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

Interim periods ended September 30, 2017 and December 31, 2016

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

	Notes	September 30, 2017	December 31, 2016
Assets			
Cash and cash equivalents	6	229,826	122.964
Financial Assets at fair value through profit or lost			
Equity Instruments	7	19,858	20.958
Derivatives Instruments	13	247	817
Loan portfolio		15,076	4.380
Total financial assets at fair value		**35,180**	**26.155**
Financial Assets at amortized cost	9		
Loan portfolio, net			
Consumer loans		1,111,157	1.044.230
Microcredit loans		14,173	14.835
Impairment		(118,621)	(105.191)
Total Loan portfolio, net		**1,006,710**	**953.874**
Accounts receivable, net	10	222,736	189.482
Total Financial Assets at amortized cost		**1,229,446**	**1.143.356**
Investments in Associates and Affiliates	8	36,414	9.408
Current tax assets		4,951	2.799
Deferred tax assets, net	16	15,952	13.982
Property, plant and equipment, net	11	1,039	1.017
Intangible assets other than goodwill, net	12	27,772	28.836
Total assets		**1,580,580**	**1.348.517**
Liabilities and equity			
Liabilities:			
Financial Liabilities at fair value	13		
Derivative instruments		21,273	16.958
Total Financial Liabilities at fair value		**21,273**	**16.958**
Financial Liabilities At amortized cost			
Financial obligations	14	1,238,949	1.084.974
Total Financial Liabilities At amortized cost		**1,238,949**	**1.084.974**
Employee benefits		1,403	1.198
Other provisions	15	464	1.021
Accounts payable		58,274	47.633
Current tax liabilities	16	3,245	4.503
Other liabilities		13,878	3.107
Total liabilities		**1,337,486**	**1.159.394**
Equity:	21		
Share capital		120,900	104.989
Reserves		5,814	5.814
Additional paid-in capital		58,442	20.842
Other Comprehensive Income (OCI)		(6,931)	(3.744)
Retained earnings		61.222	44.022
Earnings for the period		3,647	17.200
Total equity		**243,094**	**189.123**
Total liabilities and equity		$ **1,580,580**	**1.348.517**

See attached notes.

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

		January 1, 2017 through September 30, 2017	January 1, 2016 through September 30, 2016
		In Million Pesos, except for the net earning per share	
Interest Income and similar	18	**213.068**	**169.624**
Interest expense	14	(107.840)	(89.006)
Net Interest and similars		**105.228**	**80.618**
Impairment of financial assets loan portfolio	9	(13.971)	(5.446)
Impairment of other accounts receivable	10	(2.330)	-
Gross Financial Margin		**88.927**	**75.172**
SG&A			
Other expenses			
Employee Benefits		(13.542)	(15.109)
Expense for depreciation and amortization	11- 12	(2.942)	(2.809)
Other	20	(56.008)	(51.338)
Total Other expenses		**(72.492)**	**(69.255)**
Net operating Income		**16.435**	**5.916**
Financial income			
Exchange rate differences		7.655	27.213
Other Income recoveries		270	165
Financial income		1.032	4.637
Financial Income		**8.957**	**32.014**
Financial costs			
Forward valuation		(19.843)	(19.425)
Financial expense	21	**(19.843)**	**(19.425)**
Net Financial income (expense)		**(10.886)**	**12.589**
Other income	19	**449**	**1.629**
Net Income before income tax		**5.998**	**20.135**
Income tax	16	(2,351)	2.261
Net income for the period		**3,647**	**22.395**
Net earnings per share		**903**	**6.442**

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

	Term ended	
	September 30, 2017	**September 30, 2016**
Net income for the period	**(5.584)**	**22,395**
Other comprehensive income		
Hedging of Financial Obligations		
Unrealized gains (losses) from hedging cash flow, before taxes	2.160	(4,041)
Income tax	(5,347)	-
Total other comprehensive income for the period, before taxes	**(3,187)**	**(4,041)**
Total other comprehensive income	**(5,815)**	**18,354**

See attached notes.

CREDIVALORES CREDISERVICIOS S. A. S.
STATEMENT OF CHANGES IN EQUITY
INTERIM PERIODS ENDED SEPTEMBER 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
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	–	–	–	(4,040)	-	-	(3.084)
Net income for the period	-	–	–	–	–	12.176	12.176
Balance held at September 30, 2016	**104.989**	**20.842**	**5.814**	**(3,756)**	**44.022**	**22,395**	**194,306**
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	15.911	37.600	–	–	–	–	53.510
Increase (decrease) in other comprehensive income	–	–	–	(3,187)	-	-	(3,187)
Net income for the period	-	–	–	–	–	3,647	3,647
Balance held at September 30, 2017	**120.900**	**58.442**	**5.814**	**(6,931)**	**61.222**	**3,647**	**243.094**

See attached notes.

