Credivalores Crediservicios S. A. S.
Financial Statements
By order of liquidity

Interim periods ended June 31, 2017 and December 31, 2016

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF FINANCIAL POSITION
BY ORDER BY LIQUIDITY
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

7	Notes	June 30, 2017	December 31, 2016
Assets			
Cash and cash equivalents	6	127.510	122.964
Financial Assets at fair value through profit or lost			
Equity Instruments	7	19.431	20.958
Derivatives Instruments	13	7.183	817
Loan portfolio		5.058	4.380
Total financial assets at fair value		**31.672**	**26.155**
Financial Assets at amortized cost	9		
Loan portfolio, net			
Consumer loans		1.068.070	1.044.230
Microcredit loans		13.858	14.835
Impairment		(112.731)	(105.191)
Total Loan portfolio, net		**969.197**	**953.874**
Accounts receivable, net	10	242.102	189.482
Total Financial Assets at amortized cost		**1.211.299**	**1.143.356**
Investments in Associates and Affiliates	8	9.515	9.408
Current tax assets		3.597	2.799
Deferred tax assets, net	16	12.907	13.982
Property, plant and equipment, net	11	738	1.017
Intangible assets other than goodwill, net	12	28.811	28.836
Total assets		**1.426.049**	**1.348.517**
Liabilities and equity			
Liabilities:			
Financial Liabilities at fair value	13		
Derivative instruments		4.020	16.958
Total Financial Liabilities at fair value		**4.020**	**16.958**
Financial Liabilities At amortized cost			
Financial obligations	14	1.125.628	1.084.974
Total Financial Liabilities At amortized cost		**1.125.628**	**1.084.974**
Employee benefits		1.078	1.198
Other provisions	15	872	1.021
Accounts payable		47.745	47.633
Current tax liabilities	16	2.785	4.503
Other liabilities		5.104	3.107
Total liabilities		**1.187.232**	**1.159.394**
Equity:	21		
Share capital		120.899	104.989
Reserves		5.814	5.814
Additional paid-in capital		58.442	20.842
Other Comprehensive Income (OCI)		(1.977)	(3.744)
Retained earnings		61.222	44.022
Earnings for the period		(5.584)	17.200
Total equity		**238.817**	**189.123**
Total liabilities and equity		$ **1.426.049**	**1.348.517**

See attached notes.

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF INCOME
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

	Notes		June 30, 2017		June 30, 2016
Interest Income and similar	18		138.253	$	120.919
Financial costs interest	14		(72.296)		(59.172)
Net Interest and similars			**65.957**		**61.748**
Impairment of financial assets loan portfolio	9		(7.651)		(9.270)
Impairment of other accounts receivable	10		(1.332)		-
Gross Financial Margin			**56.974**		**52.478**
SG&A					
Employee Benefits			(9.324)		(10.867)
Expense for depreciation and amortization	11-12		(1.901)		(1.861)
Other	20		(36.109)		(32.087)
Total Other expenses			**(47.335)**		**(44.816)**
Net Operating Income			**9.639**		**7.662**
Net Financial Income	21		**(14.069)**		**4.928**
Other income	19		**445**		**1.528**
Net Income before income tax			**(3.985)**		**14.119**
Income tax	16		(1.599)		(1.943)
Net income for the period		$	**(5.584)**	$	**12.176**
Net earnings per share		$	**(1.382)**	$	**3.502**

See attached notes.

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF OTHER COMPREHENSIVE INCOME
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

	Term ended	
	June 30, 2017	**June 30, 2016**
Net income for the period	**(5.584)**	**12.176**
Other comprehensive income		
Hedging of Financial Obligations		
Unrealized gains (losses) from hedging cash flow, before taxes	2.945	(3.084)
Income tax	(1.178)	-
Total other comprehensive income for the period, before taxes	**1.767**	**(3.084)**
Total other comprehensive income	**(3.816)**	**9.092**

See attached notes.

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF CHANGES IN EQUITY
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

	Share capital	Additional paid-in capital	Reserves	Other Comprehensive Income (OCI)	Retained earnings	Earnings for the period	Total
	(En Millones de pesos)						
Balance held at December 31, 2015	$ 104.989	$ 20.842	$ 5.814	$ 284	$ 10.097	$ 33.925	$ 175.951
Appropriation of earnings	–	–	-	–	33.935	(33.925)	10
Increase (decrease) in other comprehensive income	–	–	–	(3.084)	-	-	(3.084)
Net income for the period	-	–	–	–	–	12.176	12.176
Balance held at June 30, 2016	**$ 104.989**	**$ 20.842**	**$ 5.814**	**($ 2.800)**	**$ 44.032**	**$ 12.176**	**$ 185.053**
Balance held at December 31, 2016	$ 104.989	$ 20.842	$ 5.814	($ 3.744)	$ 44.022	$ 17.200	$ 189.123
Appropriation of earnings	–	–	-	–	17.200	(17.200)	-
Capitalization	15.910	37.600	–	–	–	–	53.510
Increase (decrease) in other comprehensive income	–	–	–	1.767	-	-	1.767
Net income for the period	-	–	–	–	–	(5.584)	(5.584)
Balance held at June 30, 2017	**$ 120.899**	**$ 58.442**	**$ 5.814**	**($ 1.977)**	**$ 61.222**	**($ 5.584)**	**$ 238.817**

See attached notes.

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF CASH FLOW
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

	June 30, 2017	June 30, 2016
Cash flows from operating activities		
Net income before taxes	(5.584)	12.176
Reconciliation of net income before taxes and net cash provided by (used in) operating activities:		
Depreciation of tangible assets	325	509
Amortization of intangible assets	1.576	1.352
Allowance for impairment of loans	28.089	9.433
Charge-off for impairment of loans	(20.438)	(163)
Allowance for impairment of accounts receivables	1.332	-
Fair value adjustments to derivative financial instruments	(16.359)	14.905
Equity method	(107)	21.769
Income tax expense	1.599	1.943
Fair value adjustments to financial assets	(678)	10.098
Changes in operating assets and liabilities:		
Decrease (increase) in loans	(22.974)	(172.083)
Decrease (increase) in accounts receivables	(53.952)	23.973
Increase (decrease) in accounts payable	112	(27.719)
Increase (decrease) in employee benefits	(120)	60
Increase (decrease) in provisions	(149)	(1.463)
Increase (decrease) in other liabilities	1.998	(7.906)
Income tax payment	(4.217)	(6.718)
Net cash provided by (used in) operating activities	**(89.547)**	**(119.834)**
Cash flows from investing activities:		
Decrease (increase) in investments	1.527	2.317
Acquisition of own - use property plant and equipment	(46)	(353)
Additions of other intangible assets	(1.551)	(20.572)
Net cash used in investing activities	**(70)**	**(18.608)**
Cash flows from financing activities:		
Issuance of financial obligations	569.097	467.178
Issuance of common shares	53.510	-
Payment of financial obligations	(528.444)	(309.951)
Net cash provided by financing activities	**94.163**	**157.227**
(Decrease) Increase in cash and cash equivalents	**4.546**	**18.785**
Cash and cash equivalents at beginning of year	122.964	110.078
Cash and cash equivalents at end of year	127.510	128.863

CREDIVALORES CREDISERVICIOS S. A. S.
DISCLOSURE OF THE FINANCIAL STATEMENTS
INTERIM PERIODS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016
(Stated in millions of Colombian pesos)

NOTE 1. REPORTING COMPANY

Credivalores Crediservicios S.A.S., (hereinafter “Credivalores”, the “Company” or “CVCS”), is a simplified joint stock company registered for business in Bogotá - Colombia, located at Carrera 10 No, 65-98 P 4, and a website at www.credivalores.com.co. The Company was incorporated by means of Public Deed No. 420 dated February 4, 2003 drawn up before the Notary Public No.1 of the Circuit of Cali, Its term of duration is for twenty years as of the date of the aforementioned deed.

The merger of two companies, Crediservicios S.A. and Credivalores S.A. was registered by means of Public Deed No. 4532 of December 12, 2008.

The merger was unanimously approved by the General Meeting of Shareholders of both companies on July 31, 2008, whereby it was determined that Crediservicios S.A. (the surviving company), would continue to legally exist after taking over Credivalores S.A. which would cease to exist (being dissolved but not liquidated), In addition, the equity of Credivalores S.A. was merged with that of Crediservicios S.A. by means of acquiring the assets and assuming the liabilities of both companies, signed by both company’s legal representatives,

This merger agreement was reported to the Colombian Superintendency of Industry and Commerce, which did not report any objections. Credivalores S.A. (the acquired company) was incorporated by means of Public Deed No. 1906 dated May 13, 2003, drawn up before the Notary Public No. 1 of the Circuit of Cali, and duly registered with the Chamber of Commerce of Cali on May 21, 2003, under Registry Number 3501 Book IX. Subsequently, the Company changed its name from Crediservicios S.A. to Credivalores Crediservicios S.A. by means of the Public Deed No. 529 dated February 27, 2009 drawn up before the Notary Public No. 1 of the Circuit of Cali.

By means of Minutes No. 16 dated February 23, 2010 corresponding to a meeting of the General Meeting of Shareholders, which was duly registered before the Chamber of Commerce on March 19, 2010; the Company became a simplified joint stock company under the name of Credivalores Crediservicios S.A.S. under Registration Number 3074 of Book IX.

Its business purpose consists of granting consumer loans, including payroll deduction loans, to private individuals or legal entities, using both its own funds and other financing arrangements permitted by law. In carrying out these activities, the Company may:

a) Perform risk assessments,

b) Service and manage loans or lines of credit, including without being limited to recording and collecting these obligations,

c) Purchase and sell loans, credit instruments, securities, and loan portfolios,

d) Borrow funds and enter into transactions allowing the Company to obtain the funds required to perform its corporate purpose,

e) Act as co-signer, guarantor, surety or collateral provider to raise funds in order to finance its activities that may be undertaken, structured or implemented through trust arrangements, and

Perform any other activities that are required as part of the Company’s normal course of business, such as: (i) acquiring, encumbering, limiting the domain or disposing of fixed assets (ii) acquiring and using trade names, logos, trademarks and other industrial property rights; (iii) investing in existing companies, or creating new ones, providing these conduct the same or similar business activities as the Company or that should relate in any way to its own corporate purpose; (iv) entering into partnerships or contracts with third parties to carry out its corporate purpose; (v) guaranteeing its own and third-party obligations.

