

BANCO DE BOGOTÁ S.A. AND SUBSIDIARIES

Financial Statements

At December 31 and June 30, 2016

(Without the Report of Independent Registered Public Accounting Firm)

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders
Banco de Bogotá S.A.:

I have audited the consolidated financial statements of Banco de Bogotá S.A. and Subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of profit or loss and profit or loss and other comprehensive income, changes in equity and cash flows for the half-year then ended and their respective notes that include the summary of significant accounting policies and other explanatory notes.

Management's responsibility regarding the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining the internal control relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Statutory Auditor's responsibility

My responsibility is to express an opinion on the consolidated financial statements based on my audit. I obtained the necessary information and carried out my audit in accordance with Information Assurance Standards accepted in Colombia. Such standards require that I comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risk of material misstatement in the consolidated financial statements. In making this risk assessment, the statutory auditor considers the internal control relevant to the preparation and presentation of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained provides a reasonable basis for my audit opinion expressed below.

Opinion

In my opinion, the above mentioned consolidated financial statements, attached to this report, present fairly, in all material respects, the consolidated financial position of Banco de Bogotá S.A. and Subsidiaries as at December 31, 2016, the consolidated results of its operations, and its consolidated cash flows for the half-year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis.

Emphasis paragraph

Without qualifying my opinion, I draw attention to note 39 to the consolidated financial statements, which indicates that Banco de Bogotá S.A. has loan portfolio with the debtor Concesionaria Ruta del Sol S.A.S. as at December 31, 2016 for \$721.145 million, equivalent to 0.51% of total assets. The Bank's management analyzed the recoverability of this portfolio according to the liquidation formula contained in the agreement signed between the Agencia Nacional de Infraestructura and the Concesionaria Ruta del Sol S.A.S. dated February 22, 2017, estimating that resources will be recovered between 2017 and 2021.

Other matters

The consolidated financial statements as at and for the half-year ended June 30, 2016 were audited in accordance with auditing standards accepted in Colombia in force for that period and in my report, dated September 12, 2016, I expressed an unqualified opinion thereon.

(Signed on the original in Spanish)
Pedro Ángel Preciado Villarraga
Statutory Auditor of Banco de Bogotá S.A.
Registration 30723 - T
Member of KPMG S.A.S.

February 27, 2017

BANCO DE BOGOTA S.A. AND SUBSIDIARIES
Consolidated Statement of Financial Position
At December 31, 2016
(In millions of Colombian pesos)

| <u>Assets</u> | <u>Notes</u> | <u>December 31, 2016</u> | <u>June 30, 2016</u> |
|---|--------------|--------------------------|----------------------|
| Cash and cash equivalents | 8, 36 | \$ 17,400,744 | 15,266,096 |
| Financial assets for investments | 9, 36 | 12,861,409 | 13,071,549 |
| At fair value through profit and loss | | 6,419,052 | 6,676,328 |
| Debt securities | | 4,878,756 | 5,138,046 |
| Equity securities | | 1,287,106 | 1,100,534 |
| Trading derivatives | 10 | 253,190 | 437,748 |
| Held to maturity | | 6,378,126 | 6,333,445 |
| Debt securities | | 6,378,126 | 6,333,445 |
| At fair value through other comprehensive income | | 64,231 | 61,776 |
| Loan portfolio and finance leases transactions | 11, 34 | 97,169,520 | 91,634,252 |
| Commercial | | 61,375,603 | 58,954,215 |
| Consumer | | 26,364,834 | 23,925,116 |
| Mortgage | | 11,411,148 | 10,516,118 |
| Microcredits | | 389,709 | 382,568 |
| Less: Allowance | | (2,371,774) | (2,143,765) |
| Other accounts receivable | 12, 34 | 1,464,003 | 1,115,972 |
| Hedging derivatives | 10 | 123,018 | 406,238 |
| Non-current assets held for sale | 13 | 210,707 | 117,317 |
| Investments in subsidiaries, associates and joint ventures | 16, 34 | 3,341,859 | 3,347,815 |
| Property, plant and equipment | 17 | 2,002,099 | 1,969,740 |
| Investment properties | 18 | 169,004 | 161,529 |
| Goodwill | 19 | 5,616,618 | 5,488,254 |
| Other intangible assets | 20 | 433,707 | 416,427 |
| Income tax | 21 | 489,484 | 356,021 |
| Current | | 429,230 | 167,793 |
| Deferred | | 60,254 | 188,228 |
| Other assets | 22 | 209,259 | 206,295 |
| Total assets | | \$ 141,491,431 | 133,557,505 |

