BRC
Standard & Poor's
S&P Global

Colombia

Rating Report

FINANCIERA DE DESARROLLO TERRITORIAL S.A. – FINDETER

Colombia-based development bank

Technical committee: Aug. 22, 2018
Minutes number: 1414

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Colombia-based development bank

INITIAL CREDIT RATING		
Issuer **Findeter sustainable bonds for COP400 billion**	**LONG-TERM DEBT 'AAA'** **Ordinary Bonds: 'AAA'**	**SHORT-TERM DEBT 'BRC 1+'**
Amounts expressed in millions of Colombian pesos (COP) as of May 31, 2018	Credit Rating History	
Asset: COP9,667,405 Liability: COP8,555,981 Equity: COP1,111,424 Net Income: COP28,737	Initial Credit Rating Aug./18: 'AAA'; 'BRC 1+'	

I. RATIONALE

BRC Investor Services S.A. SCV's Technical Committee assigned its initial national scale long-term debt rating of 'AAA' and national scale short-term debt rating of 'BRC 1+' on Financiera de Desarrollo Territorial S.A. (Findeter)

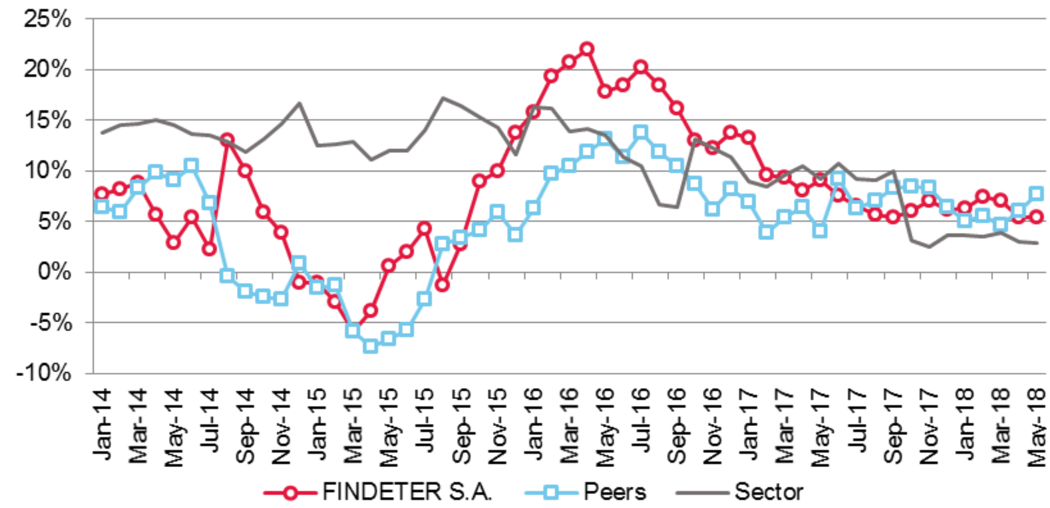
Business Position: We consider Findeter as a strategic tool for the National Government's Development Plan. Its business position will continue to strengthen due to the important role it plays as a technical advisor and financing arm of the Colombian regions.

As of May 2018, Findeter was the largest Colombia-based development bank due to its loans portfolio size, with almost a 30% market share, while in terms of its assets and equity the entity was in second and fourth place, respectively, (excluding Fogafín). As of the same date, Findeter had 1.9% of the net loans portfolio placed by credit institutions and stood in twelfth place among 61 institutions, similarly to May 2017.

Findeter's loans portfolio growth rate has moderated and remained below two digits for the last two years, in line with the economy's slowdown and higher credit risk, which resulted in lower credit lending by financial intermediaries. As of May 2018, the annual growth of Findeter's commercial loans portfolio –which represents over 90% of its total loans portfolio— was 5.4%, below the 7.7% of its peers, although 2.9% above the sector's average (see Chart 1).

We believe the recovery of the economy's growth rates, the subsidized-rate funds allocated for sustainable infrastructure, the consolidation of the Fiscal Support Group for the Territories in Colombia (Grupo Apoyo Fiscal Territorial), the investment boost in innovation and creative industries, and the support to the government for post-conflict process, could back a 5% growth in the loans portfolio for 2018, above COP8.5 thousand million. In our base case scenario, we would expect a growth rate below 10% in Findeter's loans portfolio for the next two years, in line with our expectations for the Colombian banking industry.

Chart 1
Gross Loans portfolio annual growth - commercial segment



Source: Financial Superintendence of Colombia. Calculations: BRC Investor Services S.A.

We believe Findeter has appropriate, formal and documented tools to define, implement and monitor its strategy, furthermore, this activity counts with the support from a specific unit that monitors all the entity's processes and procedures.

