.090.704.832 |
| Financial Instruments | | | | Financial instruments at fair value- derivates | 8 | 83.938.412 | 27.638.244 |
| Investments at fair value with changes in results - debt instruments | 8 | 624.343.625 | 413.231.260 | Bank loans and other financial obligations at amortised cost | 19 | 3.203.383.978 | 2.048.180.839 |
| Investments at fair value with changes in the OCI - debt instruments | 8 | 404.036.741 | 429.726.820 | Financial Lease at amortised cost | 19 | 2.443.043 | 1.225.506 |
| Investments at fair value with changes in the OCI - equity instruments | 8 | 136.748.440 | 137.996.881 | Current tax liabilities | 27 | 25.636.552 | 13.408.143 |
| Investments accounted for using the equity method and cost | 8 | 115.396.653 | 119.929.601 | Other taxes payable | | 902.354 | 837.704 |
| Investments in subsidiaries | 8 | 112.305.586 | 105.992.046 | Trade accounts payable and other accounts payable | 20 | 37.420.831 | 20.621.620 |
| Derivates | 8 | 122.187.073 | 20.755.931 | Employee benefits | 21 | 3.962.296 | 3.900.502 |
| Other financial assets | 9 | 232.420.907 | 21.417.338 | Estimated Liabilities and Provisions | 22 | 323.751 | 742.102 |
| Credit and financial leasing operations, net | 10 | 6.349.803.342 | 5.369.406.457 | Other Liabilities | 23 | 102.602.011 | 103.975.125 |
| Commercial accounts receivable and other accounts receivable, net | 11 | 106.202.870 | 41.274.598 | Deferred tax liability | 27 | <u>76.579.306</u> | <u>42.826.588</u> |
| Deferred tax assets | 27 | 34.584.664 | 2.918.881 | Total liabilities | | 6.925.874.511 | 5.354.061.205 |
| Other non-financial assets | 12 | 7.718.657 | 837.157 | SHAREHOLDER'S EQUITY | | | |
| Non-current assets held for sale, Net | 13 | 35.039 | - | Socialcapital | | | |
| Properties and equipment, net | 14 | 33.965.370 | 34.787.355 | Authorized: 1,100,000,000 shares of nominal value | | | |
| Investment properties | 15 | 6.413.244 | 6.413.244 | \$1,000 each. Subscribed and paid: 1,062,556,872 | | | |
| Financial Leasing | 16 | 2.294.447 | 1.109.689 | shares at 31 December 2018 | 24 | 1.062.556.872 | 1.062.556.872 |
| Intangible assets | 17 | <u>10.016.602</u> | <u>8.585.981</u> | Legal reserve | 24 | 147.833.262 | 139.545.280 |
| Total Assets | | <u>\$ 8.421.020.427</u> | <u>\$ 6.845.960.081</u> | Ocassional reserves | 24 | 31.501.107 | 36.945.281 |
| | | | | Statutory reserves | 24 | 49.346.690 | 49.346.690 |
| | | | | Another integral result | | 96.275.086 | 120.639.787 |
| | | | | Period earnings | | <u>107.632.899</u> | <u>82.864.966</u> |
| | | | | Total Shareholder's Equity | | <u>1.495.145.916</u> | <u>1.491.898.876</u> |
| | | | | Total Liabilities and Shareholder's Equity | | <u>\$ 8.421.020.427</u> | <u>\$ 6.845.960.081</u> |

The accompanying notes are an integral part of these financial statements

JAVIER DIAZ FAJARDO
Legal Representative

JAIRO PEDRAZA CUBILLOS
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Appointed by Deloitte & Touche Ltda.
(See my attached report)

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STATEMENT OF FINANCIAL SITUATION AS OF DECEMBER 31, 2018 AND 2017
(Figures expressed in thousands of Colombian Pesos)