The funds used by the Company for carrying out its business activities shall be lawfully sourced and therefore the Company shall be prohibited from raising money by means of large scale or regular deposits from individuals, pursuant to current legislation. The Company is not under the supervision of the Colombian Superintendency of Finance (Superintendencia Financiera de Colombia) since it is not considered to be a financial institution in accordance with Colombian legislation, nor is it allowed to carry out brokerage of instruments registered with the Colombian National Registry of Securities and Issuers (RNVE).

The Company is prohibited from raising money through large-scale and regular deposits from individuals, complying with the stipulations in the financial and exchange regulations.

CVCS has the following branches nationwide: Aguachica, Armenia, Barrancabermeja, Barranquilla, Bucaramanga, Cali, Cartagena, Cartago, Ciénaga, Cúcuta, El Paso, Florencia, Girardot, Ibagué, La Dorada, La Jagua de Ibirico, Lomas, Magangué, Manizales, Medellín, Mocoa, Montería, Neiva, Palmira, Pasto, Pereira, Popayán, Riohacha, Sahagún, San Andrés, Santa Marta, Sincelejo, Tunja, Valledupar, Villavicencio, and Yopal.

There were no major changes to CVCS's shareholding interest at June 30, 2017 compared to December 31, 2016, however, in April 2017, the Company was capitalized in 53,510 million.

NOTE 2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS AND SUMMARY OF THE MAIN ACCOUNTING POLICIES

The interim financial statements at June 30, 2017 and December 31, 2016 and for the three-months periods ended June 30, 2017 and 2016 have been prepared in accordance with IAS 34 "Interim Financial Information". The interim financial statements must be read together with the annual financial statements at December 31, 2016, which were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They do not include all the information required for a complete set of financial statements under the IFRS. However, notes have been included to explain the events and transactions that are significant to understand changes in the Company's financial situation and performance since the last financial statements.

These interim financial statements were authorized by the Company's Administration on May 9, 2017.

The Financial Statements of Credivalores Crediservicios S.A.S. have been prepared in line with the Financial Reporting and Accounting Standards accepted in Colombia FRAS COL established by Law 1314 of 2009, regulated by Regulatory Decree 2420 of 2015, modified by Decree 2496 of 2015. These Financial Reporting and Accounting Standards correspond to the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) on December 31, 2012.

Law 1314 of July 13, 2009 regulated the financial reporting, accounting and data security standards and principles accepted in Colombia and identified competent authorities, established the procedure for issuing the standards and determined the entities responsible for monitoring compliance. This law was regulated by means of the following decrees:

a) 2784 of December 28, 2012
b) 1851 of August 29, 2013
c) 3023 of December 27, 2013
d) 2267 of November 11, 2014

At January 1, 2016, the regulatory framework contained in the appendix to Decree 2784 of December 28, 2012 and Decree 3023 of December 27, 2013 was repealed and Decree 2615 of December 17, 2014 applies. Said decree contains the International Financial Reporting and Accounting Standards effective at December 31, 2013 and their corresponding amendments issued by the International Accounting Standards Board (IASB).

CVCS reports comparative information from the immediately previous period for all values included in the current period's financial statements and includes comparative explanations when necessary to ensure the current period’s financial statements are understandable.

The accounting policies adopted for the preparation of the separate interim financial statements are consistent with those of the previous years.

NOTE 3. JUDGMENTS AND CRITICAL ACCOUNTING ESTIMATES IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates. In the preparation of these interim financial statements, significant judgments made by management in the application of CVCS accounting policies and the main sources of estimating uncertainty were the same as those applied to the financial statements for the years ended December 31, 2016 and 2015.

Seasonal nature of income and expenses

The nature of CVCS's most significant operations is related primarily to traditional activities not significantly affected by seasonal factors.

NOTE 4. ESTIMATIONS OF FAIR VALUE

The Company may employ internally developed models for financial instruments that do not have active markets. Said models are mostly based on generally standardized valuation methods and techniques. Valuation models are primarily used to assess equity instruments not listed on the stock exchange, derivatives, debt securities and other debt instruments for which markets were or have been inactive during the financial period. Some components of these models may not be observable in the market and are estimated from assumptions.

The output of a model is always an estimate or approximate value that cannot be determined accurately, and valuation techniques used may not fully reflect all the factors relative to CVCS positions, therefore the valuations are adjusted if necessary to include additional factors, such as country risk, liquidity risks and counterparty risks.

Fair value hierarchy has the following levels:

- Level 1 entries are unadjusted prices quoted in active markets for assets or liabilities identical to those the entity can access on the measurement date.

- Level 2 entries are entries other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 entries cannot be observed for the asset or liability.

The fair value hierarchy in which the fair value measurement is fully classified is determined from the lowest level entry that is significant for fully measuring the fair value. For that, an entry's importance is evaluated with regard to the fair value measurement in its totality. Financial instruments quoted in markets considered inactive but valued in accordance with quoted market prices, quotes from price providers or alternative price sources supported by observable entries, are classified in Level 2.

A fair value measurement that uses observable entries requiring significant adjustments based on unobservable entries is a Level 3 measurement. The evaluation of a particular entry's importance in measuring the fair value in its totality requires an opinion, considering specific factors of the asset or liability.

(Stated in millions of Colombian pesos)

The determination of what constitutes "observable" requires a significant opinion from CVCS. The Company considers observable data that market data that is already available, distributed or updated regularly by the price provider, is reliable and verifiable, has no property rights, and is provided by independent sources that participate actively in the reference market.

4.1 Fair Value Measurement on a Recurring Basis

Fair value measurements on a recurring basis are those that IFRS accounting standards require or allow in the financial statement at the end of each accounting period.

The following table analyzes assets and liabilities (by class) within the fair value hierarchy, measured at fair value as at June 30, 2017 and December 31, 2016, on a recurring basis.

	June 30, 2017	December 31, 2016
ASSETS	**Level 3**	**Level 3**
Investments in equity instruments	19.431	20.958
Trading derivatives		
Currency forward	15	476
Hedging derivatives		
Currency forward	7.168	341
Consumer		
Payroll deduction loans	5.058	4.380
Total fair value recurring assets	**31.672**	**26.155**
LIABILITIES		
Trading derivatives		
Currency forward	338	242
Hedging derivatives		
Currency forward	3.682	16.702
Interest rate swap	-	14
Total fair value recurring liabilities	**4.020**	**16.958**

4.2 Fair value determination

The methodology applicable to instruments for CVCS is:

CVCS defined Level 3 financial instruments that are not listed on an active market; the following table provides information on valuation techniques and significant non-observable inputs when measuring assets and liabilities at recurring fair value:

	Valuation technique	Significant inputs (1)
ASSETS		
Trading Derivatives		
Currency Forward Debt securities Forward	Discounted cash flow	- Underlying asset price Currency curve by Underlying asset - FX forward curve of the operation's currency - Implicit curves of FX forwards - Implicit volatilities matrixes and curves
Loan portfolio valuations		
TuCrédito payroll deduction loans	Discounted cash flow	- Current Balance - Average term to maturity - Weighted average rate
Equity Instruments	Adjusted net asset value	- Unit value

	Valuation technique	Significant inputs (1)
LIABILITIES		
Derivatives held for trading		
Currency Forward Debt securities Forward	Discounted cash flow	- Underlying asset price - Currency curve by Underlying asset - FX forward curve of the operation's currency - Implicit curves of FX forwards - Implicit volatilities matrixes and curves
Hedging Derivatives		
Currency Forward	Discounted cash flow	- Underlying asset price - Currency curve by Underlying asset - FX forward curve of the operation's currency - Implicit curves of FX forwards - Implicit volatilities matrixes and curves

NOTE 5. RISK MANAGEMENT

CVCS manages risk pursuant to the applicable regulations in each country and CVCS's internal policies.

Objective and general guidelines

CVCS's objective is to maximize returns for its investors, through proper risk management. The guiding principles of risk management of CVCS are as follows:

a) Make risk management a part of every institutional process.
b) Specialization in consumer product niches.
c) Extensive use of continuously updated scoring models to ensure quality growth of consumer loans.

(Stated in millions of Colombian pesos)

Financial Risk Management

The Company is exposed to the following financial risks related to the use of financial instruments:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operating Risk
- Money-Laundering Risk

The interim financial statements do not include all information and disclosures on financial risk management required in the annual financial statements; these financial statements should be read alongside the CVCS annual financial statements as at December 31, 2016.

There have been no changes in the risk management department or in any risk management policy since December 31, 2016. There are no significant changes related to risk objectives, corporate structure of the risk function and risk strategies in general since the ones disclosed in the last set of financial statements as at December 31, 2016.

5.1 Credit Risk

Credit risk is the risk of CVCS sustaining a financial loss when a client or counter party to a financial instrument fails to meet their contractual obligations, and mainly arises from receivables due from clients as well as the Company's investment instruments.

CVCS business model with regard to its loan portfolio classification considers the inherent risk of each loan in the portfolio.

In the three-month period ended June 30, 2017, no significant changes were reported in policies and in how CVCS manage credit risks.

CVCS's maximum exposure to credit risk, as per IFRS 7, "Financial Instruments: Disclosures" is reflected in the carrying amount of the financial assets in the statement of financial position as at June 30, 2017 and December 31, 2016, as follows:

	June 30, 2017	December 31, 2016
Cash and cash equivalents	127.510	122.964
Financial instruments, net	31.673	26.155
Loan portfolios		
Consumer loans	1.068.528	1.044.230
Microcredit portfolio	13.400	14.835
Accounts receivable, net	242.102	189.482
Total financial assets with credit risk	**1.483.213**	**1.397.666**
Off-balance-sheet credit risk at nominal value		
Unpaid approved credits	293.883	275.493
Total exposure to off-balance-sheet credit risk	**293.883**	**275.493**
Total maximum exposure to credit risk	**1.777.096**	**1.673.159**

(Stated in millions of Colombian pesos)

Monitoring and Control Process

The Company has an information system in place that provides daily indicators on the loan portfolio status so as to allow proper monitoring and timely decision-making.

