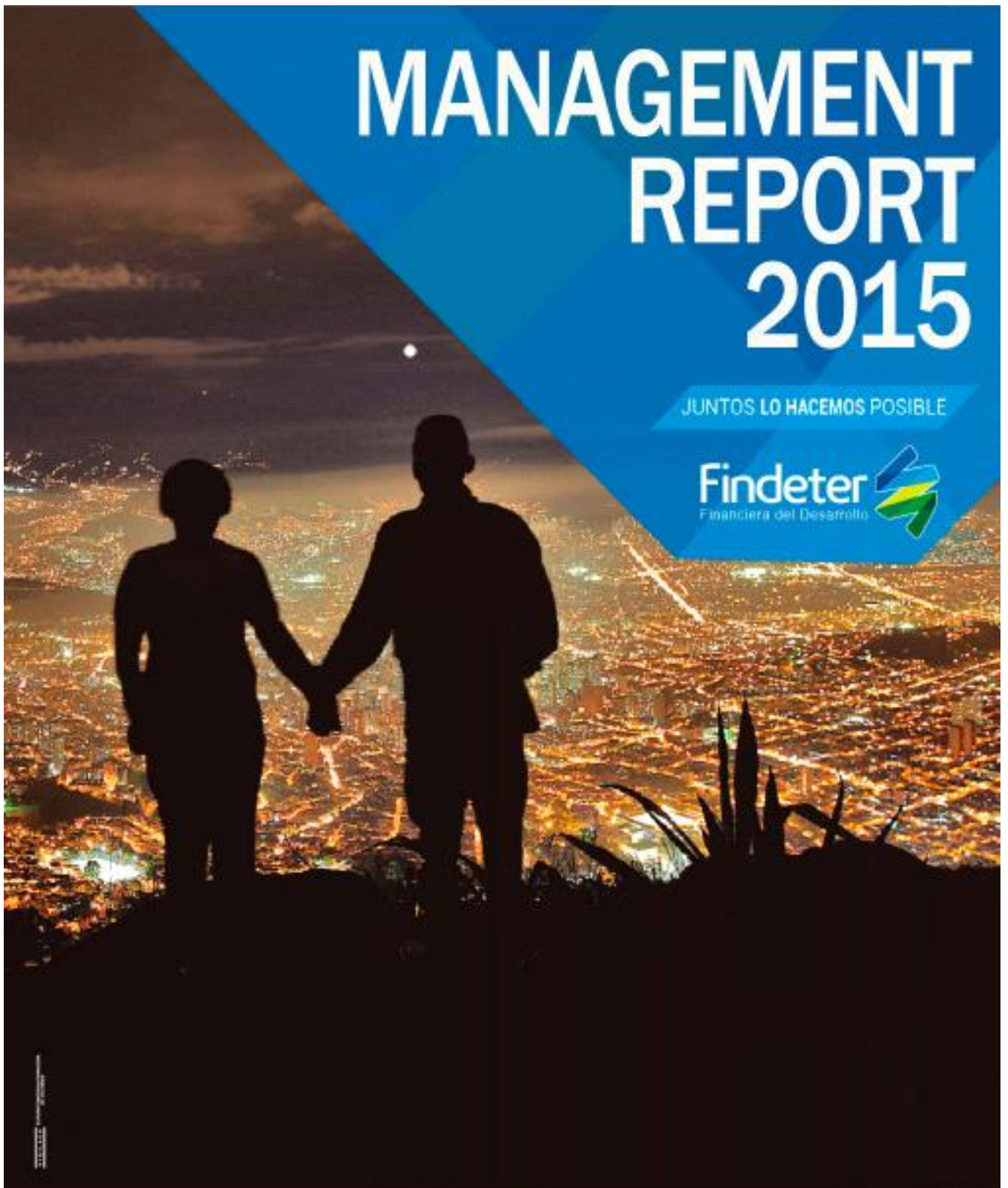


MANAGEMENT REPORT 2015

JUNTOS LO HACEMOS POSIBLE

Findeter 
Financiera del Desarrollo



 **MINISTERIO DE HACIENDA**

 **TODOS POR UN
NUEVO PAÍS**
PAZ · EQUIDAD · EDUCACIÓN

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PRICE WATERHOUSE COOPERS
Statutory Auditor Office

Strategic Planning

During 2015, Findeter progressed in its strategic planning exercise, resulting in the approval of the Strategic Plan 2015-2025 by the Board of Directors. For the definition of the strategy, a consulting firm that provided its advice, employees and Organization's executives participated. The process of constructing the Strategic Plan was developed mainly in three stages:

The first stage involved a diagnostic that included the analysis of the current macroeconomic situation and its prospects for medium and long term, analyzing variables such as the evolution of oil prices, the entry into force of the peace agreements, the performance of the American economy and the liquidity in the Colombian market.

Also, an analysis of the infrastructure sector was conducted, its market for finance and the investment prospects, in order to identify the sectors and regions that will focus such investment during the next years, from what is proposed in the National Development Plan 2014-2018 and in the Multi-Annual Investment Plan. Additionally, a benchmarking was carried out with local and international development banks, and the assessment of the previous Strategic Plan was studied in depth. It was also conducted a SWOT analysis, interviews with managers and focus groups with partners.

With this in mind, a first workshop was carried out, where the results of the diagnosis and the methodology to be applied were presented, and ideas were generated about possible initiatives based on the results of the diagnosis (second stage).

This was followed by a second workshop with managers in which the guidelines and strategic objectives were defined, and the initiatives were identified in a final period of adjustments (third stage).

As a result, the mission was defined, understood as our course or the reason for being of our company. And equally the vision, understood as the image that the organization wants to have in the long term on how it expects the future to be, as it is set out below:

STRATEGIC PLAN 2015 – 2025

MISSION

We are a strategic partner in regions, generating welfare for people.

VISION

Being the leader development banking that transforms regions in sustainable territories.



The promise of value was incorporated as a differentiating element that allows having a commitment to the market and our customers. In the same way, the institutional values sided with the strategic plan, finding the relevance of incorporating two new values: teamwork and innovation. This way, the promise of value and the institutional values were defined as follows:

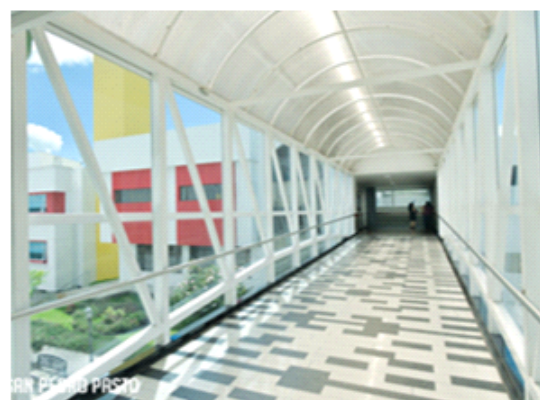
Strategic Plan 2015 – 2025

PROMISE OF VALUE

Integral and sustainable solutions to develop projects.

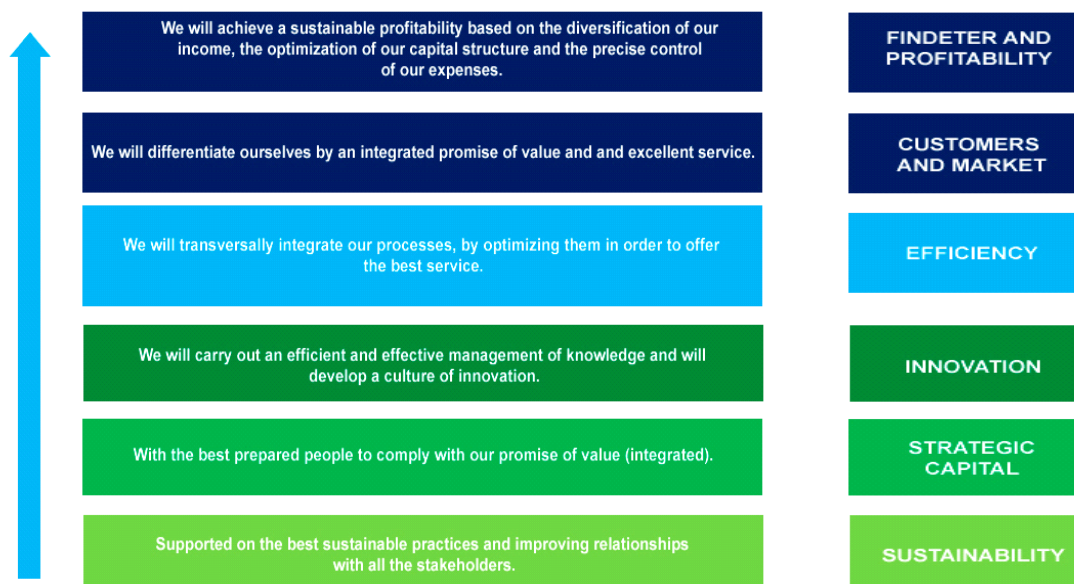
VALUES

- ✚ Service vocation
- ✚ Integrity
- ✚ Respect
- ✚ Commitment
- ✚ Teamwork
- ✚ Innovation

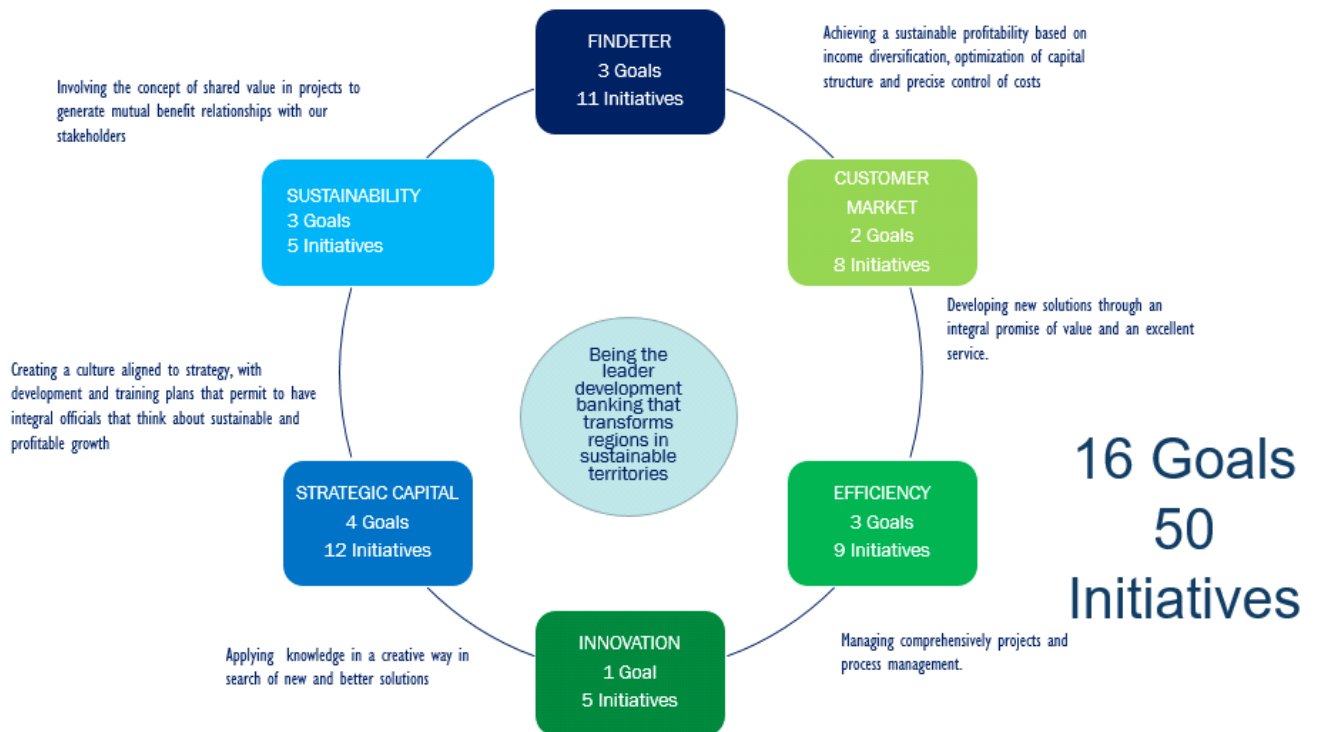


The Strategic Plan, which includes a long-term mission and vision, will be implemented in different stages. The first stage consists of the goals and initiatives to be developed in the following three years in harmony with the National Development Plan 2014-2018 provisions, in agreement with six strategic perspectives: Financial, Customer/ Market, Efficiency, Innovation, Strategic Capital, Sustainability.

The conceptual reading of the prospects allows us to understand the relationship between each one of them, in order to achieve the mission and vision, as shown below:



Each prospect has a responsible leader for its implementation. Moreover, 16 strategic objectives were defined, which will be implemented to develop the 50 proposed initiatives that will be undertaken by each one of the assigned teams and developed through projects that group them or disaggregate them, each one with goals, people in charge and timetables. There will be an annual monitoring of the fulfillment of goals, and in accordance with this, some adjustments will be proposed to the initiatives and projects (updates or reformulations) aimed at achieving the vision of the Entity. The image showed below summarizes each perspective's composition.



Practices proposed by the PMI (Project Management Institute) will be applied in order to monitor projects' implementation related to the suggested initiatives. The SIGEP tool will be used for a suitable control.

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REPORT FROM THE BOARD OF DIRECTORS AND THE CHAIRMANSHIP TO THE ANNUAL GENERAL MEETING 2015

Dear Shareholders:

In accordance with the legal and statutory provisions, Findeter is pleased to present to you the report of the management advanced during the year 2015, including the most relevant achievements and prospects for the year 2016.

Five years after Findeter's management transformation, our actions have been evolving in tandem with our vision by becoming the vehicle of the National Government that contributes to the well-being of the regions through the provision of technical assistance services, and the financing of sustainable infrastructure projects, specifying irrefutably important objectives for the development of the country.

The success of this management is based on an ideal Corporate Governance and in a whole range of products and services. Those position us as the strategic partner of the regions, providing efficient support to both local authorities and the private sector in the identification, planning and implementation of sustainable initiatives that lead to a better quality of life for communities.

During 2015, Findeter managed to maintain the growing credit placements trend of recent years, achieving disbursements amounted to COP 2.3 trillion with a broad regional coverage in 117 municipalities of 27 departments of the country. The previous context has leveraged investments in the key sectors stated by the National Government. The following disbursements are to be highlighted: COP 788 billion in transportation, COP 628 billion in health, COP 261 billion in education, COP 238 billion in Urban Development and Housing and COP 151 billion in Potable Water and Basic Sanitation, among others.

Thanks to a proper financial management, the entity's equity value grew 2.69%, making possible a constant preservation, accompanied by an increase in the assets of 6.20%. All of the above, thanks to the growth of 14% in the portfolio, which combined with the strengthening of our funding sources, has made it possible to maintain the AAA risk rating for long-term indebtedness during 18 consecutive years. Also, Findeter maintained the BBB investment grade international rating (same as the nation), which confirms the good reception and confidence of investors in the issuances carried out by Findeter.

Findeter has strengthened the Comprehensive Territorial Development through the technical support service, accompanying the National Government in the management of COP 7.4 trillion for the implementation of more than 600 projects through initiatives such as the "100 mil viviendas gratuitas" (100,000 free homes), supervising the construction of about 51,000 homes. Findeter has also supported

the Priority Interest Housing for Savers Program (VIPA, by its Spanish acronym), by means of which 223 projects have been set up for 89,648 housing solutions.

In addition, Findeter and the Ministry of Housing, City and Territory have benefited more than 9 million inhabitants through the "Water for Prosperity" program, which has implemented 202 projects valued by COP 1.8 trillion. Besides, Findeter has invested COP 584 billion in 200 social infrastructure projects.

It is important to emphasize the achievements of initiatives such as Sustainable and Competitive Cities, Diamante Caribe y Santanderes de Colombia, and Emblematic Cities, which Findeter has been implementing in recent years. Through these achievements, cities, regions and territories are nowadays conceived in an orderly manner and more opportunities are created from the construction of a new way of planning, to carry out the vision of public and private actors in a structured, effective and positive manner for all the inhabitants.

Eleven cities of Colombia have joined the "Sustainable and Competitive Cities Program", in which approximately COP 3 trillion have been invested for the development of vital importance works. Moreover, to solve fiscal, economic, social, environmental, and urban issues, COP 8 trillion in investments have been identified in order to formulate and implement key projects to make highly competitive cities.

Furthermore, the program has achieved early victories and tangible results through the Diamante Caribe y Santanderes Program, whose strategy looks for a new territory vision to consolidate a sustainable mega-region, projecting it as the gateway of Colombia in the field of exports and imports. Also, this program will benefit 14 million inhabitants that comprise the "Diamante".

The Agropolis initiative, which is being carried out in Monteria, Cienaga, Valledupar and Sierra Nevada as part of agriculture and environment promotion actions, is emphasized as one of the most important early victories. Additionally, Santander Life and Innovatur in the Department of Bolívar are noteworthy as important health and tourism projects. In the field of logistics and transportation, Findeter underlines projects such as the train of the Caribbean that benefits the departments of Bolívar and Atlántico. But also, the Quinta Avenida de Manga in Bolívar, the LOGPORT in the Atlántico, and the Magdalena PLUS are important transportation and logistics projects.

With the positive results recorded during the year 2015 in the programs and courses of action, Findeter has managed to have an impact on the improvement of the infrastructure and the development of the country. It is clear to the entity that it is necessary to continue undertaking decisive actions as to continue calling ourselves a strategic ally of the regions. This is to perform a joint work with them, among these, to understand the needs, opportunities and realities of local actors; to formulate projects that respond to them and that comply with the technical characteristics, and that, over time, have a continuity and sustainability intention.

In regard to the administrative management, it is important to emphasize the implementation and certification of the family-responsible company model (efr, by its Spanish acronym). It is a methodology adopted by the Spanish Más Familia Foundation, which makes the difference with respect to other Colombian companies in terms of balance between work, personal, and family life, that forge in our human capital a great sense of belonging for the entity.

Our challenges for 2016 will begin with the alignment and deployment of the new Strategic Plan 2015-2025, which will be implemented in different stages, the first of which comprises the goals and initiatives to be implemented in the following 3 years, in harmony with the provisions of the National Development Plan 2014-2018. With the implementation of this new Plan, Findeter hopes to consolidate ourselves as the strategic partner in regions, through a promise of integral value, an excellent service and the development of new solutions for the generation of projects that represent opportunity paths for the post-conflict.

With strict adherence to the provisions of the regulations in force, the related information in the present document, with respect to the Financial Statements, is due to the criteria of integrity, rights, obligations, valuation, presentation and disclosure, duly verified and derived from the accounting records of Findeter, processed in accordance with the accounting rules and principles established in Colombia.

With regard to the provisions of section 4 of article 47 of Act 222/1995, amended by article 1 of Act 603/2000, Findeter complies with all the intellectual property and copyright regulations provided by the Colombian legislation.

In compliance with article 87 of Act 1676/2013, it is to be noted that Findeter did not hamper the free movement of the invoices issued by the services vendors and/or suppliers

Finally, Findeter expresses that the results contained in the present report are a decisive proof of continuous and efficient work of all employees of the entity, the suitability and professional commitment of the Board of Directors, the compliance of the presidential policy in partnership with the different ministries, the support and active participation of commercial and multilateral banking and other stakeholders, aimed to provide technical and financial solutions to the various sectors with a high degree of social responsibility. This is a mission that will be further developed in the year 2016.

ANA LUCÍA VILLA ARCILA

Luis Fernando Arboleda González

1. ECONOMIC AND FINANCIAL ENVIRONMENT

1.1 International Macroeconomic Analysis

2015 was a year of great economic instability at the global level. An outlook of uncertainty is projected for the future years due to sharp falls in oil prices and the dollar appreciation. Furthermore, China's economy slowdown affects the global economic perspectives.

The main changes that continue to affect the global perspectives are the slowdown in the economic activity in China that evolves from the investment and manufacturing toward consumption and services, the fall in energy prices and other raw materials (commodities), and the progressive robustness of the monetary policy of the U.S. to strengthen its economy.

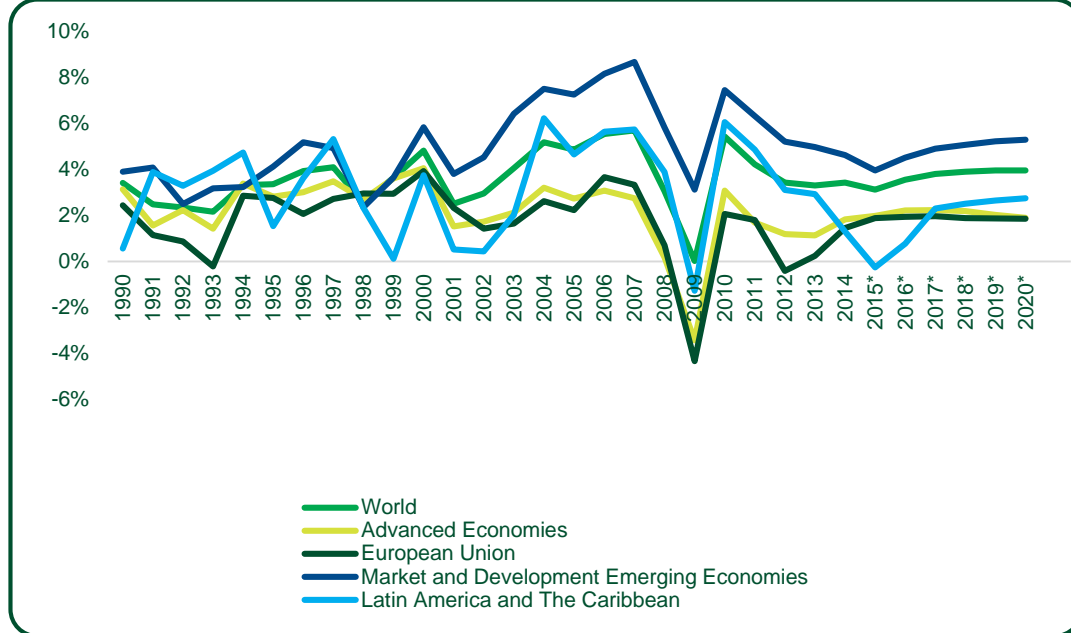
1.1.1 Gross Domestic Product Around the World

The International Monetary Fund estimates that in 2015 the global gross domestic product grew by 3.1%, after a growth of 3.4% in 2014. By 2016, global growth is projected at 3.4%, and by 2017 at 3.6%. The trend is a moderate but steady growth in the following three years. Figure 1 shows the annual percentage growth of global and regional GDP from 2000 to 2020.

It is clear that the level of growth of emerging economies boosts the world economy growth during this period, while the European Union and the developed economies cause the opposite effect.

2015 presented plenty of economic difficulties that are associated with a downturn in the global economic growth. However, a steady growth is the forecast for the following five years. This can be seen in the estimated growth of global GDP and of Latin America and the Caribbean, and in the emerging economies. In the case of the European Union and the developed economies, a slight and continuous decrease is expected between 2016 and 2020.

Figure 1 – Annual Percentage Growth of GDP Based on Constant Prices

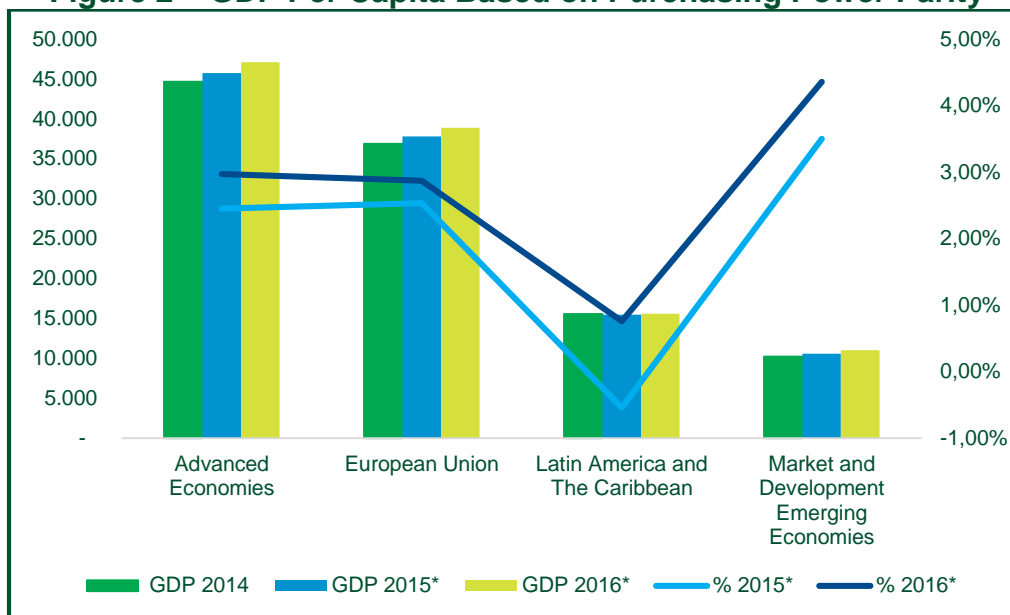


Source: International Monetary Fund
Estimated values

Figure 2 reflects a trend of slight global and regional growth between 2014 and 2016. The sum of the GDP per capita in the advanced economies is, as expected, the one with the highest proportion, followed by the European Union, Latin America and the Caribbean, and finally, the emerging economies.

The economic growth can be seen in all groups, except in Latin America and the Caribbean, where the differences in the GDP per capita will be insignificant during these three years. On the other hand, the growth of this index is higher in the emerging economies, creating an outlook of expectation for these countries.

Figure 2 – GDP Per Capita Based on Purchasing Power Parity



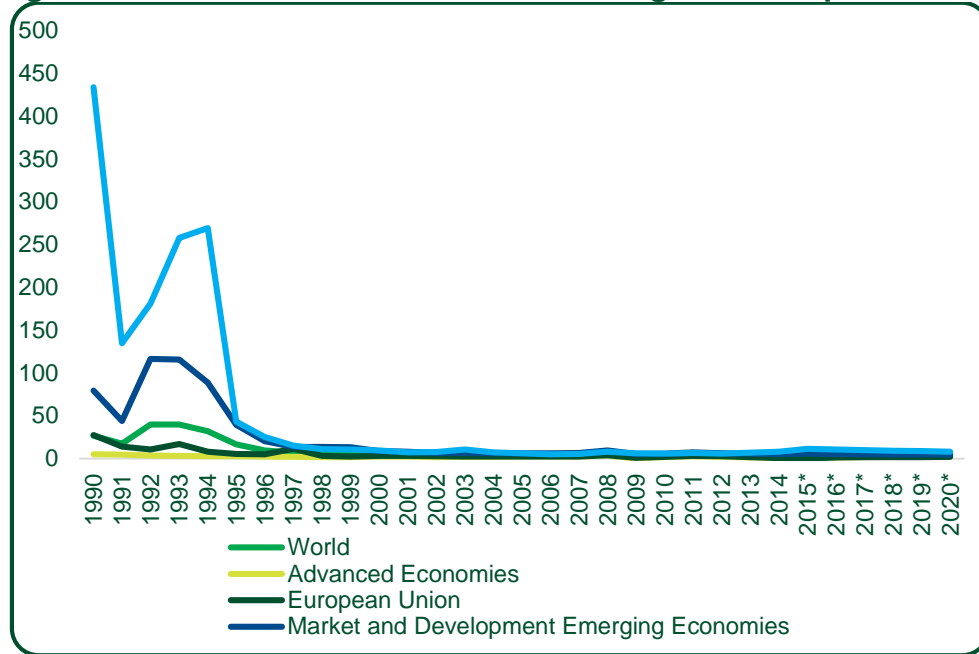
Source: International Monetary Fund
* Estimated values

1.1.2 Inflation

An estimated says that the global inflation will decrease from 3.45% in 2014 to 3.31% in 2015, with projections of 3.42% and 3.56% by the years 2016 and 2017 respectively. Figure 3 shows the behavior of this variable in the period 2000-2020, with an estimated value for 2015 and projections for 2016 and the following years. Since 2000, the advanced economies and the European Union have had an inflation rate below the global figure thanks to efforts deployed by the central banks to control the growth of prices in these regions. With regard to the emerging economies, and in particular Latin America and the Caribbean, they have an inflation rate above the world with a less controlled volatility. In 2015, there was an increase in inflation in Latin America and the Caribbean and a slight growth in this index in the emerging countries. In contrast, there were drops in the inflation rates of the advanced economies and in the European Union.

This behavior is mainly due to the fall in the price of commodities, oil, the strengthening of the dollar, and El Niño. Later on, there will be an explanation for the fall in the price of commodities and the dollar appreciation. With respect to El Niño, droughts have caused major losses in the cultivation of food crops, raising their production cost and their price in the market. The foregoing increased the level of prices in the agro-dependent countries that are mostly part of Latin America and the Caribbean. Also many emerging economies are dependent on the agricultural industry.

Figure 3 – Annual Inflation Based on Average Consumption Prices



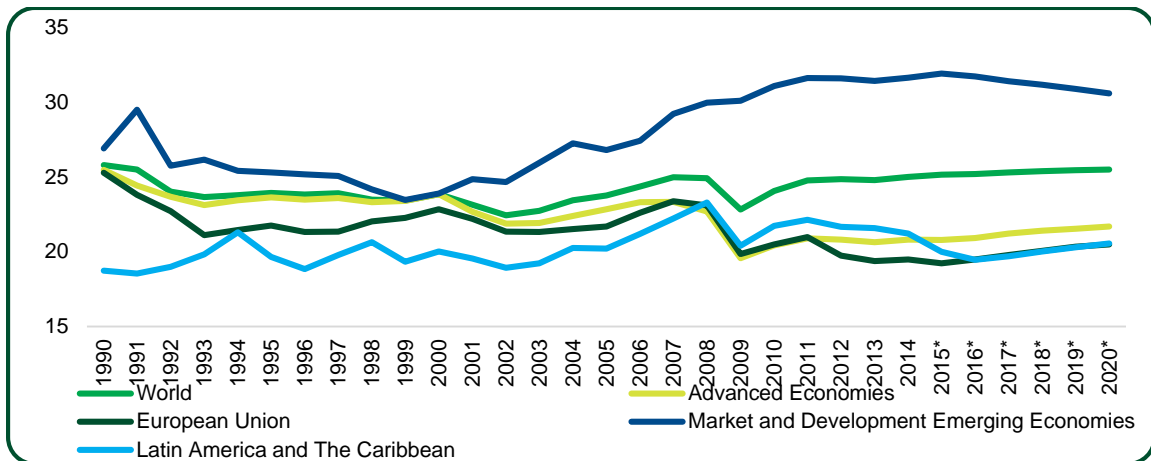
Source: International Monetary Fund
Estimated values

It is expected for the following years a stable and behavior of inflation, converging toward the global inflation, around 3.5%.