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

	September 30, 2017	September30, 2016
Cash flows from operating activities		
Net income before taxes	5.998	20.133
Reconciliation of net income before taxes and net cash provided by (used in) operating activities:		
Depreciation of tangible assets	441	1,485
Amortization of intangible assets	1.064	1.301
Allowance for impairment of loans	27.850	16.962
Charge-off for impairment of loans	(270)	(165)
Allowance for impairment of accounts receivables	2.330	-
Fair value adjustments to derivative financial instruments	19.842	19.425
Equity method	(27.005)	21.873
Income tax expense	2.351	(2.261)
Fair value adjustments to financial assets	(10.696)	6.678
	-	-
Changes in operating assets and liabilities:		
Decrease (increase) in loans	(80.414)	(177.428)
Decrease (increase) in accounts receivables	(30.925)	(23.313)
Increase (decrease) in accounts payable	16.915	(57,350)
Increase (decrease) in employee benefits	205	132
Increase (decrease) in provisions	(557)	(1.441)
Increase (decrease) in other liabilities	11.130	1.906
Income tax payment	(2.384)	(10.781)
Net cash provided by (used in) operating activities	**(64.125)**	**(182.844)**
Cash flows from investing activities:		
Decrease (increase) in investments	1.100	3.105
Acquisition of own - use property plant and equipment	-	(353)
Additions of other intangible assets	-	(4.116)
Net cash used in investing activities	**1.100**	**(1.364)**
Cash flows from financing activities:		
Issuance of financial obligations	(1.286.453)	628.426
Issuance of common shares	15.911	-
Payment of financial obligations	1.440.428	(437.190)
Net cash provided by financing activities	**169.886**	**191.236**
(Decrease) Increase in cash and cash equivalents	**106.862**	**7.028**
Cash and cash equivalents at beginning of year	122.964	110.078
Cash and cash equivalents at end of year	229.826	117.106

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 September 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 September 30, 2017 and December 31, 2016 and for the three-months periods ended September 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 September 30, 2017 and December 31, 2016, on a recurring basis.

	September 30, 2017	**December 31, 2016**
ASSETS	**Level 3**	**Level 3**
Investments in equity instruments	19.858	20.958
Trading derivatives		
Currency forward	247	476
Hedging derivatives		
Currency forward	-	341
Consumer		
Payroll deduction loans	15,076	4.380
Total fair value recurring assets	**35,180**	**26.155**
LIABILITIES		
Trading derivatives		
Currency forward	718	242
Hedging derivatives		
Currency forward	20,555	16.702
Interest rate swap	-	14
Total fair value recurring liabilities	**21,273**	**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 September 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 September 30, 2017 and December 31, 2016, as follows:

	September 30, 2017	**December 31, 2016**
Cash and cash equivalents	229,826	122.964
Financial instruments, net	35,180	26.155
Loan portfolios		
Consumer loans	1,111,157	1.044.230
Microcredit portfolio	14,173	14.835
Accounts receivable, net	222,736	189.482
Total financial assets with credit risk	**1,613,072**	**1.397.666**
Off-balance-sheet credit risk at nominal value		
Unpaid approved credits	307,440	275.493
Total exposure to off-balance-sheet credit risk	**307,440**	**275.493**
Total maximum exposure to credit risk	**1,920,512**	**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 September 30, 2017

Status	TuCrédito	CrediUno	CrediPoliza	Microcredit	CrediYa	Total managed portfolio	On balance Sheet
CURRENT	591,623	367,176	69,172	744	-	1,028,715	812,095
1-30	7,401	14,560	7,075	334	-	29,370	26,578
31-60	4,023	15,892	3,353	182	-	23.450	21,877
61-90	3,597	5,957	440	56	-	10,050	8,853
91 A 180	7,090	6,928	1,551	308	-	15,877	13.716
181 A 360	9,204	7,670	608	769	-	18,251	16,587
> A 360	40,970	39,158	9,959	4,696	2,394	97,177	88,382
TOTAL	**663,908**	**457,341**	**92,158**	**7,089**	**2,394**	**1,222,890**	**988,088**

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.).

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.

(Stated in millions of Colombian pesos)

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 September 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:	**September 30, 2017**	**December 31, 2016**
Equity Securities	19,858	20,958
Derivatives instruments	247	817
Loan Portfolio	15,076	4,380
Total	**35.180**	**26,155**
Financial liabilities	755,440	16,958
Total	**755,440**	**16,958**
Net Position	**(720,260)**	**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 September 30, 2017 (5,072%).

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 September 30, 2017 as reference .

The results are set out below:

Scenarios	**Interests**
Effect of 20 BPS decrease in variable rate	(114,545)
Effect of 20 BPS increase in variable rate	114,438
Total Scenarios	**(106)**

(Stated in millions of Colombian pesos)

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 September 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 September 30, 2017 (5,072%).

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 September 30, 2017.

The results are set out below:

Item	Total Debt
Initial Scenario (Balance at September 30, 2017)	721,756
Scenario 1 (Effect of revaluation)	717,266
Scenario 2 (Effect of revaluation)	726,246
Difference Scenario 1 vs. Initial Scenario	**(4,490)**
Difference Scenario 2 vs. Initial Scenario	**4,490**

(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%

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.

(Stated in millions of Colombian pesos)

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

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

.
As at September 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 September 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 September 30, 2017 and December 31, 2016.

	September 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	5.099	5.099	-	-	-
Bancolombia S,A,	8.055	8.055	-	-	-
Banco Gnb Sudameris Colombia	394	394	-	-	-
BBVA Colombia	143	143	-	-	-
Red Multibanca Colpatria S,A,	7	7	-	-	-
Banco de Occidente	893	893	-	-	-
Bancoomeva	17	17	-	-	-
Available in Free-standing Trusts	11.259	11.259	-	-	-
Mutual Funds	15.207	-	15.207	-	-
Agrocaña	4.650	-	-	-	4.650
Credifinanciera	0	-	-	-	0
Asficredito	27.190	-	-	-	27.190
Alianza Fiduciaria	3	3	-	-	-

(Stated in millions of Colombian pesos)

Valores Bancolombia	9.390	9.390	-	-	-
Scotiabank	136.607	111.475	-	-	25.132
Fiducolombia Free-standing Trusts	57.937	57.937	-	-	-
Inverefectivas	9.224	0	-	-	9.224
Total liquid assets	**286.097**	**204.694**	**15.207**	**0**	**66.196**

	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

(Stated in millions of Colombian pesos)

contractual revenue flows and contractual and non-contractual outflows in accordance with the Liquidity Risk Indicator (LRI) methodology.

