

MANAGEMENT AND SUSTAINABILITY REPORT 2018



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REPORT OF THE BOARD OF DIRECTORS AND THE PRESIDENCY TO THE GENERAL ASSEMBLY OF SHAREHOLDER 2018

Dear Shareholders:

In accordance with the legal and statutory provisions, we are pleased to present to you the report of the management carried out during the year 2018, which includes the most relevant achievements and prospects for the year 2019.

Our Entity has become one of the State institutions with the highest levels of reliability for the Colombian financial system and investors, this is confirmed by the 'AAA (col)' credit risk ratings, which for 19 consecutive years has been granted for Long Term debt and 'F1 + (col)' for Short Term debt, granted by Fitch Ratings Colombia SA, which shows issues with the highest credit quality.

An institution guided by the principles of good governance, which fully complies with the unavoidable commitments of public management such as transparency, equity, pluralism, efficiency, effectiveness, austerity and zero tolerance for corruption. In consideration of this, we were recognized by the Secretary of Transparency of the Presidency of the Republic, granting Findeter in July 2018, the entry into the group of active companies anticorruption - business with principles.

Currently, Findeter is considered the specialized development bank for the regions, thanks to the work that is being carried out by the National Government through the Ministry of Finance and Public Credit. The Entity is an instrument that promotes the strengthening of regional and territorial development capacities, which facilitates and consolidates spaces through which, in joint work with local authorities and the participation of citizens, builds the well-being of communities.

To achieve this positioning, it has been essential to have a corporate governance management model, which guarantees the strategic direction of the Financial and effective control by the highest administrative body. In this sense, good governance practices account for the responsibility of the organization towards its shareholders, generates transparency in the information that is given to stakeholders, promotes the competitiveness of the company and its sustainability.

As a consequence of an effective financial, commercial, technical and administrative management; As well as the consolidation of the management model made up of the axes of "Planning", "Financing" and "Execution", the results of Findeter in 2018 have been highly satisfactory. This management report incorporates the achievements of the administration of Dr. Rodolfo Enrique Zea Navarro who was in charge of Findeter until the middle of November 2018 and it was thanks to his direction that the results that are reflected in this document were produced.

In financial terms, we are a solid entity, ready to take on the challenges demanded by the different commitments proposed by the National Government. In 2018, assets amounted to \$ 9.72 trillion, that is, they grew by 2.9% compared to 2017. Equity increased by 5.2% from \$ 1.08 trillion (Dec / 2017) to \$ 1.14 trillion (Dec / 2018). The year's profit reached a level of \$ 56,560 million, representing an increase of 8.5% compared to 2017, which represents the highest profits obtained in the history of the Entity; On the other hand, Findeter's portfolio presented an increase of 3% in the last year, standing at \$ 8.5 trillion.

As a result of an outstanding financial management that raised \$ 3.10 trillion, it was possible to maintain a disbursement level of \$ 2.26 trillion, which represented an execution of 119% with respect to the 2017 target, in priority sectors of the Colombian economy. Projects directed to both public and private sector beneficiaries were financed in infrastructure, with presence in 71 municipal entities of 24 departments.

Of the total disbursed, it is highlighted that \$ 1.75 billion, that is, 78% of the total loans, were allocated to investments in the education, transport, urban development and housing sectors; and 21% of disbursements, worth \$ 473 billion, to sectors that impact on the well-being of Colombians such as health, energy, sports, recreation and culture, drinking water and basic sanitation; and the remaining 1%, for \$ 35 billion, went to finance infrastructure in sectors such as the environment, tourism and information technologies and ICT communications.

Likewise, in support of the different initiatives of the National Government for the promotion of investment and the provision of essential public services, differential financing lines were available, such as the compensated rate, through which resources could be disbursed for \$ 1 , 11 billion, representing 49% of the total disbursed.

In development of our role as an instrument for executing public policies and strategic partner of the regions, through the technical assistance service, in 2018 in relation to the 2017 term, we managed to go from 839 projects to a total of 963, which meant a increase of 14.78% discriminated as follows: 394 projects liquidated; 256 completed projects; 199 projects in execution; and 114 projects available to start, destined to sectors such as: Water and Basic Sanitation, Social Infrastructure (Measures for road safety, Cultural Centers, Parks, Colleges and Specialized Care Centers), Housing and Urban Development (Free Housing and Housing for Savers), and information technologies and ICT communications.

In terms of promoting insignia programs of the National Government such as free housing, first and second phase and housing program for savers - VIPA, we have participated in the evaluation of public properties presented by the territorial entities. We advance evaluation processes, selection and monitoring of projects with the following results: the start of 12 VIPA projects for an amount of \$ 175 billion that generate an offer close to the 3,390 homes; completion of 38 projects for 18,308 homes valued at \$ 945 billion; and continue the execution of 23 projects for 5,733 homes worth \$ 296 billion.

In the water and basic sanitation sector, in 2018 we provide technical assistance in the execution of 290 projects. Of 260 contracted, 1,382 kilometers of installed pipeline are derived, as well as the construction of 38 Treatment Plants and 36 tanks; the awarding of 21 projects for around \$ 108 billion and the

initiation of 9 projects for around \$ 72 billion. In terms of social infrastructure, whose projects, especially those of the Equipment program, are coordinated with the housing programs of the National Government, we provide technical assistance to 401 of them with coverage in 171 municipalities valued at over one trillion pesos.

In relation to the services offered by the Entity with emphasis on territorial planning, we continue with the execution of the "Sustainable and Competitive Cities" and "Emblematic Cities" programs, highlighting the following results during 2018: We finalized 9 action plans, which, 7 for Sustainable and Competitive Cities and 2 for emblematic cities, in which the strategy promoted by the National Government and Unicef of Territories Friends of the Childhood - TAN was incorporated; We delivered 10 action plans, 4 for the sustainable and competitive cities of Cartagena, Ibagué, Neiva, Popayán, and the remaining 6, for the emblematic cities of La Calera, Chinchiná, Lorica, La Dorada, Barrancabermeja and Aracataca.

In administrative matters, with the direction of the Board of Directors, we have been concerned to maintain a balance in the redistribution of operational charges between the areas, seeking to improve the efficiency of internal processes, which have made it possible for us to provide a better service to our customers. . We continue incorporating the best practices into our Code of Good Governance, taking into account the recommendations of the programs led by the Colombian Stock Exchange - BVC in alliance with the Center for Studies in Corporate Governance of the CESA, which led to the renewal of Findeter for the third consecutive year the certificate "Emitter Investor Relations IR", as one of the best companies in disclosure of information to the market and relationship with our investors.

The well-being of our human capital is always one of the priorities in the development of management, this is how we continue to strengthen the family-responsible business model - EFR, which provides a balance between work performance and family quality of life of our workers; As a result of this, we continue to make progress in improving the work environment index (IAL) achieving a score of 97.1 compared to 88.4 obtained in 2017, qualified as excellent according to the *Great Place to Work* methodology.

We ratify our institutional duty with sustainability. We continue to mature our model of corporate social responsibility, which allows us to operate in an environmentally and socially responsible manner, and to demonstrate our commitment to the environment, a responsibility that is incorporated in our Code of Good Governance, through policies that ensure the respect we profess from the development of all our activities, towards all our interest groups, helping in this way, to the sustainable and equitable development of Colombian society.

We have attended with opportunity and transparency the different requirements that have been made to us by the control entities that monitor our performance, not only as administrators of public resources, but as agents of the credit market. Thus, in relation to the fiscal audit exercise carried out by the Office of the Comptroller General of the Republic for the 2017 term, the result of this evaluation showed that the Entity's Financial Statements reasonably present, in all material respects, the financial situation at 31 December 2017. Due to this, in the accounting and budgetary opinion of the CGR FENECE the fiscal

account of Findeter, for the 2017 fiscal period.

By 2019 we will continue being the strategic ally of the regions, in a model based on planning, structuring and executing. We are sure that we will continue accompanying the National Government, the regions, the companies and bringing welfare to Colombians.

We will continue to strengthen the institutional positioning both internally and externally, counting on an Integral Business Model that encourages greater growth in placements; that through the service of technical project structuring, we advance towards an investment bank supported by a wide range of products and services, strengthening commercial management with an emphasis on the design of integral solutions that respond to the needs of our clients, supported in an ambitious process of modernization and technological transformation, as well as in a human talent committed, responsible and with an attitude of service.

We declare that, with strict adherence to the precepts of the current regulations, the information related in this document regarding the Financial Statements, obeys to integrity criteria, rights, obligations, valuation, presentation and disclosure, duly verified and obtained from the records accountants of the Financiera, processed in accordance with accounting standards and principles established in Colombia.

In relation to the provisions of paragraph 4 of article 47 of law 222 of 1995 modified by article 1 of Law 603 of 2000, we inform that Findeter complies with all the rules on intellectual property and copyright contemplated in the Colombian legislation.

Finally, we state that the achievements reported in this report are the result of the direction of the Board of Directors and the management carried out by Dr. Rodolfo Enrique Zea Navarro, his management team and the employees of the Entity, in conjunction with the different ministries, the support and active participation of commercial and multilateral banks and other interest groups, with a high degree of social responsibility, a mission that will continue to be developed in 2019.

Luis Alberto Rodríguez Ospino
Chairman of the Board of Directors

Sandra Gómez Arias
President

1 ABOUT FINDETER

We are the Development Bank that offers integral solutions to build sustainable territories through the planning, structuring, financing and technical assistance of infrastructure projects that improve the quality of life of Colombians.

We were created by authorization of Law 57 of 1989, and by virtue of Decree-Law 4167 of 2011, we are constituted as a mixed economy company of the national order, of the type of the anonymous, organized as a credit establishment, with regime of private law, linked to the Ministry of Finance and Public Credit and supervised by the Financial Superintendence of Colombia.

Our headquarters are located in the city of Bogotá D.C and we have presence to develop our operations throughout the national territory through five regional, two zones and different satellite offices. We have an organizational structure adjusted to our competencies in terms of technical assistance, structuring and financing of projects, for which we have 17 processes certified in the ISO9001 and ISO14001 standards. We also promote the application of the best practices of Corporate Governance and social and environmental responsibility.

1.1 STRATEGIC DIRECTION

Mission: We are the strategic partner in the regions, which generates welfare for the people

Vision: To be the leading development bank that transforms regions into sustainable territories

Promise of value: Integral and sustainable solutions for the development of your projects

Corporate values:



Aspects of strategic direction established in the Code of Good Governance and in the Strategic Plan 2015 - 2025, approved by the Board of Directors in its session of December 15, 2015.

During 2015 Findeter advanced its strategic planning exercise that resulted in the approval by the Board of Directors of the Strategic Plan 2015-2025.

In 2016, the consolidated projects of the initiatives and their respective managers were defined to be executed in the period 2015-2018, as well as each of the perspectives and objectives within the Strategic Plan were weighted, as follows:

Graph 1. Weight per perspective

% Perspective



Subsequently, for the objectives of each perspective, a weight was assigned that made it possible to monitor the progress of the Strategic Plan:

Table 1. Weight by Strategic Objective

PERSPECTIVE	OBJECTIVE	Weight by Objective
Financial	Optimize capital structure to leverage the sustainable growth of the Entity	6,3%
	To look for a profitability that allows the sustainable growth of the entity	10,5%
Client Market	Diversify Findeter's sources of income	6,3%
	Perfect and articulate the Findeter products and services offer.	5%
	To offer the market an excellent level of service, supported in the development of an internal organizational culture, built for the client.	5%
Efficiency	Prioritize institutional activity based on the mission, vision and the promise of value.	6,3%
	Optimize the processes and procedures of the entity's products in a transversal manner	10,5%
Innovation	Monitor and control profitability by business line	4,2%
	Implement the Innovation and Knowledge Center - CIC.	15%
Strategic Capital	To ensure that all collaborators know, contribute and take ownership of the entity's integral management	7%
	Have a training plan according to the needs of development of competencies of the collaborators.	7%
	Design a performance management tool that allows to measure the contribution and results of each role in the organization and establish development plans.	4,7%
	Create a culture aligned with the new Strategic Plan	2,3%

Sustainability	Be the benchmark of the Bank for Sustainable Development	2,5%
	Create a culture of sustainability within the organization.	2,5%
	Support or include in specific projects the creation of shared value chains.	5%

Based on these strategic objectives, the implementation of the 2015-2025 Strategic Plan continued in 2017, the first stage of which was Megaruta 2018, which contains the set of objectives and projects for each of the six strategic perspectives for the achievement of our vision.

In April 2017, the management team conducted a day of monitoring and review of the execution of the Plan, in which the information on the macroeconomic and sectorial environment was analyzed, benchmarking of development banks at the local and international level, the SWOT matrix consolidated and the execution status of the Plan. Based on this, the strategic perspectives were reviewed and different initiatives were proposed that were then analyzed and refined by each perspective leader. The result of this review generated the incorporation of 10 new projects and the cancellation of a project.

During the month of February 2018, a day of follow-up and review was carried out on the execution of Megaruta 2018, in which the information on the macroeconomic and sectorial environment, the benchmarking of development banks at a local and international level was analyzed, and the state of execution. The result of this revision generated the cancellation of 5 projects, with which the total of projects of the Megaruta 2018 is 39, as shown below:

Illustration 1. Perspectives Strategic Plan



To control and monitor the execution of the projects, the best project management practices of the PMI (Project Management Institute) were applied, and the Entity's project management information system was used, which allowed for the administration of the projects with online data, with updated corporate information and available in web environments with high levels of security, also with centralized

information with historical records of the projects that allowed keeping the corporate memory and knowing the status of the projects in a shorter time.

In Findeter we develop the following activities:

- We rediscovered credits to public entities and private law entities and autonomous patrimonies for infrastructure and environmental projects.
- We capture domestic savings through the issuance of securities and the subscription of other documents and enter into domestic credit agreements.
- We receive deposits from public entities, fixed term or with immediate availability, and we recognize for them special returns or considerations.
- We hold external credit operations.
- We manage issues of securities and enter into contracts of trust, guarantee, agency, or payment, and enter into trust agreements to manage the resources transferred by other public entities.
- We provide technical assistance services, structuring projects and technical and financial consulting.
- We manage third-party titles.
- We issue guarantees and warranties.

We are not in a situation of subordination, nor are we related to parent or controlling companies, nor do we have subsidiary or subordinate companies.

Findeter's Products and Services Portfolio is as follows:

Table 1. Products and Services Portfolio

Product Family	Product	Product Line
Technical Assistance in Integrated Territorial Development	Territorial planning	Regional planning
		Local planning
		Sector planning
		Territorial Finance
	Project management	Formulation
		Structuring
		Feasibility of Housing Projects

		Validation of APP Projects
		Project Supervision
	Rediscount	Rediscount Ordinary Resources
		Rediscounted Compensated Rate
Financial	Investment Alternatives	Purchase of Portfolio
		Issuance in the Public Securities Market
	Administration and Resource Management	Direct Resources Administration
		Third-Party Resource Administration

Our target market is all organizations, public or private, within the Colombian territory that are within the sectors that can be financed by the Entity, which are:

- Transportation Infrastructure.
- Infrastructure for Energy Development.
- Development of Urban Infrastructure, Construction and Housing.
- Drinking Water Infrastructure and Basic Sanitation.
- ICT infrastructure.
- Environment Infrastructure.
- Education Infrastructure.
- Health Infrastructure.
- Touristic Infrastructure.
- Infrastructure for Sports, Recreation and Culture.
- Territorial Fiscal Sanitation

1.2 NON-FINANCIAL PRODUCTS - TECHNICAL ASSISTANCE IN INTEGRATED TERRITORIAL DEVELOPMENT - DTI

1.2.1 TERRITORY PLANNING

- We promote the development of the country from the regions with integral solutions in the short, medium and long term, in strategic programs such as: Sustainable and Competitive Cities, Emblematic Cities, and Diamonds.
- Sustainable and Competitive Cities is a platform led by the IDB and Findeter to promote strategic projects, aimed at transforming intermediate cities through orderly planning, improving the quality of life of its inhabitants.
- The Emblematic Cities program aims to close the gaps of inequity and support the planning and development processes of cities with strategic importance for the country, located in areas of vulnerability, basically in four dimensions: environmental, fiscal, urban, economic and social.
- Territorial Diamonds initiative, allows to identify and manage physical or digital projects that improve the competitiveness of departments that make up the Diamond region.
- On the other hand, through the technical assistance service, we support the National Government and other governmental entities, carrying out the pre-contractual, contractual processes and monitoring the execution of social infrastructure programs, such as 100,000 Free Homes, VIPA, Water for Prosperity, Centers for Citizen Integration, de Cero a Siempre, and other programs of impact and national interest.

1.2.2 TECHNICAL ASSISTANCE FOR PROJECT MANAGEMENT

TECHNICAL ASSISTANCE TO PROJECTS

Findeter provides technical assistance, evaluation and supervision services to high impact projects in the sectors of housing, water and basic sanitation and social infrastructure.

FORMULATION AND STRUCTURING OF PROJECTS

We formulate projects at the level of profile or in General Adjusted Methodology (MGA) in order to evaluate the viability of its implementation with a basic information. We provide technical, financial and methodological assistance to infrastructure projects in sectors such as health, transport and water, under the MGA.

In more advanced stages of structuring, we contract, through the pre-investment fund, studies on pre-feasibility or feasibility, in order to satisfy the needs of public entities that require technical assistance for this purpose. These studies include the technical, legal and financial aspects.

PRE-INVESTMENT

The pre-investment fund is an instrument for developing the country, so its action is aimed at promoting and supporting pre-investment projects (Studies and Designs). It is basically oriented to the financing and structuring of pre-feasibility and feasibility studies for physical infrastructure projects, execution of technical, economic, financial, environmental, regulatory and legal studies and consulting services for the development and execution of infrastructure projects through contracts, through which public-private partnerships, concessions, construction, operation and transfer contracts, operation and maintenance contracts and other similar mechanisms are implemented in Colombia, based on the resources provided by the Settlor and any other contributor.

ACOMPANIMENT IN MATURATION AND VALIDATION OF APP

Findeter, in its role as second-tier bank and promoter of the development of the country's infrastructure, has as one of its objectives to support public entities in the technical, legal and financial validation of public-private partnership (PPP) projects. Additionally, the client public entity is accompanied by the Ministry of Finance and Public Credit (MHCP) for the valuation and approval of contingent liabilities, as well as before the National Planning Department (DNP) or Planning Secretariat for the approval of its implementation, using the APP scheme.

1.3 FINANCIAL PRODUCTS

1.3.1 REDISCOUNT AND COMPENSATED RATES

We finance credit and leasing operations both in pesos and in dollars for Investment, Working Capital and Debt Substitution, for all beneficiaries and projects that are framed in the sectors that can be financed by the Organization. These resources reach the final customers through the Financial Intermediaries authorized by Findeter.

Within the Rediscount product we have two product lines:

The first, our ordinary resources where the Billboard Rates are in both pesos and dollars.

The second our soft rates, which are the Special Lines, which are developed by Findeter with their own resources and where its objective is to promote a specific sector, by common agreement and in coordination with the provisions of the National Government.

Additionally, we have Compensated Rates, common initiatives between Findeter and the National Government that seek to strengthen a specific sector. These resources come from the Ministry of Finance

or another Entity of the National or Territorial order (municipality, department, among others), the use of these fees has a specific amount and destination, as well as the viability of the projects is issued by the Entity of where the resources come from.

OUR SUPPLY CHAIN



The rediscount product supply begins when the Commercial Team draws up its strategy and defines a work plan conducive to meeting the proposed goals. For this, it takes into account the management carried out through the commercial strength of Findeter in the regions, through the accompaniment provided to customers and beneficiaries at the national level, using commercial tools for the fulfillment of the objectives, highlighting among others, the Sowing of Business and the Databases of prospective clients, which are used for the tracking and identification of potential businesses.

Once the commercial offer is presented to the clients and they have any need for investment, we go to know all the information of the client and the project in order to advise the best way to our future clients. Once the project is defined and structured, it is presented to the financial intermediaries, in order that they evaluate the clients according to the standards defined in the Colombian Financial System and in accordance with the requirements established by each one of them. If the client's credit request is not approved, the process is not continued. Then, if the project is approved by the Financial Intermediary, the accompaniment is done in the Rediscount Application process. The request is received from the financial intermediary regarding the operations to be disbursed internally by the Entity, all the information and documentation of the credit request is verified and then the disbursement is executed.

1.3.2 INVESTMENT ALTERNATIVES

Findeter offers different types of investment, among which are the purchase of rediscount portfolio or investment in instruments that the entity markets in the public securities market.

1.3.3 ADMINISTRATION AND RESOURCE MANAGEMENT

Findeter has the operational infrastructure and technical knowledge to manage the resources of public entities and private companies, whose destination is payment management or the development of sustainable projects with high impact in the regions of the country.

In case the client requires it, Findeter can also execute these resources in activities that are in accordance with the corporate purpose of the entity, such as in the viability and validation of a project, precontractual and contractual management, supervision, among others.

1.4 FINDETER IN NUMBERS

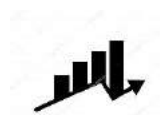
During 2018 Findeter reached the highest ROE in its history with 4.96%, which was 15 basis points above the ROE registered the previous year, the good performance of this indicator corresponds in turn to the volume of net profits of the Entity that once again surpassed its historical ceiling with a total of \$ 56,200 million pesos which represents an increase of 8.46% compared to December 2017. This result is related to the disbursements for \$ 2.26 billion made during 2018 exceeding the goal by 19% compared to the budget for the year.

On the other hand, it is important to mention the increase in the work environment index which went from 88.4 to 97.1, an advance that positioned us in the fifth place of the companies cataloged as Best place to work in Colombia.

ORGANIZATIONAL INDICATORS



\$91.736
millions
 Operational utilities



4,96%
 Financial Profit



\$8,58 billions
 Liability



\$9,72 billions
 Assets



\$2,26 billions
 Placement of credits



\$1,14 billions
 Equity



\$3,1 billions
 Fundraising



\$8,5 billions
 Portfolio



AAA
 Long Term



BBB-
 International bonds



514¹
Employees

efr

Family-friendly company

5th Place



Best companies to work
in Colombia with more
than 500 employees

97.1

Work Environment
Index



ISO 9001:2015
ISO 14001:2015
17 certified processes



65%
Loyal Customers



95%
Satisfied customers

Technical assistance from January to December 2018

In 2018 we managed projects for \$ 3.5 trillion pesos that represent 40% of the total resources managed by the Technical Vice Presidency.

The achievement of the goal of income of 129% was achieved through the execution of emblematic projects in each of the managements, to highlight, the comprehensive improvement program of neighborhoods in San Andres and Providencia, the child development center of the DAPRE program and aqueducts such as Quibdo, Buenaventura, Gualmatan, among others.

¹234 permanent employees, 265 on mission, 14 Senas and 1 officer of free appointment and removal.



\$3,5 billones



391 proyectos supervisados



163 proyectos de Infraestructura Social



118 proyectos del programa Agua y Saneamiento Básico



98 proyectos de vivienda supervisados



8 proyectos del programa de desarrollo para San Andrés



4 proyectos del Programa TIC

Desembolsos de Enero a Diciembre 2018



24 departamentos beneficiados
*incluido el distrito capital



192 proyectos financiados



71 municipios beneficiados

TERRITORIAL PLANNING

During 2018, regional planning projects were carried out, highlighting the 3 territorial development visions and the Santander and Atlántico PODs. Likewise, roadmaps for local planning were made, highlighting the action plans of 8 cities of the Sustainable and Competitive Cities program and 7 more of the Emblematic Cities program.

On the other hand, there is sectoral planning, a process of technical assistance that generates mechanisms that promote or potentiate a strategic sector for the urban development of the territories. In this type of planning, the three pre-feasibilities for pilots of Colombia Tod Noma stand out during 2018, the two SETP projects in Manizales and Ibagué and the 3 mobility and public space master plans in Manizales, Ibagué and Popayán..

PLANIFICACIÓN DE 1 DE ENERO 2018 A 31 DE DICIEMBRE 2018



8 ciudades



1 proyecto de energía solar renovable en la urbanización Lorenzo Morales (Valledupar)



1 estructuración de estudios tributarios en Chinchiná



17 municipios de Cundinamarca beneficiados con estudios de huella urbana



3 planes maestros de movilidad y espacio público en Manizales, Ibagué y Popayán

NAMA Facility

3 pre factibilidades para pilotos de Colombia ToD Nama



7 ciudades



2 POD para Atlántico y Santander



3 visiones de Desarrollo Territorial que benefician a **52** municipios



Territorio de oportunidades que beneficia a **3** municipios del Cesar (La Jagua de Ibirico, el Paso y Becerril)



Mecanismos de captura de valor para proyectos TODs en **4** Pasto, Cali, Montería y Manizales.



2 proyectos de SETP en Manizales e Ibagué

ENVIRONMENTAL INDICATORS

These indicators are part of the controls we have in the Environmental Management System and seek to promote the culture of responsible consumption in our daily activities. It highlights the achievements in terms of efficiencies obtained in the reduction of energy consumption at the headquarters of 103rd Street by 3% compared to 2017, the increase in recycled material by 511 kilograms compared to the previous period to reach 3,515 kilograms in 2018.

Finally, it is important to point out that the measurement of the Corporate Carbon Footprint has been carried out since 2010, this measurement includes the inventory of greenhouse gas emissions - GHG and the calculation of environmental performance, allowing to identify the emissions caused through the entire cycle of the operation and provision of the service. This inventory of GHG emissions includes activities such as combustion processes, consumption of refrigerant gases, electricity consumption, paper consumption, waste management, corporate flights, land transportation, among others; In this sense, Findeter has compensated the emissions through different mechanisms such as tree planting and purchase of carbon certificates..

Environmental Indicators



286.352 kWh
consumed energy

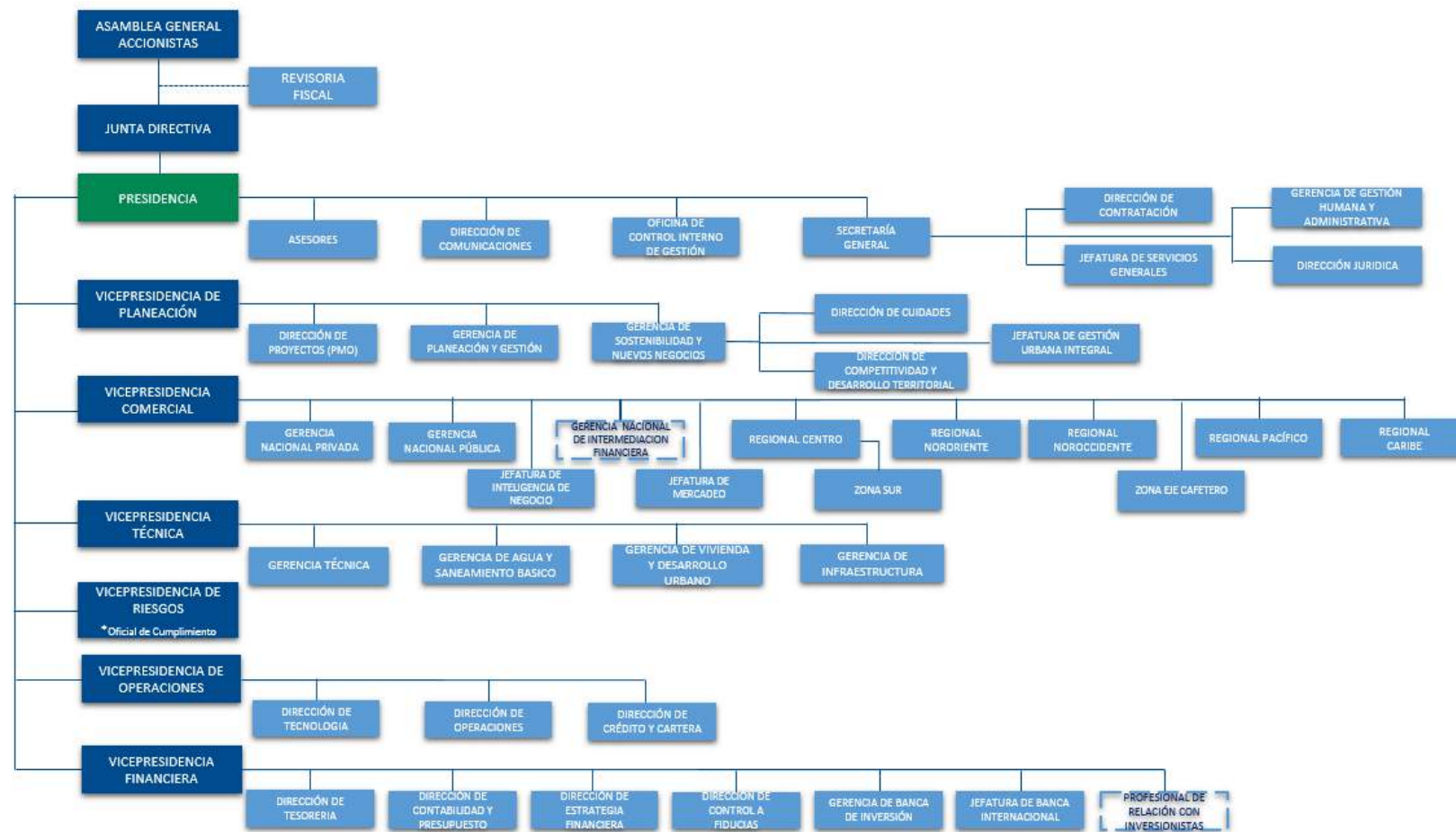


3.515kg
Recycled material



472,98 tCO2
Carbon Footprint 2017

1.5 ORGANIZATIONAL STRUCTURE



1.6 OUR HEADQUARTERS

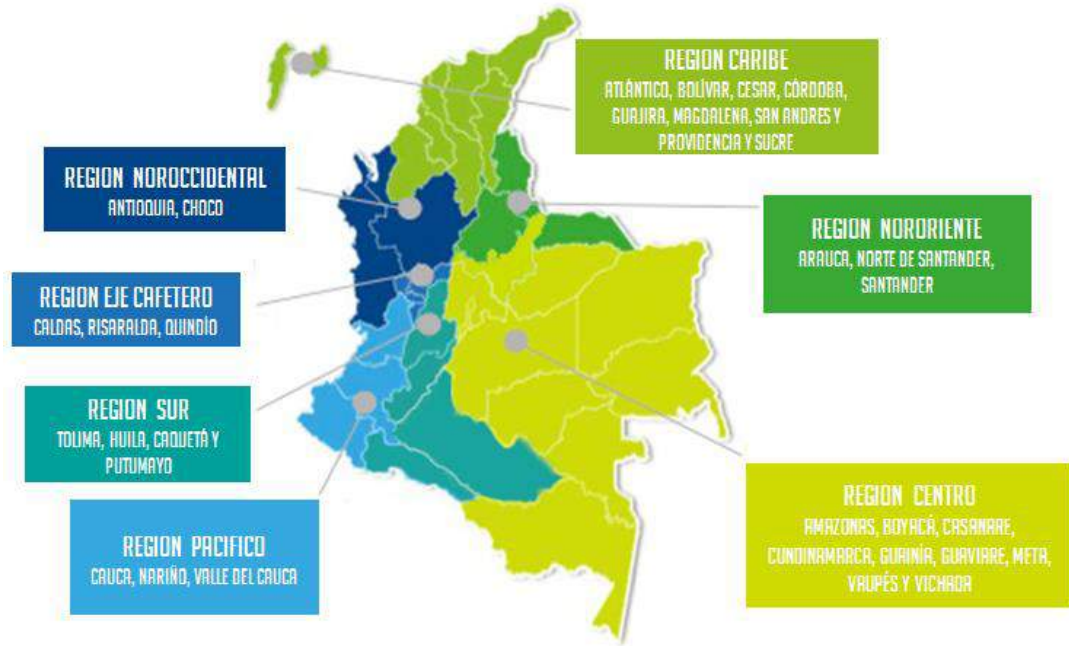


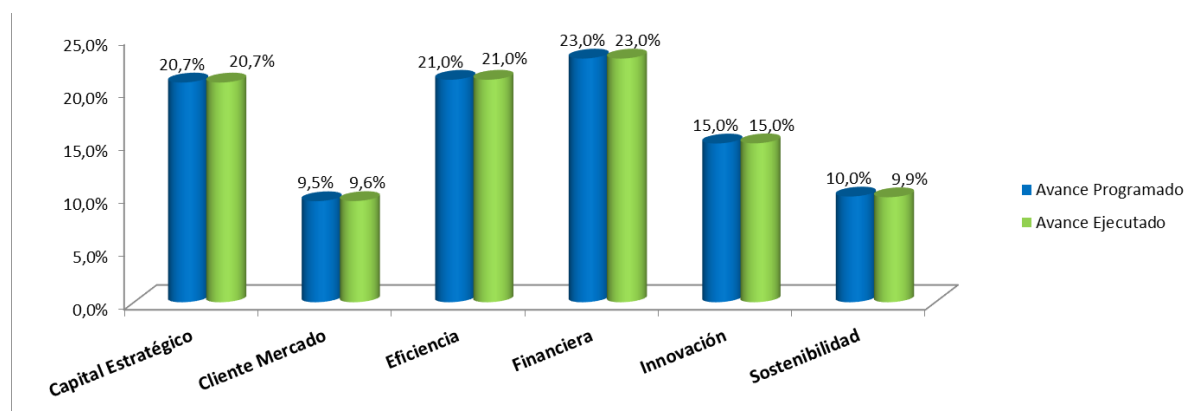
Table 2. Headquarters of Findeter

TYPE OF HQ	NAME OF HQ	CITY	COVERAGE	ADDRESS	EMAIL
Regional	General Direction	Bogotá	Bogotá - Colombia	Calle 103 No. 19-20	findeter@findeter.gov.co
Regional	Center	Bogotá	Bogotá, Amazonas, Boyacá, Casanare, Cundinamarca, Guanía, Guaviare, Meta, Vaupés and Vichada.	Calle 26 No. 59 - 41 Ofic. 705 Edificio Cámara Colombiana de la Infraestructura	regional.bogota@findeter.gov.co
Regional	South	Neiva	Huila, Tolima and Caquetá	Carrera 5 No. 10-49 Local 102 - 103 – Edificio Centro Comercial Plaza Real	regional.neiva@findeter.gov.co
Regional	Northeast	Bucaramanga	Arauca, Norte de Santander, Santander and South of Cesar	Calle 35 No. 19 - 41 Ofic. South Tower 411	regional.bucaramanga@findeter.gov.co
Regional	Northwest	Medellín	Antioquia and Chocó	Carrera 43B # 16 - 95 Edificio Cámara Colombiana de la Infraestructura Ofic. 1113	regional.medellin@findeter.gov.co
Regional	El Cafetero	Pereira	Caldas, Quindío, Risaralda and Norte del Valle Municipalities	Carrera 13 No. 13-40 Ofic. 404B	regional.pereira@findeter.gov.co
Regional	Pacific	Calí	Cauca, Nariño, Putumayo and Valle del Cauca	Carrera 100 No. 11-90 Ofic. 412	regional.califindeter.gov.co
Regional	Caribe	Barranquilla	Atlántico, Bolívar, Cesar, Guajira, Magdalena, San Andrés y Providencia and Sucre	Carrera 52 No. 76 - 167 Ofic. 510	regional.barranquilla@findeter.gov.co
Satellite	Santa Marta	Santa Marta	Santa Marta	Calle 24 # 3-95 Edificio Banco de Bogotá Ofic. 807	findeter.santamarta@findeter.gov.co
Satellite	Sincelejo	Sincelejo	Sincelejo	Carrera 20 No. 27-87 3rd Floor – Edificio Cámara de Comercio	findeter.sincelejo@findeter.gov.co
Satellite	Montería	Montería	Montería	Calle 31 No. 4-47 Ofic. 603 - Edificio Los Ejecutivos	findeter.monteria@findeter.gov.co
Satellite	San Andrés	San Andrés	San Andrés	Carrera 2 No. 4 - 61 (Diagonal to	findeter.sanandres@findeter.gov.co

1.7 ADVANCE OF THE STRATEGIC PLAN

The advance of the strategic plan 2015-2018 to December 2018 was 99.2%, where the advance by perspective was the following:

Graph 1. Advance SP to December 2018



The projects defined for the fulfillment of the objectives and the progress for each one of the perspectives were:

Financial Perspective: Achieve sustainable profitability based on income diversification, optimization of capital structure and precise control of costs.

OBJECTIVE	Advance of the Objective to Dec /2018	Projects
Optimize capital structure to leverage the sustainable growth of the Entity	100%	VF-DT-Subordinated Bonds
		VF-EF-Portfolio Securitization
To look for a profitability that allows the sustainable growth of the entity	100%	VC-IN-Application of international banking resources
		VF-EF-Long Term Funding Plan
		VR- Prepaid Policy

Diversify Findeter's sources of income	100%	VC-EP-Pricing Methodology *
		VF-DT-Private Equity Funds
		VF-DT-Collective investment funds
		VF-DT-Feasibility direct management of resources on a large scale

* Pricing: methodology for defining the prices of the products offered by the Entity.

Client/Market Perspective: Develop new solutions through a promise of integral value and excellent service.

OBJECTIVE	Advance of the Objective to Dec /2018	Projects
Perfect and articulate the Findeter products and services offer.	91%	VC-ME-Portfolio products and services
		VC-Implementation Improvement to the Commercial Process
To offer the market an excellent level of service, supported in the development of an internal organizational culture, built for the client.	100%	VC-ME-Develop customer service competence

Efficiency Perspective: Manage projects comprehensively and process management.

OBJECTIVE	Advance of the Objective to Dec /2018	Project
Prioritize institutional activity based on the mission, vision and the promise of value.	100%	VP-GS-Criteria for Prioritization Projects Sustainability
		VR- Non-financial product risks
		VC-EP-Methodology identify prioritize and select products

Optimize the processes and procedures of the entity's products in a transversal manner	100%	GP-CA-Consulting processes
		VC-EP-Create APP process
		VP-GP-Consulting Process Installation
		VP-GP-CA-Improves financial and support mission procedures
		VP-Data Government Phase I
		VO-DT-Use and appropriation of BI
Monitor and control profitability by business line	100%	VF-DC-Costs per line and project

Innovation Perspective: Achieve efficient and effective knowledge management and develop innovation culture.

OBJECTIVE	Advance of the Objective to Dec /2018	Project
Implement the Innovation and Knowledge Center - CIC.	100%	GP-IN-Design and structuring of the Innovation and Knowledge Center
		GP-IN-Implementation of innovation management
		GP-IN-Implementation of knowledge management

Strategic Capital Perspective: Align the team with the strategy, developing a culture of customer service, innovation and sustainability.