1.1.3 Investment

The level of investment in the world was not significantly affected by the fall in oil prices. Figure 4 shows the trend of the global investment as a percentage of GDP. The emerging economies will be affected in the future in this index by the fall in oil prices.

Figure 4 – Annual Investment as a Percentage of GDP

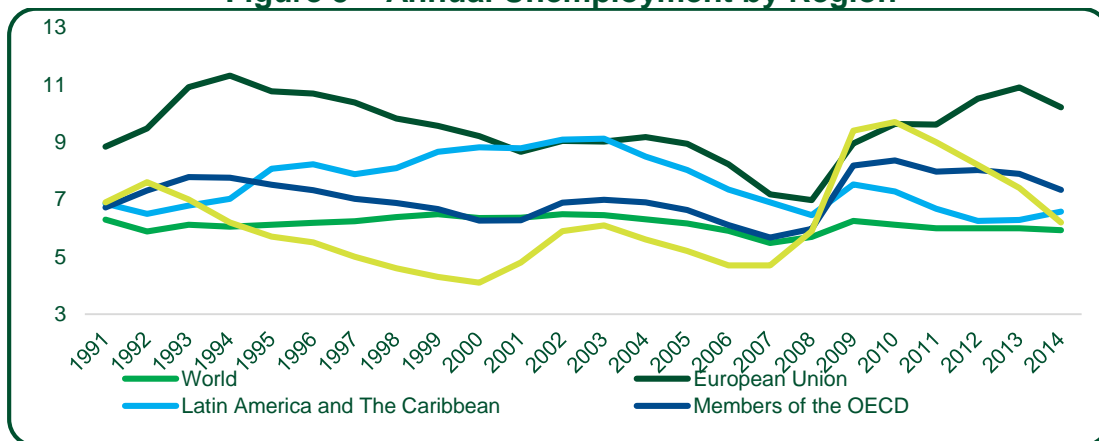


Source: International Monetary Fund
* Estimated values

1.1.4 Unemployment

Global unemployment was affected by the world economic instability, mostly in Latin American countries. But, this did not affect the unemployment rate of the countries of the European Union, in the U.S. and in the OECD member countries. The previous context is shown in Figure 5.

Figure 5 – Annual Unemployment by Region

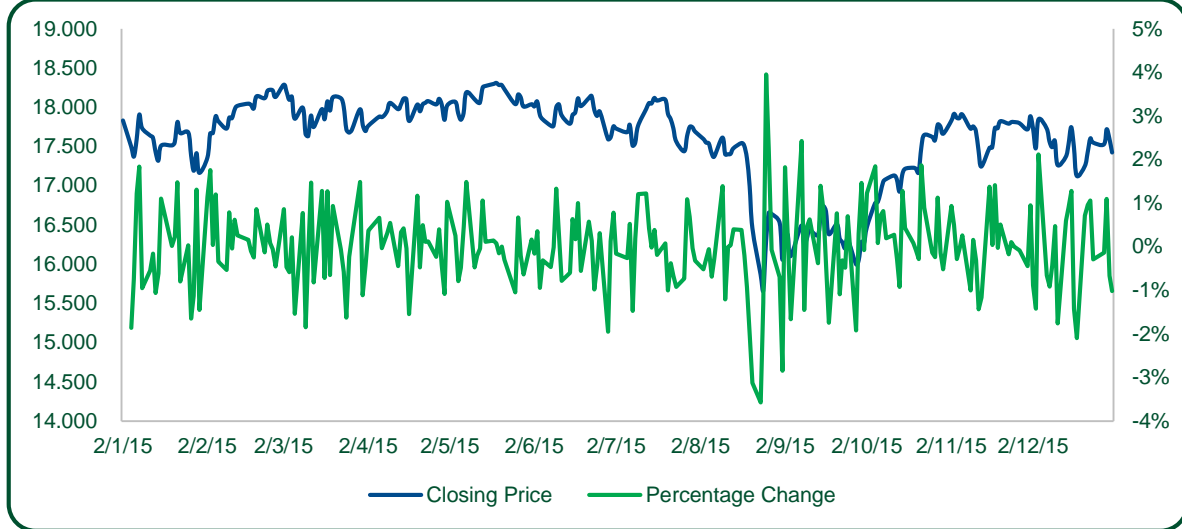


Source: World Bank

1.1.5 Financial Markets

Financial markets were also affected by the economic instability. The Dow Jones Industrial Average fell 2.29% during the course of 2015. Figure 6 shows a trend of slight increase in the index closing price. Additionally, over the year the percentage change in the volatility is going to be available.

Figure 6 – Behavior of the Dow Jones Industrial Average – 2015



Source: The Wall Street Journal

1.1.6 Exchange Rate

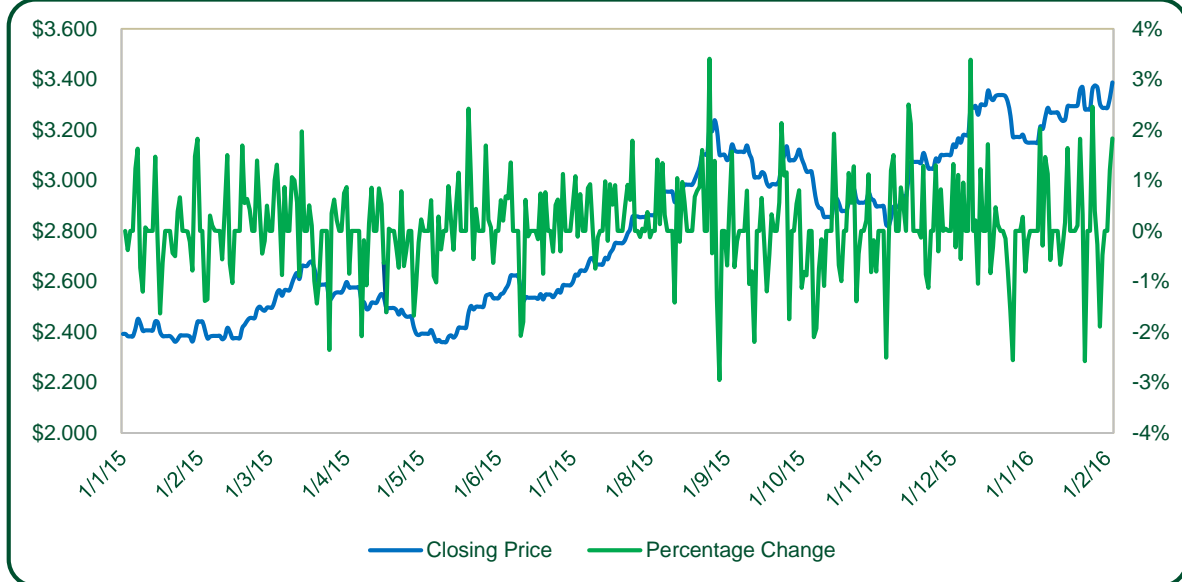
During 2015, the dollar appreciation against all other currencies was mainly due to the efforts of the Federal Reserve (FED). These efforts were to reduce the level of cash circulating in the US market, after the strategies to increase it resulting from the recession. Known as “tapering”, this strategy of the US central bank seeks to enhance interest rates to stabilize the economy after the injection of money that was used as a strategy to mitigate the ravages of the 2008 recession.

The dollar also gained value against the currencies of the countries considered as oil-dependent, as Colombia, due to the drop in the prices of this source of energy.

There is a further explanation, in detail, for the fall in oil prices and other commodities because of the discovery of fracking. This technology development led to an increase in oil production in the U.S., which in turn strengthened its economy and its currency.

In the financial markets, while oil demand decreases in its profitability due to the fall of its price, the dollar demand increases.

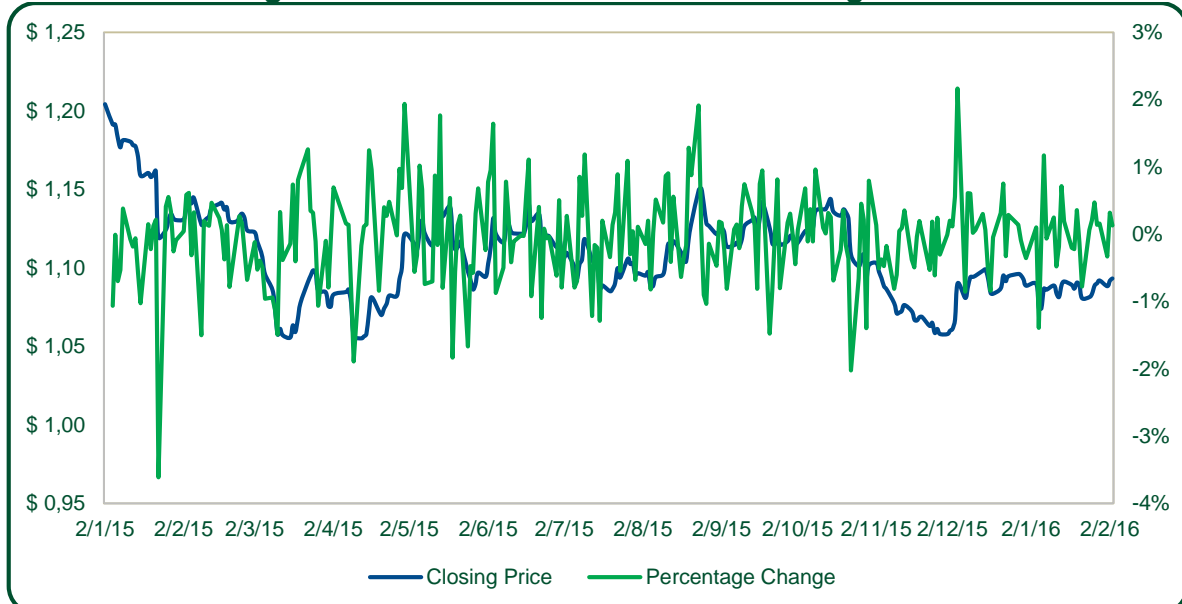
Figure 7 – Colombian Peso/USD Exchange Rate



Source: Bank of the Republic (Financial Superintendence of Colombia)

Figure 7 shows the considerable increase in the exchange rate during 2015 and January 2016, and the huge volatility of this currency.

Figure 8 – Colombian Peso/USD Exchange Rate

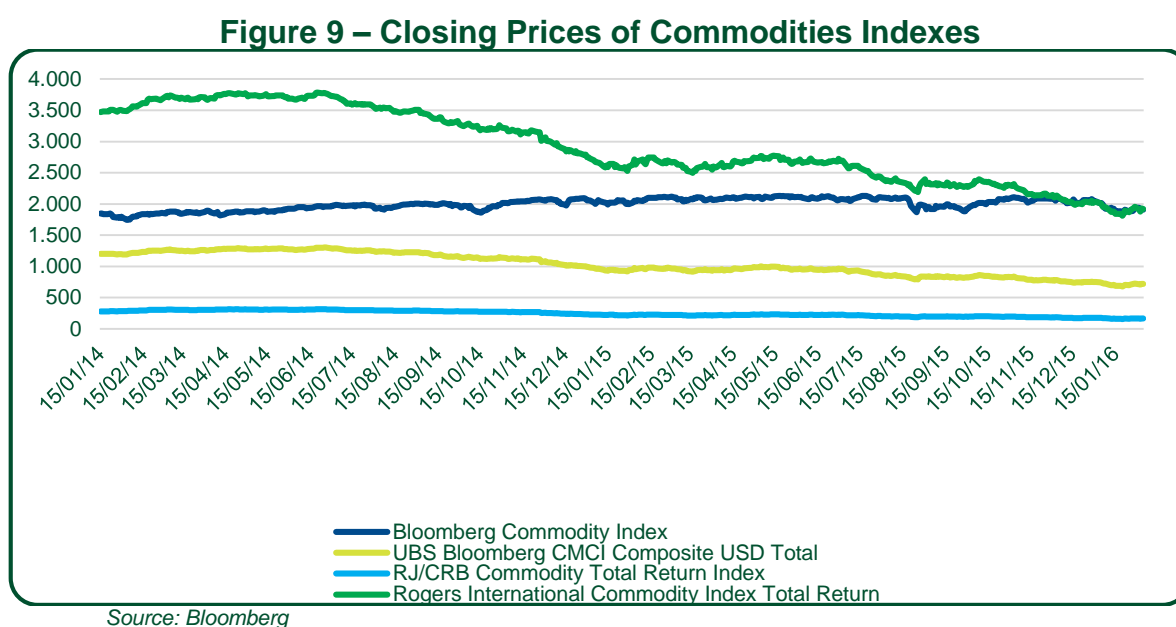


Source: European Central Bank

Regarding the euro, both the continuous instability and the position of the European Central Bank on the economic crisis contributed to the depreciation of this currency. Figure 8 shows how the euro is devalued against the dollar during 2015 and the beginning of 2016.

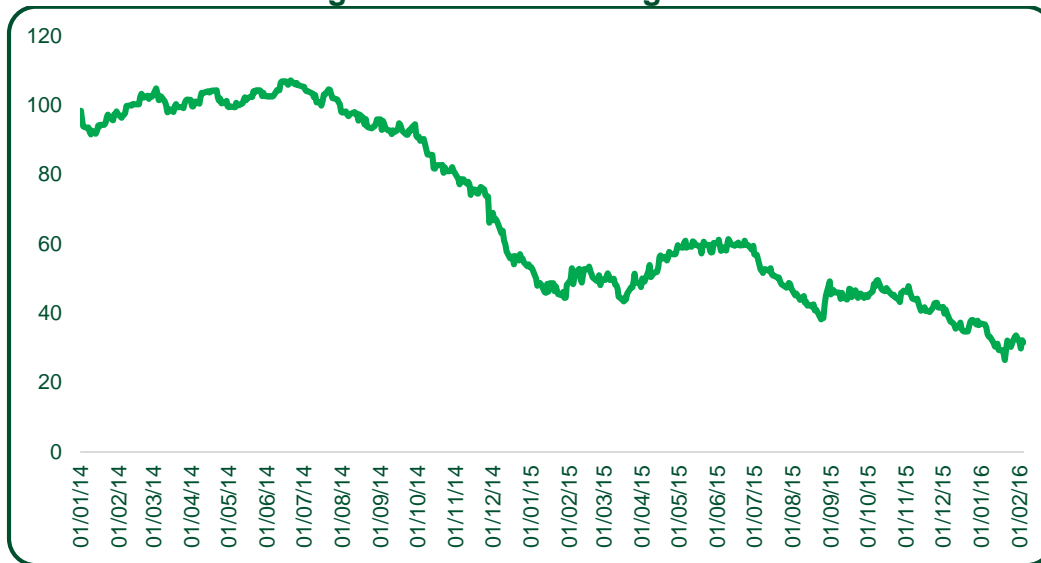
1.1.7 Commodities

Commodities are raw materials or primary agricultural products that can be bought and sold. As noted in figure 9, the commodities indexes most closely watched by investors show a steady drop in market prices.



The sharp fall in the prices of oil was an economic phenomenon of great importance that occurred during 2015 due to the development in the United States of a new technology to extract this product. This increase in supply combined with marketing moves by some oil producing countries of the Middle East led oil prices to all-time lows. Figure 10 shows the sharp fall in the price of WTI that represents oil price in the financial market.

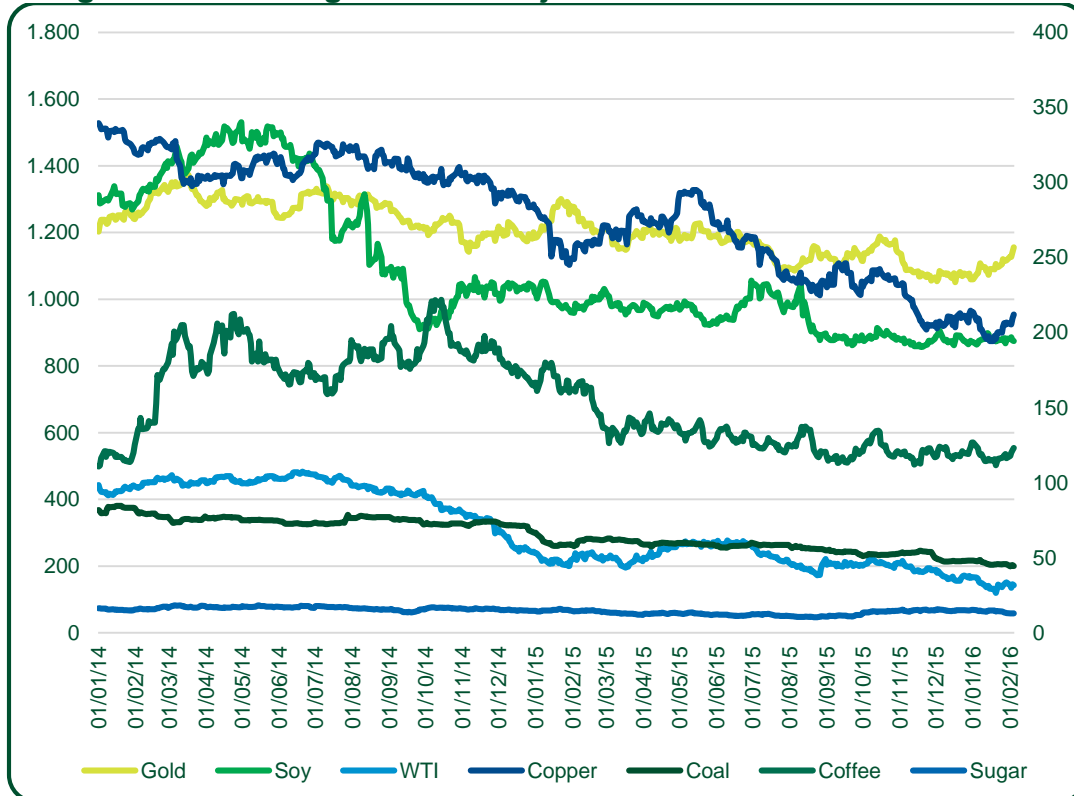
Figure 10 – WTI Closing Prices



Source: Bloomberg

The fall in oil prices, which maybe is the most important raw material, led to falls in the prices of all the other commodities. Figure 11 shows this fall and the prices of the most important commodities for Latin American countries: Gold, soybean, copper, coal, coffee, sugar, and of course, oil.

Figure 11 – Closing Prices of Major Commodities in Latin America



Source: Bloomberg

The fall in oil prices is the major cause of economic instability in 2015. This is mainly due to five factors: First, the relationship between the dollar and the prices of commodities. As the fall in oil prices produces dollar appreciation, the strengthening of these currencies by external reasons also negatively affects oil price. Second, a decrease in the oil demand by the slowdown in the Chinese economic growth and its transition from a manufacturing country to a market economy country. Third, an increase in the oil supply because of the discovery of new technologies to produce it. Fourth, the deliberate increase in oil production by the Arab countries as a strategy to take out of the market the producers with high costs of production (fracking from the US). And finally, the negative relationship between interest rates and the prices of commodities; as the Fed increases their interest rates, market prices decrease.

1.2 Colombian Economy Outlook

The convergence of several factors made 2015 a difficult year for the Colombian economy. Favorable aspects include the start of the implementation of 4G road expansion program and the recognition of Colombia as a country with high potential by national and international investors. That allowed it to retain the investment grade. On the other hand, negative aspects for the Colombian economy include the fall in oil prices, El Niño Weather Phenomenon, and the slowdown in the global economy.

The Colombian economy experienced a process of slowdown that began at the end of 2014 mainly due to the sharp fall in oil prices since last year and to a low growth in domestic demand, but especially in the fixed investment and public expenditure. However, in this turbulent environment, Colombia had a satisfactory performance in 2015 with respect to the economic stagnation in Latin America and the low global growth.

On the other hand, after a drop in early 2015, the pace of global activity recovered, but growth prospects remain moderate. After a slow start this year, the economy in the United States gained momentum thanks to consumption resilience, while the Euro zone continued to recover gradually; and in Japan, the growth is returning to positive levels.

Despite the national macroeconomic environment for 2015, the country remains in a favorable position within the emerging economies. However, the collapse in the international price of commodities will affect the Colombian GDP growth rate. This will cause a low dynamic global trade, together with the pressure on prices, and a low performance of foreign trade, the persistence of the depreciation effects on the fixed investment, lower growth of public expenditure due to the fall in oil revenues, a greater slowdown in household expenditure due to the increase in inflation and a less expansionary monetary policy. Consequently, according to the Bank of the Republic, prospects for growth in Colombian GDP growth rate will be close to 3% in 2015.

Undoubtedly, 2015 was a year of great challenges for the economy, with plenty of uncertainties due to the sharp fall in oil prices, reaching all-time lows of USD 34.7/barrel (WTI). In addition to the fall in the prices of raw materials, the recovery of the US, the tightening of monetary policy by the Federal Reserve and the China's economic slowdown.

1.2.1 Gross Domestic Product

Given the global economy's downturn experienced in 2015, the Colombian statistics are satisfactory. Despite the sharp reduction in oil price and its impact on exports and fiscal accounts, the growth of Colombia will be higher than the average for Latin America. According to ECLAC, the country's economic growth will be higher than Peru (2.8%), Mexico (2.5%), Chile (2.0%) and Argentina (2.0%).

The strength of the Colombian economy is based on important economic, political and social transformations. It is remarkable the good position that the country has been gaining regionally and internationally, a greater advance in civil engineering works, a good momentum in household expenditure, and the recovery of the exchange rate, among others. On the other hand, the sharp reduction in the prices of commodities and the lack of economic dynamism in the global economy were important unfavorable factors.

According to DANE's data, in the first half of 2015, the Colombian economy grew 2.9%, far below the 3.8% registered in the previous six-month period. The slowdown was mainly due to a low growth in domestic demand, but especially in the fixed investment and public expenditure, while net exports significantly reduced its negative contribution to GDP growth. The fixed investment—which had been one of the main engines of local economy in 2014—was the domestic demand component that most declined. It was greatly affected by cuts in capital investment by the oil sector companies, and to a lesser extent, by a higher tax burden that arose after the tax reform at the end of 2014.

In the same way, the depreciation of the Colombian peso—that has affected the import of capital goods—and the depletion of government housing programs to stimulate house construction programs, of almost three years, have also contributed to the slowdown of this component. In contrast, the good behavior of the investment in engineering civil works contributed to compensate partially for the slowdown in most of the subcomponents of investment.

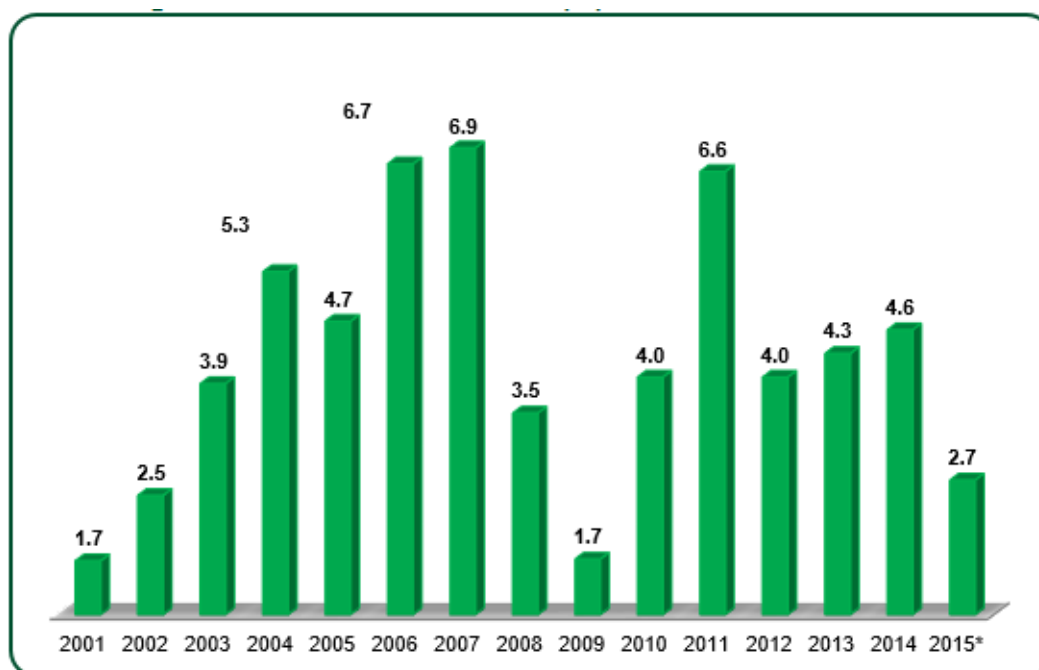
For the second half of the year, results show that 2015 will close with a troubled outlook and that the economy will end up facing various external and internal factors. Among external factors, it is clear the dependence of the external sector on oil revenues, and serious shortcomings in competitiveness that affect the economy in the international context. At the internal level, El Niño surprisingly reached a great intensity and duration, generating a rise in food prices.

Despite this situation, the Colombian economy reached a growth of 3.2% in the third quarter of 2015, in comparison to the same quarter of 2014. Regarding supply, the highest increases occurred in the following activities: Trade (4.8%), agriculture (4.5%) and financial institutions (4.3%). As for mining and quarrying, they were the only sectors that registered a decrease (-1.1%).

Regarding demand, GDP components experienced the following variations in the third quarter of 2015 compared with the same period of 2014: 3.4% in final consumption expenditure, 1.0% in gross capital formation, -0.7% in exports and 0.6% in imports.

The Bank of the Republic projects that the GDP will grow by 2.7% during 2015, while some analysts' projection is 2.8%. They expect the fall of oil prices to represent lower revenues for public expenditure. The outlook is uncertain for 2016 and will depend largely on the oil prices behavior, the reduction of investment in the oil sector, the narrow fiscal space of government due to the decline in oil revenues, the increases in interest rates and the duration and intensity of El Niño Weather Phenomenon. However, some positive aspects will help the economy grow above 2.0% in 2016. Such actions correspond to the reopening of the Refinería Ecopetrol, the Plan to Boost Productivity and Employment (PIPE 2.0, by its Spanish acronym), investment in 4G road projects and a better competitive position due to the depreciation of the exchange rate.

Figure 12. Annual GDP Growth (%)



* (Projection for 2015 according to the Bank of the Republic) DANE.

1.2.2 Inflation

In 2015, inflation became an important challenge for economic policy. During the past few years, the increase in prices has maintained at the target range for inflation set by the Bank of the Republic. However, this trend was broken in 2015 and at the end of the year stood at 6.77%, with a rate that exceeded by 3.11 percentage points the value recorded in December 2014 (3.66%). Two factors explain this: First, the depreciation in the exchange rate that accelerated the cost of tradable products; and second, the rise in food prices linked to rainfall deficit, that is to say, the perishable goods. Therefore, food is the main driver for inflation in 2015.

According to the DANE, the food item experienced the highest positive variation (10.85%). It was above the national average as well as other expenses (6.90%). In contrast, clothing had the lowest record (2.99%). The food and housing groups recorded the largest contributions to variation in the last twelve months. They contributed 4.75 percentage points altogether to the annual accumulated value of such variation.

Compared to the behavior of prices by towns, 15 of the 24 cities studied by the DANE showed above-average growth, and 9 showed lower variations. Manizales topped the list with 7.97%, and Cucuta had the smallest variation of the CPI with 5.58%.

For 2016, the economic agents' expectations aim to a moderation in this indicator driven by a significant correction in food inflation, subsequent to the end of El Niño, and favored by the disappearance of the upward effects of the peso depreciation.

Figure 13 – Inflation (Annual Variation in %)



Source: DANE

1.2.3 Employment

Regarding employment, indicators reflect that Colombia has made significant progress during the past few years. The levels of employment generation has been sustained and formal employment predominates in the new jobs as a result of the Colombian economy's growth dynamic in recent years and the social progress in the country, as well as the implementation of reforms to promote employment formalization. However, there are still high levels of informal employment.

In 2015, the unemployment rate maintained the downtrend persisted over the past 4 years. In December, unemployment rate reached 8.6%, which represents nearly 22.4 million people employed, 545,000 more than the previous year.

Monteria (7.5%), Bucaramanga (7.9%) and Barranquilla (7.7%) were the cities with the lowest unemployment rates during January-December. On the other hand, cities with the highest rates of unemployment were Quibdo (15.0%), Cucuta (14.7%) and Armenia (14.6%).

The economic activities that concentrated the largest number of people employed in the quarter October-December were trade, restaurants and hotels (27.5%); community, social and personal services (19.6%); and agriculture, livestock, hunting, forestry and fishing (16.8%). These three branches comprised 63.9% of the employed population. Also, the branches of higher growth, compared to the same period of the previous year were: Real estate activities (7.9%), agriculture, livestock, hunting and fishing (4.7%) and other branches (4.3%).

Figure 14 – Unemployment Rate



Source: DANE.

While the unemployment and the informal labor decreased in 2015, the economic slowdown expected for this year could have implications on the generation of new jobs. The unemployment rate is expected to remain at single digits by 2016, thanks to good buoyancy of construction and industry because these activities are labor intensive and generate about 18% of total employment in the country.

1.2.4 Foreign Direct Investment

After the historical figure of foreign direct investment (FDI) during 2013 (USD 16,622 million) and the good results in 2014, by September 2015, a figure of USD 9,235 million was recorded, which represents a decrease of 26.3% (USD 3,303 million) compared with that recorded during the same period of 2014.

At the sectoral level, between January and September 2015, 60.7% of FDI flows in Colombia were concentrated in the sectors other than oil and mining, accumulating investments by USD 5,602 million, while the oil and mining sector received the remaining 39.3%. Furthermore, it is worth noting in this period the growth in the sectors of community services (104%), trade, restaurants and hotels (64%), and construction (14%).