BANCO DE BOGOTA S.A. AND SUBSIDIARIES
Consolidated Statement of Financial Position
At December 31, 2016
(In millions of Colombian pesos)

| | <u>Notes</u> | <u>December 31, 2016</u> | <u>June 30, 2016</u> |
|--|--------------|--------------------------|----------------------|
| <u>Liabilities</u> | | | |
| Financial liabilities at fair value | | | |
| Trading derivatives | 10 | \$ 329,327 | 434,673 |
| Financial liabilities at amortized cost | | | |
| | | 119,539,984 | 113,043,124 |
| Customer deposits | | | |
| | | 93,676,673 | 87,407,451 |
| Current accounts | 23 | 27,025,759 | 22,437,523 |
| Time certificates of deposit | | 38,444,523 | 35,938,555 |
| Savings deposits | | 27,983,667 | 28,751,233 |
| Others | | 222,724 | 280,140 |
| Financial obligations | | | |
| | | 25,863,311 | 25,635,673 |
| Interbank funds and overnight | 24 | 1,221,344 | 1,860,463 |
| Bank loans and others | | 14,902,817 | 15,823,217 |
| Bonds issued | | 8,203,070 | 6,358,082 |
| Borrowing from development entities | | 1,536,080 | 1,593,911 |
| Hedging derivatives | | | |
| | | 44,436 | 104,986 |
| Employee benefits | | | |
| | | 506,421 | 492,224 |
| Provisions | | | |
| | | 240,035 | 231,111 |
| Litigation | 26, 34 | 30,652 | 30,527 |
| Other provisions | | 209,383 | 200,584 |
| Income tax | | | |
| | | 366,472 | 136,100 |
| Current | 21 | 214,555 | 0 |
| Deferred | | 151,917 | 136,100 |
| Accounts payable and other liabilities | | | |
| | | 3,154,090 | 2,492,493 |
| Total liabilities | | \$ 124,180,765 | 116,934,711 |
| <u>Shareholders' Equity</u> | | | |
| Subscribed an paid-in capital | | | |
| | | 3,313 | 3,313 |
| Additional paid-in capital | | | |
| | | 5,721,621 | 5,721,621 |
| Retained earnings | | | |
| | | 9,661,025 | 9,119,609 |
| Reserves | 28 | 8,884,812 | 6,123,986 |
| Net income | | 1,038,718 | 3,270,672 |
| Net income from previous periods | | (610,400) | (621,327) |
| First-time adoption | | 347,895 | 346,278 |
| Other comprehensive income | | | |
| | | 1,097,674 | 985,403 |
| Total shareholders' equity | | 16,483,633 | 15,829,946 |
| Non-controlling interest | | | |
| | | 827,033 | 792,848 |
| Total equity | | \$ 17,310,666 | 16,622,794 |
| Total liabilities and equity | | \$ 141,491,431 | 133,557,505 |

The accompanying notes are an integral part of these consolidated financial statements.