Objective	Advance of the Objective to Dec /2018	Projects
To ensure that all collaborators know, contribute and take ownership of the entity's integral management	96%	DC-Strengthening Primary Groups
		DC-Unification Speech
		DT-PR-e-learning
		DC-Communication for Integrality

Have a training plan according to the needs of development of competencies of the collaborators.	100%	GH-Development and Training Program
		GH-TAP (High Potential Talent)
		GH-Monitoring Development and Training Plans
Design a performance management tool that allows to measure the contribution and results of each role in the organization and establish development plans.	100%	GH-Wage Equity and External Competitiveness
		GH-Performance Management Tool
Create a culture aligned with the new Strategic Plan	100%	GH-New Organizational Culture Plan

Sustainability Perspective: Involve in projects the concept of shared value to generate win-win relationships with our stakeholders.

OBJECTIVE	Advance of the Objective to Dec /2018	Project
Be the benchmark of the Bank for Sustainable Development	97%	VP-GS-Orange Economy Strategy
		VP-GS-Green Growth Strategy
Create a culture of sustainability within the organization	100%	PS-Social Responsibility Model
Support or include in specific projects the creation of shared value chains.	100%	PS-Shared Value Model

In 2018, 12 projects were completed:

Perspective	Project	Result
Strategic Capital	GH-FOLLOW UP DEVELOPMENT AND TRAINING PLANS	The Training Plans module was created in the Development Management tool.
	VC-ME-PORTFOLIO PRODUCTS AND SERVICES	The portfolio of products and services was defined as an input to fulfill the promise of value.
Client/Market	VC-ME-DEVELOP SERVICE COMPETENCE CUSTOMER	Methodology for the construction of the ANS (Service Level Agreements), it was possible to build 23 inter-area service level agreements.

	VO-DT-USE AND APPROPRIATION OF BI		Development of control boards in BI for: - Portfolio Analysis - Financial Risk Analysis - Integrated Territorial Analysis
	VP-GP-CA-IMPROVING AND SUPPORT PROCEDURES	FINANCIAL MISSION	The processes Management of Passive Operations and Management of Active Operations were redesigned and the Contractual Management process was designed
Efficiency	VC-EP-MET IDENT AND SELECT PRODUCTS	PRIORITIZE	Business qualification and prioritization matrix in which the impact is taken into account in terms: social, investment, environment, inequality, economic capacity, post-conflict, and the benefit in terms of borrowing capacity of the project sponsor, vertical integration with other Findeter areas, actors and defined business scheme, ADTI counterpart percentage and project profitability
	VP-DATA GOVERNMENT PHASE I		Methodology of creation, analysis, use and publication of information, which in turn determines responsible, commitments, controls and quality guidelines that guarantee total transparency and confidence in the information throughout the entire life cycle of the data of the Entity
Financial	VF-DT-VIABILITY ADMINISTRATION OF A LARGE SCALE	DIRECT RESOURCES AT	Feasibility study to directly manage third-party resources on a large scale, with the following components: 1. Risk analysis that represents for Findeter the direct management of resources on a large scale. 2. Human capital requirements for its implementation.
Innovation	GP-IN-SUB-MANAGEMENT	KNOWLEDGE	Knowledge management model with technological and methodological tools.
Sustainability	PS- SOCIAL RESPONSIBILITY MODEL		Social Responsibility Model that brings together four strategic initiatives: 1. Methodology and baseline for the measurement, reporting and verification (MRV) of the accounting of financing (rediscount product) in the area of SDGs (Sustainable Development Goals) with emphasis on climate change. 2. Diagnosis of CSR (Corporate Social Responsibility) and the action plan, which involves the interest groups of the Financial Company. 3. Sensitization to stakeholders, under a sustainable vision of development in the field of transparency

and corporate governance.

4. Definition of corporate responsibility indicators in accordance with best practices for the financial sector

5. RSC model and its action plan and MVR approved in 2018.

6 agreement with stakeholders to implement the action plan.

7. Socialization results of the model with internal interest group.

PS-SHARED VALUE MODEL

Shared value model for Findeter understood as a business strategy with which the action framework is established for all those projects that generate an economic or reputational value to the Entity while generating social or environmental benefits for society. It includes the guide of criteria with which the projects that in Findeter are being executed or are going to be executed under the shared value approach are identified and classified.

Approval of the Shared Value strategy by senior management.

Design and inclusion of Shared Value Card in Sigep.

Characterization and execution of Shared Value projects 2018

VP-GS-GREEN GROWTH STRATEGY

Design of the Green Growth strategy for Findeter, which defines the tactical action lines to be followed by the Entity in accordance with the policy, guidelines and objectives resulting from the country's green growth mission.

1.8 ACHIEVEMENTS AND RECOGNITIONS

Below, we summarize some of the main achievements, recognitions and milestones of Findeter in 2018:

- During the year 2018, we obtained resources through CDT issuances for \$ 3.10 trillion pesos ratifying Findeter as the eighth issuer of this instrument in accordance with the records of the Colombian Stock Exchange, a relevant figure when taking into account that Asset size we ranked 16th within credit facilities; reflecting the good positioning within the local debt market.
- We achieved the renewal of 59.65% of CDT maturities exceeding the projected target by 9.65 percentage points, resulting in an additional saving of the lien payment to the Financial Movements for the Entity of \$ 1,147 million, for a total saving of \$ 7,088 million ; it also allowed us to promote the permanence of resources by investors, improve the profile of maturities and the use of surplus liquidity.
- Authorization and registration in the National Registry of Securities and Issuers (RNVE) of the Financial Superintendence of Colombia for the first issue of Sustainable Bonds in Colombia. This instrument is rated AAA by BRC Standard & Poor's and with verification of sustainability by the international firm Vigeo Eiris.
- Findeter led the development of the Knowledge Management and Innovation Strategy of the Ministry of Finance and Public Credit with the participation of the 20 entities attached to and linked to the Ministry.
- Recognition granted by the National Agency of Legal Defense of the State to Findeter, for the formulation of the Policy for the Prevention of Unlawful Damage for the year 2018, in accordance with the methodology of the Agency, obtaining with it the reduction of litigation of the Entity.
- MINTIC awarded Findeter the seal of excellence for Digital Government for the IPV6 compatibility of the new website
- The seal of Excellence of Open Government was obtained in September 2018, granted by the Ministry of Information Technologies and Communications; thanks to the work carried out for online procedures and services with quality to improve the relationship with the State and the quality of life of citizens
- Based on the accounting and budgetary opinion, the Comptroller General of the Republic (CGR) FENECE the fiscal account of Findeter, for the fiscal period 2017. Accounting opinion: without qualifications and Budgetary opinion: reasonable.
- We are ranked number 5 among the best companies to work for in Colombia, in the category of companies with more than 500 employees, according to the *Great Place To Work (GPTW)*.
- We improved the work environment index (IAL) achieving a 97.1 compared to the one obtained in 2017 of 88.4, qualified as excellent according to the GPTW methodology.
- Findeter obtained the distinction of Community Ambassador Cycle Seven for his participation in the Week of Sustainability, recognition that took place in the city of San Andrés from October 31 to November 2 of 2018 in the framework of the second Summit Cycle Seven.
- In the last year, Findeter was recognized as a Development Bank committed to mitigating and adapting the country to climate change, becoming the third national Development Bank in Latin America to be accredited by the Green Climate Fund. . During the meeting of the Board No. 21 of the Fund, Findeter and Fondo Acción became the first Colombian institutions accredited to said

Fund.



1.9 FINANCIAL AND ECONOMIC CONTEXT

1.9.1 2018 IN RETROSPECT

In local matters, 2018 was a year of recovery for the Colombian economy. After nearly three years of deceleration of GDP, product of the crisis in the prices of raw materials and lower multifactorial productivity, the Colombian economy begins to show a sustained growth that reaches 2.7% in the third quarter of 2018. On the supply side, this growth is led by a rebound in key sectors such as industry, construction, transportation and exploitation of mines and quarries. On the demand side, the good performance of consumer confidence is reflected in an expansion of private consumption with respect to last year. In turn, government consumption recovers, partly due to better prices of raw materials, which help offset the reduction in volume of exports.

In inflationary matters, 2018 was the end of the countercyclical policy carried out by the Banco de la República since the end of 2016. This policy allowed to encourage consumption and investment in order to boost the economy. On the other hand, the reduction in the intervention rate responded to the gradual convergence of inflation towards the target value, closing 2018 at 3.18%, only 0.18 percentage points above the target. This panorama reflects the good practices of the country when it comes to maintaining a macroeconomic stability that is expected to boost greater economic growth that helps reduce unemployment.

The fiscal situation in the country presents uncertainty in the long term. The increase of the budget in 1.4% of the GDP, only evidences the collection of resources of 50% with the financing law. On the other hand, the dependence of public spending in the country on the situation of raw material prices is worrisome, which makes the economy more vulnerable to external shocks.

The beginning of a new government led to the structuring of a development plan for the 2018-2022 period, which is the road map for achieving sustainable economic growth, including the development of productive activities focused on mitigation. of climate change, within this Plan highlights the participation

of Findeter in sustainable productive activities and mitigating climate change especially through the construction of buildings and sustainable infrastructure.

Efforts will be made through the Entity to facilitate access to financial resources, incorporate clean technologies and minimize environmental impacts, and also plan to design special lines of credit that promote low carbon investments and climate resilience.

In international matters, 2018 was a year of expansion for the world economy, driven mainly by the growth of the US by two percentage points compared to last year. However, it was also a year of volatility. With respect to 2017, the recovery of China and the European Union did not finish consolidating and Japan's situation worsened. Additionally, the trade war between China and the US negatively impacted the growth forecasts of 2019 and its escalation to USD 200,000 million in goods and services increased the warnings towards a possible global recession.

On the other hand, the situation in Latin America has been affected by the normalization of the monetary policies of the advanced economies, limiting the flow of capital and depreciating their currencies. In turn, the worsening political and economic situation in Venezuela and Argentina takes its toll on the growth forecasts for the region.

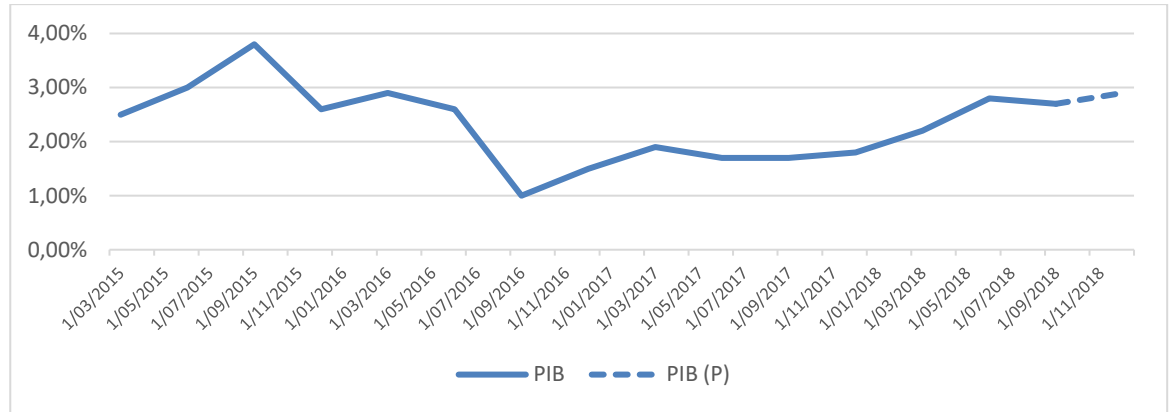
In terms of international trade, in recent years the situation has been characterized by the volatility of oil prices and the depreciation of the peso. The political tension in the Middle East, the lack of consistency and credibility of the OPEC, the Venezuelan crisis, the reduction of China's demand and the unconventional production of the USA have generated that after a strong fall in prices in the last years and a period of increase in the middle of 2018, these are back to the bottom at the end of the year.

The year 2019 will be key to consolidate the recovery that has been building since last year through productive and export diversification. In turn, it will be necessary to implement structural reforms in fiscal, pension and labor matters to strengthen the economy against an increasingly probable global recession.

MAIN MACROECONOMIC VARIABLES

GDP

Graph 2. GDP Growth



During the year 2018 it was possible to see the recovery of the economy driven by its main sectors, while the year 2017 closed with a growth of 1.8% it is estimated that by the end of 2018 the growth of the economy will close by 2.9% according to the estimates made by the World Bank.

Exchange Rate

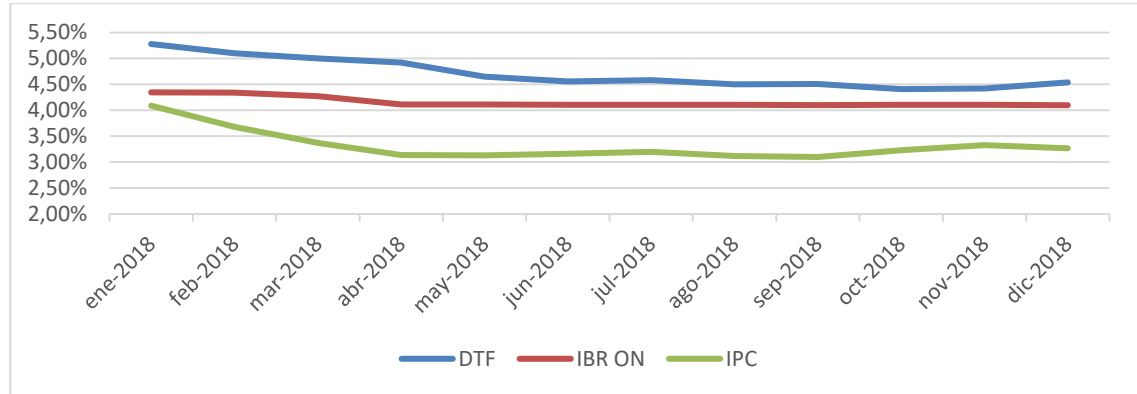
Graph 3. Daily TRM



During the second half of 2018 there was a growing trend in the exchange rate generated mainly by the increase in risk aversion derived from the commercial tensions between China and the US. UU., which added to a contractionist policy by the FED led to the TRM closed at \$ 3,250 this year, thus showing an increase of 8.94% compared to the end of 2017. It is important to mention that the exchange rate it reached levels close to \$ 3,300 towards the end of November.

Interest Rates

Graph 4. Market Rates End of the Month

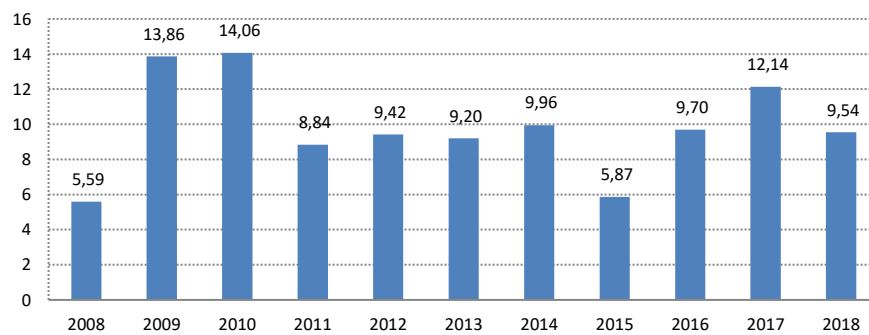


During the year 2018 the continuation of the expansionist policy initiated the previous year by the Bank of the Republic was evident, since the REPO rate showed an additional decrease of 25 PB until reaching 4.25% in the month of May staying in that same level until the end of the year, this policy generated a decrease in the main rates that serve as market benchmarks such as IBR and DTF.

Part of the decrease in the reference rate was justified in the control of inflation, since this indicator showed a decrease from 4.09% in 2017 to 3.18%, remaining within the target range set by the Banco de la República, which is between 3% and 4%.

Bonds Issues

Graph 5. Accumulated Year (billions)



During 2018, there was less dynamism in the issuance of these papers, which showed a decrease of 21% with respect to 2017, said behavior is attributed mainly to the reduction of emissions by the real sector.

Despite this situation, during the year there were outstanding issues in denominations such as green bonds and social bonds, categories that amounted to \$ 800,000 million during the year.

1.9.2 ANALYSIS OF THE FINANCIAL SYSTEM - BANKS

2018 marked a different dynamic for the Banks in relation to 2017, since the best dynamism in the growth of the portfolio and investments was the engine of growth for these entities. With an increase of \$ 24.3 trillion in the gross portfolio², and a reduction in the growth rate of the overdue portfolio, that year showed signs of an economic recovery that could encourage further growth in the future. This situation helped sustain good levels of solvency and liquidity, reflecting the strength of Colombian banking.

In that order of ideas, the credit risk of the financial sector maintained its profile in the last year, which is evidenced by the indicators of portfolio quality (both by default and by risk profile) that began to recover compared to the 2017. It is worth noting that the improvement in the economic situation of several companies in the corporate sector had an impact so that even advanced payments could arise, in addition to the refinancing of debt given the lower rates driven by the best expectations..

On the other hand, the valuations of investment portfolios, given the behavior of market rates and the expansionary policy of the Bank of the Republic, have benefited the net interest margin of the financial sector. This situation has been translated in the same way in the increase of the profits of \$ 8.5 trillion³ of the banks and a return on the patrimony near 13% during the last 12 months.

Regarding the liquidity of the system, the liquidity risk indicator suggests that banks have sufficient levels of liquid resources to meet their short-term obligations, taking into account that their financing increased mainly thanks to deposits in accounts current and savings with a positive variation of 8% and closing with \$ 232 billion as of November.

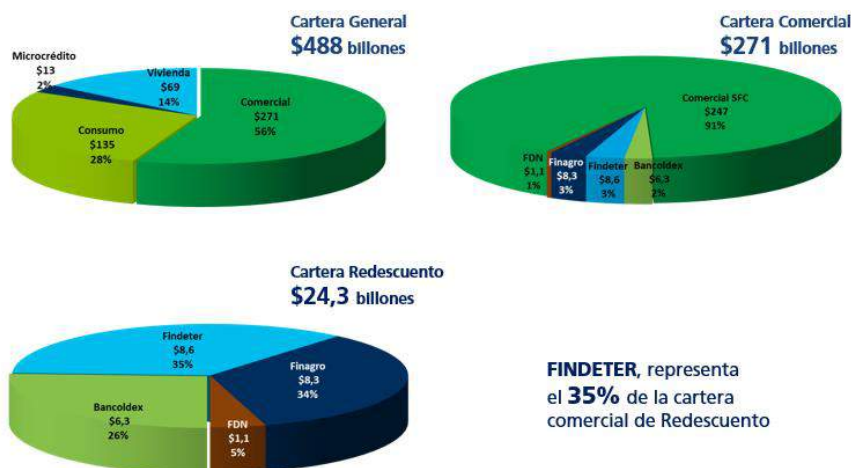
Finally, the financial strength of the banks led to a temporary premium approved by the Financing Law relating to the payment of income tax, which would be expected to be offset by higher economic growth and better dynamism in the disbursement of loans, as a whole. of rate increase that is expected for the coming years.

² Source: Report of the Financial Superintendency with a cut-off to November 2018

³ Source: Report of the Financial Superintendency with a cut-off to November 2018

BEHAVIOR PORTFOLIO COLOMBIAN FINANCIAL SYSTEM

Graph 6. Colombian Financial System Portfolio



As of November 2018, the total portfolio of the financial system amounted to \$ 488 billion, showing a growth of 6.3%, of which 55% corresponds to the commercial portfolio, which showed a variation of 3.6% with respect to November 2017.

Of the total commercial portfolio, 8.96% corresponds to rediscount portfolio (\$ 24.3 billion pesos), of this figure Findeter represents 35% since its portfolio to that court amounted to \$ 8.6 billion pesos.

1.9.3 PERSPECTIVES OF THE COLOMBIAN ECONOMY 2019

Colombia is experiencing a recovery that is beginning to be expressed gradually in the GDP growth figures of the last quarters of 2018 and in the projections by local and international analysts for 2019. Additionally, in macroeconomic matters, the stabilization of the interest and inflation, the consolidation of internal consumer confidence and the recovery of commodity prices are good signs to believe in a continuation of this path of recovery.

However, around the economic performance of 2019 there is great uncertainty mainly due to three factors. First, there is the high volatility of the price of oil. The lower demand from China, the lower supply from Venezuela and the changing geopolitical situation of the United States and OPEC threaten to perpetuate the volatility in oil prices that has been experienced in recent months..

Second, there are the probabilities of a global recession becoming more evident. After eight years of a strong dollar, the longest period of expansion in the history of the United States begins to end. A deceleration of the US economy is expected in 2019, going from 3% in 2018 to 2.5% forecast for next

year. In addition, large sales are showing up in US stocks despite showing historically high profits and the interest rate of short-term bonds is approaching the long-term, definitive signs of a recession (Portafolio, The bells of the dollar are already sounding ..., 2018).

On the other hand, the trade war between the United States and China seems to have no short-term solution, injecting greater volatility and uncertainty into the global economy. Finally, the recovery of the Eurozone does not finish consolidating and the growth forecasts of the main economies such as Japan, China, the United States and the Euro Zone are on the downside for 2019 (Fedesarrollo, 2018).

Taking into account the above, 2019 must be taken with caution and intelligence. Although the forecasts of the last quarterly survey of local and foreign analysts carried out by the Issuer aligns with the prospects for recovery by projecting a GDP growth in 2019 between 3% and 3.5%, breaking for the first time the barrier of the potential product of 3% in two years, it is necessary that the government leads structural reforms that prepare the country for the coming economic scenario.

On the one hand, the government must implement spending cuts or additional income generation measures that allow compliance with the fiscal rule. On the other hand, we must invest in competitiveness and multisectoral productivity to consolidate a process of diversification and strengthening of the economy that allows us to face low prices in oil, maintain the level of public investment and consumption in bad times, make substitution of imports and strengthen the supply of exports, especially in times of high devaluation and those to come.

Additionally, it is necessary to address structural issues such as pensions and labor formalization to boost employment rates, strengthen productivity and lighten the burdens on the national budget. These reforms, together with a comprehensive financing law, a consolidated public and private consumption and a growing investment, would allow the country to have greater resilience in the face of an increasingly probable global slowdown.

In this order of ideas, it is of supreme importance that development banks such as Findeter fulfill their constitutive duties as an engine of development, especially in times of slowdown. The coming years represent a great potential for these banks to encourage investment that has been stagnating in recent years through greater access to finance. It is expected that through long-term infrastructure credits, they will accompany and strengthen the development of key sectors for growth, that are part of the productive and competitive transformation that the country needs and help to close multidimensional poverty gaps.

1.10 RELEVANT EVENTS

1.10.1 SIGNIFICANT EVENTS OCCURED DURING THE FINANCIAL YEAR 2018

The Board of Directors, taking into account its statutory power contained in letter c) of article 41 of the current Bylaws, unanimously approved the appointment of Sandra Gómez Arias as the new President of

the Financiera de Desarrollo Territorial S.A. Findeter replacing Rodolfo Enrique Zea Navarro, who held that position until November 7, 2018, assuming as President in charge, Fabián Elías Paternina Martínez, until November 28, 2018. The decision was contained in Minutes No.342 of 30 October 2018. The SFC authorized the possession of the new President as of November 29, 2018.

On December 7, 2018, an Extraordinary Shareholders' Meeting was held, contained in minutes 056, which had the purpose of appointing the first and fifth main lines of the Board of Directors. The appointees were: The position of the Technical Vice Minister of the Ministry of Finance and Public Credit, occupied by Luis Alberto Rodríguez Ospino in the first main line and the fifth by Juan Gonzalo Zapata, an independent member; On December 31, the process of possession before the SFC was in process.

1.10.2 EVENTS OCCURED AFTER THE FINANCIAL YEAR

In the session of the Board of Directors of January 29, 2019, the new organizational structure was approved, contained in act No. 346.

On January 28, 2019, Findeter, in conjunction with the Ministry of Finance and Public Credit, launched the "Reactiva Colombia" program, a strategy led by the National Government, which will allocate resources of \$ 1.35 billion to finance infrastructure projects in the country. This is an initiative to boost the economy and stimulate investment in sectors that the National Government has prioritized as potential drivers of development and employment generation and which are key to the development of the country in terms of infrastructure.

Reactiva Colombia integrates resources of the National Government through the Ministry of Finance and Public Credit (Compensated Rate) and ordinary resources of Findeter to structure a package to which the public and private sectors may access.

2 CORPORATE GOVERNANCE

2.1 COMPOSITION AND GOVERNMENT BODIES

In accordance with the provisions of Article 6 of Decree Law 4167 of 2011, the legal regime of the Financiera de Desarrollo Territorial S.A, Findeter, is private law and in any case will be subject to the regime of mixed economy companies not assimilated that of the industrial and commercial enterprises of the State, independently of the participation of public capital in its patrimony.

Next, the different organs of government of Findeter as well as their composition are described:

2.1.1 GENERAL MEETING OF SHAREHOLDERS

The shareholding composition of the entity as of December 31, 2018 was as follows:

Table 3. Stock composition as of December 31, 2018

Shareholders	Percentage%
Nation	92,5477
Departments	7,2036
IFINORTE	0,2487

2.1.2 BOARD OF DIRECTORS

The following is the conformation of the Board of Directors with a cutoff date of December 31, 2018 which was chaired by Ana Lucia Villa Arcila, conformation that was approved at the Ordinary General Shareholders' Meeting held on March 22, 2018.

Table 4. Board of Directors Structure on December 31, 2018

Board of Directors	
Ana Lucia Villa Arcila General Director of Fiscal Support MHCP	* Karen Cecilia Abudinen Abuchaibe High Presidential Adviser for the Regions DAPRE - Presidency of the Republic
* Sandra Milena Piñeros Calderon Advisor - General Directorate State Participations Ministry of Finance and Public Credit	* Judith Millán Durán General secretary Ministry of Housing, City and Territory
Eduardo Verano de la Rosa Governor of Atlántico	Carlos Eduardo Osorio Buitica Governor of Quindío
Cesar Negret Mosquera Independent Member Subdirector Territorial and of Public Investment – DNP	Francisco Estupiñán Heredia Independent Member Álvaro Rodríguez Pérez Independent Member

In accordance with the provisions of Findeter's Bylaws and its Code of Good Governance, the members of the main and alternate Board of Directors are elected by the Shareholders Assembly, for a period of two years.

* Sandra Milena Piñeros Calderón, (Second main line). Authorized possession before the Financial Superintendence of Colombia as of May 17, 2018

* Karen Cecilia Abudinen Abuchaibe (First Substitute Line) - Authorized possession before the Financial

Superintendence of Colombia as of October 4, 2018

* Judith Millán Durán (Second Substitute Line) Authorized for possession before the Financial Superintendence of Colombia as of October 18, 2018

The remuneration of the Board of Directors is established in Resolution No. 2536 of August 27, 2018 issued by the Ministry of Finance and Public Credit, and is equivalent to three (3) Minimum Monthly Wages Effective, per session, it should be noted that during 2018 no conflicts of interest were reported.

Participation of Board members in other Boards of Directors

*Cesar Negret Mosquera also participates as a principal member of the Board of Directors of Banagrario

* Álvaro Rodríguez Pérez also participates as an alternate member of the Board of Directors of Bancompartir.

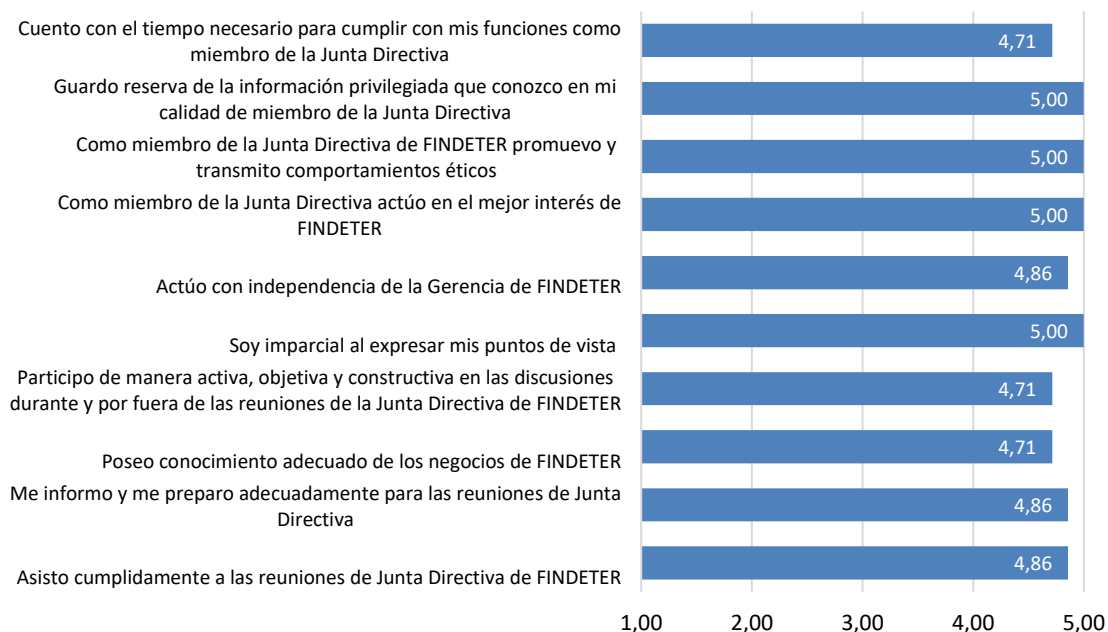
During 2018, 12 ordinary sessions of the Board of Directors and 2 extraordinary sessions of this collegiate body were held.

For more information on Annexes, see Table. Attendance Board Members 2018.

2.1.3 EVALUATION OF THE BOARD OF DIRECTORS

In compliance with good practices of Corporate Governance, the Board of Directors of the Entity carried out its self-assessment of the management performed as members of said collegiate body of Findeter during 2018. The evaluation was evaluated in a range of 1 (never) to 5 (always). The results of 7 completed self-evaluations are validated. The result obtained was as follows: in 40% of the questions, the members considered that their performance corresponded to the highest rating. The remaining 60% of the results were answered within a score range of 4.86 and 4.71.

Graph 7. Results of the evaluation of the Board of Directors of Findeter



2.1.4 SUPPORT COMMITTEES TO THE BOARD OF DIRECTORS

For the fulfillment of the functions of the Board of Directors, this collegiate body, according to the Code of Good Government, has the advice and support of the following committees:

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

This Committee supports the issues related to the control and improvement of the Internal Control System, it is also responsible for defining the structure and supervision of the operation of the Internal Control Systems of FINDETER.

The Audit Committee of the Board of Directors is composed of three (3) members of the Board of Directors, meets at least every three (3) months or with a higher frequency when the results of the Internal Control System evaluations warrant or when deficiencies are detected in this one that require the evaluation and urgent corrective or when there are significant changes in the policies of the Entity or in the regulations that regulate the operations of the same.

In the ordinary session of June 26, 2018 and contained in Act 337, the Board of Directors appointed the new members that make up the Audit Committee.

In 2018, the Committee met on seven (7) occasions: January 30, February 20, March 13, May 22, June 24, September 18 and December 10. Among its main activities are: Follow-up on the observations generated by the General Comptroller's Office; Follow-up to the activities carried out by the Office of Internal Control of Management - and Ernst & Young SAS.

The Committee was aware of the validation to the different systems: of Risks, Internal Control and the Internal Accounting Control System, and gave the recommendations for its sustainability and improvement.

The management of the Audit Committee was carried out through the permanent and active supervision of the functions and activities developed in order to establish adequate independence in relation to the activities that are audited, allowing the means to comply with the approved audit plan for the term.

For more information on Annexes, see Table. Audit Committee of the Board of Directors.

CORPORATE GOVERNANCE COMMITTEE

This Committee is a support body for the management of good governance of Findeter, which aims to recommend to the Board of Directors, systems for the adoption, monitoring and strengthening of best practices in the organization.

The Corporate Governance Committee meets three times a year and extraordinarily when convened.

In accordance with the decision of the Board of Directors of June 26, 2018 and contained in Act 337, the following members of the Board of Directors were appointed to participate in the Corporate Governance Committee composed of three members of the Board of Directors, two of which have the quality of independents. Below, its members and attendance during 2018 are detailed.

In 2018, three sessions will be held.

For more information on Annexes, see Table. Corporate Governance Committee.

For 2018 the Corporate Governance Committee in its first session appointed its President, it was informed about the main updates of this code approved by the Board of Directors in 2017, conformation, functions, the acknowledgments that the entity has obtained in matters of Government Corporate and the meeting schedule was established.

In the second session the self-evaluation proposals of the members of the Board of Directors and the evaluation of the President were approved, the IR recognition was socialized in which Findeter was positioned as one of the issuers with best practices in information disclosure and its relationship with investors Finally, the participation of Findeter before the Corporate Governance Institute was reported.

For the third session of Corporate Governance the closing of the Strategic Planning of the entity 2015-2018 was presented and the schedule of the Strategic Planning 2019-2022 was presented.

RISK AND ASSET LIABILITY COMMITTEE

During 2018, the Risk and GAP Committee was responsible for analyzing and defining policies and controls to support the Board of Directors in managing the Entity's risks. Among the main topics that were discussed are:

SYSTEM	TOPIC	Frequency
SARC	Analysis of Maximum Exposure Values (VME)	Biannual
	Behavior report of main Rediscount Intermediaries	Monthly
	Analysis of credit risk category	Monthly
	Portfolio and Investment Rating	Biannual
SARM	Value-at-risk behavior report	Monthly
	VME Utilization Report	Monthly
SARL	Performance report of the liquidity risk indicator	Monthly
	Internal Model of Liquidity Risk.	Monthly
	Early warning indicators.	Monthly
SARAS	Results and management perspectives SARAS	On Request
SARO	Operational Risk Events Report – EROS	Monthly
	SARO system performance report	Biannual
SGSI	Vulnerability scan	Annual
	Security incident management	Annual
	Social engineering test	Annual
	State Security projects	Monthly

It is formed by the President, who chairs it, the General Secretary, the Financial, Operations, Technical, and Risk Vice Presidents, as well as the Head of the Office of Internal Control of Management, with voice but without vote, and sits for at least once a month.

For more information on Annexes, see Table. Members and assistances of the Risk and Assets and Liabilities Management Committee.

COMITTEE OF THE RISK ADMINISTRATION SYSTEM OF MONEY LAUNDERING AND FINANCING OF TERRORISM SARLAFT

In order to fulfill the objective of this committee in advising the Board of Directors, during the year 2018, seven sessions were held in which said body was informed about the following activities:

- Review of the risks and monitoring of the evolution of the risk profile of money laundering and financing of terrorism (LA / FT).
- Monitoring the risk profile of the factors associated with ML / FT risks.
- Evaluation of the elements of the system which showed a state qualified as "optimal".

Updates to the Sarlaft manual, derived from audits of fiscal review and internal control of management.

For more information on Annexes, see Table. Members and assistances of the SARLAFT Committee.

2.1.5 MANAGEMENT TEAM

Table 5. Management Team on December 31, 2018

Management Team	
Sandra Gomez Arias President	Liliana Maria Zapata Bustamante General Secretary
Richard Orlando Martínez Hurtado Financial Vicepresident	Ramiro Augusto Forero Corzo Risk Vicepresident
Laura Patricia Román Pavajeau Comercial Vicepresident	Hilda Cristina Alzate Martínez Operations Vicepresident
Alejandro Callejas Aristizabal Technical Vicepresident	Saira Alejandra Samur Pertuz Planning Vicepresident

TRANSACTIONS WITH RELATED PARTIES (TPRS)

Within the welfare policies of Findeter and its model of Family Responsible Business, the Entity has for all its workers soft lines of credit for housing, vehicle, study, free investment and domestic calamity. In this way, during 2018, loans were granted to the Entity's executives for an amount of \$ 1,178 million.

No additional TPRS were reported.

For more information on Annexes, see Table. Internal Credits granted to Senior Managers of Findeter Year 2018.

2.1.6 EVALUATION OF THE PRESIDENT

In compliance with good Corporate Governance practices, the Board of Directors of the Entity performed the evaluation of the management of the President of Findeter, Rodolfo Zea Navarro, for the period between January 1, 2018 and October 31, 2018. The evaluation was evaluated in a range of 1 to 5, with 5 being the highest grade and 1 being the minimum. The result obtained was the following: 80% of the questions were rated with 5 by all the participants in the survey, the remaining 20% obtained as a result 4.75.

Graph 8. Results of the evaluation of the President of Findeter



The statutory functions of the President of Findeter are:

- Present an annual report on the Corporate Governance and the strategic planning of the company and the plans and programs for its compliance and follow-up on its execution to the consideration of the Board of Directors.
- Implement the strategies and policies approved by the Board of Directors related to internal control, corporate governance and risk management and ensure compliance.

2.1.7 CHANGES IN THE STRUCTURE OF FINDETER

The Board of Directors meeting held on June 26, 2018 and contained in Act No. 337 approved an amendment to the structure of Findeter, which aimed to change the name of the Management of Project Structuring to Investment Banking Management and that it depends on the Financial Vice Presidency. Likewise, the transfer of the Chief of Intermediation to the Vice Presidency of Planning, changing its name to Headquarters of Integral Urban Management, dependent on the Management of Sustainability and New Businesses, and the merger of the Headquarters of Portfolio and Normalization with the Headquarters of Origination. of Portfolio, converting it into the Credit and Portfolio Management, in charge of the Vice Presidency of Operations.

The areas of Legal Management and Contracting Directorate were also separated, thus achieving the specialization of each area in relation to its competences.

2.2 GOOD GOVERNANCE, ETHICS, INTEGRITY AND TRANSPARENCY

The Code of Good Governance of the Entity describes the values, policies, mechanisms and instruments, processes and best practices with which it directs, performs and manages its risks, under a control system that ensures transparency, efficiency, effectiveness, and in particular, the reliability of the stakeholders in the processes surrounding the institutional management. In execution of these guidelines and in accordance with the provisions of External Circular 028 of 2014 of the Financial Superintendence of Colombia, Findeter updated the Code of Good Governance to strengthen the organization, achieving the continuous improvement of its processes, strengthening the culture of the service and the established order through clear and precise rules that allow to obtain an integral control of the management.

Findeter sent the Financial Superintendency of Colombia the implementation report of best corporate practices corresponding to the 2017-Country Code Survey-, which is published on the Institutional website.

We have a Code of Ethics in which we set out the principles and commitments that govern the actions of managers and workers facing the different interest groups. Includes conflict of interest policies, which are managed according to the quality of the involved: board members, managers and workers with their respective bodies that determine the existence or not of the impediment.

In September 2018, the Colombian Stock Exchange (BVC) awarded Findeter the "Investor Relations IR Issuer" certificate for the third consecutive year, through which the compliance and implementation within Findeter of best practices in disclosure is recognized. of information to the market and relationship with our investors, being the only public bank that has such recognition, which implies that we are at the forefront of best practices in this matter, and places us within the list of most transparent issuers of the market . The

renewal of this certificate is an acknowledgment that we have been able to maintain the standards required by the BVC for four consecutive years. This distinction positions Findeter as one of the issuers with best practices in their relationships, as investors' confidence increases. local and foreigners in the Financial.