| | Notes | 2018 | 2017 |
|---|-------|-----------------------|----------------------|
| INCOME FROM GENERAL ORDINARY OPERATIONS: | | | |
| Financial Income portfolio | | \$ 387.651.416 | \$ 423.121.131 |
| Financial operations income and money market and other interests | | 6.206.495 | 7.746.847 |
| Valuation of investments at fair value - debt instruments | | 70.349.869 | 75.348.121 |
| Valuation of investments at fair value - equity instruments | | 318.138 | - |
| Commissions and fees | | 1.662.058 | 2.557.390 |
| Valuation of positions in short of operations. Repo open, simultaneous and trans. Temporal values | | 2.792.249 | 1.619.172 |
| Gain in sale of investments - debt instruments | | 4.802.084 | 6.460.940 |
| Utility in valuation of derivatives - of speculation | | 1.574.890.822 | 724.177.455 |
| Changes | | 215.047.797 | 26.439.941 |
| Valuation of derivatives - of coverage | | <u>823.760</u> | <u>1.883.255</u> |
| | | <u>2.264.544.688</u> | <u>1.269.354.252</u> |
| OPERATIONS EXPENSES: | | | |
| Interest deposits and accruals | | 111.929.463 | 188.892.665 |
| Interest bank credits and other financial obligations | | 64.620.796 | 37.958.443 |
| Financial income from money market operations and other interests | | 73.897.631 | 50.991.784 |
| Valuation of investments at fair value - debt instruments | | - | 78.170 |
| Commissions | | 3.892.407 | 9.109.679 |
| Valuation in short positions of operations. Repo open, simultaneous and trans. Temporal values | | 3.216.530 | 2.330.059 |
| Loss on sale of Investments - debt instruments | | 4.656.924 | 4.923.590 |
| Loss on sale of credit portfolio | | 218.147 | - |
| Loss in the valuation of spot operations | | 5.430 | - |
| Valuation of derivatives - trading | | 1.536.128.771 | 715.224.151 |
| Changes | | 263.359.653 | 28.018.075 |
| Valuation of derivatives - coverage | | <u>525</u> | <u>-</u> |
| | | <u>2.061.926.277</u> | <u>1.037.526.616</u> |
| DIRECT OPERATIONAL RESULT | | <u>202.618.411</u> | <u>231.827.636</u> |
| OTHER INCOME AND OPERATIONAL EXPENSES - NET | | | |
| OPERATIONAL INCOME | | | |
| Dividends and Interests | | 2.239.943 | 2.209.702 |
| Equity method | | 11.863.749 | 9.264.851 |
| Others | 25 | <u>105.395.766</u> | <u>151.858.448</u> |
| | | <u>119.499.458</u> | <u>163.333.001</u> |
| OPERATIONAL EXPENSES | | | |
| Employee benefits | | 42.809.964 | 42.884.607 |
| Fees | | 4.269.324 | 6.283.337 |
| Taxes and rates | | 16.627.154 | 23.906.438 |
| Leases | | 2.077.181 | 1.641.425 |
| Others | 26 | <u>18.494.668</u> | <u>40.742.296</u> |
| | | <u>84.278.291</u> | <u>115.458.103</u> |
| OPERATIONAL RESULTS PRIOR TO DETERIORATION, DEPRECIATION AND AMORTIZATION | | <u>237.839.578</u> | <u>279.702.534</u> |
| DETERIORATION OF ASSETS | | | |
| Credit portfolio | | 35.998.760 | 104.101.237 |
| Accounts receivable | | 746.562 | 1.380.089 |
| Goods received as dation in payment and restored | | 12.138.341 | 2.229.122 |
| Investments - equity instruments | | 409.725 | 604.260 |
| Other assets | | 25.720 | 36.433 |
| Individual countercyclical components | | <u>18.663.966</u> | <u>27.398.772</u> |
| | | <u>67.983.074</u> | <u>135.749.913</u> |
| DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT | | <u>1.542.766</u> | <u>1.373.235</u> |
| AMORTIZATION OF INTANGIBLE ASSETS | | <u>1.138.772</u> | <u>1.151.965</u> |
| GAINS BEFORE TAXES | | 167.174.966 | 141.427.421 |
| INCOME AND RELATED TAXES | 27 | <u>59.542.067</u> | <u>58.562.455</u> |
| PERIOD EARNINGS | | <u>\$ 107.632.899</u> | <u>\$ 82.864.966</u> |
| EARNINGS PER SHARE | | <u>\$ 101,30</u> | <u>\$ 77,99</u> |

The accompanying notes are an integral part of these financial statements

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BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX
OTHER COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Figures expressed in thousands of Colombian Pesos)