ALEJANDRO FIGUEROA JARAMILLO
Legal Representative

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(See my report dated February 27, 2017)

BANCO DE BOGOTÁ S.A. AND SUBSIDIARIES
Consolidated Statement of Income
For the period of six months ended at December 31, 2016
(In millions of Colombian pesos, except earnings per share)

| | <u>Notes</u> | <u>December 31, 2016</u> | <u>June 30, 2016</u> |
|---|--------------|--------------------------|----------------------|
| Results from continuing operations | | | |
| Interest income | | \$ 5,496,591 | 5,086,369 |
| Loan portfolio and finance leases transactions | | 5,324,433 | 4,951,525 |
| Investments in debt securities, at amortized cost | | 172,158 | 134,844 |
| Interest expenses | | 2,405,345 | 2,163,124 |
| Customer deposits | | 1,783,804 | 1,571,791 |
| Current accounts | | 116,022 | 128,674 |
| Time certificates of deposit | | 1,059,530 | 917,419 |
| Savings deposits | | 608,252 | 525,698 |
| Financial liabilities | | 621,541 | 591,333 |
| Interbank funds and overnight | | 87,113 | 113,002 |
| Bank loans and other | | 255,704 | 257,897 |
| Bonds issued | | 211,890 | 157,716 |
| Borrowing from development entities | | 66,834 | 62,718 |
| Net income from interest loan portfolio and investments | | 3,091,246 | 2,923,245 |
| Impairment on financial assets | | 1,007,764 | 925,164 |
| Loan portfolio and accounts receivable, net | 11, 12 | 1,007,764 | 925,138 |
| Investments in debt securities | | 0 | 26 |
| Net interest income after impairment | | 2,083,482 | 1,998,081 |
| Income for commissions and fees | | 2,010,990 | 1,947,682 |
| On banking services | | 1,053,190 | 1,008,091 |
| On drafts, checks and checkbooks | | 18,702 | 19,387 |
| On credit cards | | 433,772 | 395,992 |
| Storage services | | 65,109 | 58,266 |
| Trust activities and portfolio management | | 25,047 | 28,777 |
| Office network services | | 11,957 | 12,868 |
| Pension and severance fund management | | 403,213 | 419,099 |
| Others | | 0 | 5,202 |
| Expenses for commissions and fees | 31, 34 | 175,399 | 171,993 |
| Net income from commissions | | 1,835,591 | 1,775,689 |
| Profit or loss from financial assets or liabilities for trading, net | | 298,481 | 252,456 |
| Loss on financial derivatives for trading, net | | (4,248) | (29,817) |
| Gain (loss) in derivatives hedging, net | | 77,935 | (5,948) |
| Gain on investments, net | | 224,794 | 288,221 |
| Gain on subsidiaries deconsolidation (loss of control) | 15 | 748 | 2,179,602 |
| Other income | | 490,479 | 479,258 |
| Gain on exchange difference, net | | 117,328 | 264,500 |
| Others | 32 | 373,151 | 214,758 |
| Other expenses | | 2,967,966 | 2,825,826 |
| Personnel expenses | | 1,244,387 | 1,221,564 |
| Impairment | | 11,678 | 6,083 |
| Depreciation | | 141,177 | 128,235 |
| Amortization intangible assets | | 52,486 | 30,721 |
| General and administrative expenses | 33 | 1,433,420 | 1,356,017 |
| Others | | 84,818 | 83,206 |
| Profit before income tax | | \$ 1,740,815 | 3,859,260 |
| Income tax | 21 | 607,791 | 571,999 |
| Net income for the period from continuing operations | | 1,133,024 | 3,287,261 |
| Net income for the period from discontinued operations | | 0 | 453,297 |
| Net income | | \$ 1,133,024 | 3,740,558 |
| Net income attributable to: | | | |
| Controlling interest | | 1,038,718 | 3,270,672 |
| Non-controlling interest | | 94,306 | 469,886 |
| Net income | | 1,133,024 | 3,740,558 |
| Earnings per basic and diluted share (in Colombian pesos) | 28 | \$ 3,135 | 9,873 |

The accompanying notes are an integral part of these consolidated financial statements.