As members of the BVC IR program, since the first measurement we have significantly evolved in the strengthening of corporate governance, as evidenced by the ratings granted, 70% in 2016, 77% in 2017 and 89% in 2018, on a rating of 100%. This score obtained in the qualification of 2018, positioned us as the Issuer with the highest evolution within the 32 companies that have the IR program of the BVC.

We participate actively in the requirements of the program of the Presidency of the Republic called Active Anticorruption Companies, initiative led by the Transparency Secretary of the Presidency of the Republic, which seeks to raise the capacity of the private sector to identify and prevent acts of corruption. The foregoing, in accordance with the order of the Ordinary General Assembly of Shareholders of Findeter, held on March 22, 2018 and contained in Minutes No. 055. It should be noted that for the first time they were part of this group of companies, two with state participation, Colpensiones and Findeter, demonstrating that there is also a serious commitment by state companies to generate risk management systems for corruption and good business practices.

Finally, in November 2018 we linked ourselves to the Colombian Institute of Corporate Governance (ICGC), the main non-profit association in charge of promoting the development and adoption of the best Corporate Governance practices in the country, contributing to the improvement of the management and performance of organizations. The ICGC has the support of the International Finance Corporation (IFC) of the World Bank Group, which was part of its founding process, as well as with the support of other multilateral and cooperation organizations that play a key role in the development of the good corporate governance practices at the global level, such as the Development Bank of Latin America (CAF), BID Invest and the Swiss Confederation for Economic Cooperation and Development (SECO). Likewise, the Institute belongs to the Latin American Network of Institutes of Corporate Governance (IGCLA), through which joint initiatives are developed that promote the development of corporate governance at the local and regional levels. In this way, being part of the ICGC will allow us to continue with the strengthening of the corporate governance structure, as well as the strengthening of the best governance practices in our entity.

2.2.1 ETHICS AND GOOD GOVERNANCE

Findeter has a Code of Good Governance and a Code of Ethics, the latter is a tool of vital importance, it embodies principles and ethical commitments that govern the actions of managers and employees of the Entity in the face of different groups of interest and the country in general. Additionally, it seeks to generate transparency, trust, credibility, sense of belonging, respect, among other values and likewise, this behavior allows us to demand from citizens and our interest groups, in particular, the performance of

actions in accordance with our rules of conduct , when they intend to interact with Findeter.

This code introduces topics related to: Conflicts of Interest, treatment for gifts and invitations, sponsorships and donations, prohibition of participation in politics and financing of political campaigns, patrimonial control, obligation to report illegal or suspicious actions, and treatment to illegal or suspicious actions and sanctions among others.

In order to comply with good Corporate Governance practices, the Entity carried out several campaigns in 2018 of communication, awareness and training, around the issues of Ethics and Corporate Governance. The virtual training through the platform Findelearning was prepared for a total of 514 workers in plant and on mission. The Blue Day, a creative and innovative day, was also held, through which the importance of the Codes of Ethics and Good Government was reiterated, making the similar to the institutional "anchor" that stabilizes the Institution's position on "firm ground". , This activity was attended by 344 employees.

On the occasion of the World Soccer Championship we launched the game "Findegol", during which more than 45 questions were asked with different degrees of difficulty so that our collaborators, in a didactic and participative way, could appropriate the postulates of the aforementioned codes.

An evaluation was carried out for each area in which the knowledge acquired was evaluated with the campaigns carried out during 2018 on these subjects.

In the evaluation of the Code of Ethics, 409 people responded corresponding to 79.5% of the employees of the Entity; the average of the obtained qualification was of 8.7, being 10 the most obtained note, which was obtained by the 35.2% of the evaluated ones.

On the other hand, the evaluation corresponding to the Code of Good Governance was answered by 420 people, equivalent to 81.71% of the employees. The average of the obtained qualification was of 8.2, being 9 the most obtained qualification, which represents 29.2% of the evaluated collaborators.

By 2019, the virtual course will be used in the induction and reinduction stages for the employees of the Entity, and a learning strategy is projected through educational capsules using internal communication channels.

2.2.2 HUMAN RIGHTS IN THE ORGANIZATION

The Code of Good Governance of Findeter states that "As part of its Corporate Social Responsibility policy - CSR, Findeter is committed to the guarantee, promotion and respect of Human Rights (DD.HH.) in all its activities and with all its interest groups, contributing to the sustainable, fair and equitable development of Colombian society.

To achieve this, compliance with the following principles in their respective processes will be ensured.:

1. Guarantee, respect and promotion for human rights with all its stakeholders.
2. No discrimination based on race, sex, sexual orientation and political affinity.
3. Sustainable Environmental Management that does not compromise the resources of future generations with our present activities.
4. Respect for communities, especially minority groups.”

2.2.3 PREVENTION OF FRAUD AND CORRUPTION

Findeter aware that unethical behavior, or the commission of fraudulent acts could adversely affect the image of the Financial and therefore the achievement of corporate vision and goals, approved through its Board of Directors The Anti-Fraud and Corruption Program in which it is established the declaration of zero tolerance policy against fraud and corruption, the people responsible for the prevention, detection and investigation of the same; as well as a procedure for the treatment of the complaints that are presented. Additionally, it has a complaints system, which contemplates different channels through which Findeter employees, their customers, suppliers or third parties can inform the administration of the Financial Company of any fraudulent conduct..

The purpose of this program is to promote the highest ethical conduct among its directors, employees, customers, suppliers and other interested parties. Additionally, the risk map of fraud and corruption has been defined, as well as the controls that mitigate the probability of occurrence and the impact in the event of events of this type occurring. In 2018 the methodologies for identification, measurement, control and monitoring of risks were modified, aligning them with the "Comprehensive Risk Methodology" adopted by Findeter, management carried out through a technological tool, as well as the inclusion in the Program of warning signs for the prevention of the potential risks of fraud and corruption and dynamics were carried out aimed at workers, in order to exercise them in their identification.

On the other hand, it should be noted that for the event originated by the information provided through the media during 2017 related to alleged improper management of the Entity's resources, the vice-presidency of risks evaluated the following aspects to determine the degree of impairment to the financial:

Economic impact: No economic loss occurred.

Legal impact There is no official pronouncement by control bodies, nor sanctions associated with the alleged improper activity.

Reputational impact. No potential loss of customers, no loss of market confidence or image impairment due to exposure to public opinion, and external stakeholders were evident.

Operational impact There was no impact on the Entity's processes, nor on the generation of the products or the rendering of services.

For this case, the communication protocol before the media was activated and the situation was handled exclusively by the President and Communications Director.

Finally, it is important to point out that during 2018 there was no evidence that an event or alleged event of fraud or corruption within the Entity had occurred.

2.2.4 UNFAIR COMPETITION

Article 333 of the political constitution establishes the right to free competition as a right that every citizen has. The State, by mandate of the law, prevents the obstruction or restriction of economic freedom and controls any abuse that companies make of their dominant position in the national market.

The exercise of economic freedom implies free competition, this as all rights and freedoms within the framework of the Social Rule of Law, is not absolute, is limited by prevalence of general interest.

That is why economic agents are not legitimized to act arbitrarily in the market but must respect the rules established in order to protect free competition, allowing customers and users to have the possibility of obtaining various investment or consumption alternatives in the market, so that they can access, in a context of absolute transparency, financial products or services, with clear and objective elements of judgment, that allow them to choose the best options in the market and to make informed decisions.

Findeter as an entity supervised by the Financial Superintendence of Colombia, is concerned about not engaging in restrictive commercial practices of the free market and develops its credit activity subject to the rules and practices of commercial good faith, complying with obligations such as: making publications of the fees charged for the services and products offered.

Regarding the issue of unfair competition, it is important to analyze that Findeter's clients are the financial entities, who know the parameters established and authorized to access the operations carried out by the Entity. In consideration of this, it is not possible to configure the issue of unfair competition in front of the clients of the Financial Company that would be the Banks, since there is equality in the conditions to access the Findeter products, also taking into account that these are not they are final consumers.

On the other hand, when analyzing this aspect in front of other entities that are within the type of entities with a special regime such as Findeter, it is evident that a topic of unfair competition could not be configured, since each one of them develops its activities in accordance to its corporate purpose, which have also been approved by law, as in the case of Finagro and Bancoldex, among others, therefore they would not be competitors.

Findeter, in the development of its corporate purpose, has maintained full observance in not committing acts that could result in unfair competition, such as: Deviation of customers, acts of disorganization, acts of confusion, acts of deception, acts of discredit, acts of comparison, acts of imitation, exploitation of the

reputation of others, violation of secrets, induction of contractual breach and violation of norms.

2.2.5 EXERCISE OF INTERNAL CONTROL

The internal control system is conceived and organized in such a way that its exercise is intrinsic to the development of the functions of all the existing positions in the Entity, and in particular of the functions assigned to the managerial positions. Notwithstanding the foregoing, there are four bodies that help in the implementation, development and monitoring of internal control, namely:

- Office of Internal Control of Management,
- Audit Committee,
- Coordination Committee of the Internal Control System and
- Tax Inspection.

OFFICE OF INTERNAL CONTROL OF MANAGEMENT

The Office of Internal Control of Management has as a responsibility to carry out the systematic evaluation of the Entity, identifying successes and deviations, likewise it evaluates the existing controls verifying that they are sufficient and adequate. The results of the evaluations and verifications issue the recommendations aimed at strengthening the Findeter Internal Control System.

The Head of the Office of Internal Control is a public employee, appointed by the President of the Republic to whom he responds directly. For the fulfillment of its functions, it has a group of multidisciplinary professionals, with duly established procedures and methodologies. The findings and reports produced by the audits carried out are reported to the Presidency and General Secretariat of the Entity; likewise, the Chief in charge prepares the necessary reports requested by the Board of Directors and the entities of control and surveillance, that give account of the development of their function.

AUDIT COMMITTEE

Findeter has an Audit Committee which serves as support to the Board of Directors in making decisions related to the control and improvement of the Internal Control System. The Audit Committee is responsible for defining the structure and supervision of the operation of Findeter's Internal Control systems, in such a way that it can be established whether the procedures designed reasonably protect the Entity's assets, ensuring the transparency of financial information, and its appropriate use and acts in accordance with the provisions of External Circular Letter 029 of 2014 issued by the Financial Superintendency of Colombia, and other provisions that modify or replace them.

INTERNAL CONTROL COORDINATION COMMITTEE

The objective of the Internal Control Coordination Committee is to order the necessary actions to guarantee the articulated, efficient and effective functioning of the Internal Control System as established in Law 87 of 1993, Decree 648 of 2017 and other provisions that modify them, add or replace.

TAX INSPECTION

The Finance Company has a Statutory Auditor, appointed by the General Assembly of Shareholders for a period of two (2) years and may be re-elected for a longer period or removed at any time. It has an alternate, appointed for the same period. The Statutory Auditor must comply with the functions of Law, the bylaws and those that, being compatible with the above, are entrusted to him by the General Assembly of Shareholders or the Board of Directors. As of December 31, 2018, the Statutory Auditor of Findeter is the firm KPMG.

The Statutory Auditor in Findeter accompanies, watches over and attests to all the accounting and financial operations or acts of the Entity so that they are adjusted to the legal and statutory requirements and to the decisions of the General Assembly of Shareholders and the Board of Directors; must have full knowledge of the operations or acts of the Entity without any reservation; it is obliged to ensure the confidentiality of the information provided to it, it can only be communicated or denounced in the manner and in the cases that the regulations indicate.

2.2.6 ACCOUNTABILITY

On November 7, 2018, the Entity held its accountability event (<https://www.youtube.com/watch?v=emLI5HLrgE>) with the purpose of responding publicly to the citizenship for the missionary management carried out during the period from September 2017 to September 2018. This event was carried out through streaming through the website (www.findeter.gov.co) and social networks (on Twitter @findeter, Facebook fb. com / findetercol and YouTube channel: FindeterWeb.) through interviews between the President of Findeter, its main executives and representative validators of the interest groups.

These results are published in the following link (<https://www.findeter.gov.co/publicaciones/500064/participacion-ciudadana/>).

The result of streaming transmission and participation in social networks was the following:

- Reach 6.435 people

- 1940 plays
- 1273 reactions.

The main issues addressed in this accountability exercise were:

Strategic direction, legal regime, management model, acknowledgments, modification of the organizational structure and the main aspects of institutional management from the administrative, risk, financial, commercial and advisory points of view to integrated territorial development.

3 FINANCIAL SUSTAINABILITY

3.1 ECONOMIC RESULTS AND FINANCIAL MANAGEMENT

3.1.1 LEADING INDICATORS

The profitability indicators showed variations during 2018, the indicator "Gross Financial Margin (MFB) / Initial Equity" presented a decrease from 2017 to 2018 as a result of the positive variation experienced in equity, which grew by 5.4% in the last year. This growth was presented by the capitalization of profits and appropriation of reserves for 2017 that corresponded to \$ 52 billion pesos.

As for the return of the asset, it decreased 5 basic points with respect to the previous year as a result of the growth of the asset by 2.98% which contrasts with the variation of the profits before taxes that between 2017 and 2018 decreased by 1% . The profitability of the Patrimony, on the other hand, showed a positive behavior going from 4.81% to 4.96% in 2018. This behavior is explained by the growth of the profit of the year which had a variation of \$ 4.413 million (8%) standing at the close of 2018 at \$ 56,560 million pesos.

Table 6. Profitability Indicators

PROFITABILITY	dec-17	dec-18
Gross Financial Margin / Initial Equity	26,14%	22,77%
Utility A.I./ Average Total Employee (Roa A.I.)	1,01%	0,96%
Net Income / Initial Equity (Roe)	4,81%	4,96%

The efficiency indicators showed some fluctuations, in the case of the indicator "Administrative expenses / Operating income", its variation is mainly explained by the increase in operating income derived from exchange adjustment and derivatives coverage. In this case, it should be noted that administrative expenses had a decrease equivalent to 11.39%, which shows an appropriate policy regarding expenditure management.

The "Administrative Expenses / Gross Loan" indicator showed an increase in the share of expenditure over income equivalent to 3 basis points with respect to last year. On the other hand, as regards Expenses on the portfolio, this indicator stood at 1.70% at December 2018, a difference of 27 basis points compared to December 2017, as a result of the efficient administration of the expense during the period.

Table 7. Efficiency Indicators

EFFICIENCY	dec-17	dec-18
------------	--------	--------

Administrative expenses / Operating income	22.3%	22.0%
Administrative expenses / Gross portfolio	1.97%	1.70%

The solvency ratio went from 13.4% in September 2017 to 21.7% in December 2018, this behavior is justified in the issuance of Decree 1333 of August 2017 by the Ministry of Finance and Public Credit.

The issuance thereof was based on the guidelines contained in Basel III to define the solvency margin, specifically the calculation of assets weighted by level of risk. In said decree it was defined that rediscount operations should be weighted by 50% given that the risk of these is concentrated in commercial banks and not in the final beneficiary of the credit.

The decrease in the solvency indicator in 2018 is attributed to the increase in market risk during the month of December, this movement is justified in the behavior of hedges in dollars since the term thereof increased in relation to the previous year with an impact of this way in the calculation of the value at risk. For 2017 the derivatives closed in an average term of 275 days to an average devaluation of 2.84%, while for the year 2018 the average term increased to 455 days with an average devaluation of 1.84%.

Table 8. Solvency Indicator

EQUITY SUFFICIENCY	dec-17	dec-18
Basic Solvency Ratio	18.5%	18.3%
Total Solvency Ratio	23.6%	21.7%

Table 9. Main Financial Indicators

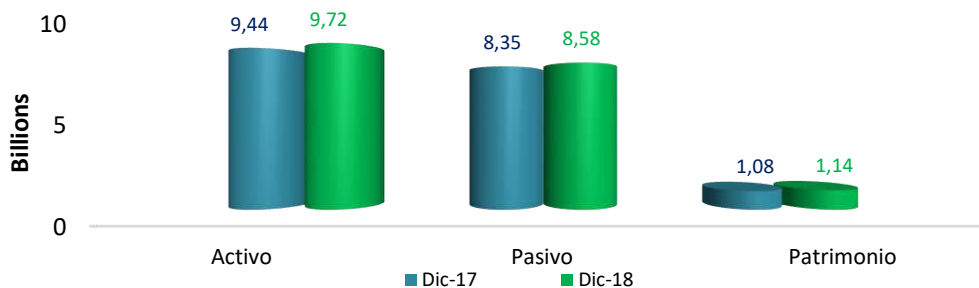
Main Organizational Financial Indicators	Dec 17	Dec 18	Var.
Total Assets (Billions)	9.43	9.72	3.0%
Total Liabilities (Billions)	8.35	8.58	2.7%
Total Patrimony (Billions)	1.08	1.14	5.26%
Total Net Profit (Million)	52,146	56,560	8.5%
Fundraising (Billions)	3.32	3.14	5.2%
Long Term National Bonds Qualification	AA+ (Col)		
International Bonds Qualification	BBB-		

3.1.2 BALANCE SHEET ANALYSIS

During the year 2018, the main balance accounts grew compared to 2017. The Entity's total assets stood at \$ 9.72 trillion pesos, growing 2.98% compared to the previous year, the liabilities on the other hand

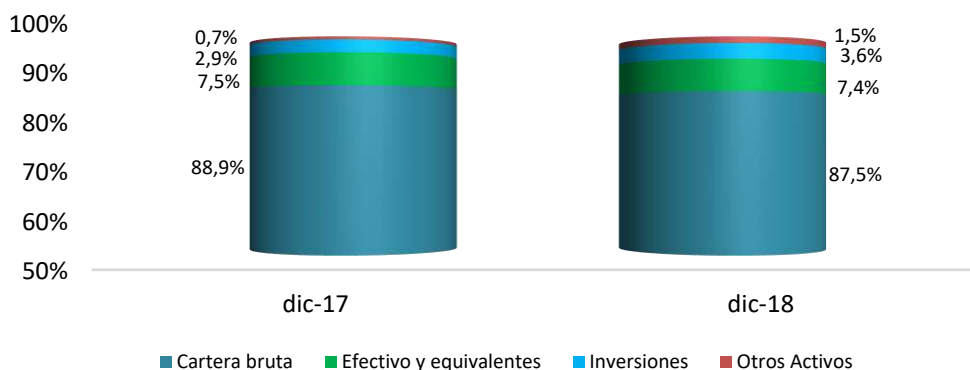
showed an annual variation of 2.69% closing the year at \$ 8.58 billion pesos and the equity increased by 5.20% reaching \$ 1.14 billion pesos.

Graph 9. Balance Sheet



In the case of the asset, the main items continue to be the portfolio with a participation of 87.54%, cash and its equivalents 7.39% and investments at 3.59%. Cash had an annual variation of -6.87% and closed the year at \$ 717,950 million pesos, complying with the liquidity indicator regulated by the Financial Superintendence of Colombia. As for investments, they grew 26.76% and ended the year at \$ 348,429 million pesos. During the year, the investment portfolio maintained a conservative profile favoring the liquidity of the Entity. Among the investments are TES, the private equity fund Ashmore, the title TER IPC B as a backup to the securitization of the portfolio carried out in 2016 with Titularizadora colombiana, a short-term bond issued by GM Financial Colombia, short-term CDT repurchased by Financiera to improve the maturity profile and investments in the National Guarantee Fund. The other assets are composed of money market positions, accounts receivable, property and equipment.

Graph 10. Asset Structure

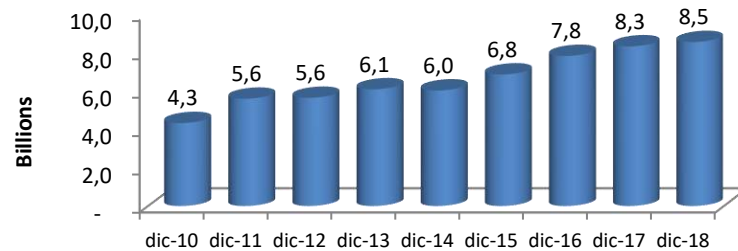


On the other hand, Findeter's portfolio grew 2.76% in the last year, standing at the end of December at \$

8.50 trillion pesos. This growth corresponded to \$ 228,152 million pesos, thus maintaining the positive trend of the last 5 years. It is worth noting that 63% of the rediscount portfolio corresponds to compensated rates and special lines.

During the year, resources were disbursed for \$ 2.26 trillion pesos, exceeding the commercial goal, which was \$ 1.90 trillion pesos.

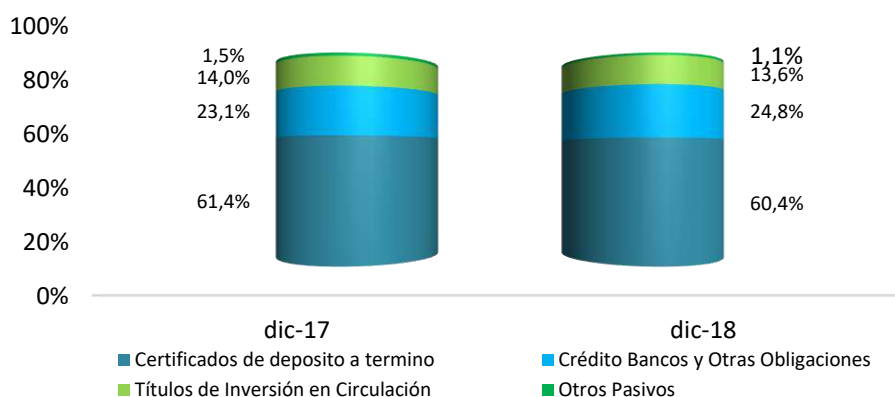
Graph 11. Gross Portfolio



Regarding the capital structure, the liability represented 88.26% and the Equity 11.74% at the end of 2018, within the liabilities the most representative item corresponds to term certificates of deposit with a participation of 53.35% equivalent to \$ 5.18 billion. of pesos showing a growth of 1.02% with respect to the previous year, generated by the emissions made which amounted to \$ 3.14 billion pesos. In second place of participation within the total liabilities were the financial obligations which represented 21.90% equivalent to \$ 2.13 billion pesos, the resources disbursed by the IDB to Findeter, which rose during the year, stand out in this category. to USD67.5 million as well as the resources disbursed by the KfW corresponding to USD10 million that led to the opening of a line with resources to promote projects focused on the use of sustainable energy.

Another important item within the liabilities corresponds to outstanding investment securities which represented 12.02% of the account, it is composed of 2 Bond issues, an international one made in 2014 for USD 500 million and another subordinated issued in 2017 for \$ 203,680 millions.

Graph 12. Liability Structure



As for the Equity of 2018, this had an annual variation of 5.2% equivalent to \$ 56,338 million as a result of the increase in profits compared to the previous period.

3.1.3 INCOME STATEMENT

Findeter's operating income during 2018 decreased by 10.16% compared to 2017. This behavior was mainly due to the behavior of the base interest rates, which had a downward trend during the course of the year. Within operating income, those relating to portfolio interest were reduced by 9.23% as a result of the expansionist policy promoted by the Banco de la República, which resulted in a decrease in the REPO⁴ rate in 50 PB⁵ from 4,75% in December 2017 to 4.25% for the same period of 2018. This decision ended up having an impact on the other market references as DTF⁶. On the other hand, inflation showed a downward behavior influencing the CPI⁷ indicator, which decreased from 4.09% in 2017 to 3.18% in 2018.

Then, the composition of the rediscount portfolio is discriminated (it does not include the portfolio of employees and former employees) according to its classification by type of rate. It is observed how the composition of this one changed in 2018, subtracting participation from the portfolio in DTF and increasing the amount of resources tied to the IBR and CPI. It stands out as the IBR indicator doubled its participation by increasing 13 percentage points compared to 2017.

⁴ Monetary policy intervention rate of the Banco de la República

⁵ Basic points of a rate

⁶ Fixed Term Deposit: Rate paid to savers, banks, savings and housing corporations, financial corporations and commercial finance companies

⁷ Consumer Price Index

Table 10. Composition of the Rediscount Portfolio by Rates

Rates	Balance 2018	Part.	Balance 2017	Part.
DTF	3,444,909	40.6%	4,388,922	53.3%
IPC	2,036,904	24%	1,830,660	22.2%
IBR 1 Month	1,761,990	20.8%	888,545	10.8%
IBR 3 Months	795,738	9.4%	579,209	6.3%
FJA	86,898	1%	97,488	1.1%
UVR	5,113	0.1%	19,838	0.2%
Ubor 1Month	22,605	0.3%	27,971	0.3%
Ubor 3Months	188,427	2.2%	273,744	3.3%
Ubor 6Months	142,425	1.7%	203,606	2.5%
TOTAL BALANCE	8,485,008	100%	8,237,983	100%

Figures in Millions of COP\$

With respect to operating expenses, it is important to delve into the net effect of derivatives and the difference in exchange registered to December 2018, which amounted to \$ 24,575 million pesos, which represents a 43% reduction in the impact on the PyG⁸ compared to December of 2017; This was due to the downward trend in forward devaluations⁹, which decreased from 2.8% to 1.8%; thus for 2018 the average annual devaluation was 2.45% with a balance of USD 322 million and 303 average trading days.

Regarding the disbursement generated by the Entity's sources of funding, it is found that the interest accrual of the Certificates of Deposit at Term (CDT) was reduced by 15.75% during the year, which is explained by the drop in the interest rates of the system to which these securities are tied, as well as to the reduction of the spreads¹⁰ required by investors.

On the other hand, interest on financial obligations increased by 7.68%, a situation that is justified by the

⁸ Profit and Loss Statement

⁹ Derivative financial instrument. Commitment between two parties to buy or sell an asset at a fixed price on a given date

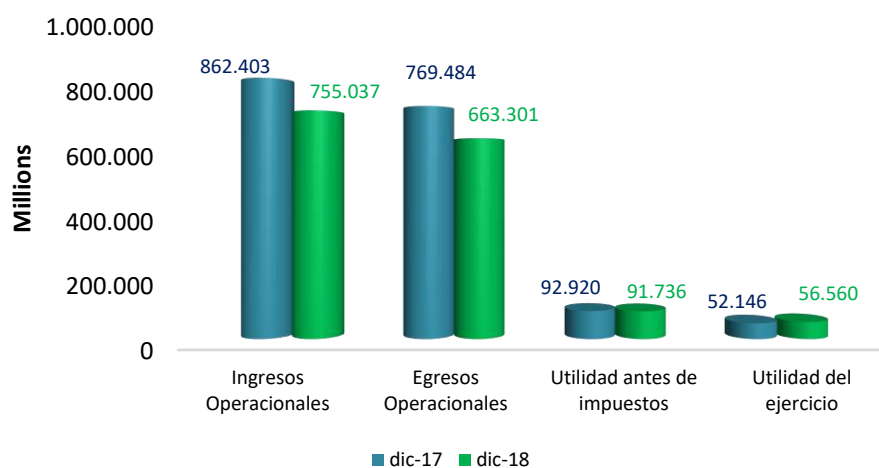
¹⁰ Difference between the demand and supply of a market; it also refers to the difference in profitability between one product and another that can be compared to

increase in the LIBOR¹¹ (London Interbank Offeret Rate), which went from 1.5% in 2017 to 2.5% at the end of 2018 impacting the interests of all the obligations contracted in dollars.

Profit before taxes decreased 1.27% during 2018, standing at \$ 91,736 million pesos. The Entity's operating income in conjunction with the decrease in income tax between fiscal years 2017 and 2018 allowed the year-end profit to reach a level of \$ 56,560 million pesos, which resulted in an annual variation of \$ 4,413 million compared to 2017, equivalent to a growth of 8.46%, constituting in this way the highest profits in the history of the Entity.

Finally, it is important to emphasize that the financial statements of the Entity were subject to audit by the fiscal reviewer whose opinion was positive and without qualifications about them. This revision includes the financial situation of Findeter, the results of its operations and its cash flows, all of the above in accordance with the accounting and financial information standards accepted.

Graph 13. Income Statement



3.1.4 RISK RATING

STANDARD & POOR'S

On December 14, 2018, the rating agency S & P published a press release ratifying the country's credit rating of "BBB-". The statement in that document indicates that the confirmation of the rating has been due to a complex economic situation worldwide, variations in the price of oil and locally to the effects generated by the elections of 2018. However, the firm emphasizes a high degree of confidence in the actions that the new government can carry out, especially in terms of reducing the fiscal deficit and leveling

¹¹ Interest rate determined by the rates that banks, which participate in the London market, offer each other for short-term deposits

the debt against GDP. The outlook remains stable, reflecting an expectation in the evolutionary strengthening of the country's fiscal and external profiles, and that the actions of the new national administration will successfully promote economic policies that promote a significant improvement.

Findeter's rating is completely linked to that granted to the nation. Thus, the statements of stability in the Colombian rating are immediately transmitted to the Financial. According to this precedent, Standard & Poor's reaffirmed the rating of "BBB-" with a stable outlook both for the Entity and for the international bonds issued in 2014.

FITCH RATINGS

The rating agency Fitch Ratings in 2018 confirmed Colombia's rating at "BBB" with a stable outlook. As stated by the agency, this rating is based on a history of caution and consistency of macroeconomic policies that in turn offer financial security. In addition, they point out a positive concept in relation to the actions that the new government can carry out, especially with regard to the financing law and the adjustment of the fiscal deficit. Among others, the projections of economic growth based on consumption, investment and infrastructure projects for 4G¹² also stand out.

Findeter's rating is aligned with that of the sovereign, reflecting the willingness and ability of the Colombian government to support the Finance Company if necessary. Additionally, Fitch considers Findeter as an important player of the State to finance part of the National Development Plan in regard to regional and urban infrastructure¹³.

Taking into account the above, Fitch Ratings affirmed Findeter's rating in 'AAA (col)' and 'F1 + (col)'; Stable Perspective (November 9, 2018):

- National Long Term Rating affirmed in 'AAA (col)'; Stable Perspective
- National Short Term Rating affirmed in 'F1 + (col)';

QUALIFICATION OF RISKS MULTIACTIVE ADVANCEMENT:

In 2017 Fitch Ratings affirmed the ratings for the series that make up the credit content securities issued by the universality TER IPC R-1 for COP 233,900 million:

¹² Source: "Fitch affirms the sovereign of Colombia in" BBB "; stable perspective ".FitchRatings. <https://www.fitchratings.com/site/pr/10052192>

¹³ Source: "Fitch affirms the sovereign of Colombia in" BBB "; stable perspective ".FitchRatings. <https://www.fitchratings.com/site/pr/10052192>

Table 11. Qualification Multiactive Titles

Serie	Qualification	Perspective
TER IPC A	AAA (Col)	Stable
TER IPC B	BBB+ (Col)	Stable

These ratings ratified by the Fitch agency were based on the quality of the securitized portfolio, the credit enhancement mechanisms, coverage, operational capacity, management of Findeter and the legal-financial structure of the transaction. Currently, only the TER IPC B R-1 is part of the portfolio with a present value equal to \$ 29,334 million as of December 2018.

RATING OF SUBORDINATED BONDS:

Fitch Ratings assigned the long-term rating "AA + (col)" to the issue of subordinated bonds¹⁴ which was finally carried out by Findeter with a value of \$ 203,700 million. This rating was lower than that of the Entity as it reflects its subordinated nature and the potential for a minor recovery with respect to senior liabilities in the event of default by Findeter or the liquidation of the latter..

RATING OF SUSTAINABLE BONDS:

The technical committee of Standard & Poors issued in August 2018 the long-term rating "AAA" to the issuance of sustainable bonds that the Entity plans to make in the beginning for \$ 400,000 million. This rating was supported by factors such as competitive business position, high levels of solvency, profitability, asset quality reflected in lower exposure to risk and a positive evolution in terms of the diversification of funding sources. These resources will be used exclusively to finance or refinance projects that contribute to mitigate climate change or have a positive social impact

3.2 BUDGET AND SOURCES OF FINANCING

3.2.1 BUDGET

The budget of the Entity's sources as of December 31, 2018 amounts to \$ 814,047 million.

SOURCES EXECUTION

As of December 31, 2018, it recorded an execution for a value of \$ 757,073 million, equivalent to 93% of

¹⁴ They are a financial instrument whose payment, in the event of liquidation of the Issuer, is irrevocably subordinated to the prior payment of the external liability of the Issuer. For these purposes, external liabilities are understood to be all the obligations borne by Findeter, with the exception of those recorded in equity accounts.

the current budget comprised of (1) Agreement and / or Program Income with an execution of 126%, for \$ 74,469 million, which originates for the collection of the technical assistance fees provided by Findeter, within the framework of the agreements signed with the Ministries. (2) Other Operating Income with 121% for \$ 18,291 million, consisting of: income from Trust Fees of Ch \$ 7,239 million and Commitment of Ch \$ 10,611 million and Other Commissions of Ch \$ 441 million. (3) Financial Income with an execution of 90% for \$ 663,877 million, which originated mainly: For the collection of interests of the active portfolio for \$ 441,218 million, Income for Derivatives¹⁵ \$ 60,953 million and collection of compensated rate \$ 132,800 million and other income \$ 28,906 million and (4) finally the value of \$ 436 million of withdrawals for other income.

Table 12. Source Execution

Sources	Budget	Incomes	Difference Execution	% Fulfillment
	Actual (1)	Year (3)	(4)=(1)-(3)	(5)= (3)/(1)
Financial income	739,494	663,877	75,617	90%
Income Agreements and / or Programs	59,196	74,469	(15,273)	126%
Other Operational Income	15,159	18,291	(3,132)	121%
Other Non-Operational Income	198	436	(238)	220%
Total Sources	814,047	757,073	56,974	93%

(figures in millions of pesos)

APPLICATION EXECUTION

Regarding the final execution of applications, this amounted to a total of \$ 666,287 million, which is equivalent to 82% of compliance with the current budget.

Within its chapters are highlighted: (1) Expenses of Taxes and Contributions: With an execution of 93% for \$ 30,097 million, (2) Financial Expenses with an execution of 79% for a value of \$ 519,982 million corresponding to: Cancellation of interest and commissions of obligations of credits of multilateral banking, Bonds and CDT for value of \$ 492,337 million, derivatives and investments for \$ 24,615 million and other financial expenses for \$ 3,030 million. (3) Operating and Administrative Expenses with an execution of

¹⁵ They refer to the operations Forward these are made in order to protect the entity from the risks associated with devaluation, the registration in income means that the liquidation of the contracts generate profit

93% for COP 116,208 million, which are necessary for the normal operation of the Entity.

Table 13. Application Execution

Application	Budget	Goal ¹⁶	Commitments	Uncommitted value ¹⁷	Current v / s Commitments
	Actual (1)	Initial (2)	Accumulated (3)	(4)=(1)-(3)	(5)=(3)/(1)
Financial expenses	657,214	662,883	519,982	137,232	79%
Tax and Contribution Expenses	32,251	34,888	30,097	2,154	93%
Operating and Administrative Expenses General	123,171	114,899	115,178	7,993	94%
Acquisition of Assets	1,411	1,377	1,030	381	73%
Total Applications	814,047	814,047	666,287	147,760	82%

(figures in millions of pesos)

3.2.2 FUNDRAISING

During 2018, Findeter managed to raise resources for \$ 3.10 trillion through CDT issuances, reducing the amount in relation to 2017 thanks to the diversification of sources with credits obtained from multilateral banking and a greater dynamism of the advance payments of the active portfolio. .

Direct emissions in the primary market reached \$ 1.98 trillion, in addition to the \$ 1.11 trillion in renewals, which demonstrates investor confidence in our debt securities.

Table 14. Comparative Findeter Fundraising 2017 -2018

Type	2017	% share	2018	% share	Var %
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¹⁶ Initial goal corresponds to the initial budget of the 2018 period

¹⁷ Uncommitted value is the balance available at December 31, 2018 that was left in each concept.

		by type of issue		by type of issue	
CDT Primary Emission	2.206.176	67%	1.984.960	64%	-10%
CDT renewal	860.191	26%	1.114.749	36%	30%
Bonds	203.680	6%	0	0%	-100%
Total general	3.270.047	100%	3.099.709	100%	-5%

Figures in Millions \$

In terms of the distribution by type of indicator, the issuances were led by those indexed to the IBR, adding 51% of the total to COP 1.6 trillion, thus accompanying the disbursements of the active portfolio; while the shares of CDTs indexed to the DTF, CPI and fixed rate were 20%, 17% and 12% respectively.

Table 15. Fundraising by Indicator Findeter 2017 -2018

Indicator	2017	% share	2018	% share	Var%
DTF	1.549.110	47%	617.814	20%	-60%
Fixed rate	209.155	6%	515.150	17%	146%
IBR	729.053	22%	1.581.864	51%	117%
IPC	782.729	24%	384.881	12%	-51%
Total	3.270.047	100%	3.099.709	100%	-5%

Figures in Millions \$

3.2.3 INVESTMENT PORTFOLIO

In 2018 the investment portfolio maintained a conservative profile, reporting low volatility in yields and favoring liquidity considering that the nature of these surpluses is temporary. The most recurrent investment has been concentrated in Colombian short-term sovereign debt securities (less than one year), improving the maturity profile and taking advantage of excess liquidity.

On the other hand, the participation in the Ashmore Private Equity Fund, corporate CDTs and the TER IPC B securities were maintained as a result of the securitization of the rediscount portfolio..

3.2.4 LIQUIDITY MANAGEMENT

The necessary liquidity resources were administered for the operation of the business and to be able to achieve the fulfillment of the disbursement goals, resources with which it was possible to timely honor the debt obligations, the administrative expenses of the Entity and the liquidity requirements demanded by the supervisory bodies. These surpluses were mainly managed in savings and interbank accounts with

establishments of good credit quality, seeking to rent above the levels of the monetary policy intervention rate of the Banco de la República (REPO rate).

3.2.5 HEDGE MANAGEMENT

Throughout 2018, coverage close to 100% of the foreign currency liabilities monetized through derivative instruments with the constitution of Forwards and natural hedge was maintained, which has mitigated the exchange rate risk in one year, which was characterized by turbulence in emerging markets. Thanks to the low levels of devaluation in Forward operations, the duration of the hedges was lengthened, thus contributing to reducing the cost of external borrowing in a scenario of rising international rates.

GOALS TO 2019

- Be the first issuer of Sustainable Bonds in Colombia; the placement will take place within the first semester of the year, with the approval of the Financial Superintendence of Colombia up to \$ 400 billion; these resources will be used exclusively to finance or refinance projects that contribute to mitigate climate change or have a positive social impact.
- Manage resources for \$ 3.13 trillion through issues of securities in the local market.
- To have a more dynamic investment portfolio, seeking the best possible return by forming an asset portfolio consistent with the risk profile, investment horizon and opportunity cost of the Financial Company.
- Findeter will continue the management and procurement of reimbursable and non-reimbursable technical and financial cooperation resources that will allow it to continue positioning itself as a development bank in the financing of resilient infrastructure, as well as the development of adaptation projects to climate change.