1.2.5 Exchange Rate

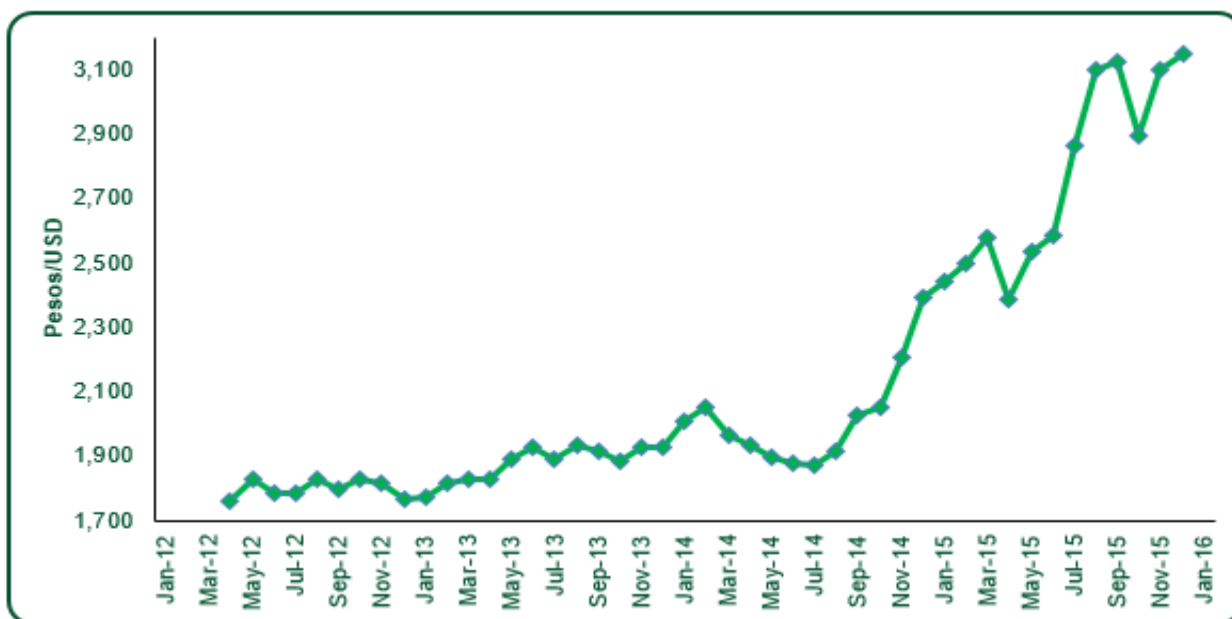
In the last year, the peso has had a sharp fall against the dollar, reflecting the change in the international environment. In fact, since September 2014, the USD/COP started a steep rise trend. This trend has been promoted by the fall in the international prices of raw materials, in particular, oil price; the increase in the volatility in the financial markets, and the increase in emerging risk premiums, and the expansion of the country's current account deficit to levels above 5% of GDP.

Therefore, the exchange rate showed a very steep depreciation in 2015. In the first two months of the year, the Representative Market Exchange Rate (TRM, by its Spanish acronym) stood at its minimum value: about COP 2,400. Between March and April, it exceeded the COP 2,600, returning in May to its minimum of the year. From that month, the TRM shot up, achieving its maximum level in December (COP 3,356) with a depreciation of 39% for the year.

The confluence of several factors explain the exchange rate behavior. The external reasons are the fall in the oil prices, the change in American economic policy toward a less expansionary policy, a better performance of the U.S. economy and the increase in FED interest rates by 0.25%; as for the internal reasons, the drop in exports.

For the above reasons, it is important to recognize the high volatility environment that will continue to record the exchange market. The behavior of the Colombian currency quotation against the dollar will continue with a depreciation trend, but with a slower pace due to the low terms of trade, less favorable conditions of global liquidity and higher interest rates in the US.

Figure 15 – Exchange Rate



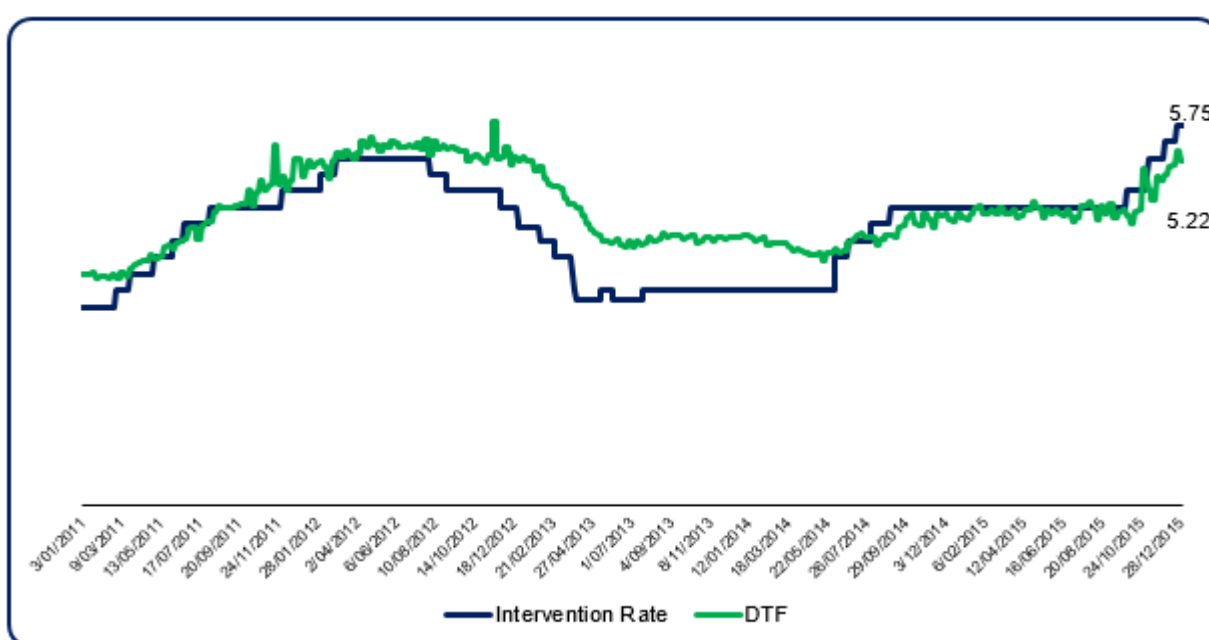
Source: Bank of the Republic

1.2.6 Monetary Policy and Interest Rates

After 13 months of a fixed interest rate, in September 2015 the Bank of the Republic increased its intervention rate by 25 basis points to 4.75%, and then to 5.25% in October for a total of 75 basis points. The increase in the inflation expectations and the risks on the prices prospects for 2016 were the main reasons for this decision. By December 2015, monetary policy was tightened and the intervention rate increased to 5.75%.

Since inflation will continue to increase (over 6% during the first half of 2016) and the Bank of the Republic has informed about a possible case of overspending in the economy, the intervention rate is expected to stand between 5.75% and 6.0% during a considerable part of the year.

Figure 16 – Interest Rate



Source: Bank of the Republic

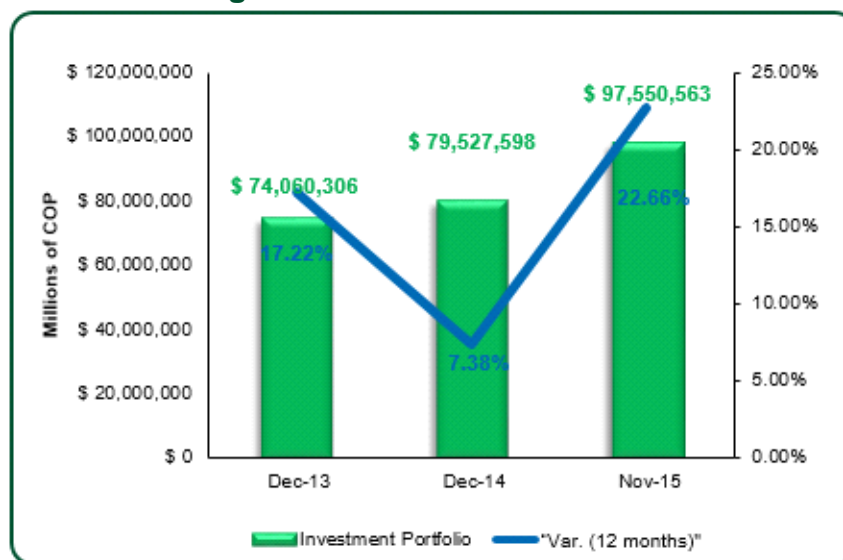
1.3 Behavior of the Colombian Financial Sector

In November 2015, major emerging economies in the region showed a homogeneous behavior, so the investment and derivatives portfolio increased in this month mainly due to a higher balance of investments in foreign shares and to the investments in instruments representing debt from both domestic and foreign issuers.

Investments of banking institutions and pension and unemployment benefit funds showed a higher balance, which counteracts the monthly decline experienced by trust companies and securities intermediaries.

For November 2015, banks investments increased by 22.66% compared to December of the previous year, reaching investments and transactions with derivatives for a total of COP 97.55 trillion.

Figure 17 – Banks Investments

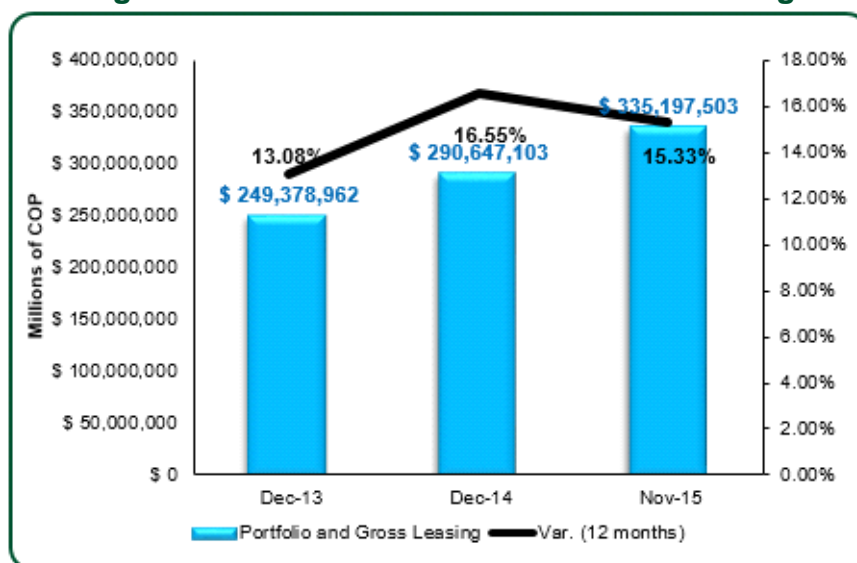


Source: Financial Superintendence of Colombia

The net credit portfolio increased 15.33% compared to December 2014, closing at November 2015 in COP 335.19 trillion. Since 2015, due to the convergence process to IFRS, the portfolio granted to employees and the operational leasing is calculated in the total portfolio. This is one of the reasons for growth of the net portfolio.

The portfolio in arrears had a low proportion compared to the total portfolio, situating the portfolio quality index at 3.10% by November 2015

Figure 18 – Banks Portfolio and Gross Leasing

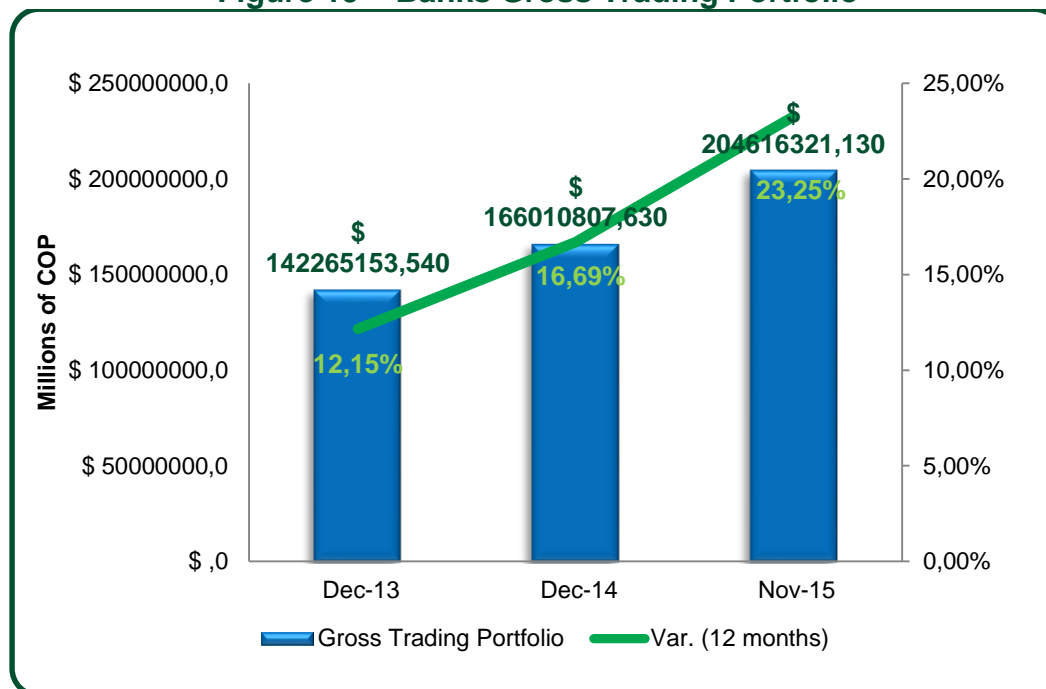


Source: Financial Superintendence of Colombia

The growth in trading portfolio showed an increase of 26.91% from COP 276.2 trillion in December 2014 to COP 350.5 trillion in November 2015.

The trading portfolio gained market share compared to the total portfolio between December 2014 and November 2015, from a balance of COP 166.01 trillion (excluding provisions) and a share of 57.91%, to a balance of COP 204.61 trillion that represents the 58.37% of the total portfolio.

Figure 19 – Banks Gross Trading Portfolio

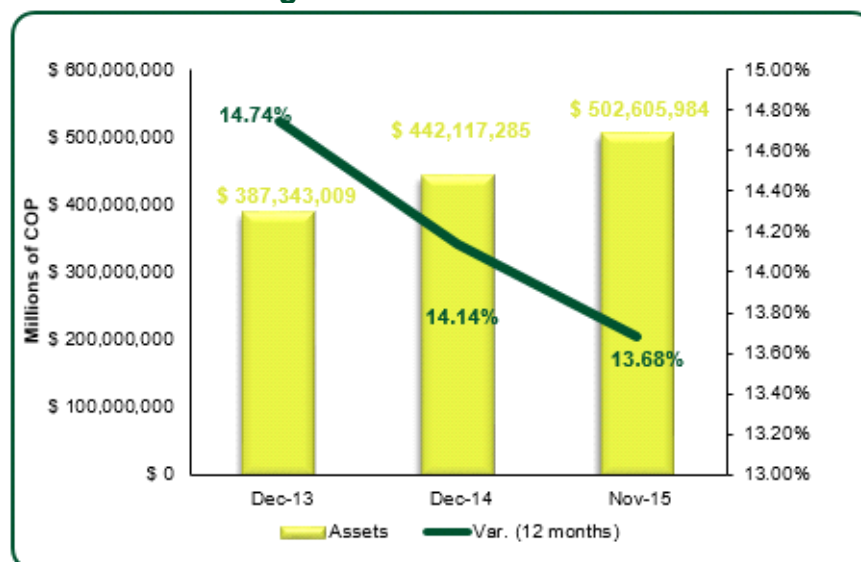


Source: Financial Superintendence of Colombia

The total assets of credit institutions are composed mainly of credit portfolio, which represents 65.64%; investments and transactions with derivatives, 19.81%, and cash, 6.96%.

The assets of the banking institutions had a growth of 13.68% compared to December 2014, from COP 442.12 trillion to COP 502.61 trillion in November 2015. The assets of the banking institutions in Colombia accounted for 45% of the total assets of credit institutions by November 2015.

Figure 20 – Banks Assets

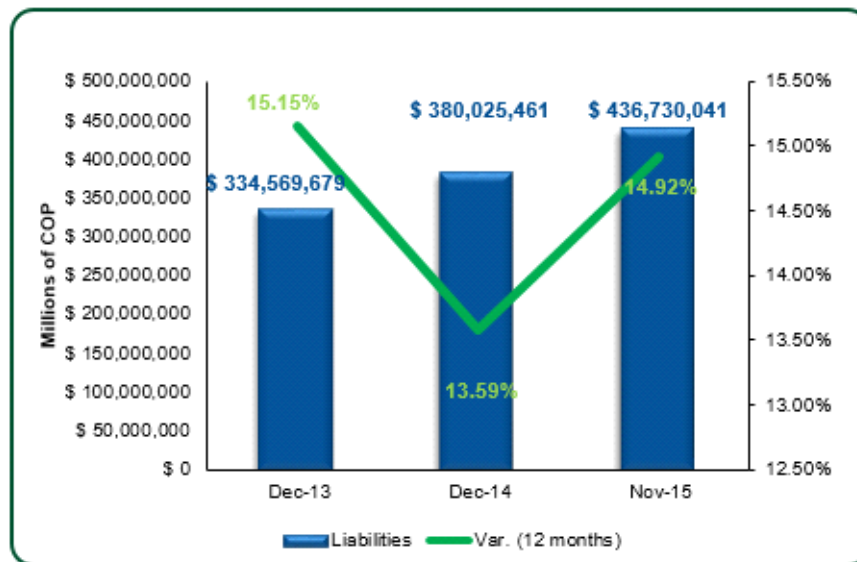


Source: Financial Superintendence of Colombia

In November 2015, the liabilities of credit institutions were composed of financial instruments at depreciated cost with 84.79%; bank credits and other financial obligations with 9.69% and 1.46%; and derivatives, cash transactions and other liabilities representing 4.06%.

By November 2015, bank liabilities were COP 436.7 trillion, accounting for 92% of total liabilities of credit institutions, with a growth of 14.9% compared to December 2014.

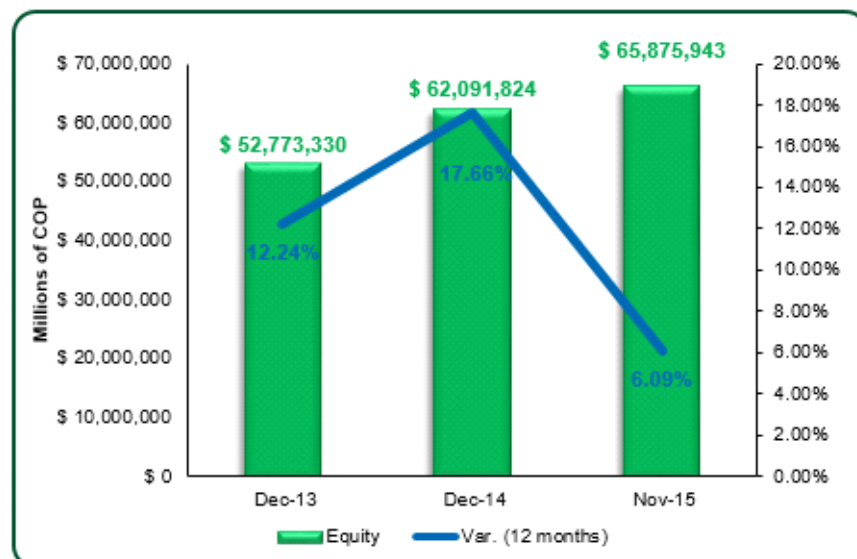
Figure 21 – Banks Liabilities



Source: Financial Superintendence of Colombia

On the other hand, banks' equity grew at a rate of 6.09%, from COP 62.09 trillion in December 2014 to COP 65.87 trillion in November 2015. This behavior is given by a growth of COP 60.48 trillion in assets, while the growth in liabilities was COP 56.7 trillion in November 2015

Figure 22 – Banks Equity



Source: Financial Superintendence of Colombia

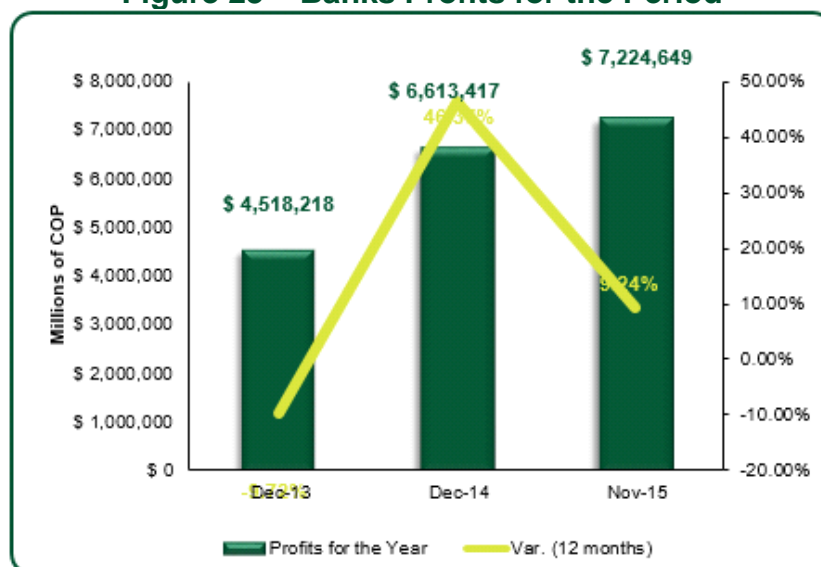
However, accumulated profits of credit institutions were COP 9.99 trillion in November 2015, of which banking institutions recorded COP 9.05 trillion, followed

by financial corporations with COP 509.62 million; financing companies with COP 384.05 trillion, and financial cooperatives with COP 43.63 million.

It is worth clarifying that from 2015, profits derived from investments in controlled entities are monthly recorded on the P&L; while under COLGAAP they were recorded in the income statement to the next financial year, after the approval of the dividend by the meetings.

Concerning the profits in the period for banking institutions, these showed a growth of 9.24%, from COP 6.61 trillion in December 2014 to COP 7.22 trillion in November 2015, mainly due to the growth in investment and productive assets during the year.

Figure 23 – Banks Profits for the Period

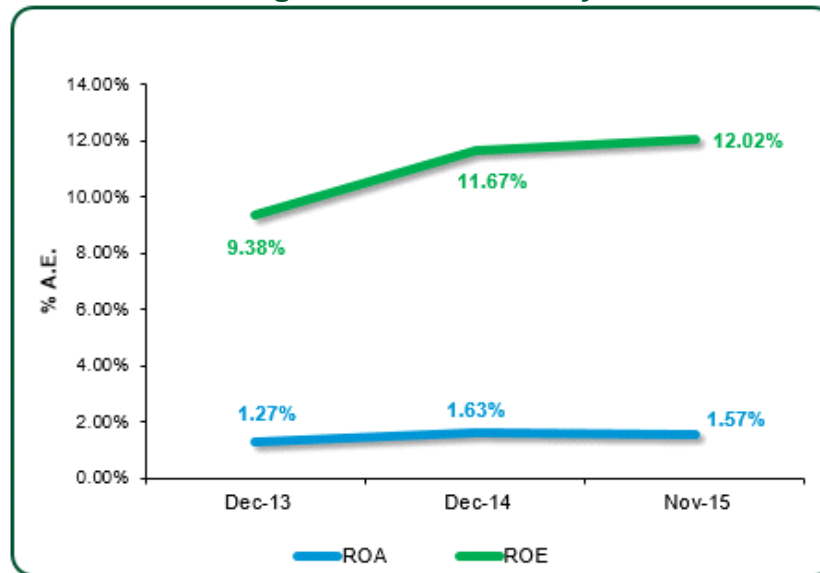


Source: Financial Superintendence of Colombia

In November 2015, due to obtaining a higher profit compared to December 2014, the return on equity (ROE) of banking institutions rose from 11.67% to 12.02% in comparison to the previous year, showing an improvement in the return of invested capital.

In this regard, return on assets (ROA) for banks went from 1.63% to 1.57%, given that the profit increased 9.24%. This means a lower proportion compared to the growth in asset that was 13.68%. Given the above, part of the return on equity is due to the higher financial leverage showed by credit institutions by November 2015 compared to December 2014.

Figure 24 – Profitability

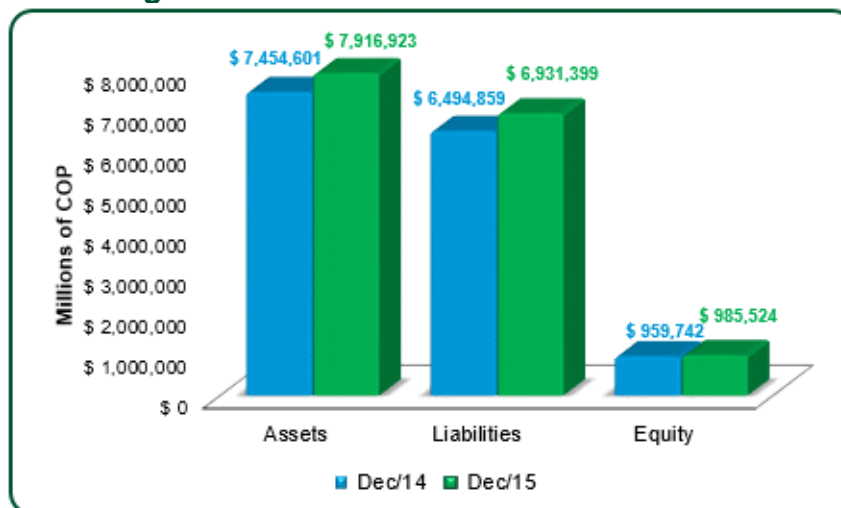


2. FINANCIAL SUSTAINABILITY

2.1 Balance Sheet Analysis

As of December 31 2015, Findeter Balance Sheet structure presents an expansion scenario with an increase in the asset by 6.20% (COP 462,322 million), as well as in liabilities by 6.72% (COP 436,540 million). Whereas equity showed an increase of 2.69% (COP 25,782 million).

Figure 25 – Main Balance Sheet Accounts



2.1.1 Asset Analysis

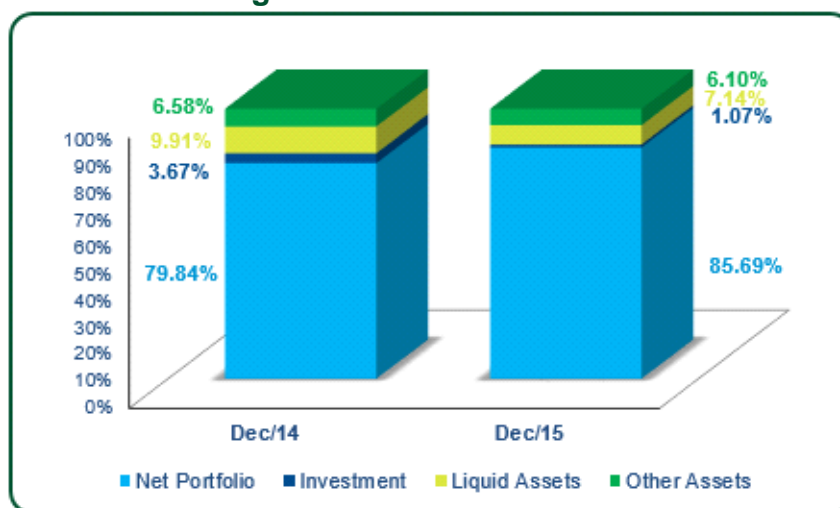
As of December 31 2015, the gross credit portfolio constituted the main Findeter asset with 86.49%. That amounts to COP 6,846,985 million. In this sense, the net credit portfolio represents 85.69% of total assets with a value of COP 6,783,856 million. During 2015, an increase of 13.83% in gross portfolio occurred. Along the year, however, liquid assets remained at lower levels than those showed during 2014, due to higher efficiency and optimization of this category. In the same way, investments for liquidity management were lower than those of 2014.

Taking into account the increase in portfolio, the optimization of liquid assets, and investment, a greater participation of portfolio within the assets was obtained, showing an improvement in the financial structure. All of the above, in order to increase profitability by concentrating the resources on the most profitable assets.

Between December 2014 and December 2015, the net portfolio showed an increase of 13.98%, i.e. COP 832,122 million. This behavior is the result of disbursements made during the year by COP 2,298,334 million (COP 2,200,165 million; USD 98,168), exceeding the expected 2,113,550 million. With this figure, the disbursements target for 2015 was achieved by 109%. Moreover, received prepayments of the rediscount portfolio during the year amounted to COP 790,347 million, as well as a portfolio recovery of COP 793,158 million. According to the above, portfolio prepayments were lower than expected and lower than the average behavior of recent years. The above factors caused the portfolio balance to increase more than expected.

It is important to mention that the entity's organic growth strategy, as well as credit specialization to specific economy sectors, allows a lower exposure to credit risk and a solvency margin management in line with Findeter's risk. In contrast to the events of 2014, the Colombian market showed a high level of solvency during 2015. But, deposit rates showed significant increases together with the increase in inflation, DTF, IBR and the LIBOR. This led to fewer prepayments in comparison with previous years as well as the use of rediscount credit as a good option to transfer and cover long-term operational risks. This finally helped with the growth of credit portfolio during the year.

Figure 26 – Asset Structure



Entity's credit quality maintained optimal levels. It recorded a credit quality index of 0.20% (past-due portfolio/gross portfolio). For its part, the portfolio coverage ratio (portfolio provisions/past-due portfolio) closed the year at 459.67%. It is thus evident that Findeter has the necessary provisions to cover past-due portfolio, which turns out to be marginal. With all these considerations, the financial stability of Findeter is not compromised in case of an event of default.

It is also worth noting that during the last quarter of the year, Financiera Internacional went into liquidation with a portfolio balance with Findeter of COP 19,276 million as of November. These figures are represented in 14 operations, over 95% of which were up to date. This situation does not significantly affect Findeter credit portfolio that exceeded COP 6.8 trillion at the close of the year.

Furthermore, it is important to highlight that a change in methodology was made during 2015, from 1% in individual provisions on balance of gross portfolio to a model of individual provisions approved by the Financial Superintendence of Colombia that reflects the entity's own risk, as well as the systemic risk. Thus, more suited provisions are obtained regarding the total credit risk assumed with the credit portfolio.

It is noteworthy that despite the occurred events, the risk of default is low on the part of a financial intermediary supervised by the Financial Superintendence of Colombia. And, as noted in the case of Financiera Internacional in the event of a default by an intermediary, Findeter assumes the portfolio as first-tier bank maintaining the vast majority of operations up to date.

On the other hand, the other assets category fell from 10.25% of the asset in December 2014 to 7.17% in December 2015, which accounts for a reduction of COP 196,098 million. This situation is attributable to a decrease of COP 189,083 million in investments, to the contraction of COP 53,410 million in sold interbank funds and the increase of COP 4,768 million in accounts receivable, among others. As a

strategy developed during 2015, it is therefore evident the reduction in the entity's liquid assets, which seeks a higher efficiency in liquidity management.

Finally, liquid assets lost share within the assets, decreasing from 9.91% in December 2014 to 7.14% in December 2015. This reflects the liquidity management strategy aforementioned. In this regard, resources in dollars from 2014 were monetized during 2015, as well as resources received from multilateral banking in 2015. These resources were used in the placement of rediscount portfolio in pesos, and hence, profitability in operations improved.