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 sept-17	
Net Liquidity	**229,826**
Assets (CVCS + Free-standing Trust) (Portfolio)	1,125,330
Indicator 1	**20,4%**

Exposure Limit Indicator 1 sept-17	
Net Liquidity	**229,826**
Assets (CVCS + Free-standing Trust) (Portfolio)	1,125,330
Indicator 1	**20,4%**

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 sept-17	
Net Liquidity	229.826
Liabilities (CVCS + Free-standing Trust)	1,238,949
Indicator 2	**18,6%**

(Stated in millions of Colombian pesos)

In the three-month period ended September 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

September 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	204,694	25,132	-	-	229,826
Equity Instruments at fair value	15,208	-	-	4,650	19,858
Investments in Associates and Affiliates	-	-	-	36,414	36,414
Financial Assets at amortized cost	68,015	356.258	307,158	632,858	1,364,290
Total assets	**287,916**	**381.390**	**307,158**	**673,922**	**1,650,387**

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	123.735	147,153	79,379	1,258,500	1,628,767
Financial Liabilities at fair value - Derivatives instruments	2,051	-	-	19,221	21,273
Total Liabilities	**125,787**	**147,153**	**79,379**	**1,297,721**	**1,650,039**

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 September 30, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
Cash	23	22
Banks	25.867	19.755
Mutual funds and joint portfolio (6.1)	67.329	95.112
Certificates of Deposit (6.2)	-	8.075
Time deposit	136.607	-
	229.826	122.964

As at September 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:

	Sept 30, 2017	December 31, 2016
Alianza Fiduciaria	3	2,736
Valores Bancolombia	9,390	2,888
Sub-Total	**8,393**	**5,624**
Entity	**Sept 30, 2017**	**December 31, 2016**
Servitrust Gnb Sudameris S,A,	307	2,883
Fiduciaria Central Trusts	-	3,452
Corpbanca Investment Trust Col SA Soc Fiduciaria	-	30
Fiducolombia Free-standing Trusts	57,629	83,123
Sub-Total	**57,936**	**89,488**
Total 6.1	**67,329**	**95,112**

(Stated in millions of Colombian pesos)

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

Manager	Sep -17	Dec-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)

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 September 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 September 2017	TOTAL BALANCE CD 2017
66025	3/28/2017	9/28/2017	180	6,000	9,6	9,38	281	-*
		TOTAL		**6,000**	**-**	**-**	**281**	**-**

NOTE 7. FINANCIAL INSTRUMENTS

7.1 AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	September 30, 2017	December 31, 2016
Equity instruments (a)	19,858	20,958
Derivative instruments (Note 13)	247	817
	20,105	**21,775**

a) Equity instruments

	September 30, 2017	December 31, 2016
Mutual Funds (1)	15,208	16,308
Agrocañas shares (2)	4,650	4,650
	19,858	**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

(Stated in millions of Colombian pesos)

Issuer	Type of Fund	Minimum Investment	Minimum Balance	Profitability Q3 2017	Annual Return 2016	At September 30, 2017	At December 31, 2016
Credicorp Capital	At sight	500,000	N/A	5,1%	7,1%	3	3
BTG Pactual I Z Class	Closed	5,000,000	2,000,000	137,3%	58,3%	3,734	1,842
BTG Pactual II Z Class	Closed	5,000,000	2,000,000	198,1%	167,5%	4,665	4,885
Fiduciaria Popular	At sight	200,000	200,000	5,4%	6,9%	72	69
Fiduciaria la Previsora S,A,	At sight	200,000	200,000	5,2%	6,9%	7	309
Servitrust GNB Sudameris	At sight	500,000	500,000		6,5%	-	1
Open Portfolio BTG						6,727	9,199
TOTAL						**15,208**	**16,308**

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

NOTE 8. INVESTMENTS IN ASSOCIATES

	September 30, 2017	December 31, 2016
Inverefectivas S.A (a)	9.224	9.408
Microfinanzas & Desarrollo (b)	27.190	-
	36.414	**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 FIX 2,936.67 at September 30, 2017.