According to the rated entity, its code of ethics, its organizational structure segregation, the qualifications required for high-level positions, the support committees for the Board of Directors and the Presidency, among others, aim for the adequate balance between the national government and the entity’s interests. We highlight the participation of the Board of Directors in different support committees, which enables high understanding of relevant aspects for the company, and promotes accurate management. On the other hand, in 2017, the Governance Code was updated to incorporate international standards of the Organization for Economic Co-operation and Development (OECD) and US anti-corruption policy, in order to enable greater inclusion and allow disclosure of best governance principles.

Capital and Solvency: High solvency levels due partly to adequate internal capital generation and utilities retention. We consider that under a stress scenario, the potential support from the Colombian government (S&P Global Ratings' global scale foreign and local sovereign ratings: BBB-/Stable/A-3 and BBB/Stable/A-2) is highly likely.

The regulatory change of Decree 1333 on Aug. 10, 2017, enabled Findeter and other rediscount banks to improve significantly their solvency levels, while providing a wide range for future growth. In this sense, on Nov. 2017 the entity's total solvency stood at 24.1% from 13.6% in Oct. 2017. In addition, basic solvency represents more than 18% of total solvency, which shows very good capital quality to absorb losses.

Given the Ministry of Finance and Public Credit is Findeter’s largest shareholder, owning 92.55% of the shares, the latter’s strategy is in line with government policies, and supports the implementation of housing, social-infrastructure and basic sanitation projects. Similarly, given its importance as a tool for the National Development Plan’s execution, and its role in territorial project financing, we believe it is highly likely that the entity would receive support from the Nation if required, a factor we consider positive.

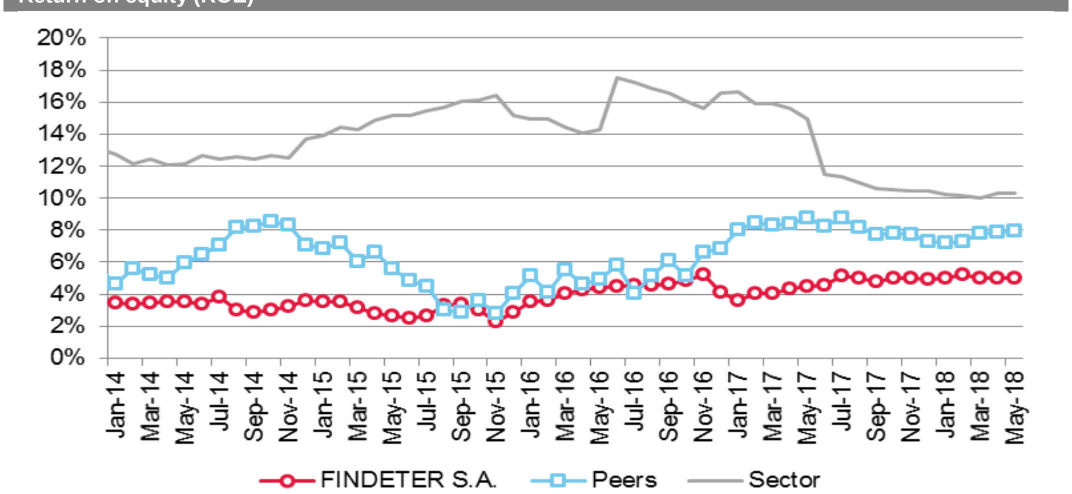
Findeter's liquid equity is invested mainly in government bonds, –which have adequate liquidity and are accepted by the central bank for repo operations— followed by a Private Equity Fund, own TDCs (term deposit certificates) and securitization assets.

Findeter holds a conservative policy in terms of using derivative instruments. As established by the Board of Directors, the foreign exchange balance should remain covered above 95%, which ensures equilibrium between assets and liabilities in foreign currency. Likewise, the exposure to market risk, measured as the proportion between the regulatory value at risk (VaR) and technical equity was 2.5% in average between Jan. and May 2018, below compared to 4.9% average of its peers and 4.1% of the sector. These conservative indicators result from the entity's compliance with established limits and a continuous market risk monitoring by the Board of Directors, and the risk and GAP committee. We expect the entity's exposure to market risk to remain below 3%.

Profitability: Although Findeter posts modest profitability levels due to its development bank status, its financial evolution has been positive on a consistent basis.

Findeter prioritizes its role in social development over income generation; therefore, it seeks a return on equity (ROE) in line with the inflation. Given its business approach, income is generated mainly from loan portfolio, technical advisory services fees and, to a lesser extent, from its investment portfolio. As of May 2018, Findeter's net income reached COP28,737 million, a positive annual growth of 7.8% compared to the sector, furthermore, it benefited from a reduction in the wealth tax. Despite the positive loan growth and a remarkable execution of technical advisory services, total income remained relatively stable, totaling COP90,505 million as of May, 2018, compared to COP91,951 million in May, 2017. This enabled Findeter to achieve a ROE of 5% on May 2018, below that of its peers of 8% and the sector of 10.3% (See Chart 2). We expect profitability ratios over equity and assets to remain relatively stable, without significant deviations from average levels observed during the last two years, 4.7% and 0.6%, respectively.