3.3 INTERNATIONAL POSITIONING

Findeter has managed to consolidate its international positioning through participation in international events, missions and training by our international partners and hosting visits from various countries.

During 2018 we participated in several events such as: Smart City in Curitiba, Brazil; III Regional Housing and Habitat Forum in Santo Domingo, Dominican Republic; 48 ALIDE General Assembly in Lima, Peru; Meeting of the Board of Directors of ALIDE in Lima, Peru; Colombian Investment Roadshow in London, England; Annual meeting of the IDB in Mendoza, Argentina; G20 and the Local Bank - Motor of Sustainable Societies, Buenos Aires, Argentina; Smart City Expo in Puebla, Mexico; Knowledge and Experience Sharing Program of Korea Water Resources, in Seoul, Korea; Board of Directors of the Green Climate Fund (GCF) in Bahrain, among others.

We were also at the Inter-American Forum of Microenterprise - FOROMIC, the second most important event of the IDB after its Shareholders Assembly, as Local Allied Institution 2018, which took place in

Barranquilla.

On the other hand, in January 2018 we participated in the Launch Event of the Prosperity Fund of the United Kingdom in Santa Marta, where we were accompanied by the British Embassy in Colombia.

It highlights the training given to 6 members of the Findeter team in China and Korea in the areas of journalism, development of governance skills, sustainable development, water resources, planning and management of infrastructure, banking and monetary administration.

It is noteworthy that during 2018 we received visits from banks and foreign governments with the aim of learning about the Findeter model. Some of these were: French Development Agency (AFD), Agricultural Development Bank (BFA), members of the IDB and SECO, Monitoring Mission of the IDB-GEF Cooperation, European Investment Bank (EIB), German Development Bank (KfW), Financial Development Agency Paraguay (AFD), GCF Mission in which Javier Manzanares accompanied us, Executive Director of the Fund, among others.

3.3.1 RESOURCES WITH INTERNATIONAL ENTITIES

CREDIT WITH INTERNATIONAL ENTITIES.

- In December, a loan contract for EUR 15 million was signed with the German Development Bank (KfW) to finance and promote projects in the Potable Water and Basic Sanitation sector.
- Disbursements of external credits for USD 77.4 million were made for the financing of construction and readjustment of roads, recovery and retrofitting of parks, improvement of housing, sports and recreational facilities, PCH (Small Hydroelectric Power Plants) and public lighting.

INTERNATIONAL NON-REFUNDABLE COOPERATION

The following non-reimbursable international cooperation resources were obtained:

In the framework of contract 068 of 2016 signed between the Presidency of the Republic, the Ministry of Culture and Findeter, in March 2018 Findeter and the Embassy of Japan initiated Phase II of the non-reimbursable cooperation with the signing of 4 agreements for the support in the construction of 4 Child Development Centers in Montañita, Anapoima, Tierralta and Yotoco, for a total of USD 336,666.

In January 2018, the Development Fund of Abu Dhabi, the Presidential Agency for Cooperation (APC) and the High Council for Early Childhood, Annex 1, were subscribed by Findeter, for an amount of USD 9.9 million for the construction and Equipment of Child Development Centers (CDI) within the framework of the "From 0 to Forever" policy, Findeter will take charge of the construction of the CDI.

The project is divided into 2 phases, phase 1 for USD 634,342 for the construction of the following CDI: San Pedro, Policarpa, El Doncello, Belén de los Andaquies, Teorama, El Paujil, Clemencia and Bahía Portete.

Phase 2 corresponds to USD 7.4 million for the construction of the CDI of Yopal, Condoto, Curillo, Mitú, Tibú, Aracataca and Palmira.

The German Development Bank (KfW) provided cooperation resources through a bidding agent, who in conjunction with Findeter defined the terms of reference for the contracting of a consultancy for the structuring of a risk identification matrix (operational, technical, environmental and social) of projects that could be subject to financing through credit focused on the drinking water and basic sanitation sector.

International non-reimbursable cooperation resources were successfully executed as follows:

- Embassy of Japan: All the resources of the 7 donation agreements of the two phases subscribed for an amount of USD 656,869 were executed for the construction of the CDI in Leticia, Apartadó, Tesalia, La Montañita, Anapoima, Tierralta and Yotoco.
- Low Carbon Resilient Development Program LCRD / USAID: Resources coming from the taxes of the North American citizens, which were executed for the contracting of the design, supply, installation and start-up of a solar photovoltaic generation system distributed over roof, linked to the local electrical network, at the Lorenzo Morales CDI Child Development Center, located in the Municipality of Valledupar - Cesar. 64 solar panels were installed, benefiting approximately 300 children, in order to reduce greenhouse gas (GHG) emissions and reduce operating costs associated with the energy service, since the panels contribute approximately 30% of the energy that demands the operation of the CDI.

CDI Lorenzo Morales – Valledupar



- In March 2018, the execution of the contract financed with the resources of the French Fund for the Global Environment (FFEM, for its acronym in French), by the JHER-DYGT-TTMA consortium to carry out the studies on creation and capture, ended. of value as a source of financing for Development Projects oriented to Sustainable Transport - DOTS, for a total value of EUR 350,000. These studies will serve as input for Findeter and local authorities to promote the development of this type of projects in the country.

We achieved the following advances of non-reimbursable international cooperation:

- NAMA Facility approved approximately € 14.7 million of non-reimbursable cooperation to the Entity. In December 2016, the contract between CCAP and Findeter was signed, which commits the entry of USD 1.3 million for the implementation of the technical component for the development of projects that seek to reduce greenhouse gas emissions and the development of a policy framework. public for Sustainable Development Oriented Development - DOTS. This component began its execution in 2017 and a total of USD 338,920 has been disbursed.
- Regarding the Financial Component, in October 2017 a separate agreement was signed between KfW and Findeter, through which a contribution of EUR 11.7 million is established for the implementation of the financial component, its execution began in 2017 and a first disbursement was received for EUR 1.7 million in 2018.
- In order to advance in the structuring of the ECOCASA program, which aims to create a financing program for the construction of energy efficient homes, with the support of KfW, Findeter received in June 2018, the visit of the consultant Dr. Rolf Hennes, who held meetings with different stakeholders to know the market of social interest housing and priority in the country, the experience of commercial banking and second floor in the construction of energy efficient projects, the expectations of the unions and additionally visit two housing projects in different climatic zones (Bogotá and Barranquilla) with the objective of having sufficient inputs for the structuring of the terms of reference for the hiring of the consultant who will structure the program for Findeter.
- In the framework of the implementation of the GEF "Financing Mechanisms for Investment in Energy Efficiency (EE) in Public Lighting, Promoting the Replacement of Low Efficiency Luminaries with LED Lights of Greater Efficiency", in April 2018 the Union was contracted Temporal Public Lighting Deloitte - Concol to define a methodology for technical, legal and financial structuring of public lighting projects in Colombia. Additionally, in November 2018, a consultancy was hired to identify and analyze the financial mechanisms that best suit Findeter's products and services, in order to establish, socialize and accompany their implementation to promote lighting modernization projects. public in Colombia.
- • Based on the resources managed by the Foreign and Commonwealth Office of the United Kingdom, in the framework of the execution of the Prosperity Fund in Colombia, during 2018 Findeter opened five contracting processes for three infrastructure projects, namely: studies and designs of the Strategic Public Transport System of Manizales; the studies and designs and supervision of the collectors immersed in the Mirobindo-Picaleña Water Sanitation Plan of Ibagué; and the studies and designs and supervision of the Master Plan for sewerage in the rural and urban towns of Valledupar.
- IDB-SECO: in 2018 progress was made in the structuring and approval of the issuance of sustainable bonds for up to \$ 500,000 million. Through these resources, the analysis and selection of the potential portfolio was financed, structuring the emission framework according to international standards. Additionally, the Second Opinion of the bond was contracted, which is an independent opinion on sustainability, eligibility and management of the sustainable bond issue, in accordance with the principles of Green Bonds and Social Bonds; it is issued by an external firm, in this case Vigeo Eiris. It is expected that this bond goes to the local market in the first half of 2019.
- Abu Dhabi Development Fund: the first construction phase of the Child Development Centers was executed in the following municipalities: San Pedro, Policarpa, El Doncello, Belén de los Andaquíes, Teorama, El Paujil, Clemencia and Portete Bay, executing in their total USD 634,342 destined for this activity.

Child Development Centers

San Pedro, Sucre

Policarpa, Nariño



El Doncello, Caquetá

Belén de los Andaquíes (Caquetá)



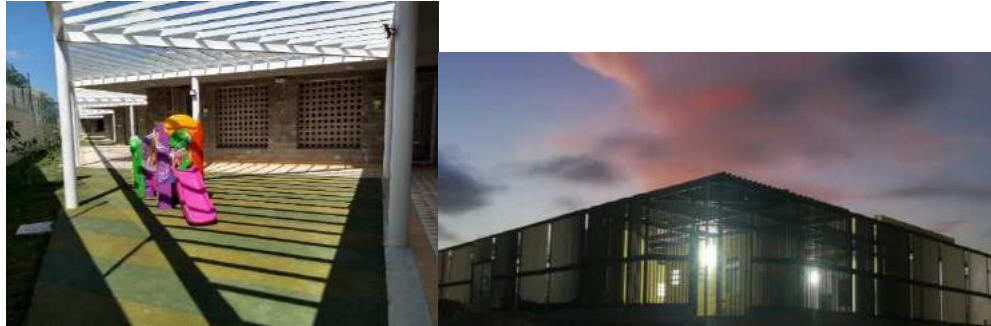
Teorama, Norte de Santander

El Paujil, Caquetá



Clemencia, Bolivar

Bahia Portete, La Guajira



3.4 ALLIANCES AND ASSOCIATIONS

3.4.1 ASSOCIATIONS

Currently Findeter is part of the following associations:

- Asobancaria
- Alide (Latin American Association of Development Banks)
- World Energy Council – WEC Colombia



3.4.2 ALLIANCES

Findeter currently maintains the following alliances and is linked to different initiatives such as:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Green Protocol of Asobancaria • Financial Committee of the National Climate Change System (Sisclima) • BEA Bogotá (Building Efficiency Accelerator) • Executive Committee of the Energy Cluster of the Chamber of Commerce of Bogotá • EUROPEAN UNION | <ul style="list-style-type: none"> • French Development Agency (AFD) • Inter-American Development Bank (IDB) • United States Agency for International Development (USAID) • Bank KfW • COFIDES (Spain) • Colombian Council for Sustainable Construction |
|---|---|

- Andesco – UPME (Energy efficiency award)
- Kingdoms of the Netherlands
- SPRI (Spain)
- United Kingdom
- WRI (World Resource Institute)
- National Council of Orange Economy
- Railway Mode Coordinating Committee
- Colombia Leader
- Reconciliation Colombia
- Ministry of Technologies and Information (Mintic)
- Ministry of Education
- Computers to Educate
- Real Madrid Foundation
- Revel Foundation
- Batuta Foundation

3.4.3 VOLUNTEER INITIATIVES AND COMMITMENTS

- Colombia Global Pact and the Global Network Pact
- UNEP Finance Initiative
- Active Companies Anti-corruption
- Colombian Institute of Corporate Governance



3.5 RISK MANAGEMENT

ACHIEVEMENTS AND HIGHLIGHTS

- The credit risk indicators were maintained at levels that place the Entity among the best in the financial system, for the cut the quality indicator of the entity was at a level of 0.03%, while the quality index of the sector is located at November 2018 at 4.85%.
- The risk culture expressed in the increase of the Operational Risk Events Report (RERO) was strengthened.
- We design our own methodology for strategic risk management.
- The own methodology for the management of project risks was implemented.
- The use of the Wynyard Risk Management (WRM) risk management tool was consolidated into focus groups.
- We implement revisions to the documents and procedures that the organization has and that are part of the SGI.
- Design and implementation of due diligence methodology to certify the Environmental and Social Risk Analysis (ARAS) of the FIs that comply with the policies, guidelines and standards of FINDETER's SARAS.
- Adjustment of FIRES and FARAS formats to align them with international standards.
- Strengthening the Information Security and Privacy Model and the integral management of its risks, through the implementation and improvement of security measures aimed at protecting and preserving the availability, integrity and confidentiality of information.
- Strengthening the information security culture.
- Definition of a model to evaluate the level of risk of cloud services to be contracted by the Entity.
- We made a diagnosis of the level of compliance with the EC 007 of 2018 of the SFC that establishes a series of minimum requirements for the management of information security and cybersecurity.
- We conducted an assessment of compliance with information security and cybersecurity guidelines for the Entity's critical infrastructure, aligned with the best practices established in international standards such as, ISO / IEC 27032, NIST Cybersecurity Framework, CIS Vs7 Center for Internet Security Center Version 7

3.5.1 RISK MANAGEMENT APPROACH

The purpose of risk management is to manage the various risks faced by the Entity in the execution of its activities. This implies the construction and implementation of policies, procedures and methodologies to identify, measure, control and monitor the risks, either by regulatory compliance or as a result of the voluntary adoption of good practices. For this, in Findeter we have a suitable human resource and adequate technological support.

Risk management is a key tool for generating trust, since it prepares the Entity to face the challenges associated with the fulfillment of its objectives, in order to protect the interests of the different groups involved in its management. For this we define the following risk systems:

3.5.2 FINANCIAL RISK SYSTEM

CREDIT RISK MANAGEMENT SYSTEM (SARC)

Given that the main line of business of Findeter is the rediscount and that, by virtue of this, the loan portfolio with a cut-off to December is 86.73% of the Entity's assets, it is essential to have a system such as the SARC.

During the reporting period the system had the following modifications:

- Implementation of a new policy which limits the concentration of the portfolio by financial group.
- Extension of the policies for the development of external audits in which the appropriate origination of rediscounted obligations is validated.

In 2018 the credit risk indicators were kept at levels that place the Entity among the best in the financial system, for the cut the quality indicator of the Entity was at a level of 0.03%, while the index of Sector quality is located at November 2018 at 4.85%.

With respect to the portfolio by rating, category A contains 98.88% of the Entity's total portfolio. It is important to mention that the portfolio classified in "E" is provisioned at 100%.

MARKET RISK MANAGEMENT SYSTEM (SARM)

Through the application of the SARM we identify, measure, control and monitor the market risk to which the Entity is exposed; that is, the risk of potential loss due to changes in the market risk factors that affect the valuation or the expected results of the active, passive or contingent liability operations, such as interest rates, exchange rates, indices of prices, among others. The value at market risk is estimated using the methodology suggested by the Financial Superintendence of Colombia (SFC).

Among the activities carried out is the estimation of the value at risk by means of the standard model. The result of the value at risk (VaR) at the end of 2018 was \$ 58,300 million, which represents 4.98% of the value of the technical equity (\$ 1,171 million in November) of FINDETER, which is below the limit established by the Board of Directors. it is 8%.

The monitoring of the volatility of investment prices is analyzed and reported daily to the front office, as well as the monthly results to the Risk Committee and GAP and to the Board of Directors.

LIQUIDITY RISK MANAGEMENT SYSTEM (SARL)

In the same sense as the SARM, from the management of the SARL we identify, measure, control and monitor the liquidity risk to which the Entity is exposed; that is, the risk of not having sufficient resources available to comply with our obligations or that we incur excessive losses due to the need to sell part or all of our assets for these resource needs.

Applying the standard model, for the closing of 2018 the IRL was of \$ 617,256 million for the band of 1 to 7 days and of \$ 565,824 million for the band of 1 to 30 days, which reflects that we maintain an adequate level of resources to comply with our obligations. Liquidity monitoring is carried out daily through a report to the treasury and weekly IRL projections, and an internal model is calculated monthly adjusted to the reality of Findeter's financial activity.

3.5.3 INTEGRATED SYSTEM OF NON-FINANCIAL RISKS

OPERATIONAL RISK MANAGEMENT SYSTEM (SARO)

Through SARO we manage the risk that the entity may incur due to deficiencies, failures or inadequacies, in human resources, processes, technology, infrastructure or the occurrence of external events, in accordance with the provisions in the regulations issued by the Financial Superintendence of Colombia (SFC).

Likewise, within the system we administer the Business Continuity Plan, which aims to establish the activities and contingencies that FINDETER must have implemented, in order to anticipate possible situations that compromise the correct functioning of the services offered.

RISK MANAGEMENT SYSTEM FOR MONEY LAUNDERING AND FINANCING OF TERRORISM (SARLAFT)

In Findeter we have implemented the SARLAFT, which includes the organizational infrastructure, policies, methodologies, procedures, and the adoption of controls that allow the mitigation of the risks that are generated through the risk factors associated with money laundering and financing of the terrorism.

Through the SARLAFT we manage identified risks in the processes that have activities related to the linkage of a third party related to Money Laundering and Financing of Terrorism (LA / FT) activities and to the operations carried out with Findeter. We also manage fraud and corruption risks that are associated with the contracting process and negotiations inherent to the Entity's financial activities.

The relevance of the SARLAFT system and the Antifraud and Corruption Program lies in the transparency and trust generated in the interest groups and in the population of the country in general regarding the actions of the Entity's employees, and also to preserve the image and reputation Of the same.

The indicators were within the ranges of the established goals.

- There was no evidence of fraud and corruption involving employees of the Entity.
- Members of the governing bodies to whom the anti-corruption policies and procedures of the organization were informed, 44 people equivalent to 100%
- Employees to whom the anti-corruption policies and procedures of the organization were communicated: Professionals and analysts: 177, assistants and secretaries: 14, corresponding to 100% in each category.
- Our Anti-Fraud and Corruption Program is published on the website of the entity, which is public consultation.
- In 2018 we had no confirmed cases of corruption.
- Nor were we involved in public legal cases related to corruption, filed against the organization or its employees during the reporting period.

ENVIRONMENTAL AND SOCIAL RISKS MANAGEMENT SYSTEM (SARAS)

Since 2015, in FINDETER we have a SARAS for projects and / or investments financed through rediscount credit lines.

Through the application of the SARAS, we identify, evaluate and control the environmental and social risks associated with projects financed by the Entity's resources, thus managing the reputational risk. The risk analysis is done in accordance with current Colombian environmental regulations and international standards such as those of the International Finance Corporation (IFC), from the perspective of a development bank.

In addition to the analysis of environmental impacts, the following aspects are also taken into account related to occupational safety, health and safety of the communities, management for land acquisition and involuntary resettlement, conservation of biodiversity and sustainable management of renewable natural resources, towns indigenous peoples, cultural heritage and human rights:

- Discrimination
- Gender equality
- Forced labor
- Fair labor compensations
- Freedom of association
- Complain mechanism for workers
- Child labor
- Health and safety at work (Decree 1076 of 2015)
- Affiliation to ARL, EPS, pensions

It should be noted that the Entity has not received fines or monetary penalties for non-compliance with environmental laws or regulations.

INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS)

Through the ISMS, we establish an Information Security and Privacy Model with guidelines, policies,

procedures, controls, roles and responsibilities to protect the Availability, Integrity and Confidentiality of FINDETER information.

It should be noted that we have not identified any substantiated claim received by third parties for leaks, theft or loss of customer data..

GOALS TO 2019

SARLAFT

- Review the segmentation methodology and achieve its migration to a technological tool.

ISMS

- Continue with the implementation and strengthening of security measures in compliance with the Security and Privacy Model of the Online Government strategy, the digital security policy of the National Government and the regulations issued by the SFC and control entities.
- Continue with security campaigns aimed at strengthening the information security culture of the Entity.
- Implement security controls aimed at mitigating risks associated with loss, inappropriate use, unauthorized disclosure and leakage of institutional or personal information of a reserved or classified nature that manage the different processes of the Entity.
- Include within the information security projects the action plans to meet the findings found in the reviews made to the EC 007 of 2018 of the SFC and in the audits carried out.

GOALS TO 2019

SARC

- Implement the Integrated Risk Management System (SIAR).
- Strengthen SARC reports through the Business Development (BI) tool
- Expand the scope of external audits to validate the correct constitution of guarantees by intermediaries classified in the lowest risk category.

SARM and SARL

- Strengthen the management of liquidity risks through additional analysis of the factors that relate to the structure of positions in the bank book.
- Implement the new regulations issued by the SFC on risk issues.

SARO

- Implement the new regulations issued by the SFC on risk issues.
- Train and educate employees about process risk management.
- Implement the methodology for the management of strategic risks as a tool for the decision making of Senior Management.

SARAS

- Align the SARAS in its entirety with IFC's performance standards.
- Strengthen SARAS analysis in human rights (inclusion and gender equity) and in aspects related to climate change.
- Continue leading the management of environmental and social credit risks in the financial sector.
- Analyze the possibility of conducting field visits in order to ensure the management and analysis of environmental and social risks.
- Identify potentials to apply the SARAS in the Assistance for Integrated Territorial Development (ADTI).
- Analyze the possibility of aligning the system with the Principles of Ecuador.
- Continue to strengthen and strive to automate the SARAS in a digital tool.

3.6 FINANCIAL STATEMENTS AND OPINION OF THE FISCAL REVIEWER

See annexes.

4 INTERNAL CONTROL

4.1 INTERNAL CONTROL MANAGEMENT APPROACH

The internal management audits were conducted with a structured and integral work approach, based on risks, leveraged in a methodology that allows to evaluate in each process the different components such as control environment, risk management, control activities, information and communication and monitoring, as well as the controls associated with accounting transactions and general technology controls.

4.1.1 INTERNAL CONTROL SYSTEM (SCI)

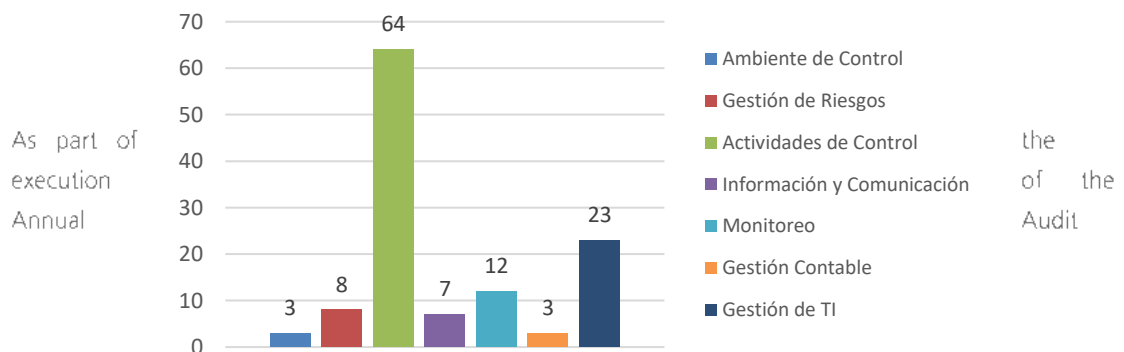
Findeter has implemented and developed within the organization the elements of the MECI, as well as the elements defined in part I, Title I, Chapter IV of the external circular 029 of 2014 issued by the Financial Superintendence of Colombia - SFC; However, in general, it has been suggested to the administration to continue identifying and evaluating the emerging risks to which the Financial Company could be exposed, considering the macroeconomic factors of the sector, the accounting and tax changes applicable to the Entity, and the legal aspects that can be generated as a result of the National Government programs administered by the Technical Vice Presidency and the Vice Presidency of Planning.

4.2 AUDITS

Results of the evaluations carried out on December 31, 2018, generated a total of 120 observations and opportunities for improvement, on which the action plans were established to strengthen compliance with the objectives of the Financial and the different control elements defined. in Part I, Title I, Chapter IV of External Circular 029 of the Financial Superintendence of Colombia - SFC.

The behavior of the observations and the opportunities for improvement generated by the control elements is presented graphically as well:

Graph 14. Control Elements



Plan, special audits and regulations were carried out in relation to:

1. Operational Risk Management System (SARO)
2. Risk Management System for Money Laundering and Financing of Terrorism (SARLAFT)
3. Market Risk Management (SARM) and Liquidity Management System (SARL)
4. Credit Risk Management System (SARC)
5. Independent evaluation of internal control
6. Consulting Contracts
7. Security of the information
8. Monitoring the Anti-Fraud and Corruption Program

The results were presented to the owners of the processes and action plans were defined to strengthen the system.

4.3 AUDITS OF THE INTEGRATED MANAGEMENT SYSTEM

During 2018, Findeter S.A., once again obtained its certification to the Integrated Management System (SGI), for a period of 3 years. The certification body that granted this certification was SGS.

4.4 AUDITS OF THE INTERNAL ACCOUNTING CONTROL SYSTEM

Based on the development of the 2018 audit procedures, it can be established that the Accounting Internal Control System of the Financial Company was carried out in accordance with the legal regulations and the accounting technique.

Findeter has the procedures and controls that allow the management of financial and accounting information and that apply the International Financial Reporting Standards accepted in Colombia, approved by the Board of Directors and the accounting principles for institutions supervised by the Financial Superintendence of Colombia.

In the audits of the Financial processes, the observations and opportunities for improvement identified were managed by those responsible for the process, who subscribed action plans aimed at strengthening the accounting management.

4.5 MONITORING AND IMPLEMENTATION OF ACTION PLANS

The Office of Internal Control of Management (OCI) carries out monthly monitoring of the action plans implemented by process owners as a result of the recommendations generated, for which a verification is carried out in the tool provided by the Entity (ISOLUCIÓN), verifying the timely fulfillment of the activities

through the corresponding supports.

Result of the follow-up to the one hundred and twenty (120) action plans generated for the 2018 term, it was observed that one hundred four (104) action plans are closed, two were rescheduled until April 15, 2019 and fourteen will be implemented during the first semester of the year 2019. Additionally, during the current year, forty-one action plans that were pending for 2017 were closed.

4.6 INTERNAL AND EXTERNAL REPORTS OF MANAGEMENT CONTROL

The Office of Internal Control of Management in the performance of the role "Relationship with External Entities" and as a dynamic component of the Internal Control System, during the year 2018, has elaborated, among others, the following reports and requirements of the Control Entities: Internal Accounting Control Report, Improvement Plan Report of the General Comptroller's Office of the Republic (CGR), Certifications Follow up Single System of Litigation Information of the Ekogui State, Integrated Planning and Management Model, Follow-up to the Anti-Corruption Plan and Citizen Services, Detailed State Report of Internal Control - Law 1474 of 2011, Follow-up on Petition Rights, Austerity Report on Expenditure. The preparation of these reports is regulated by the existing standards for this purpose, as well as their periodicity: monthly, bimonthly, quarterly, quarterly and half-yearly.

4.7 IMPROVEMENT PLAN OF THE COMPTROLLER GENERAL OF THE REPUBLIC

The Office of the Comptroller General of the Republic, based on the powers granted by article 267 of the Political Constitution, carried out a Financial Audit of Findeter's financial statements, effective as of 2017, which include: the State of Financial Situation, the State of Results, Statement of Other Comprehensive Results, the Statement of Changes in the Shareholders' Equity, the Statement of Cash Flows and the notes thereto, as well as the Budget Information.

The opinion of the Comptroller against Findeter's financial statements, is that they present reasonably in all material aspects, the financial situation as of December 31, 2017, and the results of their operations, in accordance with the principles and rules of accounting prescribed and adopted within the framework of the applicable financial information. On the execution of the Budget, the opinion is reasonable, since Findeter's budget was executed in all material aspects in accordance with the applicable regulatory framework.

Additionally, Findeter elaborated and signed the Improvement Plan, to correct the findings related to: the Project expansion of Charrasquero I and II tanks aqueduct network and Nariño distribution line in the Municipality of Girardot, of 7 proposed activities to correct 3 findings, 6 have been advanced, pending 1 due to meet on January 31, 2019. Progress: 86% and with plans, programs and projects with direct execution in the Buenaventura District. Valid 2013 to June 30, 2017, of the 9 activities proposed to correct

2 findings, 8 have been advanced, with 1 pending pending on January 31, 2019. Progress: 89%.

4.8 INTERNAL CONTROL COMMITTEES

4.8.1 AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

For purposes of establishing the general guidelines for the supervision, monitoring and improvement of the Internal Control System-SCI, as well as the process used to review the effectiveness of the SCI, and aspects related to Risk Management, the Audit Committee It was held on seven (7) occasions during the period, in the months of January, February, March, May, June, September and December 2018, of which the corresponding minutes were drawn up.

4.8.2 COORDINATION COMMITTEE OF INTERNAL CONTROL

The Coordination Committee of the Internal Control System of Findeter as a collegiate body to support the administration, and in accordance with the provisions of the applicable regulations, is responsible for ordering the necessary actions to ensure the articulated, efficient and effective functioning of the System of Internal Control and the SGI.

The Office of Internal Control of Management exercises the Technical Secretariat of this Committee, being responsible for the preparation, compilation and custody of the respective minutes. During this period, the Committee held three (3) opportunities: March, September and December 2018.

In the sessions held by the Committee, the Office of Internal Control of Management presented the results of the internal management audits and the follow-up of the action plans generated as a result of the improvement opportunities and identified observations, the adjustments of the administration manuals of risk of the Financial by the Vice Presidency of Risks, the follow-up to the improvement plan of the Comptroller General of the Republic and in general aspects for the strengthening of the Internal Control System.

4.9 DEVELOPMENT OF THE CULTURE OF CONTROL

The Office Internal Control in the development of its role "Promotion of the Culture of Control", developed activities of Self Control, aimed at raising awareness, awareness and empowering Findeter employees, who are responsible for evaluating and analyzing their own responsibilities and Controls that contribute to the continuous improvement in the fulfillment of the institutional mission.

The result of this activity was that Findeter has an Organizational Culture focused on the strengthening of

the Internal Control System and the continuous improvement.

GOALS TO 2019

- Delivery of results that generate added value for the improvement of process management, by aligning the audit approach with the strategic objectives defined by Findeter.
- Execute the evaluations presented as added value by the audit outsourcing such as a) Data Governance, b) Government, Risk and Compliance, c) Third party risk auditing and d) Red Team and Blue Team tests.
- Generate recommendations that consider preventive aspects for the achievement of the objectives and institutional purposes.
- Carry out comprehensive audits that identify opportunities for improvement based on leading practices and knowledge of the business to improve the effectiveness, efficiency and effectiveness of FINDER controls and processes in order to achieve the Entity's objectives. The above, directing the evaluations to the key controls of the processes and considering among others: key personnel, information systems, accounting and interaction with other processes and with the third parties involved.

5 COMMITMENT TO THE SUSTAINABILITY OF THE REGIONS

5.1 REDISCOUNT CREDIT

ACHIEVEMENTS AND HIGHLIGHTS

- Findeter met the goal of \$ 1.9 trillion pesos with approximate disbursements of \$ 2.26 trillion, reaching a 119% compliance. Eje Eje Cafetero, Caribe y Centro with more than 120% compliance in regional matters.
- Financing for universities through support for projects for university infrastructure, intended for construction, remodeling, provision, restoration, for a value exceeding \$ 557 billion.
- Addition of resources for Compensated Rate Sustainable Infrastructure.

Within the framework of Decree 1020 of June 14, 2018, which adds to Decrees 1460 of September 4, 2017 and 2048 of October 16, 2014, the rediscount line with a compensated rate of Sustainable Infrastructure was implemented in order to reactivate the national economy through the financing of investments related to studies and designs, construction, rehabilitation, maintenance, improvement, expansion, auditing, equipment and goods, in multiple sectors.

Amount: \$ 600 billion pesos

Thanks to the addition of these resources, it has been possible to impact the sectors with:

- ✓ Generation of new jobs through financing of infrastructure works.
 - ✓ Generation of new university places.
 - ✓ Construction of buildings of university laboratories.
 - ✓ Financing of equipment and land machinery for works of road plans.
 - ✓ Passengers mobilized in mass transport systems, multimodal and alternative.
 - ✓ Financing construction of transport terminals.
 - ✓ Change of lighting in public lighting in several municipalities and departments.
 - ✓ Financing of hospital beds and medical equipment.
 - ✓ Help for the expansion of medical coverage.
 - ✓ Tertiary roads
 - ✓ Financing of studies for aqueduct and sewerage systems.
- Management of the KfW special line for sustainable energy in May 2018. Findeter With the support of the German Development Bank (KfW), it is interested in promoting projects that use the technologies of Renewable Energies and Energy Efficiency in Colombia through credits for investments in this and to contribute to the global and national protection of climate, as well as to increase the quality and security of energy supply.

Value of the line: USD 82.5 million.

Projects to finance:

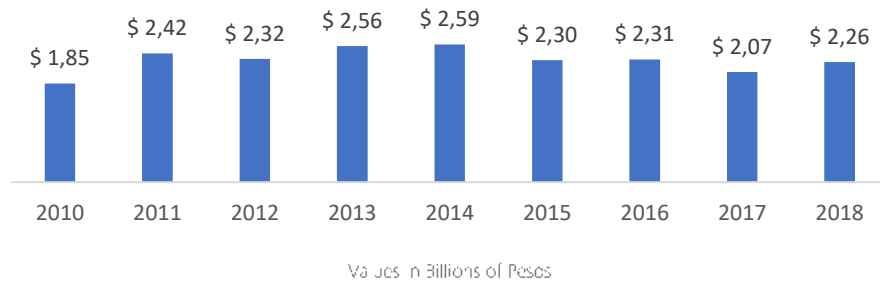
- ✓ Public Lighting projects.
- ✓ Small Hydroelectric Power Plants (PCH).
- ✓ Generation of energy through photovoltaic solar system.

5.1.1 TOTAL DISBURSEMENTS

By 2018, Findeter had a target of \$ 1.9 trillion for the placement of rediscount loans, which was

satisfactorily fulfilled, reaching disbursements of \$ 2.26 trillion, that is, exceeding the goal set at \$ 360 billion, equivalent to an execution of 119 % Of the same. Out of this total of disbursements, \$ 1.2 trillion for the private segment and \$ 1.05 for the public segment, represented in 192 projects in the national territory.

Graph 15. Disbursements 2010 – 2018

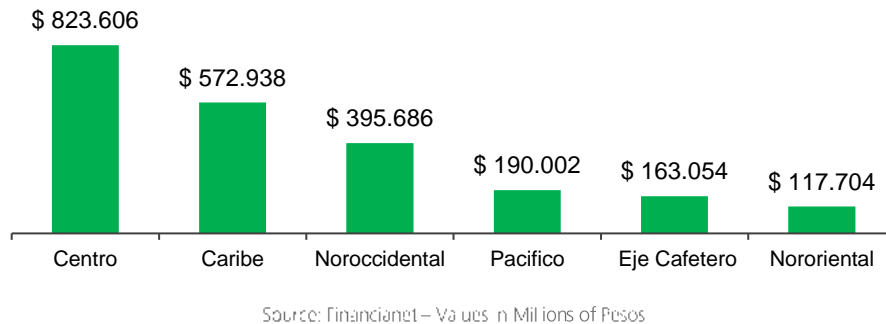


5.1.2 DESCRIPTION OF DISBURSEMENTS 2018

Disbursements by Regional / Zone

Of the \$ 2.26 Billion disbursed in 2018, it is highlighted that these resources were allocated to all regions of the country, thus helping the sustainable development of the Departments and Municipalities of Colombia.

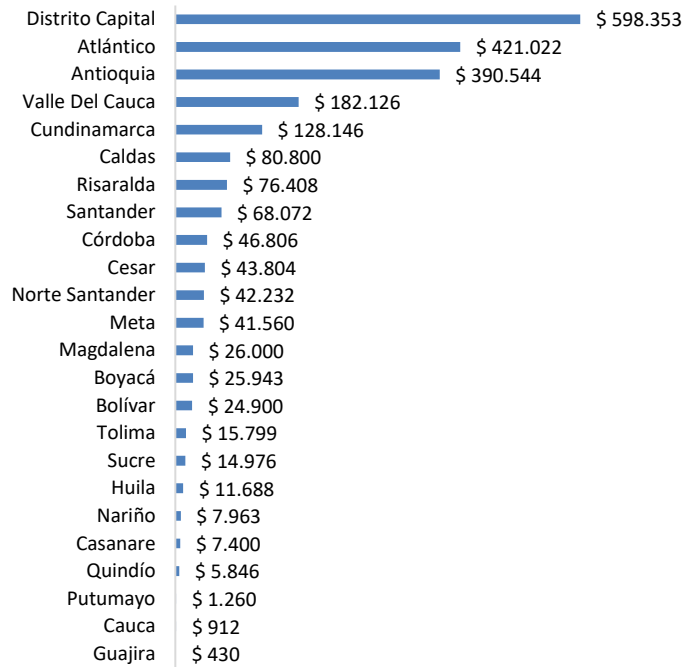
Graph 16. Disbursements 2018 by Zone



Disbursements by Department

In 2018, disbursements were made in 71 municipalities of 24 departments of the Colombian territory, covering 75% of the country in investments for infrastructure; More than half of the disbursements are concentrated between the departments of Atlántico, Antioquia and the Capital District. Findeter promotes, supports and finances sustainable projects throughout the Colombian territory to continue being the leading Development Bank and strategic ally of all regions.

Graph 17. Disbursements by Department

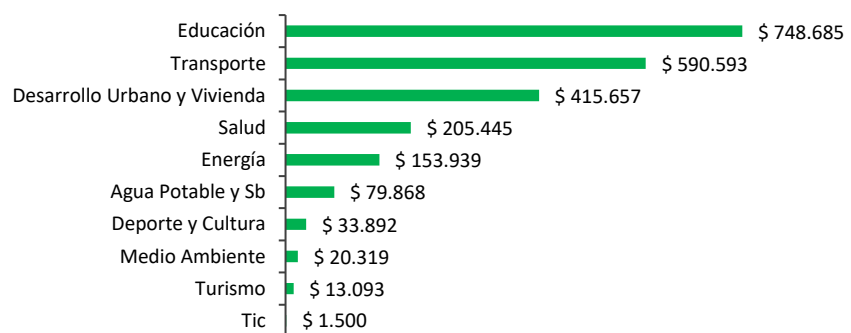


Source: Financianet – Values in Millions of Pesos

Disbursements by sector

We promote the strategic sectors of the country, financing projects that support the integral development of the regions to improve the quality of life of Colombians, the financing in 2018 has been reflected in 10 sectors, where education, transportation and Housing and Urban Development and health have the highest participation.

Graph 18. Disbursements by Sector



Source: Financianet – Values in Millions of Pesos

Disbursements by Intermediary

From January to December 2018, the most important intermediaries for Findeter were: Bancolombia with a 20.5% stake, consolidating itself as the main strategic partner, followed by Davivienda with 19.1%, BBVA with 17.4% and Banco de Bogotá with 16.5%.