	September 30, 2017		December 31, 2016	
	Share of ownership interest	Book value	Share of ownership interest	Book Value
Associates				
Inverefectivas S,A	25%	9,224	25%	9,408
		9,224		**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 September 30 de 2017 and September 30, 2016:

Associate	September 30, 2017	September 30, 2016
Balance at the beginning of the year	**9,408**	**31,240**
Share of profit or loss for the period	27,190	(21,100)
Adjustments for exchange differences	(183)	(773)
Period-end balance	**36,414**	**9,367**

(Stated in millions of Colombian pesos)

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 September 30, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
Consumer	1,111,157	1,044,230
Microcredit	14,174	14,835
Impairment	(118,621)	(105,191)
Total financial assets at amortized cost	**1,006,710**	**953,874**

TuCrédito payroll deduction loans at fair value	16,076	4,380
	16,076	**4,830**

The Financial Position Statement includes portfolio held in Free-standing trusts net totaling 567,569 at September 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 September 30, 2017 and September 30, 2016

	September 30, 2017	September 30, 2016
Initial Balance	105,191	85,944
Allowance of the period charged against to profit or loss	27,850	16,962
Recovered provisions	(271)	(165)
Write-offs	(14,149)	2,450
Closing balance	**118,621**	**105,191**

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

At September 30, 2017

Modality	Capital	Transaction costs	Interest Accrued	Commissions	Impairment	Total
Consumer loans	980,999	15,294	111,571	3,293	(111,267)	**999,890**
Microcredit	7,089	348	6,732	5	(7,354)	**6,820**
Total financial assets at amortized cost	**988,088**	**15,642**	**118,303**	**3,298**	**(118,621)**	**1,006,710**

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**

(Stated in millions of Colombian pesos)

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

September 30, 2017

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer	244,054	429,245	192,114	245,412	1,110,825
Microcredit	11,485	2,881	141		14,506
Total Gross Loan Portfolio	**255,538**	**432,126**	**192,255**	**245,412**	**1,125,331**

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:

September 30, 2017

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Consumer	187.894	381,483	176,977	234,645	980,999
Microcredit	4,909	2,057	123	-	7,089
Total Gross Loan Portfolio	**192,803**	**383,540**	**177,100**	**234,645**	**988,088**

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 September 30, 2017		
Modality	**Loan Capital**	**Sold**	**Total**
Consumer	980,999	234,801	1,215,800
Microcredit	7,089	-	7,089
Total Financial Assets at amortized cost	**988,088**	**234,801**	**1,222,889**

(Stated in millions of Colombian pesos)

	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**

Arrears but not impaired

A summary of the overdue portfolio by days past due for the 9 months period ending September 30, 2017 and December 31, 2016 is as follows:

	At September 30, 2017			At December 31, 2016		
	Consumer	**Microcredit**	**Total**	**Consumer**	**Microcredit**	**Total**
Non expired loans	811,352	744	**812,096**	799,330	2,602	**801,932**
Arrears but not impaired	47,938	516	**48,454**	36,106	1,565	**37,671**
Non-performing loans under 360	38,023	1,134	**39,157**	30,462	2,561	**33,023**
Non-performing loans over 360	83,685	4,696	**88,381**	67,458	2,949	**70,407**
	980,998	**7,090**	**988,088**	**933,356**	**9,677**	**943,033**

NOTE 10. ACCOUNTS RECEIVABLE, NET

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

	September 30, 2017	**December 31, 2016**
Debtors (10.1)	221,766	186.053
From Partners and Shareholders	1,825	1.825
Prepayments and Advances	275	772
Payment by client account	1,197	832
Employee	3	-
Allowance for doubtful accounts (10.2)	(2,330)	-
	222,736	**189.482**

10.1 The balance for other accounts receivable of 221,766 million at September 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:

	September 30, 2017	**September 30, 2016**
Balance at start of period	-	-
Provision charged to income accounts	(2,330)	-
Balance at end of period	**(2,330)**	**-**

(Stated in millions of Colombian pesos)

NOTE 11. PROPERTY AND EQUIPMENT

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

	September 30, 2017	December 31, 2016
Transport Equipment	117	117
Office equipment and Accessories	1,552	1,538
Computer equipment	1,010	1,016
Network and communication equipment	478	345
Machinery, plant and equipment in assembly	371	49
Goods received on finance lease agreements	4,878	4,878
Subtotal	**8,406**	**7,943**
Accumulated depreciation	(7,367)	(6,926)
Total	**1,039**	**1,017**

The breakdown for equipment movement is shown below:

	December 31, 2016	Purchases	September 30, 2017
Transport Equipment	117	-	117
Office equipment and Accessories	1,538	14	1,552
Computer equipment	1,016	(6)	1,010
Network and communication equipment	345	133	478
Machinery, plant and equipment in assembly	49	322	371
Goods received on finance lease agreements	4,878	-	4,878
	7,943	**463**	**8,406**

	December 31, 2015	Purchases	September 30, 2016
Transport Equipment	117	-	117
Fixtures and Accessories	1,298	254	1,552
Computer equipment	845	165	1,010
Network and communication equipment	159	319	478
Machinery, plant and equipment in assembly	49	-	49
Goods received on finance lease agreements	4,878	-	4,878
	7,346	**738**	**8,084**

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

	December 31, 2016	Depreciation	September 30, 2017
Office equipment and Accessories	2,366	143	2,509
Telecommunications equipment	197	14	211
Goods on Finance Lease Agreements	4,363	285	4,648
	6,926	**441**	**7,367**

(Stated in millions of Colombian pesos)

	December 31, 2015	Depreciation	September 30, 2016
Office equipment and Accessories	2,083	426	2,509
Telecommunications equipment	187	24	211
Goods on Finance Lease Agreements	3,613	1,035	4,648
	5,883	**1,485**	**7,368**

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 September 30, 2017 and December 31, 2016, which cover the risks of theft, fire, lightning strikes, explosions, earthquakes, strikes, revolts, etc.

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	(2,416)	-
Vehicles	2,462	(2,232)	230
Balance as at September 2017	**4,878**	**(4,648)**	**230**

	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 September 30st, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
Less than one year	67	272
More than one year, less than five	163	243
Total	**230**	**515**

(Stated in millions of Colombian pesos)

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.