The average of monthly liquid assets reached COP 536,957 million, while a year ago it amounted to COP 686,900 million. Despite this reduction, the liquidity risk indicator (LRI) is still in compliance and is monitored continuously. This seeks the optimization of liquidity, and to maintain acceptable levels of liquidity risk.

2.1.2 Liability and Equity Analysis

As well as the assets, liabilities experienced an increase of 6.72%, i.e. COP 436,515 million between December 2014 and December 2015.

At the close of 2015, deposits and current liabilities (time deposits) was the account with the highest share in liabilities with 65.02% (COP 4,506,868 million), losing significance in regard to the result recorded by December 2014, when it represented 72.89% (COP 4,734,011 million) of liabilities. Consequently, a reduction of 7.87% is observed with respect to the previous year. This behavior is directly related to the increase in the rediscount credits portfolio, as well as to the reduction in liquidity and the increase in funding with multilateral banking. Additionally, in response to the strategy proposed on the bond issuance in the international market, during a large part of the first half of 2015 Findeter time deposits were collected from the market with resources of that issuance. During 2015, time deposits were issued with a value of COP 1,517,596 million and COP 824,256 were renewed.

It is stressed that the certificates issuance is the main source of Findeter's funding and the most dynamic and versatile tool to obtain resources; which closely links this variable to increases and decreases in the credits portfolio balance. The issuances of Findeter time deposits, both in direct issuance as in Dutch auction, have historically demonstrated the good reception and confidence of investors in these securities. In this sense, the AAA rating has been maintained for the long-term indebtedness during 18 consecutive years.

In spite of the advantages of this mechanism for fundraising, diversification of funding sources has been developed over the past four years. As a result of this strategy, a portfolio securitization was implemented in 2012 and a bond issuance was carried out during 2014 in the international market for an amount equivalent to USD 500 million or COP 946,175 million, which allowed the reduction in the placement of time deposits as well as in their balances. These bonds were placed

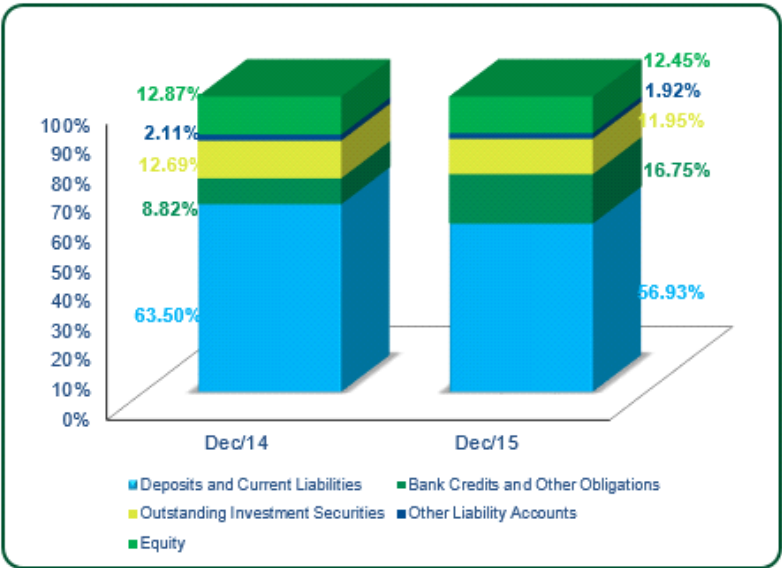
to 10 years and are payable at maturity, and hence balance was not altered during 2015.

On the other hand, bank credits and other financial obligations that are represented in dollars experienced a growth of 101.72% between December 2014 and December 2015 (COP 668,717 million) due to the increase of 53.24% in the debt balance in dollars and the increase by COP 757.01 pesos in the accounting TRM of the December 2014-December 2015 period. This meant a depreciation of the peso against the dollar in 31.64% during 2015, and it affects directly the balance in pesos of the debt denominated in dollars. However, the debt balance in dollars increased as resources equivalent to USD 116.3 million were received from the French Development Agency (AFD), USD 10 million from the KfW, and USD 14 million from the IDB. Also, amortizations were made to the IDB by USD 9.1 million.

The use of multilateral banking as funding source in Findeter means a fundamental support to maintain the policy for providing attractive resources to the market, which, by being long-term credits, allows the financing of projects in infrastructural sectors with favorable financial conditions concerning rate and term, since they are long-term credits. With the use of these resources, Findeter can improve the duration of liabilities and thus optimize the duration GAP.

Meanwhile, the other liabilities showed a reduction of COP 5,057 million between December 2014 and December 2015, which means a variation of -3.21%. This account consists mainly of interest payable of time deposits, bonds and credits, of tax provision, and of income received for third parties fruit of the recovery of securitized portfolio.

Figure 27 – Asset structure — Equity



To conclude, Findeter's equity showed an increase of 2.92% by December 2015 in comparison to the previous year closure. This increase amounted to COP 25,782 million, which is mainly due to a capitalization of profits from the previous year on the order of COP 36,351 million, generating a variation of 4.42% in the subscribed and paid-in capital

With the high rates of capitalization presented by Findeter in relation to the generated profits, the objective is to forge an organic, sustainable and permanent growth that allows the country to benefit with its credits and programs.

2.2 Income Statement Analysis

During 2015, Findeter experienced an increase of 82.63% in operational income, i.e. COP 618,811 million more than in 2014. A similar situation occurred with operating expenses, which increased by COP 635,623 million, i.e. 91.92%. With these results, an operating profit of 40,516 million was obtained. This represents an operating margin of 3.14%.

The main cause of rise in operational income was the increase in gain on sale of derivatives, which went from COP 72,079 million during 2014 to COP 488,460 million during 2015. This represents an increase of 577.68% (COP 416,381 million). This situation is mainly due to an increase in the average balance of derivatives that grew from USD 100.65 million in 2014 to USD 145.65 million in 2015. This along with the high volatility of the peso against the dollar, during 2015, led to generate large movements in this account. Findeter had position in dollars throughout the year both in assets and in liabilities, always seeking to comply with the coverage policy: *"With regard to the risk of variations in the exchange rate of the peso against other currencies to which may be exposed Findeter, the Board of Directors adopts a policy for maintaining covered the global exchange position at a rate above 95%."*

Having said that, the adjustments in exchange for assets restatement showed an increase of COP 84,299 million, which represents a variation of 49.42% between 2014 and 2015. This behavior was a result of the dollar variation, since the average balance of liquid assets in dollars was 26.93%, a lower figure during 2015 in respect of 2014.

About this conservative management it can be said that the net effect in the Income Statement was COP -10,981 million during 2015, while in 2014 totaled COP -2,661 million. This result is the aggregate of adjustment exchange and the product of derivatives. In this regard, the impact of derivatives on Income Statement amounted to COP 89,438 million in 2015, while in 2014 was COP 38,334 million. With regard to the effect on adjustment exchange, this was COP -100,419 million for 2015 compared to COP 35,673 million in 2014. This is due to the dollar behavior, which experienced a depreciation of 31.64% during 2015, while in 2014 was 24.17%.

Another reason was the cost of the coverage with forwards (NDF), which increased due to the monetization of USD 181 million.

Moreover, there was an increase of portfolio interests that went from COP 417,047 million to COP 471,604 million between December 2014 and December 2015, i.e. 13.08% more than last year. This situation was mainly due to the increase in the average balance of portfolio, which went from COP 6,221,323 million in 2014 to COP 6,359,659 million in 2015, an increase of 2.22% on average. The greatest increase was in the last months of the year, which led the portfolio to close in 2015 at COP 6,846,985 million. Likewise, the increase in the financial indicators (base rates) to which the portfolio is indexed, showed an increase during most of 2015 as a result of rising inflation and the rate of intervention by the Bank of the Republic. Taking into account the above, the greatest impact about the increase in the portfolio balance on income will occur in 2016.

In this sense, the average CPI of 2015 was higher than in 2014 by 207 basis points, i.e. 4.98% A.E. By December 2015, the CPI (12 months) closed at 6.77% A.E. In regard to the DTF, the average of 2014 was 4.06% A.E.; while in 2015 was 4.55%, closing the year at 5.22% A.E. As of December 31 2015, the portfolio composition by index was as follows: DTF 69.67%, IPC 22.50%, Fixed Rate 2.52%, LIBOR 6 months 2.09%, LIBOR 3 months 1.17%, UVR 0.95%, LIBOR 1 month 0.67% and IBR 0.41%.

Figure 28 – Interest Rates Behavior (A.E.) (Jan-Dec 2015)

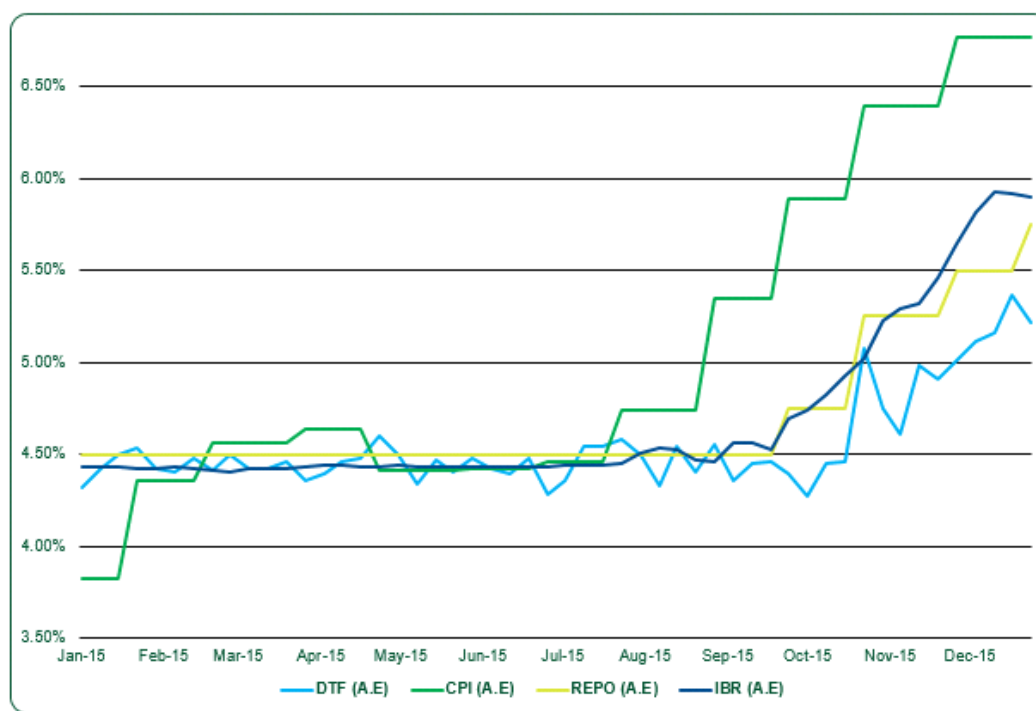


Table 1 – Portfolio by Index*Figures in Millions of Pesos*

Index	Values	%
DTF	4,749,233	69.67%
CPI	1,534,048	22.50%
FIXED	171,917	2.52%
LIBOR 6 Months	142,706	2.09%
LIBOR 3 Months	79,511	1.17%
UVR	64,957	0.95%
LIBRO 1 Month	45,971	0.67%
IBR	28,147	0.41%
Total	6,816,488	100.00%

Finally, it is important to highlight the behavior of fees and commissions. This account represented 5.95% of operational income in December 2014. It accounted for 5.15% by December 2015, with an increase of COP 26,205 million (58.79%) due to the income generated by inter-administrative agreements implemented by the Technical Vice-Presidency. Therefore, the revenues from non-financial products have continued to acquire importance within the Entity's income structure and thus becoming a determining factor to achieve the Findeter's net profit goal. Fees and commissions generated directly by programs during 2015 were on the order of COP 56,983 million with an annual increase of COP 18,437 million, which corresponds to 47.83%.

Regarding the operating expenses behavior, which were by 92.09% higher than those achieved in 2014, it is observed that, like occurred with revenue, the increase and share of losses for valuation of derivatives as well as for exchange adjustment accounted for 79.87% of this increase with COP 509,000 million. As well as the income by restatement of assets and by valuation of derivatives, expenditures increased due to the rise in the average balance of coverage maintained during 2015 in relation to 2014, as well as by the dollar behavior in relation to the peso.

On the other hand, the interests derived from the Entity's funding rose by 13.29% (COP 45.064 million) due to the increase in the average balance of financial liabilities, as well as the increase in interest rates. The time deposits average balance during 2015 was COP 4,334,124 million. This represents COP 1,020,048 million less than the 2014 average balance. The foregoing responds to the replacement of time deposits with resources received in 2014, product of the issuance of international bonds. It is important to recall that time deposits are the main funding instrument of Findeter, as well as the most versatile and dynamic. As of December 31 2015, time deposits funded 56.93% of assets. The composition of deposits and current liabilities

by index is as follows: 37.58% corresponds to IBR, 34.51% to the CPI, 24.36% to the DTF, and the remaining 3.54% to fixed rate.

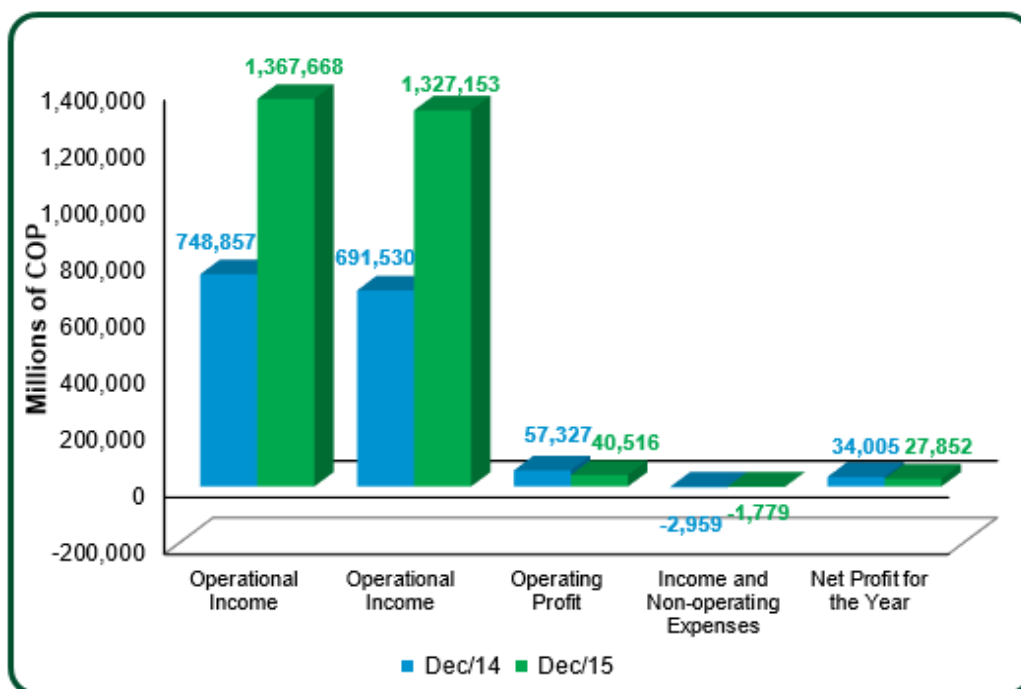
During 2015, the income taxes (VAT, wealth tax, ICA, GMF, etc.) amounted to COP 29,680 million, with a decrease of COP 712 million, i.e. -2.34% with respect to 2014.

As of December 31 2015, profit before income taxes totaled COP 39,592 million. Meanwhile, the income tax provision decreased by -42.35% (COP 8,623 million) compared to 2014, with which Findeter's net profit closed the year at COP 27,852 million.

The net profit obtained ensures the achievement of the target profitability (ROE) above the target proposed in the Strategic Plan—2.80%—for 2015, closing the year at 2.90%. The previous result was obtained despite the difficulties that arose, due to macroeconomic conditions, as well as to the readjustments in funding costs occurring during the year.

Additionally, it is stressed that Findeter contributed to the nation the sum of COP 41,420 million during 2015 from taxes and contributions, which represent 3.02% of operational income. The previous result demonstrates the good tax management during 2015.

Figure 29 – Main Accounts Variations of Income Statement



2.3 Financial Indicators Analysis

Table 2 – Financial Management Indicators

DESCRIPTION OF FINANCIAL INDICATORS		
Type of Indicator	Dec-14	Dec-15
Profitability		
Operational Income/Average Total Assets	10.14%	18.48%
Gross Financial Margin/Average Total Assets	2.16%	2.18%
Gross Financial Margin/Initial Equity	17.25%	16.80%
Financial Services/Operational Income	5.95%	5.17%
A.I. Profit/Initial Equity (ROE A.I.)	5.88%	4.13%
Net profit/Initial Equity (ROE)	3.68%	2.90%
Efficiency		
Operating Expenses/Average Total Assets	9.36%	17.93%
Operating Expenses/Operational Income	92.35%	97.04%
Administrative Expenses/Average Total Assets	1.38%	1.62%
Administrative Expenses/Operational Income	13.63%	8.78%
Capital Adequacy		
Basic Solvency Ratio	13.16%	12.08%
Total Solvency Ratio	14.10%	12.43%
Other Indicators		
Productive Assets/Total Assets	99.68%	99.83%
Portfolio Coverage (Provisions/Past-due Portfolio)	11461.84%	308.55%
Portfolio Quality (Past-due Portfolio/Gross Portfolio)	0.01%	0.20%
Average Performance Portfolio	6.70%	7.41%
Gross Financial Margin		
Gross Financial Margin % Financial Income.	21.31%	12.32%

2.3.1 Profitability

Findeter's profitability on Initial Equity (ROE), as of 31 December 2015, amounted to 2.90%, a higher figure than the target set in the Strategic Plan 2015-2018 at 10 BPs for 2015. ROE A.I. (net profit before income tax/initial equity) stood at 4.13%, 133 BPs the profitability goal. With the above, it is evident that despite the turbulent and challenging macroeconomic context, the good management of Findeter led to the fulfillment of profitability goals established for 2015.

The performance of the Operational Income/Average Total Assets indicator improved from 9.36% to 17.93% between 2014 and 2015, in regard to an increase in both financial income and financial income different from interests. Financial income experienced an increase mainly due to a higher income by exchange adjustment, to an increase in profitability of valuation of derivatives and in income from interests, and to the positive variation of fees and commissions fruit of diversifying non-financial products of technical support within the project management of national initiative. In that sense, there is evidence that during 2015, a better performance was obtained as well as a greater efficiency in the use of Entity's assets.

Also, the Financial Services/Operational Income indicator showed a slight reduction of 78 BPs between 2014 and 2015. However, this is due to a higher growth in operational income in relation to income from commissions. This is explained by the increase in exchange restatement and income by derivatives, since during 2015 the increase in the income received by commissions was 58.79% in relation to what has been achieved during 2014. This increase is due to the fact that income has been recorded from the development of programs among which stands out the Free Housing (100,000 homes) and Water for the Prosperity programs of the Ministry of Housing, City and Territory.

2.3.2 Efficiency

Findeter has been presenting indicators in line with the organizational transformation that has been in development since the last quarter of 2011. This is seen when calculating the Administrative Expenses/Average Total Assets indicator, which shows a slight increase since it went from 1.38% to 1.62% between December 2014 and December 2015. The explanation is the increase in staff costs linked to the Entity, in order to comply with the technical assistance and project sustainability programs. The above should be analyzed taking into account that this line of business does not require financial assets for its development. This is the reason why an increase in administrative costs in relation to the totality of assets does not

imply a lack of efficiency; even more so if one takes into account that they are businesses that have been representing good profits and profitability to Findeter.

2.3.3 Capital Adequacy (Solvency)

As of December 31 2015, the solvency indicator defined as technical equity on the assets weighted by risk level, Findeter showed a level of 12.43%, with a reduction of 167 BPs with respect to the total solvency ratio of December 2014. Similarly, the basic solvency ratio stood at 12.08%, 108 BPs lower than the one reported in the same period of the previous year.

The above shows the growth of the rediscount credits portfolio presented during 2015. However, the entity has a great financial strength thanks to the growth of its portfolio through rediscount operations, and a good capacity of response to creditors in moments of market stress.

Table 3 – Description of Financial Indicators

DESCRIPTION OF FINANCIAL INDICATORS		
Capital Adequacy	Dec-14	Dec-15
Basic Solvency Ratio	13.16%	12.08%
Total Solvency Ratio	14.10%	12.43%

2.3.4 Other Indicators

The average performance of the Entity's portfolio experienced a significant improvement during 2015 by 71 BPs in relation to 2014, moving from 6.70% to 7.41%. This situation is related to the increase in income by 13.08% from portfolio interests in the period, since it went from COP 417,047 million to COP 471,604 million, due to the increase in the average balance of portfolio, as well as to the increase in the reference rate to which the portfolio is indexed.

With regard to the portfolio quality, this indicator has shown an excellent behavior. As a result, a portfolio quality index of 0.20% and a coverage of 459.67% were obtained. Given the above, it is important to highlight that the portfolio in arrears reported by December 2015 corresponds to the former employees' portfolio that is mostly short term and is provisioned, as well as to the rediscount portfolio of the Internacional Compañía de Financiamiento that is in the process of transfer, and that will be managed directly by Findeter. This portfolio does not belong to the assets to be liquidated; for this reason, at the time of completing the process for changing the manager, the portfolio rating reclassification will be carried out.

2.4 Budget and Funding Resources and Applications

2.4.1 Findeter

The final budget of Entity's sources amounted to COP 645,257 million for the duration of 2015.

Table 4 – Implementation of Findeter Sources

Figures in Millions of Pesos

Sources	Current Budget (1)	Initial Goal (2)	Year's Income (3)	Implementation Difference (4) = (1)-(3)	% Compliance (5) = (3)/(1)
Financial Income	485,942	485,942	499,153	(13,211)	103%
Agreements and/or Programs Income	40,306	40,306	56,355	(16,049)	140%
Other Operational Income	118,661	118,661	245,710	(127,049)	207%
Other Non-operating Income	348	348	4,395	(4,047)	1263%
Total of Sources	645,257	645,257	805,613	(160,356)	125%

The implementation of sources recorded a value of COP 805,613 million, equivalent to 125% of the current budget. Among these sources, it is worth noting Financial Income. This source had an implementation of 103%, which mainly originated due to collection of interest from the active portfolio, whose value amounted to COP 499,152 million. Similarly, another source that stands out is the Other Operating Income category, with an implementation of 207%, generated by the income from Compensated Rates and Fiduciary Commissions for a total of COP 245,710 million.

Table 5 – Implementation of Findeter Applications

Figures in Millions of Pesos

Applications	Current Budget (1)	Initial Goal (2)	Accumulated Commitments	Unencumbered Value (4) = (1)-(3)	Current vs. Commitments (5)=(3)/(1)
Financial Expenses	453,290	451,490	415,117	38,173	92%
Agreements and/or Programs Operating Costs	36,181	35,089	31,418	4,763	87%
General Operating and Administrative Costs	119,927	123,448	75,491	44,436	63%
Asset Acquisition	3,014	2,385	2,496	518	83%
Total of Applications	612,412	612,412	524,522	87,890	86%

In regard to the final implementation of applications, this amounted to a total of COP 524,522 million, which is equivalent to 86% of compliance of the current budget.

Within applications, the greatest share comes from Financial Expenses with an implementation of 92%. These expenses correspond to the payment of interests and commissions of obligations, expenditures for derivatives and other financial expenses that amounted to COP 415,117 million. Another relevant item corresponds to the compliance of implementation by 87% of agreements and/or programs managed by Findeter for COP 31,418. It is remarkable the decrease in the implementation of operating and administrative expenses in general as it only achieved 63% of the current budget for 2015.

2.4.2 Findeter Resources Implementation Unit – Royalties

Table 6 – Implementation of Sources – Resources Implementation Unit – Royalties

Figures in Millions of Pesos

Details	Approved Resources	Income Implementation 2014-2015	Implementation Difference	% Compliance
Royalties Resources Projects	50,393	46,374	4,019	92%
Total of Royalties Sources	50,393	46,374	4,019	92%

With respect to the sources implementation from the Royalties Implementation Unit, which is included as a separate chapter in the Findeter's budget and for the duration from 2014 to 2015, financial resources were estimated by COP 50,393 million and there was a compliance of 92%, with an accumulated income value of COP 46,374 million. It is important to note that the resources of the General System of Royalties are managed biannually; therefore, the total of the COP 50,393 million can be received and implemented until December 31 2016.

Table 7 – Implementation of Applications – Resources Implementation Unit – Royalties

Figures in Millions of Pesos

Details	Approved Resources	Accumulated Commitments	Unencumbered Value	Resources vs. Commitments
Royalties Resources Projects	50,393	48,707	1,686	97%
Total of Royalties Applications	50,393	48,707	1,686	97%

As for the budget of applications by COP 50,393 million at the end of the year 2015, Findeter has commitments of COP 48,707 million and an implementation of 97%.

The following table shows the implementation of Findeter's financial resources as of December 31 2015.

Table 8 – Financial Resources Budget

Figures in Millions of Pesos

Projection of Financial Income	Financial Projections	Adjusted Projections (2)	Implementation (3)	Difference (4) = (3)-(2)	% Compliance (5) = (3)/(2)	%
Internal Resources	2,162,268	1,611,268	1,513,771	(97,498)	93.95%	36.30%
Financial Resources	2,408,402	2,959,402	2,655,372	(304,030)	89.73%	63.70%
Total of Financial Income Projection	4,570,670	4,570,670	4,169,143	(401,528)	91.22%	100.00%

The financial resources estimated for 2015 presented an implementation of 91.2%. The Internal Resources category (portfolio collection) presented an implementation of 93.9%. That corresponds in absolute terms to the amount of COP 1,513,771 million.

Regarding the financial resources, these had a share of 63.7% within the total of the financial income projection and an implementation of 89.7%. These resources refer to the issuance of time deposits, bonds, and credits obtained from multilateral banking and cooperation entities. From the financial resources, it should be noted those obtained from credits with multilateral banking and cooperation entities. These include the French Development Agency (AFD), KfW Bankengruppe (KfW), and the Inter-American Development Bank (IDB).

Table 9 – Implementation of Financial Resources

Figures in Millions of Pesos

Resources Use Projection	Financial Projections	Adjusted Projections (2)	Implementation (3)	Difference (4) = (3)-(2)	Goals vs. Payments (5) = (3)/(2)	% Payments Share
Disbursements	2,129,811	2,305,685	2,302,105	(3,580)	99.84%	56.40%
Financial Obligations	2,440,859	2,598,251	1,779,364	(818,887)	68.48%	43.60%
Total Projection of Financial Resources	4,570,670	4,903,936	4,081,469	(822,467)	83.23%	100.00%

For the term 2015, the implementation of financial resources reached 83.2%, with total payments of COP 4,903,936 million. 56.4% of the previous figure corresponds to disbursements, a category in which resources by 2,302,105 million were placed, with an implementation of 99.8%. (The rediscount disbursements correspond to COP 2,298,334 and the value of disbursements to employees amounted to COP 3,771 million.)

In regard to the financial obligations, these correspond mainly to the time deposits capital payment and to the credits with multilateral banking and cooperation entities.

Their implementation was 68.5% during 2015, a lower value than projected, and it reached a total of payments equivalent to 1,779,364 million.

An explanation for this implementation is the amount of time deposits renewed during the year through the Entity's Treasury.

3. CREDIT AND FINANCIAL INSTRUMENTS

3.1 Rediscount Management

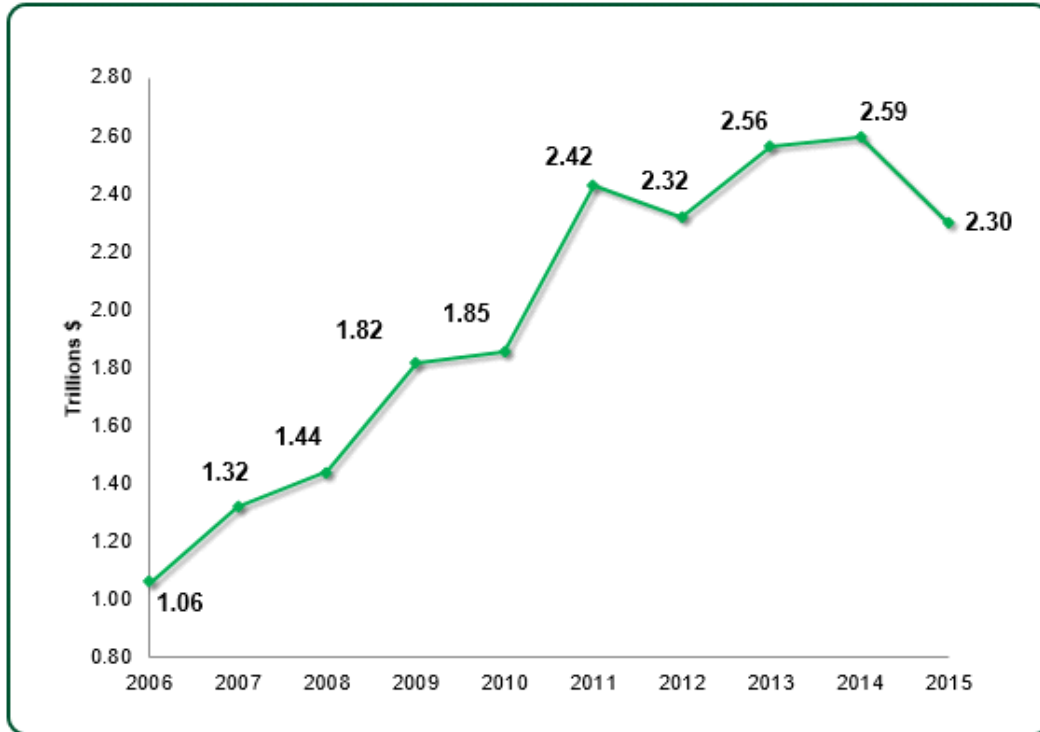
3.1.1 Total Disbursements

During 2015, the total of credit placements was COP 2.3 trillion. This figure exceeded the annual compliance prospects, given the challenge that Findeter had in achieving sustainable and high-impact business in regions.

The Colombian financial system starts 2015 comfortably in liquid assets; the dollar continues to strengthen driven by the falls in the international oil prices. This was reflected in the first half of the year and up to September, when the dynamic of disbursements was maintained at an average level. It also experienced a strong acceleration in the final quarter of the year due to the alliance with the national government to support health and education sectors, through the creation of two Compensated Rates. Also, the measures taken by the Bank of the Republic with the purpose of anchoring the prospects of the market by means of the increase in the Intervention Rate, which began the period at a rate of 4.50% and closed at 5.75%.