The credit approval processes are connected to an engine managed by the risk area, which allows real-time adjustments to policy parameters so as to take immediate action where required in loan origination.

Each month, the Risk Committee meets to evaluate the development of each product portfolio, analyzing the performance of each yield and applying corrective measures to credit processes or policies where necessary.

At June 30, 2017

Status	TuCrédito	CrediUno	CrediPoliza	Microcredit	CrediYa	Total managed portfolio	On balance Sheet
CURRENT	554,264	376,348	66,950	909	-	998,471	789,857
1-30	7,365	8.537	8,995	612	-	25,509	22,785
31-60	3,498	12,516	2,613	283	-	18,910	17,761
61-90	3,510	3,441	527	193	-	7,671	6,658
91 A 180	6,991	4,586	674	386	-	12,637	11,396
181 A 360	8,589	12,569	282	933	-	22,373	20,645
> A 360	40,256	34,095	9,939	4,241	2,396	90,927	82,132
TOTAL	**624,473**	**452,092**	**89,980**	**7,557**	**2,396**	**1,176,498**	**951,234**

At December 31, 2016

Status	TuCrédito	CrediUno	CrediPoliza	Microcredit	CrediYa	Total managed portfolio	On balance sheet Portfolio
CURRENT	568,788	367,651	73,009	2,602	-	1,012,050	801,933
1-30	7,068	13,235	6,842	1,236	-	28,381	25,726
31-60	4,227	7,463	1,671	329	-	13,690	11,945
61-90	2,165	2,171	217	286	-	4,839	4,058
91 A 180	5,625	9,011	298	729	-	15,663	13,611
181 A 360	6,632	7,476	1,300	1,546	7	16,961	15,354
> A 360	38,863	25,830	9,340	2,949	2,452	79,434	70,406
TOTAL	**633,368**	**432,837**	**92,677**	**9,677**	**2,459**	**1,171,018**	**943,033**

5.2 Market Risk

The Company has been able to meet its liquidity needs acquiring working capital and lines of credit from local, foreign and multilateral entities This implies the need for follow-up when exposed to variable interest rates (financial obligations indexed to local and/or foreign variable rates such as: DTF, IBR, UVR, LIBOR, PRIME, etc.), and to exchange-rate fluctuations due to devaluation or revaluation in the local currency (USD, EUR, etc.).

(Stated in millions of Colombian pesos)

CVCS participates actively in the money, foreign exchange and capital markets, seeking to meet the needs of its clients in accordance with the policies and risk levels established. As such, it manages different financial-asset portfolios within the permitted risk levels and limits.

Market risk arises from the open positions of CVCS's investment portfolios in debt securities, derivatives and equity instruments recorded at fair value, due to adverse changes in risk factors such as interest rates and exchange rates of foreign currencies.

For analysis purposes, market risk has been broken down into price risk and/or interest and exchange-rate risk of financial obligations in the periods of capital-payment amortization, the point at which the risk materialized.

At June 30, 2017 and December 31, 2016, CVCS had the following financial assets and liabilities at fair value subject to trade risk:

Financial assets and liabilities at fair value exposed to trading risk held:	**June 30, 2017**	**December 31, 2016**
Equity Securities	19,431	20,958
Derivatives instruments	7,183	817
Loan Portfolio	5,058	4,380
Total	**31,672**	**26,155**
Financial liabilities	4,020	16,958
Total	**4,020**	**16,958**
Net Position	**27,652**	**9,197**

There are two scenarios under which CVCS is exposed to market risks:

Interest rates

CVCS's financial obligations are exposed to this risk when financing is acquired at variable indexed rates that may be subject to volatilities and may affect the Company's financial margin.

Sensitivity Analysis

Taking into account CVCS exposure to changes in the reference interest rate, a sensitivity analysis of the impact on financial obligations is included given the possible effect on the variable indexed interest rates in 2017. The following methodology was devised for the analysis:

1. Two scenarios were evaluated whereby indexed rates are affected by 20 BPS (increasing and decreasing indexed rates), which affect the future flows of CVCS financial obligations indexed to the variable rate. Debt repayment is implicit in these scenarios, given their contractual frequency, taking them to maturity.

2. The flows corresponding to interest payment (accrual) were evaluated using equivalent rates.

3. The present value of the monthly interest payment was calculated, using as reference the 6-month IBR EAR at June 30, 2017 (5.324%).

4. Finally, the results of each scenario were compared to the base scenario, which corresponds to the projections of interest flows using the rates at June 30, 2017 as reference .

The results are set out below:

Scenarios	**Interests**

Effect of 20 BPS decrease in variable rate	(1,799)
Effect of 20 BPS increase in variable rate	1,796
Total Scenarios	**(3)**

Exchange rate

CVCS financial obligations are exposed to exchange rate risk when the present value of the liability positions presents volatilities due to the devaluation or revaluation of the funding acquired in another currency. This risk materializes at the moment when the payment corresponding to the amortization of principal and interest is made, due to trading in the currencies to be paid and recognition of the exchange rate difference.

Sensitivity Analysis

Taking into account CVCS exposure to changes in the USD/ exchange rate, a sensitivity analysis of the impact on financial obligations is included given the possible effects of changes on the exchange rate in 2017. The following methodology was devised for the analysis:

1. Two scenarios were evaluated in which the exchange spot rate is adjusted by 0.60% daily volatility (forward curve projected Bloomberg´s spots prices), generating revaluation and devaluation effect on the TRM June 30, 2017.

2. The amortization of principal and payment of interest on financial obligations are implicit in these scenarios, given their contractual periodicity and taking them to maturity.

3. The flows corresponding to interest payment (accrual) were evaluated using equivalent rates.

4. The present value of the monthly interest payment was calculated, using as reference the 6-month IBR EAR at June 30, 2017 (5,324%).

5. Finally, we compared the results of each scenario with the base scenario, which corresponds to the projected flows for payment of capital and interest using as reference the rates at June 30, 2017.

The results are set out below:

Item	Total Debt
Initial Scenario (Balance at June 30, 2017)	569,385
Scenario 1 (Effect of revaluation)	566,163
Scenario 2 (Effect of revaluation)	572,607
Difference Scenario 1 vs. Initial Scenario	**(3,222)**
Difference Scenario 2 vs. Initial Scenario	**3,222**

(1) Volatility obtained from the daily average for the previous three years, including Q4 2017

5.3 Liquidity Risk

The liquidity Risk is represented by the potential event of being unable to meet the expected outgoing cash flows on a timely and efficient manner, without affecting the normal course of business or the company´s financial position. Liquidity risk is related with having insufficient liquid assets and therefore having to incur in unusual or extra funding costs.

The company funding is based on short and medium term Bank loans as well as bonds and commercial notes issued in the international capital markets. These funds are mainly used to leverage new loan origination according to its business model. On the other hand, the Company's capacity to build to sell positions in financial instruments (liquidity or loans) could be affected either by lack of market liquidity or because of sudden changes in interest rates and asset prices.

According to the Company´s funding model the liquidity risk includes among others, the ability to get short, medium and long term lines of credit, that allow to keep low liquidity assets (such as loan portfolio) and face short term unexpected stress situations.

In order to deploy a correct asset and liability management and assure the liquidity needed to operate the business the Company has set the following guidelines to control the liquidity risk: i) In the short term, cash flow associated to loan portfolio and liquid assets, short term financial liabilities, and off statement of financial positions in different time frames, allowing a permanent liquidity monitoring ii) for the long term assets and liabilities, the Company analyses its funding sources as well as the breakdown by type of source and those that are specifically associated to specific products.

CVCS keeps at least 1.5 x its operating expenses in liquid assets statement of financial position liquidity has the following components:

- Inflows: incoming funds associated to loan portfolio, and interest income associated to liquid assets

- Outflows: Outgoing flows related to i) operating expenses ii) new loan origination and iii) financial liabilities´ principal and interest

- Liquidity GAP: Difference between inflows and outflows according to:

  - Monthly cash flow associated to assets (liquid assets, loan portfolio)
  - Monthly projected cash flow related to financial liabilities and operating expenses

The Company determines its liquidity gap based on to the above mentioned variables, and makes permanent follow up, as well as making any necessary adjustments according to the following ranges:

- ✓ 1 to 3 Months
- ✓ 3 to 6 Months
- ✓ 6 to 12 Months
- ✓ 12 Months +
- ✓

Liquidity Risk Management

The company identifies its exposure to liquidity risk according to the markets were it operates, its products and services offered to its customers. For such purpose the Company has analyzed the processes associated to treasury in order to design controls and strategies to reduce the impact.

Liquidity position

Determine the minimum amount of liquid assets (cash and cash equivalents, short term liquid investments), in order to avoid any lacks that may affect the capacity to the outflows. It is calculated and monitored on a weekly basis on financial committee, considering cash flow projections for 7 and 15 days:

a) Green: liquid Assets / outflows >= 105%
b) Yellow: liquid Assets / outflows between 100 and 104%
c) Red: liquid Assets / outflows <100%

(Stated in millions of Colombian pesos)

In case there are any yellow or green situations, the financial committee define any actions to be taken in order to assure the necessary coverage.

The liquidity level results at June 30, 2017 are set out below:

Item	Liquidity level jun-17
7 Days	124%
15 Days	133%
30 Days	108%

.
As at June 30, 2017, the liquidity level in the 7 and 15 day bands is above the upper limit defined in the Company's liquidity manual, constituting a green flag scenario and indicating that CVCS has sufficient resources to operate normally.

Also, as is good practice, a third band is monitored, which allows for controlling of the liquidity level projected to 30 days. As at June 30, 2017, a green band scenario is recorded, indicating that CVCS has ample liquidity to support its needs for normal operation.

Exposure to liquidity Risk

The Company monitors its liquidity position in order to determine how likely a liquidity stress can happen.