	September 30, 2017	December 31, 2016
Software licenses	411	256
Technology and insurance projects	2,060	2,385
Other	3,267	2,276
Trademarks Acquired (1)	22,034	23,919
	27,772	**28,836**

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

	September 30, 2017	September 30, 2016
Amortization	1,064	1,301

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:

	September 30, 2017	December 31, 2016
ASSETS		
Hedging derivatives	247	341
Forward contracts for trading	-	476
Sub-Total	**247**	**817**
LIABILITY		
Hedging forward contracts	20,555	16,702
Forward contracts for Trading	718	242
Swaps	-	14
Sub-Total	**21,273**	**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 September 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.

(Stated in millions of Colombian pesos)

- **Fair-value hedge accounting Assets**

	Fair value			
	September 30, 2017		**December 31, 2016**	
ASSETS	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	27	247	13	339
Total forward contracts for hedging - assets	**27**	**247**	**13**	**339**

- Cash-flow hedge accounting

	Cash flow			
	September 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**

	September 30, 2017		**December 31, 2016**	
LIABILITIES	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	305	(20,491)	76	(16,530)
Total forward contracts for hedging – liabilities	**305**	**(20,491)**	**76**	**(16,530)**

The forwards portfolio will mature in 2017 and 2019.

	September 30, 2017		**December 31, 2016**	
LIABILITIES	**Nominal Amount USD**	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Forward Contracts for Hedging				
Purchase of foreign currency	12	(64)	1	(172)
Total forward contracts for hedging - liabilities	**12**	**(64)**		**(172)**

The maturity of the forward contracts portfolio was January 2018.

(2) Forward Contracts for Trading Assets

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

(Stated in millions of Colombian pesos)

Trading

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

Forward Contracts for Trading Liabilities

LIABILITIES	September 30, 2017 Nominal Amount USD	September 30, 2017 Fair Value	December 31, 2016 Nominal Amount USD	December 31, 2016 Fair Value
Forward Contracts for Trading				
Purchase of foreign currency	3	718	3	(242)
Total forward contracts for trading - liabilities	**3**	**718**	**3**	**(242)**

The forwards portfolio will mature in 2017.

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

NOTE 14. FINANCIAL OBLIGATIONS

	September 30, 2017	December 31, 2016
Financial obligations in free standing trusts	-	543.788
Promissory notes – Local banks	110.654	146.162
Finance lease agreements	467	755
Foreign banks	1,173,904	400.545
Other financial obligations	-	1.718
Transaction cost	(46.076)	(7.994)
	1.238.949	**1.084.974**

The balance of Credivalores Crediservicios S.A.S. financial obligations and of the Free-standing Trusts at September 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 October 2017 – September 30, 2018, and long-term obligations are loans that come due after September 2018.

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

a) Short-term financial obligations.

Short-term obligations

Entity	September 31, 2017	Interest rate	Maturity	December 31 2016	Interest rate	Maturity
National entity						
Banco Agrario	12.346	DTF + 3.4%	2018	-		
Banco de Bogotá	19.167	IBR + 5.9%	2018	10.188	IBR + 5,5%	2017
Banco Colpatria	10.000	IBR + 5.3%	2018	13	IBR + 5,8%	2017
Banco de Occidente	9.257	IBR + 3.8%	2018	4.582	IBR + 3,5%	2017
Banco Corpbanca	4.317	DTF + 7.8%	2018	8	14,97% EAR	2017
Bancolombia	23.365	DTF + 6.7%	2018	305	DTF + 6,8%	2017
Bancoomeva	757	DTF + 7%	2018	276	DTF + 7%	2017
Banco Santander	-			10.455	LIBOR + 1,7%	2017
Total National Entity	**79.209**			**77.001**		
Foreign Entity						
International Notes (ECP Program)	303.946	8,2% EAR	2018	25.506	8,13% EAR	2017
Total Foreign Entity	**303.946**			**25.506**		
Shareholders						
Lacrot Inversiones	-			60.014	9,5% EAR	2017
Total Shareholders	**-**			**60.014**		
Third parties						
Progresion Sociedad Administradora	-			1.718	12% EAR	2017
Total Third Parties	**-**			**1.718**		
Free-standing trusts						
Free-standing trust, Corpbanca	-			1.194	IBR + 5,5%	2017
Free-standing trust, CrediUno IFC	7.035	9.91% EA	2018	-		
Free-standing trust, syndicated CrediPoliza	-			42.613	DTF + 4,5%	2017
Free-standing trust, EPSA CrediUno	-			16.355	DTF + 6,75%	2017
Free-standing trust, syndicated CrediUno	-			3.043	DTF + 4,5%	2017
Total Free-standing trusts	**7.035**			**63.205**		

(Stated in millions of Colombian pesos)

Short-term obligations

Entity	September 31, 2017	Interest rate	Maturity	December 31 2016	Interest rate	Maturity
Finance lease agreements						
Leasing Bancolombia	146	8,42% EAR	2017 and 2018	73	8,42% EAR	2017
Total Financial Leasing	**146**			**73**		
Total Short-term obligations	**390.336**			**457.071**		

