

BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position

As of December 31, 2019 and 2018

(Expressed in COP millions)

ASSETS	Note	December 31, 2019	December 31, 2018	LIABILITIES AND EQUITY	Note	December 31, 2019	December 31, 2018
				LIABILITIES			
CASH AND CASH EQUIVALENTS	(Note 9)	12.109.368	9.256.890	FINANCIAL LIABILITIES AT FAIR VALUE			
				Derivative instruments	(Note 10)	49.946	31.805
FINANCIAL ASSETS AT FAIR VALUE				FINANCIAL LIABILITIES AT AMORTIZED COST			
In debt securities	(Note 10)	6.179.841	6.174.098	Deposits by clients			
In equity instruments	(Note 10)	103.265	86.197	Current accounts	(Note 19)	1.992.712	1.941.743
Total securities		6.283.106	6.260.295	Savings accounts	(Note 19)	12.633.314	10.301.935
Derivative instruments	(Note 10)	19.381	23.511	Certificates of fixed-term deposits	(Note 19)	9.008.058	8.486.862
Total Financial Assets at Fair Value		6.302.487	6.283.806			23.634.084	20.730.540
AT AMORTIZED COST				Financial liabilities			
In debt securities at amortized cost, net	(Note 10)	835.858	771.851	Short-term financial obligations	(Note 20)	6.226.225	5.289.323
		835.858	771.851	Obligations with rediscount institutions and banks abroad	(Note 20)	2.347.173	2.240.382
Credit portfolio				Total debt		8.573.398	7.529.705
Commercial	(Note 11)	9.093.405	8.661.068	Long-term financial obligations	(Note 20)	2.251.795	2.231.354
Consumer	(Note 11)	6.604.061	5.842.272	Total Financial Liabilities		10.825.193	9.761.059
Housing	(Note 11)	1.022.742	1.106.305	LIABILITIES DUE TO FINANCIAL LEASES	(Note 14)	130.361	-
Impairment provision	(Note 11)	(525.034)	(493.167)	BENEFITS TO EMPLOYEES	(Note 21)	59.205	54.681
Total Credit Portfolio, net		16.195.174	15.116.478	PROVISIONS			
Other accounts receivable, net	(Note 12)	230.613	175.801	For legal contingencies	(Note 22)	8.091	7.800
Total Financial Assets at Amortized Cost		17.261.645	16.064.130	Other provisions	(Note 22)	56.460	44.293
NON-CURRENT ASSETS HELD FOR SALE, NET	(Note 13)	22.713	25.764	LIABILITY DUE TO INCOME TAX AND CREE TAX			
INCOME TAX ASSETS				Current (Paraguay)	(Note 17)	725	1.168
Current	(Note 17)	261.665	222.250	Deferred items	(Note 23)	19.171	25.818
Deferred (Peru and Paraguay)	(Note 23)	38.867	36.123	CAPITAL INCREASE ADVANCES	(Note 25)	-	162.488
TANGIBLE ASSETS, NET				OTHER LIABILITIES	(Note 24)	423.663	327.259
Investment property	(Note 15)	134.350	67.567	TOTAL LIABILITIES		35.206.899	31.146.911
Property and equipment for own use	(Note 14)	796.364	748.589	EQUITY			
Property and equipment with right of use, net of depreciation	(Note 14)	125.649	-	Controlling Interests			
Total Tangible Assets		1.056.363	816.156	Capital subscribed and paid	(Nota 26)	71.270	66.020
INTANGIBLE ASSETS, NET				Paid-in capital		638.355	486.105
Goodwill	(Note 16)	344.526	411.820	Profit withheld		1.458.269	1.376.703
Other intangible assets		24.451	20.719	Reserves	(Note 26)	1.313.810	1.196.382
Total Intangible Assets		368.977	432.539	Profit of the period		267.457	235.110
OTHER ASSETS	(Note 18)	109.799	80.865	Profit from previous periods		(122.998)	(54.789)
TOTAL ASSETS		37.531.884	33.218.523	Other comprehensive income		109.989	93.817
				Total equity of controlling interests		2.277.883	2.022.645
				Non-controlling interest		47.102	48.967
				TOTAL EQUITY		2.324.985	2.071.612
				TOTAL LIABILITIES AND EQUITY		37.531.884	33.218.523

See the notes that are an integral part of the Consolidated Financial Statements.