The following is a breakdown by range of time f the Liquid Assets and LRI (Liquidity Risk Indicator) for the time slot specified at June 30, 2017 and December 31, 2016.

	June 30, 2017				
	Subsequent Net Balances Available				
Description	Liquid Assets Available at the End of the Period (1)	From 1 to 7 days (2)	From 8 to 15 subsequent days (2)	From 16 to 30 subsequent days (2)	From 31 to 90 subsequent days (2)
Cash	23	23	-	-	-
Banco de Bogotá	1.091	1.091	-	-	-
Bancolombia S,A,	722	722	-	-	-
Banco GNB Sudameris Colombia	1.460	1.460	-	-	-
BBVA Colombia	514	514	-	-	-
Red Multibanca Colpatria S,A,	46	46	-	-	-
Banco de Occidente	470	470	-	-	-
Bancoomeva	101	101	-	-	-
Available in Free-standing Trusts	11.995	11.995	-	-	-
Mutual Funds	14.781	-	14.781	-	-
Agrocañas	4.650	-	-	-	4.650
Credifinanciera	6.145	-	-	-	6.145

(Stated in millions of Colombian pesos)

Alianza Fiduciaria	2.822	2.822	-	-	-
Valores Bancolombia	5.524	5.524	-	-	-
Fiducolombia Free-standing Trusts	96.598	96.598	-	-	-
Inverefectivas	9.515	0	-	-	9.515
Total liquid assets	**156.457**	**121.364**	**14.781**	**0**	**20.311**

	December 31, 2016				
	Subsequent Net Balances Available				
Description	**Liquid Assets Available at the End of the Period (1)**	**From 1 to 7 days (2)**	**From 8 to 15 subsequent days (2)**	**From 16 to 30 subsequent days (2)**	**From 31 to 90 subsequent days (2)**
Cash	22	22	-	-	-
Banco De Bogotá	2,179	2,179	-	-	-
Bancolombia S,A,	1,904	1,904	-	-	-
Banco GNB Sudameris Colombia	1,195	1,195	-	-	-
BBVA Colombia	48	48	-	-	-
Red Multibanca Colpatria S,A,	38	38	-	-	-
Banco de Occidente	309	309	-	-	-
Bancoomeva	225	225	-	-	-
Available in Free-standing Trusts	13,857	13,857	-	-	-
Money Market Funds	16,307	-	16,307	-	-
Agrocañas	4,650	-	-	-	4,650
Credifinanciera	8,076	-	2,000	2,000	4,076
Alianza Fiduciaria	2,736	2,736	-	-	-
Valores Bancolombia	2,888	2,888	-	-	-
Servitrust Gnb Sudameris S,A,	2,883	2,883	-	-	-
Fiduciaria Central Trusts	3,452	3,452	-	-	-
Corpbanca Investment Trust Col SA Soc Fiduciaria	30	30	-	-	-
Fiducolombia Free-standing Trusts	83,123	83,123	-	-	-
Inverefectivas	9,408	-	-	-	9,408
Total liquid assets	**153,330**	**114,889**	**18,307**	**2,000**	**18,134**

(1) Liquid assets correspond to the sum of existing assets at the close of each period, which can quickly be converted to cash. In calculating liquid assets, all the listed investments, without exception, are computed at their fair exchange value on the date of the valuation (fair value).

(2) The balance corresponds to the residual value of the Company's liquid assets on days after closing the specific period. This balance is calculated as the difference between liquid assets and liquidity requirements. In turn, the liquidity requirement is the difference between the contractual revenue flows and contractual and non-contractual outflows in accordance with the Liquidity Risk Indicator (LRI) methodology.

(Stated in millions of Colombian pesos)

Measurement of exposure to liquidity risk

Measuring the likelihood of the Company running out of liquid resources for its normal operation under normal market conditions requires the use of the tools described above: balance sheet liquidity, liquidity gap, and cash flow projection, to thereby quantify the degree of stress that the company's cash flow can bear to fulfill its normal operations without having to acquire additional resources.

Limit of liquidity risk exposure

Maximum exposure to liquidity risk is identified as the average time taken by the Company to carry out the liquidity financial operations (Guaranteed Loans, Portfolio Sales, Working Capital Loans, etc.) and generate the cash available for new loan origination.

The maximum exposure to liquidity risk is calculated weekly by the financial committee, taking into account projections for bands of 7 days, and 15 to 30 days.

In addition, to analyze the short- and medium-term liquidity requirements, the following indicators are taken into account:

1) Net Liquidity/CVCS + Free-standing Trust, where Net Liquidity is the sum of available cash and investments less long-term investments.

Lower limit: 8%; cannot be below the lower limit more than three times in a year

Exposure Limit Indicator 1 Jun-17	
Net Liquidity	**124,133**
Assets (CVCS + Free-standing Trust) (Portfolio)	1,081,928
Indicator 1	**11,5%**

2) Net Liquidity/Liabilities (Free-standing Trust + CVCS)

Lower limit: 10%; cannot be below the lower limit more than three times in a year

Exposure Limit Indicator 1 Dec-16	
Net Liquidity	122.942
Liabilities (CVCS + Free-standing Trust)	947,411
Indicator 2	**13,0%**

In the three-month period ended June 30, 2017 there were no significant changes in the liquidity risk or in the manner in which CVCS manages this risk.

CVCS has performed an analysis of the consolidated maturities of financial assets and liabilities both derivatives and non-derivatives, showing the following remaining contractual maturities

(Stated in millions of Colombian pesos)

June 30, 2017

Assets	Less than one month	From one to six months	From six to twelve months	More than one year	Total
Cash due from banks and Central Bank	136,146	6,145	-	-	142,291
Equity Instruments at fair value	14,781	-	-	4,650	19,431
Investments in Associates and Affiliates	-	-	-	9,515	9,515
Financial Assets at amortized cost	59,157	311,790	278,655	728,177	1,377,779
Total assets	**210,084**	**317,935**	**278,655**	**742,343**	**1,549.017**

Liabilities	Less than one month	From one to six months	From six to twelve months	More than one year	Total
Financial Liabilities At amortized cost	65,775	341,202	243,041	629,494	1,279,512
Financial Liabilities at fair value - Derivatives instruments	-	1,142	-	2,878	4,020
Total Liabilities	**65,775**	**342,344**	**243,041**	**632,372**	**1,283,532**

December 31, 2016

Assets	Less than one month	From one to six months	From six to twelve months	More than a year	Total
Cash due from banks and Central Bank	**118,889**	**4,075**	**-**	**-**	**122,964**
Equity Instruments at fair value	**16,308**	**-**	**-**	**4,650**	**20,958**
Investments in Associates and Affiliates	-	-	-	9,408	9,408
Financial Assets at amortized cost	64,180	337,680	361,506	512,457	1,275,824
Total Assets	**199,377**	**341,755**	**361,506**	**526,515**	**1,429,154**

Liabilities	Less than one month	From one to six months	From six to twelve months	More than a year	Total
Financial Liabilities At amortized cost	69,203	455,821	274,931	415,759	1,215,714
Financial Liabilities at fair value - Derivatives instruments	-	10,589	6,369	-	16,958
Total Liabilities	**69,203**	**466,410**	**281,300**	**415,759**	**1,232,672**

(Stated in millions of Colombian pesos)

NOTE 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and demand deposits with original maturities of 90 days or less from the date of acquisition, which are subject to an insignificant risk of changes to their fair value and that are used by the CVCS to handle short-term commitments.

Cash and cash equivalent balances encompass the following as at June 31, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Cash	23	22
Banks	16.398	19,755
Shares in Funds- Trust rights (6.1)	104.944	95,112
Certificates of Deposit (6.2)	6.145	8,075
	127.510	**122,964**

As at June 30, 2017 and December 31, 2016, there were no restrictions on bank accounts.

6.1 Following is a breakdown of positions in money market funds (trust rights) by CVCS and the Free Standing Trust:

	June 30, 2017	December 31, 2016
Alianza Fiduciaria	2,822	2,736
Valores Bancolombia	5,524	2,888
Sub-Total	**8,346**	**5,624**
Entity	**June 30, 2017**	**December 31, 2016**
Servitrust Gnb Sudameris S,A,	3,538	2,883
Fiduciaria Central Trusts	2,205	3,452
Corpbanca Investment Trust Col SA Soc Fiduciaria	-	30
Fiducolombia Free-standing Trusts	90,855	83,123
Sub-Total	**96,598**	**89,488**
Total 6.1	**104,944**	**95,112**

The following is the credit rating of the fund managers of Free Standing Trusts:

Manager	Jun-17	dic-16	Rating Agency
Fiduciaria Bancolombia	S1/AAA(col)	S1/AAA(col)	Fitch Ratings Colombia S.A.S CVCS
Fiduciaria GNB Sudameris_Servitrusts	F-AAA	F-AAA	Value and Risk Rating S.AS CVCS (2016 - 2017) BRC Standard & Poor´s (2015)
Fiduciaria la Previsora	S1/AAA(col)	S1/AAA(col)	Fitch Ratings Colombia S.A.S CVCS
Fiduciaria Popular	FAAA/2	FAAA/2	BRC Standard & Poor´s (2017-2016-2015) - BRC Investor Services S.A.S CVCS (2014)

(Stated in millions of Colombian pesos)

Cash equivalents correspond to mutual and money market funds where the Company and the Free Standing Trust have a direct ownership of shares and rights. These funds invest in short term paper and offer a slightly higher yield than a savings account, and are classified as cash equivalents since the company can withdraw and deposit funds at any time, as funds are at sight.