BANCO DE BOGOTÁ S.A. AND SUBSIDIARIES
 Consolidated Statement of Comprehensive Income
 For the six months ended at December 31, 2016
 (In million of Colombian pesos)

| | Note | December 31, 2016 | June 30, 2016 |
|---|-----------|-------------------|------------------|
| Net income | | 1,133,024 | 3,740,558 |
| Other comprehensive income from continuing operations | | | |
| Items that may be or are reclassified to profit or loss | \$ | 122,591 | (398,616) |
| Hedge accounting | | | |
| Exchange difference on foreign subsidiaries | | 278,862 | (777,682) |
| Exchange difference on derivatives in foreign currency | | (107,591) | 399,154 |
| Exchange difference on bonds in foreign currency | | (169,454) | 378,259 |
| Unrealized profit from measurement of financial assets at fair value through other comprehensive income | | 4,198 | 45,752 |
| Exchange difference | | (50,473) | (92,571) |
| Adjustment for exchange difference in foreign branches | | 12,924 | (33,429) |
| Interest in other comprehensive income of associates | | (12,342) | (1,564) |
| Adjustment allowance for loan portfolio for purposes of consolidated financial statements | | 78,988 | (44,047) |
| Income tax | 21 | 87,479 | (272,488) |
| Items that will not be reclassified to income for the period | | (10,000) | (2,179) |
| Changes in actuarial assumptions in defined benefit plans | | (15,416) | (2,923) |
| Deferred tax changes in actuarial assumptions defined benefit plans | | 5,416 | 744 |
| Items that are reclassified to income for the previous period | | 0 | (52,247) |
| Sale of investment measurement at fair value through other comprehensive income | | 0 | (52,247) |
| Total other comprehensive income, net taxes from continuing operations | \$ | 112,591 | (453,042) |
| Other comprehensive income from discontinuing operations | | | |
| Discontinued operations from Corporación Financiera de Colombia S.A. | | 0 | 32,208 |
| Total other comprehensive income, net taxes from discontinued operations | \$ | 0 | 32,208 |
| Subsidiaries deconsolidation (loss of control) | | | |
| Other comprehensive income reclassified to income for the period | | 0 | (27,250) |
| Other comprehensive income reclassified to retained earnings | | 141 | (6,925) |
| Total subsidiaries deconsolidation (loss of control) | \$ | 141 | (34,175) |
| Total other comprehensive income, net taxes | \$ | 112,732 | (455,009) |
| Total comprehensive income | \$ | 1,245,756 | 3,285,549 |
| Comprehensive income attributable to: | | | |
| Controlling interest equity | | 1,150,989 | 2,790,216 |
| Non-controlling interest | | 94,767 | 495,333 |
| | \$ | 1,245,756 | 3,285,549 |

The accompanying notes are an integral part of these consolidated financial statements.

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 (See my report dated February 27, 2017)

BANCO DE BOGOTA S.A. AND SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the six months ended at December 31, 2016
(In million Colombian pesos, except the figure per share)