Camilo Verástegui Carvajal
Legal Representative

David Cardoso Canizales
Professional Card 47878-T
Chartered Accountant

Edgar Augusto Pedraza
Professional Card 19555-T
Statutory Auditor
Designated by PwC Contadores y Auditores Ltda.
(See my report, attached)

BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
Consolidated Income Statement
For the years ended on december 31, 2019 and 2018
(Expressed in COP millions, except for the Net Profit per Share)

	Note	December 31, 2019	December 31, 2018
Income from financial assets interests at amortized cost			
Interests on credit portfolio		1.717.904	1.559.723
Appraisal investment financial assets in debt securities at amortized cost		9.233	10.014
Other interests		180.720	181.648
Total interest income		1.907.857	1.751.385
Expenses due to deposits interests that finance financial assets at amortized cost			
Deposits			
Current accounts		33.148	25.361
Certificates of Term Deposits		410.820	394.668
Savings deposits		478.217	402.072
Total expenses due to deposits interests		922.185	822.101
Expenses due to financial obligations and other interests			
Short-term financial obligations		1.203	1.384
Long-term financial obligations		103.735	92.176
Bonds and investment securities		179.511	160.246
Obligations with rediscount institutions		56.886	60.337
Interests on liabilities due to leases		9.689	-
Total Interests expenses		1.273.209	1.136.244
Net income from financial assets interests at amortized cost		634.648	615.141
Impairment loss of financial assets at amortized cost			
Credit portfolio and interests receivable		568.403	537.341
Goods in lieu of payment and restored		7.025	3.076
Loss due to investment portfolio		2.656	1.631
Recovery of credit portfolio and accounts receivable		247.958	246.355
Net interests after the impairment loss of financial assets		304.522	319.448
Commissions and fees			
Income from Commissions and Fees	(Note 27)	254.555	231.593
Expenses from Commissions and Fees	(Note 27)	103.990	89.101
Net income from commissions and fees		150.565	142.492
Appraisal of financial assets at fair value			
Income from the appraisal of debt securities at fair value		334.761	260.917
Income from the appraisal of equity instruments at fair value		5.820	4.200
Appraisal expenses of derivative instruments		(6.791)	(27.063)
Income from appraisal of financial assets at fair value		333.790	238.054
Net income from interests and appraisals		788.877	699.994
Other income			
Investment sales' profit	(Note 28)	90.135	28.994
Portfolio sale profit	(Note 28)	-	10.218
Dividends and interests	(Note 28)	1.630	2.587
Exchange difference, net	(Note 28)	13.380	27.954
Industrial and service income - Hotels	(Note 28)	38.603	-
Other	(Note 28)	124.617	183.509
Total other income		268.365	253.262
Other expenses			
Personnel expenses	(Note 29)	245.029	238.750
Loss due to sale of investments	(Note 29)	75.477	22.146
General management expenses	(Note 29)	176.522	194.926
Depreciation expenses	(Note 29)	18.913	17.623
Depreciation due to rights of use	(Note 29)	27.279	-
Amortization expense	(Note 29)	9.795	7.512
Service costs - Hotels	(Note 29)	15.192	-
Other	(Note 29)	163.336	181.997
Total other expenses		731.543	662.954
Profit before tax on gains		325.699	290.302
Gains tax	(Note 17)	58.242	55.192
Profit attributable to the controller's owners		267.457	235.110
Non-controlling interest		5.440	4.916
PROFIT OF THE PERIOD		272.897	240.026
Net profit per share of controlling shareholders (in COP)		1.501	1.424

See the notes that are an integral part of the Consolidated Financial Statements.