6.2 Certificates of Deposit (CD):

As at June 30, 2017, CVCS had one Certificate of Deposit (CD) at Credifinanciera S. A. Savings and Loans, detailed below:

CDT CREDIFINANCIERA

NUMBER	ISSUE DATE	PAYMENT DATE	DAYS	NOMINAL VALUE	EAR	NOMINAL RATE	TOTAL INTERESTS JUNE 2017	TOTAL BALANCE CD 2017
66025	3/28/2017	9/28/2017	180	6,000	9,6	9,38	145	6,145
		TOTAL		**6,000**	**-**	**-**	**145**	**6,145**

NOTE 7. FINANCIAL INSTRUMENTS

7.1 AT FAIR VALUE THROUGH PROFIT OR LOSS

The balance of investments measured at fair value is comprised of:

	June 30, 2017	December 31, 2016
Equity instruments (a)	19,431	20,958
Derivative instruments (Note 13)	7,183	817
	26,614	**21,775**

a) Equity instruments

	June 30, 2017	December 31, 2016
Mutual Funds (1)	14,781	16,308
Agrocañas shares (2)	4,650	4,650
	19,431	**20,958**

(1) Investments at fair value correspond to shares in money market funds that offer easy access to resources at low risk, held in trusts which are rated from AA- to AAA by local rating agencies BRC Standard and Poor's and/or Fitch Ratings Colombia

Issuer	Type of Fund	Minimum Investment	Minimum Balance	Profitability Q1 2017	Annual Return 2016	At June 30, 2017	At December 31, 2016
Credicorp Capital	At sight	500,000	N/A	5,7%	7,1%	3	3
BTG Pactual I Z Class	Closed	5,000,000	2,000,000	755,3%	58,3%	2,395	1,842
BTG Pactual II Z Class	Closed	5,000,000	2,000,000	347,8%	167,5%	4,680	4,885
Fiduciaria Popular	At sight	200,000	200,000	5,6%	6,9%	71	69
Fiduciaria la Previsora S,A,	At sight	200,000	200,000	6,4%	6,9%	389	309
Servitrust GNB Sudameris	At sight	500,000	500,000		6,5%	-	1
Open Portfolio BTG						7,243	9,199
TOTAL						**14,781**	**16,308**

(Stated in millions of Colombian pesos)

(2*) The Company owns 5.03% of the Agrocañas S.A. share capital, with 3,300 outstanding shares at June 30, 2017. These are not listed on the stock exchange, and are therefore measured at cost.

NOTE 8. INVESTMENTS IN ASSOCIATES

	June 30, 2017	December 31, 2016
Inverefectivas S,A	9,515	9,408

CVCS owns 25% the Inverefectivas S.A. share capital. This company was established under Panamanian legislation and has 1000 shares, with an intrinsic value of USD 3,038.26 at June 30, 2017.

	June 30, 2017		December 31, 2016	
	Share of ownership interest	Book value	Share of ownership interest	Book Value
Associates				
Inverefectivas S,A	25%	9,515	25%	9,408
		9,515		**9,408**

The corporate purpose of the CVCS's main associated companies are set out below:

	Associate	Corporate purpose
1	Inverefectivas S,A	Holding,

The movement of investments in associates accounts is shown below for the years ended at June 30 de 2017 and June 30, 2016:

Associate	June 30, 2017	June 30, 2016
Balance at the beginning of the year	**9,408**	**31,240**
Share of profit or loss for the period	-	(144)
Adjustments for exchange differences	107	(669)
Period-end balance	**9,515**	**30,427**

NOTE 9. LOAN PORTFOLIO, NET

Financial assets at amortized cost on the statement of financial position are classified as consumer portfolio and microcredit, Following is a description of the portfolio of CVCS at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Consumer	1,068,528	1,044,230
Microcredit	13,400	14,835
Impairment	(112,731)	(105,191)
Total financial assets at amortized cost	**969,197**	**953,874**
TuCrédito payroll deduction loans at fair value	5,058	4,380
	5,058	**4,830**

(Stated in millions of Colombian pesos)

The Financial Position Statement includes portfolio held in Free-standing trusts net totaling 672,650 at June 30, 2017 and 718,857 at December 31, 2016. CVCS classified portfolio by product in accordance with the height of default.

The movement of the provision for the impairment of financial assets by loan portfolio is provided below for the periods ended June 30, 2017 and June 30, 2016

	June 30, 2017	June 30, 2016
Initial Balance	105,191	85,944
Allowance of the period charged against to profit or loss	28,089	9,433
Recovered provisions – Note 19	(20,438)	(163)
Write-offs	(111)	(5,313)
Closing balance	**112,731**	**89,901**

Here is a breakdown of the Loans Portfolio on Balance Sheet with all components:

At June 30, 2017

Modality	Capital	Transaction costs	Interest Accrued	Commissions	Impairment	Total
Consumer loans	943,677	15,089	106,402	2,902	(105,572)	**962,498**
Microcredit	7,557	451	5,843	7	(7,159)	**6,699**
Total financial assets at amortized cost	**951,234**	**15,540**	**112,245**	**2,909**	**(112,731)**	**969,197**

At December 31, 2016

Modality	Capital	Transaction Costs	Interest Accrued	Commissions	Impairment	Total
Consumer	933,356	16,645	91,818	2,411	(98,662)	945,568
Microcredit	9,677	749	4,395	14	(6,529)	8,306
Total Financial Assets at amortized cost	**943,033**	**17,394**	**96,213**	**2,425**	**(105,191)**	**953,874**

The distribution of maturities of CVCS gross loans portfolio is as follows:

June 30, 2017

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer	241.025	434.016	162.366	230.661	1.068.070
Microcredit	10.073	3.178	607	-	13.858
Total Gross Loan Portfolio	**251.098**	**437.194**	**162.973**	**230.661**	**1.081.928**

(Stated in millions of Colombian pesos)

December 31, 2016

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer	225,183	423,173	147,429	248,445	1,044,230
Microcredit	8,627	4,867	1,341	-	14,835
Total Gross Loan Portfolio	**233,810**	**428,040**	**148,770**	**248,445**	**1,059,065**

The distribution of maturities of CVCS capital loans portfolio is as follows:

June 30, 2017

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer	187,362	387,793	149,932	218,590	943,677
Microcredit	4,905	2,219	433	-	7,557
Total Gross Loan Portfolio	**192,267**	**390,012**	**150,365**	**218,590**	**951,234**

December 31, 2016

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer loans	182,725	381,016	135,583	234,032	933,356
Microcredit	4,865	3,865	947	-	9,677
Total Gross Loan Portfolio	**187,590**	**384,881**	**136,530**	**234,032**	**943,033**

Below is the breakdown of CVCS Managed Loan Portfolio that includes the loan portfolio on balance sheet and the portfolio that was sold but is still managed by the Company:

	At June 30, 2017		
Modality	**Loan Capital**	**Sold**	**Total**
Consumer	943,677	225,264	1,168,941
Microcredit	7,557	-	7,557
Total Financial Assets at amortized cost	**951,234**	**225,064**	**1,176,498**

	At December 31, 2016		
Modality	**Loan Capital**	**Sold**	**Total**
Consumer	933,356	227,985	1,161,341
Microcredit	9,677		9,677
Total Financial Assets at amortized cost	**943,033**	**227,985**	**1,171,018**

(Stated in millions of Colombian pesos)

Arrears but not impaired

A summary of the overdue portfolio by days past due for the 3 months period ending June 30, 2017 and December 31, 2016 is as follows:

	At June 30, 2017			At December 31, 2016		
	Consumer	**Microcredit**	**Total**	**Consumer**	**Microcredit**	**Total**
Non expired loans	788,948	909	**789,857**	799,330	2,602	**801,932**
Arrears but not impaired	39,650	895	**40,545**	36,106	1,565	**37,671**
Non-performing loans under 360	37,188	1,512	**38,700**	30,462	2,561	**33,023**
Non-performing loans over 360	77,891	4,241	**82,132**	67,458	2,949	**70,407**
	943,677	**7,557**	**951,234**	**933,356**	**9,677**	**943,033**

NOTE 10. ACCOUNTS RECEIVABLE, NET

The detailed information of accounts receivables as of June 30, 2017 and December 31, 2016 is as follows:

	June 30, 2017	**December 31, 2016**
Debtors (10.1)	240,509	186,053
From Partners and Shareholders	1,825	1,825
Prepayments and Advances	91	772
Payment by client account	1,009	832
Allowance for doubtful accounts (10.2)	(1,332)	-
	242,102	**189,482**

10.1 The balance for other accounts receivable of 240,509 million at June 30 2017 and 186,053 million at December 31, 2016 correspond primarily to loan collection balances from the Free-standing Trusts pending transfer to CVCS.

10.2 The movement in the provision for impairment of other accounts receivable is provided below:

	June 30, 2017	**June 30, 2016**
Balance at start of period	-	-
Provision charged to income accounts	(1,332)	-
Balance at end of period	**(1,332)**	**-**

NOTE 11. PROPERTY AND EQUIPMENT

The Company's property, plant and equipment at June 30, 2017 and December 2016, respectively, are as follows:

	June 30, 2017	**December 31, 2016**
Transport Equipment	117	117
Office equipment and Accessories	1,549	1,538
Computer equipment	1,016	1,016

(Stated in millions of Colombian pesos)

Network and communication equipment	380	345
Machinery, plant and equipment in assembly	49	49
Goods received on finance lease agreements	4,878	4,878
Subtotal	**7,989**	**7,943**
Accumulated depreciation	(7,251)	(6,926)
Total	**738**	**1,017**

The breakdown for equipment movement is shown below:

	December 31, 2016	Purchases	June 30, 2017
Transport Equipment	117	-	117
Office equipment and Accessories	1,538	11	1,549
Computer equipment	1,016	-	1,016
Network and communication equipment	345	35	380
Machinery, plant and equipment in assembly	49	-	49
Goods received on finance lease agreements	4,878	-	4,878
	7,943	**46**	**7,989**

	December 31, 2015	Purchases	June 30, 2016
Transport Equipment	117	-	117
Fixtures and Accessories	1,298	132	1,430
Computer equipment	845	166	1,011
Network and communication equipment	159	55	214
Machinery, plant and equipment in assembly	49	-	49
Goods received on finance lease agreements	4,878	-	4,878
	7,346	**353**	**7,699**

Depreciation movements are provided below for the quarter ended June 30, 2017 and 2016:

	December 31, 2016	Depreciation	June 30, 2017
Office equipment and Accessories	2,366	94	2,460
Telecommunications equipment	197	33	230
Goods on Finance Lease Agreements	4,363	198	4,561
	6,926	**325**	**7,251**

	December 31, 2015	Depreciation	June 30, 2016
Office equipment and Accessories	2,083	308	2,391
Telecommunications equipment	187	181	368
Goods on Finance Lease Agreements	3,613	20	3,633
	5,883	**509**	**6,392**

All equipment of CVCS is duly protected with current insurance policies. To protect its property and equipment, the Company took out insurance policies with Beckley International Insurance Colombia and Chubb de Colombia at June 30, 2017 and December 31, 2016, which cover the risks of theft, fire, lightning strikes, explosions, earthquakes, strikes, revolts, etc.

