

BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Financial Position

As of June 30, 2019 and December 31, 2018

(Expressed in COP millions)

ASSETS	June 30, 2019	December 31, 2018	LIABILITY AND EQUITY	June 30, 2019	December 31, 2018			
ASSETS								
CASH AND CASH EQUIVALENTS	9.866.801	9.256.890	LIABILITIES					
AT FAIR VALUE WITH CHANGES IN INCOME								
In debt securities	5.727.342	6.174.098	FINANCIAL LIABILITIES AT FAIR VALUE					
In equity instruments	87.412	86.197	Derivative Instruments	6.774	31.805			
Total Securities	5.814.754	6.260.295	FINANCIAL LIABILITIES AT AMORTIZED COST					
Derivative Instruments	6.122	23.511	Deposits by clients					
Total Financial assets at Fair Value	5.820.876	6.283.806	Current accounts	2.169.989	1.941.743			
AT AMORTIZED COST			Savings accounts	10.863.323	10.301.935			
In debt securities at amortized cost, net	869.543	771.851	Term Deposit Certificates	8.902.237	8.486.862			
Credit Portfolio				21.935.549	20.730.540			
Commercial	8.801.810	8.661.068	Financial Liabilities					
Consumer	6.235.722	5.842.272	Short-term financial obligations	5.408.677	5.289.323			
Housing	1.068.063	1.106.305	Liabilities with rediscount entities and foreign banks	2.223.915	2.240.382			
Impairment provision	(480.444)	(493.167)	Total Debt	7.632.592	7.529.705			
Total Credit Portfolio, Net	15.625.151	15.116.478	Long-term financial obligations	2.207.866	2.231.354			
Other accounts receivable, net	216.952	175.801	Total Financial Liabilities	9.840.458	9.761.059			
Total Financial assets at amortized cost	16.711.646	16.064.130	FINANCIAL LEASE LIABILITIES					
INVESTMENTS IN ASSOCIATED COMPANIES								
NON-CURRENT ASSETS HELD FOR SALE, NET	62.915	-	BENEFITS TO EMPLOYEES					
INCOME TAX ASSETS								
Current	246.043	222.250	PROVISIONS					
Deferred items (Peru)	37.592	36.123	For Legal Contingencies	8.612	7.800			
TANGIBLE ASSETS, NET			Other provisions	43.671	44.293			
Investment Property	135.654	67.567	LIABILITY DUE TO INCOME TAX AND CREE					
Properties and equipment for own use	910.785	748.589	Current (Paraguay)	2.838	1.168			
Properties by right of use	183.263	-	Deferred	1.724	25.818			
Total tangible assets	1.229.702	816.156	ADVANCE CAPITAL INCREASE					
INTANGIBLE ASSETS, NET								
Goodwill	418.303	411.820	OTHER LIABILITIES					
Other intangible assets	16.132	20.719	TOTAL LIABILITIES	279.784	327.259			
Total intangible assets	434.435	432.539	EQUITY					
OTHER ASSETS								
	98.838	80.865	Controlling interest					
TOTAL ASSETS	34.536.130	33.218.523	Capital subscribed and paid	71.270	66.020			
			Paid-in Capital	638.355	486.105			
			Withheld profit	1.419.180	1.422.279			
			Reserves	1.362.781	1.196.382			
			Profit for the period	150.281	235.110			
			Result from Prior Periods	(93.882)	(9.213)			
			Other Comprehensive Income	5.243	48.241			
			Total equity of controlling interests	2.134.048	2.022.645			
			Non-controlling Interest	43.531	48.967			
			TOTAL EQUITY					
			TOTAL LIABILITY AND EQUITY	2.177.579	2.071.612			
				34.536.130	33.218.523			

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
 Interim Consolidated Income Statement
 For the periods ended on June 30, 2019 and 2018
 (Expressed in COP millions, except for the net profit per share)