Table 16. Disbursements by Intermediary

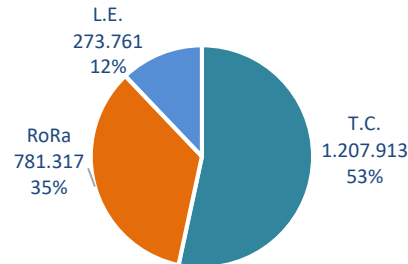
Intermediary	Amount	%Part
Bancolombia	\$ 464,784	20.5%
Davivienda	\$ 431,188	19.1%
BBVA	\$ 393,014	17.4%
Bogotá	\$ 373,619	16.5%
Sudameris	\$ 179,080	7.9%
Occidente	\$ 131,739	5.8%
Popular	\$ 113,253	5.0%
Colpatria	\$ 52,513	2.3%
Itaú Corpbanca	\$ 47,556	2.1%
Otros	\$ 76,244	3.4%
Total General	\$ 2,262,990	100%

Source: Financianet – Values in Millions of Pesos

The participation of Banco Davivienda is highlighted with disbursements of \$ 431,188 million and a variation with respect to 2017 of 105%.

Disbursements by type of resource

Graph 19. Disbursements by type of resource



Source: Financianet – Values in Millions of Pesos

In the previous graph you can see the participation of the resource lines in the run of 2018, which highlights the disbursements made by compensated rates that reach 53% for a total of \$ 1.2 billion.

Execution of Compensated Rates

Thanks to the different initiatives of the National Government, the Territorial Entities and Findeter, with the aim of promoting strategic sectors for infrastructure in the regions, in 2018 the Compensated Rates were disbursed as well:

Table 17. Execution of Compensated Rates

Compensated Rates	Amount	%Part
Inf Sustainable Dec. 2048	\$ 915,454	82.5%
Health Liquidity Dec. 1681 - T.1	\$ 115,393	10.4%
Water and SB Dec.1300 - T.2	\$ 74,991	6.8%
Higher Education Dec. 1722	\$ 3,480	0.3%
Meta Tourism	\$ 292	0.03%
Caldas Tourism	\$ 220	0.02%
Villavicencio Tourism	\$ 197	0.02%
Norte de Santander Tourism	\$ 114	0.01%
Huila Tourism - T.1	\$ 100	0.01%
Total	\$ 1,110,241	100%

Source: Financianet – Values in Millions of Pesos

The Compensated Rate Sustainable Infrastructure has been of great importance for the financing of infrastructure projects and social impact in projects such as:

- District of Bogotá: Financing of the aerial cable Ciudad Bolívar.
- Department of Caldas: Departmental development plan with emphasis on education.
- Department of Cundinamarca: Regiotram Project of the West.
- Department of Huila: Strategic public transport system.
- Department of Cesar: Construction and remodeling of parks.

Thanks to the different initiatives of the National Government, the Territorial Entities and Findeter, with the aim of promoting strategic sectors for infrastructure in the regions, in 2018 the Compensated Rates disbursed \$ 1.1 billion. Where Sustainable infrastructure decree 2048 has 82% of the total share, standing out for sectors like this:

- For education 56%
- For transportation 14%
- For health 13%
- For energy 7%
- For Urban development 2%

The other compensated rates had a management like this:

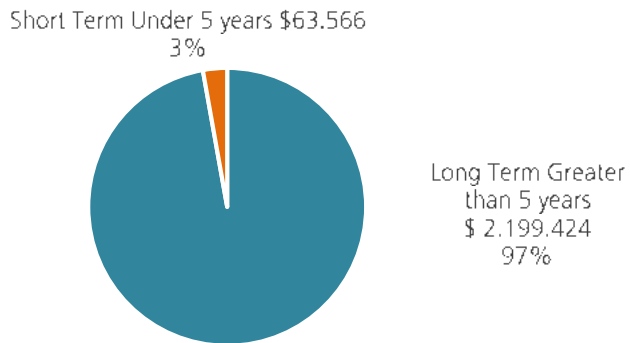
Table 18. Lines of Compensated Rate according to Sector

Sector	Inf. Sustainable Dec. 2048	Health Liquidity Dec. 1681	Water and SB Dec.1300	Others T.C.	Total	% Part
Education	621.608			3.480	625.088	56%
Transportation	157.484				157.484	14%
Health	29.661	115.393			145.054	13%
Energy	80.049				80.049	7%
Pot Water and SB			74.991		74.991	7%
Urb, Cons and Viv	26.651				26.651	2%
Tourism				923	923	0%
Total	915.454	115.393	74.991	4.403	1.110.241	100%

% Part	82%	10%	7%	0%	100%
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Disbursements for term granted

Graph 20. Disbursements for Term

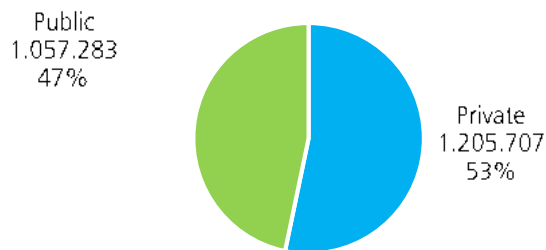


Source: Financianet – Values in Millions of Pesos

Findeter continues to position itself as a strategic partner with long-term disbursements, as shown by the graph, 97% of credit operations are granted to disbursements with terms longer than 5 years.

Disbursements by type of beneficiary

Graph 21. Disbursements by type of beneficiary



Source: Financianet – Values in Millions of Pesos

Regarding the disbursements by type of channel, we see how the majority are in the Private sector with a participation of 53%, for the public segment, the disbursements correspond to 47%.

It is worth noting the following projects:

- Financing of Projects subject to the development plan 2016-2019 Barranquilla Capital of Life for the Industrial, Special and Port District of Barranquilla for \$ 337,700 million.
- Construction of 8 mobility projects in the municipalities of Envigado, Sabaneta, Medellín, Girardota, Barbosa, Copacabana, Bello, Itagüí, Sabaneta, Caldas and La Estrella. Among these are bike paths, road interchanges and administrative centers for the Metropolitan Area of Valle de Aburrá worth \$ 93,000 million.
- Regiotram Project of the West for the Department of Cundinamarca for \$ 88,900 million.
- Construction and rehabilitation of the Remedios - Caucasia highway for Autopistas del Nordeste for \$ 49,672 million.
- Financing of the investment plan for the Caldas Hydroelectric Plant for a total of \$ 43,000 million.
- Investment and improvement project at the Barranquilla airport for the Airport Group of the Caribbean for a total of \$ 42,500 million.
- Construction projects and remodeling of parks in Valledupar for the Department of Cesar for \$ 42,303 million.

Disbursements in Municipalities PDET (Territorial Approach Development Program).

According to the PDET prioritization of the 170 municipalities prioritized by the National Government within the post-conflict, Findeter disbursed resources in 10 of these municipalities, reaching areas of interest to the National Government.

Percentage of participation of disbursements in PDET municipalities according to the total disbursed: 5%

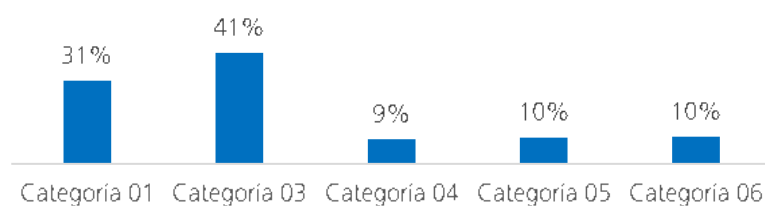
Table 19. Percentage of participation of disbursements in PDET Municipalities

PDET Municipality	Private	Public	Total General
Valledupar		\$ 43,804	\$ 43,804
Santa Marta		\$ 17,000	\$ 17,000
Buenaventura	\$ 15,744		\$ 15,744
Caucasia	\$ 10,385		\$ 10,385
Apartado	\$ 9,707		\$ 9,707
Aracataca		\$ 5,000	\$ 5,000
María La Baja		\$ 2,500	\$ 2,500

Carepa		\$ 1,530	\$ 1,530
Fundación	\$ 1,200		\$ 1,200
Dibulla	\$ 430		\$ 430
Total General	\$ 37,466	\$ 69,834	\$ 107,300

Source: Financianet – Values in Millions of Pesos

Graph 22. Participation of disbursements according to the PDET municipality category



Additionally, the fiscal support service was provided to 7 municipalities within the PDET in 2018:

- Chigorodó – Antioquia
- Valledupar – Cesar
- Tierralta – Córdoba
- Fonseca – Guajira
- Aracataca – Magdalena
- Ciénaga – Magdalena
- Chaparral – Tolima

With this management, Findeter contributes to post-conflict issues and society which allows finding business opportunities that imply development and improvements for all regions, especially those that need more social support.

GOALS TO 2019

- Disbursements for: \$ 2.38 trillion pesos.
- Reactiva Colombia financing program: Findeter makes REACTIVA COLOMBIA available to public and private entities in order to generate renewable energy solutions, increase energy efficiency, boost infrastructure in water and basic sanitation, recover secondary and tertiary roads, promote cultural and creative industry and the financing of projects in the social sectors such as health, education, environment, culture, recreation and sports, among others.

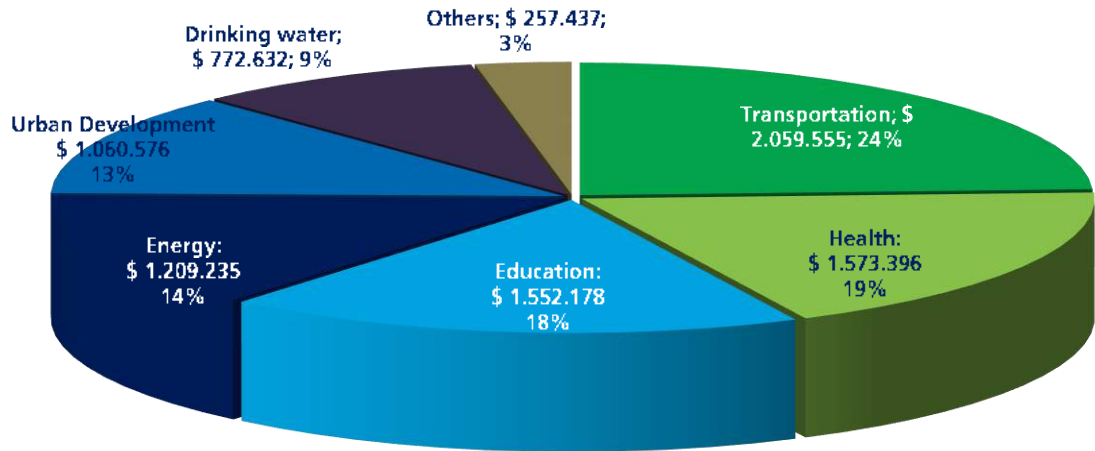
This program is composed of 4 lines:

- Line 1: Bankable sectors - Transport, Urban Development, Health, Education, Sports, Recreation, Environment, Orange Economy and Cultural and Creative Industry.
- Resources: \$ 450,000 million.
- Line 2: Sector - Water and Basic Sanitation
- Resources: \$ 350,000 million.
- Line 3: Projects in Energy Efficiency - Generation, Transmission, Distribution and Marketing and Renewable Energy.
- Resources: \$ 300,000 million.
- KFW - Energy Line: Public lighting projects, Small Hydroelectric Power Plants (PCH): With generation range between (3 MW - 19.9 MW), Generation of energy through solar photovoltaic system with a minimum capacity of 2 MW.
- Resources: \$ 250,000 million.
- Addition of resources for the Health Compensation Rate Decree 1681 of 2015: This addition of resources will allow to continue participating in the health sector, granting liquidity, sanitation of liabilities and working capital to Health Services Providers - I.P.S.
Resources of the line: \$ 96,860 million.

5.1.3 REDISCOUNT PORTFOLIO

The most important item in the Entity's assets is the rediscount portfolio; Below is how it is distributed at the end of 2018:

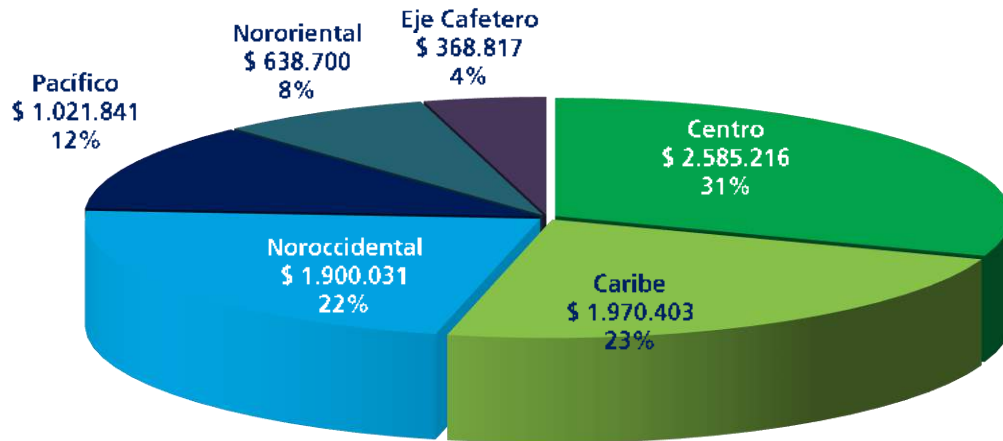
Graph 23. Portfolio Findeter by Sectors



The Transport, Health, Education, Energy, Urban Development and Water sectors represent 97% of the total portfolio, within these sectors projects for:

- Development plans.
- Departmental road plans and road construction.
- Investments for mass transport systems.
- Universities
- Small Hydroelectric Plants.
- Investments for clinics and hospitals.
- Debt substitutions.

Graph 24. Portfolio Findeter by Regionals



The Regional Center has the highest percentage of participation with 31% of the total portfolio followed by the Caribbean and Northwest with 23% and 22% respectively. In these regionals they have important beneficiaries like:

- Bogota Capital District.
- Universidad de los Andes, Javeriana, El Bosque.
- Departament of Cundinamarca.
- Special, Industrial and Port District of Barranquilla.
- Department of Cesar.
- Airport Group of the Caribbean.
- Hospital Pablo Tobón Uribe.
- Luzma Generator.
- Metropolitan Area of the Aburrá Valley.

5.2 INTEGRATED TERRITORIAL DEVELOPMENT

5.2.1 PLANNING OF THE TERRITORY

The planning programs at the local level are focused on building a long-term vision, which involves sustainability criteria and the closing of social and economic gaps through a methodology of diagnosis, prioritization and identification of strategic projects that define a roadmap for the cities; These are the programs of Sustainable and Competitive Cities (15 cities), and Emblematic Cities (29 cities).

At the supra-municipal level we have developed initiatives to accompany municipalities with urban planning methodologies to an expanded and adjusted version for supra-municipal territories such as Sincelejo-Corozal (Sucre) and Cúcuta with its Metropolitan Area (Norte de Santander), adding 8 cities under this Sustainable and Competitive Cities methodology adjusted. Likewise, the Territory of Opportunities program promotes the definition of a territorial economic development strategy and the accompaniment in the formulation of the Plans of Departmental Ordering (POD), an instrument that promotes the articulation and harmonization of national and municipal bets.

PLANIFICACIÓN LOCAL

ACHIEVEMENTS AND HIGHLIGHTS

- New Action Plans were finalized in the cities of Cartagena, Ibagué, Neiva, Popayán, Rionegro, Riohacha, Chinchiná, Villanueva and Anapoima.
- The Cartagena, Ibagué, Neiva, Rionegro, San Bernardo del Viento, Anapoima and Villa de Leyva Action Plans were incorporated into the Action Plans promoted by the National Government and Unicef of Territories Friends of Children- TAN.
- They were delivered:
10 action plans in Cartagena, Ibagué, Neiva, Popayán, La Calera, Chinchiná, Lorica, La Dorada, Barrancabermeja and Aracataca.
The structuring of Budget and Tax Statutes and Control and Collection Regulations for the municipality of Chinchiná and its study of Rural Aqueducts.
The baseline studies of vulnerability to climate change, Inventory of Greenhouse Gases and Growth of Urban Footprint to the municipality of Rionegro.
Findeter accompanied the formulation of the Basic Land Management Plan of Villa de Leyva and Anapoima.
- We are in the final stage of formulating two action plans: Villa de Leyva and San Bernardo del Viento.
- The Emblematic Cities 2.0 strategy was structured, which seeks to offer municipalities an integral solution for the planning and management of their territory.
- The formulation of an action plan began under the new Emblematic Cities 2.0 strategy: Puerto López.
- The methodology of the base studies for municipalities with a population of less than 100,000 inhabitants was adjusted.

Findeter, in partnership with the Inter-American Development Bank (IDB), implements the Sustainable and Competitive Cities (CSC) program in Colombia. The objective of the program is to identify, validate, prioritize and support the implementation of strategic and transformative interventions in the short, medium and long term, in the intermediate cities of the country with the purpose of promoting their sustainable development. Likewise, Findeter implements the Emblematic Cities Program (CE), which adapts the CSC methodology to the context and challenges of smaller municipalities, in which the reduction of social gaps is sought in order to potentiate the territory in accordance with their vocations.

Sustainable and Competitive Cities - CSC

The program that consists of three stages - Planning, Prioritization and Execution - covering four major dimensions (environmental, urban, economic and social and fiscal and governance), seeks to be an articulator of national policies on housing, water, education, mobility, environmental issues, public management, among others. Thus, upon completing the initial stages of the methodology, an Action Plan

framed within the dimensions studied is delivered as a result in order to promote the sustainable development of the cities and increase the competitiveness of the region. Thus, the subjects of territorial ordering, urban and regional planning and the institutional impulse for urban development, planning and provision of drinking water and basic sanitation services, have been identified as essential to provide assistance in the execution of specific projects, all under the diagnoses that are developed in the cities.

To date, at local level¹⁸, we have fifteen (15) participating cities: Barranquilla, Bucaramanga, Manizales, Pereira, Montería, Pasto, Santa Marta, Valledupar, Villavicencio, Cartagena, Neiva, Ibagué, Popayán, Riohacha and Rionegro.

Emblematic Cities - CE

The mission of the CE program focuses on closing inequity gaps and supporting its planning and development processes. The methodology focuses on four (4) dimensions of sustainability: i) Environmental ii) Urban iii) Socio-economic iv) Fiscal and Governance, which are disaggregated into different topics of relevance for each of the dimensions. In addition, the planning instruments existing in the cities and the available information produced by the different territorial and national entities are taken into account.

To date, at an urban scale, we have twenty-nine (29) participating cities: Galapa, San Gil, Tumaco, Buenaventura, Sabana Centro (11 Municipalities^{19,20}), Magangué, Quibdó, La Dorada, Aracataca, Barrancabermeja, Santa Cruz de Lorica, La Calera, Chinchiná, Villanueva, San Bernardo del Viento, Anapoima, Villa de Leyva and Puerto Lopez.

REGIONAL PLANNING

We execute supramunicipal planning processes (agglomerations, associations of municipalities, departments and regions) for the design and implementation of programs and / or strategies for local economic development and urban-rural planning, looking for each program or project to have a dialogue with the territorial actors (public sector, academia, productive sector and civil society), which allows to leverage ambitious processes, medium and long term for the development and well-being of the inhabitants, with a field-city and city-region vision. The programs and strategies are framed under two main pillars: territorial competitiveness and territorial ordering.

¹⁸ At the supramunicipal level there are 8 participating cities.

¹⁹ This strategy was built from a retrospective exercise of our work in recent years, to collect the lessons learned and through a prospective that sought to adjust to the new needs that the territories were demanding.

²⁰ Gachancipá, Chía, Cajicá, Cogua, Cota, Nemocón, Sopó, Tabio, Tenjo, Tocancipá and Zipaquirá.

ACHIEVEMENTS AND HIGHLIGHTS

- The following were finalized: the Sincelejo-Corozal Action Plan, the Competitiveness Study in the municipality of Rionegro and the definition document of the territorial visions of three agglomerations, and 7 or urban axes defined by the Cities System Mission; 1) Eje Caribe, metropolis of the sea; 2) Eje Montería - Sincelejo; and 3) Riverside Municipalities.
- The CSC methodology was structured for its applicability in supramunicipal regions, as a pilot in the Metropolitan Area of the municipalities of Cúcuta, Los Patios, Zulia, Villa del Rosario, San Cayetano and Puerto Santander.
- The Departmental Planning Plans of Santander and Atlántico were structured and formulated.
- The first stage of enlistment of POD Santander was formulated.
- The formulation and diagnostic stages of Atlantic POD were developed.
- In the framework of the FINDETER - PRODECO contract, at the end of 2018 we delivered the results of the exploratory stage, which succeeded in identifying the following: i) initiatives, plans, projects and / or documents regarding economic reconversion; ii) conceptualize a development option that is pertinent to the conditions of the territory, for which alternative economic development was proposed, iii) identify lessons from similar cases in other countries, and iv) conduct an analysis of the use of the infrastructure.
- The study of growth and evolution of the urban footprint for Bogota Region, which make up 17 municipalities of Cundinamarca and Bogotá Capital District, was delivered. Study that seeks to identify and characterize the physical and economic dynamics of growth and concentration, and to constitute a technical support tool that allows the territorial entities to articulate and direct efforts in the planning of their growth and development policies, taking into account the structure ecological and mobility infrastructure needs, public and social services at the regional level.

Territorial Competitiveness

The pillar of Territorial Competitiveness can be defined as the capacity of local actors to act together and create links between sectors, integrating economic, social and environmental components in the territory, which allow maintaining the maximum added value in situ, valuing the environment, establishing relationships efficient and show advantages compared to the rest of the world. The Competitiveness and Local Economic Development Studies and the Territory of Opportunities program are worked under this pillar.

The objective of the Competitiveness and Local Economic Development studies has been to identify concrete strategies to achieve competitive improvement and the local economic development of the city under study, as well as to support the generation of productive employment.

Given our efforts to accompany the consolidation of more sustainable and competitive territories, and derived from the experience of our entity in implementing urban planning and planning programs at a regional scale, during the year 2018 the program "Territory of Opportunities" was implemented in the Department del Cesar, in the municipalities of La Jagua de Ibirico, El Paso and Becerril, which aims to satisfy the need of the territories in the identification and formulation of projects from a broader view of the territory. A glance in which the administrative limits of the municipalities can be insufficient at the time of understanding the relations and interdependencies of the territory to generate bets of economic development. Similarly, an approach that transcends the goal of closing socio - economic gaps, to focus on the opportunities and capacities installed in the territory as key elements to articulate an economic development strategy, in this sense, a first stage was executed exploratory that I am able to identify the following: i) initiatives, plans, projects and / or documents regarding economic reconversion; ii) conceptualize a development option that is pertinent to the conditions of the territory, for which alternative economic development was proposed, iii) identify lessons from similar cases in other countries, and iv) conduct an analysis on the use of mining infrastructure.

Territorial Planning

The Law 1454 of 2011 defines the territorial ordering as an instrument of planning and management of the territorial entities and a process of collective construction that occurs in a progressive, gradual and flexible manner, with fiscal responsibility, "tending to achieve an adequate political organization administrative role of the State in the territory, to facilitate institutional development, the strengthening of cultural identity and territorial development ". The departmental territorial ordering process and in particular the formulation of the PODs is developed under the socioeconomic conditions and institutional capacities of each department. The clarity of such conditions must be adapted to the main stages and phases of a POD, where first a diagnosis is made through which the territory is analyzed, under multiple perspectives, in order to have a clear idea of its evolution and status current. Based on this diagnosis, a model of desired territory is conceived and the policies, strategies, programs and projects are established to be implemented in the short, medium and long term. Under this pillar in 2018, we began the structuring of the technical assistance projects for the formulation of the Departmental Planning Plans - POD of Santander and Atlántico.

Territorial Visions

The Conpes 3819 of 2014 (National Policy to consolidate the System of Cities in Colombia) identified, among other things, the need to formulate visions of territorial development for the following urban axes: Caribbean axis (municipalities located in the territory between Barranquilla and Cartagena) ; Eje Montería - Sincelejo; and Eje Ribereño (Barrancabermeja and neighboring urban centers along the Magdalena River). In response to this need, Findeter, in conjunction with the Ministry of Housing, City and Territory, structured the project for the formulation of these visions, linking sectoral and territorial planning, through

the articulation of territorialized actions for the different dimensions of development (economic , social, environmental, infrastructure, etc.).

URBAN TRANSFORMATION AND MOBILITY

Through CIUDAT, the National Government executes three NAMAs for urban development and sustainable mobility:

Colombia TOD-NAMA, has as its main objective the transformation of the current urban development model towards one of Development oriented towards Sustainable Transport - DOTS (TOD). On the other hand, the NAMA TAnDem (NAMA of Active Transport and Demand Management), seeks to encourage non-motorized modes of transport (active modes) and discourage the use of private vehicles. The objective of NAMA MoVE is to transform the vehicles that circulate along the Colombian roads to cleaner, more environmentally friendly technologies to reduce GHG production..

We work in different projects of urban planning and mobility in the territory as shown below:

- The mobility master plans of Ibagué and Manizales were delivered.
- The project of the Fluvial Transport System for passengers on the Sinú River in the city of Montería was presented to the general royalty system.
- We are developing the Technical, Legal and Financial Structuring for the implementation of the Strategic Public Transport System of the Municipality of Ibagué, and the Semaphore System and Technological Platform as a complement to the SETP.
- We are preparing the Public Space Master Plan of the Municipality of Popayán.
- We made the detailed designs of the Biosaludable Park in the Municipality of Popayán.
- We deliver a methodology that, through the instruments and mechanisms of value capture, drives the execution of Sustainable Oriented Development (DOTS) projects in Colombian cities.

Creative and Cultural Industries

ACHIEVEMENTS AND HIGHLIGHTS

- Consolidation of the national strategy of the Orange Economy.
- Signing of agreement with Mincultura to develop the second stage of cultural mapping in the national territory based on the methodology of characterization of the creative sectors developed by Findeter.
- Delivery to the Municipality of Aracataca of 1 motocarro suitable as a traveling library and toy library, in order to benefit the population of the rural sector of the municipality.
- Delivery of resources for the strengthening of the Free Symphonic Orchestra of Quibdó, through the National Batuta program.
- Sponsorship of the Orange Festival 2018 with the participation of the Presidency of the Republic.
- Organization of the "Foro Económica Naranja - Lórica: Heritage Village of Colombia", with the objective of raising challenges and reflections to boost the cultural heritage of Santa Cruz de Lórica.
- Inclusion of the new lines of action of Findeter in the planning documents and regulations of the new Government: a) Draft National Development Plan. b) Bases for the Integral Policy of Creative Economy. c) Decree 2120 of 2018 (Modifies the Structure of Mincultura) Article 23.
- Participation in the first session of the National Council of Orange Economy, of which it is part.

The orange economy is the set of activities that in a chained way allow ideas to be transformed into cultural goods and services whose value is determined by their intellectual property content (Duque, Buitrago 2013). In its work of development banking Findeter provides the territories with integral solutions for the dynamization of the cultural and creative economy, through planning, financing and technical assistance for the execution of innovative and sustainable projects.

Ciudad- Sustainable Mobility

ACHIEVEMENTS AND HIGHLIGHTS

- The methodology of Integral Urban Management was defined as a result of the consultancy developed with the support of the AFD, which seeks through the instruments and mechanisms of value capture, the execution of Sustainable Oriented Development (DOTS) projects in Colombian cities .
- The Electric Mobility NAMA has a pre-approval of € 19.9 million, with an initial approval of € 338,000 for the structuring of the Project.
- A workshop was held with cooperators where the NAMA TanDEM was presented in search of resources.
- The construction study of the Monitoring and Evaluation System of the NAMA TOD was contracted.
- The Terms of Reference for the study of the formulation of guidelines and public policy recommendations for the promotion of DOTS initiatives in the country were completed.

Thanks to our experience, we have shown ourselves before the National Government and local governments as the entity in Colombia that is at the forefront in terms of Sustainable Mobility, Integral Urbanism and Greenhouse Gas Reduction thanks to the implementation of NAMAs.

NAMAS: includes policies, regulations, programs or other types of actions that contribute to achieving the objectives and goals of sustainable development from the territorial level, and which in turn reduce greenhouse gas emissions from their trend levels or "Business As Usual ", Under which CIUDAT works in the formulation and implementation phases as required by the initiative. This is how from CIUDAT the direct implementation of the "Colombia TOD NAMA" is carried out and the formulation of the NAMA TAnDem and the NAMA of electric vehicles is supported.

Pre-feasibility studies for the pilot projects of the Colombia TOD NAMA in the cities of: Manizales, Cali and Pasto are in execution.

Below are some of the most relevant events in 2018:

- February 14 - 15: Seminar "Innovation for the management and financing of urban development projects" served 64 people.
- August 3: CIUDAT presented the principles of TOD in the Workshop "Strengthening Strategic Public Transport Systems Workshop" and "Intelligent Parking Management" in Santa Marta with the assistance of more than 50 people.

- September 22nd and 29th: Mobility Week (Healthy, Safe and Sustainable). CIUDAT was part of the Mobility Week in the cities of Cúcuta, Neiva and Popayán, in which CIUDAT organized workshops on TOD and Intelligent Parking Management.
- November 6: Seminar "CIUDAT the Bet for Sustainable Oriented Transport Development in Colombia" was held at the Hilton Hotel in Bogota with more than 80 attendees and the participation of Robert Cervero, Francisco Burgos of IDOM, Dario Hidalgo of WRI , and Steve Winkelman of CCAP.
- November 7: Workshop "CIUDAT the Bet for Development Oriented to Sustainable Transport in Colombia". This was a smaller event with around 20 participants, among whom were the Secretary of Planning of Popayán, Francisco León Zuñiga.

Green Growth

During 2018 we continued to build the Green Growth Strategy for Findeter (ECVF), which seeks to align our efforts and strengths to meet the commitments established for Findeter in CONPES 3934 of 2018 (Green Growth Policy of the country), the what was the result of the work of the Green Growth Mission for Colombia led by the DNP.

Although the economic growth of the last two centuries has led to the improvement of the welfare of the world population, population growth and some human activities degrade ecosystems affecting natural capital if they are not carried out in accordance with environmental needs. Based on the above and taking into account the mission, vision and promise of value of the entity, four lines of action have been prioritized within the strategy of green growth:

1. NAMAs where the solid waste has been identified, TanDem, TOD, Electric Vehicles.
2. The power line with special rates for public lighting, clean generation, energy efficiency.
3. The base studies with their components in: Study of greenhouse gases, study of vulnerability and natural risks and study of urban growth.
4. The Forests 20/30 strategy that has been proposed as a program for the implementation of public policies for green growth and climate change, which seeks to help fulfill the commitments acquired by Colombia in the framework of COP21 Paris, to reduce the emission of greenhouse gases by 20% by 2030. The program is mainly focused on the recovery and conservation of the main aqueduct supply basins in the country and on areas of special ecosystem importance, through reforestation and land management of soils, to improve their production processes and ensure the sustainability of reforestation projects, with the construction of governance in the territories. Additionally, Forests 20/30 is presented as a tool in the fulfillment of the Sustainable Development Goals (SDGs) proposed by the United Nations, as several of its components are directly related to these objectives, such as clean water and basic sanitation, capture of gases of greenhouse effect, gender equity and overcoming poverty.

Territories of Reconciliation and Stabilization

This is a Findeter strategy whose objective seeks to contribute to the construction of peace by formulating, structuring, financing and executing projects in the prioritized municipalities for the implementation of the Peace Agreement, through the administration and management of resources and technical assistance.

After the approval of the Final Agreement in December 2016, its implementation began. The need to start a long-term planning process that took into account the processes and institutional architecture available and required to achieve the construction of a stable and lasting peace was evident. The High Council for the Post-Conflict and the Territorial Renewal Agency - ART were part of this strengthening. The National Government and territorial entities will focus and project their management for 10 and 15 years in the 170 PDET municipalities (Development Programs with a Territorial Approach) to guarantee compliance with the provisions of the Implementation Framework Plan - PMI (CONPES 3932 of 2018). Territories of Reconciliation and Stabilization, has as one of its objectives to plan, structure and / or execute the projects contemplated in the Investment Plans contained in the Action Plans for Rural Transformation - PATR, in coordination with the competent national and territorial entities.

We are in 111 of the 170 PDET municipalities, and 40% of these have arrived with products and technical assistance services.

In 2018 we crossed the information of the National Government Project Bank into the PATRs, and their respective Investment Plans against the Portfolio of Products and Services (financial and non-financial) of Findeter and identified potential businesses to be implemented from the first semester 2019 onwards, horizon 2022, prioritizing 4 of the 8 Strategic Pillars on which the PDETs were formulated and where the Know-how would facilitate intervention:

- Infrastructure
- Economic reactivation
- Housing, and
- Water and basic sanitation.

Likewise, we were able to sign an interinstitutional agreement 06 of 2018 with the Territorial Renewal Agency, called to formulate, manage and implement the projects of the PDET municipalities. The market failure that this will allow us to address are 16 subregions, 19 departments, 170 municipalities, for a total of 7 million inhabitants.

5.2.2 PROJECT STRUCTURING

ACHIEVEMENTS AND HIGHLIGHTS

- Validation of 7 PPP projects in the sectors of Health and Urban Development, as well as the financial structuring of a project in the transport sector, consolidating us in the formulation and evaluation sector of this type of projects in the country.
- Beginning of the structuring of three projects of High Level Complexity Hospitals in the cities of Marizales and Soacha, contributing to the improvement of quality in the provision of health service in the regions of the country, work that will continue in 2019.
- Advance in the structuring and promotion of the first Solar generation project for Non-Interconnected Zones (ZNI) in the Municipality of Miraflores - Guaviare.

ELABORATION OF STUDIES AND DESIGNS: PRE-INVESTMENT FUND

The Pre-investment Fund is an Autonomous Equity constituted with resources from Findeter in 2012 and currently administered by the Trustee Bogotá. The Fund is made up of two sub-accounts: the Social Responsibility Sub-Account, and the Strategic Sub-Account of Pre-investment. Through each of these sub-accounts Findeter contracts consulting firms for the preparation of studies and designs, in the bankable sectors of the entity, required for the development of infrastructure projects in territorial entities. Each of them mentioned has specific policies and requirements for the allocation of resources and approval of projects, which are defined in the policy manual and operating manuals of the Fund.

Social Responsibility Sub-Account

In 2018, resources from the social responsibility sub-account for a value of \$ 175 million were committed to carry out the studies and detailed designs of the "Solar Generation System in the Municipality of Miraflores" project. In the month of November the company SUNCOLOMBIA SAS was selected for the development of the consultancy for a value of \$ 165 million.

Table 20. Financed Projects Social Responsibility Account 2018

Project Object	Municipality – Department	Value Contract / Agreement (Mill \$ COP)	Status
Consultancy for the elaboration of the studies and detailed designs of the project "Solar Generation System in the Municipality of Miraflores Guaviare"	Miraflores - Guaviare	175	Developing
TOTAL		175	

According to the last report sent by the Fiduciaria Bogotá, the balance of the Social Responsibility Sub-

Account at the end of December 2018 including income is \$ 1,208 million.

Strategic Sub-Account of Pre-investment

At the end of 2018, the pre-investment fund has 2 projects that are in the process of contracting and 2 that are in the development stage. All the current projects are being executed through contributions made by the clients of each project, which implies that the resources initially destined by Findeter for the conformation of the strategic pre-investment sub-account (\$ 9,000 million) have not been used. For the development of these studies Findeter receives the resources contributed by the municipalities or decentralized companies of the state to administer them through the Fiduciaria Bogotá.

Table 21. Projects in Execution Strategic Account of Pre Investment 2018

Project Object	Municipality - Department	Value Contract / Agreement (Mill \$ COP)	Status
Consultancy for the structuring of the university IPS project in Caldas (medium and high complexity) - Pre-feasibility	Manizales - Caldas	286	Developing
Consulting for the studies, detailed technical designs, permits and licenses for the construction of a new physical plant for the Mario Gaitán Hospital Yanguas de Tercer Nivel.	Soacha - Cundinamarca	2.545	In the hiring process
Consultancy for the studies and detailed engineering designs of the Calle 60 section that will connect Carrera 13 with Ambala avenue of the Municipality of Ibagué	Ibagué - Tolima	286	In the hiring process
Carry out detailed studies and designs for the new physical plant of the C.S.C University Departmental Hospital Santa Sofia de Caldas	Manizales - Caldas	3.303	Developing
TOTAL		6.789	

Public Private Partnerships - APP

In the course of 2018, Findeter made progress in its work related to Investment Banking in the review and technical evaluation for the Administrative Department of the Ombudsman of Public Space (DADEP) of

private initiative PPP projects HUB 100, HUB 136 and parking lots multimodal studies of career 15. Likewise, technical, legal and financial validation was carried out for the Bogotá District Health Department of the private initiative PPP project of three Priority Health Care Centers (CAPS) in the city of Bogotá.

On the other hand, a financial evaluation of the private initiative PPP project was carried out for the Medellín APP Agency, which aims to construct, operate, maintain and administer public toilets and water dispensed in the city of Medellín.

Finally, a contract was signed with DADEP to carry out the financial evaluation of 4 projects in the feasibility stage of 4 PPPs in the city of Bogotá. In the table below you can see a summary of the projects evaluated and / or in the evaluation stage carried out throughout 2018:

Table 22. Evaluation and Validation of APP Projects 2018

Project Object	Municipality – Entity	Value Contract / Agreement (Mill \$ COP)	Status
Technical validation of the APP for the construction, operation and maintenance of the HUB 100 and HUB 136 projects in Bogotá + APP Private initiative multimodal parking of the career 15	Bogotá – DADEP	997	Finished
Technical, legal and financial validation of an APP Project for the construction, operation and maintenance of 3 CAPS in Bogotá.	Bogotá - District Health Secretary	650	Finished
Evaluation of the Public Private Partnership project, Private Initiative, for the design, construction, installation, operation, maintenance and administration of public toilets and water dispensed in the city of Medellín	Medellín – APP Agency	75	Developing
Technical assistance service to carry out the financial evaluation of 4 projects in the feasibility stage and support the technical and legal evaluation of them, accompanying DADEP in obtaining approvals of PPP projects in the different scenarios set out in the present contract	Bogotá – DADEP	1.940	Developing
TOTAL		3.662	

TECHNICAL ASSISTANCE

During 2018, the profile of the photovoltaic solar electric power generation project was drawn up in the

municipality of Miraflores, Guaviare, with the objective of establishing its technical, legal and financial feasibility at a conceptual level, and planning it. As a result, the most appropriate business model was defined for the implementation of a Photovoltaic Solar Electric Power Generation System in the municipality, capable of increasing the provision of the energy service from 16 to 24 hours a day and minimizing the consumption of fossil fuels. .

As part of this technical assistance, the profile was presented to potential investors and the consultancy was hired to carry out the studies and detailed designs of the project.