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
Consolidated Statement of Other Comprehensive Income
For the years ended on December 31, 2019 and 2018
(Expressed in COP millions)

	Note	December 31, 2019	December 31, 2018
NET PROFIT OF THE PERIOD		\$ 272.897	240.026
Items of other comprehensive results, net of taxes			
Items that may be subsequently reclassified to income			
Investment translation of subsidiaries abroad		(13.536)	96.157
Exchange difference in the hedge of long-term financial liabilities	(Note 10)	(10.365)	(91.112)
Differences between the provision and impairment recorded in the calculation of the separate and consolidated financial statements		6.520	(56.333)
Deferred tax on gains	(Note 23)	(15.790)	66.260
Financial Assets at Fair Value		-	4.510
		<u>(33.171)</u>	<u>19.482</u>
Items that will not be reclassified to income			
Revaluation of assets	(Note 14)	48.932	(10.861)
(Loss) Gains in employee benefits plans	(Note 21)	(2.555)	(7.860)
Deferred tax in items that will not be reclassified to income	(Note 23)	2.966	13.921
Total other comprehensive income during the period, net of taxes		\$ 16.172	14.682
Total other comprehensive income of the period		\$ 289.069	254.708

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
Consolidated Statement of Changes in Shareholders' Equity
For the years ended on December 31, 2019 and 2018
(Expressed in COP millions)

			<u>Profit withheld</u>							
	<u>Capital</u>	<u>Additional paid-in of Shares</u>	<u>Reservas</u>	<u>Profit of the Period</u>	<u>Accumulated results</u>	<u>Profit withheld</u>	<u>Other comprehensive income</u>	<u>Total Controlling Interests</u>	<u>Non-controlling interests</u>	<u>Equity</u>
Balance at December 31, 2017	66.020	486.105	1.056.767	222.642	(99.853)	1.179.556	108.499	1.840.180	16.996	1.857.176
Changes in accounting policies - IFRS 9 - Impairment of Financial Instruments	-	-	-	-	(23.327)	(23.327)	-	(23.327)	-	(23.327)
Balance at January 1, 2018	66.020	486.105	1.056.767	222.642	(123.180)	1.156.229	108.499	1.816.853	16.996	1.833.849
Transfer to accumulated profit	-	-	-	(222.642)	222.642	-	-	-	-	-
Profit provision to increase reserve	-	-	150.571	-	(150.571)	-	-	-	-	-
Net movement of other comprehensive income	-	-	-	-	-	-	(14.682)	(14.682)	-	(14.682)
Fill IFRS adjustments - OCI Revaluation	-	-	-	-	63.264	63.264	-	63.264	-	63.264
OCI reclassification due to benefits to employees	-	-	-	-	(3.609)	(3.609)	-	(3.609)	-	(3.609)
Dividends payment	-	-	-	-	(56.369)	(56.369)	-	(56.369)	-	(56.369)
Current Income Tax	-	-	-	-	(6.966)	(6.966)	-	(6.966)	-	(6.966)
Exchange difference Subsidiaries abroad	-	-	(10.956)	-	-	(10.956)	-	(10.956)	-	(10.956)
Non-controlling interest	-	-	-	-	-	-	-	-	31.971	31.971
Profit of the period (controlling interests)	-	-	-	235.110	-	235.110	-	235.110	-	235.110
Balance at December 31, 2018	\$ 66.020	486.105	1.196.382	235.110	(54.789)	1.376.703	93.817	2.022.645	48.967	2.071.612
Transfer to accumulated profit	-	-	-	(235.110)	235.110	-	-	-	-	-
Profit provision to increase reserve	-	-	113.923	-	(113.923)	-	-	-	-	-
Net movement of other comprehensive income	-	-	-	-	-	-	16.172	16.172	-	16.172
Dividends payment	-	-	-	-	(189.396)	(189.396)	-	(189.396)	-	(189.396)
Exchange difference Subsidiaries abroad	-	-	3.505	-	-	3.505	-	3.505	-	3.505
Capital increase	5.250	152.250	-	-	-	-	-	157.500	-	157.500
Non-controlling interest	-	-	-	-	-	-	-	-	(1.865)	(1.865)
Profit of the period (controlling interests)	-	-	-	267.457	-	267.457	-	267.457	-	267.457
Balance at December 31, 2019	\$ 71.270	638.355	1.313.810	267.457	(122.998)	1.458.269	109.989	2.277.883	47.102	2.324.985