CVCS had short-term financial obligations during the periods ended September 30, 2017 and December 31, 2016 totaling 390,336 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	September 31, 2017	Interest rate	Maturity	December 31 2016	Interest rate	Maturity
National entity						
Banco Agrario	-			30.866	DTF + 3,4%	2018
Banco de Bogotá	-			1.413	IBR + 6,25%	2018
Bancolombia	15.278	DTF + 7.5%	2019	21.528	DTF + 7,5%	2019
Bancoomeva	7.833	DTF + 8%	2019	13.091	DTF + 7,7%	2018 to 2019
Banco Santander	8.333	IBR + 6.5%	2019			
Total National Entity	**31.444**			**79.615**		
Foreign Entity						
International Notes (ECP Program)	73.417	8,3% EAR	2019	-		
	73.417			**-**		
Free-standing trusts						
TuCrédito Free-standing Trust, Colpatria	-			21.566	IBR + 6,3%	2018 to 2020
Free-standing trust, Credilibranzas	-			1.541	DTF + 5,25%	2018
Free-standing trust, Libranzas II	-			4.888	DTF + 5,25%	2018

(Stated in millions of Colombian pesos)

Free-standing trust, EPSA CrediUno	-			106.831	DTF + 6,75%	2018 to 2019
Free-standing trust, CrediUno IFC	55.340	11.91% EAR	2020 and 2021	75.016	9,91% EAR	2018 to 2021
Free-standing trust, syndicated CrediUno	-			58.015	DTF + 4,5%	2019
Free-standing trust, syndicated TuCrédito	-			238.003	DTF + 5,5%	2019 to 2021
Free-standing trust, CrediTigo	-			4.974	DTF + 6,25%	2018
Total Free-standing trusts	**55.340**			**5.556**		

Long-term obligations

Entity	September 31, 2017	Interest rate	Maturity	December 31 2016	Interest rate	Maturity
Finance lease agreements						
Leasing Bancolombia	321	8,42% EAR	2019 and 2020	682	8,42% EAR	2018 to 2020
Total Financial Leasing	**321**			**682**		
Bonds						
International Bonds 144 A/Reg. S	734.168	9,75%* EAR	2022	-		
Total International bonds	**734.168**			**-**		
Total long-term obligations	**894.690**			**635.897**		
Cost of Transaction to be Amortized IFP	(46.076)			(7.994)		
Total financial obligations	**1.238.950**			**1.084.974**		

* The accrued interest from July 27 2017, through August 31 2017, has been registered as transaction cost due to the period needed to amortize the existing financial obligations existing prior to the Bond Issuance. The company has requested to the auditor (PWC) to validate this. At the closing of this report the Auditor has not brought any consideration on this regard.

The Company had long-term financial obligations during the periods ended September 30, 2017 and December 31, 2016 totaling 894,690 and 635,897, respectively. Associated costs incurred in the acquisition of loans are classified as transaction costs pending IFP amortization for the periods ended September 31, 2017 and December 31, 2016, valued at 46,076 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 September 30, 2017 and December 31, 2016 is 1,238,950 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 September 30, 2017		Nominal Value December 31, 2017	
Banco Santander	-	-	3	10.455
International Capital Markets Notes (a)	129	377.362	85	25.506
Lacrot Inversiones	0	-	20	60.014
International Finance Corporation (IFC)	23	62.375	30	75.016
Issuance of bonds (b)	250	734.168		-
Total	**USD 402**	**1.173.905**	**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.

(b) Issuance of bonds

Credivalores – Crediservicios S.A.S. is offering US250.000.000 aggregate principal amount of its 9.750% senior notes due 2022 (the "notes"). We will pay interest on the notes semi-annually in arrears on January 27 and July 27 of each year, beginning on January 27, 2018. The notes will mature on July 27, 2022.

We may redeem the notes, in whole or in part, at any time on or after July 27, 2020, at the applicable redemption prices set forth in this offering memorandum, plus any additional amounts then due and accrued and unpaid interest to, but excluding, the date of redemption. Prior to July 27, 2020, we may also redeem the notes, in whole or in part, at a redemption price equal to 100% of their principal amount plus a "make-whole" premium, plus any additional amounts then due and accrued and unpaid interest to, but excluding, the date of redemption. In addition, at any time on or prior to July 27, 2020, we may redeem up to 35% of the notes using the proceeds of certain equity offerings at a redemption price equal to 109.750% of their principal amount, plus any additional amounts then due and accrued and unpaid interest to, but excluding, the date of redemption. In addition, in the event of certain changes in the Colombian withholding tax treatment relating to payments of interest on the notes, we may redeem the notes, in whole but not in part, at 100% of their principal amount, plus any additional amounts then due and accrued and unpaid interest to, but excluding, the date of redemption. If a change in control occurs with respect to us, unless we have exercised our option to redeem the notes, each holder of the notes will have the right to require us to repurchase all or any part of that holder's notes at 101% of the aggregate principal amount of notes repurchased, plus any additional amounts then due and accrued and unpaid interest to, but excluding, the date of repurchase.

The notes will be our senior unsecured general obligations and will (i) rank equally in right of payment with all of our other existing and future senior indebtedness (subject to certain obligations for which preferential treatment is given under Colombian insolvency laws); (ii) rank senior in right of payment to our existing and future subordinated indebtedness, if any; (iii) be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, including all indebtedness and other liabilities of any free-standing trusts (patrimonies autonomous); and (iv) be structurally subordinated to all existing and future indebtedness and trade payables of any of our subsidiaries that are not guarantors. The notes will not be entitled to any sinking fund.