Additionally, during 2018 Findeter was accompanying the technical and financial development of different projects and programs within which they excel:

Technical supervision of the non-reimbursable technical cooperation program with the IDB-GEF "Financing Mechanisms for Investment in Energy Efficiency (EE) in Public Lighting, Promoting the Replacement of Low Efficiency Luminaries with Higher Efficiency LED Luminaires". Specifically, the bank's investment banking management has focused on components 1 and 2, which contemplate technical assistance issues, legal mechanisms and financial mechanisms for energy efficiency projects in public lighting.

Technical and financial evaluation of the public lighting projects, Small Hydroelectric Power Plants (PCH) and solar energy, presented to the Entity to be financed with the resources of the KFW Special Credit Line for Sustainable Energies.

Financial and legal supervision of projects derived from International Cooperation between the Embassy of the United Kingdom and Findeter.

5.2.3 TECHNICAL ASSISTANCE FOR THE EXECUTION OF PROJECTS

Findeter through the process of Advisory to Integrated Territorial Development - ADTI, provides the service of Technical Assistance and Resource Administration for the development of programs and projects of the National Government, Territorial Entities and State Decentralized Entities. This is how, through its different Managements, it has been able to position itself nationally thanks to the knowledge and experience acquired for more than five years, with a dynamic and flexible interdisciplinary team that has allowed to reach the proposed goals with quality and efficiency, resulting in the good reputation that characterizes it today.

ACHIEVEMENTS AND HIGHLIGHTS

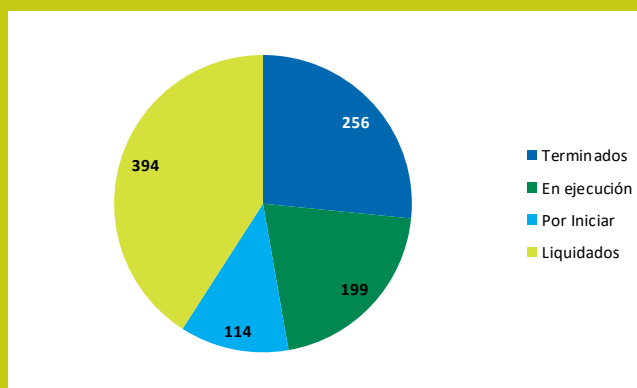
- In relation to 2017, we managed to increase the number of managed projects by 15%, which means an increase in 124 projects.
- In financial terms, Findeter achieved a 130% compliance with the goal defined by the Board of Directors for the 2018 term, increasing the expected goal by 16 billion pesos, from 53.9 billion pesos to 69.9 billion pesos.
- Parameterization and implementation of a monitoring and control system for the contracts and projects developed by Findeter within the framework of its Technical Assistance, called MiObra, which will allow, among other benefits, real-time follow-up of the supervision carried out by the Entity to the projects in execution.
- Consolidation and strengthening of the Prisa tool, whose objective is the administration and monitoring of the procedures that are managed with the Fiduciary Entities. As a result of this interaction in 2018, 2533 procedures were created, of which 2093 (83%) requests were already resolved by the Fiduciaries.
- In accordance with the Bank's strategy, defined in the framework of the 2018 Tactical Plan, we focused on closing the contracts managed by Findeter, obtaining as a result a total of 149 settlements between derivative contracts, inter-administrative contracts or agreements and contracts for the provision of services.

ACHIEVEMENTS AND HIGHLIGHTS

Through the Technical Assistance we have managed 963 projects within the framework of the technical assistance and resource administration service, with a cutoff date of December 31, 2018, we present the following results:

Table 23. Projects by Business line, Income and State

Business Line	Num. Projects	Income \$
Water Management and Basic Sanitation	290	24.931 *
Housing and Urban Development Management	249	24.655
Social Infrastructure Management	401	17.500
San Andrés Coordination	14	2.156
ICT Coordination	9	610
TOTAL PROJECTS	963	69.852
* Income 2018		



HOUSING AND URBAN DEVELOPMENT

Thanks to Findeter's work of evaluating and supervising housing projects, contemplated in the programs led by the National Government, we managed to help a greater number of Colombians to access better living conditions. Our experience, since 2002 in the evaluation of urban social housing plans, has allowed us to be part of the new public policy for the development of housing of priority interest, a policy that has been reformulated by the National Government since the year 2011. That is why the dynamics of construction of housing of priority interest has remained in development, consolidating us as the tool of the National Government for the fulfillment of the goals of the housing programs, propitiating better living conditions in the Colombian homes.

This is how through Findeter, in the development of free housing programs, first and second phase and VIPA program we have participated in the evaluation of public properties presented by the territorial entities, in the evaluation of calls for selection of private projects and builders and in project monitoring.

ACHIEVEMENTS AND HIGHLIGHTS

- Start 12 VIPA projects for 3,386 homes. (\$ 174.853 million)
- Complete 38 projects for 18,308 homes. (\$ 945,428 million)
- 11 PVGII Projects (1,895 Homes)
- 27 VIPA Projects (16,413 Homes)
- Continue the execution of 23 projects for 5,733 homes. (\$ 296,053 million)
- 9 PVGII Projects (1,996 Homes)
- 14 VIPA Projects (3,737 Homes)

Housing programs are represented mainly in:

HOUSING PROGRAM FOR VIPA SAVERS

Within the framework of this program, an offer of more than 63,000 houses of priority interest has been generated. A project monitoring scheme was implemented, consisting of the review of the technical aspects of the housing, so that through a Trustee acting as spokesperson for the Trust - Housing Program of Priority Interest for Savers - VIPA, it can be acquired once they are completely finished, both in the

private scheme and in the public-private scheme, which total 63,625 homes as of the date of this report.

From 2013 to 2018, we have advanced supervisory tasks for a total of 149 projects for 63,625 homes, of which 59,883 have already been certified and 97 projects have been completed. During 2018, 4,392 certificates of existence were issued and, to date, 3,742 homes have yet to be certified.

FREE HOUSING PROGRAM SECOND PHASE

In response to the quantitative deficits of housing of priority interest, the Ministry of Housing, City and Territory managed resources of the Nation to operate a second phase of the Program to benefit families located in municipalities of categories 3, 4, 5 and 6. In Findeter we have carried out follow-up work on 31 projects selected in the private scheme, totaling 5,668 homes. To date, 4,253 certificates of existence have been issued, pending the certification of 1,415 homes.



Ciudadela El Porvenir Manzanas 22AB Etapa VB
Bogotá D.C. - 90 homes



La Casona - Bogotá D.C. - 216



Ciudadela Terranova - Jamundí, Valle del Cauca - 1.140 homes

GOALS TO 2019

- 23 housing projects, reflected in more than 5,000 housing solutions.

WATER AND BASIC SANITATION

In 2018, we were able to ratify our commitment to the development of the regions and give continuity to the programs we have with the Ministry of Housing, City and Territory - MVCT, as well as with the public services company of Ibagué, the Rural Development Agency and The Association of Banana Growers of Magdalena and La Guajira (ASBAMA), the National Federation of Oil Palm Growers (Fedepalma), providing the technical assistance service to carry out the pre-contractual, contractual and closing procedures of the projects:

ACHIEVEMENTS AND HIGHLIGHTS

- Award 53 contracts
 - ✓ 27 construction contracts
 - ✓ 26 auditing contracts

As a result of the execution of these new contracts, we contracted 260 projects, with which we have generated a great impact at the national level, as can be seen with the following achievements:

- 1,382 kilometers of pipeline have been installed
 - ✓ 908 km of Aqueduct (94 aqueduct projects)
 - ✓ 474 km of Sewerage (92 Sewer projects)
- 38 Treatment Plants have been built. Flow rate treated: 6,509 l / s
 - ✓ 24 Potable Water Treatment Plants (PTAP). Flow rate: 6,349 liters per second
 - ✓ 14 Wastewater Treatment Plants (WWTP). Flow rate: 160 liters per second
- 36 tanks have been built. Capacity: 33,335 cubic meters.
- 1 water diagnosis for multipurpose solutions in the region of the center and north of the department of Magdalena.

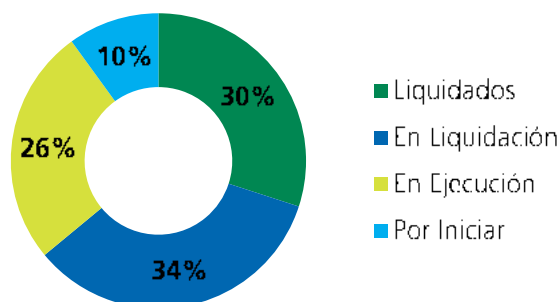
Table 24. Interadministrative Contracts Water and Basic Sanitation

Contract Number	Client	TOTAL*
438	Ministry of Housing, City and Territory	794.078
159	Ministry of Housing, City and Territory	517.639
36	Ministry of Housing, City and Territory	730.612

766	Ministry of Housing, City and Territory	138.092
541	Ministry of Housing, City and Territory	24.814
547	Ministry of Housing, City and Territory	38.070
451	Ministry of Housing, City and Territory	21.081
IBAL	IBAL (Water and Sewerage Company of Ibagué)	18.483
ADR	ADR (Rural Development Agency)	55.193
Water for Peace	Fedepalma / ASBAMA (Banana Association of Magdalena and La Guajira)	892
* Values in millions of pesos		2.338.954

These 290 projects are grouped in the following states at the end of the 2018 term:

Graph 25. Basic Water and Sanitation Projects by State



Emblematic Projects of Water and Basic Sanitation

Optimization Sewer Networks Barrio Las Ferias III Phase in the municipality of La Dorada, Caldas

Value \$ 5.322.707.080

It allowed the increase of the capacity of collection and evacuation of wastewater and rainwater in the Las Ferias - Dorada Caldas neighborhood. Benefited population: 20,828 inhabitants

Construction of the New Quebrada La Cinco Mil Water Treatment Plant in the Municipality of Socorro, Santander

Value \$ 5.348.784.442

This project extended the supply of treated water from 48% to 100%. Benefited population: 25,125 inhabitants

Optimization of the Sanitary Sewer System South and north area of the municipality of San Gil

Value \$ 5.727.522.572

It is a project that improves the sanitation conditions of the intervened areas, by preventing sewer system checks. Benefited Population: 40,102

Improvement and Optimization of the Aqueduct System of the Municipality of Miranda, Cauca

Value \$ 3.393.933.424

This project allowed improving and guaranteeing the provision of the aqueduct service to the users of the system, expanding the capacity of the flows at minimum levels that meet future demands. Benefited population: 29,290 inhabitants.

Construction of Collector Aranda Pasto, Nariño

Value \$ 18.711.397.979

With the execution of the Project, the sanitary and pluvial sewerage coverage is increased in the expansion area of the Aranda sector. The Project area enables the soil of the expansion area of Aranda, which is an unconsolidated area. Benefited population: 172,556 inhabitants

MINISTRY OF CITY AND TERRITORY HOUSING PROGRAM

Some of the projects that we have developed within the framework of this program and that have been of vital importance for the improvement of the quality of life of its beneficiaries are:

- The construction of the potable water supply and treatment system for the urban area of Yopal, Casanare

Impact Storage of 17,000 cubic meters
 Decrease IRCA Index to no risk
 Benefited population: 120,000 inhabitants.

- Construction of the supply line from the Cinco Mil creek and optimization of the treatment and storage system of the urban aqueduct in the municipality of Socorro, Santander

Impact Service 24 hours a day all year
 Quality and continuity 100%
 Benefited population present: 25,125 inhabitants

Future beneficiary population: 39,004 inhabitants

- Reconstruction of the aqueduct system of the municipality of Mocoa - Putumayo

Impact

Guarantee the drinking water supply of the municipality of Mocoa to overcome the state of emergency after the avalanche that caused damage to the aqueduct system

Benefited population: 45,947 inhabitants

ADR RURAL DEVELOPMENT AGENCY PROGRAM

During the year 2018, resources were committed for \$ 46 billion pesos, defined in the following areas of investment:

Component 1. Support for the implementation of alternative systems of national land adaptation.

Component 2. Analysis, design and construction of irrigation and drainage districts at the national level - National Fund for Land Adaptation.

Component 3. Contribute to water supply and improve the basic sanitation conditions of the rural population in Colombia.

IBAL PROGRAM

Within the framework of the inter-administrative contract signed with the Municipality of Ibagué and the Empresa Ibaguereña de Acueducto y Alcantarillado S.A. E.S.P. Official - IBAL S.A. E.S.P., for a value of \$ 18,483 million, we managed to execute the works that consist of:

- ✓ Installation of 4.7 km of pipe.
- ✓ Construction 3 viaducts.
- ✓ Linear tunnel construction of 30 m.
- ✓ Subfluvial passage

We accompany the realization of the stabilization works in one of the lines of the project for \$ 5,800 million over a period of 12 months, estimated to finish the project in the third quarter of the year 2019, benefiting more than 600 thousand inhabitants of the municipality of Ibagué.

WATER FOR PEACE PROGRAM

In the framework of the program called Water for Peace, during 2018 we finished the consultancy with which the "*Water diagnosis for multipurpose solutions in the region of the center and north of the department of Magdalena*" was carried out. This consultancy was developed in 19 municipalities of Magdalena and allowed, among others, the realization of the water characterization of the area of

influence of the project, the evaluation of the existing infrastructure, etc. The socialization of these results was also carried out with the interest groups of the region and the National Government, and it is expected that this diagnosis will be the input for the prioritization of future investments.



Aqueduct Pozo 51 - Srele p, Sucre



Aqueduct - Rionacha, La Guajira



River protection Aqueduct - Mopal, Casanare



Aqueduct (Intake) - Socorro, Santander

GOALS TO 2019

74 projects were finalized, for an approximate value of \$ 800 billion pesos, with which the following works are advanced:

- Installation 567 kilometers of pipe
 - ✓ 377 km of Aqueduct
 - ✓ 190 km of Sewerage
- 14 Treatment Plants are being built. Flow rate treated: 2,136 l / s
 - ✓ 10 Potable Water Treatment Plants (PTAP). Flow: 1,618 liters per second
 - ✓ 4 Wastewater Treatment Plants (WWTP). Flow rate: 518 liters per second
- 29 tanks are being built. Capacity: 50,165 cubic meters.
- Award 21 projects for about \$ 108 billion
- Start 9 projects for about \$ 72 billion pesos.

With the development of these 30 projects, we will obtain the following impacts:

- Start the installation of 160.9 new km of pipe
 - ✓ 149.7 km of Aqueduct
 - ✓ 11.2 km of Sewerage
- 4 Treatment Plants will be built. Flow rate treated: 2,202 l/s
 - ✓ 3 Potable Water Treatment Plants (PTAP). Flow: 2,149 liters per second
 - ✓ 1 Wastewater Treatment Plants (WWTP). Flow: 53 liters per second
- 8 tanks are being built. Capacity: 9,103 cubic meters.

De igual forma:

- Terminar 43 proyectos.
- Liquidar 48 contratos derivados, 35 convenios tripartitos y 1 contrato interadministrativo

SOCIAL INFRASTRUCTURE

We provide Technical Assistance and Resource Administration to national and decentralized entities such as the Ministry of Culture, Ministry of Education, Ministry of the Interior, the National Road Safety Agency - ANSV, Colombian Institute of Family Welfare - ICBF, Administrative Department of the Presidency of the Republic - DAPRE, Fonvivienda, Coldeportes, among others, with the objective of promoting national and regional development through supervision in the execution of projects such as Interventions of Road Safety Measures at national level, Adaptation of Specialized Care Centers and infrastructure of the ICBF, Child Development Centers, Libraries, Recreation and Sports Parks, restoration and recovery of Emblematic Buildings, Citizen Integration Centers and Museums, among others. Many of the social infrastructure projects, especially the Equipments program, are articulated with the housing programs of the National Government.

To meet the objectives we have:

- ✓ Community participation in the designs of Infrastructure solutions
- ✓ Turnkey contract scheme that eliminates the risks associated with contractual modifications.
- ✓ Interinstitutional articulation for the optimization of land use.
- ✓ Impact in regions of difficult access (example: projects in indigenous reserves).
- ✓ Use of unconventional construction systems

As of December 2018, FINDETER has provided technical assistance to 401 Social Infrastructure projects in 171 municipalities for a value of over one billion pesos. The above, through the subscription of 19 inter-administrative contracts.

ACHIEVEMENTS AND HIGHLIGHTS

- We started 70 projects for more than \$ 159 billion pesos.
 - ✓ 9 projects of the ICBF programs (3 CAE adjustments, 3 children's home, 2 consultancy and 1 new work)
 - ✓ 29 projects of the program Equipments that include 22 Recreational Sports Parks, 3 Schools and 4 CDI
 - ✓ 32 projects of the One-Time Program 620 (9 improvements and 3 new works of educational institutions in La Guajira and Putumayo, among others)

- We finished 40 projects for more than \$ 103 billion pesos.
 - ✓ 6 projects of the ICBF programs (3 CAE adjustments, 2 children's homes, 1 consultancy)
 - ✓ 15 projects of the DAPRE program (14 CDI and 1 consultancy)
 - ✓ 3 schools of the equipment program
 - ✓ 16 Educational Institutions of the Single Work Program 620 (8 improvements and 8 new works).

- Subscribe 4 new interadministrative contracts with the Ministry of National Education, the District Secretary of Culture, Recreation and Sports, the District Secretary of Social Integration and the District Secretary for Security and Coexistence and Justice for an approximate value of \$ 152 billion pesos.

Table 25. Subscribed and Effective Contracts in Social Infrastructure

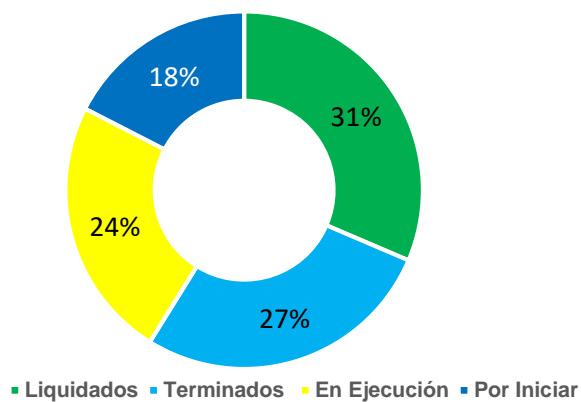
Type of Projects	Contract Number	Client	TOTAL*
Road Safety Measures	025-2018	ANSV (National Road Safety Agency)	35.000
Dance school	3290-2017	Ministry of Culture	960
Infrastructure ICBF	1743-2017	ICBF	47.630
Infrastructure ICBF	1564-2016	ICBF	26.370
Cero a Siempre	068-2016	DAPRE (Administrative Department of the Presidency of the Republic)	63.840
Equipment	330-2015	Fonvivienda	420.000
Libraries	2453-2015	Ministry of Culture	3.600
Hacienda Cañasgordas	3024-2015	Ministry of Culture	1.900
Jornada Única	620-2015	Ministry of Education	142.260
Jornada Única	1013-2014	Ministry of Education	73.800
Life Spaces	2808-2014	Ministry of Culture	20.260
Recreational Parks	887-2013	Coldeportes	35.860
Megacolegios	1000-2013	Ministry of Education	52.000
Megacolegios	1260-2013	Ministry of Education	57.910
Recovery and Restoration	2717-2013	Ministry of Culture	11.250
CDI (Child Development Center)	238-2013	DAPRE (Administrative Department of the Presidency of the Republic)	11.700
CIC (Center for Citizen Integration)	F442-2013	Ministry of Interior	28.160
Pier	Agreement No. 8	Mayor of Buenaventura-Gobernación del Valle	27.000
CIS (Integrated Services Center)	378-2014	DNP	250
*Values in millions of pesos			1.059.750

Table 26. Contracts signed and to start in 2019

Type of Projects	Contract Number	Client	TOTAL*
Improvement of Rural Institutions	1229-2018	Ministry of Education	28.220
Infrastructure Adolescent Criminal Liability	249-2018	District Secretary of Security Coexistence and Justice	33.400
Social Infrastructure	9318-2018	District Secretary for Social Integration	29.690
Cultural Infrastructure	1153-2018	District Secretary of Culture Recreation and Sports	61.620
* Values in millions of pesos			152.928

Of the 401 Social Infrastructure projects are grouped in the following states at the end of the 2018 term:

Graph 26. Social Infrastructure Projects by State





CDI – Anapoima, Cundinamarca
Cundinamarca



Torrente School – Soacha,



School + CDI – Popayán, Cauca



School - San Roque de la Frontera, Chocó



CDI Valencia, Córdoba

Emblematic Infrastructure Projects

Jornada Unica

Armando Luna Roa – Quibdó

Value. \$4.900 millions

State. Project executed in 2018 and due in 2019

Impact. Benefited population 720, number of places 1,200 students in primary and secondary school

Indigenous Educational Center N ° 6 of Paraguachón

Value. \$3.670 millions

State. Project completed and delivered in 2018

Impact. Benefited population 360, basic and secondary primary coverage - 600 Quotas

DAPRE

Child Development Center of Bahía Portete

Value. \$2.123 millions

State. Project completed and delivered in 2018

Impact. Benefited population 100, sustainable project with installation of solar panels executed in areas of difficult access

Equipments

Ciudadela Mia – Quibdó 2019

Value. \$18.803 millions

State. Project in execution of work during 2018, ends and delivery March 2019

Impact. Population benefited 1,500 families, coverage of 1,100 quotas

GOALS TO 2019

- 95 projects of social infrastructure:
 - ✓ 7 projects of road safety measures defined in 7 intervention areas
 - ✓ 18 projects of the ICBF program (11 adjustments, 6 New Works, 1 Children's Home, 1 zonal redeemer park),
 - ✓ 3 CDI of the DAPRE program
- 38 projects of the equipment program (22 parks, sports recreation, 12 schools and 4 CDI)
- 26 projects of the One-day programs (9 improvements and 17 new works)
- 1 dance house
- 1 Library
- Restoration of the Hacienda Cañas Gordas.

ICT COORDINATION

We provide technical assistance to the Information and Communications Technology Fund - FONTIC, of the Ministry of Information and Communications Technologies - MINTIC, through the agreements signed, we obtained the following results during 2018:

- **Smart cities:** we identify the different variables of the smart cities of Colombia, we create a non-competitive classification that shows the state of the city against the defined variables. As punctual achievements of this initiative was made:
 - ✓ Ranking of smart cities in Colombia.
 - ✓ 10 prototypes of smart cities projects.
 - ✓ Smart cities policy study.
- **Methodology of Impact Evaluation Vive Digital:** We conducted the study that designs the methodology for the evaluation of the impact of the programs and projects of the "Plan Vive Digital" of the Ministry of Information and Communication Technologies.

So things, we develop:

- ✓ Methodology of impact evaluation Plan Nacional Vive Digital
 - ✓ 3 workshops on socialization of the methodology
- **Comprehensive Educational Platform - PEGUI:** we improve different aspects in the administration of education in the beneficiary territories, by increasing the academic performance of students from official educational establishments in the country, where we have made important progress in achieving that goal.

During the execution of this project we achieved:

- ✓ Educational platform with 1000 virtual learning objects
 - ✓ 196 Public educational institutions attended
 - ✓ 7,490 trained teachers, managing to impact the cities of Valledupar, Pasto, Montería and Bucaramanga.
- **Bootcamps or virtual courses:** is a project where we carry out two (2) contents for the free online training of users of the Apps.co training platform on the topics of Open Data and Digital Government. The objective of the preparation of the content is to publicize sustainable ICT business opportunities and train entrepreneurs and developers to acquire technical skills and identify possibilities for business ideas focused on solving public and social problems through ICT.
 - **Emprende con datos:** It is a project that provided support to teams of entrepreneurs through mentoring and advice for the construction of sustainable business models and development of web and / or mobile applications that use open data. Here participated entrepreneurs, public entities and small ICT companies of Colombia, who were interested in solving problems of public and social interest, from the use of Open Data published by the different entities of the Government.

With the execution of this project we achieved:

- ✓ 49 Applications that use Open Data in 6 Cities of the country, being these: Medellín, Barranquilla, Manizales, Bucaramanga, Cali and Bogotá.
- **Electronic commerce:** The objective of this line is the development of the value chain to Colombian SMEs. This project seeks to support 10% of SMEs where the owners are women; as well as guaranteeing that the benefit reaches most of the country, where it is fulfilled that 15% of said SMEs are outside the five main cities of Colombia. Website: www.comercioelectronico.gov.co
- **Mentality and Culture:** it is the heart of the strategy, it is in charge of energizing the other lines through massification, appropriation and communication that allows us to overcome the barriers perceived by entrepreneurs. Through this project we achieve:
 - ✓ 49,582 MSMEs impacted
 - ✓ 50 success stories
 - ✓ 3 face-to-face and 2 virtual campaigns
- **Training and Businessmen:** In this line, a virtual program was developed that improves access to knowledge of ICT tools so that MiPymes entrepreneurs in Colombia can develop digital transformation strategies. In November 2017, the virtual platform was delivered: www.mintic.gov.co/empresariodigital. Through the development of this project we obtained:
 - ✓ Virtual learning platform with 36 virtual courses taught in the areas of e-commerce, productivity and operations, administration and strategic planning and decisions for MiPymes
 - ✓ 20 success stories
 - ✓ 20,000 SMME entrepreneurs trained (goal 100,000).
- **Massification:**
The main objective is to unite supply and demand, closing the gap that exists between the

companies that develop solutions and the Mipyme that seek to implement technological solutions in their companies for their Digital Transformation. Areas: administration, management, operation, marketing and sales. Today we have:

- ✓ 20 technological solutions contracted
- ✓ 17 success stories

GOALS TO 2019

- 2 projects in the coordination of ICT related to the components of electronic commerce and massification.

SAN ANDRÉS COORDINATION

During the development of the contract signed with the National Unit for Disaster Risk Management (UNGRD), financed with resources from the Inter-American Development Bank (IDB), we managed to technically assist in the execution of projects in the components of Integral Improvement of Neighborhoods and Water and Basic Sanitation, which are described below:

Big Gough sports and cultural scene, benefiting an approximate 1500 inhabitants of the island, this infrastructure is complemented by the adaptation of 2.4 km of platforms

The Simpson Well project in San Andrés, where work has been carried out in a park, which will have covered infrastructure for social gathering of the community, bath batteries and soccer field, the cycle route (267 m) benefiting Simpson Well population, Bight II and Barker, complemented by the adaptation of 330 m of platforms in the main access road to this area.

On the other hand, we are in the construction of Colegio Bomboná in the sector of South West in Providencia, where it is expected to benefit approximately 150 primary school children.

Design, supply and installation of a new desalination plant, with an effective capacity of desalinated drinking water of 50 l / s, design, supply and construction of a storage tank of 1000 cubic meters, a pumping and driving system, to the new tank, as well as operation and maintenance for 4 months. This is a project will have a catchment of 200 l / s of water to desalinate, desalinated water suitable for human consumption will be generated in a flow of 50 l / s and will also have a storage of 1000 cubic meters of desalinated water, suitable for human consumption.

Renovation of San Andrés aqueduct networks where the works corresponding to the renovation of aqueduct networks will be executed through the renovation and rehabilitation of networks at least 26.1 km. The hydraulic sectionization will be carried out by means of pressure regulating valves, as well as the construction of residential connections, generating a positive impact on the island since the aqueduct networks will be renewed and / or rehabilitated for three of the most complex sectors of the island. they

are: La Loma, San Luis and El Cove.



Big Gough sports and culture score - San Andrés y Providencia

GOALS TO 2019

- 5 projects in the coordination of San Andrés, related to the components of Water and Basic Sanitation and Integral Neighborhood Improvement.

TECHNICAL MANAGEMENT AND SOCIAL MANAGEMENT IN TECHNICAL ASSISTANCE

In order to fulfill the missionary objective of the Vice Presidency, we provide cross-cutting support to all the Business Lines seeking to improve the internal processes that allow us to be more efficient in providing the service. In addition, we are the team that interacts with the other areas of Findeter through the teams of Quality Assurance, Planning and Control, Institutional Management, Previous Studies and Liquidations. Among the most representative achievements we have:

In 2018 we managed to review 22 viable projects or structured by customers, structure 75 previous studies and evaluate the technical requirements of more than 450 proposals. On the other hand, we were able to liquidate 149 contractual relationships between derivative contracts, bipartite and tripartite agreements and contracts for the provision of services.

At Findeter we have launched comprehensive and sustainable solutions for the development of all regions of the country allowing us to accompany these processes by filling them with experiences, creation and participation hand in hand with all Colombians. That is why the Social Management strategy aims to promote the effectiveness of the Entity with the management of social guidelines to build social fabric in the territories.

The strategy of social management, in technical assistance, is specified with social guidelines that include inter-institutional and community activities that identify possible changes in the environmental, social and economic environment of the inhabitants. Based on this, actions are defined to ensure social inclusion,

respect and protection of human rights, gender equity, environmental sustainability and social empowerment; so that the beneficiary community accepts and appropriates the projects.

During the year it was achieved:

- The recognition of the communities on the work of Findeter in the execution of pre-feasibility, feasibility and execution projects.
- The construction of social fabric with the communities through the management directed to the appropriation and sustainability of the projects.
- A development of social management focused on prevention and not on reaction, through the implementation of social guidelines.
- Raising awareness of the importance of social management for all the projects included in Findeter's technical assistance.

5.2.4 TARGET MARKET OF FINDER TECHNICAL ASSISTANCE

In Findeter we provide the services of Technical Assistance and Resource Administration, mainly to the public sector, for the development of projects financed by the National Government budget, making an accompaniment from its pre-contractual, contractual management until the closing and liquidation of the projects.

An example of this are the more than thirty-five (35) inter-administrative contracts signed with entities such as the Ministries of Housing, City and Territory, Ministry of Education, Ministry of the Interior, Ministry of Culture, Ministry of Information Technology and Communications , as well as Coldeportes, DNP, Administrative Department of the Presidency of the Republic DAPRE, Colombian Institute of Family Welfare ICBF, Cecilia de la Fuente de Lleras, among others; In the same way, through the implementation of the Housing Programs of the National Government, we have supervised the construction of more than 120,000 homes, benefiting close to 160,000 families in conditions of vulnerability, displacement, poverty and that over the last few years have been able to positively impact the quantitative and qualitative housing deficit, improving living conditions.

On the other hand, aligned with the initiatives of the National Government in its National Development Plan, the programs, in the different social infrastructure projects, have directly benefited around 1,000,000 Colombians through the construction of more than 600 thousand square meters, represented in 192 educational establishments, of which 41 are new schools, generating more than 63 thousand spaces and 157 spaces for recreation, among parks, libraries, houses of culture and improvements in public space.

As a contribution to the fulfillment of the goals of the National Government, we have provided technical assistance for the installation of 1,286 kilometers of pipeline represented in aqueduct and sewerage systems, construction of 60 drinking and wastewater treatment plants and 94 drinking water storage tanks with a capacity of more than 93 thousand cubic meters, benefiting more than 15 million Colombians.

Also in issues related to Information Technology and Communications, we have developed programs to implement the national MiPymes Vive Digital strategy of the ICT Ministry, which seeks the massification of connectivity and the transformation of productive processes in Colombian SMEs from the use, use and appropriation of ICT products and services, thus achieving an impact on more than 70 thousand MiPymes with more than a thousand web pages, thus promoting and encouraging the creation of companies and their sustainability, reaching similarly to regions such as San Andrés where we managed to deliver a Master Plan for Water Resources, studies and designs for the revitalization of the urban center and recovery of beaches, and to support 50 ventures with the SENA Entrepreneurship Fund.

In 2019 we will continue with the provision of the Technical Assistance service to the Entities of the National Government, including the Regions and Territorial Entities that require it.

Next, we present the distribution of the projects, by the business lines, at the national level

Graph 27. Distribution of projects by business lines nationwide



Graph 28. Distribution of contracts by entities



6 CORPORATE SOCIAL RESPONSIBILITY

6.1 SOCIAL RESPONSIBILITY

ACHIEVEMENTS AND HIGHLIGHTS

- The implementation of the Social Responsibility Action Plan started, which seeks to position our Entity as a leading organization in the management of best social, economic and environmental practices with actions in the short, medium and long term for each area.
- Approval of the Shared Value strategy which characterizes the actions carried out in Findeter that demonstrate the responsible investment and the generation of value for the parties involved.
- Consolidation of the model for the Measurement, Reporting and Verification of Financing of the Sustainable Development Goals (SDG) and Climate Change, for the Rediscount product; the developments that allow us to facilitate the tracking of the SDOs within our information systems were made, counting to date with specific boards for 11 of the 12 prioritized ODS that impact rediscount.

The Corporate Social Responsibility (CSR) integrates the economic, social and environmental spheres, starting from the Corporate Strategic Plan that contains an exclusive perspective for the sustainability of the company, whose objectives for 2018 were: i) To be the benchmark of the Development Bank Sustainable, (ii) Create a culture of sustainability within the organization and (iii) Support or include in specific projects the creation of shared value chains.

This strategic direction is materialized in the institutional management through the strategic initiatives of the Perspective of Sustainability²¹, as the Corporate Social Responsibility Model - MRSC²², its Action Plan, the Environmental Management System - SGA with its programs, the offer of socially profitable and environmentally responsible products and services, the good practices incorporated into the credit analysis process (Analysis of Environmental and Social Risks) and the social management that is developed for the sustainability of the projects.

²¹ See Progress of the Strategic Plan

²² The Model allows Findeter to be operated in an environmentally and socially responsible manner and to demonstrate its commitment to the environment as well as to stakeholders, in short it is the management tool to continue executing and promoting the management of corporate best practices.

The Action Plan of the Corporate Social Responsibility Model, approved by the financial institution's top management and in execution, contains lines of action and specific short, medium and long-term initiatives for the areas of social responsibility that are: (i) Corporate governance, (ii) Employees, (iii) Suppliers and contractors, (iv) Customers, (v) Environment and, (vi) Government and society.

To periodically assess the maturity level of institutional sustainability, Findeter has a battery of 157 qualitative indicators, periodically applicable to adjust the Social Responsibility Action Plan. Likewise, the corporate strategic plan, in its sustainability perspective, has monitoring indicators associated with the progress of strategic initiatives. Additionally, the environmental programs that we carry out permanently as part of environmental management, have quantitative indicators and goals for their monitoring and control.

Regarding Corporate Governance, which is the set of principles, values, policies and instruments of control that strengthen and preserve our culture based on transparency, ethics and sustainable and integral development, priority was given in the Action Plan to the issue of human rights, so that the Code of Good Governance included the declaration of the commitment of the Finance to guarantee, promote and respect Human Rights (DD.HH.) in all its activities and with all its stakeholders. To achieve this, the following principles were adopted:

- Guarantee, respect and promotion for human rights with all its stakeholders.
- No discrimination based on race, sex, sexual orientation, or political affinity.
- Sustainable Environmental Management that does not compromise the resources of future generations with our present activities.
- Respect for communities, especially minority groups.

Finalizing the description of the sustainability approach of Findeter, the company's interaction in environmental and social issues with its Clients is carried out through: i) the Environmental and Social Risk Analysis System (SARAS) for credit, to which they apply a part of the credit operations either due to the environmental sensitivity of the project or its value; and ii) the social management that is part of the added value of the Technical Assistance service with the projects of the Technical Vice-Presidency and Vice-Presidency of Planning.

During 2018 the Sustainability Perspective was updated with important issues for the country, when we included two new initiatives, the Green Growth Strategies of the organization and the Orange Economy, which demonstrates the Entity's dynamics to respond to the needs of the Organization. country and remain at the forefront, in addition to the three initiatives that had been running since 2017 (See Progress of the Strategic Plan - Perspective of Sustainability).

As part of the strategies for the implementation of the Social Responsibility Model, we carried out a dissemination and socialization campaign within the institution in order to publicize the model, its dimensions and its action plan. Likewise, in 2018 we carried out the dissemination and internal awareness of the Good Governance Code approved in 2017, training that included the declaration and principles adopted for human rights (See Ethics and Good Governance).

We also train workers in the prevention of fraud and corruption, as part of operational risk and money laundering and terrorist financing aspects.

In the line of action "Financing and socially responsible technical assistance", we have made credit lines available to customers to promote green businesses and we continue to strengthen our Environmental and Social Risk Analysis System (SARAS), to continue on the path of social and environmentally responsible financing.

Likewise, we continue to participate actively in the agreement of wills between the Colombian Banking and the National Government, Green Protocol, which develops strategies so that the bank is increasingly environmentally and socially responsible and offers in its product portfolio what the country requires to the green growth of Colombia.

Additionally, as part of the management as a Corporate Citizen, that is, one that is part of the formulation and implementation of public policies, we continue to actively participate in the Financial Management Committee of the National Climate Change System SISCLIMA, the World Energy Council Colombia (WEC) and the Building Energy Efficiency Accelerator Bogotá (BEA) program.

Another line of action of the Social Responsibility Action Plan is the Integral Relationship with Suppliers. In this sense, we have been taking important steps in our recruitment policy by expanding the commitment of the parties to compliance with standards and regulations related to human rights, the environment, as well as knowledge of the sustainability and social responsibility policies of the Organization. In this way we will continue working to incorporate environmental and social criteria in the selection and evaluation processes, together with a socialization plan of our best practices.

The Humanization of Banking and the Strengthening of Organizational Culture, a line of action based on the corporate volunteer program, had a social and environmental focus. The volunteer program was consolidated, which is the set of activities that facilitate the development of employees from their strengths and values in order to create a culture of service that transcends the company's stakeholders. Next, the projects executed:

- Social volunteering at the "Fundación Ciudad de Dios La Gloria", which provides free lunch service to the Usme community in Bogotá (135 impacted people).
- Two environmental volunteers in the "Casa de la Esperanza" located in Cajicá, impacting 76 elderly women with cognitive disabilities.
- Volunteer Christmas at the Fundación La Alborada (300 children benefited)

On the other hand, as a development bank within the action plan, the need to strengthen the post-conflict contribution has been identified. In 2018 we formulated the initiative of "Territories of Reconciliation and Stabilization", as well as continued providing the service of Support to Fiscal Management to municipalities of the Development Program with Territorial Approach - PDET, which accumulates 35 municipalities served since 2017, of which seven were made in 2018.

In support of the execution of the Technical Assistance projects, the social management strategy was continued, which aims to promote the effectiveness of the company with the management of social guidelines to build social fabric in the territories. Within the execution we integrate the realization of technical works with the establishment of social conditions that promote the appropriation and sustainability of them. Territorial Planning also identified strengths and opportunities for the construction of territorial projects at regional, local and sectoral scales hand in hand with the people.

In the execution, during 2018 from the social management we continue promoting the effectiveness of

social infrastructure projects, drinking water and sanitation with guidelines and management for 197 projects.

For territorial planning, we included guidelines for social management of five projects, led by the CIUDAT group with the Strategic Public Transport Systems of Ibagué and Manizales. As well as the projects of the Prosperity Fund for the Urban System of Sustainable Drainage in Santa Marta, the Collectors of the Water Sanitation Plan in Ibagué and the Sewer System in Valledupar.