| | 2018 | 2017 |
|---|----------------------|-----------------------|
| GAIN FOR THE PERIOD | \$ 107.632.899 | \$ 82.864.966 |
| OTHER COMPREHENSIVE RESULT | | |
| Components of other comprehensive income that will not be reclassified to the result of the period | | |
| Investments in equity instruments, net deferred tax | (8.637.103) | (1.518.319) |
| Revaluation of property, plant and equipment, net deferred tax | 265.618 | 5.976.756 |
| Share of other comprehensive income of associates and subordinates accounted for using the equity method | <u>(777.418)</u> | <u>10.352.619</u> |
| Components of other comprehensive income that will not be reclassified to the result of the period | (9.148.903) | 14.811.056 |
| Components of other comprehensive income that will be reclassified to the result of the period | | |
| Financial Assets Available for sale | | |
| For new measurements of financial assets available for sale, net deferred tax | <u>(12.142.834)</u> | <u>14.080.533</u> |
| Financial assets available for sale | (12.142.834) | 14.080.533 |
| Cash Flow Coverings | | |
| Cash flow coverage, net deferred tax | <u>(2.875.488)</u> | <u>(134.891)</u> |
| Other comprehensive income, cash flow coverage | (2.875.488) | (134.891) |
| Others | | |
| Adjustments in the application for the first time, net deferred tax | <u>(197.476)</u> | <u>-</u> |
| Total other comprehensive income that will be reclassified to the result of the period | <u>(15.215.798)</u> | <u>13.945.642</u> |
| Total other comprehensive result | <u>(24.364.701)</u> | <u>28.756.698</u> |
| TOTAL COMPREHENSIVE RESULT | <u>\$ 83.268.198</u> | <u>\$ 111.621.664</u> |

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BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Figures expressed in thousands of Colombian pesos except net profit per share)



| | Reserves | | | | | | | Shareholder's Equity |
|--|-------------------------|-----------------------|----------------------|----------------------|----------------------------|--|--------------------------------|-------------------------|
| | Equity | Legal | Statutory | Occasional | Other comprehensive result | Earnings accumulated in previous years | Profits (surpluses) and losses | |
| BALANCE AS DECEMBER 31, 2016 | \$ 1.062.556.872 | \$ 129.496.317 | \$ 49.346.690 | \$ 34.374.742 | \$ 91.883.089 | \$ - | \$ 100.386.700 | \$ 1.468.044.410 |
| Transfer to accumulated earnings from previous periods | - | - | - | - | - | 100.386.700 | (100.386.700) | - |
| Period movement | - | - | - | - | 28.756.698 | - | - | 28.756.698 |
| Distribution of period net income | - | - | - | - | - | - | - | - |
| Utility for dividend payment | - | - | - | - | - | - | - | - |
| Payment of cash dividends: \$ 87.767.198 | - | - | - | - | - | - | - | - |
| Dividend Preferred Shares Series C | - | - | - | - | - | - | - | - |
| \$ 82.60 was cancelled on July 31, 2017 | - | - | - | - | - | - | - | - |
| Common shares Series A and B | - | - | - | - | - | - | - | - |
| \$ 82.60 was between august 4, 2017 and december 15, 2017, on 1.062.556.872 shares | - | 10.048.963 | - | 2.570.539 | - | (100.386.700) | - | (87.767.198) |
| Earnings for the period | - | - | - | - | - | - | 82.864.966 | 82.864.966 |
| BALANCE AS DECEMBER 31, 2017 | 1.062.556.872 | 139.545.280 | 49.346.690 | 36.945.281 | 120.639.787 | - | 82.864.966 | 1.491.898.876 |
| Transfer to accumulated earnings from previous periods | - | - | - | - | - | 82.864.966 | (82.864.966) | - |
| Period movement | - | - | - | - | (24.364.701) | - | - | (24.364.701) |
| Distribution of period net income | - | - | - | - | - | - | - | - |
| Utility for dividend payment | - | - | - | - | - | - | - | - |
| Payment of cash dividends:: \$ 80.021.158 | - | - | - | - | - | - | - | - |
| Dividend Preferred Shares Series C | - | - | - | - | - | - | - | - |
| de \$ 75.31 was cancelled on June 26, 2018 | - | - | - | - | - | - | - | - |
| Common Shares Series A and B Series | - | - | - | - | - | - | - | - |
| \$ 75.31 was between June 26, 2018 and December 15, 2018 | - | 8.287.982 | - | (5.444.174) | - | (82.864.966) | - | (80.021.158) |
| on 1.062.556.872 shares | - | - | - | - | - | - | - | - |
| Earnings for the period | - | - | - | - | - | - | 107.632.899 | 107.632.899 |
| BALANCE AS DECEMBER 31, 2018 | \$ 1.062.556.872 | \$ 147.833.262 | \$ 49.346.690 | \$ 31.501.107 | \$ 96.275.086 | \$ - | \$ 107.632.899 | \$ 1.495.145.916 |