Chart 2
Return on equity (ROE)



Source: Financial Superintendence of Colombia. Calculations: BRC Investor Services S. A.

A positive factor considered in our profitability assessment is the participation of stable income derived from technical-assistance services, which is dependent in 70% from water lines, basic sanitation, and housing and urban development. Technical assistance provided to this type of projects, based on the territory's needs, is affected in a lesser degree by the economic cycle, contrary to credit granting (which is influenced both by lower requests and by greater risk aversion from intermediaries), and complements Findeter's business model.

Asset quality: The rediscount bank nature of Findeter results in very low exposure to credit risk within its portfolio, although it has a high concentration of its loans portfolio in few financial institutions. We believe its high coverage levels and an adequate risk management mitigate this.

Findeter's commercial portfolio is concentrated in 70% in four economic sectors; as of Jun. 2018, transportation represented 28%, health 16%, and energy, urbanization and housing 15% each. In addition, this concentration comes with a geographic focus in central and Caribbean areas, which represent over 50% of the entity's total portfolio.

Given more than 99% of the portfolio belongs to rediscount loans, Findeter's nonperforming loans indicators are excellent and stands at 0.16% as of May, 2018, compared to 0.33% in 2017. As of May, 2018, the coverage ratio stood at 553.4% against 237.8% in May, 2017; mainly due to the reduction effect of the non-performing assets, and prepayments above the forecast, all which resulted in a provision reduction.

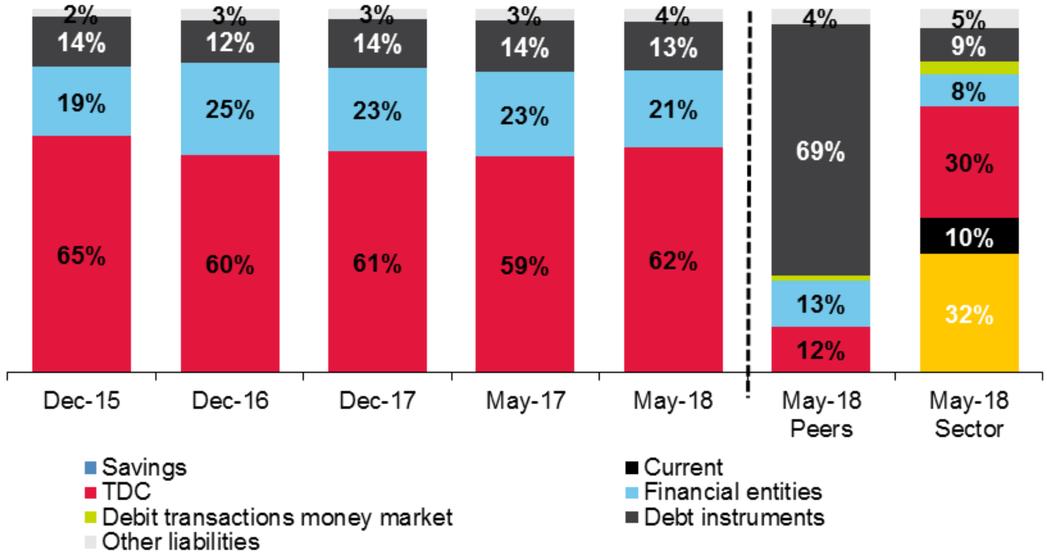
Although Findeter has an excellent portfolio quality and coverage, which is above 90% allocated in banking institutions rated at AA+ and AAA, the loan portfolio is still highly concentrated in few intermediaries, which falls in line with the Colombian banking industry structure. On the other hand, as of Sep. 2016, Findeter does not grant loans to entities, which are not supervised by the *Financial superintendence of Colombia,* thus eliminating this risk factor.

Funding and liquidity: Positive evolution in the diversification of its funding sources, with opportunities to reduce depositor´s concentration.

Findeter's main funding source is still TDCs, which have represented over 60% of its liabilities during the last two years (see Chart 3). The entity continues making important efforts to achieve a better mix of its funding structure; thus, bonds have maintained a share above 13% during the last three years. On April, 2018, the Board of Directors approved the issuance of sustainable bonds, those combining green projects and/or projects with a positive social impact, for up to COP400,000 million, allowing this instrument to represent up to 17.5% of total liabilities by the end of 2018, while counting with the support from the Swiss Economic Cooperation (SECO) through a technical cooperation project undertaken together with the Inter-American Development Bank (IDB). Another funding source for Findeter has been its international banking loans, whose long-term is consistent with the asset's term.