(Stated in millions of Colombian pesos)

Property and equipment include the values of furniture, computer equipment and improvements to rented property, which are used in the Company's normal course of business.

The Company's own property and equipment as listed above, are not in any way encumbered neither have they been delivered as collateral to guarantee any kind of obligation. The Company has also taken out insurance policies to protect these assets.

Finance Lease Agreements:

Assets under finance lease agreements were acquired with Leasing Bancolombia S.A., Banco de Bogotá and Leasing de Occidente.

A total of 52 lease agreements are in effect with the Colombian institutions named above.

Correspond to rights to goods received as part of finance lease agreements, which are entered into for period of three (3) years and correspond to structured cabling, licenses, computer equipment and vehicles.

	Cost	Accumulated depreciation	Carrying amount
Computing equipment	2,416	(2,404)	12
Vehicles	2,462	(2,157)	305
Balance as at June 2017	**4,878**	**(4,561)**	**317**

	Cost	Accumulated depreciation	Carrying amount
Computing equipment	2,416	(2,301)	115
Vehicles	2,462	(2,062)	400
Balance as at December 2016	**4,878**	**(4,363)**	**515**

The following is a summary of the minimum payments due in the coming years for finance lease assets at June 30st, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Less than one year	74	272
More than one year, less than five	243	243
Total	**317**	**515**

NOTE 12. OTHER INTANGIBLE ASSETS

Other intangible assets that are acquired by CVCS and have a definite useful life are measured at cost less their accumulated amortization and accumulated impairment losses.

	June 30, 2017	December 31, 2016
Software licenses	351	256
Technology and insurance projects	2,198	2,385
Other	3,560	2,276
Trademarks Acquired (1)	22,702	23,919
	28,811	**28,836**

(Stated in millions of Colombian pesos)

(1) The amortization expenses for the quarter was as follows:

	June 30, 2017	June 30, 2016
Amortization	1,576	1,352

The aforementioned intangible assets do not carry any restrictions as to the ownership of their inherent rights.

As for the Company's intangible asset accounts, based on the corresponding assessment, no signs of impairment were detected which could have otherwise led to recognizing an expense.

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Movements for hedge accounting and investments in derivatives are provided below:

	June 30, 2017	December 31, 2016
ASSETS		
Hedging derivatives	7,168	341
Forward contracts for trading	15	476
Sub-Total	**7,183**	**817**
LIABILITY		
Hedging forward contracts	3,682	16,702
Forward contracts for Trading	338	242
Swaps	-	14
Sub-Total	**4,020**	**16,958**

CVCS maintains the derivative financial instrument to cover exposure to risk in foreign currency.

The following table describes the fair value recognition of the derivatives portfolio at June 30, 2017 and December 31, 2016:

(1) Forward Contracts for Hedging

The portfolio of derivative transactions presents assets valued according to the policy implemented and the type of fair value measurement and cash flow.

- **Fair-value hedge accounting Assets**

Fair value

	June 30, 2017		December 31, 2016	
ASSETS	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	53	7,168	13	339
Total forward contracts for hedging - assets	**53**	**7,168**	**13**	**339**

(Stated in millions of Colombian pesos)

- Cash-flow hedge accounting

Cash flow

	June 30, 2017		December 31, 2016	
ASSETS	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	-	-	1	2
Total forward contracts for hedging - assets		**-**		**2**

- **Fair-value hedge accounting Liabilities**

	June 30, 2017		December 31, 2016	
LIABILITIES	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	36	(3,682)	76	(16,530)
Total forward contracts for hedging – liabilities	**36**	**(3,682)**	**76**	**(16,530)**

The forwards portfolio will mature in 2017 and 2018.

	June 30, 2017		December 31, 2016	
LIABILITIES	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	-	-	1	(172)
Total forward contracts for hedging - liabilities		**-**		**(172)**

The maturity of the forward contracts portfolio was June 2017.

(2) Forward Contracts for Trading Assets

The following table shows the fair value at June 30, 2017 and December 31, 2016 of the forward contract portfolio at the end of each period

Trading

	June 30, 2017		December 31, 2016	
ASSETS	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Trading				
Purchase of foreign currency	1	15	3	476
Total forward contracts for trading - assets	**1**	**15**		**476**

(Stated in millions of Colombian pesos)

Forward Contracts for Trading Liabilities

LIABILITIES	June 31, 2017		December 31, 2016	
	Nominal Amount USD	Fair Value	Nominal Amount USD	Fair Value
Forward Contracts for Trading				
Purchase of foreign currency	3	(338)	3	(242)
Total forward contracts for trading - liabilities		**(338)**		**(242)**

The forwards portfolio will mature in 2017.

For the semester ended June 30, 2017, the Company updated its assessment of hedging effectiveness, and results were satisfactory.

NOTE 14. FINANCIAL OBLIGATIONS

	June 30, 2017	December 31, 2016
Financial obligations in free standing trusts	507,000	543,788
Promissory notes – Local banks	108,269	146,162
Finance lease agreements	561	755
Foreign banks	519,162	400,545
Other financial obligations	6,237	1,718
Transaction cost	(15,601)	(7,994)
	1,125,628	**1,084,974**

The balance of CVCS financial obligations and of the Free-standing Trusts at June 30, 2017 and December 31, 2016 correspond to obligations contracted with financial entities in Colombia and obligations in capital markets abroad, finance lease agreements, third parties and shareholders. Short-term obligations are loans that must be paid in July 2017 – June 30, 2018, and long-term obligations are loans that come due after July 2018.

a) Short-term financial obligations.

Short-term obligations

Entity	June 30, 2017	Interest rate	Maturity	December 31, 2016	Interest rate	Maturity
National entity						
Bank Agrario	18,520	DTF + 3,4%	2018	-		
Bank de Bogotá	19,351	IBR + 6%	2017 and 2018	10,188	IBR + 5,5%	2017
Bank Colpatria	-			13,000	IBR + 5,8%	2017
Bank de Occidente	4,612	IBR + 3,8%	2017 and 2018	4,582	IBR + 3,5%	2017
Bank Corpbanca	-			8,000	14,97% EAR	2017
Bancolombia	23,365	DTF + 6,8%	2017	30,500	DTF + 6,8%	2017
Bancoomeva	1,081	DTF + 7%	2018	276	DTF + 7%	2017
Banco Santander				10,455	LIBOR + 1,7%	2017
Total National Entity	**66,929**			**77,001**		

(Stated in millions of Colombian pesos)

Foreign Entity						
International Notes	110,896	8,13% EAR	2017	255,060	8,13% EAR	2017
Total Foreign Entity	**110.896**			**255,060**		
Shareholders						
Lacrot Inversiones	60,765	9,5% EAR	2018	60,014	9,5% EAR	2017
Total Shareholders	**60,765**			**60,014**		
Third parties						
Progresion Sociedad Administradora	237	12% EAR	2017	1,718	12% EAR	2017
Integral de Empaques S.A.S.	6,000	IBR + 2,5%	2017	-		
Total Third Parties	**6,237**			**1,718**		
Free-standing trusts						
Free-standing trust, Corpbanca	-			1,194	IBR + 5,5%	2017
Free-standing trust, CrediUno IFC	10,553	9,91% EAR	2018	-		
Free-standing trust, syndicated CrediPoliza	46,024	IBR + 5,4%	2017 and 2018	42,613	DTF + 4,5%	2017
Free-standing trust, EPSA CrediUno	9,194	DTF + 6,75%	2017 and 2018	16,355	DTF + 6,75%	2017
Free-standing trust, syndicated CrediUno				3,043	DTF + 4,5%	2017
Free-standing trust, CrediTigo	18,446	DTF + 6,25%	2018	-		
Total Free-standing trusts	**84,217**			**63,205**		

Short-term obligations

Entity	**June 31, 2017**	**Interest rate**	**Maturity**	**December 31, 2016**	**Interest rate**	**Maturity**
Finance lease agreements						
Leasing Bancolombia	66	8,42% EAR	2017 and 2018	73	8,42% EAR	2017
Total Financial Leasing	**66**			**73**		
Total Short-term obligations	**329,110**			**457,071**		

CVCS had short-term financial obligations during the periods ended June 30, 2017 and December 31, 2016 totaling 329,110 and 457,071, respectively. The measurement of financial liability instruments for financial obligations is valued at amortized cost, as per IAS 39.

b) Long-term obligations

Long-term obligations

Entity	**June 30, 2017**	**Interest rate**	**Maturity**	**December 31, 2016**	**Interest rate**	**Maturity**
National entity						
Bank Agrario	-			30,866	DTF + 3,4%	2018
Bank de Bogotá	-			14,130	IBR + 6,25%	2018

(Stated in millions of Colombian pesos)