Regarding Shared Value, Findeter is an organization committed to integrated and participatory territorial development. In 2018 the shared value projects prioritized by the organization focused on sports, recreation and culture, all aimed at vulnerable populations. Below is a description of its scope and achievements:

- For the sixth consecutive year, through the BATUTA Foundation, we supported the Quibdó Free Symphony Orchestra, made up of more than 168 children and adolescents who found in music a different life option from the dangers of the street.
- With the program of socio-sports soccer schools, in partnership with the Revel Foundation, schools for 800 children and adolescents were developed in the municipalities of Pasto, Tumaco, Rionegro, Codazzi and Manizales.
- In partnership with Inderportes del Departamento del Atlántico, 20 surfboards were delivered to the surf school in Puerto Colombia to strengthen the collective processes of cultural appropriation towards territorial sustainability; said school benefits 100 students on average.
- In partnership with the municipalities of Montería, Aracataca and Cereté, the EN BIICI project was developed, where 330 bicycles were delivered, in order to strengthen the consolidation of alternative mobility systems and reduction of school drop-out.

GOALS TO 2019

Continue to position ourselves as the Development Bank leader in the best social, environmental and economic practices through:

- Formulation of the flagship program of Social Responsibility towards communities.
- Design of the management board of indicators to monitor organizational sustainability.
- Development of actions that strengthen the integral relationship with suppliers.
- Expansion of the coverage of social management within the management model of the Entity.

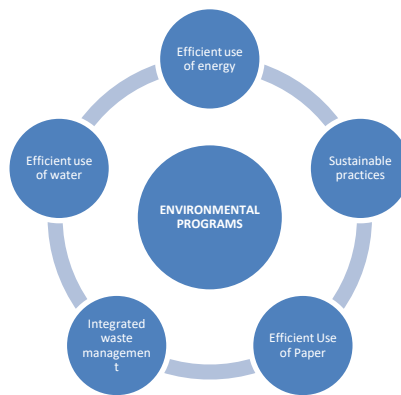
6.2 ENVIRONMENTAL MANAGEMENT

Findeter has an Environmental Management System - SGA, framed within the Integral Management

System of the Entity and in 2018 we achieved the certification in the new ISO 14001: 2015 version.

The SGA is based on the environmental policy, on the analysis of the legal requirements, the risks and the environmental aspects and impacts generated in the development of the Entity's activities from a life cycle perspective, and which are mainly managed with the development of initiatives, programs and activities that we observe in graph No. 33, guaranteeing compliance with legal requirements, environmental preservation and sustainable development.

Graph 29. Environmental Programs Findeter



In the framework of these programs, in 2018 an environmental campaign was carried out based on learning, assertive communication and generation of environmental culture tending to generate changes in the behavior and habits of employees, increasing their commitment and responsibility to their actions with the environment and the use of resources.

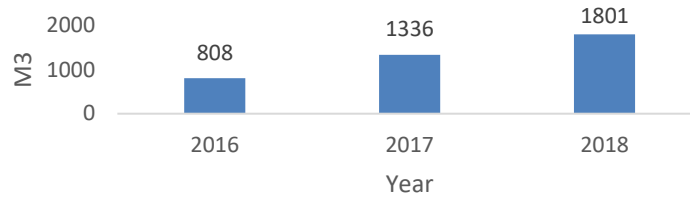
Likewise, as part of the strategy to strengthen Environmental Management, we have the Findeterra Team, whose members from different areas of the Entity collaborated in the promotion of sustainable actions and practices.

6.2.1 EFFICIENT USE OF WATER

We carried out several awareness activities for the Entity's collaborators through communication pieces alluding to the saving and efficient use of water, the impacts and benefits that generate changes in habits associated with the efficient use of this resource.

During the year 2018, water consumption at Calle 103 Headquarters amounted to 1,801 m³, mainly due to an error in billing, which was managed before the Acueducto de Bogotá company and it is expected that in 2019 the usual consumption reported.

Graph 30. Water Consumption Calle 103 Headquarters



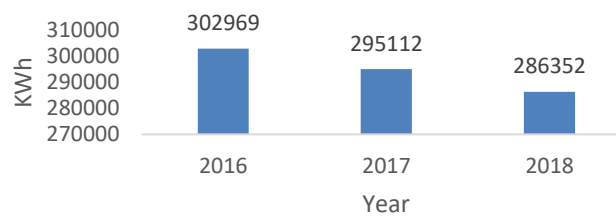
6.2.2 EFFICIENT USE OF ENERGY

Among the various activities that took place in 2018, the "Energy Hall" stands out, an interactive experience in which employees were taught the concept of vampire energy, as well as reporting on the economic and environmental benefits of LED bulbs and sustainable practices to achieve a more efficient use of energy both at work and at home.

The post-consumption program of luminaires and other Waste Electrical and Electronic Equipment - RAEEES was promoted, to guarantee an adequate disposition and a talk was held addressed to all collaborators on renewable energies in Colombia.

In 2018, the goal of 125 kWh / person / month of the per-capita Energy Consumption indicator for Calle 103 was met, since the average consumption was 97.06 kWh / person / month, with a total energy consumption of 286,352 kWh. / year in this venue.

Graph 31. Energy Consumption Calle 103 Headquarters



In 2018 there was a decrease in consumption compared to previous years, which is due to the practices implemented by the Entity throughout these years: Changing luminaires to led, elevator modernization, savings awareness campaigns and efficient use of energy.

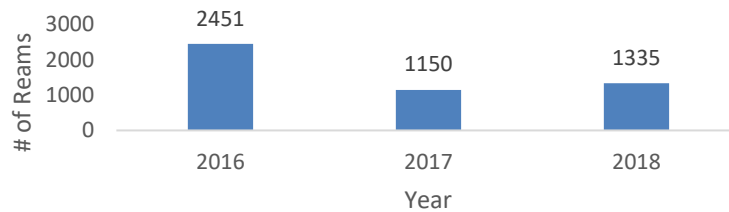
6.2.3 MATERIALS AND WASTE

EFFICIENT USE OF PAPER

In the 2018 environmental campaign, a contest was held among the employees of the Entity, in which the most innovative proposal on paper savings was awarded.

The consumption of paper of Findeter at national level was of 1335 reams what is equivalent to 3145.74 kg / year, and as it is observed in the following graph there was a decrease in the consumption with respect to the 2016 and a minimum difference with respect to 2017.

Graph 32. Consumption of paper at the National level



WASTE MANAGEMENT

Activities were carried out for the integral management of hazardous and non-hazardous waste generated in the Entity, among which are the following:

- Periodic inspections of temporary storage sites for waste at the headquarters
- Sensitization in the proper handling through communicative pieces.
- Training for general service personnel on handling hazardous waste.

This year, 3,515 kg were destined for recycling, corresponding to 23% of the total non-hazardous waste.

Regarding the hazardous waste generated, these were disposed of properly and delivered in their entirety to the managers authorized by the Competent Environmental Authority.

SUSTAINABLE PRACTICES

The Sustainable Practices program allows the management of good environmental practices through the promotion of eco-efficiency, education for sustainability, participation in activities that promote the prevention of environmental and social risks, and support efforts to address climate change.

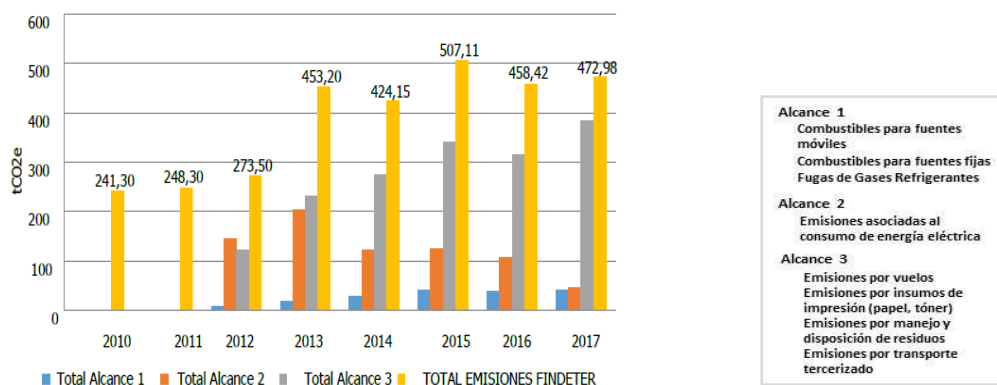
In this year the activities we carried out were:

- The promotion and loan of the bicycles to the collaborators was continued for the transfer of the work to the house and vice versa.
- An environmental volunteering was carried out that consisted in the construction of a garden in the Esperanza Foundation in the Municipality of Cajicá, in which different plants and seeds were planted; it is expected to receive prosperous fruits to be able to sell them and thus obtain resources for the maintenance of the 70 elderly women who live in the Foundation.
- We led the workshop "Consolidation of Good Environmental Practices in Banking", in which 20 institutions participated, including 18 banks, and which consisted in the exchange of good environmental practices implemented in these institutions as alternatives to contribute to the use of efficient use of resources and the reduction of negative environmental impacts.
- A talk was given to all the collaborators on Climate Change, where a contextualization of the subject was made, exposing the panorama and the different threats in relation to the adverse effects that it generates; Likewise, the results of the measurement of the Findeter Carbon Footprint of 2017 were socialized.
- In 2018 the measurement of the carbon footprint corresponding to 2017 was made:

The measurement of the Corporate Carbon Footprint includes the inventory of greenhouse gas emissions - GHG and the calculation of environmental performance, allowing to identify the emissions caused through the entire cycle of operation and service provision. This inventory of GHG emissions includes activities such as combustion processes, consumption of refrigerant gases, electricity consumption, paper consumption, waste management, corporate flights, land transport, among others.

In this sense, Findeter since 2010 has been measuring the carbon footprint of its business activities, and offset emissions through different mechanisms such as planting trees and buying carbon certificates.

Graph 33. Evolution of Findeter's carbon footprint



For the year 2017, the carbon footprint - HC of Findeter was 472, 98 tCO₂e. The generated emissions increased by 3% with respect to the emissions generated in 2016 (458.42 tCO₂e). This is mainly due to the increase of personnel in the regional offices of 2%, as well as the incorporation in the inventory of new

regional offices, increasing the consumption of resources and the increase of corporate trips, since new destinations were reported and the flow of the same ones, increasing 30% with respect to 2016.

6.3 CONTRIBUTION OF THE PORTFOLIO OF PRODUCTS AND SERVICES TO THE FIGHT AGAINST CLIMATE CHANGE

As a development bank that transforms regions into sustainable territories, climate change management permeates the management, planning, financing and execution model, and materializes in our financial and non-financial products, as follows:

- From the Planning, with the Sectorial Planning service, we are implementing Nationally Appropriate Mitigation Actions - NAMA in which part of the goals of reduction of greenhouse gas emissions of the country are deposited (National Determined Contribution - NDC for its acronym English).

With the Local Planning service, base studies are made to the cities (Greenhouse Gas Emissions, Vulnerability to Climate Change and Urban Footprint) that allow the territories to have a key tool for sustainable planning and define a mitigation and adaptation route.

- From the Financing, the Redescuento product offers special credit lines for sustainable energy projects, energy efficiency, sustainable infrastructure and environmental impact, among others, in addition to the permanent credit offer.

The System of Analysis of Environmental and Social Risks, included in 2018 the request for information regarding greenhouse gas emissions of the projects to be financed, a first step for its strengthening in matters of risks associated with climate change.

- From the Execution, in the Technical Assistance and Project Management, in the social infrastructure that is managed, active and passive measures of sustainable construction have been introduced, such as the use of solar energy or bioclimatic design. Also with the "Forests 20/30" program, which through the restoration and conservation of strategic zones, contributes to the adaptation and mitigation of climate change.

Likewise, the Measurement, Reporting and Verification of Climate Financing - MRV model, institutional contribution to national climate finance, tracks the mobilization of credit resources associated with mitigation and adaptation actions to climate change; Some of its results are reported below:

The product Findeter Credit has disbursed \$ 11.5 billion in the period 2014-2018, of which we have tracked \$ 1.8 billion for projects that are associated with actions to address climate change; Of these, 78% are projects that contribute to mitigation. On the other hand, geographically these investments have been mainly in the departments of Antioquia, Meta, Norte de Santander and Santander.

In 2018, Findeter made credit disbursements for \$ 2.26 trillion, of which 13% (\$ 0.3 trillion) was allocated to direct investment projects or those associated with mitigation and / or adaptation; of the latter, 89% is concentrated in projects that contribute to mitigation, maintaining the trend of the last five years tracked.

These \$ 0.3 billion have been mainly destined to the generation of renewable hydroelectric energy,

production of biofuels, greater access to energy through investments in the National and Regional Transmission Systems, massive transport systems, risk management associated with landslides or floods and basic sanitation management.

It is noted that in 2018 mobilized resources for "Energy Efficiency in Industrial Processes" were tracked for the first time. Below are the results for the period 2014-2018:

Graph 34. Credit resources mobilized by sub-sector of the National MRV of Climate Financing
Period 2014-2018



(Amounts in millions of pesos)

7 OUR PEOPLE

ACHIEVEMENTS AND HIGHLIGHTS

- The measurement of culture in 2018 showed a growth compared to the year 2017, obtaining 2.79 points against 2.58 points respectively, which reflects the implementation of different actions aligned with the corporate strategy that impact the nine dimensions of culture: principles, sustainability, clients, innovation, achievement, leadership, talent, relationships and communication.
- In March 2018, the Arbitral Award was notified for a two-year term that ended the collective conflict between the Administration and the Trade Union of Employees of the Entity - SINTRAFINDETER, allowing to strengthen relations with the Trade Union Organization.
- Implementation of a new development management tool for workers, aligning competencies and potential with culture and organizational climate, including individual management indicators (KPI) as a new variable. As a complement to this, the module of the individual training plans was developed, related to the action plans of each worker.

7.1 CHARACTERIZATION OF WORKERS

Findeter has the support of workers on mission for the execution of the programs and projects that it has in charge, personnel with specialized studies and experience in the different technical areas that impact the processes, this has allowed to strengthen the human team that counts the Organization, to assume with the professional and technical capacity, the challenges demanded by the activities that are developed, as well as to respond for the new programs that the National Government determines, through Agreements and / or Interadministrative Contracts of technical assistance.

The number of direct workers did not vary significantly between 2017 and 2018, however the number of workers on mission decreased compared to that reported for 2017, basically due to the completion of projects for which they were hired..

For more information in Annexes, see Tables: -Number of employees by sex; -New hires broken down by sex and region;

Our rotation rate in 2018 was 6.8, calculated as follows:

Table 27. Rotation Rate

$$\text{Rotation} = \frac{\{[(\text{joinings} + \text{withdrawals})/2] * 100\}}{\text{Total collaborators}} = 6.8$$

	JOININGS	WTHDRAWALS	DIRECT TOTAL
MEN	17	15	98
WOMEN	16	20	137
TOTAL	33	35	235

For more information in Annexes, see Tables: -Number of employees by type of employment contract and gender; - Number of employees by type of contract, sex and age group; - Number of direct employees by region and sex; - Number of employees on mission by region and sex.

7.2 LABOR RELATIONS

In Findeter we accept the current regulations on Colombian labor law, below we relate some of our labor practices:

- We perform the annual measurement of the Organizational Climate from different variables that guide the improvement of the work environment.
- We also carry out the annual measurement of Organizational Culture and corporate values as the basis of the work plan to reduce gaps between the current culture and the desired culture.
- We implemented the Occupational Health and Safety Management System in compliance with current regulations.
- We respect the right to free association and encourage communication with the Trade Union Organization through social dialogue, in order to strengthen cooperation and the generation of trust, listening and learning space in which information and knowledge are shared.
- We try to align the collaborators with the values and processes that the company requires to achieve its strategic plan.

In terms of respect for human rights, in Findeter we began to approach them through the procedures certified with the ISO 9001: 2008 and ISO 14001: 2004 quality standards and the efr management model as a family-responsible company, we did not discriminate in the selection of staff, we offer fair working conditions and adequate work spaces, we have access facilities to the main headquarters of the Entity for people with disabilities and adequate bathrooms on the first floor for this population, neither child labor nor forced labor both for its direct personnel as well as for those who are on mission or with their suppliers, fulfilling in its contracting clauses the social dispositions and labor practices according to Colombian

legislation. There is also the Copasst Committee and the Labor Coexistence Committee, in order to meet the needs of workers.

It should be noted that in 2018 there were no reported cases of discrimination for any reason, in any of the instances provided for that purpose.

Below is the conformation by gender of the positions by level, which highlights the superior participation of women at all levels of the Organization.:

Table 28. Distribution of workers by level and gender

POSTS	Female Gender	Male Gender	Total General
Management Level	24	20	44
Other Levels*	258	212	470
Total general	282	232	514
% participation of women in the total	55%		
% women participation in management level	55%		

* Including practitioners: SENA and University students

7.2.1 SELECTION AND RECRUITMENT POLICY

Findeter in the policy of selection and hiring of qualified and competent personnel, has established equality of opportunities, non-discrimination of sex, race, social status, religion, region or other circumstance.

Likewise, within the efr (family-responsible company) model in the Equality of Opportunities dimension, it is established that the company will make job offers in its personnel selection activity, without discrimination of any kind.

On the other hand, in the selection, hiring and induction procedure, it is aligned with the general competencies required, the aspects related to the culture and organizational climate, starting from the search of potential candidates to the different positions, until the hiring of the same ones.

The controls are determined from the same procedure when analyzing the resumes, safety studies, of the applicants in relation to the fulfillment of the studies, experience and specific competences of the

applicants, additionally and for specific processes, voice tests are applied through an advanced validation system which allows greater security.

SALARY COMPENSATION

In Findeter, the salary remuneration is established according to the current salary scale and according to what is described in the manual of functions and general requirements in force respecting gender equality, giving priority to years of work experience and studies of the candidate. The Board of Directors is the body that authorizes the increases every year for the management level and for the other charges, the increase occurs according to what is agreed in the collective bargaining agreement that is in force.

Likewise, salary studies have been carried out with external consultants who are experts in the subject in order to technically obtain the competitiveness of the Entity's salaries against the market, recognizing that this is a variable that allows attracting and retaining the talent required to achieve the goals, result of this allows to make wage levelings in an objective way.

7.3 CONCILIATION AND PROFESSIONAL DEVELOPMENT

7.3.1 FAMILIAR CONCILIATION

The efr certification allows Findeter to be presented as a company that develops Family Responsible policies and practices, on the basis that the employee's family and each one's life project is a priority for the Financial Company, thereby reinforcing the sustainability policy inside the Organization.

The efr certification puts Findeter at the forefront in issues of people management by allowing you, under quality standards, to group the entire portfolio of benefits for your workers, allowing us to be sustainable within the organization.

7.3.2 WORKING ENVIRONMENT

The result of the measurement of the work environment index (IAL) is the variable that allows organizations to maximize the management of people and establish themselves as responsible family members. Findeter in the search to make the Entity the best place to work, has measured the IAL for five years under international standards, using the Great Place to Work® Institute methodology, a model for understanding and understanding the work environment in three levels pillars are:

- The trust inspired by leaders and the company
- The camaraderie present in the work group
- The Pride that produces the work, the team and the company

This is how in December 2018 Findeter entered the group of the 20 best companies to work in Colombia occupying the position No. 5, in the category of companies with more than 500 workers, recognition that motivates to continue in the pursuit of excellence.

7.3.3 TRAINING

Based on the training needs of the different departments, the organizational competences to be developed and the strategic plan line, the training plan for each year is built, which is executed according to the business dynamics. On the other hand, the participation of workers in different programs is encouraged, which allows to strengthen the organizational culture and develop their soft skills as a complement to the technical training they receive.

The prioritization of training activities is given with the different themes related to induction, reinduction, corporate issues, technical or specific, complementary education and the improvement of skills, which support the strategic capital dimension of the corporate that seeks to have workers integrals that think of sustainable and profitable growth.

Similarly, there is financial support as an incentive for our workers to professionalize and specialize in issues that contribute to achieving the objectives of Findeter.

In recent years, the training process at Findeter has been strengthened, given the momentum that the Entity's management has given to the different programs, promoting not only updating and knowledge but also permanent assistance to the different seminars that organize, this is how by 2018 there were 701 people registered in the different training programs with an investment of 59.05 man hours in a year of high execution of projects at the end of the term.

Table 29. Training Hours of the Collaborators

Year	Total Hours	Participants	Annual HH
2016	29,040	590	49,22
2017	32,759	672	48,75
2018	41.397	701	59,05

We keep track of each worker's participation in which the time invested in the learning and program he attended is recorded, to what strategic dimension corresponds or what organizational competence is to be developed or potentiated with said training.

In 2018 there were 471 training events.

For more information on Annexes, see Table: - Worker training by gender and position

7.3.4 PERFORMANCE

In September 2018 the evaluation process of the development management of the year was carried out, which had an average coverage of 551 people, complying with 90% of the population to be evaluated, whose average results were: 88.1% in competencies , 74.8% in culture and 73.7% in climate, the management indicators module was incorporated.

Among the results that the evaluation showed, it is evident that the competencies with a low percentage within the Entity are: Change, Innovation and Creativity, People Development and Strategic Thinking.

Regarding climate and culture, it was found that according to the perception of the leaders within the evaluation, the corporate values with the lowest score were: Innovation; and Vocation to Service.

By 2019, workers must enter the tool for the preparation of each of the individual improvement plans.

7.3.5 HEALTH AND SAFETY AT WORK

In accordance with the economic activity of Findeter, and according to the codification given by the Occupational Risk Manager - ARL, the minimum risk is classified in class I (Financial, clerical, administrative, educational centers, restaurants), so that You can affirm that the Entity does not have exposure to high risks of certain diseases.

During 2018, 5 minor accidents occurred in recreational sports activities and / or typical of daily tasks, these were affected in lower and upper limbs and their incidence was low. Of the accidents presented 1 case corresponded to a woman and 4 in men, the events were presented in the city of Bogotá; In total there were 46 days of disability related to the 5 accidents presented.

In 2018, 4 maternity leave and no paternity leave were filed.

According to the qualification of origin given by ARL POSITIVA, to date in Findeter there were no cases of occupational disease.

The representation of the workers in the COPASST and Coexistence committees is 50% and their election is made through participatory elections.

7.3.6 FREE ASSOCIATION

Findeter has a Union of workers since August 1999, which has 67 affiliated workers equivalent to 35% of the total number of workers authorized to join the union.

Likewise, in 2018 the Social Dialogue was implemented, which seeks to strengthen cooperation and the generation of trust, a listening and learning space in which information and knowledge are shared, an alternative for the prevention and resolution of conflicts, which has made it possible to consolidate relationships as part of the organizational culture.

7.3.7 BENEFITS

The collective labor agreement signed between the Administration and the Trade Union of Workers of the Financial, groups the benefits agreed upon for the direct workers who benefit from it, which contemplate:

- | | |
|---|---|
| ▪ Monthly Technical Bonus | ▪ Health services policy |
| ▪ Food Aid | ▪ Recognition of disability and maternity leave |
| ▪ Loans: Housing, Vehicle, Study, Free Investment, Domestic Calamity. | ▪ Working day |
| ▪ Extralegal Bonus (in June and November) | ▪ Training |
| ▪ Annual Bonus of Antiquity | ▪ Educational Assistance For children |
| ▪ Transportation Assistance | ▪ Assistance for the Union |
| ▪ Educational Assistance | ▪ Five-Year Recognition |
| ▪ Funeral Assistance in case of death of the worker | ▪ Pension retirement bonus |

In 2018, 81% of the direct employees of the Entity were covered by the collective agreement.

8 RELATIONS WITH STAKEHOLDERS

In the global environment where the changes are increasingly significant, the role of the Stakeholders becomes fundamental in terms of the business, since the more the business strategy is nurtured with the involvement of these, the more possibilities the company will have to identify new opportunities and challenges, and at the same time, anticipate risks and be prepared to minimize them. All this will result in better economic performance as well as creating value for society and the environment.

Findeter in its process of rapprochement, with its Stakeholders investigated for each of them their needs, expectations and interests, through a direct relationship with some and with surveys with others, within the process of materiality that I carry out, in order to achieve and assess to what extent they can and will continue to respond.

8.1 STAKEHOLDERS

In 2017 Findeter carried out an update and prioritization exercise of its Stakeholders (GI) based on the different types of relationships established with them. Thus, from the construction of a group map and subsequent validation through focal work groups, 9 large GIs were identified that, from different dimensions, contain the multiplicity of actors with whom the Financial is related.:

Table 30. Findeter's Stakeholders

Stakeholders	Description	Commitment of Findeter
Management and Administration Bodies	Are the internal governing bodies that dictate the ethical principles and procedures under which they must govern and operate Findeter; Board of Directors, Shareholders, Administration, Directors.	Respect for the rights conferred by the Law, the statutes and those derived from the actions.
Investors	The following are considered as investors: 1) those who acquire CDs, or other credit content titles, placed by Findeter and 2) People who acquire shares of this Financial Company from the issuance of Decree 4167 of 2011.	Ensure that they have an equitable treatment, according to their nature and in the terms established by the Law.
Clients	All natural or legal persons with whom Findeter is related through rediscount operations, technical assistance or cooperation agreements for the development of the country.	Quality and opportunity in the provision of services and products.
Suppliers and contractors	Individuals or legal entities with which Findeter contracts the provision of a service or the purchase of a product.	Maintain trust relationships with efficiency and opportunity.
Control Entities	It groups those entities of internal and external control that fulfill different functions of surveillance, monitoring and control over the operations, obligations and activities of Findeter.	Maintain a fluid and cooperative relationship; To comply with the recommendations and instructions in a diligent and timely manner.
Ministry of Finance and Public Credit	It is the governing body to which the Entity is linked and therefore the guidelines that correspond to it must be observed.	Address the established requirements and guidelines efficiently and in a timely manner. Collaborate with the good performance in the tasks entrusted by the sector.
Creditors	The responsibility of the Entity's relations with its creditors means that they maintain their interest in the businesses due to their financial capacity and the timely payment of their debts.	Respect the conditions of the negotiation, providing confidence in the management.
Plant workers and on mission	All those people linked to the Entity and who constitute its main resource.	Promote an adequate organizational climate for the optimal development of institutional activities.
Government and Society	Natural persons, legal entities and civil society organizations that: 1. Can be impacted directly or indirectly by the actions of Findeter. 2. They may present in the short, medium or long term some particular interest for the organization or vice versa.	Generate positive impacts in Colombian society.

8.2 VALUE CHAIN

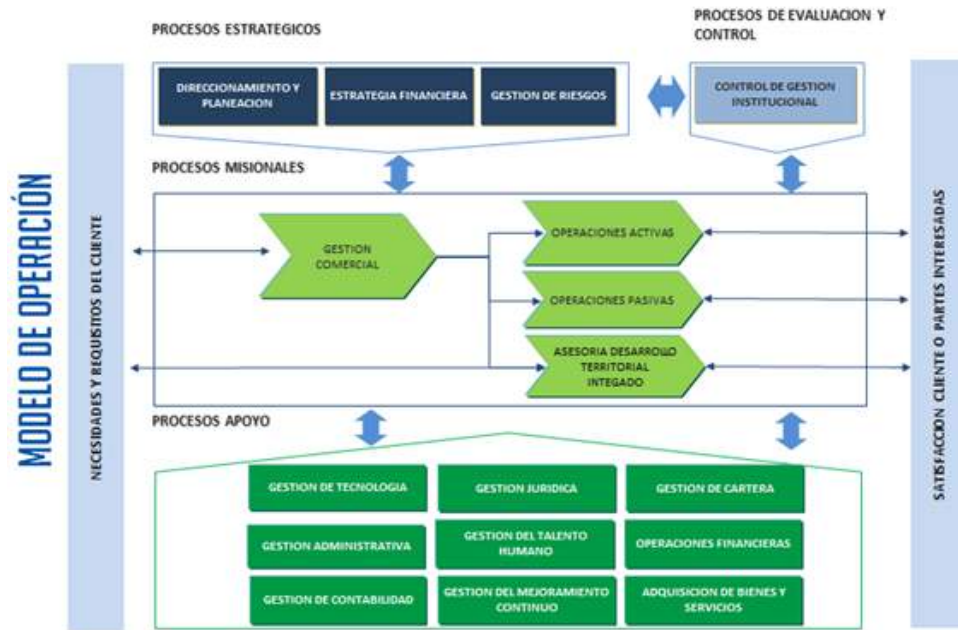
During 2018 Findeter continued to strengthen its relationship with its stakeholders, through the information and communication channels, complying with the Sustainability and Corporate Social Responsibility policy. We have been building this relationship not only from mutual trust and transparency, but we have also sought to emphasize their interests and their satisfaction, considering that they are fundamental for their great potential in the company's results and for being important players in the company sustainability, due to its direct and indirect impact on its management.

In the global environment where the changes are increasingly significant, the role of the Stakeholders becomes fundamental in terms of the business, since the more the business strategy is nurtured with the involvement of these, the more possibilities the company will have to identify new opportunities and challenges, and at the same time, anticipate risks and be prepared to minimize them. All this in the long run will result in better economic performance as well as creating value for society and the environment.

Findeter in its process of rapprochement, with its Stakeholders investigated for each of them their needs, expectations and interests, through a direct relationship with some and with surveys with others, within the process that carried out materiality, in order to achieve and assess to what extent they can and will continue to respond.

Our value chain is based on the Process Map of the Entity, through which we have as a starting point, the knowledge and identification of the needs and requirements of customers and stakeholders, through an appropriate interrelation of the processes Strategic, Mission, Support and Control, achieve the results that allow us to meet the expectations of our customers and stakeholders.

Illustration 2. Value Chain - Process Map



8.2.1 CLIENTS AND MARKETING

Regarding our final clients or beneficiaries, the relationship lies directly with the Regional and Zones of the Entity. Each account manager, according to our institutional values, is oriented to the vocation of service, respect and commitment that as a result has led to a loyalty of 68% of our Beneficiaries, according to the most recent satisfaction survey conducted by the Entity.

On the other hand we have the Financial Intermediaries, who are allies of the Entity in the placement of credits. Through them, the credits reach the Final Beneficiary, for this reason, the Financial Development gives these actors great importance.

A close relationship is maintained with the directives of the financial entities and as a result we obtain business or projects that are obtained from the Regionals through the branches of the banks.

We are always looking to achieve an efficient communication and relationship with the Financial Intermediaries, which allow the disclosure of information of interest to them in all the related topics on the rediscount with Findeter. We achieve this through the joint strategy we set with each one of the Financial Intermediaries focused on achieving the objectives set by the Commercial Vice-Presidency regarding rediscounting.

Finally, we are always working on the positioning of the Entity and its products among the Financial Intermediaries, generating presence in the events, commercial accompaniment, in order to achieve

credibility and prestige in them. We constantly conduct training for Intermediaries in order to publicize our new lines and other aspects of the rediscount, and keep them updated on the current ones.

8.2.2 CUSTOMER SERVICE

Customers currently not only look for profitability and quality, but also, good care and professional advice, personalized service and excellent service, so when a customer is dissatisfied can affect the corporate reputation.

In this process, during 2018, the internal service strategy called "people serving people" was implemented, where each collaborator recognizes in the other a client and in their actions a role of importance in the final result of the satisfaction of external clients. the entity. For this, activities were developed to strengthen the competencies: Vision of the process; Integrated customer management and effective relationship.

The internal satisfaction study was also carried out whose results allowed to understand the needs of the collaborators and identify weaknesses and strengths of the service, as well as to recognize the interaction of the processes in terms of quality, compliance, commitment and technical level of the team, to create plans of action for the Service policy to be developed in 2019.

Responsive protocols were created and changes were made in the image of the website to improve interaction with customers, reducing response times to their requests and concerns, contributing to a level of satisfaction of more than 90%.

Requests Received

126 requests for information (concerns - Suggestions) were received through the Entity's website (www.findeter.gov.co), 100% of them were attended in a timely manner.

For more information in Annexes, see Table: - Total Comparison of Requests 2016 to 2018

Opportunity in Attention - Response Time

The average response time in 2018 was 2.2 business days, thus fulfilling the goal proposed since 2016 of not exceeding 3 days.

For more information in Annexes, see Table: - Response Time in days 2016 to 2018

Participation areas in requests 2018

Given the specialization of the concerns received through the website www.findeter.gov.co your answer is developed by the competent areas.

For more information in Annexes, see Table: - Participation of areas in response to requests 2018

CUSTOMER SATISFACTION

For Findeter it is important not only to know the moments that make up the service cycle, but also to identify the elements and factors that make this cycle a memorable experience, for which it carries out a complete study annually that allows it to generate measurement tools to monitor and improve performance based on the key factors that determine customer service.

According to the latest study carried out by the National Consulting Center, Findeter customers say they are 95% satisfied with the service provided during the year 2017.

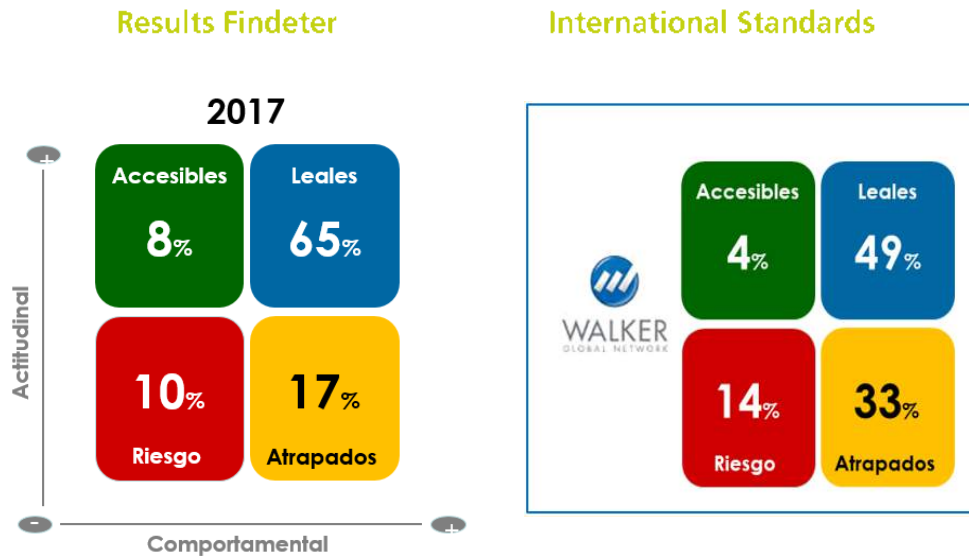
Table 31. Customer Satisfaction

Year	% of satisfied customers **
2017	95%
2016	95%
2015	94%
2014	93%

LOYAL CUSTOMERS

Based on the analysis of the desired behaviors, Findeter evaluates the Loyalty of its clients, understanding the concept of loyal customers as all those who feel committed to the Entity and who express the intention to continue maintaining the relationship. The study carried out for 2017 registered the following results, which are comparable with International benchmarks managed by *Walker Global Network* of companies similar to Findeter and of the same sector..

Graph 35. Customer Loyalty



According to the results of the study, 65% of Findeter's clients are loyal, 16 points above the International standards, which shows that Findeter meets the highest levels of quality in its products, generating satisfaction and loyalty in its customers..

8.2.3 COMMUNICATION CHANNELS WITH STAKEHOLDERS

The management of Communications is a cross-cutting aspect of the entire company and its main purpose is to put communication at the service of corporate strategy, facilitate information flows inside and outside the company, manage the relationship with different interest groups and accompany the areas of the Entity in the assertive communication of corporate messages.

In 2018 the communications plan focused on supporting the fulfillment of the mission objectives of Findeter through the following processes:

- Internal communications
- Divulcation and press
- Digital communication
- Publications

Each of them served as a vehicle to accompany the strategic priorities of the company:

- Disclosure of the service portfolio to different stakeholders (internal and external).
- Strengthening the presence of Findeter in national and regional media.
- Knowledge of the territories where Findeter has a presence through the execution of projects.
- Generation of synergies between the different areas of the company.
- Incursion in digital communication: social networks and other digital media.
- Take advantage of the company's knowledge and make it available to stakeholders.

Additionally, we have complaints channels through e-mail, telephone line and the Entity's website, as well as a procedure for "**Attention to petition rights, complaints and claims**" (PQRD), which establishes the activities, policies or conditions, controls and formats that must be taken into account to achieve accurate and timely responses to customers. These in addition to receiving verbal or written, can enter through social networks: chat, twitter, Facebook, instagram; in these cases they are instructed to make the request by email findeter@findeter.gov.co or through the link: <http://www.findeter.gov.co/loader/f.php>

Some figures:

3,930 news published in media = investment savings close to \$ 15,500 million.

3 workshops in which 100 journalists were trained in urban development issues

Social Media:



33,986 followers with more than 10,600 interactions.



10,950 followers shared almost 5,000 content.



3,491 followers with about 194,028 impressions



684,000 visits to the Findeter website.

Publications:

9 publications that give account of territorial planning exercises and that are the guides for the action plans of the regions of the country.

RELATIONSHIP WITH INVESTORS:

The Entity has managed to create, manage and manage optimal communication channels with investors, providing timely and complete information that facilitates the behavior of the financial market and decision making in it.

Among the tasks performed to comply with the IR requirements of the Colombian Stock Exchange, quarterly events to present results to investors stand out. In these presentations a part of the Entity is given from the financial, commercial and technical point of view, and the questions that the different investors may have regarding our management are resolved. The online events were held in English on the following dates: May 30; September 27th; and December 13. In each of the presentations there was an important attendance of investors and other members of Findeter's stakeholders interested in knowing the management of the Entity.

Likewise, an update was carried out on the design and structure of our website for investor relations in Spanish and English, thus facilitating access to financial and corporate information for our local and international investors, achieving greater consultation traffic in these portals. The query link is the following: https://www.findeter.gov.co/publicaciones/302823/relacion_con_inversionistas_new/

9 PROCESSES AND CONTINUOUS IMPROVEMENT

Strategic Planning 2015 - 2025 evidenced the importance of improving the operation of the entity, therefore it became necessary to include and initiatives to optimize the processes and procedures of the entity.

With these initiatives are introduced changes to the redesign or improvement of their processes, and therefore in the operation model, facilitating the achievement of the results of the organization as a whole and not only of the functional areas, aligning it with the needs of the market and strategic planning, which is expected to have an operating model in line with the improvements being made.

During 2018, we have been working on strengthening the understanding of Management by processes, in such a way that the business value chain becomes a determining factor for the adequate understanding of the operation and administration model of our Management System Integrated. Developing new process design activities associated with Trust Control and Data Governance.