Like other Colombia-based development banks, Findeter's funding is concentrated among a few institutional investors. This risk factor is mitigated by an adequate short-term liquidity position, measured by the 30-day liquidity risk indicator that was in average 8.3 times (x), during the second half of 2017 and the first half of 2018. As of May 2018, Findeter's liquid assets to deposits ratio has remained stable with an average of 13.8% during the last 12 months against 13.5% in May 2017, below the 17.2% of the sector. For the second half of the year, we expect stability in the liquid assets to deposits ratio, given we do not anticipate high rate of disbursements.

Chart 3
Liability composition



Source: Financial Superintendence of Colombia. Calculations: BRC Investor Services S. A.

The entity shows an adequate match between assets and liabilities. Nevertheless, higher participation of fixed rate instruments within its liabilities, compared to its assets, generates mismatches dependent on the economic cycle (making it more favorable when the rates start to rise). Furthermore, the entity's term gap is 1.4 years above the last 12 months average (1.1 years). We believe the positive evolution of Findeter's TDCs renewal rate, together with the available credit lines from international and multilateral banking, mitigates the potential mismatch risk.

Risk management and control mechanisms: We consider that Findeter´s risk management policies and mechanisms meet high standards and successfully mitigate different risks related to its operation.

Findeter has in place, and continuously updates, manuals and procedures, which enables the mitigation of risks to which it is exposed. In particular, its Credit Risk Management System utilizes models to determine the value of its maximum exposure to each intermediary and the provision level per entity, supported on an internal assessment of qualitative and quantitative aspects.

The entity has different internal committees that assist with the implementation, development and monitoring of the internal control by assessing the effectiveness and sufficiency of the controls in place. The internal control chief is a public employee designated by the President of the country, to whom he/she directly reports.

Findeter is part of the Antifraud and Corruption Program, which includes a complaints system and a procedure through which employees, customers, suppliers or third parties can inform the administration of any fraudulent behavior. It also has mechanisms to prevent misuse of classified or inside information; thus, showing high standards for risk management.

Technology: Findeter has a technology infrastructure consistent with the size of its operations; it is also moving forward with the implementation of a strategic technology-plan, which will allow for the improvement of its process in the medium term.

The entity has a strategic technology-plan that includes different projects, which, in our view, will strengthen its technological infrastructure, providing higher process automation, integration among tools and information management with high security standards.

Findeter has a Business Continuity Plan, whose policies, procedures, protocols and tests aim to ensure operation continuity of critical processes. In particular, during 2017, tests were conducted to evaluate the entity's reaction to operation interruption; the results were satisfactory.

Contingencies: As of Mar. 31, 2018, the entity was facing legal proceedings, which claims were mostly classified as remote; thus, we do not believe these represent a significant equity risk.

II. OPPORTUNITIES AND THREATS

What could lead us to a rating affirmation?
BRC identified the following aspects that could lead us to affirm the current rating:

- Findeter's maintenance of its strategic role in the execution of technical advice programs and financing of territory entities.
- Liquidity levels that continue to be consistent with the entity's needs, as well as duration levels between asset and liability that enable an adequate match with its operations.

What could lead us to a downgrade?
BRC identified the following improvement and/or monitoring aspects of the company and/or industry that could negatively affect its current rating:

- Change in our perception of the entity's payment capacity and support from the national government.
- Systemic risk events that could considerably affect the quality of the intermediaries who allocate rediscount loans.

III. PROGRAMS AND BOND ISSUANCES

FINDETER SUSTAINABLE BONDS FOR UP TO COP400,000 MILLION

BRC Investor Services S.A. SCV'S Technical Committee assigned the initial long-term debt rating of 'AAA' on Findeter Sustainable Bonds for up to COP400,000 million. This rating is based on the 'AAA' rating for Findeter's long-term obligations assigned by BRC Investor Services S.A. SCV on Aug. 22, 2018.

Issuer:	**Financiera de Desarrollo Territorial S. A.– FINDETER**
Amount Rated:	**COP$400,000 million.**
Outstanding Amount:	**To be defined as per placement conditions.**
Series:	**A, B and C series.**
Nominal Value:	**COP1,000,000.**
Number of Titles:	**To be defined as per placement conditions.**
Issuance Date:	**To be defined.**
Terms:	**Between five to 10 years, counted as of the Issuance Date.**

Return:	**To be defined according to market conditions.**
Periodicity of Interest Payments:	**Series A and C quarterly due. Series B month due.**
Capital Payment:	**At maturity.**
Administrator:	**Deposito Centralizado de Valores de Colombia Deceval S. A.**
Holders Representative:	**Fiduciaria Central S. A.**
Structuring Agent:	**FINDETER S.A.**
Placement Agents:	**Sociedades Comisionistas de Bolsa.**
Guarantee	**Isser's payment capacity.**

At the time of the rating assignment, the approval from the *Financial superintendence of Colombia* was not yet provided for the issue prospectus; this may produce changes in the future.