Despite the market conditions that were presented during the year 2015, Findeter implemented different strategies that allowed the fulfillment of its goals and thus to achieve a compliance of 109% in the rediscount goal. It is important to highlight the work done by the sales force in the results obtained.

Figure 30 – Findeter Annual Disbursements



3.1.2 Disbursements by Regional Branch/Area

These good year's results are reflected in the disbursements of the various Findeter's regional branches. The three regional branches with the highest disbursements were the following: The Caribbean Regional Branch recorded disbursements by COP 617,000 million; the North-West Regional Branch, by COP 573,000 million; and the Center Regional Branch, by COP 492,000 million. These three branches account for 73% of the total disbursements of Findeter.

Table 10 – 2015 Disbursements by Regional Branch/Area

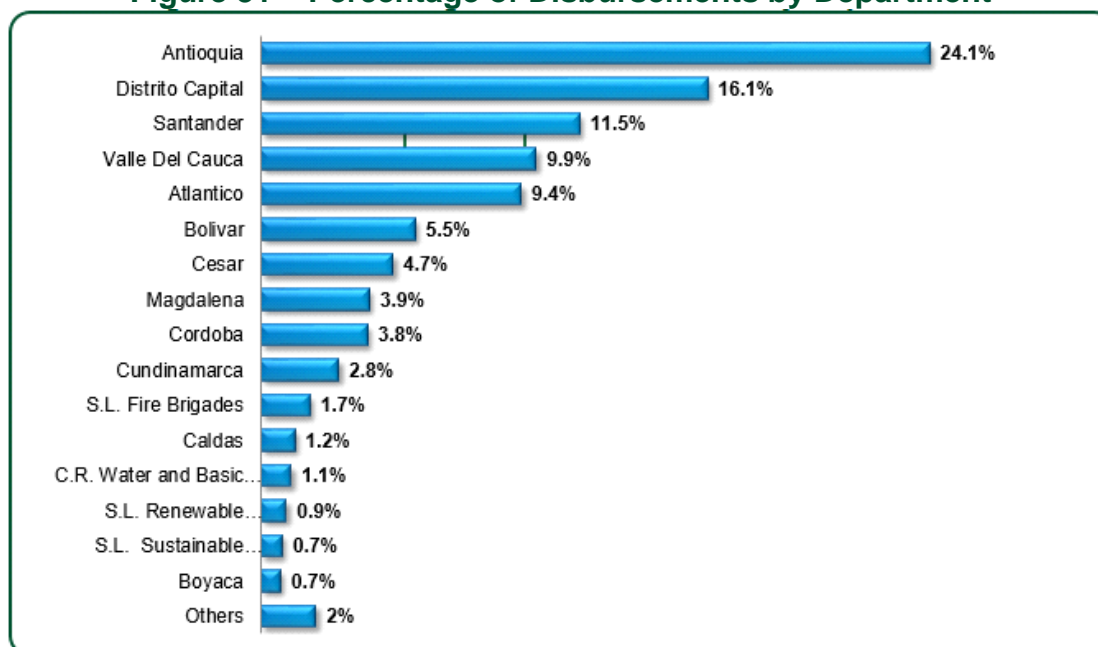
Figures in Millions of Pesos

Regional Branch	Amount	% Part
The Caribbean Regiona	617,691	27%
Northwestern Regional E	573,227	25%
Center Regional Branch	492,336	21%
North-eastern Regional I	289,001	13%
Pacific Regional Branch	235,091	10%
Eje Cafetero Area	69,107	3%
South Area	21,881	1%
Overall Total	2,298,334	100%

3.1.3 Disbursements by Department

Findeter shows a significantly high regional coverage, which can be observed in the figures of departments and municipalities serviced. In this sense, during 2015, Findeter's disbursements reached 117 municipalities in 27 departments, including the Capital District, through 859 operations.

Figure 31 – Percentage of Disbursements by Department



The departments with the highest disbursements are as follows: Antioquia with disbursements by COP 554,000 million; Capital District, COP 370,000 million; Santander, COP 264,000 million; Valle del Cauca, COP 227,000 million, and

Atlántico, COP 215,000 million. These five departments account for 71% of the total of disbursements.

During 2015, municipalities with Categoría Especial (Special Category) presented a share of 63%, 23% more than in 2014. This is mainly due to the companies' location, since the large and medium industry has its main branches in the big cities.

Table 11 – Disbursements by Municipality Category

Figures in Millions of Pesos

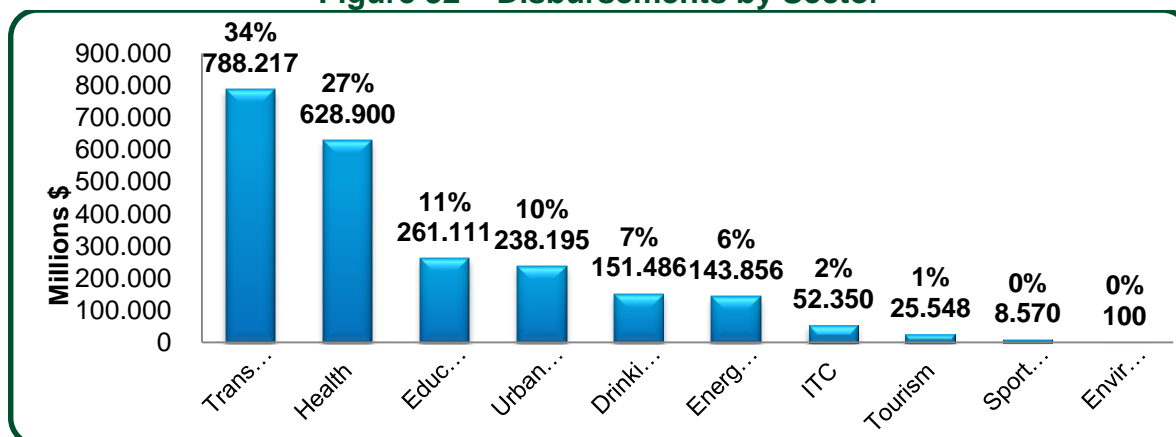
Municipality Category	Amount	% Part
1	312,440	14%
2	127,364	6%
3	114,904	5%
4	13,274	1%
5	28,605	1%
6	243,029	11%
Special	1,458,718	63%
Overall Total	2,298,334	100%

3.1.4 Disbursements by Sector

During this period, the sectors with the highest share were the following: Transportation with disbursements by COP 788,000 million; health, COP 628,000 million; and education, COP 261,000 million. These three sectors accounted for 73% of Findeter's disbursements in 2015.

The obtained results correspond to the strategy developed by Findeter that is in accordance with the National Development Plan 2014-2018.

Figure 32 – Disbursements by Sector



With respect to the year 2014, the ICT was the sector that showed the highest growth, with a variation of 379%, followed by health, with a variation of 361%. In the third quarter of 2015, in an agreement with the Ministry of Health, Findeter launched the Compensated Rate that seeks to provide liquidity to the sector and, in this way, to face the crisis that are currently experiencing some EPS (Health Promotion Agencies) and IPS (Health Provider Institutions) in the country.

Transportation Sector

The transportation sector had disbursements by COP 788,000 million, equivalent to 34% of the total disbursed by Findeter during 2015 and with a positive variation of 38% compared with 2014.

The transportation sector has become in recent years one of the strategic sectors for Findeter, given the importance it has for the infrastructure development in the country and the competitiveness of regions. This sector includes important projects such as:

4. COP 108,000 million for the implementation of projects for improvement and maintenance in the road sector in the department of Cesar.
5. COP 55,000 million for projects led by the Empresa de Transporte Masivo del Valle de Aburra in Antioquia.

In total, projects the funding was of about COP 234,000 million during 2015, for mass transport systems in cities as Barranquilla, Bucaramanga, Cali, Medellin and Pereira.

Health Sector

Findeter implemented during 2015 the Compensated Rate of Health 2015 in agreement with the Ministry of Health and Social Protection. This action was taken in order to ensure the health care system financial sustainability in terms of efficiency through different measures such as the creation of soft credit lines with a compensated rate for health service providers or EPS. Public and private Health Promotion Agencies and Health Provider Institutions can access to this rate. All of the above under the guidelines of the Ministry.

There were disbursements by COP 628,000 million for the health sector, of which COP 321,000 million were funded with the new Compensated Rate of Health 2015.

3.1.5 Disbursements by Type of Intermediary

Banks consolidated themselves during 2015 as the main allies in rediscount operations, being the main channel for intermediation. During this period, banks accounted for 91% of the operations. This supports the confidence and the proper positioning of Findeter among the entities that make up the financial system in

Colombia. Other intermediaries as the financing companies, the family compensation funds and the Institutes for Regional Development, among others, represent the remaining 9% of the operations.

Table 12 – Disbursements by Type of Intermediary

Figures in Millions of Pesos

Type of Intermediary	Amount	% Part
Bank	2,100,356	91%
Other Intermediaries	197,978	9%
Overall Total	2,298,334	100%

3.1.6 Disbursements by Type of Resource

Findeter's disbursements are classified according to the type of resource used. In 2015, Compensated Rates funds accounted for 54% of the total disbursed, with a growth of 42% compared to 2014. Disbursements with regular resources had a share of 26% and a decrease of 35%. Studying the Special Credit Lines, they had a share of 16%, and Dollars 4%. Disbursements with resources from Special Credit Lines decreased in 51% and from Dollars increased in 27%.

Table 13 – Disbursements by Type of Line

Figures in Millions of Pesos

Type of Line	Amount	% Part
Compensated Rate	1,250,102	54%
Ordinary Resources	589,381	26%
Special Line	360,682	16%
Dollars	98,168	4%
Overall Total	2,298,334	100%

This reflects the strategy implemented by Findeter taking into account the market conditions with which the year 2014 closed, and the expectations for 2015. Also, the liquidity during most of the year, as well as the appreciation of the dollar against the peso boosted the strengthening of disbursements with resources of Compensated Rates and rediscount operations in dollars.

Compensated Rates Implementation

Findeter as an entity of the National Government contributed to implement the financing of projects at soft rates and long terms, through the mechanism of compensated rate, which presents important results in terms of maximizing the benefits and the impact of resources set by the National Government to the population.

As a result, disbursements were made by a sum of COP 1.25 in 10 lines of compensated rates.

Table 14 – Disbursements with Compensated Rates

Figures in Millions of Pesos

Compensated Rates	Value	% of Share
S.L. Emblematic and Sustainable Cities and Diamante Caribe	838,954	67%
S.L. Renewable Energies, Lightning and Illumination	321,528	26%
C.R. Water and Basic sanitation	79,418	6%
C.R. Health 2012	6,329	1%
S.L. Fire Department	3,874	0%
Total	1,250,102	100%

It is worth mentioning that the most notable compensated rate is Sustainable Infrastructure with an amount of COP 839,000 million, followed by Compensated Rate of Health 2015, with disbursements by COP 321,000 million. This latter was launched in the fourth quarter of 2015 and had a share of 26% in disbursements for this line of resources. This rate was possible thanks to the commercial management carried out by the Findeter team, with the support of the Ministry of Health and the commitment of the financial intermediaries to support the entities.

Special Lines Implementation

Table 15 – Disbursements with Special Lines

Figures in Millions of Pesos

Special Lines	Total	% of Share
S.L. Emblematic and Sustainable Cities and Diamante Caribe	205,107	57%
S.L. Renewable Energies, Lightning and Illumination	67,871	19%
C.R. Water and Basic sanitation	49,021	14%
S.L. Education	38,384	11%
S.L. Fire Department	300	0%
Total	360,682	100%

- *Special Line for the cities of the Sustainable and Competitive Cities Program, Emblematic Cities and Diamante Caribe y Santanderes.*

Programs as Sustainable and Competitive cities, Emblematic Cities and Diamante Caribe and Santanderes have been led directly by Findeter, with the support of entities such as the Inter-American Development Bank (IDB), the Fund of Royalties for Science, Technology and Innovation, as well as the different governorships and municipal authorities that make up the territory where these programs are developed.

For this reason, private and public projects were financed during 2015. These projects seek to boost development in these regions for an amount of COP 205,000 million and account for 57% of disbursements made with resources of Special Lines. The following projects stand out:

- COP 42,800 million for the improvement and maintenance of roads in the municipality of Monteria, Cordoba.
- COP 30,000 million for the construction of the project named Intercambiador Quebradaseca e Intercambiador Mesón de los Búcaros in the municipality of Bucaramanga, Santander.
- COP 15,000 million for the construction of La Novena Viaduct, in the municipality of Bucaramanga, Santander.

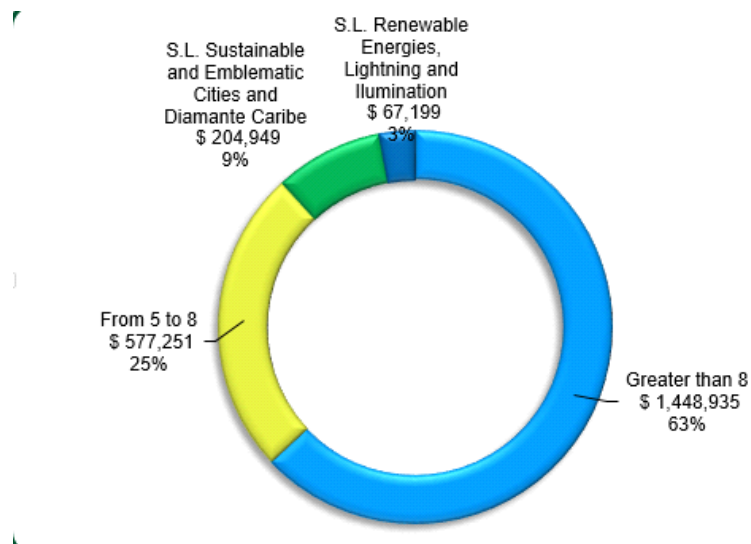
➤ *Renewable Energies, Lightning and Illumination Line*

Disbursements by almost 68,000 million were made with this line during 2015. This represented almost 19% of disbursements with special lines.

3.1.7 Disbursements by Term

Findeter's disbursements mainly focused on long term. Credits with a term longer than 5 years accounted for 88% of the placement. As for short term disbursements, between 1 and 5 years, they represented 12%.

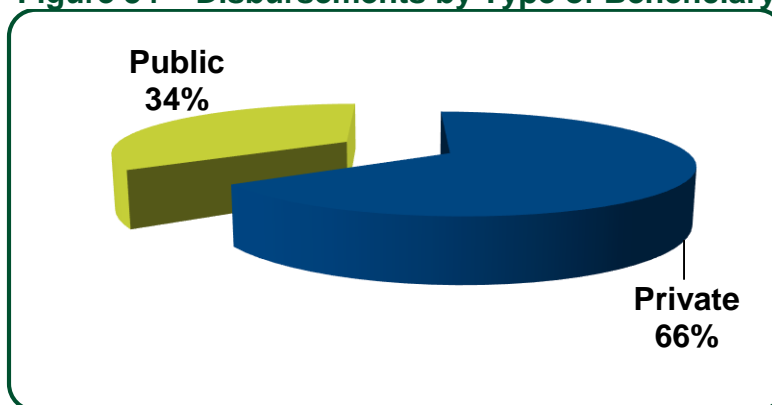
Figure 33 – Percentage of Disbursements According to Term



3.1.8 Disbursements by Type of Beneficiary

In 2015, Findeter disbursed COP 1.51 trillion for private sector's beneficiaries and COP 789,000 million for those of the public sector.

Figure 34 – Disbursements by Type of Beneficiary



Major Businesses – Private Sector

Findeter disbursed COP 1.5 trillion in the private sector in 2015. From these disbursements, the following projects are notable:

- Master Plan for the extension of the Fundación Hospital Pablo Tobón in Medellín by a value of 110,000 million.

- COP 234,000 million for the mass transport systems' operators in the cities of Barranquilla, Bucaramanga, Cali, Medellin, and Pereira.

Major Businesses – Public Sector

Findeter disbursed COP 789,000 million for the public sector during 2015. From these disbursements, the following projects are notable:

- COP 108,000 million for the implementation of projects for improvement and maintenance in the road sector in the department of Cesar.
- COP 55,000 million for projects led by the Empresa de Transporte Masivo del Valle de Aburra in Antioquia.
- COP 81,000 million for public entities of the health sector, through the new Compensated Rate that aims to provide liquidity to the system.

3.2 Monitoring and Evaluation System – M&E

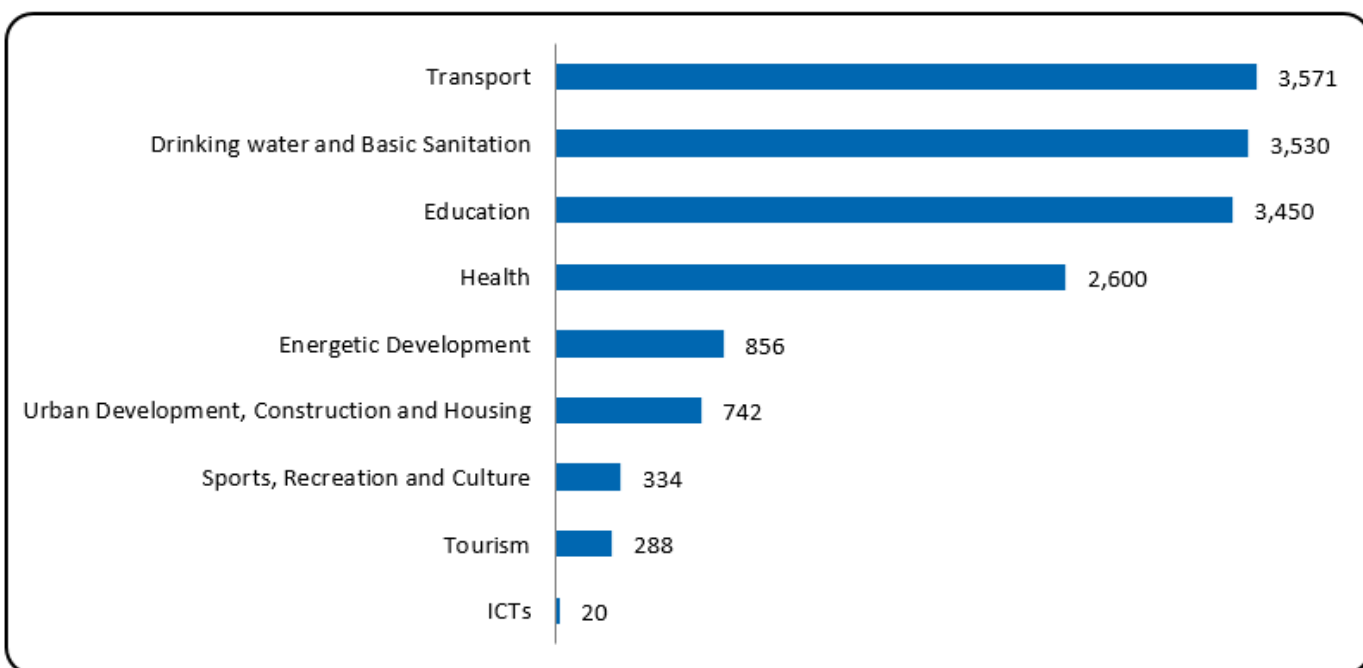
The Monitoring and Evaluation System (M&E) is a tool that allows to measure the results of projects funded by Findeter in regions, through a set of indicators at the macro level (*generated jobs and population benefiting from the project*) and at the sectoral level (*according to the project and the associated investment sector*). With these indicators, valuable information can be obtained regarding the use of the financial resources distributed in different sectors.

During 2015, the record and monitoring of information was strengthened in the performance indicators for 159 investment projects financed by an amount of 1.11 trillion. The next results are worth noting:

3.2.1 Employment Generation

- 15,391 jobs are the job potential expected to be generated by 159 projects financed and recorded in this system.
- 85% of those jobs (13,151) are linked to the sectors of Transportation (23%), Potable Water and Basic Sanitation (23%), Education (21%) and Health (17%)

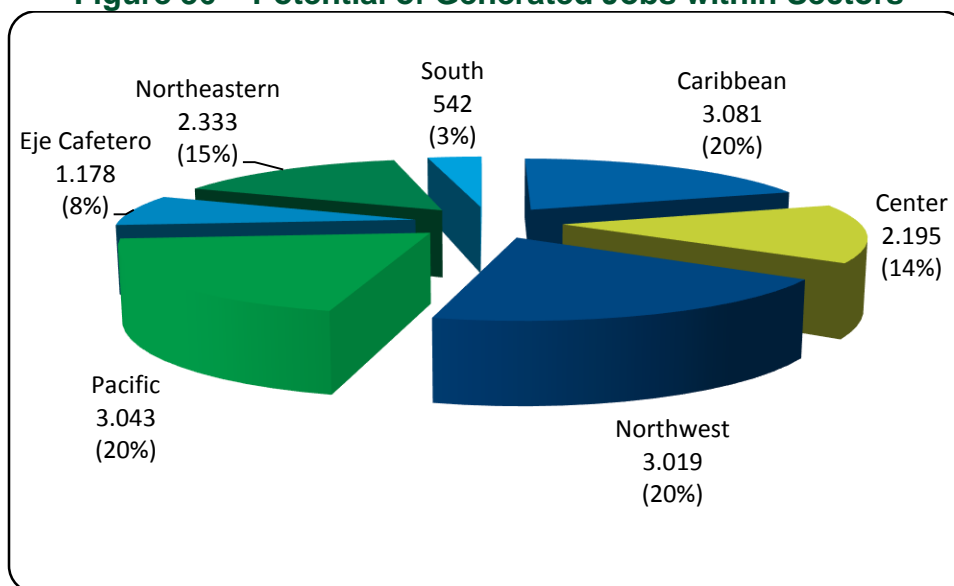
Figure 35 – Potential of Generated Jobs within Sectors



Source: S&E

- 60% of these job opportunities (9,143) are derived from the financed projects located in the Caribbean, Northwestern and Pacific regional branches.

Figure 36 – Potential of Generated Jobs within Sectors

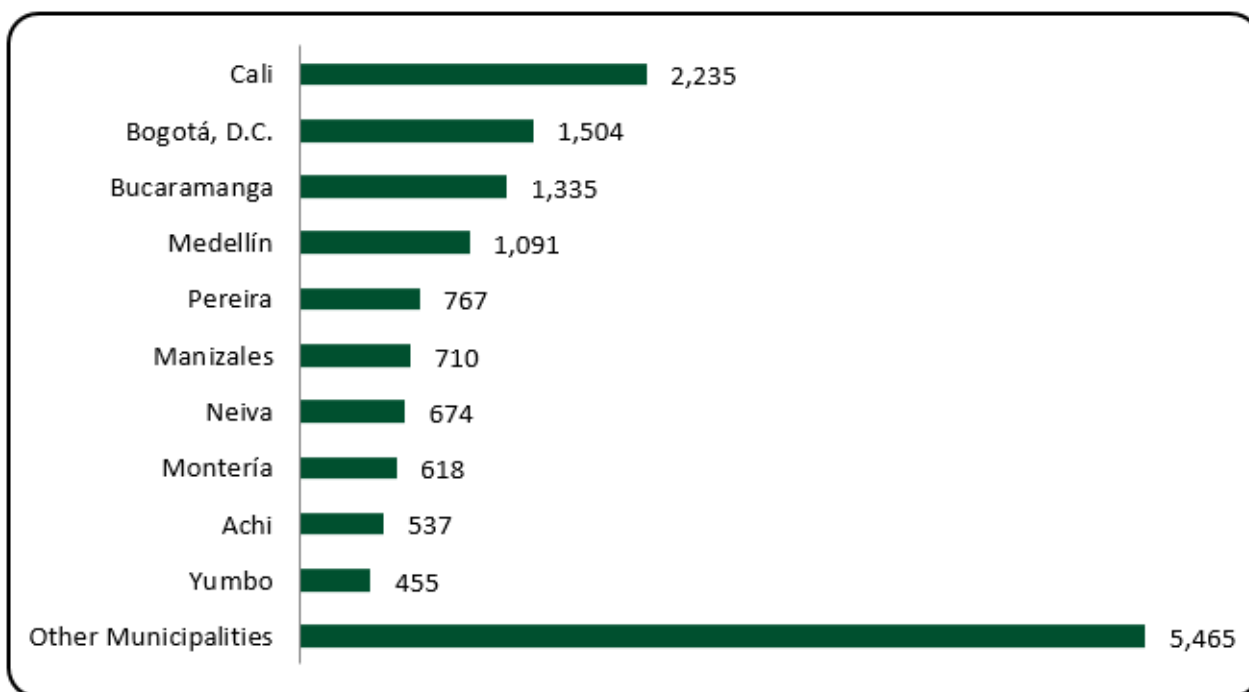


Source: S&E

- 65% of the potential jobs to be generated (10,034) are mainly located in the departments of Valle del Cauca (19%), Antioquia (15%), Santander (13%), Capital District (10%) and Atlantico (8%).

- 50% of the potential jobs to be generated (7,642) are located in the municipalities of Cali (15%), Bogotá D.C. (10%), Bucaramanga (9%), Medellín (7%), Pereira (5%) and Manizales (5%).

Figure 37 – Potential of Generated Jobs in Municipalities

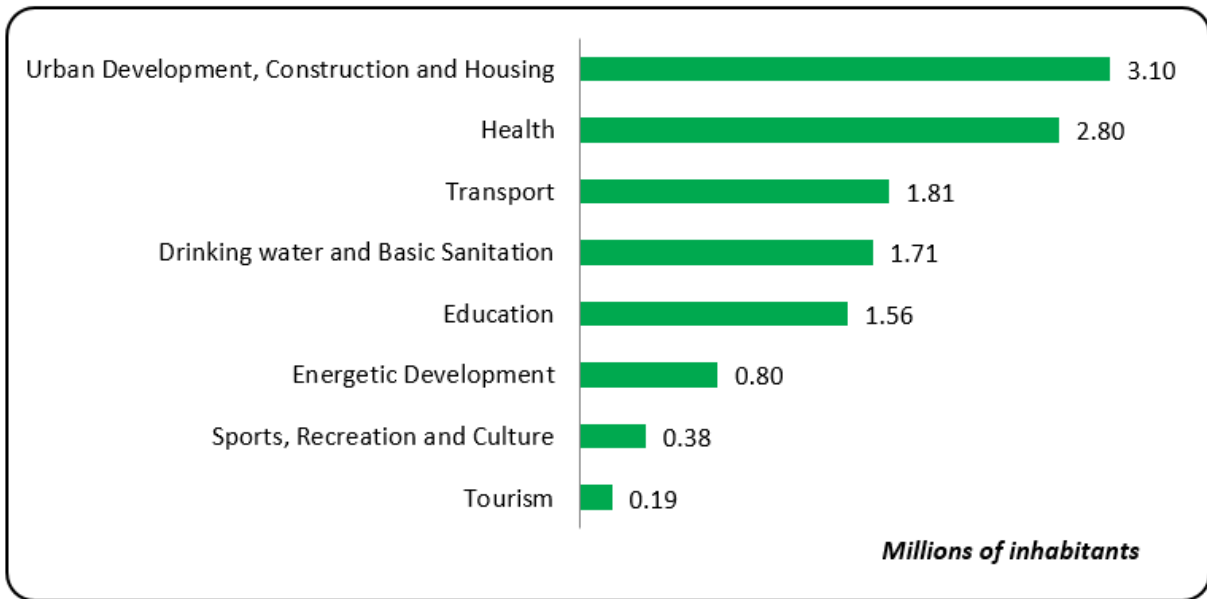


Source: S&E

3.2.2 Beneficiary Population:

- 3 According to the reported information by the credits' beneficiaries, it is estimated that from a sample of 159 projects financed by Findeter, the quality of life of roughly 12.35 million inhabitants can be benefited.
- 4 76% of this population, equivalent to 9.41 million inhabitants, is concentrated in infrastructure projects related to the sectors of Urban Development, Construction and Housing (25%), Health (23%), Transportation (15%) and Potable Water and Basic Sanitation (14%).

Figure 38 – Beneficiary Population according to the Project Sector

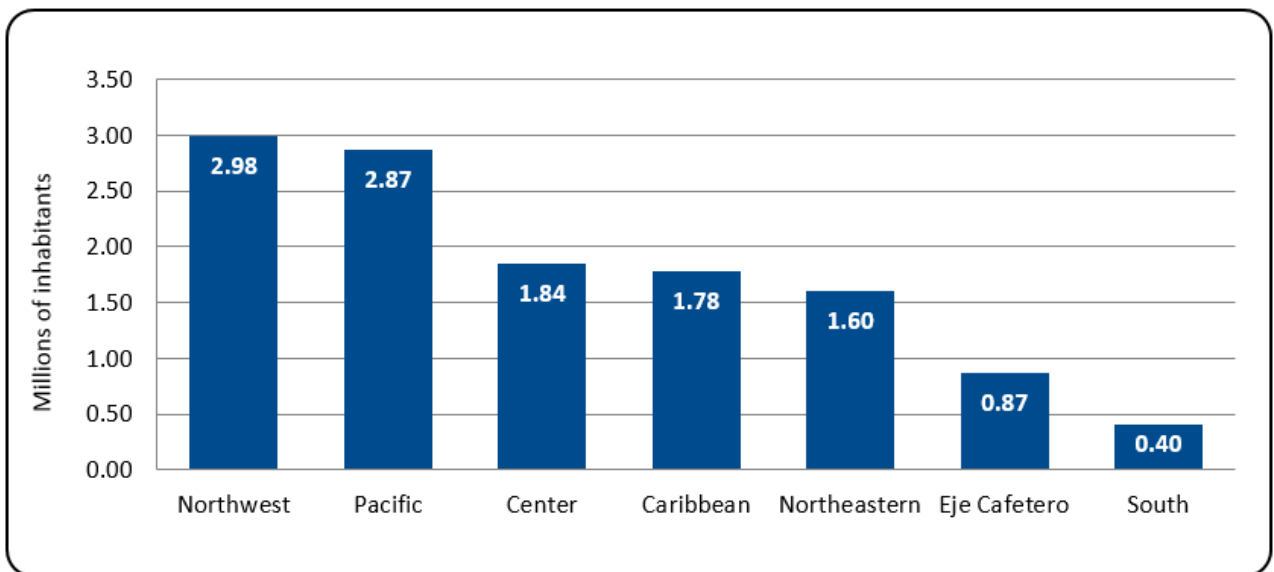


Source: S&E

Population by region (Findeter) and Department

- 62% of the beneficiary population (7.69 million inhabitants) is located in the projects managed from the Northwest (24%), Pacific (23%) and Center (15%) regional branches.