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
Consolidated Statement of Cash Flows
For the years ended on December 31, 2019 and 2018
(Expressed in COP millions)

	December 31, 2019	December 31, 2018
Cash flows from operating activities:		
Profit of the period	\$ 272.897	240.026
Reconciliation of results of the period and net cash provided due to operating activities:		
Expense due to gains tax	58.242	55.192
Depreciation expenses	46.192	17.623
Amortization expenses	9.795	7.512
Impairment loss of Financial Assets	568.403	537.341
Loss recovery due to financial assets	(247.950)	(246.342)
Loss in trading derivative instruments appraisal	8.602	27.063
Interests on debt securities at amortized cost	(9.233)	(10.014)
Income from appraisal at fair value and exchange difference	(317.962)	(297.066)
Investment sales' profit	(21.842)	(6.836)
Expense due to lease interests	9.689	-
Interests paid on long-term obligations at amortized cost	188.493	215.297
Changes in operating assets and liabilities:		
Interests earned	1.257.943	1.139.546
Interests paid	(154.935)	(155.044)
Increase of credit portfolio	(2.650.570)	(2.995.140)
Increase in other accounts receivable derived from operating activities	(54.812)	(20.728)
Increase in clients' deposits	2.903.545	2.190.790
(Increase) decrease in other assets	(28.934)	6.562
Increase in other liabilities	96.404	56.143
(Decrease) Increase of Provisions	(48.178)	13.996
Increase in employee benefits plans	1.969	3.428
Variation in investments - Security debts at fair value	350.860	(864.341)
Variation in investments - Variable yield securities	(11.248)	9.943
Increase of short-term obligations	1.941.989	944.317
Capital payments short-term obligations	(969.207)	(221.718)
Obligations increase with development entities	465.652	904.299
Capital payment loans with development entities	(239.806)	(101.108)
(Decrease) Increase of non-current assets held for sale	3.051	(4.155)
Variation of deferred and current tax	(59.680)	(115.602)
Variation in operations with derivatives	9.387	(12.496)
	3.105.859	1.078.462
Net cash from operating activities	3.378.756	1.318.488
Cash flows from investment activities:		
Movement in property and equipment	(142.654)	(298.340)
(Profit) in the sale of property and equipment	(142)	(198)
Write-offs of property and equipment	125.040	-
(Decrease) Increase of intangible assets, net	55.551	(189.423)
Variation in investments - debt securities at amortized cost	(54.774)	(270.633)
Increase in investment properties	(66.783)	(15.689)
Net cash (used by) from investment activities	(83.762)	(774.283)
Cash flows from financing activities:		
Long-term financial liabilities	-	(895.200)
Interests paid due to long-term financial liabilities	(174.135)	(114.580)
Dividends paid	(189.396)	(56.369)
Capital increase advances	(4.988)	162.488
Lease payments	(39.449)	-
Income and disposal on lease contracts, net	7.192	-
Non-controlling interest	(7.305)	27.055
Net cash used by financing activities	(408.081)	(876.606)
Exchange difference of cash and cash equivalents	(34.434)	61.566
Net increase (decrease) in cash and cash equivalents	2.852.479	(270.835)
Cash and cash equivalents at the beginning of the period	9.256.890	9.527.725
Cash and cash equivalents at the end of the period	\$ 12.109.368	9.256.890

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