The technical visit for the rating process was conducted with enough time due to the entity's availability and information delivery was met within the timeframe stipulated and in accordance with BRC Investor Services' requirements.

BRC Investor Services does not perform audit activities; therefore, the entity's management takes full responsibility on the comprehensiveness and reliability of all the information provided and that has been used as the basis for this report. On the other hand, BRC Investor Services reviewed public information available and compared it with information provided by the entity.

If you have any concern regarding indicators included in this document, please, see the glossary at www.brc.com.co

To see our ratings definitions visit www.brc.com.co or click here.

Financial information included in this report is based on audited financial statements for the last three years and not audited as of May, 2018.

IV. FINANCIAL STATEMENTS

In millions of COP BALANCE SHEET	dic-15	dic-16	dic-17	may-17	may-18	Variation % Dec-16 / Dec-17	Variation % May-17 / May-18	Variation % Peers May-17 / May-18	Variation % Sector May-17 / May-18
Assets									
Cash and Cash Equivalents	565.152	530.043	685.289	591.455	638.025	29,3%	7,9%	-29,7%	-8,7%
Money Market Investments	119.790	166.700	64.000	71.900	64.900	-61,6%	-9,7%	80,2%	-4,8%
Investments	84.794	251.330	282.702	260.257	362.316	12,5%	39,2%	24,1%	8,7%
Reasonable value	48.186	201.528	200.102	200.352	251.421	-0,7%	25,5%	25,0%	3,0%
Debt instruments	14.240	124.110	145.012	102.285	174.853	16,8%	70,9%	25,0%	1,0%
Equity instruments	33.946	77.417	55.090	98.067	76.569	-28,8%	-21,9%	0,0%	138,4%
Reasonable value with changes in ORI	25.000	-	30.024	528	28.668		5325,8%	-11,9%	68,2%
Debt instruments	-	-	547	528	525		-0,7%	-21,2%	82,0%
Equity instruments	25.000	-	29.476	-	28.143			13,4%	12,2%
Amortized cost	11.607	29.523	39.107	37.763	79.265	32,5%	109,9%	27,5%	8,6%
Derivatives		1.319	-	2.027	2.961	-100,0%	46,1%	117,7%	-14,1%
Trading		1.319	-	2.027	2.961	-100,0%	46,1%	117,7%	-13,8%
Coverage		-	-	-	-				-22,2%
Other	-	18.961	13.470	15.105	0	-29,0%	-100,0%		-2,7%
Deterioration	0	0	0	0	0	0,0%	0,0%	-33,3%	53,8%
Loan Portfolio and Leasing Operations	6.783.856	7.746.320	8.211.911	7.967.605	3.389.261	6,0%	5,3%	8,0%	4,5%
Comercial portfolio	466.342	697.383	681.715	302.764	266.902	-2,2%	-11,8%	-17,6%	-14,1%
Consumer portfolio	29	1.773	1.423	610	444	-19,8%	-27,2%	-58,0%	5,8%
Housing portfolio	5.210	684	700	283	228	2,3%	-19,3%	-11,9%	9,7%
Microcredit portfolio	-	-	-	-	-				2,2%
Countercyclical component deterioration	20.755	20.856	29.096	21.255	28.391	39,5%	33,6%	-4,5%	6,7%
Oher assets	363.331	259.322	200.894	220.440	212.903	-22,5%	-3,4%	-12,6%	-4,4%
Properties received in payment	-	220	-	220	-	-100,0%	-100,0%	756,0%	-13,8%
Returned porperty of leasing contracts	-	-	-	-	-				25,4%
Others	363.331	259.102	200.894	220.220	212.903	-22,5%	-3,3%	-14,9%	-4,5%
Total Asset	**7.916.923**	**8.953.715**	**9.444.796**	**9.111.656**	**9.667.405**	**5,5%**	**6,1%**	**8,6%**	**3,6%**
Liabilities									
Deposits	4.506.868	4.755.332	5.095.032	4.780.127	5.315.579	7,1%	11,2%	-25,7%	4,6%
Term Deposit Certificates (TDC)	4.506.868	4.755.332	5.095.032	4.780.127	5.315.579	7,1%	11,2%	-27,9%	5,3%
Others	-	-	-	-	-			1567,6%	-2,6%
Credits from other financial entities	1.326.121	2.001.232	1.916.354	1.882.841	1.801.504	-4,2%	-4,3%	7,4%	2,6%
Credits of foreign entities	1.326.121	2.001.232	1.916.354	1.882.841	1.801.504	-4,2%	-4,3%	7,4%	-0,1%
Liability operations of money market	-	-	-	-	-			680,8%	-3,4%
Debt instruments	946.180	928.588	1.134.033	1.133.019	1.134.785	22,1%	0,2%	16,6%	1,1%
Other liabilities	152.230	237.627	215.356	254.716	304.114	-9,4%	19,4%	102,2%	2,7%
Total liabilities	**6.931.399**	**7.922.779**	**8.360.776**	**8.050.704**	**8.555.981**	**5,5%**	**6,3%**	**10,6%**	**3,7%**
Equity									
Capital Stock	858.637	887.480	924.316	924.316	971.717	4,2%	5,1%	0,0%	6,1%
Reserves and Earmarked Funds	61.916	60.926	65.584	65.584	70.330	7,6%	7,2%	7,3%	8,9%
Legal Reserve	46.463	49.248	53.397	53.397	58.612	8,4%	9,8%	12,2%	10,7%
Statutory Reserve	-	-	-	-	-			0,0%	
Occasional Reserve	15.453	11.678	12.187	12.187	11.718	4,4%	-3,8%	-10,0%	-22,4%
Other Reserves	-	-	-	-	-				
Earmarked Funds	-	-	-	-	-				-0,1%
Surplus or Deficit	37.118	41.036	41.974	44.392	40.640	2,3%	-8,5%	1,2%	-4,7%
Earnings/Unrealized Losses (ORI)	-	41.036	41.974	44.392	40.640	2,3%	-8,5%	6,3%	-5,2%
Issue Premium		-	-	-	-			0,0%	0,5%
Net Income	27.852	41.494	52.146	26.660	28.737	25,7%	7,8%	-43,4%	-10,1%
Retained Earnings previous years	-	-	-	-	-			-99,2%	-34,9%
Accumulated losses previous years		-	-	-	-				83,7%
Profits for the year	27.852	41.494	52.146	26.660	28.737	25,7%	7,8%	20,2%	-0,8%
Losses of the year		-	-	-	-				-38,3%
Profit or Loss noncontrolling interests		-	-	-	-				
Retained earnings convergenge with NIIF		-	-	-	-			0,0%	47,1%
Other	1	(0)	0	0	-	-200,0%	-100,0%	-100,0%	-300,0%
Total Equity	**985.524**	**1.030.936**	**1.084.020**	**1.060.952**	**1.111.424**	**5,1%**	**4,8%**	**-2,1%**	**2,8%**