| Note | Subscribed and paid-in capital | Additional paid-in capital | Retained earnings | | | | Other comprehensive income | Shareholders' equity | Non-controlling interest | Total equity | |
|--|--------------------------------|----------------------------|-------------------|---------------------|-----------------------|-----------------------|----------------------------|----------------------|--------------------------|-------------------|-------------------|
| | | | Reserves | First-time adoption | From previous periods | Profit for the period | | | | | |
| Balances at December 31, 2015 | \$ 3,313 | 5,721,621 | 5,683,394 | (155,817) | (221,694) | 1,069,249 | 1,069,249 | 1,465,861 | 13,565,927 | 4,207,007 | 17,772,934 |
| Transfer of income for previous periods | | | | | | 1,069,249 | (1,069,249) | | 0 | | 0 |
| Issuance of shares | 28 | | | | | | | | 0 | 101,716 | 101,716 |
| Appropriation of reserves | | | 992,097 | | | (992,097) | | | 0 | | 0 |
| Dividend distribution in shares | | | | | | | | | 0 | (101,716) | (101,716) |
| Dividends payable in cash between April 2016 and September 2016, at \$230.00 per share on 331,280,555 shares | 28 | | | | | (457,167) | | | (457,167) | (203,633) | (660,800) |
| Donations | | | | | | (10) | | | (10) | | (10) |
| Payment of wealth tax | | | (154,512) | | | (25) | | | (154,537) | (35,426) | (189,963) |
| Realization on sale of investments measured at fair value through OCI, net tax | | | | | | 57,334 | | | 57,334 | | 57,334 |
| Transactions with non-controlling interest | | | | | | | | | (9,245) | 9,245 | 0 |
| Others | | | | (4,435) | | 7,690 | | | 3,255 | 22,910 | 26,165 |
| Total comprehensive income | 30 | | | | | | 3,270,672 | (446,283) | 2,824,389 | 495,335 | 3,319,724 |
| Gain on deconsolidation (loss of control) Corporación Financiera Colombiana S.A. | 14 | | (396,993) | 506,530 | | (75,362) | | (34,175) | 0 | (3,702,590) | (3,702,590) |
| Balances at June 30, 2016 | \$ 3,313 | 5,721,621 | 6,123,986 | 346,278 | (621,327) | 3,270,672 | 985,403 | 15,829,946 | 792,848 | 16,622,794 | |
| Transfer of income for previous periods | | | | | | 3,270,672 | (3,270,672) | | 0 | | 0 |
| Issuance of shares | 28 | | | | | | | | 0 | 38,625 | 38,625 |
| Appropriation of reserves | | | 2,763,082 | | | (2,763,082) | | | 0 | | 0 |
| Dividend distribution in shares | | | | | | | | | 0 | (38,625) | (38,625) |
| Dividends payable in cash between October 2016 and March 2017, at \$250.00 per share on 331,280,555 shares | 28 | | | | | (496,921) | | | (496,921) | (36,799) | (533,720) |
| Donations | | | | | | (10) | | | (10) | | (10) |
| Others | | | | | | (230) | | | (230) | | (230) |
| Total comprehensive income | 30 | | | | | | 1,038,718 | 112,130 | 1,150,848 | 94,767 | 1,245,615 |
| Gain on deconsolidation (loss of control) Casa de Bolsa S.A. | 14 | | (2,256) | 1,617 | | 498 | | 141 | 0 | (23,783) | (23,783) |
| Balances at December 31, 2016 | \$ 3,313 | 5,721,621 | 8,884,812 | 347,895 | (610,400) | 1,038,718 | 1,097,674 | 16,483,633 | 827,033 | 17,310,666 | |

The accompanying notes are an integral part of these consolidated financial statements.

ALEJANDRO FIGUEROA JARAMILLO
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(See my report dated February 27, 2017)

BANCO DE BOGOTÁ S.A. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the six months ended at December 31, 2016

(In million of Colombian pesos)