(Stated in millions of Colombian pesos)

No public market currently exists for the notes. We intend to apply to have the notes listed and quoted on the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

The notes have not been and will not be registered with the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores, or “RNVE”), maintained by the Colombian Superintendency of Finance (Superintendencia Financiera de Colombia, or “SFC”) and therefore may not be publicly offered in the Republic of Colombia (“Colombia”). The notes will not be listed on the Colombian Stock Exchange (Bolsa de Valores de Colombia). The notes may be offered to persons in Colombia in a private placement. The offering will not be subject to review or authorization by the SFC.

- **IPF Financial Cost**

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 September 30, 2017 and September 30, 2016:

IFP Financial Cost	**September 30, 2017**	**September 30, 2016**
Free-standing trusts	47.981	48.377
Local banks	11.746	14.081
Finance lease agreements	46	95
Foreign currency debt	28.570	15.381
Third parties	700	678
Shareholders	4.171	-
Amortization Transaction costs	14.626	10.394
Total IFP Financial Cost	107.840	89.006

The financial obligations and Free-standing Trusts of Credivalores Crediservicios S.A.S. 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.

NOTE 15. OTHER PROVISIONS

CVCS’s provisions at September 30, 2017 and December 2016, respectively are provided below.

	September 30, 2017	**December 31, 2016**
Litigations subject to executive proceedings	84	84
Other provisions	380	937
	464	**1,021**

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

	Legal provisions	**Other provisions**	**Total provisions**
Balance held at December 31, 2016	**84**	**937**	**1,021**

(Stated in millions of Colombian pesos)

Recovered provisions	-	(557)	(557)
Balance held at September 30, 2017	**84**	**380**	**464**

	Legal provisions	Other provisions	Total provisions
Balance held at December 31, 2015	**26**	**1,949**	**1,975**
Recovered provisions	58	(1,499)	**(1,441)**
Balance held at September 30, 2016	**84**	**450**	**534**

The provisions correspond primarily to labor, civil and administrative proceedings filed by third parties against CVCS, on which provisions of 84 were recognized at September 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 September 30, 2017 and the year ended December 31, 2016 is as follows:

	September 30, 2017	December 31, 2016
Tax income	2,006	26
Tax on industry and Commerce	1,187	1,623
Tax CREE	-	2,458
Sales tax	52	396
	3,245	**4,503**

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

16.2 Components of income tax expense

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

	September 30, 2017	September 30, 2016
Income Tax	2,006	2,062
CREE surcharge	-	906
Subtotal - taxes from the current period	**2,006**	**2,968**
Net deferred tax from the period	345	(5,228)
Total	**2,351**	**(2,260)**

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 September 30, 2017 and September 30, 2016, other comprehensive income was recognized in equity.

(Stated in millions of Colombian pesos)

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 144% for 2017 and (11%) for 2016, as detailed below:

	September 30, 2017	September30, 2016
Earnings (loss) before tax	5.998	20,135
Income Tax rate	40%	40%
Income Tax	**2,399**	**8,054**
More (less) tax impact on:		
Non-deductible expense	634	(5,456)
Valuations of financial instruments	(1,365)	-
Wealth tax	154	429
Fines and sanctions	139	1
Assumed interest	45	-
Loan adjustments and financial obligations	345	(5,288)
Total income tax provisions charged to income	**2,351**	**(2,260)**
Effective rate	**39%**	**(11%)**

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 September 30, 2017 and September 30, 2016, based on the tax rates in force for the years in which said temporary differences are to be reversed.

Year ended September 30, 2017

	Balance held at December 31, 2016	Income (Expense) in income statement	Unrealized income (expense) in OCI	Reclassification	Balance as at September 30, 2017
Deferred tax assets					
Deferred charges	91	(91)	-	-	-
Difference between accounting and tax bases - prepaid expenses	10,536	(10,536)	-	-	-
Difference between accounting and tax bases - loans	509	6,868	-	-	7,377
Impairment to financial assets	1,520	(111)	-	-	1,409
Industry and commerce tax	42	(42)	-	-	-
Forward contracts	11,633	2.290	(9,018)	-	4,905
Miscellaneous	147	166	-	1,948	2,261
Subtotal	**24,478**	**(1,456)**	**(9,018)**	**1,948**	**15.952**
Deferred tax liability					
Valuations of financial instruments	3,671	-	(3,671)	-	-
Goodwill	16	(16)	-	-	-
Impairment to financial assets	6,809	(6,809)	-	-	-
Subtotal	**10,496**	**(6,825)**	**(3,671)**	**-**	**-**
Net Total	**13,982**	**5,369**	**(5,347)**	**1,948**	**15,952**

At September 30, 2016

(Stated in millions of Colombian pesos)

	Balance held at December 31, 2015	**Income (Expense) in income statement**	**Unrealized income (expense) in OCI**	**Balance held at September 30, 2016**
Deferred tax assets				
Deferred charges	5,783	(5,783)	-	-
Difference between accounting and tax bases - prepaid expenses	13,956	5,239	-	19.195
Impairment to financial assets	-	4,143	-	4,143
Industry and commerce tax	85	(85)	-	-
Deferred income	2,021	(2,021)	-	-
Subtotal	**21,845**	**1,493**	**-**	**23,338**
Deferred tax liability				
Valuations of financial instruments	9,888	(8,992)	-	896
Goodwill	50	(35)	-	15
Transaction expense owing	3,930	107	-	4,037
Accounts payable	-	65	-	65
Impairment to financial assets	2,213	2,469	-	4,682
Subtotal	**16,081**	**(6,386)**	**-**	**9,695**
Net Total	**5,764**	**7,879**	**-**	**13,643**