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Interest income for financial assets at amortized cost				
Interests on credit portfolio	826.092	765.450	412.045	395.914
Appraisal of Investment Financial Assets in debt securities at amortized cost	4.557	5.488	2.338	2.605
Other interests	83.892	87.493	43.016	44.554
Total interest income	914.541	858.431	457.399	443.073
Interests expense for deposits that finance financial assets at amortized cost				
Deposits				
Current accounts	14.448	11.910	7.250	6.425
Term deposit certificates	206.106	193.807	104.691	95.105
Savings deposits	221.105	198.776	112.416	103.228
Total deposits interest expense	441.659	404.493	224.357	204.758
Expenses for financial obligations and other interests				
Short-term financial obligations	472	761	350	319
Long-term financial obligations	52.335	33.380	27.028	17.380
Bonds and investment securities	82.996	82.832	43.770	38.047
Liabilities with rediscount entities	28.114	32.442	14.181	16.026
Interest on lease liabilities	6.375	-	2.791	-
Total interests expense	611.951	553.908	312.477	276.530
Net interest income from financial assets at amortized cost	302.590	304.523	144.922	166.543
Impairment loss of financial assets at amortized cost				
Credit portfolio and interests receivable	309.284	309.952	135.498	160.701
Assets received in payment and returned	4.727	1.618	(12.063)	468
Investment impairment loss	3.520	1.413	(12)	(1.088)
Recovery of credit portfolio and accounts receivable	159.465	168.508	61.115	75.136
Net interests after the impairment loss of financial assets	144.524	160.048	82.614	81.598
Commissions and fees				
Income from Commissions and Fees	122.284	109.332	60.381	53.123
Expenses from Commissions and Fees	47.935	38.407	24.284	20.807
Net income from commissions and fees	74.349	70.925	36.097	32.316
Appraisal of financial assets at fair value				
Income from appraisal of debt securities at fair value	181.304	132.280	102.340	62.117
Income from the appraisal of equity instruments at fair value	47.597	1.440	16.689	2.233
Expense due to appraisal of derivative instruments	(3.281)	(6.962)	(5.854)	(5.654)
Interests from appraisal of financial assets at fair value	225.620	126.758	113.175	58.696
Net income due to interests and appraisals	444.493	357.731	231.886	172.610
Other Income				
Profit for the sale of investments	17.350	14.200	10.908	2.970
Dividends and interests	1.517	2.461	592	292
Exchange difference, net	2.985	11.120	2.011	9.616
Industrial and Services revenues - Hotels	34.976	-	16.285	-
Other	58.149	73.682	24.903	52.314
Total other income	114.977	101.463	54.699	65.192
Other expenditures				
Personnel expenses	120.552	112.635	61.119	58.713
Loss for the sale of investments	18.114	10.649	11.125	4.794
General administrative expenses	87.945	91.723	43.658	47.408
Depreciation expense	9.168	7.346	4.673	3.236
Depreciation due to usage rights	9.846	-	5.058	-
Amortization expense	5.958	3.602	3.645	1.817
Production costs - Hotels	14.956	-	7.487	-
Other	94.139	71.573	54.291	34.863
Total other expenses	360.678	297.528	191.056	150.831
Profit before tax	198.792	161.666	95.529	86.971
Tax on Profit	48.511	34.277	23.245	15.577
PROFIT FOR THE PERIOD	150.281	127.389	72.284	71.394
Profit on continued operations attributable to:				
Controlling interest	148.094	125.378	71.257	70.445
Non-controlling interest	2.187	2.011	1.027	949
	150.281	127.389	72.284	71.394
Net profit per share of the controlling shareholders (in COP)	831	760	400	427

BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
 Interim Consolidated Statement of Other Comprehensive Income
 For the periods ended on June 30, 2019 and 2018
 (Expressed in COP millions)

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
NET PROFIT OF THE PERIOD	\$ 150.281	127.389	72.284	71.394
Items of other comprehensive income net of taxes				
Items that may be subsequently reclassified to income				
Translation of investments in subsidiaries abroad	(40.947)	(31.132)	13.344	38.678
Share of other comprehensive income of affiliates accounted for through the equity method that will not be reclassified to income for the period	(7.680)	-	(7.680)	-
Exchange difference in the hedge of long-term financial liabilities	22.518	18.239	(3.182)	(51.540)
Differences between the provision and impairment recorded in the calculation of the financial statements, separate and consolidated	(29.733)	(67.960)	(35.405)	5.890
Deferred tax on profit	26.229	70.083	4.584	42.541
Other	(21.359)	(2.142)	(14.797)	(2.017)
	(50.972)	(12.912)	(43.136)	33.552
Items that will not be reclassified to income				
Assets re-appraisal	7.974	(60.529)	7.957	(60.422)
Profit (loss) in benefits plans to employees	-	6.121	-	735
Deferred tax items that will not be subsequently reclassified to income	-	14.869	-	16.646
Total other comprehensive income during the period, net of taxes	\$ (42.998)	(52.451)	(35.179)	(9.489)
Total other comprehensive income for the period	\$ 107.283	74.938	37.105	61.905

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES
 Interim Statement of Changes to Equity of the Shareholders - Consolidated
 For the periods ended on June 30, 2019 and 2018
 (Expressed in COP millions)

	Profit withheld										
	Capital	Additional paid-in capital of Shares	Reserves	Profit for the period	Accumulated Result	Profit withheld	Other Comprehensive Income	Total Controlling interest	Non-controlling interest	Equity	
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	
Transfer to accumulated profit				(222.642)	222.642						
Appropriation of profit to raise legal reserve			200.295		(200.295)						
Net movement of other comprehensive income							(52.452)	(52.452)		(52.452)	
Payment of dividends					(56.369)	(56.369)		(56.369)		(56.369)	
Adjustment Full IFRS - Contingent interests					85.684	85.684		85.684		85.684	
Exchange difference subsidiaries abroad			4.371			4.371		4.371		4.371	
Non-controlling interest									1.022	1.022	
Profit for the period				127.389		127.389		127.389		127.389	
Balance at June 30, 2018	\$ 66.020	486.105	1.261.433	127.389	(48.191)	1.340.631	56.047	1.948.803	18.018	1.966.821	