| | Notes | December 31, 2016 | June 30, 2016 |
|--|--------|----------------------|--------------------|
| Cash flows from operating activities: | | | |
| Net income | | \$ 1,133,024 | 3,740,558 |
| Adjustments to reconcile net income to net cash from operating activities: | | | |
| Impairment of the loan portfolio and finance leases transactions, net | 11, 12 | 1,011,505 | 932,701 |
| Impairment of non-financial assets | 13, 17 | 11,690 | 6,579 |
| Depreciation and amortization | 17, 20 | 193,899 | 183,275 |
| Gain on sale of non-financial assets | 32, 33 | (9,943) | (38,576) |
| Income by the equity method | 32 | (12,764) | (310) |
| Gain on valuation and sale of financial assets for investments | | (75,323) | (78,067) |
| Gain on subsidiaries deconsolidation (loss of control) | 15, 32 | (748) | (2,179,602) |
| Adjustment for exchange difference | | (54,207) | (109,165) |
| Interest income | | (5,496,591) | (4,954,376) |
| Interest expense | | 2,405,345 | 2,221,106 |
| Income tax | 21 | 607,791 | 418,740 |
| Interest received | | 5,101,384 | 4,774,958 |
| Interest paid | | (2,417,002) | (2,063,244) |
| Dividends received | | 24,521 | 185 |
| Income tax paid | | (352,646) | (271,110) |
| Wealth tax | | (75,738) | (189,963) |
| Others adjustments to reconcile net income | | (3,231) | 7,098 |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in financial assets for investments | | 453,377 | (723,772) |
| Increase in the loan portfolio and financial leasing operations | | (5,043,179) | (3,801,710) |
| Increase in other accounts receivable | | (348,489) | (190,756) |
| Decrease in non-current assets held for sale | | 16,678 | 42 |
| Decrease in other assets | | 1,969 | 18,685 |
| Increase in customer deposits | | 4,997,895 | 2,060,527 |
| (Decrease) increase in employee benefits | | (6,320) | 67,728 |
| Increase in provisions | | 9,827 | 8,286 |
| Increase in accounts payable and other liabilities | | 601,509 | 61,390 |
| Net cash from (used in) continuing operating activities | | <u>2,674,233</u> | <u>(98,793)</u> |
| Net cash from discontinued operating activities | | 0 | 579,604 |
| Net cash from operating activities | | <u>2,674,233</u> | <u>480,811</u> |
| Cash flows from investment activities: | | | |
| Additions to investments at amortized cost | | (1,889,858) | (775,677) |
| Additions to investment properties | | 0 | (3,003) |
| Additions to property, plant and equipment | 17 | (164,694) | (136,195) |
| Additions to intangible assets | 18 | (69,097) | (100,165) |
| Redemption of investments at amortized cost | | 2,098,651 | 741,797 |
| Proceeds from sale of non-financial assets | | 72,851 | 88,973 |
| Acquisition of controlled companies | | 0 | (2,803) |
| Decrease in subsidiaries deconsolidation (loss of control) | 15 | (10,287) | (837,275) |
| Net cash from (used in) continuing investment activities | | <u>37,566</u> | <u>(1,024,348)</u> |
| Net cash used in discontinued investment activities | | 0 | (664,917) |
| Net cash from (used in) investment activities | | <u>37,566</u> | <u>(1,689,265)</u> |
| Cash flows from financing activities: | | | |
| Decrease in interbank loans and overnight funds | | (617,164) | (306,114) |
| Acquisition of financial obligations | | 6,072,099 | 3,746,161 |
| Settlement of financial obligations | | (7,464,307) | (5,076,212) |
| Issuance of investment securities | | 2,055,213 | 2,085,575 |
| Settlement of investment securities | | (362,341) | (352,401) |
| Dividends paid | | (513,798) | (621,417) |
| Transactions with non-controlling interest | | 0 | (32,258) |
| Net cash used in continuing financial activities | | <u>(830,298)</u> | <u>(556,666)</u> |
| Net cash from discontinued financial activities | | 0 | 37,026 |
| Net cash used in financial activities | | <u>(830,298)</u> | <u>(519,640)</u> |
| Effect of exchange difference on continuing cash and cash equivalents | | 253,147 | (902,492) |
| Effect of exchange difference on discontinued cash and cash equivalents | | 0 | 19,055 |
| Increase (decrease) continuing cash and cash equivalents, net | | 2,134,648 | (2,582,299) |
| Decrease discontinued cash and cash equivalents, net | | 0 | (29,232) |
| Cash and cash equivalents at the beginning of the period | 8 | 15,266,096 | 17,848,395 |
| Cash and cash equivalents at end of the period | 8 | <u>\$ 17,400,744</u> | <u>15,266,096</u> |

The accompanying notes are an integral part of these consolidated financial statements.