Bank Corpbanca	5,396	DTF + 7,82%	2019	-		
Bancolombia	17,361	DTF + 7,5%	2019	21,528	DTF + 7,5%	2019
Bancoomeva	9,000	DTF + 7,7%	2018 to 2019	13,091	DTF + 7,7%	2018 to 2019
Bank Santander	9,583	IBR + 6,5%	2019			
Total National Entity	**41,340**			**79,615**		
Foreign Entity						
International Notes	279,520	7% EAR	2018 and 2019	-		
Total Foreign Entity	**279,520**			**-**		
Free-standing trusts						
TuCrédito Free-standing Trust, Colpatria	23,083	IBR + 6,3%	2020 and 2021	21,566	IBR + 6,3%	2018 to 2020
Free-standing trust, Credilibranzas	964	DTF + 5,25%	2018	1,541	DTF + 5,25%	2018
Free-standing trust, Libranzas II	3,088	DTF + 5,25%	2018	4,888	DTF + 5,25%	2018
Free-standing trust, EPSA CrediUno	125,493	DTF + 6,75%	2018 to 2020	106,831	DTF + 6,75%	2018 to 2019
Free-standing trust, CrediUno IFC	57,428	11,91% EAR	2018 and 2019	75,016	9,91% EAR	2018 to 2021
Free-standing trust, syndicated CrediUno	51,235	DTF + 4,95%	2019 and 2020	58,015	DTF + 4,5%	2019
Free-standing trust, syndicated TuCrédito	207,952	DTF + 5,5%	2019 and 2021	238,003	DTF + 5,5%	2019 to 2021
Free-standing trust, CrediTigo	21,521	DTF + 6,25%	2018 and 2019	49,740	DTF + 6,25%	2018
Total Free-standing trusts	**490,764**			**555,600**		

Long-term obligations

Entity	June 30, 2017	Interest rate	Maturity	December 31, 2016	Interest rate	Maturity
Finance lease agreements						
Leasing Bancolombia	495	8,42% EAR	2018 to 2020	682	8,42% EAR	2018 to 2020
Total Financial Leasing	**495**			**682**		
Total long-term obligations	**812,119**			**635,897**		
Cost of Transaction to be Amortized IFP	(15,601)			(7,994)		
Total financial obligations	**1,125,628**			**1,084,974**		

The Company had long-term financial obligations during the periods ended June 30, 2017 and December 31, 2016 totaling $ 812,119 and $ 635,897, respectively. Associated costs incurred in the acquisition of loans are classified as transaction costs pending IFP amortization for the periods ended June 30, 2017 and December 31, 2016, valued at $15,601 and $7,994, respectively. The measurement of financial liability instruments for financial obligations is valued at amortized cost, as per IAS 39.

The total balance of financial obligations for the periods ended June 30, 2017 and December 31, 2016 is 1,125,628 and 1,084,974 respectively, which will be paid off as described above.

(Stated in millions of Colombian pesos)

- **Obligations stated in foreign currency**

Entity	**Nominal Value June 30, 2017**		**Nominal Value December 31, 2016**	
Banco Santander	-	-	3	10,455
International Capital Markets Notes (a)	129	390,416	85	255,060
Lacrot Inversiones	20	60,765	20	60,014
International Finance Corporation (IFC)	26	67,981	30	75,016
Total	**USD 175**	**519,162**	**USD 138**	**400,545**

(a) International Notes

In August 2014 the Company established a new program for issuing commercial paper notes called “Euro Commercial Paper Program” abroad for up to USD $150, with maturities that can range from 1 day to 3 years from the issue date of each note. The issued notes are not registered under the US Securities Act of 1993, and according to the program, only be offered to non-Americans in compliance of Regulation S of the US Securities Act.

Under this program, the notes are issued outside of Colombia and are not registered in the Colombian National Registry of Securities and Issuers, nor listed on the Colombian Securities Exchange. Deustche Bank AG, London Branch is the issuance and payment agent for all program issues.

The funds received from loans acquired from financial institutions are used for portfolio origination and to handle various lines of working capital, which helps to maintain a degree of liquidity for the Company. The loans are represented by promissory notes wherein both parties establish the payment conditions, including limit, amount, interest rate and duration. The financial cost of financial obligations for periods ended June 30, 2017 and June 30, 2016:

IFP Financial Cost	**June 30, 2017**	**June 30, 2016**
Free-standing trusts	36,887	30,662
Local banks	8,508	8,858
Finance lease agreements	70	71
Foreign currency obligation	14,416	7,835
Third parties	547	455
Shareholders	3,551	-
Amortization Transaction costs	8,371	11,291
	72,296	**59,172**

The financial obligations and Free-standing Trusts of CVCS that are recognized in local and foreign currencies will be recognized at the start of operation at their amortized value, net of costs incurred in the transaction which are attributable at the time of issuance. The difference between funds received (net of transaction costs) and the redemption value is recognized in the Income Statement for the corresponding period, using the effective interest method.

(Stated in millions of Colombian pesos)

NOTE 15. OTHER PROVISIONS

CVCS's provisions at June 30, 2017 and December 2016, respectively are provided below.

	June 30, 2017	December 31, 2016
Litigations subject to executive proceedings	84	84
Other provisions	788	937
	872	**1,021**

The movement of legal and other provisions are provided below for the periods ended June 30, 2017 and June 30, 2016:

	Legal provisions	Other provisions	Total provisions
Balance held at December 31, 2016	**84**	**937**	**1,021**
Recovered provisions	-	(149)	(149)
Balance held at June 30, 2017	**84**	**788**	**872**

	Legal provisions	Other provisions	Total provisions
Balance held at December 31, 2015	**26**	**1,949**	**1,975**
Recovered provisions	58	(1,521)	**(1,463)**
Balance held at June 30, 2016	**84**	**428**	**512**

The provisions correspond primarily to labor, civil and administrative proceedings filed by third parties against CVCS, on which provisions of 84 were recognized at June 30, 2017. It is not possible to determine a disbursement schedule for these proceedings due to their distribution across different instances.

However, the CVCS does not expect significant changes to the amounts provided for as a consequence of the outflows applicable to each proceeding. The expected time of resolution is uncertain since each proceeding is taking place in different instances.

NOTE 16. CURRENT AND DEFERRED TAX LIABILITIES

16.1 Components of current tax liabilities

Current tax liabilities for the 3 months period ended June 30, 2017 and the year ended December 31, 2016 is as follows:

	June 30, 2017	December 31, 2016
Tax income	1,322	26
Tax on industry and Commerce	1,129	1,623
Tax CREE	-	2,458
Sales tax	47	396
Surcharge and others (i)	287	-
	2,785	**4,503**

(i) This relates to the amount that has be paid with regards to the wealth tax for the year 2017.

(Stated in millions of Colombian pesos)

16.2 Components of income tax expense

Income tax expense for the 3 months periods ended June 30, 2017 and June 30, 2016 is as follows:

	June 30, 2017	June 30, 2016
Income Tax	1,322	3,577
CREE surcharge	-	1,595
Subtotal - taxes from the current period	**1,322**	**5,172**
Net deferred tax from the period	277	(3,229)
Total	**1,599**	**1,943**

In accordance with the IAS 12, current and deferred taxes are recognized as income or expense in the income statement, except to the extent that they arise from a transaction or event recognized outside profit or loss in other comprehensive income (OCI), in equity. Therefore, in the periods ended June 30, 2017 and June 30, 2016, other comprehensive income was recognized in equity.

16.3 Reconciliation of the nominal income tax rate and the effective tax rate in Colombia:

The Company reconciled the total effective rate without deferred tax, which was 17% for 2017 and 69% for 2016, as detailed below:

	June 30, 2017	June 30, 2016
Earnings (loss) before tax	(3,985)	14,119
Statutory rate	40%	40%
Tax at statutory rate	**(1,594)**	**5,647**
More (less) tax impact on:		
Non-deductible expense	1,703	869
Valuations of financial instruments	103	(1,651)
Wealth tax	78	284
Fines and sanctions	138	23
Assumed interest	45	-
Excess presumptive income	849	-
Loan adjustments and financial obligations	277	(3,229)
Total income tax provisions charged to income	**1,599**	**1,943**
Effective rate	**(40%)**	**14%**

16.4 Deferred Tax

Differences between the carrying amount of assets and liabilities and the tax bases thereof give rise to temporary differences that generate deferred taxes, calculated and recorded in the periods ended June 30, 2017 and June 30, 2016, based on the tax rates in force for the years in which said temporary differences are to be reversed.

(Stated in millions of Colombian pesos)

Year ended June 30, 2017

	Balance held at Decembe r 31, 2016	Income (Expense) in income statement	Unrealize d income (expense) in OCI	Reclassif ication	Balance as at June 30, 2017
Deferred tax assets					
Deferred charges	91	(91)	-	-	-
Difference between accounting and tax bases - prepaid expenses	10,536	118	-	-	10,654
Difference between accounting and tax bases - loans	509	1,054	-	-	1,563
Impairment to financial assets	1,520	(69)	-	-	1,451
Industry and commerce tax	42	(43)	-	-	-
Forward contracts	11,633	(7,100)	-	-	4,633
Miscellaneous	147	9,694	-	(174)	9,566
Subtotal	**24,478**	**3,563**	**-**	**(174)**	**27,867**
Deferred tax liability					
Valuations of financial instruments	3,671	1,179	1,178	-	6,028
Goodwill	16	(16)	-	-	-
Impairment to financial assets	6,809	2,123	-	-	8,932
Subtotal	**10,496**	**3,286**	**1,178**	**-**	**14,960**
Net Total	**13,982**	**(277)**	**1,178**	**(174)**	**12,907**

At June 30, 2016

	Balance held at December 31, 2015	Income (Expense) in income statement	Unrealized income (expense) in OCI	Balance held at June 30, 2016
Deferred tax assets				
Deferred charges	5,783	3,750	-	9,533
Difference between accounting and tax bases - prepaid expenses	13,956	(13,956)	-	-
Impairment to financial assets	-	967	-	967
Industry and commerce tax	85	1	-	86
Deferred income	2,021	4,930	-	6,951
Subtotal	**21,845**	**(4,308)**	**-**	**17,537**
Deferred tax liability				
Valuations of financial instruments	9,888	(9,888)	-	-
Goodwill	50	(50)	-	-
Transaction expense owing	3,930	(656)	-	3,274
Impairment to financial assets	2,213	3,057	-	5,270
Subtotal	**16,081**	**(7,537)**	**-**	**8,544**
Net Total	**5,764**	**3,229**	**-**	**8,993**

(Stated in millions of Colombian pesos)

Effect of current and deferred taxes in each component of other comprehensive income in equity:

The effects of current and deferred taxes in each component of other comprehensive income in equity are as follows:

	June 30, 2017			June 30, 2016		
	Amount before tax	Deferred tax income (expense)	Net	Amount before tax	Deferred tax income (expense)	Net
Items that may be subsequently reclassified to income						
Effect of changes in fair value on the valuation of derivative financial instruments	**2,945**	**(1,178)**	**1,767**	**(3,084)**	**-**	**(3,084)**

NOTE 17. EQUITY

Capital

CVCS objective is to safeguard its capacity to continue as a business enterprise and maintain a financial structure that optimizes the cost of capital and maximize returns for shareholders. The Company's capital structure encompasses and includes the subscribed capital, retained earnings and reserves.