Income statement	dic-15	dic-16	dic-17	may-17	may-18	Variation % Dec-16 / Dec-17	Variation % May-17 / May-18	Variation % Peers May-17 / May-18	Variation % Sector May-17 / May-18
Comercial loans	466.342	697.383	681.715	302.764	266.902	-2,2%	-11,8%	-17,6%	-14,1%
Consumer loans	29	1.773	1.423	610	444	-19,8%	-27,2%	-58,0%	5,8%
Housing loans	5.210	684	700	283	228	2,3%	-19,3%	-11,9%	9,7%
Microcredit loans	-	-	-	-	-				2,2%
Other	19.620	-	-	-	-				
Interest income loans and leasing	491.201	699.840	683.838	303.656	267.574	-2,3%	-11,9%	-17,6%	-3,2%
Deposits	285.038	417.788	373.409	173.241	138.417	-10,6%	-20,1%	-43,9%	-20,1%
Other	96.822	146.757	167.802	66.584	71.100	14,3%	6,8%	-23,1%	-9,7%
Interest Expense	381.860	564.544	541.211	239.825	209.517	-4,1%	-12,6%	-30,9%	-17,4%
Net interest income	109.340	135.296	142.627	63.832	58.057	5,4%	-9,0%	16,3%	9,9%
Deterioration expense portfolio and leasing	39.428	44.301	40.938	9.475	7.801	-7,6%	-17,7%	-58,9%	25,2%
Countercyclical component deterioration expense	20.755	5.068	9.857	949	1.774	94,5%	87,0%	-20,1%	3,3%
Other deterioration expenses	142	-	-	-	-				
Portfolio and leasing recoveries	60.736	10.812	7.313	1.423	244	-32,4%	-82,8%	-21,2%	24,6%
Other recoveries	629	51	1.410	1.402	78	2677,9%	-94,4%	-69,8%	26,2%
Net interest income after deterioration and recoveries	110.380	96.790	100.554	56.234	48.806	3,9%	-13,2%	49,2%	2,0%
Income for investment valuation	(286)	834.417	462.979	209.720	264.240	-44,5%	26,0%	43,5%	20,3%
Income for investment sale	488.600	47	25	21	5	-46,8%	-76,4%	-34,3%	-5,4%
Investment income	488.313	834.464	463.005	209.741	264.245	-44,5%	26,0%	43,0%	19,9%
Losses for investment valuation	2.182	866.077	465.190	232.122	283.995	-46,3%	22,3%	66,1%	26,2%
Losses for investment sales	399.022	2	9	9	0	403,2%	-98,7%	39,2%	-12,3%
Investment losses	401.204	866.078	465.199	232.131	283.995	-46,3%	22,3%	66,0%	25,7%
Income for equity interest method	-	-	-	-	-			-62,5%	18,0%
Dividends and shares	0	1.156	1.510	-	0	30,6%		-16,4%	76,4%
Investment deterioration expenses	-	-	-	-	-				
Investment net income	87.109	(30.458)	(684)	(22.390)	(19.749)	-97,8%	-11,8%	-32,6%	-2,8%
Changes Income	254.887	145.263	132.253	76.275	136.987	-9,0%	79,6%	610,4%	-17,3%
Changes expenses	355.307	105.356	127.522	54.320	111.620	21,0%	105,5%	422,5%	-18,5%
Changes net income	(100.419)	39.907	4.731	21.956	25.367	-88,1%	15,5%	-267,1%	14,3%
Commissions, fees and services	74.713	89.939	124.073	46.530	35.365	38,0%	-24,0%	-57,6%	10,7%
Other income - expenses	(8.978)	(14.629)	(31.549)	(10.380)	716	115,7%	-106,9%	1,7%	43,3%
Net Revenue	162.806	181.549	197.126	91.951	90.505	8,6%	-1,6%	8,6%	1,0%
Staff costs	37.802	43.911	49.130	19.728	24.239	11,9%	22,9%	5,0%	6,1%
Administrative costs	76.446	21.601	25.626	7.852	9.347	18,6%	19,0%	7,1%	9,9%
Administrative and staff expenses	114.249	65.513	74.756	27.580	33.586	14,1%	21,8%	6,1%	7,6%
Fines and penalities, disputes, compensations and claims	2.053	1.796	-	-	-	-100,0%		-31,9%	49,2%
Other expenses operating risk	-	43	35	8	200	-20,1%	2257,6%		-5,9%
Operating risk expenses	2.053	1.840	35	8	200	-98,1%	2257,6%	-31,9%	9,1%
Depreciations and amortizations	6.912	1.841	2.141	783	770	16,3%	-1,7%	-5,7%	7,1%
Total expenses	123.214	69.194	76.931	28.372	34.556	11,2%	21,8%	5,4%	7,6%
Income taxes and complimentary	11.740	38.823	41.374	25.051	18.885	6,6%	-24,6%	9,5%	-22,9%
Other taxes and duties	-	32.038	26.674	11.868	8.328	-16,7%	-29,8%	-41,0%	-7,5%
Total taxes	11.740	70.861	68.048	36.919	27.212	-4,0%	-26,3%	-3,5%	-16,6%
Net Income	27.852	41.494	52.146	26.660	28.737	25,7%	7,8%	20,2%	-0,1%