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:

	September 30, 2017			**September 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	**(13,371)**	**5,348**	**(8,023)**	**(6,735)**	**2,694**	**(4,041)**

(Stated in millions of Colombian pesos)

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, and Paid in Capital

CVCS's subscribed and paid capital as at September 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	September 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%**

	September 30, 2017	December 31, 2016
Number of authorized shares	4,700,007	4,700,000
Subscribed and paid shares:	4,279,005	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:

	September 30, 2017	September 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	**903**	**6,442**

(Stated in millions of Colombian pesos)

(a) The value of the shares at September 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

	September 30, 2017	**September 30, 2016**
Interests (18.1)	152,552	111,616
Commissions and fees (18.2)	60,516	40,629
From sales of portfolio (18.3)	-	17,379
	213,068	**169,624**

18.1 Interest

	September 30, 2017	**September 30, 2016**
CrediUno interest	13,824	5,200
CrediPoliza interest	2,055	3,301
TuCrédito interest	16,114	25,762
TuCrédito transaction costs	(9,899)	(5,469)
CrediPoliza transaction costs	(729)	(362)
CrediUno transaction costs	(9,097)	(4,072)
TuCrédito fair value	10,698	(6,679)
Sub-total Consumer loans	**22,966**	**17,681**
Microcredit interest	824	4,145
Microcredit loans transaction costs	(399)	(744)
Sub-total Microcredit	**425**	**3,401**
CrediUno late payment interest	459	289
CrediPoliza late payment interest	436	309
TuCrédito late payment interest	274	163
Consumer loan defaults	**1,169**	**761**
CrediYa late payment interest	155	538
Microcredit loan defaults	**155**	**538**
Financial returns	3,955	231
BTG Pactual Financial returns	8,371	4,378
Current interests, Free-standing Trust	101,249	84,626
Other income, Free-standing Trust	4,362	-
Current interests left off-balance	9,900	-
Other	**127,837**	**89,235**
Total Interests	**152,552**	**111,616**

(Stated in millions of Colombian pesos)

18.2 Commissions and fees

	September 30, 2017	September 30, 2016
Department store income and credit card channels income	42	144
Shared financial consultancy fees	257	272
Financial Consultancy – Returns from Debtor life insurance	3,921	3,943
Financial Consultancy- Returns Voluntary insurance policies	2,303	2,409
Other financial consultancy	6	10
Internal commission	882	847
Collection fees	8,266	3,125
Microcredit SME's loan fees	87	1,010
Administration fee – credit card	40,308	25,945
Administration fee - life insurance plus	3,958	2,924
	486	-
	60,516	**40,629**

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 Q3 2017. For this reason there is no profit related to sales as compared to the same period in 2016.

NOTE 19. OTHER INCOME

	September 30, 2017	September 30, 2016
Sickness Leave	39	59
Collection charges TuCrédito	279	-
Reimbursed claims Aval FGA	70	-
Provision Recovery	-	881
Discounts granted	-	60
Certifications	22	1
Vendor Discount	5	5
Central consultation	-	17
Other	34	606
	449	**1.629**

NOTE 20. OTHER EXPENSES

	September 30, 2017	September 30, 2016
Commissions	2,919	2,635
Legal expense	261	36
Fees	13,459	10,862
Taxes	13,636	9,882
Leases	2,873	2,511
Insurance	470	193
Maintenance	806	826
Adaptation and installation	132	351
Fines, penalties and awards	347	60
Janitorial and security services	398	562
Temporary services	2,157	3,066

(Stated in millions of Colombian pesos)

Publicity and advertising	2,670	3,516
Public services	2,435	2,429
Utilities	12	12
Travel expenses	774	799
Transport	1,049	929
Office supplies	655	1,232
Cost of representation	656	273
Technical assistance	7,815	8,056
Donations	9	9
Yields Invertors	385	1,640
Other	2,090	1,458
	56.008	**51,337**

NOTE 21. NET FINANCIAL INCOME

	September 30, 2017	**September 30, 2016**
Financial income	1,303	4,801
Total Financial Income	**1,303**	**4,801**
Exchange rate differences	7,655	(2.402)
Forwards valuation	(19,843)	7.245
Total Financial Expense	**(12,188)**	**4.843**
Net Financial Income (expense)	**(10,885)**	**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.

(Stated in millions of Colombian pesos)

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

	September 30, 2017	December 31, 2016
Unpaid approved credits	307,440	275,493

Contingent assets

At the end of September 2017, the Company has a Guarantee with the Fondo de Garantías de Antioqua – FGA-, which has a value of $ 5.736 Million in accordance with the agreement's policies.

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 related to managing the various risks to which the Company is exposed; likewise, they are fully aware of the Company's processes and business structure so as to be able to provide support and adequate monitoring and follow-up.

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 September 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.

	September 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	September 30, 2017	September 30, 2016
Salaries	3,818	3,536
Short term employee benefits	548	760
Total	**4,366**	**4,296**

(Stated in millions of Colombian pesos)

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

Directors

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 10/13/2017 the Company was required by the UGPP (Unidad de Gestión de Pensiones y Parafiscales) for matters related to Social Security Taxes corresponding to Fiscal Year 2013. Due to such requirement the company has estimated a potential liability of up to COP 476.7 (˜ USD 158,900). The Company has the right to present a recourse to the UGPP up to 01/23/2018.