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BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A.- BANCÓLDEX
**CASH FLOW STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Figures expressed in thousands of Colombian Pesos)**


| | 2018 | 2017 |
|---|------------------------|------------------------|
| CASH FLOWS BY ACTIVITIES OF OPERATION: | | |
| Period earnings | \$ 107.632.899 | \$ 82.864.966 |
| Adjustments to reconcile net income and net cash (usado en) provisto las actividades de operación: | | |
| Deterioration investmet | 409.725 | 604.260 |
| Deterioration portfolio of credits | 54.438.275 | 131.175.985 |
| Deterioration accounts receivable | 995.794 | 1.723.894 |
| Deterioration non-current assets held for sale | 12.138.341 | 2.229.122 |
| Deterioration other assets | 939 | 16.651 |
| Severance expenses | 882.630 | 913.597 |
| Depreciation of property, plant and equipment | 1.542.766 | 1.373.235 |
| Revaluation of property, plant and equipment | - | (10.638.345) |
| Amortization of intangible assets | 1.138.772 | 1.151.965 |
| Utility of sale of property, plant and equipment, net | (64) | (360) |
| Utility of sale of investments, net | (145.160) | (1.537.350) |
| Refund from deterioration of investments | (295.123) | (294.749) |
| Refund from deterioration of portfolio of credits | (93.317.979) | (131.484.970) |
| Refund from deterioration of accounts receivable | (1.604.118) | (2.278.549) |
| Investment valuation | (70.668.007) | (75.269.950) |
| Derivatives valuation | (39.579.856) | (10.836.560) |
| (Decrease) Increase in accumulated unrealized gains | (24.364.701) | 28.756.698 |
| Increase in portfolio of credit and financial leasing operations | (941.517.181) | (2.415.772) |
| Decrease (increase) in accounts receivable | (64.438.945) | 30.836.857 |
| Decrease intangible assets | 2.959.028 | - |
| Decrease (increase) asset by deferred tax | (31.665.783) | 29.575.940 |
| (increase) Decrease in other assets | (6.763.443) | 2.951 |
| Proceeds from sale of property, plant and equipment | 91 | 460 |
| Proceeds from the sale of non-current assets held for sale | 113.000 | - |
| Increase (decrease) financial instruments at amortized cost | 297.977.145 | (299.068.963) |
| Increase (decrease) bank acceptances | 1.078.200 | (37.961.164) |
| Increase in deferred tax liabilities | 33.752.718 | 2.212.580 |
| Increase (decrease) employee benefit | 94.675 | (980.894) |
| Restatement of credits and other financial obligations | 208.754.286 | (13.055.547) |
| Restatement of financial leases | 40.787 | (6.634) |
| Causation of bank credits and other financial obligations | 64.620.795 | 37.958.443 |
| Causation financial lease | 305.071 | 315.902 |
| Payment of credits and other financial obligations | (593.741.289) | (1.314.324.914) |
| Payment of financial lease | (950.881) | (651.133) |
| Increase accounts payable | 29.092.270 | 16.916.512 |
| Decrease other liabilities | (1.373.114) | (13.136.553) |
| (Decrease) increase others provisions | (418.351) | 16.651 |
| Increase other comprehensive income | - | 7.237 |
| Severance payments | (915.510) | (1.082.277) |
| | <u>(1.161.424.197)</u> | <u>(1.629.235.744)</u> |
| Total adjustments | | |
| Net cash used in operating activities | <u>(1.053.791.298)</u> | <u>(1.546.370.778)</u> |
| CASH FLOWS OF INVESTMENT ACTIVITIES: | | |
| (Increase) decrease in money market operations | (211.003.569) | 66.579.475 |
| (Increase) decrease in investment and derivate operations | (177.107.157) | 190.904.858 |
| Additions non-current assets held for sale | (12.286.380) | (2.229.122) |
| Purchase property and equipment | (83.006) | (146.544) |
| Financial lease | (1.822.560) | (487.443) |
| Purchase intangible asset | (5.528.421) | (1.719.377) |
| | <u>(407.831.093)</u> | <u>252.901.847</u> |
| Net cash (used in) provided by investment activities | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Increase financial instruments financieros at fair value | 56.300.168 | 5.087.294 |
| Bank credits and other financial obligations | 1.474.491.146 | 1.424.573.240 |
| Financial lease | 1.822.560 | 487.443 |
| Payment of Dividends | (80.021.158) | (87.767.198) |
| | <u>1.452.592.716</u> | <u>1.342.380.779</u> |
| Net cash provided by financing activities | | |
| (DECREASE) INCREASE NET CASH AND CASH EQUIVALENTS | (9.029.675) | 48.911.848 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>131.576.842</u> | <u>82.664.994</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 122.547.167</u> | <u>\$ 131.576.842</u> |

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