						PEERS		SECTOR	
INDICATORS	dic-15	dic-16	dic-17	may-17	may-18	may-17	may-18	may-17	may-18
Profitability									
ROE (Return on Equity)	2,9%	4,1%	4,9%	4,5%	5,0%	8,8%	8,0%	15,0%	10,3%
ROA (Retur on Assets)	0,4%	0,5%	0,6%	0,5%	0,6%	1,3%	1,2%	2,0%	1,3%
Net interest income / Income	67,2%	74,5%	72,4%	69,4%	64,1%	42,1%	45,1%	85,5%	93,1%
Net interest income / Gross portfolio and Leasing	1,6%	1,7%	1,7%	0,8%	0,7%	0,8%	0,8%	2,6%	2,7%
Provision expenses / Gross portfolio and Leasing	0,9%	0,8%	1,0%	0,8%	0,9%	2,3%	2,0%	5,1%	6,1%
Portfolio performance	7,7%	9,4%	8,5%	9,4%	7,8%	6,7%	5,9%	12,6%	11,5%
Investment yield	11,7%	-3,4%	-0,1%	-4,2%	0,2%	8,0%	4,8%	5,9%	5,2%
Liability cost	5,9%	7,5%	6,7%	7,5%	6,2%	4,6%	3,1%	5,1%	4,1%
Efficiency (Admin expenses/ MFB)	70,2%	36,1%	37,9%	30,0%	37,1%	27,0%	26,4%	50,5%	53,9%
Capital									
Basic solvency ratio	12,1%	10,7%	10,3%	10,8%	10,8%	13,7%	12,5%	10,6%	10,7%
Total solvency ratio	12,1%	11,1%	13,1%	13,4%	13,0%	14,1%	12,7%	16,1%	15,7%
Equity / Asset	12,4%	11,5%	11,5%	11,6%	11,5%	15,5%	13,9%	12,8%	12,7%
Equity breach	114,8%	116,2%	117,3%	114,8%	114,4%	172,9%	169,3%	2131,3%	2064,3%
Earning Assets / Bearing Liabilities	111,2%	113,0%	113,3%	113,7%	114,4%	118,3%	119,1%	110,4%	109,1%
Nonperforming assets / Equity+Provisions	35,9%	24,5%	18,5%	22,0%	19,0%	13,8%	12,4%	54,0%	57,2%
Market risk / Thechnical Patrimonio Técnico	1,5%	1,9%	2,5%	1,7%	2,3%	3,9%	5,7%	3,1%	4,1%
Liquidity									
Liquid Assets / Total Assets	7,3%	7,3%	8,8%	7,6%	8,4%	16,9%	16,1%	10,8%	10,8%
Liquid Assets / Depostis and Callable	12,9%	13,8%	16,3%	14,5%	15,3%	104,6%	146,0%	16,9%	16,8%
Gross portfolio / Deposits and Callable	151,9%	164,3%	162,7%	168,0%	159,2%	490,1%	710,8%	112,1%	113,1%
Savings account + Current account / Total liability	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	41,3%	41,7%
Bonds / Total liability	13,7%	11,7%	13,6%	14,1%	13,3%	65,0%	68,5%	9,0%	8,8%
TDCs / Total liability	65,0%	60,0%	60,9%	59,4%	62,1%	19,1%	12,4%	29,9%	30,3%
Rediscount / Total liability	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	3,9%	4,0%
Loans national entities / total liability	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	0,2%
Loans foreign entities / total liability	19,1%	25,3%	22,9%	23,4%	21,1%	13,3%	12,9%	4,4%	4,2%