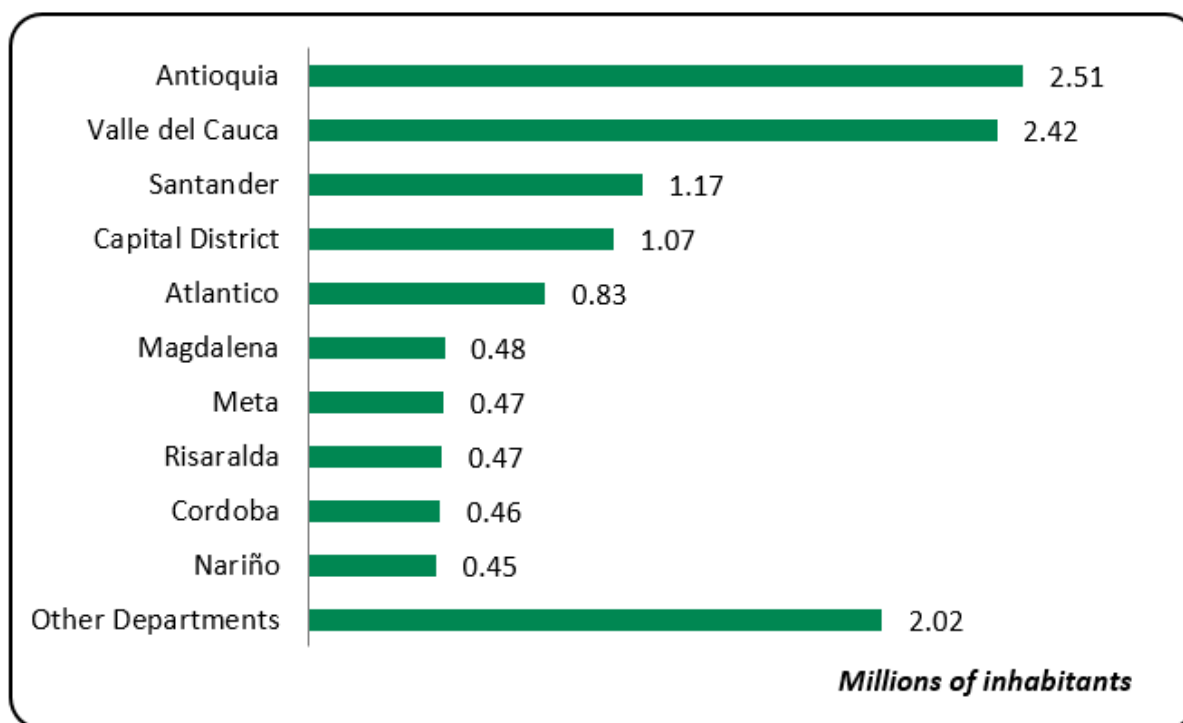
Figure 39 – Beneficiary Population according to Regional Branch of the Project



Source: S&E

- 65% of the beneficiary population is located in the departments of Antioquia, Valle del Cauca, Santander, Capital District and Atlántico.

Figure 40 - Beneficiary Population in Departments



Source: S&E

3.2.3 Sub-sector Indicators

In a sample of 159 infrastructure projects financed and recorded in the M&E tool in 2015, information related to 61 sub-sector indicators associated to each respective sector and sub-sector was collected. These were distributed as follows: 38% for the Potable Water and Basic Sanitation sector; 15% for the Transportation and Education sectors; 13% for Energy Development; 11% for Health, and the remaining 8% for Urban Development, Construction and Housing.

Analyzing the Potable Water and Basic Sanitation sector, 52% of the indicators correspond to the Waste sub-sector, 35% to Water Supply, and 13% to Sewerage. The following are noteworthy: 11,534 houses with collection services; 167,759 tons of solid waste storage; 7,910 integral solutions of waste management developed, associated with the following projects: Plants construction of collection centers in the municipalities of Neiva, Dabeiba and Cucuta; construction of the Sanitary Landfill Parque Ambiental Pírgua Fase I Tunja-Boyaca, and the equipment purchase for solid waste collection.

Studying the Transportation Sector, 67% of the indicators corresponds to the Road sub-sector (Primary, Secondary and Tertiary Networks), 22% to the urban, ground,

cargo and passenger Transportation, and 11% to river transportation. The following are noteworthy: 193 kilometers of roads built, 141 kilometers of restored roads, 80 kilometers of dual freeways constructed, associated to the following projects: Recovery of secondary roads in the department of Santander; construction of interchanges Mesón de los Búcaros and Av. Quebradaseca con 15, in the municipality of Bucaramanga; restoration of road network phase III, in the municipality of San José de Cucuta; project for prevention, mitigation and strengthening of the San Diego road, El Palmar, in the municipality of Girardota, Antioquia; pavement construction in rigid concrete in the cemetery street from carrera 7, until calle 2, way out to Guaranda, on a stretch of 1,332 ml, in the municipality of Achi-Bolivar; pavement construction in rigid concrete and improvement in tread plates in the municipalities of Planeta Rica, Ayapel and Monteria in the department of Cordoba; restoration and improvement of roads in the department of Atlantico.

Considering the Education sector, 67% of the indicators correspond to the Construction sub-sector (initial, elementary, secondary and higher); 33% represents the purchase, extension and adaptation of educational facilities. The next projects are worth mentioning: Construction, acquisition and/or maintenance of thirteen (13) community centers of virtual assistance in the Capital District; expansion of the physical plant of the UAN headquarters in Santa Marta; construction of the first phase of the Colegio Promoción Social in the municipality of Palermo.

Analyzing the Energy Development sector, 88% of the indicators correspond to the Electrical Energy sub-sector, and the remaining 12%, to Hydrocarbons. The following are noteworthy: 59 kilometers of transmission and distribution lines constructed or restored; 23 kilometers of electrical grid installed; increase of 66 hours of daily service of electrical energy; capacity in 305,782 megawatts of power generation installed. These works are associated to the next projects: Construction of the hydroelectric power station Río Mulatos II, in the municipality of Tarso, Antioquia; construction of the PCH Luzma I and Luzma II, in the municipality of Amalfi, Antioquia; construction of the small hydroelectric power station Cantayus, in the municipality of Cisneros, Antioquia; public lighting project in the municipality of San Vicente de Chucuri, in the department of Santander; and construction of the Suria transmission project, in the municipality of Villavicencio, Meta.

Exploring the Health Sector, 57% of the indicators correspond the Construction sub-sector; 29%, to the extension, adaptation and maintenance; and the remaining 14%, to provision and acquisition of equipment and instruments. The following are noteworthy: 414 new hospital beds available, 33 new rooms or hospital units built. Projects associated: Construction of the phase II of the emergency central in the hospital of San Andrés, in the department of Santander; headquarters of the Santa Sofia medical unit, in the municipality of Puerto Rico, Caquetá; purchase of equipment and adaptation of a new clinic, in the city of Cali, Valle del Cauca; purchase of equipment and adaptation of the new Somer Clinic, in the municipality of Rionegro, Antioquia.

Studying the Urban Development, Construction and Housing sector, 60% of the indicators correspond to the Urban Development sub-sector, and the remaining 40%, to Urban Housing. The following are noteworthy: 53 works of social infrastructure and urban equipment intervened; 9 works of social infrastructure and community equipment constructed; 17 pieces of equipment and/or machinery acquired for Urban Development. Projects associated: Construction of the Gardel Plaza shopping center, in Medellin, Antioquia; construction of warehouses, remodeling and air conditioning of a sales store and software purchase, in Santa Marta-Magdalena; construction of a commercial mall in Caucasia, in the department of Antioquia; construction of sport courts, in the municipality of Belen, Nariño; Investment Plan 2014-2016, in the municipality of Cota, Cundinamarca headquarters; purchase of firefighters' headquarters for adaptation, in Cali, Valle del Cauca.

3.3 Project Structuring

The Findeter Project Structuring provides technical and financial support to public and private entities in the process of planning, management, and financing of projects with the aim of ensuring its subsequent implementation. To achieve this goal, different mechanisms have been implemented, which are outlined below.

3.3.1 Pre-investment Fund

The Pre-investment fund is an Entity's technical instrument. It encourages and supports pre-investment projects in a flexible and agile way. The Fund was established in 2012 with COP 14,000 million, of which COP 5,000 million were allocated for the Social Responsibility Account, and COP 9,000 million for the Pre-investment Strategic Account.

The non-refundable nature of the Social Responsibility Account resources allows the execution of strategic interest studies for the country, when there are limitations in its financing. In contrast, the Pre-investment Strategic Account resources are reimbursable and have a variable commission, which is charged depending on the time of return of the resources and the contracted studies completion. This allows the financing of new studies.

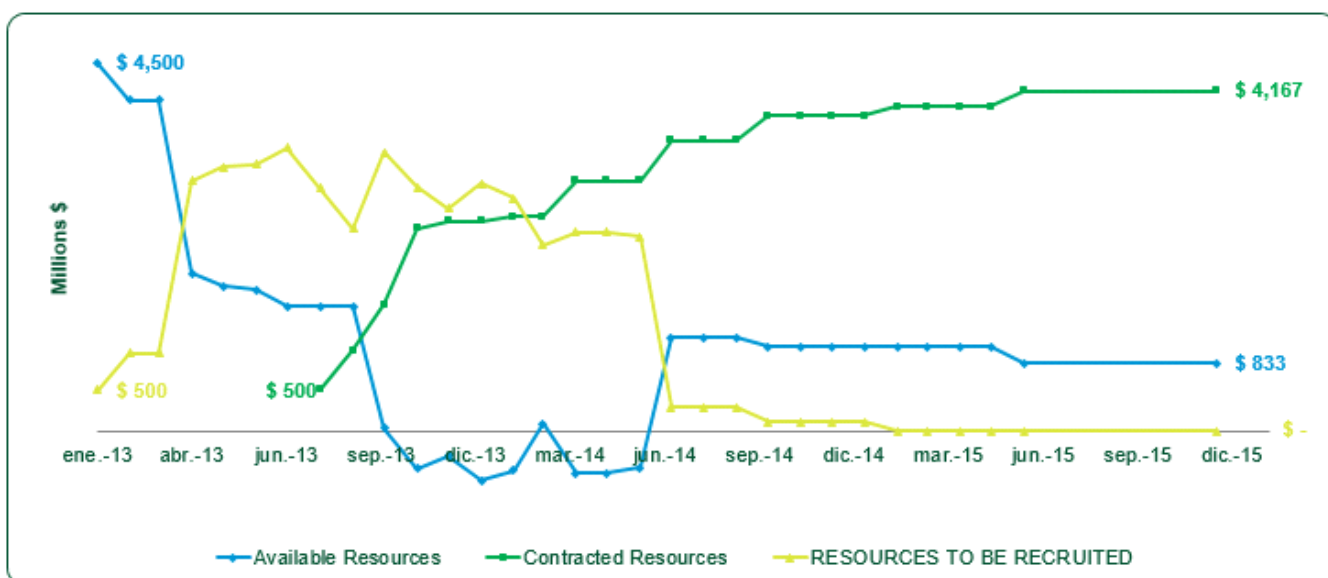
Social Responsibility Account

By December 2015, 10 projects valued by COP 4,166 million had been contracted; 8 of these projects were concluded in the same year and the other 2 will continue to run during 2016.

Table 16 – Projects Financed – Social Responsibility Account 2015

No .	Project	Value	In force 2016
1	Master Plan for the renovation of the historical downtown of Barranquilla	100	NO
2	Develop topographic studies for sewerage systems in some urban areas and in the mining area of the Municipality of Quibdo.	500	NO
3	Development of a conceptual methodology for the construction of the Master Plan of the transformational program Corredor Verde de Cali (Cali's Green Corridor).	493	NO
4	Structuring of the Manizales Master Plan	254	NO
5	Studies of urban development and environmental vulnerability for the Municipality of Monteria.	560	NO
6	Master Plan of Buenaventura District	988	NO
7	Studies of urban development and environmental vulnerability for the Municipality of Pasto.	380	NO
8	Updating of studies and designs of the second phase of the Plan 24x24 in the water supply system of Buenaventura District.	295	NO
9	Barranquilla PSMP (Public Space Master Plan)	259	YES
10	Barranquilla Routing Sheet	337	YES
Total		4,166	

Figure 41 - Social Responsibility Account 2015



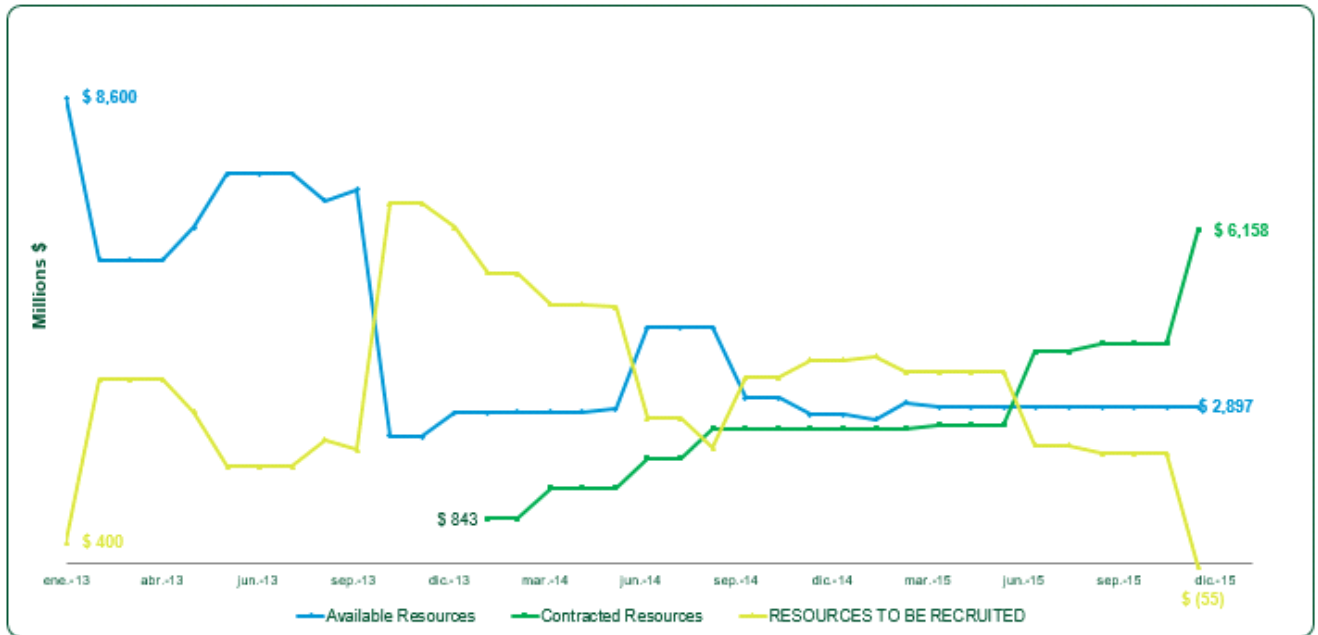
Pre-investment Strategic Account

Through this account, 8 projects of COP 6,158 million had been contracted by December 2015. Of these projects, 5 were completed in 2015 and 3 will be finished in 2016.

Table 17 – Projects Financed – Pre-investment Strategic Account 2015

Figures in Millions of Pesos

No.	Project	Value	In force 2016
1	Structuring, formulation, adoption and socialization of a mobility master plan for the Municipality of San Gil, Santander.	248	NO
2	Studies for the technological and regulatory updating of designs of Los Angelinos potable water treatment plan, in the Bucaramanga Reservoir.	595	NO
3	Studies and designs of the Bloque L of the Universidad Católica de Manizales.	543	NO
4	Studies and designs in Phase III for improving Los Pocitos-Ye road of Guaimaral, in the department of Atlántico.	300	NO
5	Development of studies and detailed designs for the improvement of the Parque Muvdi, in the Metropolitan Area of Barranquilla, Atlántico.	240	NO
6	Studies for strengthening the sanitary infrastructure of Santa Marta.	788	YES
7	Cartagena Exhibition Ground	1,356	YES
8	Structuring of EMCALI's reservoir and WWTP	2,088	YES

Figure 42 - Pre-Investment Strategic Account

3.3.2 Technical Advice

Validation of Public-Private Partnerships - PPP

The Act 1508 of 2012 gives Findeter the power to provide advice and accompaniment of state entities in the comprehensive assessment of Public-Private Partnership projects. This technical assistance allows to perform the technical, financial, and legal aspects in the evaluation of the public entities and/or private investors' projects, making recommendations on its viability; also it is in compliance with the law requirements, providing accompaniment for public entities to the approval of their projects before the National Planning Department and the Ministry of Finance.

During 2015, 4 validations of PPP were contracted. These represented an income of COP 1,979 million:

- PPP Validation Transmilenio - Avenida 68 Streetcar
- PPP Validation Bucaramanga - Dual High Carriageway North South
- PPP IDRD Validation - Campin Covered Coliseum of Bogota
- PPP Validation Secretariat of Mobility - CPI (Cross-platform Interchange) calle 80

Methodology to Formulate and Evaluate Public Investment Projects - (Known in Spanish as MGA)

The Resolution 252 of 2012 establishes this methodology to implement investment projects eligible for financing from the General System of Royalties resources.

The Resolution 1450 of 2013 of the DNP (National Planning Department) sets as a single methodology for all banks in public investment programs and projects, the MGA designed by the National Planning Department. In this regard, national, departmental, and district entities must use this methodology to formulate and make a prior assessment of public investment projects.

During 2015, Findeter performed several MGA for health and water projects, ensuring income of COP 62 million. It is worth noting the following MGAs:

- Cardioinfantil Clinic
- Santa Fe Foundation
- IMBANACO Medical Center
- ICU Tolima
- IMAT Monteria
- Grupo Sala

Fiscal Support Group

In 2015, the Unit of Territorial Financial Structuring conducted the training of 301 mayors and 16 governors in topics of public finances and public management. In addition, it provided support to the Sustainability Management in the diagnosis of taxation and governance of municipalities as Corozal, Loricá, Valledupar and Aracataca.

The Fiscal Support Group of has become fundamental for all areas of the Organization in topics related to territorial public finances and decentralized organizations.

Financial Advice for Public and Private Organizations

In 2015, Findeter gave financial advice to organizations and public and/or private projects that required financial solutions to develop their projects on the following knowledge areas:

- Financial Analysis
- Cash flows
- Financial projections
- Strategic and operational recommendations to generate value for the organization
- Credit analysis to request for resources in compensated rate lines and business lines

- Accompaniment to the customer with the banks
- Comprehensive review of financial models to projects structuring

3.3.3 Relationship with Customers and Beneficiaries

The Relationship Plan with the elected mayors was one of the programs led by the commercial team in the year 2015, in which the main objective was to provide a guide to their planning processes in compliance with the current regulations. The events had the participation of:



The 2016 strategy is focused on materializing the projects of the strategic sectors and on promote the sustainable planning and execution of the planned investment. This is going to be made through new instruments that generate greater added value and enrich the Commercial Management in a comprehensive manner, such as:

- Advice on Project Finance
- Technical Assistance
- Analysis and Fiscal Support to the territorial bodies

3.4 Financial Management

3.4.1 Fundraising.

During 2015, the collection of resources through time deposits reached COP 2.35 trillion. It means a 23% higher value than the previous year. In general terms, the

total funding through deposits, bonds, and time deposits dropped 18% explained by the absence of bond issues.

Time deposits represented the main source of resources for the leverage of active operations. In 2015, there were no Dutch Auctions via the Stock Exchange in a year in which the market emissions through this medium recorded its lowest in the last 7 years. For this reason, the fundraising directly through the Entity's Treasury enabled COP 2.35 trillion in resources from which the primary emissions reached COP 1.48 trillion with a growth of 180.66%. Maturities renewals reached COP 0.82 trillion and represented a 35.06% with a variation of -5.51%. Finally, it was not recorded any issuance of bonds in 2015.

Table 18 - Findeter Deposits Comparative 2014 - 2015.

Figures in Millions of Pesos

Type	2014	%	2015	%	%
Time Deposit Primary Issuance	543,997	19.03 %	1,526,786	64.94%	180.66%
Time Deposit Renewal	872,284	30.51 %	824,258	35.06%	-5.51%
Time Deposit Auction	496,750	17.37 %	-	0.00%	-100.00%
Bonds	946,175	33.09 %	-	0.00%	-100.00%
Overall Total	2,859,206	100.00 %	2,351,044	100.00%	-18%

In the field of distribution by indicator, the great market appetite for the indexation to the IBR meant that the Entity's fundraising in this indicator represented 52.23% with a variation of 17.46%. Secondly, the DTF represented the 25.30% with a variation of -6.00%. The demand for securities in the CPI in the market was remarkable, which contributed to the fundraising recovery in this indicator which represented 11.41%. Finally, the time deposits issued in fixed rate represented 11.06% with a variation of 10.7%.

Table 19 - Deposits by Indicator Findeter 2014 - 2015.

Figures in Millions of Pesos

INDICATOR	2014	%	2015	%	Var. %
DTF	632,691	33.0 %	594,758	25.3 %	6.00 %
CPI	-	0.00 %	268,226	11.4 %	100.00%
IBR	1,045,452	54.6 %	1,227,987	52.2 %	17.4 %
Fixed Rate	234,888	12.2 %	260,073	11.0 %	10.7 %
Total	1,913,031	100.00%	2,351,044	100.00%	22.9 %

Having maintained the best risk rating AAA in the long-term debt and F1+ for short-term debt at the local level as well as having obtained international ratings investment grade BBB (same as the nation) allowed the Entity to access the capital markets in favorable conditions.

3.4.2 Investment Portfolio

2015 was characterized by the interest rates rise resulting from the markets uncertainty mainly caused by the sharp drop in the prices of oil and other raw materials. This situation led to high volatility in the fixed income markets where Findeter decided to limit its exposure to long-term assets in favor of maintaining its preference for liquidity.

The Entity's investment portfolio was oriented toward the utilization of temporary treasury surpluses and some focused investments in the public debt market of TES preserving low exposure to risk in line with the authorized limits.

The short-term time security deposits repurchase allowed to take advantage of the temporary liquidity excess. At the same time facilitated the handling of the maturity profile decreasing the concentrations and lengthening the duration of these liabilities.

During the first part of the year, Findeter materialized the profits of the monetary control TES securities that bought with the surplus obtained in 2014. Investments in time deposits securities of the financial sector with short deadlines, usually at 90 days, could be agreed at rates higher than the reference rate for this term, the DTF.

3.4.3 Resources from Multilateral Institutions: Credit and Cooperation

Funding Through Credit with International Entities

Findeter maintained its active participation receiving credit resources, financing eligible investments by financial institutions in the different sectors related to sustainable development, such as: Transportation infrastructure, Development of Urban Infrastructure, Construction and Housing, Potable Water and Basic Sanitation, Education, Health, and Environment Infrastructure, among others.

Below the disbursed resources of each credit and the investment objective are described in detail.

Table 20 - Multilateral Banks Credits

Item	Credit	Conditions	
1	French Development Agency Loan agreement 101801K (signed on November 19 2012)	Amount	USD 191 million
		Total Period:	15 years
		Purpose:	Support in the supply of urban public utilities of Colombia, financing investments in different sectors and eligible beneficiaries established in the loan agreement.
		Disbursed R.V. 2015:	USD 116 million
2	Inter-American Development Bank (IDB) Multisector conditional credit line agreement for the fiscal and public investment expenditure strengthening of territorial entities.	Amount	USD 600 million
		Amount:	USD 100 million
		Period:	20 years
		1st Loan Agreement: Purpose:	Fiscal and Public Investment Expenditure Strengthening in Barranquilla (signed on July 25 2015).
		R.V. Disbursed in 2015:	USD 14 million (December 4 2015)
3	KfW Bankengruppe Loan agreement No. 26770 – Sustainable Urban Development in Colombia (Signed on December 22 2014)	Amount:	USD 100 million
		Total Period:	10 years
		Guarantee:	MIGA (Multilateral Investment Guarantee Agency).
		R.V. Disbursed in 2015:	USD 25 million

Negotiations are in progress with:

- Citibank: USD 50 million.
- Bank of Tokyo: USD 75 million.
- CABEL: USD 50 million.
- IDB - Program for Strengthening Fiscal and Public Investment Spending for Municipalities, their Decentralized Entities and Metropolitan Areas: USD 150 million.

New approaches for new loans were carried out. This had the aim of combining efforts in the development of the regions in Colombia with:

- The French Development Agency - AFD
- KfW Bankengruppe

- Development Bank of Latin America - CAF
- Financing with MIGA Guarantee
- The European Investment Bank - EIB

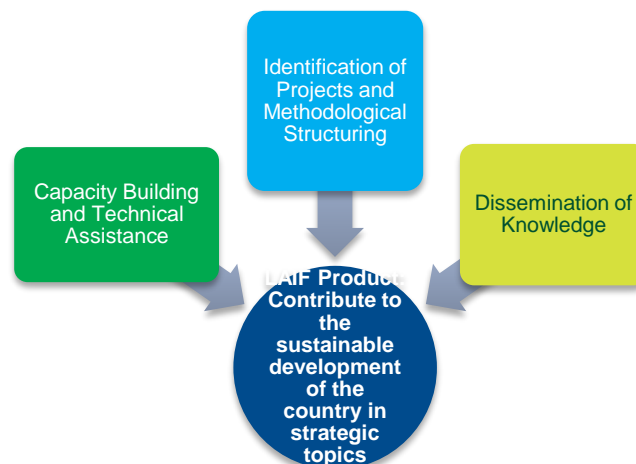
International Cooperation:

As in the implementation of the credits resources, Findeter received the following non-reimbursable financial resources from International Cooperation Entities with the aim of supporting programs, plans, and sustainable projects for strengthening the knowledge, infrastructure and urban transport in Colombia, among others.

- *Latin American Investment Facility - LAIF.*

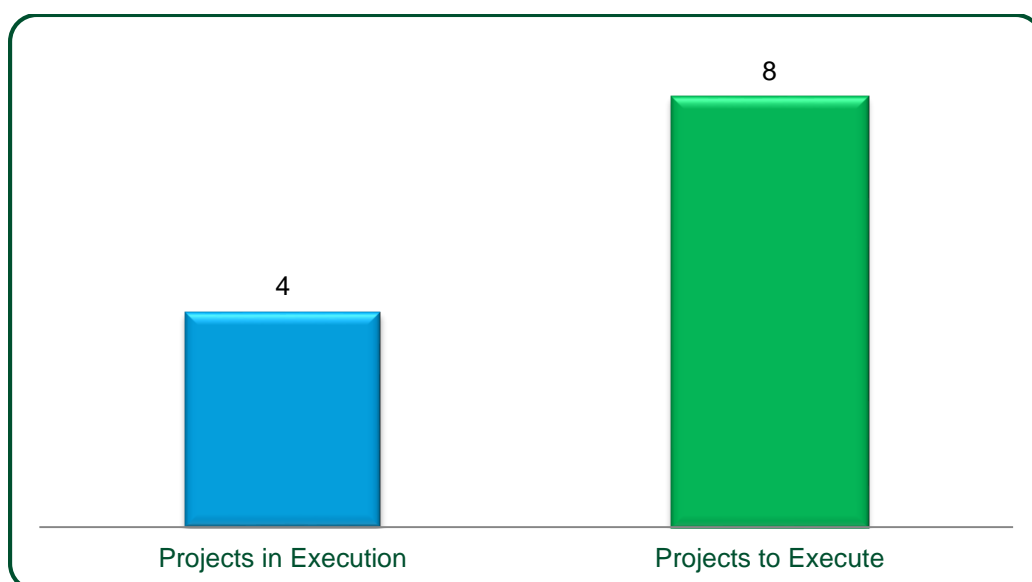
Amount: EUR 5 million.

Figure 43 – LAIF Research Components



In October 2015, a disbursement was received with a value of EUR 700,000.

Figure 44 - Project Progress - Second Disbursement - LAIF



- *Dutch Embassy.*

Memorandum of Understanding (signed on September 2, 2015).

Objective: Promote cooperation in the fields of water, wastewater, solid waste, sustainable energy and sustainable cities.

Non-reimbursable cooperation for the "Strategic Plan to promote the use of the bicycle as a means of everyday transport for the city of Cartagena" project.

- *Inter-American Development Bank – ATN/OC-14753 - CO.*

Amount: USD 500,000

Completion Date: January 14, 2017

Objective: Support pre-investment studies in regional infrastructure projects.

Disbursed in 2015: 1st disbursement: USD 163,516

Table 21 shows the 4 existing components in this program and its status:

Table 21 – Program Components and their State – Cooperation IDB

Support to Pre-investment Studies in Regional Infrastructure Projects	Amount (USD)	Contract Value (Millions of Pesos)	State
1) Consulting for the development of modernization studies of the traffic light system of the city of Monteria.	184,286	349	Contracted A payment has been made by

			an amount of COP 52 million
2) Consulting for the development of mobility studies and urban development of the Parque Fluvial de Pasto	265,714	572 (Projected)	In contractual process
3) Consulting of technical assistance in matters of intelligent transportation and mobility systems and urban development	30,000	84	Contracted
4) Auditing	20,000	43	Contracted
Total Contracted		476	
Cooperation Amount	500,000		

- *USAID - US Agency for International Development*

Activities of support and accompaniment of the Sustainable and Competitive Cities Program.

- *Valledupar*: Technical recommendations made by USAID in topics of mitigation and adaptation to climate change and support in the design of a system of public bicycles in the historic center of the city.
- *Pasto*: Improvement to the proposal in the TOD project to present it to the TOD NAMA Colombia
- Support in the structuring of a NAMA non-motorized active transport
- *Riohacha*: Support in the analysis of vulnerability

- *French Global Environment Facility - FFEM*

Amount: EUR 350,000

Objective: In conjunction with the national NAMA and the local project for the reduction of greenhouse gases through the transit-oriented development in Colombia, innovative and proactive efforts toward a more sustainable model of urban development are searched. This is going to be done through the strengthening of

links between national and local authorities and thus it will develop operational instruments directing the implementation of the TOD NAMA and the Green Corridor.

Funding:

- Financial structuring and programming of investments in TOD projects in Colombia.
- Support to the urban development and preparation of social and environmental management plans.
- Installed capacity for monitoring, systems assessment, and urban modeling tools.

- *Society for Competitive Transformation - SPRI Group (Convention).*

Objective: Assistance in the structured training in the Basque Country in the area of emerging and sustainable cities; as well as to share experiences in technical assistance in possible diagnosis, plans of action, among others.

- *Compañía Española de Financiación del Desarrollo (COFIDES, by its Spanish initials)*

Memorandum of Understanding (signed on November 20, 2015).