Capital management objectives are met by managing the portfolio as authorized by law and maintaining a consistent pace of generating profits from its structural revenue (portfolio interests and returns on investments) which results in institutional strengthening and provides the Company an opportunity to maintain its dividend distribution policy among its shareholders.

For the reporting periods, CVCS indeed complied with the required minimum capital in the relation of solvency required by legal provisions and mandatory investments.

Authorized, Subscribed and Paid Capital

CVCS's subscribed and paid capital as at June 30, 2017 and December 2016 was represented by 3,715,903 shares each year, each at a nominal price of 28,254.

Credivalores Crediservicios S.A.S.

Shareholder	June 30, 2017 Number of shares	%	December 31, 2016 Number of shares	%
Acon Consumer Finance Holdings S de RL	870.444	20,34%	870.444	23,42%
Crediholding S,A,S,	1.497.987	35,01%	1.497.987	40,31%
Lacrot Inversiones 2014 S,L,U	1.486.784	34,75%	923.665	24,86%
Acon Consumer Finance Holdings II S, L	184.167	4,30%	184.167	4,96%
Treasury shares	239.640	5,60%	239.640	6,45%
Total	**4.279.022**	**100%**	**3.715.903**	**100,00%**

(Stated in millions of Colombian pesos)

	June 30, 2017	December 31, 2016
Number of authorized shares	5,263,119	4,700,000
Subscribed and paid shares:	4,279,022	3,715,903
Ordinary with nominal value of 28,254.		
Subscribed and paid capital (nominal value)	120,899	104,989
Paid-in capital	58,442	20,842
Total capital plus premium	**179,341**	**125,831**

NET EARNINGS PER SHARE

The following is a breakdown of the basic earnings per share:

	June 30, 2017	June 30, 2016
Ordinary shares (a)	1,532,597	1,532,597
Preferred shares (a)	2,506,785	1,943,666
Repurchased treasury shares	239,640	239,640
Total earnings per share	**(1,382)**	**3,502**

(a) The value of the shares at June 2017 and 2016 correspond to the total number of outstanding shares held by CVCS. As per the Company´s bylaws, both common and preferred stock have the same decision power and rights, and the preference of those shares is given by its hierarchy in the payment of dividends at the moment declared by the Assembly and by the preferred right in the reimbursement in case of liquidation.

NOTE 18. REVENUE

	June 30, 2017	June 30, 2016
Interests (18.1)	98,678	79,531
Commissions and fees (18.2)	39,575	25,341
From sales of portfolio (18.3)	-	16,047
	138,253	**120,919**

(Stated in millions of Colombian pesos)

18.1 Interest

	June 30, 2017	June 30, 2016
CrediUno interest	8,334	4,889
CrediPoliza interest	1,488	2,001
TuCrédito interest	10.480	19,449
TuCrédito transaction costs	(5,165)	(844)
CrediPoliza transaction costs	(526)	(584)
CrediUno transaction costs	(5,909)	(2,295)
TuCrédito fair value	680	(2,866)
Sub-total Consumer loans	**9,382**	**19,750**
Microcredit interest	687	3,497
Microcredit loans transaction costs	(297)	(476)
Sub-total Microcredit	**390**	**3,021**
CrediUno late payment interest	304	228
CrediPoliza late payment interest	283	189
TuCrédito late payment interest	182	110
Consumer loan defaults	**769**	**527**
CrediYa late payment interest	99	413
Microcredit loan defaults	**99**	**413**
Financial returns	2,267	160
BTG Pactual Financial returns	4,907	4,861
Current interests, Free-standing Trust	69,117	50,799
Other income, Free-standing Trust	3,425	-
Current interests left off-balance	8,322	-
Other	**88,038**	**55,820**
Total Interests	**98,678**	**79,531**

18.2 Commissions and fees

	June 30, 2017	June 30, 2016
Department store income and credit card channels income	31	113
Shared financial consultancy fees	16	169
Financial Consultancy – Returns from Debtor life insurance	2,544	2,467
Financial Consultancy- Returns Voluntary insurance policies	1,620	1,467
Other financial consultancy	3	9
Internal commission	569	445
Collection fees	5,386	1,688
Microcredit SME's loan fees	69	771
Administration fee – credit card	26,346	16,544
Administration fee - life insurance plus	2,633	1,668
	358	-
	39,575	**25,341**

(Stated in millions of Colombian pesos)

18.3 Due to the implementation of the new strategy in order to strengthen the own loan portfolio of the company management has restricted the sale of loans for the Q1 2017. For this reason there is no profit related to sales as compared to the same period in 2016.

NOTE 19. OTHER INCOME

	June 30, 2017	June 30, 2016
Sickness Leave	34	44
Collection charges TuCrédito	171	-
Reimbursed claims Aval FGA	23	-
Provision Recovery	185	855
Vendor Discount	5	5
Central consultation	-	19
Partners and trademarks agreement	-	600
Other	27	5
	445	**1,528**

NOTE 20. OTHER EXPENSES

	June 30, 2017	June 30, 2016
Commissions	1.667	1.056
Legal expense	251	30
Fees	9.706	6.606
Taxes	8.427	4.702
Leases	1.967	1.610
Insurance	295	146
Maintenance	528	511
Adaptation and installation	81	239
Fines, penalties and awards	345	59
Janitorial and security services	330	422
Temporary services	1.404	4.039
Publicity and advertising	1.537	2.974
Public services	1.579	1.599
Utilities	3	9
Travel expenses	283	578
Transport	731	556
Office supplies	492	580
Cost of representation	550	233
Technical assistance	5.252	4.171
Donations	6	6
Yields Invertors	-	1.051
Other	675	910
	36,109	**32.087**

(Stated in millions of Colombian pesos)

NOTE 21. NET FINANCIAL INCOME

	June 30, 2017	June 30, 2016
Financial income	278	85
Total Financial Income	**278**	**85**
Exchange rate differences	(10.877)	(2.402)
Forwards valuation	(3.470)	7.245
Total Financial Costs	**(14.347)**	**4.843**
Net Financial Income (costs)	**(14.069)**	**4.928**

NOTE 22. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a. Commitments

Credit commitments

In the course of ordinary business, CVCS provides loan portfolio as guarantees to its funding sources, in which it irrevocably agrees to pay them in the event the client is unable to meet its obligations, with the same credit risk for loan portfolios.

Loan extension commitments represent unused portions of authorizations to extend credits as loans. With regard to the credit risk on commitments to extend lines of credit, CVCS is potentially exposed to losses in an amount equal to the total unused commitments, if the unused amount were to be withdrawn in its totality.

However, the amount of the loss is less than the total amount of the unused commitments because the majority of loan extension commitments are contingent once the client can maintain specific credit rating standards. CVCS monitors the maturity dates of those credit limit commitments because long-term commitments have a higher credit risk than short-term commitments.

The following is a breakdown of unused lines of credit commitments and guarantees at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Unpaid approved credits	293,883	275,493

Contingent assets

At the end of June 2017, the Company has a Guarantee with the FGA (Fondo de Garantías de Antioquia), which has availability of a value in keeping with the agreement policies of 3.936 million, by which already generated an account receivable at the end of this period.

NOTE 23. RELATED PARTIES

The Company's Board of Directors and Senior Management, in their role as governing bodies, are fully aware of the responsibility relating to administering and managing the various risks to which the Company is exposed; likewise, they are fully cognizant of the Company’s processes and business structure so as to be able to provide support and adequate monitoring and follow-up.

(Stated in millions of Colombian pesos)

The Company's related parties are as follows:

1. Shareholders with interests, a controlling stake or a joint stake of the Company, or significant influence over CVCS.

2. Members of the Board of Directors: Members of the Board of Directors (principals and alternates, along with their related parts).

3. Key management personnel: includes the Company CEO and other C-level Officers, who are those who participate in the planning, direction and control of the Company.

4. Affiliates: Companies in which CVCS has significant influence, which is generally considered to be a share of between 20 and 50% of their capital.

The most representative balances as at June 30, 2017 and December 31, 2016 with related parties are including in the following charts, with headings for definitions of the related parties recorded in the previous sections.

	June 2017		**December 2016**	
	Shareholders	**Members of the Board of Directors (a)**	**Shareholders**	**Members of the Board of Directors (a)**
Accounts receivable	1,815	-	1,460	-
Accounts payable	115,210	96	59,951	155
Operating expenses	-	-	2,160	221

Compensation received by Key Management Personnel is comprised of the following:

Item	**June 30, 2017**	**June 30, 2016**
Salaries	2,154	2,447
Short term employee benefits	223	653
Total	**2,377**	**3,100**

a. Members of the Board of Directors (principals and alternates, along with their related parts) as of June 30, 2016.

<u>Directors</u>

No.	**Director**	**Alternate**
1	José Miguel Knoell Ferrada	Mathias Boccia Cristiano
2	Juan Carlos Restrepo Acuña	No appointment
3	Lorena Margarita Cárdenas Costas	No appointment
4	Rony Doron Seinjet	No appointment
5	Adrian Gustavo Ferraro	Carlos Manuel Ramon
6	Lawrence Robert Rauch	No appointment

Legal Representatives

No.	**Representative**
Manager	Eliana Andrea Erazo Restrepo
Alternate	Liliana Arango Salazar

NOTE 24. EVENTS THAT OCCURRED AFTER THE REPORTED PERIOD

On July 20th, 2017, the Company issued a US$250 million bond under a 144A Reg S format in the international capital markets. Proceeds from the issuance will be used to prepay and refinance secured debt with local and international financial institutions. The bond has a 5 year tenor and can be called in the 3rd year. Interest will be paid semi-annually. Bookrunners were Credit Suisse y BCP Securities.