	Profit withheld										
	Capital	Additional paid-in capital of Shares	Reserves	Profit for the period	Accumulated Result	Profit withheld	Other Comprehensive Income	Total Controlling interest	Non-controlling interest	Equity	
Balance at December 31, 2018	\$ 66.020	486.105	1.196.382	235.110	(9.213)	1.422.279	48.241	2.022.645	48.967	2.071.612	
Transfer to accumulated profit				(235.110)	235.110						
Appropriation of profit to increase reserve			167.765		(167.765)						
Net movement of other comprehensive income							(42.998)	(42.998)		(42.998)	
Adjustment Full IFRS - Contingent interests					40.083	40.083		40.083		40.083	
Payment of dividends					(192.097)	(192.097)		(192.097)		(192.097)	
Exchange difference subsidiaries abroad			(1.366)			(1.366)		(1.366)		(1.366)	
Capital Increase	5.250	152.250						157.500		157.500	
Non-controlling interest									(5.436)	(5.436)	
Profit for the period				150.281		150.281		150.281		150.281	
Balance at June 30, 2019	\$ 71.270	638.355	1.362.781	150.281	(93.882)	1.419.180	5.243	2.134.048	43.531	2.177.579	

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BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Cash Flows

For the periods ended on June 30, 2019 and 2018

(Expressed in COP millions)

	June 30, 2019	June 30, 2018
Cash Flows from operating activities:		
Profit for the Period	\$ 150.281	127.389
Reconciliation of income for the period and net cash from operation activities:		
Tax expense on profit	48.511	34.277
Depreciation expense	19.014	7.346
Amortization expense	5.958	3.602
Impairment loss of Financial Assets	309.284	309.952
Financial assets loss recovery	(159.457)	(168.496)
Loss on derivative trade instruments appraisal	3.281	6.962
Interests on debt securities at amortized cost	(4.557)	(5.488)
Income from appraisal at fair value and exchange difference	(215.629)	(65.206)
Profit for investments' sale	764	(3.539)
Interests paid on long-term liabilities at amortized cost	59.784	71.811
Changes of operating assets and liabilities:		
Interests earned	811.047	750.694
Interests paid	(80.294)	(68.391)
Increase in credit portfolio	(1.499.279)	(1.574.712)
(Increase) decrease in other accounts receivable derived from operation activities	(41.151)	(133.480)
Increase of clients' deposits	1.205.010	1.781.761
Decrease (increase) of other assets	(19.183)	(15.455)
Increase of other liabilities	(47.475)	(17.974)
Increase (decrease) of provisions	(22.650)	(33.045)
Increase in employee benefits plans	(277)	(1.835)
Investments variation - Debt securities at fair value	627.296	(524.931)
Investments variation - Variable income securities	46.382	(8.887)
Increase of short-term obligations	712.818	358.608
Capital payments of short-term obligations	(572.065)	(546.844)
Increase of obligations with development entities	135.357	589.396
Capital payments of loans with development entities	(92.928)	(154.105)
Increase of non-current assets held for sale	(1.518)	(1.904)
Variation of deferred tax and current tax	(25.262)	(33.763)
Variation in derivatives operations	(10.923)	(7.378)
	<u>1.191.858</u>	<u>548.976</u>
Net cash from operating activities:	<u>1.342.139</u>	<u>676.365</u>
Cash Flows from Investment Activities:		
Movement of properties and equipment	(168.499)	(10.605)
(Profit) in sale of properties and equipment	(172)	333.984
Decrease in properties and equipment	5.279	-
Intangible assets increase, net	(9.516)	(252)
Investments variation - debt securities at amortized cost	(93.135)	(36.933)
Increase in investment properties	(68.089)	(221.414)
Variation due to decrease of interests in subsidiaries	(70.594)	-
Net cash (used in) from investment activities:	<u>(404.726)</u>	<u>64.780</u>
Cash Flows from Financing Activities:		
Long-term financial liabilities	-	(895.200)
Paid interests on long-term financial liabilities	(65.263)	(87.671)
Dividends paid	(192.097)	(56.369)
Advance Capital Increase	(4.988)	-
Lease payments	(8.371)	-
Non-controlling interest	(5.436)	1.022
Net cash (used in) generated by financing activities:	<u>(276.155)</u>	<u>(1.038.218)</u>
Exchange difference from cash and cash equivalents	<u>(51.347)</u>	<u>(68.514)</u>
Net (decrease) increase in cash and cash equivalents	609.911	(365.587)
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	<u>\$ 9.866.801</u>	<u>9.162.138</u>

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