Debt transactions in money market / total liability	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	1,4%	3,9%	3,7%
TDCs distribution by term									
Issued less than six months	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	16,7%	16,7%
Issued equal to six months and less than 12 months	7,9%	4,9%	9,3%	3,9%	6,1%	5,8%	0,0%	18,5%	18,8%
Issued equal to 12 months and less than 18 months	19,0%	18,5%	11,8%	8,1%	12,2%	2,5%	4,3%	14,6%	15,3%
Issued equal or above 18 months	71,6%	76,6%	78,9%	88,0%	81,7%	91,7%	95,7%	50,2%	49,2%
Asset quality									
By maturity									
Portfolio and Leasing Quality	0,2%	0,1%	0,2%	0,3%	0,2%	0,4%	0,3%	4,1%	4,9%
Portfolio and Leasing Coverage	459,7%	611,1%	536,9%	237,8%	553,4%	587,8%	644,7%	123,6%	124,2%
Overdue portfolio with charge offs	0,2%	0,2%	0,2%	0,4%	0,2%	1,0%	0,9%	8,3%	9,3%
Commercial Portfolio and Leasing Quality	0,2%	0,1%	0,2%	0,3%	0,1%	0,4%	0,3%	3,5%	4,7%
Commercial Portfolio and Leasing Coverage	484,9%	660,6%	571,7%	240,5%	597,1%	587,6%	645,0%	128,3%	121,6%
Consumer Portfolio and Leasing Quality	21,8%	4,0%	3,1%	3,5%	3,5%	2,2%	2,9%	5,8%	5,9%
Consumer Portfolio and Leasing Coverage	75,8%	131,1%	158,8%	135,3%	148,9%	162,9%	122,7%	122,0%	135,8%
Housing Portfolio Quality	7,0%	2,7%	3,3%	2,7%	3,5%	0,0%	0,0%	2,6%	3,1%
By risk category									
Portfolio and Leasing B,C,D,E Quality	0,2%	0,1%	0,2%	0,3%	0,2%	0,5%	0,4%	9,3%	10,2%
Portfolio + Leasing B,C,D and E Coverage	87,7%	90,8%	76,9%	52,9%	78,7%	62,5%	77,9%	32,6%	39,0%
Portfolio and leasing C,D and E / Gross	0,2%	0,1%	0,2%	0,3%	0,1%	0,4%	0,3%	5,5%	7,1%
Portfolio+ Leasing C,D and E Coverage	98,7%	104,4%	85,1%	53,4%	89,9%	78,6%	94,1%	51,4%	53,8%
Commercial Portfolio and Leasing C,D and E Quality	0,2%	0,1%	0,2%	0,3%	0,1%	0,4%	0,3%	5,7%	8,1%
Commercial Portfalio and Leasing C,D and E Coverage	100,0%	94,7%	119,5%	194,0%	112,7%	127,1%	106,3%	211,5%	202,8%
Consumer Portfolio and Leasing C,D and E Quality	17,7%	5,9%	3,1%	3,7%	3,2%	2,2%	1,6%	6,0%	6,8%
Consumer Portfolio and Leasing C,D and E Coverage	84,8%	69,1%	92,1%	84,9%	97,6%	71,0%	84,1%	61,2%	68,0%
Housing Portfolio C,D and E Quality	7,0%	2,7%	3,3%	2,7%	3,5%	0,0%	0,0%	2,4%	3,3%

V. TECHNICAL COMMITTEE MEMBERS

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