Objective: Both parties will promote and disseminate the funding possibilities that the two institutions offer in accordance with their respective social objects, using for this matter their communication channels.

- *Korea Research Institute for Human Settlements - KRHIS*

(Subscription of a MOU on December 11, 2015).

Objective: Promote strategic alliances and partnerships between the institutions of both countries in order to implement policies and actions related to the exchange of knowledge, investment, the master planning, development, operations, management, and municipal administration to allow the Colombian cities to benefit from the experience of technical advice from KRIHS.

- *NAMA Facility*

(Subscription of two Memoranda):

- 13/04/2015 Ministry of Transport, Environment, Housing, DNP, CCAP, and Findeter: With the objective of establishing the terms under which "PARTIES" will join efforts to submit to the NAMA Facility a final proposal to access non-reimbursable cooperation resources to finance the project TOD NAMA of Colombia, as well as to accompany Findeter and CCAP in their role as implementers of the same.
- 01/10/2015 CCAP - Findeter: With the objective of establishing the terms and the cooperation scope between the parties and their respective responsibilities for the implementation of activities in the technical component of the project TOD NAMA.
- On August 28, 2015 the final proposal was delivered to the TSU for its approval. This proposal was carried out jointly between CCAP, KfW and Findeter, and still is in line for final approval.

International Positioning

With the aim of becoming in a Development Banking Model in Latin America, the organization participated actively in the following conferences and missions abroad:

- ALIDE General Assembly and visit with the APC to Turkey.
- Pacific Alliance Infrastructure Investment Roundtable in Canada.
- Smart Cities in Barcelona.
- PNUD - Low Emission Capacity Building Annual Reunion.
- IDB General Assembly, among others.

In the same way, it was received the visit of entities and missions from abroad, such as:

- BID private portfolio
- ARUP.
- IISS.
- Mayor of London.
- Ministry of Finance, internal affairs, and public works from Indonesia.

3.4.4 Risk Rating

National Risks Rating and National Bonds

Fitch Ratings affirms the rating to Findeter in AAA (Col) and F1 (Col); Stable Outlook. (November 23, 2015)

- Long-term national rating affirmed in 'AAA (Col)'; Stable Outlook.

- Short-term national rating affirmed in 'F1+(Col)';

The ratings are based on:

- *Government Support*: Perception of Fitch Ratings on the willingness and ability of the State to provide support in a timely and sufficient manner, if required.
- *Contribution to the Economic Development*: Strategic importance within the framework of the National Development Plan.
- *Good Quality of Portfolio*: Low delay in payment and coverage of high provisions. Concentration in the financial sector.
- *Low Profitability, According to Goals*: Guidance to the public service and contribution to the economic development. Objective of maintaining the value of the heritage with higher profitability than inflation.
- *Adequate Capitalization*: Due to the high capitalization levels caused by the law that does not allow the distribution of dividends in cash.

Securitization Risk Rating

Fitch Ratings affirms the qualifications to the TIF subsets; Stable Outlook (14 April 2015):

- Fitch has affirmed the qualifications to the subsets that will compose the Credit Content Titles issued by the securitization trust Findeter (TIF) by COP 289,650 million.
- TIF SUBSERIES A1 - 24 months up to COP 99,650 million. Paid.
- TIF SUBSERIES A1 - 48 months up to COP 91,500 million. "AAA rating (col)"; PE.
- TIF SUBSERIES A1 - 72 months up to COP 98,500 million. "AAA rating (col)"; PE.
- The ratings are based on: (1) quality of securitized loans (2) mechanisms of credit enhancement and coverage (3) management and operational capacity of Findeter (4) legal and financial structure (5) Timely payment of interest and capital programmed (timely).

- **Appropriate portfolio features:** The underlying asset is represented in rediscount credits, under different modalities, to financial institutions in Colombia. The selected credits to support the issuance presented satisfactory characteristics in terms of risk rating, rate, term and concentration by sector, financial institution and financial group.
- **Transaction Structure:** The priority of payments set, which restricts distribution of excesses of cash because of the breach of more than 3% of the portfolio, generates an important strength to the structure. The substitution mechanism of credits, where Findeter acquires the commitment to replace prepaid credits if a prepayment of more than 3% quarterly happens, mitigates the risk of prepayment to which the investors would be exposed.

International Bond Rating

Fitch Ratings Senior Notes Rating 'BBB' (November 23, 2015):

- Ten years bonds denominated in COP, senior and unsecured, with maturity in 2024 at BBB+

The rating is based on:

- The IDR (Issuer Default Rating) of long-term foreign currency is 'BBB' with a stable outlook and the local currency IDR (COP) 'BBB+' with a stable outlook. The IDR's are in line with the qualifications of the sovereign debt of Colombia, since Fitch Ratings sees Findeter as an integral part of the government given its role in the development of the regions.
- It is ratified the perception of Fitch Ratings on the willingness and ability of the State to provide support in a timely and sufficient manner, if required. In the same way, Findeter is an integral organization, which has a very important role in the planning and financing of regional development plans from the government in infrastructure issues.
- In recent years, Findeter has diversified its financing alternatives, thus improving the funding sources.

Standard & Poor's

Rating to Findeter in Corporate Credit Rating (CCR) BBB/Stable/A-2. Unsecured Senior Bond Rating BBB:

- The Stand Alone Credit Profile (SACP) is held in "BBB", indicating that Findeter has a BBB risk rating without government support.

- "Adequate" position in the Colombian banking market, "very strong" capital and profits, "adequate" position of risks and liquidity. "Very high" chance of support from the Government, through a "Very strong" link.
- Findeter is a second tier entity that stands out within the financial system, with a "very important role" because it is an entity that promotes the strategic development in Colombia, in the main sectors of the economy of the country, like infrastructure, transport, housing, energy, technology, among others.

4. INTEGRATED TERRITORIAL DEVELOPMENT

4.1 Technical Management

During 2015, Findeter continued to provide technical assistance to the regions in the implementation of priority programs of the National Government such as '100 thousand free homes', "Housing of Priority Interest to Savers", "Water for Prosperity", and "Technical Assistance in Social Infrastructure". Below the main results are presented. They were possible thanks to the leadership exercised by the organization in the various programs undertaken, which at the end result in regional development.

4.1.1 Housing and Urban Development

Findeter continues contributing to the access of better living conditions through its work to formulate, implement, evaluate and monitor the housing projects referred to in the programs led by the National Government.

The evaluation of plans for urban social housing experience gained in the legal, technical and financial aspects since 2002 have allowed the organization to expedite the granting of eligibility and viability to projects and therefore the granting of subsidies by the National Government to the Family Compensation Funds.

The context stated above explains why the free housing construction dynamics has maintained a constant development. Therefore, Findeter has developed into an important government tool to comply with the goals of the housing program, promoting better conditions of habitability in Colombian households.

100 thousand homes free program

The highlights of 2015 are the following activities related to the assessment and monitoring of projects:

VIP-Private Projects Supervision

As of December 31, 2015, the projects under supervision by Findeter reflected a total running of the construction activities represented in 99% and a balance of 49,962 homes with existence certificates issued from a total of 50,731 homes which were under supervision by Findeter.

Table 22 - Overview of Implementation - December 2015

No.	Department	Projects Total		Percentage of Progress
		No. of Projects	No. of Housing	
1	Atlantico	8	8,846	100%
2	Bogota D.C.	1	870	100%
3	Bolivar	3	3,734	100%
4	Caldas	1	240	100%
5	Caqueta	1	160	100%
6	Cauca	1	1,644	100%
7	Cesar	1	1,900	100%
8	Cordoba	6	5,794	100%
9	Cundinamarca	5	2,079	100%
10	La Guajira	5	2,186	100%
11	Magdalena	5	5,553	94%
12	Meta	1	196	100%
13	Nariño	5	2,348	100%
14	Norte de Santander	5	3,476	100%
15	Quindio	3	279	100%
16	Risaralda	4	1,813	100%

17	Sucre	5	3,180	90%
18	Tolima	2	201	100%
19	Valle del Cauca	8	6,232	100%
Overall Total		70	50,731	99%

Free Housing Program Projects



Bosques de Bengala - Manizales,
Caldas (240 homes)



Metro 136 – Usme (350 homes)



Villas de San Pablo – Barranquilla,
Atlántico (832 homes)

Priority Interest Housing for Savers Program - VIPA

This program, which is running since 2013, benefits households whose income varies between 4 and 2 times the current legal monthly minimum wage. These households can own their home without compromising more than 30% of their income on the payment of credit.

Proposers Evaluation and their Proposals

In development of the TRUST - Free Housing Program, during 2015, it was performed the evaluation of 51 calls we published in the Fiduciaria Bogotá web page. By the end of December, 223 projects were enabled offering 89,648 houses. Among these projects, 154 were selected for a total of 66,964 homes.

Table 23 - Calls Published by Fiduciaria Bogota VIPA Program

Calls opened by the fiduciary	No. of Calls
Assessed	51
Deserted	35
Soon to be closed	21
Total Calls	107

Calls assessed by Findeter	No. of Calls
Private Scheme	31
Public Scheme	20
Total	51

The result of the evaluation provided with nearly 336 proposals submitted at national level providing the following balance:

Table 24 - Proposals Submitted to the National Level

Type of assessed proposals	Total of submitted proposals		Enabled		Not Enabled	
	No. Proposals	No. of Housing	No. Proposals	No. of Housing	No. Proposals	No. of Housing
Private Scheme	245	91,456	169	70,512	72	20,944
Public Scheme	91	27,086	54	19,136	37	7,950

Overall Total	336	118,542	223	89,648	109	28,894
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Once enabled the projects, the raffles were carried out for the projects selection on the part of the Technical Committee of the Trust and they were classified as selected projects, which should start the commercialization processes of homes. The projects that were enabled in the evaluation process but that did not reach the quotas of each call were classified as projects in "Waiting List". Those projects that were not able to commercialize at least 60% of the offered homes are the withdrawn projects in the program and are listed below:

Table 25 - Status of Selection of Projects VIPA
Cut: December 31, 2015

No.	Department	Selected		Waiting List		Do not continue the Process		Overall Total	
		No. of Project	No. of Housing	No. of Project	No. of Housing	No. of Project	No. of Housing	No. of Project	No. of Housing
1	Antioquia	3	2,320	-	-	3	2,282	6	4,602
2	Arauca	1	540	-	-	1	130	2	670
3	Atlántico	6	7,409	15	4,434	7	562	28	12,405
4	Bolívar	1	1,764	-	-	-	-	1	1,764
5	Boyacá	6	2,216	-	-	1	2	7	2,218
6	Caldas	8	2,062	-	-	-	-	8	2,062
7	Casanare	1	501	-	-	-	-	1	501
8	Cauca	8	3,417	-	-	1	84	9	3,501
9	Cesar	12	5,183	-	-	-	-	12	5,183
10	Córdoba	1	404	-	-	3	3,704	4	4,108
11	Cundinamarca	9	6,236	-	-	4	1,986	13	8,222
12	Huila	3	1,472	-	-	-	-	3	1,472
13	La Guajira	1	620	-	-	2	760	3	1,380
14	Magdalena	5	2,110	-	-	3	319	8	2,429
15	Nariño	8	2,749	-	-	5	810	13	3,559
16	Santander	6	4,346	-	-	2	1,008	8	5,354
17	Putumayo	1	200	-	-	1	70	2	270
18	Quindío	9	2,879	3	1,213	2	204	14	4,296
19	Risaralda	11	3,655	-	-	4	3,340	15	6,995
20	Santander	7	2,832	-	-	-	-	7	2,832
21	Sucre	3	692	-	-	1	418	4	1,110
22	Tolima	7	2,319	-	-	1	98	8	2,417
23	Valle del Cauca	37	11,038	2	320	7	1,126	46	12,484
Overall Total		154	66,964	20	5,967	48	16,903	222*	89,834

* The number of projects and enabled homes has suffered modifications due to the fact that many projects selected have decreased their number of homes as a result of the commercialization or have consolidated a number of projects that had been enabled separately.

Monitoring of Selected Projects VIPA

As of December 31 2015, a total of 154 projects were selected. The program has 58 projects that started the monitoring activities by Findeter and about 92 projects already initiated the housing construction.

Table 26 - Status of Supervision of Projects VIPA

No.	Department	No. Selected Projects	Projects with approved schedules		Houses to be initiated	Houses in Implementation	Completed Housing
			Project s	No. of Housing			
1	Antioquia	3	-	-	-	-	-
2	Arauca	1	-	-	-	-	-
3	Atlantico	6	4	6,074	1,614	3,062	1,398
4	Bolivar	1	1	1,988	36	1,236	716
5	Boyaca	6	3	1,602	60	100	1,442
6	Caldas	8	1	216	0	0	216
7	Casanare	1	-	-	-	-	-
8	Cauca	8	5	1,316	120	160	1,036
9	Cesar	12	3	1,650	81	1,400	169
10	Cordoba	1	-	-	-	-	-
11	Cundinamarca	9	7	5,636	0	1,664	3,972
12	Huila	3	2	712	0	0	712
13	La Guajira	1	-	-	-	-	-
14	Magdalena	5	1	1,310	0	1,310	0
15	Nariño	8	2	466	0	0	466
16	Santander	6	2	2,204	740	1,124	340
17	Putumayo	1	-	-	-	-	-
18	Quindio	9	4	2,089	260	719	1,110
19	Risaralda	11	3	1,543	0	80	1463
20	Santander	7	2	1,114	460	60	594
21	Sucre	3	-	-	-	-	-
22	Tolima	7	3	1,823	91	102	1,630
23	Valle del Cauca	37	15	5,262	46	1,189	4,027
Overall Total		154	58	35,005	3,508	12,206	19,291
						31,497	

Priority Interest Housing Program Projects



MONTELLANO DE COMFANDI

Buga, Valle del Cauca (112 homes)

PARQUE DE LAS GARZAS
Popayán, Cauca (800 homes)



Proyecto C3 – Manizales, Caldas
(216 homes)



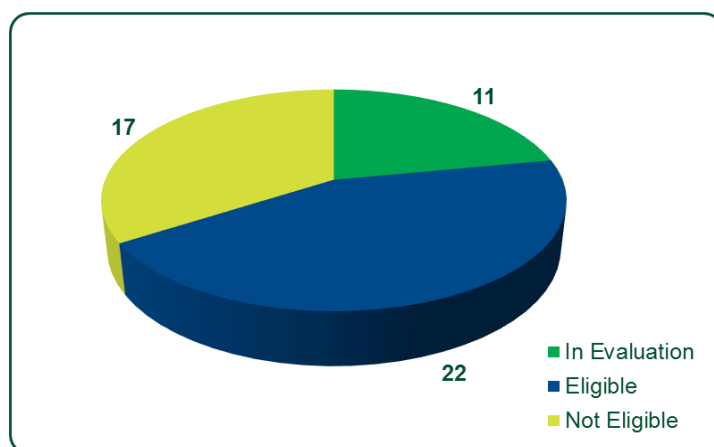
VIS Eligibility Projects

Evaluation of Urban Projects VIS

During 2015, 50 projects of social interest housing with an offer of 3,438 homes to be assessed on their legal and financial technicalities were settled in Findeter. In the same period, 22 housing plans were declared eligible. Those aim to grant resources from the Family Compensation Fund and the National Housing Fund - FONVIVIENDA (People affected by La Niña Weather Phenomenon 2010-2011 and displaced by violence).

Figure 45 – Project Status 2015

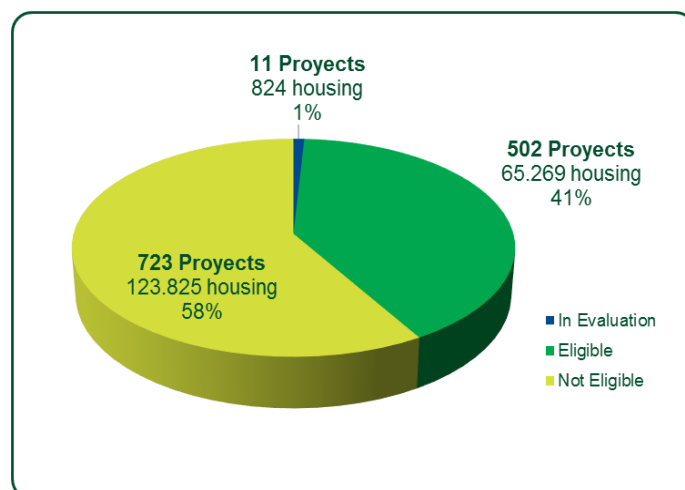
State	Projects Number	Housing Number	% Participation
In Evaluation	11	824	22%
Eligible	22	1,601	44%
Not Eligible	17	1013	34%
Total	50	3,438	100%



Findeter, in development of the Social Interest Housing National Policy in Urban Areas during the President Santos government, has issued certificates of eligibility for 65,269 housing units in 502 projects.

Figure 46 - State of Projects Santos Period (August 2010 - December 2015)

State	Projects Number	Housing Number	% Participation
In Evaluation	11	824	1%
Eligible	502	65,269	41%
Not Eligible	723	123,825	58%



Total	1,236	189,918	100%
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Free Housing Program Second Phase

In 2015, Findeter evaluated the legal and technical aspects of the projects developed on property located in urban land to construct priority interest housing in the framework of the second phase of the free housing program.

The Ministry of Housing, City and Territory made the invitation for this first stage of evaluation to municipalities of category 3, 4, 5 and 6. In these, the idea is to select the projects to be awarded through agreements between FONVIVIENDA and the local authorities.

533 projects with 91,567 homes were evaluated. 372 of these projects were declared nonviable and 161 for 29,873 homes.

4.1.2 Potable Water and Basic Sanitation

In 2015, Findeter signed with the Ministry of Housing, City and Territory (MVCT, from its Spanish initials) a new administrative agreement worth COP 673 billion and with additions to those signed in previous years make a total of six contracts worth COP 1.8 billion. Thus, Findeter continues the provision of technical assistance and management of resources for the contracting of works and auditing in the water and basic sanitation projects, made viable under Decree 1873 of 2012.

Table 27 - Inter-administrative Agreements Signed with the MVCT

Agreement No.	Subscription Date	Value (millions of pesos)
Contract No. 036 2012	November 08 2012	560,583
Contract No. 159 2013	January 24 2013	422,826
Contract No. 541 2013	September 30 2013	19,094
Contract No. 766 2013	November 08 2013	112,194
Contract No. 547 2014	December 29 2014	32,194
Contract No. 438 2015	June 23 2015	673,042
Total		1,819,933

During 2015, Findeter continued supporting the execution of this National Government strategic program. The following shows the projects, their state, investment, and average physical advance by department.

Table 28 – Project Status - Program "Water for Prosperity"

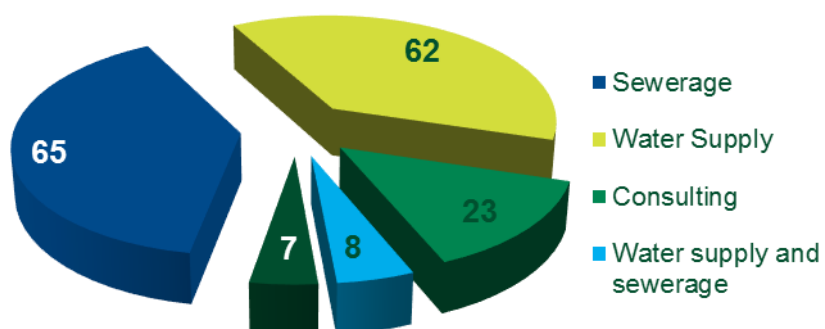
N o.	Department	In process of liquidation	In execution	Projects Total		% average progress on infrastructure work by
		No. Projects	No. Projects	No. Project	Value	
1	Amazonas	1	2	3	8,312	57%
2	Antioquia	6	4	10	47,777	82%
3	Arauca	1	0	1	8,441	100%
4	Atlantico	2	6	8	59,668	38%
5	Bolivar	4	4	8	152,230	54%
6	Boyaca	5	2	7	68,503	81%
7	Caldas	5	1	6	38,954	83%
8	Casanare	1	1	2	58,507	52%
9	Cauca	3	10	13	74,042	41%
10	Cesar	3	2	5	16,603	50%
11	Choco	3	3	6	77,446	61%
12	Cordoba	3	0	3	19,629	100%
13	Cundinamarca	5	6	11	81,499	60%
14	Huila	1	0	1	2,319	100%
15	La Guajira	1	0	1	11,822	100%
16	Magdalena	7	4	11	24,118	72%
17	Meta		1	1	260	0%
18	Nariño	9	3	12	73,697	75%
19	Norte de Santander	2	1	3	40,904	97%
20	Quindio	2	0	2	18,316	100%
21	Risaralda	2	0	2	18,951	100%
22	San Andre, Providencia y S.C.	2	3	5	46,411	69%
23	Santander	8	6	14	97,779	62%
24	Sucre	2	8	10	76,887	46%
25	Tolima	2	6	8	37,157	36%
26	Valle del Cauca	4	6	10	55,202	51%
27	Others		2	2	2,262	20%
Total		84	81	165	1,217,697	62%

Within the 165 projects in execution, 65 are related to Sewerage, 62 to Water Supply, 23 to Consulting, 8 to Water and Sewerage, and 7 to Landfill. In the next figure it is discriminated the number and the value of the projects of each type.

Besides the 165 projects on execution, there are 37 projects pending on adjudication summing up to 202 projects on the Potable Water and Basic Sanitation Program.

Figure 47 - Number of Projects by Type and Amount of Resources.

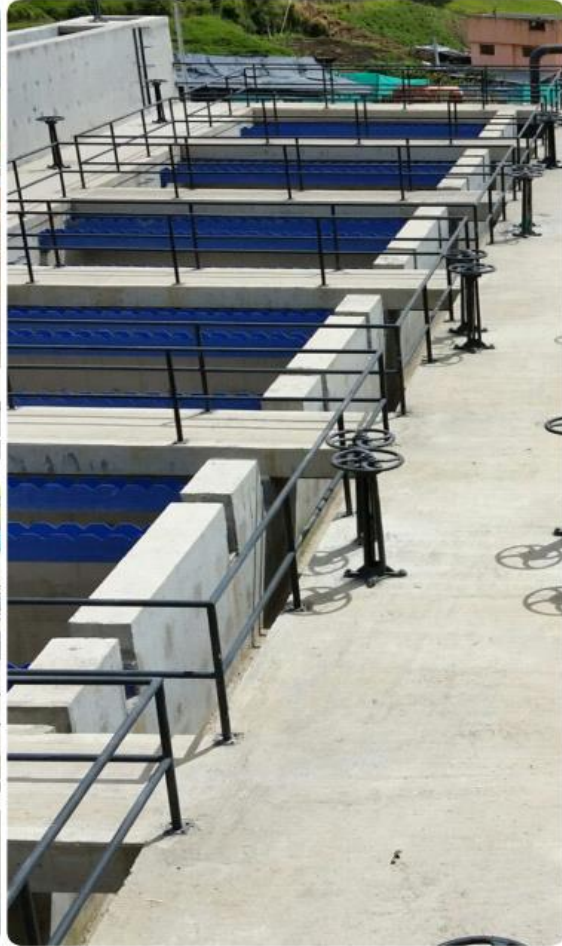
Type of project	No. Projects	Value (Millions)
Sewerage	65	508,624
Water Supply	62	619,896
Consulting	23	21,428
Water Supply and Sewerage	8	48,773
Landfill	7	18,976
Total	165	1,217,697



38 of the 165 projects are on execution worth COP 311 Billion, 26 are in reconsideration worth COP 255 Billion, and 17 are about to sign their commencement act for a value of COP 112 Billion. There are also 84 completed projects and in the process of liquidation, for a total value of COP 537 billion. The following are the most notable:



Armenia, Quindio
WWTP la marina Construction
Value: COP 17,304 million.
Beneficiary population: 191,698 inhabitants



Pasto, Nariño
WWTP Quebrada Piedras Construction Phase 2
Value: COP 30,424 million.
Beneficiary population: 23,139 inhabitants



Carmen de Bolivar, Bolivar
Water Supply System Optimization
Value: COP 37,215 million.
Beneficiary population: 56,348 inhabitants



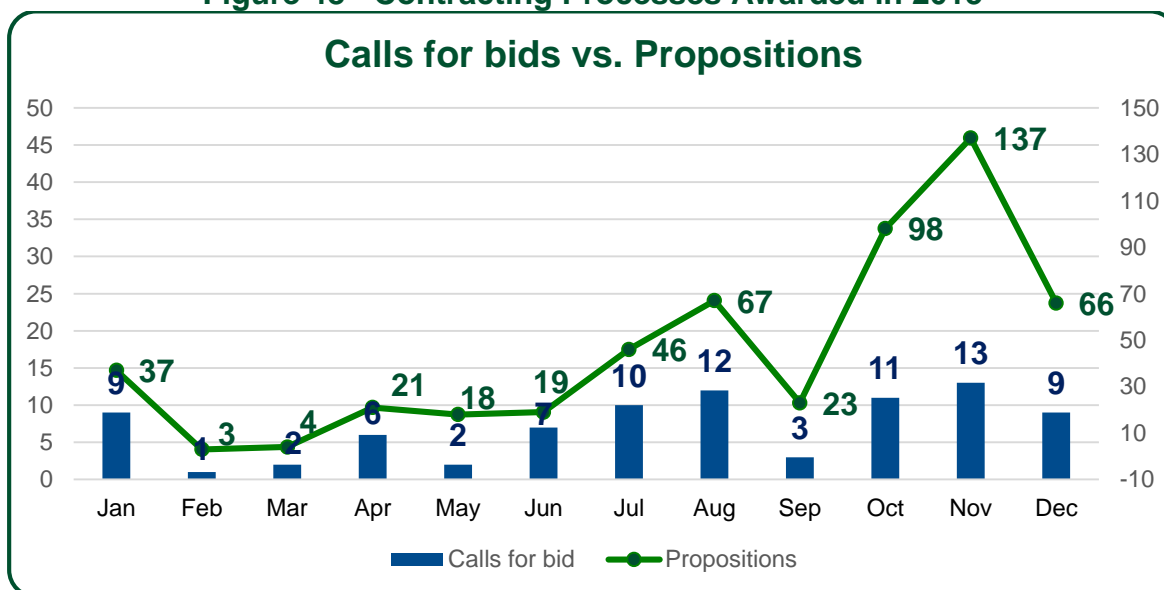
Chiquinquirá, Boyacá
Construction of a Domestic Wastewater Treatment Plant (WWTP)
Value: COP 21,142 million.
Beneficiary population: 69,583 inhabitants

Contracting Outcomes in the Potable Water and Basic Sanitation program

In 2015, 85 calls were awarded, of which, 14 were of consulting, 38 of auditing and 33 of work; in total 539 proposals were submitted.

The following discriminates the contracting processes closed during 2015:

Figure 48 - Contracting Processes Awarded in 2015



At the end of December 2015, the 9 processes of calls that were open are discriminated as follows:

Table 29 -Open Calls on December 31, 2015

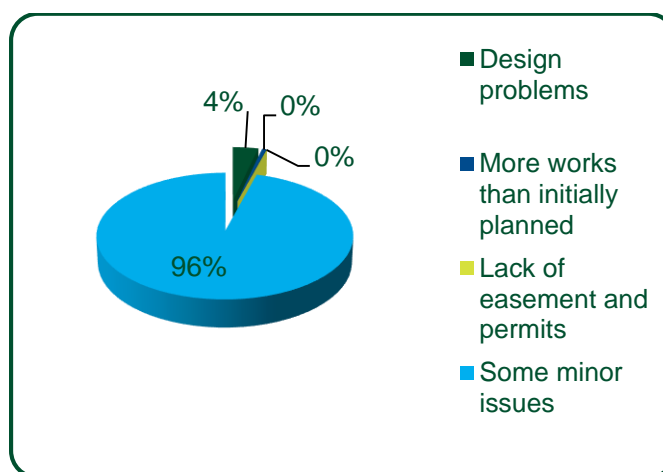
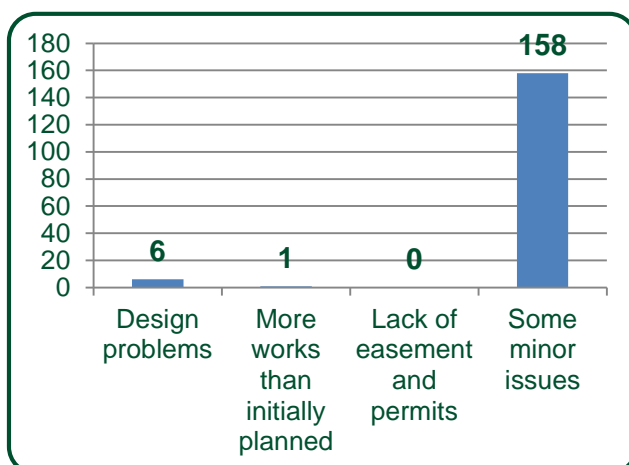
New Calls	Numb er	Value
Open calls (work)	2	4,853
Buenaventura 27" Diag., Ibagu�		
Open calls (Consulting)	2	581
Toribio, Providencia		
Open calls (auditing)	5	753
Buenaventura 27" Diag., Ibagu�, Manizales, Providencia Aseg., Toribio		
Total	9	6,187

Outcomes during the Execution of the program D.W. and B.S.

Since the signing of the first certificate of commencement on March 11, 2013 and to date, the program has evolved in a positive way, mainly by the implementation of the following activities:

During 2015 thanks to the technical work committees and the processes of reformulation made with the actors involved in the tripartite agreement, progress was made in improving the execution and completion of the projects with which the program was able to reverse their status as shown below:

Figure 49 - Status of the Potable Water and Basic Sanitation Program



A clear improvement was shown on aspects of design. They managed to go from 65 projects with design problems to only 6 in 2015, while the percentage of projects without major problems increased from 12% to 76% in 2014 and to 96% in 2015.