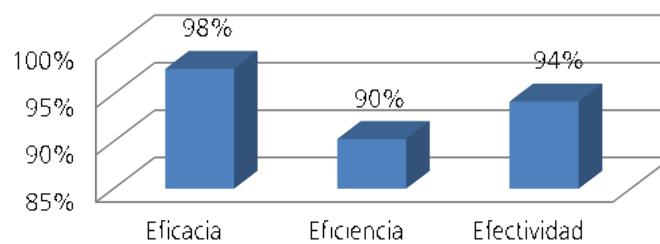
9.1 INTEGRATED MANAGEMENT SYSTEM (SGI)

The Integrated Management System composed of: the Quality Management System (QMS), the

Environmental Management System (SGA), the Internal Control Standard Model (MECI), the Operational Risk Management System (SARO), and the model for managing the reconciliation of personal, family and work life efr, during the period between January 1 and December 31, 2018, continued with its maintenance as a basic input to achieve continuous improvement in the management of the Entity, internal control and attention to institutional risks.

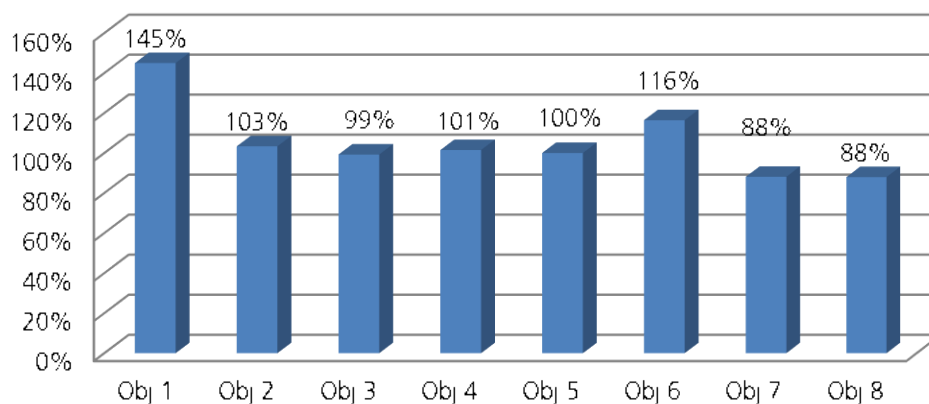
The analysis and measurement of the management indicators shows that the effectiveness, efficiency and effectiveness for the Financial, presented a positive behavior with the following results:

Graph 36. Level of compliance of the SGI



The objectives of the SGI presented compliance above 90%. With the exception of the indicators associated with Privacy and Information Security, as shown in the following graphic:

Graph 37. Compliance Objectives of the SGI



Objectives:

1. Increase the level of satisfaction of internal and external clients of FINDETER.
2. Increase the level of skills and quality of life of employees.

3. Generate a safe environment for all workers and third parties, in front of an adequate identification of hazards, evaluation and control of risks, through the realization of promotion and prevention activities.
4. Manage good practices to generate environmental awareness among Findeter's collaborators to promote the efficient use of natural resources.
5. Properly dispose the waste considered hazardous.
6. Optimize the level of effectiveness of the Entity's controls.
7. Increase the level of awareness of workers in information security to promote the proper use of information assets.
8. Strengthen the security of information through the timely management of incidents and vulnerabilities.

By 2018, we have identified Non-Satisfied Outputs in accordance with the requirements of NTC ISO 9001: 2015 for each of the mission processes, such as: Advisory to Integrated Territorial Development - ADTI, Management of Active Operations - GOA and Management of the Passive operations- GOP. The behavior of the Nonconforming Outputs - SNC for the year 2018 is detailed in the following table:

Table 32. Non-Satisfied Outputs 2018

PROCESS	SNC	TOTAL OUTPUTS	% SNC
ADTI	1966	7225	27,21%
GOA	34	166	20,48%
GOP	0	681	0%

This behavior is within the percentage of non-satisfied outputs defined for the year 2018, from the SGI monthly follow-up and control meetings are held to the results and to the generation of actions taken against the deviations presented.

With respect to the corrective and improvement actions, 151 actions were formulated distributed as follows: 51 corrective and 100 improvement which indicates that the evolution on the continuous improvement of the system has been 66.2%, this represents a decrease with respect to the year 2017 where the improvement was 70%. 55% of the actions formulated were in the processes of Risk Management, Technology Management and Commercial Management. As of December 31, 50 actions are being executed equivalent to 9 corrective actions and 41 improvement actions. Likewise, the processes in its management achieved the closure of 181 actions corresponding to 63 corrective and 118 improvement,

of which 105 were formulated in 2018 and the remaining 76 were formulated between 2015 and 2017. The actions derived from both audit Internal audit of the SGI as internal management audit were the sources with the highest participation with 75%.

During the month of July the internal audit of our Management System was carried out to the new versions of the ISO9001 Quality Management System and the ISO14001 Environmental Management System and in September the external audit was carried out obtaining favorable results for the entity and the achievement of the certification of ISO 9001 and ISO 14001 standards in the 2015 version.

The migration of version 4.6 of Isolución was achieved for the administration of the Integrated Management System, achieving improvements and changes in the tool that are necessary for the management and administration of the system. Training was given to all the officials of the entity that manage the system in each of the processes.

GOALS TO 2019

- Incorporation of the Data Governance and Fiduciary Control activities within our Management System through the design or redesign of the processes that are defined for them.
- Redesign the processes associated with the Territorial Planning products based on the changes that are being defined for them.
- Design processes for products or services that are not identified within our process map.
- Improve the operation model of the entity (Process Map) through the tools for the improvement of processes with which the entity has for that purpose.
- Continue working together with the Vice Presidency of Risks in the implementation of the Information Security and Privacy System for its inclusion within our SGI.
- Accompany the Management of Human and Administrative Management in the implementation of the Occupational Health and Safety System and achieve its inclusion within the SGI.

9.2 INNOVATION MANAGEMENT AND KNOWLEDGE MANAGEMENT

Based on the Strategic Plan 2015-2025, Findeter raised the perspective of Innovation as the fundamental axis. Its objective is the design, structuring and implementation of the Innovation and Knowledge Center (CIC), given that Financiera is among the most innovative development banks in the country and in Latin America, it was proposed through the creation of models, the systematization and formalization of their internal processes of innovation and knowledge.

To achieve this, eight strategic projects were developed in 2018: three with an approach that encourages innovative culture and five that manage knowledge within the Financial Company, to generate initiatives

with greater added value in the different programs, products and / or services for our interest groups.

The projects were:

In Innovation Management

- BLUEDAY whose objective was to ensure that all employees knew and took ownership of the integral management of the Entity's processes, the Center for Innovation and Knowledge - CIC of Findeter structured and executed, through its #Heroesdeinnovación, the observation and of ideation of the project. Altogether twenty-seven # Heroesdeinnovación participated, accompanying the owners of the ten and seven processes of Findeter, in the ideation and staging of the key aspects to highlight to make everyone in the Entity known.
- Knowledge and innovation management of the Ministry of Finance and Public Credit whose objective was to define this strategy where it was possible to define what is specifically for the finance sector and why innovation is used as a means to achieve compliance with the institutional mission and where does the hacienda sector want to go through innovation.
- Competitiveness of Rediscount whose objective was "Identify areas of action to enhance the commercial competitiveness of the product" Rediscount "for Financial Intermediaries and improve the financial attributes for the final beneficiary".

In Knowledge Management

- Storytelling - transfer of knowledge emanated from successful experiences under the premise "every business has a story, every organization has a vision, every entrepreneur has a dream, every product has magic and we all have a story to tell", stories socialized in the framework of the "Findeter inspires" strategy.
- Partnerships with the Academic Sector
- Conecta2 - application developed with the objective of retaining the critical and strategic information and the institutional knowledge generated during the management of the Entity.
- Lessons Learned - module on the Business Intelligence platform for consulting the lessons learned documented in the Project Management System - SIGEP and in March 2018 the Lessons Learned Guide was published.
- Urban Thought Magazine - Seven editions, from the fourth with versions in Spanish and English.

9.3 LEGAL MANAGEMENT

ACHIEVEMENTS AND HIGHLIGHTS

- Reduction of 40% of the coercive collection processes, represented by the sum of \$ 2,668 million pesos.
- Response of different guardianship actions, all with favorable ruling for FINDETER.
- Issuance of the fiduciary and accounting manuals, through which the policies governing the fiduciary business were organized, related to the technical assistance provided by FINDETER to its clients.
- Support in the issuance of Decree 2468 of December 28, 2018, through which the compensated water and basic sanitation rate line was extended until July 31, 2022.

The process of Legal Management is responsible for advising the entity in all legal aspects, exercises judicial and extrajudicial representation in a timely manner, for the comprehensive protection of institutional interests, and exercises the administration and collection of balances derived from the liquidations of co-financing agreements. For this Findeter has three procedures:

- Legal advice and judicial representation (Processes, complaints, tutelages)
- Administration and collection
- Analysis and implementation of new regulations

Participate in the committees:

- Pre Investment Fund
- Workers Loans
- Accounting Sustainability
- Payment Agreements Committee
- Committee monitoring the liabilities of the territorial entities subject to Law 550 of 1999
- SGI Integrated Management System Committee
- Contracting Committee.

Below we present the most relevant figures of the main activities of the legal management process:

9.3.1 FINDETER JUDICIAL PROCEDURES

We count on December 31, 2018 with 117 legal proceedings as follows:

Table 33. Legal proceedings against Findeter

Attorney	Class of process	Defendant Value	Provision Value	No. of Processes
External Attorneys	Ordinary Labor	7.871.969.608	945.351.625	23
	Insolvency	156.951.168	-	1
	Direct Repair	8.618.828.490	-	19
Staff Attorneys	Ordinary Labor	2.147.509.225	1.481.381.681	4
	Direct Repair	2.855.187.726	-	10
	Insolvency	187.317.555	-	1
	Contractual Action	65.127.640.521	-	6
	Popular Action	57.261.850	-	7
	Group action	7.567.300.000	-	3
	Contractual Act or – Fund	1.250.000.000	-	1
	Nullity and Restoration of Law - Fund	16.275.917	1.393.142	1
	Total	95.856.242.060	2.438.126.448	76

Table 34. Legal proceedings promoted by Findeter:

Attorney	Class of process	Defendant Value	Provision Value	Nº of Processes
External Attorneys	Ordinary Labor	5.836.738.878	-	2
Staff Attorneys	Executive – Former Employee	1.415.195.133	-	18
	Executive – International	8.355.704.266	-	1
	Executive – BCH	75.468.541	-	2
	Executive - INSOPAL		257.779.963	10

	4.909.452.999		
Executive – Local Monitor	24.960.000	-	1
Executive – Utilities	88.3/1.684	-	4
Insolvency	58.333.339	-	1
Contractual Action	20.487.560	-	1
Monitored	2.228.520	-	1
Total	20.786.940.919	251.779.963	41

9.3.2 PROCESSES RELATED TO THE AUTONOMOUS PATRIMONY

Likewise, we have 23 legal proceedings against and 2 two judicial processes promoted by the Autonomous Patrimony Trust Technical Assistance - Findeter, where in 5 of them Findeter is not sued, as follows:

Table 35. Proceedings against the Autonomous Patrimony Trust Technical Assistance - Findeter:

Attorney	Class of process	Defendant Value	Reserve	Nº of Processes	Defendant Findeter
External Attorneys	Ordinary Labor	2.423.987.133	2.423.987.133	16	1
	Direct Repair	4.024.264.179	4.024.264.179	5	2
Staff Attorneys	Popular Action	3.000.000	3.000.000	1	0
	Contractual Controversies	1.088.203.966	-	1	1
Total		7.539.455.278	6.451.251.312	23	4

Table 36. Judicial proceedings promoted by the Autonomous Patrimony Trust Technical Assistance - Findeter:

Attorney	Class of Process	Defendant Value	Reserve	N° of Processes	Defendant Findeter
External Attorneys	Civil Ordinary	2.387.767.213	-	1	0
Staff Attorneys	Declarative of Large Amount	184.792.353	-	1	1
Total		2.572.559.566	-	2	1

Of the contracts derived from Technical Assistance, they are in course in the following Courts of Arbitration:

Table 37. Courts of Arbitration against the Autonomous Patrimony

Contract	Attorney	Project	Defendant Value	Organizer	Defendant Findeter	
036/2012	Juan Pablo Giraldo	Socorro Santander, Consulting	-	1.155.124.818	HIDROSAN SAS	No
	Juan Pablo Giraldo	Valledupar, Construction	-	2.089.577.258	Temporary Union Aguas de Valledupar	No
	Juan Carlos Expósito	San Juan de Pasto, Construction	-	5.761.056.376	Temporary Union Phase II	No
	Juan Carlos Expósito	Amaga, Construction	-	1.277.349.387	Temporary Union Redes de Amaga2014	No
	De Vega & Asociados Abogados SAS	Espinal (Tolima) Construction	-	2.410.801.133,51	Extraordinary Cancellation Resources - KMA Award	No
159/2013	Oscar Ibáñez	Armenia Quindio, Construction	-	1.531.703.554	WWTP Consortium	No
	Victor Julio Rey	Guamo Tolima	-	189.000.000	Consortium Acueducto para el Guamo	Si
Total				14.414.612.527		

COMPLAINTS: There is a total of 31 complaints, 9 against Findeter and 22 promoted by the Entity.

TUTELAGES: We answered 56 tutelages in the different offices of the country, all of them with a favorable ruling for Findeter.

CONCEPTS: In the course of 2018, the Legal Department issues 82 concepts, requested by the different areas of the Entity.

9.4 CONTRACTING MANAGEMENT

ACHIEVEMENTS AND HIGHLIGHTS

- Concentration of the Contractual Management Process of Findeter in the Contracting Direction.
- Implementation of the procedure for contracting services for third parties for the execution of the contracting that derives from the agreements and contracts of technical assistance and administration of resources concluded by Findeter.
- Creation of the Supervision and Oversight Manual, applicable both to the contracting of goods and services of Findeter, and to the contracting of services for third parties.
- Modification of the amount for direct contracting, establishing the order of expenditure for the acquisition of goods and services for an amount of up to 2 SMMLV.
- Design of closing minutes and release of resources applicable to contracts or acceptances of commercial offer subscribed by Findeter in which more than two years of the contractual term have elapsed for its liquidation and present resources to be released.
- Establishment of the procedure for liquidation of contracting services for third parties subscribed by Findeter.

The recruitment in Findeter is classified in the following modalities:

Table 38. Type of Contracting

Modality or Type of Contracting	Amount or Condition
Open convocatory	Greater than 500 SMMLV
Invitation to Offer	From 50 to 500 SMMLV
Direct hire	From 2 to 50 SMMLV
Consulting Selection	They refer to the provision of specialized non-standardized professional services, whose purpose is to identify, audit, plan, prepare or evaluate studies and projects of any kind. These are studies that are contracted externally given the high degree of specificity and that the work entrusted can be developed from different methodologies or technical points of view.

Shopping Department Stores

Operates for purchases of goods that can be acquired in establishments that correspond to the definition of "large warehouse" indicated by the Superintendence of Industry and Commerce and in accordance with the new postulates of the Anticorruption Statute (Law 1474 of 2011).

They subscribed:

- 36 contracts for a total value of \$ 74,163 million, concluded with 34 Suppliers located in the cities of: Amaga; Bogotá; Cereté; Ibagué Manizales Medellín; Hunting; Miraflores Puerto Lopez; Quibdó and Valledupar.
- 141 acceptances of commercial offer for a total value of \$ 5,647 million, celebrated with 132 Suppliers located in Colombian cities: Barranquilla; Beautiful; Bogotá; Cali; Cartagena; Ibagué Maicao; Manizales Medellín; Hunting; Neiva; Grass; Popayán; San Andrés and Yopal, and 3 Suppliers located abroad: Italy; Holland and Peru.
- 18 consultancies (third parties) worth \$ 7,830 million, held with 17 suppliers located in three Colombian cities: Barranquilla; Bogotá and Popayán.

It is important to mention that all the contracts and acceptances of Findeter's commercial offer include the clause of compliance with social provisions and labor practices.

9.5 DOCUMENT MANAGEMENT

During 2018, the document management showed higher figures in the results obtained in relation to previous years. This is how the number of units preserved in the central archive grew by 38% compared to 2017, with 55,438 new units preserved, and the digitalization of documents by 14% with 97,396 new digitized documents. Based on the above, it was possible to attend 9,490 queries, 40% more than the previous year.

Even though the number of communications was maintained, the results achieved were due to the strategy developed with the strengthening of the support teams, and additional working days, to collect records of autonomous equity contracts already settled, achieving the transfer of 17,100 folders advancing the digitization of documents and centralizing, integrating and organizing the files of contracts derived from the contracting process for third parties.



2016 126.450
2017 143.187
2018 198.625
UNIDADES
CONSERVADAS
ARCHIVO CENTRAL

2016 4.700
2017 12.254
2018 17.100
UNIDADES
TRANSFERIDAS

2016 3.590
2017 3.831
2018 3.820
COMUNICACIONES
MENSUALES

2016 2.461
2017 6.798
2018 9.490
UNIDADES
CONSULTADAS

In relation to the Archival Improvement Plan, progress in the aspects that the General Archive of the Nation formulated for Findeter is the following: 1) The Unique Documentary Inventory -FUID, has all the inventories documented, 2) The Archives of Management in the Entity, are in accordance with the established legal guidelines, 3) The Document Retention Tables were adjusted and have a favorable concept issued by the Committee Evaluating Documents of the General Archive of the Nation. 4) The validation of the assessment tables for the creation of public records is in process, in accordance with the established schedule.

As a sustainability strategy of the archival management system, permanent training cycles were advanced in three ways: a) 12 induction sessions for new officials. B) 21 training workshops for servers in the different areas responsible for managing the files and c) 4 advertising pieces in the different internal communication media to promote the services offered by the General Services team.

Impacts:

- The response time for the attention of documentary queries is less than 24 hours, of files that are in the file.
- Early closure of the activities of the Improvement Plan.
- Improvement in positioning at the level of the Hacienda sector in FURAG, moving from 7th to 3rd place

9.6 OPERATIONS AND TECHNOLOGY MANAGEMENT

ACHIEVEMENTS AND HIGHLIGHTS

- Implementation of a new web page that integrated different benefits in terms of ease of administration, security, usability and accessibility for the end user, promoting compliance with the Digital Government strategy. The page was certified by MinTic with AA compliance in usability and accessibility.
- Execution of an *Ethical Hacking* process to certify security for different information systems.
- Strengthening our application of the Integrated Management System (ISOLUTION)
- Redesign of the Virtual Findeter tool in compliance with the standards defined by Online Government and certify the security of the application (*Ethical Hacking*).
- New system of patrimonial control
- Implementation of best practices and agile methodologies that allowed the optimization of resources, achieving ever better results that allowed to support the products and services of the Entity.
- The administration and payroll liquidation was outsourced
- Renewal of about 35% of the Entity's computer park.
- Expansion of the capacity of communications channels and Internet, which was 50%.
- Implementation of a new web portal for Findeter (www.findeter.gov.co).
- Migration of the Financianet Core Database, Portfolio, Sivis, VIPA housing plan to a more current Database engine.
- The technological infrastructure of the servers where the Dynamic AX application is hosted was updated.
- The extension of the MPLS communication channels was made.
- 1955 vulnerabilities and 633 alarm tickets were managed, with an indicator of zero (0) security incidents materialized, additionally 80% of the critical vulnerabilities were mitigated.
- Mechanisms for the securing of web portals were implemented, in order to protect the Entity from hackers or hackers. In a complementary manner, we train the Entity's employees and enable the portal for the secure exchange of information with external third parties.

9.6.1 STRATEGIC INFORMATION TECHNOLOGY PLAN (PETI)

During the period we carried out the revisions of the Strategic Plan of Information Technologies (PETI 2016-2020) of Findeter, which was updated.

Within the projects of the year 2018 are:

- Use and appropriation of business intelligence (BI for its acronym in English)
- Integrated territorial development project management system - My Work
- Government and data management

- Proposal evaluation system - E-valúa

Use and appropriation of business intelligence: We finalize the project of use and appropriation of BI, by means of which we seek to promote the use of business intelligence boards. To date we have delivered new Portfolio Analysis, Integrated Territorial Analysis and Financial Risk boards, and we have also made improvements to Tactical and Strategic Projects boards. With this, it contributes in operative efficiency when reducing the manualidades in the consolidation of information, and in the decision making based on information, making it easily accessible to the interested ones. Additionally, expanding the coverage and scope of business intelligence boards already built, which are useful for different areas of Findeter.

Integrated territorial development project management system - Mi Obra: We carried out the production of the Mi Obra information system, which allows us to support in a standardized way the information on the monitoring and execution of territorial planning projects and technical assistance that Findeter supports in the territories. With this tool we enable the capacities through which the information of interest is managed in a unified way and shared with auditors and external stakeholders, thus promoting greater transparency and ease of access to this information..

Among the main features stand out:

- Relationship of the projects with the framework contracts and derivatives that support them.
- Characterization of the scope and impact indicators in the territories of each of the projects.
- Support of the status information of progress and execution of projects and contracts supported by Findeter.

The following figures are presented indicating the support for the process:



Government and data management: Project to implement the capacity of Government and Data Management, with which it seeks to design and implement mechanisms that favor the adequate management of information and data in the Entity. With this, we will achieve efficiencies in the creation, management, distribution and publication of information, improving the quality of information and reducing the time of consolidation, validation and reporting of information.

Copyright: In 2018, we complied with the intellectual property and copyright laws of the software installed on the Entity's computers, thereby complying with current legislation on copyright. We obtained the SAM certification for one year, which will be renewed annually.

We conducted route tests and information samples that complied with the requirements established in the standard and we performed verifications of the software installed in the computing equipment of the entity

under the guidance of important software manufacturers, where it is found that the installed software is licensed by the respective provider.

In the Organization we maintain the detailed inventory of each licensed product and its respective supports.

In the development of the technology operation we perform measurements of Percentage of compliance with the times of agreements of service level to:

Equipment requests and basic access

This indicator allows knowing the percentage of compliance with the times of service level agreements to equipment requests and basic access, in order to improve it from the moment the technician starts the service.

During the year 2018 a result of 93% was achieved, exceeding the goal (70%) and the upper limit established (85%), which will allow us to increase our goal for 2019.

Requests for networks and communications

This indicator allows knowing the percentage compliance with the times of the service level agreements to the requests of networks and communications, in order to improve it from the moment in which the technician initiates the service. During the year 2018 a result of 81% was achieved, exceeding the goal (70%), which will allow us to increase our goal for the year 2019.

Application Requests

This indicator allows knowing the compliance percentage of the resolution times to the requests of the users. During the year 2018 a result of 87% was obtained, exceeding the goal (80%)

Regarding our services, we should highlight the following advances:

Mail service: We made the migration of the mail service and Skype Empresarial to the cloud in Findeter, where we obtained as a benefit greater storage capacity in each one of the mailboxes, which went from 3GB to 50 GB, in addition we obtained a greater availability of the service, which happened from 99.85% to 99.98%.

Help desk: We achieved an improvement in the level of satisfaction of the end user in the service of the help desk performing an analysis and monitoring the low ratings to identify opportunities for improvement in the service and thus achieve continuous improvement based on the experience of the users. Thanks to this management we managed to improve the level of satisfaction of the user user from 94.73% to 97.66%.

Prisa: With this tool we manage to support the integral management of services with external entities to Findeter. Thanks to this software, we facilitated the management and follow-up of 2661 procedures, of which 2497 were managed with the Fiduciaria Bogotá (Fidubogotá).

On the other hand, at the level of technological infrastructure in 2018, the emphasis was on the strengthening and expansion of the use and appropriation of the technologies implemented in the

Organization, among which the culmination of the services' migration of the platform stands out. from main data processing to a self-management model, with what we have achieved, to reduce costs, better response times and attention to requests for expansion of processing and storage resources.

Last but not least, we highlight as an achievement the progress we have made in the implementation of the Enterprise Architecture and IT capabilities in the Organization, complying with the provisions of the Ministry of Information and Communications Technologies. For them we have advanced architecture exercises for the PETI review 2016-2020 (Strategic Plan of Information Technologies) that defines the projects with technological component that should be developed in the short and medium term, and for specific solutions such as the definition of the technical requirements for the adequacy of the CRM aligned to the need to improve and articulate the offer of products and services of Findeter, among others.

GOALS TO 2019

- PETI alignment in line with the new strategic direction of the Entity
- Digital transformation applied to the Entity.

10 MATERIALITY ANALYSIS

Findeter, within the framework of its Social Responsibility policy, has promoted spaces for consultation, participation and dialogue with its stakeholders on a regular basis, for the definition of relevant issues for both stakeholders or stakeholders with whom Findeter is related. , as well as for the Entity, called "material matters. As a result of these exercises, in 2016, a matrix of material matters was obtained.

However, the change of context, and the dynamics of the interest groups, of the operating environments and of the organization itself, mean that these material matters vary over time. For this reason, at the end of 2018, in order to respond to the commitment of Findeter with a responsible and attentive management at a social, environmental, economic and good governance level, a new analysis of maeriality was carried out, in a collaborative work with Lavola Colombia , and having as a reference the standards of the *Global Reporting Initiative*, (GRI for its acronym in English).

This is how a strategy of constructive dialogue was formulated with the company (Board of Directors and Management Team) and with stakeholders prioritized in the Code of Good Governance of Findeter (collaborators, suppliers, contractors, clients, Ministry of Finance and Public Credit and other governmental bodies), which allowed for the collection, systematization and analysis of information with the purpose of presenting a new materiality matrix for Findeter, being this a priority organizational management tool not only in terms of reporting but also as a management focus.

This dialogue was attended by 289 people, 41 in workshops, and 248 via an online survey, which gives light of the importance given by the entity to it. Likewise, having had the presence of several top management officials, evidences the commitment of Findeter's leaders to Sustainability not only in the regions but globally.



The identification of the material issues was made from a process of collecting and analyzing primary and secondary information, public information and company documents, resulting in a range of issues at the social, environmental, economic and good governance levels, which were subsequently prioritized until a new matrix of the Entity's materiality was revealed.

This process considered, among others:

- The existence of a balance in relation to the pillars of sustainability: social progress, economic growth and protection of the environment, including issues in each of the categories.
- Aspects related to the strategy and corporate objectives, in order to show coherence.
- Matters that have been contemplated in corporate risk management.
- Fundamental issues for the banking and financial services sector.
- Aspects of regulatory or normative nature that apply to the organization.
- Issues of interest to different stakeholders, especially considering the most vulnerable and / or minorities.
- Matters that reduce negative impacts caused by the company.

For the identification of material matters, international reference standards were taken into account in the area of Corporate Social Responsibility and Sustainability, as well as other specific ones for the sector, among which are:

- ISO 26000 Social Responsibility Guide

- Principles of the Global Compact
- *Global Reporting Initiative* (GRI) standards and the sustainability aspects of the GRI
- "*Sustainability Topics for Sector: What do stakeholder want to know?*"
- Sustainable Development Goals of the United Nations Organization, "The private sector before the SDGs - Practical guide for action" of the Spanish Global Compact Network and the GRI standards.
- The Performance Standards on Environmental and Social Sustainability of the International Finance Corporation - IFC.
- Guide to the Organization for Economic Cooperation and Development (OECD) due diligence for meaningful stakeholder participation.

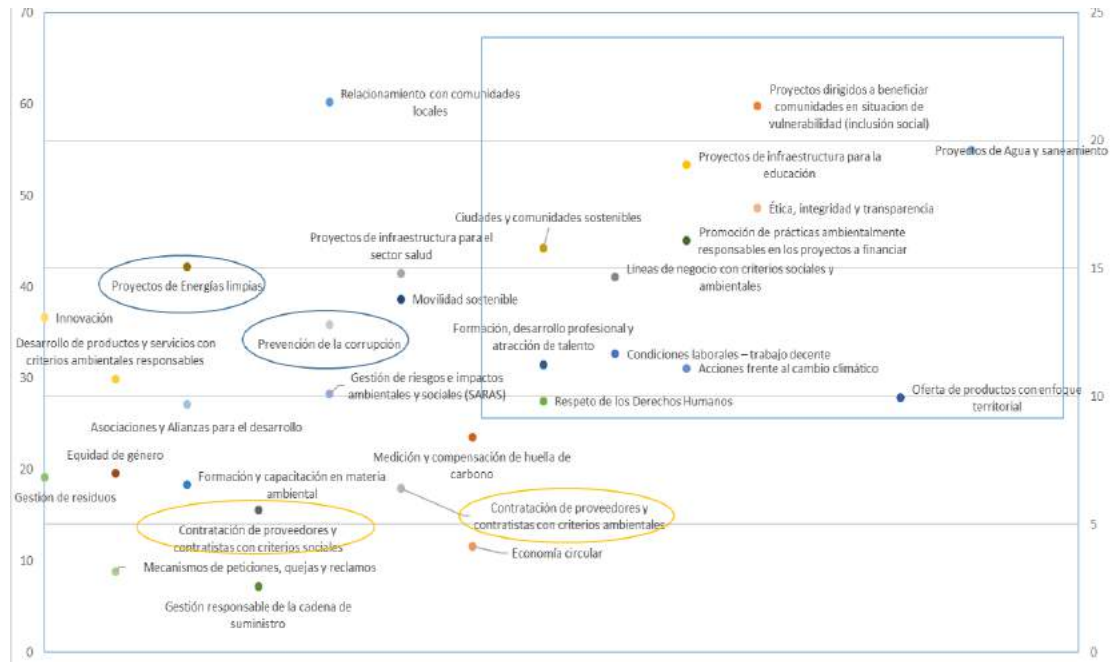
Internal sources of information were also consulted:

- Findeter management indicators
- Strategic plan Findeter 2015 - 2025
- Materiality 2016 Findeter
- Findeter Management and Sustainability Reports 2016 and 2017

Once the process of searching, consulting and gathering information from the sources mentioned above was completed, the material issues were analyzed according to their risk and impact (actual or potential), their coherence and their relationship with the core of the business, and the associative level with the expectations and interests of the stakeholders. Likewise, this analysis included other relevant cross-cutting issues of indistinct application for any organization that wishes to work towards its sustainability and that of its operating environments, and permeate with its actions the different entities present in its value chain.

The matrix resulting from the prioritization exercise for 2018 was:

Graph 38. Materiality Matrix FINDETER 2018



The 12 prioritized aspects that guided part of the content of this report were:

1. Water and sanitation projects
2. Projects aimed at benefiting communities in situations of vulnerability (social inclusion)
3. Ethics, integrity and transparency
4. Infrastructure projects for education
5. Promotion of environmentally responsible practices in the projects to be financed
6. Business lines with social and environmental criteria
7. Working conditions - decent work
8. Actions against climate change
9. Supply of products with a territorial approach
10. Sustainable cities and communities
11. Training and training in environmental matters
12. Respect for Human Rights

The multidisciplinary participation of the actors, among them, the internal interest groups: members of the Board of Directors, Management Team and collaborators, as well as some external stakeholders prioritized by FINDETER according to the Code of Good Governance, such as suppliers, customers, members of the Government and society, Ministry of Finance and Public Credit, which in terms of collaborative construction in the workshops and survey, legitimize the exercise. Since this has not been a unilateral perception of the entity but the result of the expectations of the aforementioned in relation to its relationship with Findeter.

This reinforces the institutional framework directly and emphasizes the importance of citizen participation from the different areas to which the Entity is linked.

11 INDEX OF GRI CONTENTS, GLOBAL PACT, AND SUSTAINABLE DEVELOPMENT OBJECTIVES

APPROVAL

The present Report of Management, Sustainability and Financial Results of the year 2018 of the Financiera de Desarrollo Territorial S.A. Findeter, was approved by the Legal Representative and by the majority of the votes of the members of the Board of Directors of Findeter in its Extraordinary Session on **February 26, 2019** and signed in the Act No.**348**.

ANNEXES

Table 39. Attendance Board Members 2018.

PRINCIPAL	ASSISTANCE ORDINARY SESSIONS	ALTERNATE	ASSISTANCE ORDINARY SESSIONS
Ana Lucia Villa Arcila General Director of Fiscal Support MHCP	10	Karen Cecilia Abudinen Abuchaibe High Presidential Adviser for the Regions DAPRE - Presidency of the Republic	3
Sandra Milena Piñeros Calderon Advisor - General Directorate State Participations Ministry of Finance and Public Credit	8	Judith Millán Durán General secretary Ministry of Housing, City and Territory	2
Eduardo Verano de la Rosa Governor of Atlantico	8	Carlos Eduardo Osorio Buritica Governor of Quindío	12
Cesar Negret Mosquera Independent Member	11	Francisco Estupiñán Heredia Independent Member	11
Subdirector Territorial and of Public Investment DNP	0	Álvaro Rodríguez Pérez Independent Member	11

Jemay Alcione Parra Secretary General of the Ministry of Housing, City and Territorial, participated in 6 sessions of the Board of Directors, reason for the retirement resignation to the position as Secretary General of the Ministry of Housing, City and Territory.

Table 40. Audit Committee of the Board of Directors

MEMBERS	ASSISTANCE SESSIONS
Dr. Álvaro Rodríguez Pérez Independent Member President	7
Dr. Cesar Negret Mosquera Independent Member	7
Karen Cecilia Abudinen Abuchaibe High Presidential Adviser for the Regions DAPRE - Presidency of the Republic	0

Table 41. Corporate Governance Committee

MEMBERS	ASSISTANCE SESSIONS
Dr. Francisco Estupiñán Heredia Independent Member President	3
Sandra Milena Piñeros Calderon Advisor - General Directorate State Participations Ministry of Finance and Public Credit	3
Dr. Eduardo Verano de la Rosa Governor of Atlántico	0

Table 42. **Members and assistances of the Risk and Assets and Liabilities Management Committee**

NAME	POSITION	ASSISTANCE SESSIONS
Rodolfo Enrique Zea Navarro	President	4
Fabian Elias Paternina Martinez	General Secretary	17
Richard Orlando Martínez Hurtado	Financial Vice-President	17
Hilda Cristina Alzáte Martínez	Operations Vice-President	16
Ramiro Augusto Forero Corzo	Risk Vice-President	18
Laura Patricia Román Pavajeau	Commercial Vice-President	16
Rubiela de Jesús Hernández Velasco	Head of Internal Control Office	7
Ana María Palau Alvargonzález	Planning Vice-President	4
Gladys Janneth López Rico	Operations Vice-President (E)	3
Diana Jimena Pereira Bonilla	Planning Vice-President (E)	1
Alejandro Callejas Aristizábal	Technical Vice-President	3
Liliana María Zapata Bustamante	General Secretary	1
Saira Alejandra Samur Pertuz	Planning Vice-President	1
Álvaro Alexander Ardila Molano	Risk Vice-President (E)	1

Table 43. Members and assistances of the SARLAFT Committee

NAME	POSITION	ASSITANCE SESSIONS
Rodolfo Enrique Zea Navarro	President	1
Fabian Elias Paternina Martínez	General Secretary	7
Richard Orlando Martínez Hurtado	Financial Vice-President	6
Hilda Cristina Alzate Martínez	Operations Vice-President	5
Ana María Palau Alvargonzález	Planning Vice-President	2
Laura Patricia Román Pavajeau	Commercial Vice-President	6
Ramiro Augusto Forero Corzo	Risks Vice-President - Compliance Officer	7
Alejandro Callejas Aristizábal	Technical Vice-President	2
Gladys Janneth López Rico	Operations Vice-President (E)	1

Table 44. Internal Credits granted to Senior Managers of Findeter Year 2018

Credit Line	Amount
Housing	\$ 1.143.215.565
Free Investment	\$ 35.000.000

Table 45. Number of employees by sex

WOMEN	MEN	TOTAL
282	232	514

Table 46. New hires broken down by sex and region

GENDER	WOMEN	MEN	TOTAL
Bogotá	16	14	30
Cali		1	1
Medellin		2	2
Total	16	17	33

Table 47. Number of employees by type of employment contract and gender

GENDER	FEMALE			MALE			TOTAL GENERAL
	TYPE CONTRACT	OF		TYPE CONTRACT	OF		
	Work contract	Undefined	Work or labor Total Female	Work contract	Undefined	Work or labor Total Male	
	Direct (Plant)	137	137	98	98	98	235
	Worker in Mission		138			127	265
Total		137	275	98		225	500

* These figures do not include 14 apprentices

Table 48. Number of employees by type of contract, sex and age group.

GENDER	FEMALE			Total FEMALE	MALE			Total MALE	TOTAL
	TYPE OF LINK	BETWEEN 31 AND 50 YEARS	OVER 51 YEARS OLD		UNDER 30 YEARS OLD	BETWEEN 31 AND 50 YEARS	OVER 51 YEARS OLD		
Direct	76	44	17	137	60	30	8	98	235
Apprentices			7	7			7	7	14
Worker in Mission	75	12	51	138	86	12	29	127	265
Total	151	56	75	282	146	42	44	232	514

Table 49. Number of direct employees by region and sex

REGION	FEMALE	MALE	TOTAL
Atlantico	7	4	11
Bogota	111	80	191
Santander	3	1	4
Valle del cauca	1	4	5
Bolivar	1	1	2
Antioquia	5	4	9
Cordoba	1	1	2
Huila	2		2
Risaralda	4	1	5
Magdalena	1		1
Sucre		2	2
Meta	1		1
Total	137	98	235

Table 50. Number of employees on mission by region and sex.

REGION	FEMALE	MALE	TOTAL
Atlantico	2	1	3
Bogota	117	106	223
Santander	1	3	4
Valle del Cauca	7	1	8
Bolivar		2	2
Nte de Santander	1	1	2
Caldas		1	1
Antioquia	4		4
Putumayo		1	1
Cordoba	2	3	5
Huila	1		1
Nariño		2	2
Risaralda	1	1	2
Cauca		1	1
Choco		1	1
San andres	1	1	2
Magdalena	1	1	2
Meta		1	1
Total	138	127	265

Table 51. Training for workers by gender and position

EMPLOYEE CATEGORY	No FEMALE PARTICIPANTS	No MALE PARTICIPANTS	TOTAL No PARTICIPANTS	FEMALE TRAINING HOURS	MALE TRAINING HOURS
University Apprentice and Practitioner SENA	15	6	21	294	86
Administrative assistant, secretary, driver and messenger	30	12	42	1,015	384
Analyst and professional	326	264	590	19,003	14,539
Director	9	9	18	1,575	954
Manager	5	5	10	433	680
Chief	9	3	12	774	475
President	0	1	1	-	143
General Secretary	0	1	1	-	116
Vicepresident	3	3	6	517	413
Total	397	304	701	23,609	17,788

Table 52. Comparative Total of Applications 2016 to 2018

YEAR	No. TOTAL APPLICATIONS
2016	217
2017	211
2018	126

Table 53. Response Time in days 2016 to 2018

YEAR	RESPONSE TIME (DAYS)
2016	3
2017	3
2018	2,2

Table 54. Participation areas in requests 2018

AREA	% REQUESTS	RESPONSE TIME
Head of Marketing	86%	1,7
Commercial Vicepresidence	3%	5,5
Technical Vicepresidence	9%	5,9
Human and administrative management	1%	5
Legal Direction	1%	1