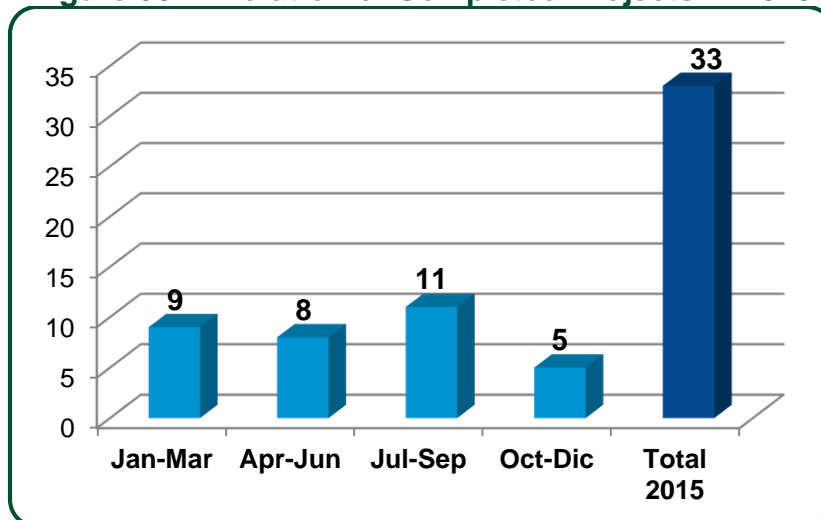
Reformulation Applications Management

A total of 44 reformulations were reached during 2015. They were approved by the MVCT associated to 35 projects. These reformulations occurred in compliance with the responsibilities assigned to Findeter as stipulated in the Inter-administrative Contracts Numbers 036 of 2012 and 159 of 2013, related with the referral to the Ministry of Housing, City and Territory of the projects with requirements of technical and/or financial adjustments, to their review and approval through the mechanism of feasibility.

Project Completion

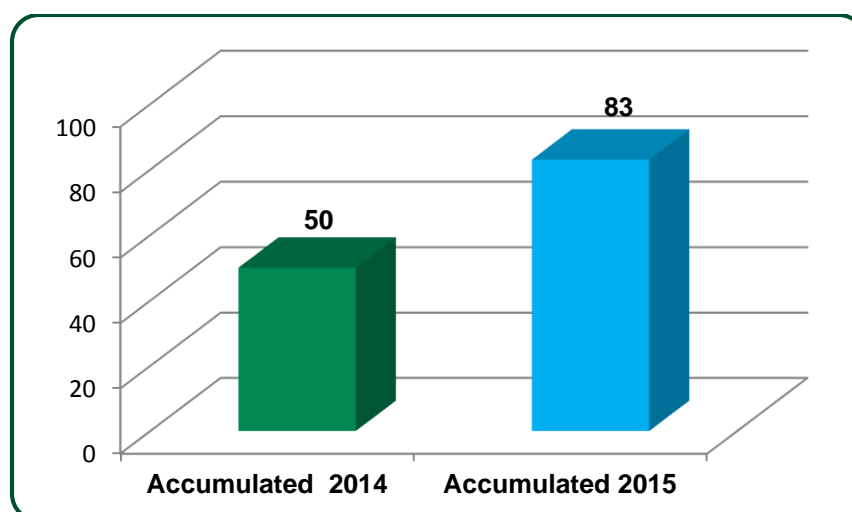
During 2015, the technical management in the program was focused on the implementation and completion of the projects awarded. The following chart shows the evolution of the number of projects completed by quarter in 2015:

Figure 50 - Evolution of Completed Projects in 2015



In comparison with 2014, 50 projects had been completed. And 2015 ended with 83 projects:

Figure 51 – Comparative Chart of Completed Projects 2014 - 2015



Goals for the Program of Potable Water and Basic Sanitation for 2016

- Contracting Issues Goals***

In the course of 2016 it is expected to open a total of 27 calls, discriminated as follows:

Table 30 - Calls to Open in 2016

<i>Millions of pesos</i>		
Type of Call	# of Calls	Value
Acquisition	2	2,331
Consulting	3	5,745
Works	10	64,695
Auditing	12	5,045
Total	27	77,816

It is also expected to award 9 contracts for a total value of COP 6,187 million, with open and competitive award processes specified in the table about open calls in 2015.

- *Implementation Issues Goals*

In 2016 Findeter will continue with the implementation of 96 projects (81 awarded + 15 per award). These projects are discriminated in the following way:

Table 31 - Expectation of Project Execution VIPA for 2016

Millions of pesos

Type of Project	No.	Value
Water Supply	41	445,884
Sewerage	31	273,465
Water Supply and Sewerage	1	8,552
Consulting	20	24,754
Landfill	3	4,964
Total	96	757,619

- *Completion Issues Goals*

In 2016, the execution of 31 projects will be completed. This will benefit a population of nearly 1,250,000 inhabitants and will have had a total value of COP 211 billion discriminated as follows:

Table 32 - Expectation of Project Completion for 2016

Millions of pesos

Type of Project	No.	Value
Water Supply	14	156,975
Water Supply and Sewerage	1	8,552
Sewerage	5	35,495
Consulting	10	8,025
Landfill	1	2,633
Total	31	211,680

4.1.3 Social Infrastructure

In 2015, Findeter provided technical assistance to 200 projects in 103 municipalities, worth COP 584 billion, through 13 inter-administrative contracts with entities such as the Ministry of Education, the Ministry of Culture, the Ministry of Interior, Coldeportes, Dapre, DNP, among others. The agreements are the following:

Table 33 - Social Infrastructure Agreements

(Millions of pesos)

Program	Agreement No.	Customer	Subscription Date	Value
LIBRARIES	CT-2453-2015	Ministry of Culture	24/06/2015	3,600
Child Development Center (CDI)	238-2013	Administrative Department of the Office of Presidency (DAPRE)	8/11/2013	11,774
Citizen Integration Center (CIC)	CT-F442-2013	Ministry of Internal Affairs	17/12/2013	28,160
Services Integrated Center (CIS)	378 of 2014	DNP	24/01/2014	254
EQUIPMENTS	CT-330-2015	FONVIVIENDA	18/02/2015	150,000
Life Spaces	CT-2808-2014	Ministry of Culture	23/12/2014	20,256
Single Shift	CT-1013-2014	Ministry of Education	26/12/2014	66,804
	CT-620-2015		18/03/2015	120,000
Malecon	Agreement No. 8	Mayor's Office of Buenaventura - Governor's Office of Valle del Cauca	26/06/2013	27,000
Megacolegios	1000-2013	Ministry of Education	2/10/2013	109,414
Megacolegios	1260-2013	Ministry of Education	6/11/2013	
Sport and Recreation Parks	CT-887-2013	COLDEPORTES	27/12/2013	35,858
Recuperation and Restoration	CT-2717-2013	Ministry of Culture	27/12/2013	11,249
Total				584,370

Management Development

Child Development Centers (CDI by its Spanish initials)

In 2015, adhering to the Inter-administrative Contract No. 238 of 2013, signed with the DAPRE, Findeter hired the design of two (2) CDI, the construction of four (4) CDI, and hiring of one (1) auditing; the projects were delivered entirety.

Table 34 - Child Development Centers

No.	Department	City	Project	Project worth (Millions \$)	Status	Percentage of progress	Population Benefited
1	Cundinamarca	Agua de Dios	Child Development Center	2,996	Completed	100%	300
2	Choco	Bahia Solano	Child Development Center	2,430	Completed	100%	195
3	Cordoba	Chinu	Child Development Center	2,226	Completed	100%	160
4	Amazonas	Leticia	Studies and design - CDI	219	Completed	100%	195
5	Antioquia	Marinilla	Studies and design - CDI	308	Completed	100%	300
6	Magdalena	Pivijai	Child Development Center	3,274	Completed	100%	300
Total				11,453			



Child Development Centers

Bahia Solano, Chocó

Value: COP 2,430 million.

Beneficiary Population 95 Inhabitants

Child Development Centers

Agua de Dios, Cundinamarca

Value: COP 2,996 million.

Beneficiary Population 195 Inhabitants

Educational Infrastructure

- Megacolegios - Ministry of National Education

During 2015, the provision of the service of technical assistance and resource management were continued. These came from the Inter-administrative Contracts Nos. 1000 and 1260 signed with the Ministry of National Education.

The projects were signed for a value of COP 109 million. These projects consists in the implementation of 10 Megacolegios located in 7 departments (9 municipalities) that generate an estimated capacity for 12,880 students.

The projects progress is presented below:

Table 35 - Megacolegios - Ministry of National Education

N o.	Departme nt	Municipa lity	Project	Projec t Worth (Millio ns \$) Projec t (Millio ns \$)	Status	Percenta ge of progres s %	Quot a
1	Atlantico	Barranqui lla	Villas de San Pablo	21,500	Ongoing	18%	2,88 0
2			Las Gardenia s	10,000	Ongoing	44%	1,20 0
3		Galapa	Villa Olímpica	10,000	Ongoing	7%	1,20 0
4	Bolivar	Cartagen a	Ciudad Bicenten ario	9,504	Ongoing	29%	1,20 0
5	Cesar	Valledupa r	Nando Marín	10,000	Ongoing	69%	1,20 0
6	Cordoba	Monteria	El Recuerdo	10,000	Ongoing	16%	1,20 0
7	Cundinama rca	Soacha	Ciudad Verde	11,410	Comple ted	100%	1,44 0
8	Sucre	Sincelejo	Altos de la Sabana	11,013	Ongoing	39%	880
9	Valle del Cauca	Cali	Llano Verde	12,500	Ongoing	38%	1,20 0
10		Jamundi	El Rodeo	4,000	Ongoing	77%	480

Total	109,927	37%	12,880
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During the period 2015, the project of Soacha - Green City was completed and delivered. This was inaugurated on November 27, 2015.



Soacha, Cundinamarca
MEGACOLEGIO URB. GREEN CITY
(Project delivered to the municipality)
Value: COP 11,410 million.
Beneficiary population: 1,440 Quotas

- 7-hour school day - Ministry of National Education

Additional to Contract No.1013 of 2014, the Contract No. 620 of 2015, was signed with the Ministry of Education. This was worth COP 187 billion, in order to continue with the provision of the technical assistance and resource management service in the viability of projects for the subsequent contracting of studies, design, construction, maintenance, works and auditing, corresponding to the educational infrastructure for the single shift projects.

Through the program “Más y Mejores Espacios” (More and Better Spaces) it is intended to improve the educational infrastructure and endowment through enlargement, adequacy, construction, reconstruction and funding. This is made so that children and young people from marginal urban areas, rural areas, borders and areas affected by natural disasters and situations of violence can have better conditions to access and stay in school, and to reduce the gaps in coverage and quality.

This is how with the inter-administrative contracts 620 and 1013, 76 projects are being implemented in 5 departments, 35 municipalities; benefiting around 22 thousand girls and young women.

The 76 projects are developed in the following departments and all are being implemented:

Table 36 – 7-Hour School Day Ministry of National Education

Department	Projects	Project Worth	Quantity of Rooms	Intervened Area M2	Benefited Population
Cauca	3	8,742	25	5,622	1,000
Choco	27	77,806	196	39,210	7,840
Nariño	29	60,618	172	48,003	6,880
Valle del Cauca	16	35,147	128	24,421	5,120
Boyaca	1	4,492	23	3,027	920
Total	76	186,805	544	120,283	21,760

Citizen Integration Centers (CIC)

The purpose of the CIC projects in compliance with the contract No. F442 of 2013, signed with the Interior Ministry, consists in the generation of scenarios in which recreational, pedagogical, and social and citizenship integration activities can be developed in order to prevent violence and crime through integral spaces that facilitate the development of coexistence within the community. Also, they are intended to promote social and community integration around urban structures of participation, social barrismo, and the prevention of violence and crime. From this physical infrastructure of sports venues, there is a new concept of urban civility, social integration, and recognition of urban tribes.

In pursuance of the follow-up activities to this contract, technical assistance activities were carried out in 2015 to the contracted projects as well as a follow-up to the constructions in progress.

Figure 52 – Projects status

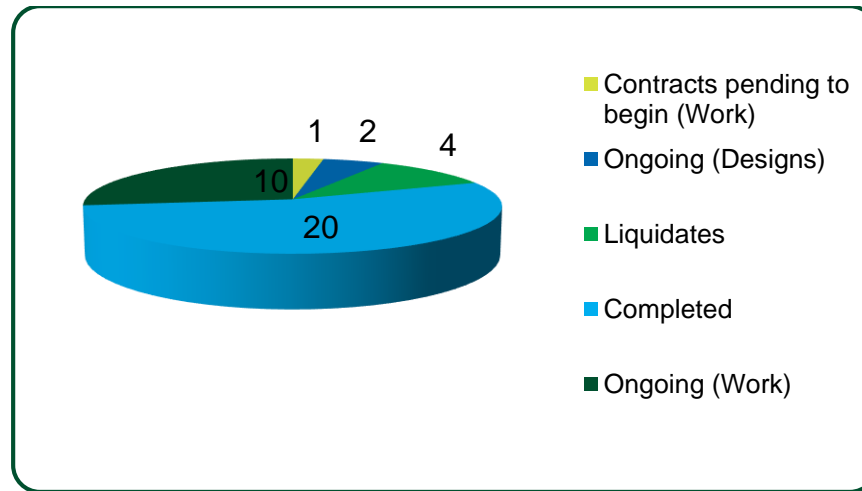


Table 37 – Projects Status

Department	City	Project Worth	Status	Percentage of progress	Benefited Population
Antioquia	San Rafael	\$ 683	Ongoing (Work)	42%	1,800
	Zaragoza	\$ 683	Ongoing (Work)	16%	1,800
Atlantico	Manati	\$ 683	Completed	100%	1,800
	Repelon	\$ 683	Completed	100%	1,800
Bolívar	Cartagena	\$ 683	Ongoing (Designs)	100%	1,800
	Santa Rosa	\$ 683	Ongoing (Work)	96%	1,800
	Caldas	\$ 683	Completed	100%	1,800
Boyacá	Cubara	\$ 683	Ongoing (Designs)	100%	1,800
	Santana	\$ 683	Completed	100%	1,800
	Soqamoso	\$ 683	Completed	100%	1,800
	Tibana	\$ 683	Completed	100%	1,800
Cauca	Toca	\$ 683	Completed	100%	1,800
	Bolívar	\$ 683	Completed	100%	1,800
Choco	Bajo Baudó	\$ 683	Contracts pending to begin (Work)	NA	1,800
Cundinamarca	Aqua de Dios	\$ 683	Completed	100%	1,800
	Anapoima	\$ 683	Completed	100%	1,800
	Coqua	\$ 683	Completed	100%	1,800
	Jerusalén	\$ 683	Completed	100%	1,800
	Sibate	\$ 683	Completed	100%	1,800
	Tocaima	\$ 683	Completed	100%	1,800
	Aipe	\$ 683	Completed	100%	1,800
	Elias	\$ 683	Completed	100%	1,800
Huila	Isnos	\$ 683	Completed	100%	1,800
	Saladoblanco	\$ 683	Completed	100%	1,800
Magdalena	San Agustín	\$ 683	Completed	100%	1,800
	Ariquani	\$ 683	Ongoing (Work)	50%	1,800
	San Sebastian	\$ 683	Completed	100%	1,800
Putumayo	Puerto Guzman	\$ 683	Completed	100%	1,800
Quindío	Circacia	\$ 683	Completed	100%	1,800
	Quimbaya	\$ 683	Completed	100%	1,800
Santander	Aquada	\$ 683	Ongoing (Work)	65%	1,800
	Galan	\$ 683	Ongoing (Work)	65%	1,800
	Velez	\$ 683	Ongoing (Work)	56%	1,800
Tolima	Chaparral	\$ 683	Completed	100%	1,800
Valle del Cauca	Calima	\$ 683	Ongoing (Work)	95%	1,800
	Cartago	\$ 683	Ongoing (Work)	90%	1,800
	Versalles	\$ 683	Ongoing (Work)	90%	1,800



Citizen Integration Center (CIC)
 Calima, Valle del Cauca
 Values: COP 683 million
 Beneficiary population: 1,800 Inhabitants



Citizen Integration Center (CIC)
 Elias, Huila
 Values: COP 683 million
 Beneficiary population: 1,800 Inhabitants

Parks for Recreation and Sport

In 2015, technical assistance was provided to 27 parks, located in the 100 thousand homes projects, in 12 departments. With this assistance, the designs were culminated, 27 projects and 10 audits were contracted, which will start in mid-January 2016; the remaining audits will be awarded at the end of February, in order to start the works in March 2016.

In the development of Contract No. 887/2013 signed with Coldeportes, a very positive impact is being generated. Around 169,000 inhabitants of these urbanizations are being benefited. These spaces provide opportunities for leisure, recreation, use of free time and physical activities, contributing in this way to improve their quality of life and well-being.

Table 38 – Parks – Recreation and Sports

Department	Projects	Project Worth (Millions \$) Project (Millions \$)	Benefited Population
Atlantico	4	8,064	28,832
Bolivar	2	1,971	13,576
Cesar	1	2,110	4,320
Cordoba	3	2,730	19,696
Cundinamarca	1	1,066	35,000
Huila	2	1,399	6,080
Magdalena	3	5,645	16,000
Nariño	1	463	4,432
Norte de Santander	1	2,280	4,080
Risaralda	3	2,200	6,892
Sucre	2	2,627	9,132
Valle del Cauca	4	5,303	20,884
Total	27	35,858	168,924

Community Centers and Public Spaces

With the implementation of the projects under the Contract No. 2717/13, signed with the Ministry of Culture, Findeter aims to comply with the conservation of the cultural heritage by ensuring the protection, restoration and dissemination of cultural interest assets at the national level, as an expression of the Colombian nationality and as a foundation for its identity; thus generating a positive impact on about 100,000 inhabitants.

Table 39 - Community Centers and Public Spaces

N o.	Departm ent	City	Project	Proje ct (Millio ns \$)	Status	Percent age of progres s	Populati on Benefite d
1	Cauca	Paez- Belalca zar	Restorat ion Capilla Suin	1,114	To be complet ed	100%	250
2			Restorat ion Capilla Togoima	1,114		100%	250
3			Restorat ion Capilla Avirama	1,114		100%	100
4			Chinas Chapel Restorat ion	1,114		100%	250
5	Valle del Cauca	Buga	Buga's Historic Center Recover y	5,723	To be complet ed	100%	99,458

- Project for the Recovery of the Buga Historic Center**

With this project worth COP 5,700 million, the public space of the Bolívar Park was recovered, and the Carrera 13 was intervened between the Calle 4a and 1a in the Guadalajara de Buga historic center, Valle del Cauca. The project was completed in 2015 and is in the process of liquidation



Guadalajara de Buga, Valle del Cauca
 Recovery of the Historical Center of Buga
 Value: COP 5,723 million.
 Beneficiary population: 99,458 inhabitants

- *Restoration Project of the Paeces Chapels*

The contract value in this project amounted to COP 4,500 million. In this project, the technical verification and the full restoration of the paeces chapels were carried out in the municipality of Paez (Belalcazar) Cauca. These two buildings are declared Assets of cultural interest at the national level. The project was completed in 2015 and is in the process of liquidation..



Páez (Belalcazar), Cauca

Capilla de Suin

Value: COP 1,114 million

Beneficiary Population: 250 inhabitants



Páez (Belalcazar), Cauca

Capilla Chinas

Value: COP 1,114 million

Beneficiary Population: 250 inhabitants

- *Bahia de la Cruz Waterfront Project, Stage 1, District of Buenaventura*

After signing the Inter-administrative Framework Convention No. 8 between Findeter, Buenaventura Mayor's office and the Governor's Office of the Valle del Cauca and the Cooperation Agreement No.40/2014 with Fiducoldex, a call for the work was made in 2015 and was awarded in the month of October; the certificate of commencement was signed in December, and the works will start in 2016.

Equipment - Fonvivienda

The Inter-administrative contract No. 330 was signed between The National Housing Fund FONVIVIENDA and Findeter, on February 18, 2015. This was worth COP 200 billion, and its purpose is to provide technical support services and to manage the resources, for the purpose of executing public collective facilities in projects of social interest housing. Thanks to the construction and equipping of these facilities, the beneficiaries' quality of life of the priority interest housing projects will improve, thus generating around 15 quotas which will be allocated for girls and young women who inhabit these urbanizations.

The framework of this contract has as scope the following projects:

Table 40 - Equipment - Fonvivienda

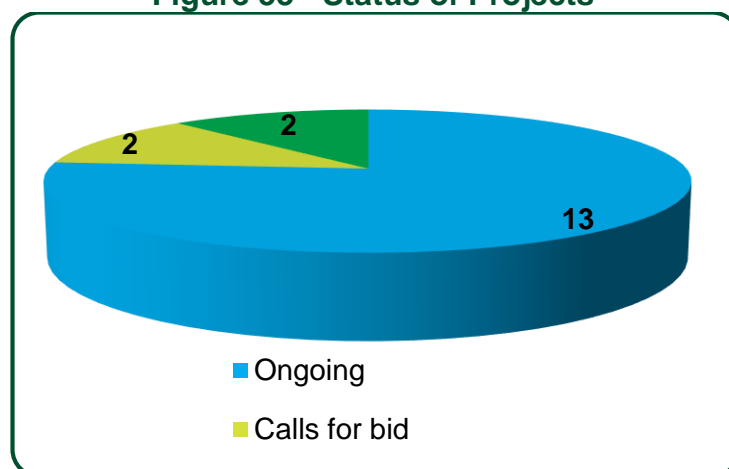
N o.	Departmen t	Municipalit y	Project	Type	Worth Project (Millions \$)	Status	Perce ntage of	Capacity (Quota)
1	Atlantico	Malambo	Ciudadela Real del Caribe	CDI	3,500	Currently calling for bid	NA	300
2		Soledad	Nueva Esperanza	High School + CDI	12,002	Ongoing (Studies and design)	95%	1240
3	Bolivar	Salado	Los Sueños del Salado	High School	4,152	Call for bids to be published	NA	470
4	Caldas	Manizales	San Sebastian	CDI	3,228	Ongoing (Studies and design)	35%	300
5	Cauca	Popayan	Valle del Ortigal	High School + CDI	12,720	Currently calling for bid	NA	1240
6	Cesar	Valledupar	Lorenzo Morales	High School + CDI	11,741	Ongoing (Studies and design)	25%	1240
7	Choco	Quibdo	Ciudadela Mía	High School + CDI	594	Currently calling for bid	NA	1100
8	Cundinamarca	Soacha	Torres (C.D.I.)	CDI	205	Contracted		300
9			Torres (High School)	High School	10,819	Call for bids to be published	NA	940
10	Huila	Neiva	IV Centenario	CDI	3,032	Ongoing (Studies and design)	100%	300
11			Bosques de San Luis	High School	9,885	Contracts pending to begin (work)	NA	1440
12	Magdalena	Santa Marta	Ciudad Verde	High School + CDI	11,871	Ongoing (Studies and design)	50%	1240
13	Norte de Santander	Cucuta	Ciudad Rodeo	High School + CDI	13,468	Ongoing (Studies and design)	75%	1240
14	Norte de Santander	Cucuta	Cormoranes	High School + CDI	13,142	Currently calling for bid	NA	1240
15	Risaralda	Pereira	Salamanca	High School + CDI	7,856	Ongoing (Studies and design)	95%	1035
16	Santander	Bucaramanga	Campo Madrid	CDI	3,405	Ongoing (Studies and design)	35%	300
17	Tolima	Ibague	El Tejar	CDI	401	Ongoing (Studies and design)	15%	300

As a follow-up to this contract during 2015, the following activities were carried out, among other:

- Structuring of reference terms, studies, designs, construction and audits, and budgets and technical specifications for the projects.
- Hiring of the studies, designs and work of 15 projects.
- Hiring of auditing for the studies, designs and work of 15 projects.
- Technical assistance to the hired projects, and follow up on the work in progress.

Below, the projects status is shown:

Figure 53 - Status of Projects



Ministry of Culture Convention

The Ministry of Culture signed with Findeter the Inter-administrative Contract No. 2453 on June 24, 2015. Its object is the provision of the technical assistance and resource management service for the development of cultural infrastructure, at the national level, in social and/or priority interest housing projects delivered by the National Government. The contract is worth COP 3,600 million to execute the review, adjustment and complementarity of studies and designs, and construction and operation of 6 public libraries at the national level, as well as their audits.

The Public Libraries Program is of great importance for the families that live in the urbanizations of the 100 thousand homes that have been prioritized with these projects. The program is intended to promote social inclusion, strengthen community ties, facilitate the access to cultural goods with the aim of increasing cultural consumption, thus generating social welfare around 21 thousand inhabitants.

The following projects are framed in this agreement:

Table 41 - Ministry of Culture Agreement

Project		Department		City
Urbanización Las Gardenias Library		Atlantico		Barranquilla
Villas de San Pablo Library		Atlantico		Barranquilla
Villa Olímpica Library		Atlantico		Galapa
Bicentenario Library Macroproject		Bolivar		Cartagena

San Joaquín Library (Torres del campo Sector)		Risaralda		Pereira
Campo Madrid Library		Santander		Bucaramanga

Similarly, with the aim of carrying out the projects of construction, and/or rehabilitation, and/or structural strengthening and/or restoration of infrastructure of a cultural nature, the Ministry of Culture and Findeter signed the Inter-administrative Contract No. 2808 of December 23, 2014, whose goal is: "Provide the technical assistance and resource management service to develop the Cultural Infrastructure at the national level, in the municipalities, and for projects made viable by the Ministry of Culture". The contract is worth COP 14,476 million and on October 14, 2015 an addendum to the contract was signed worth COP 5,319 million, resulting in a total value of COP 19,776 million, to execute the projects that are listed below:

Table 42 - Contract No. 2808 of 2014

Project	Department	Municipality
Library	Choco	Acandí
Library	Bolívar	Barranco de Loba
Mamba	Atlántico	Barranquilla
Library	Cauca	Corinto
Casa de la Cultura	Cauca	Corinto
Casa de la Cultura	Antioquia	San Juan de Urabá
Rehabilitación y Mantenimiento de Biblioteca Pública	Antioquia	Vigía del Fuerte
Rehabilitation and Maintenance of Public Library	Antioquia	San Juan de Urabá
Building of City Library - Alternative System	Antioquia	Briceño – Corregimiento de Pueblo Nuevo
Building of City Library - Conventional System (Prototype)	Cauca	Puerto Tejada
Rehabilitation and Maintenance of Public Library	Choco	Unguía
Building of City Library - Conventional System (Prototype)	Norte de Santander	Hacarí
Building of City Library - Conventional System (Prototype)	Tolima	Coyaima
Building of Music School - Prototype	Valle del Cauca	Candelaria

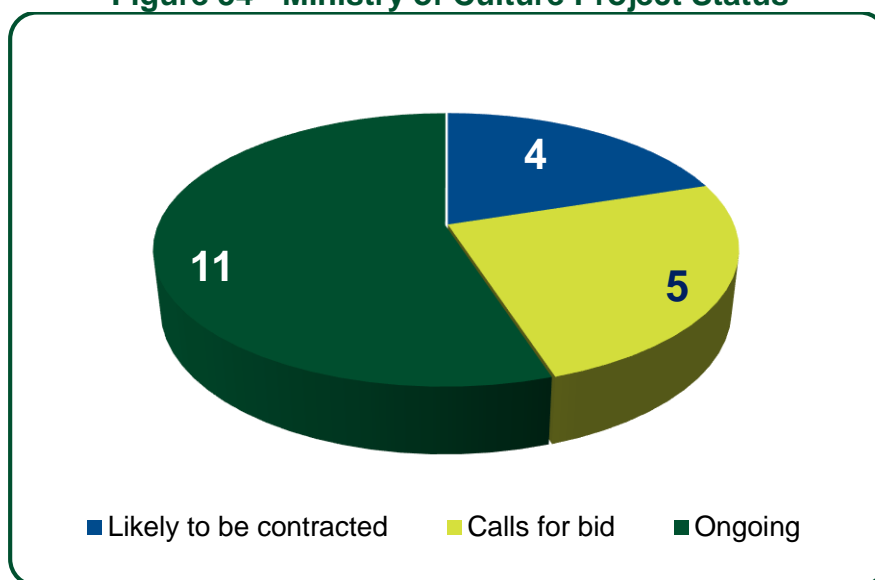
Table 43 - Contract Execution No. 2808

Type of project	Projects	Departments	Worth Projects (Millions \$)
Libraries	16	Antioquia, Atlántico, Bolívar, Cauca, Choco,	9,268

				Risaralda, Santander, Norte de Santander, Tolima		
Casa de la Cultura		2		Antioquia, Cauca		1,855
Music School		1		Valle del Cauca		2,244
MAMBO		1		Atlantico		9,999

The projects status is shown below:

Figure 54 - Ministry of Culture Project Status



4.2 Sustainability Management

4.2.1 "Sustainable and Competitive Cities" and "Emblematic Cities" Programs

The Sustainable and Competitive Cities, and Emblematic Cities programs that Findeter has been developing were marked in 2015 by the execution of the following activities:

- The delivery of the Action Plans from Monteria, Pasto, Valledupar as part of the Sustainable and Competitive Cities Program, and Barrancabermeja,

Buenaventura, Magangue, Quibdo, and Tumaco on the Emblematic Cities program.

- The implementation of the methodology of Sustainable and Competitive Cities was in Cartagena, Santa Marta and Villavicencio; and the one of the Emblematic Cities program was in Aracataca, Corozal, Loricá, and Socorro. Additionally, arrangements were made for the incorporation of San Andrés and Guapi in the Emblematic Cities Program.
- The execution of some of the projects prioritized in the action plans delivered before 2015 (Barranquilla, Bucaramanga, Manizales and Pereira) and projects pre-identified in the cities in which the methodology is being applied.

Completed Action Plans in 2015

- **Montería**

The Sustainable Montería Action Plan is structured around one of the main assets that the city has: The Sinú River. The river is an important environmental corridor, a structuring core for urban development and mobility, and it has the potential to become a productive asset around tourism and agro-industry.

As a result of the prioritization exercise, the Action Plan, structured in four major cores, quantifies the investments required for the next ten years, which were estimated at COP 1.6 trillion, as seen below:

Table 44 – Montería – Approximate Cost of the Action Plan

Figures in Millions of Pesos

Central Themes of the Action Plan	Description	Pre-investment	Investment
The river as a passage of inclusion and productive asset	It includes urban and environmental interventions around the river; development of the productive themes (tourism, agribusiness and cultural industries).	18,150	486,500
The river as a unifying element of the urban planning	The development generated around the river must pervade all the city, from the traditional downtown, developing connections through public transport,	23,585	709,130

	sustainable mobility and public space. It must reach the vulnerable areas of the city, as Cantaclaro and the left bank, improving the quality of life of its inhabitants in the urban and the social aspects.		
Resilient Monteria: the path to welfare	Its starting point is the Master Plan of Climate Change - Monteria 2019 (Master Plan of Climate Change). It was planned in 2011 and tries to find actions to reduce the greenhouse effect gases in sectors such as livestock, transportation and utilization of solid waste. It contains actions to improve risk management and public utility coverage in the matters of sewerage and storm drainage.	6,850	375,850
Monterianos for Monteria:	Towards a modern and transparent treasury. It includes actions to strengthen public finance through improvements in collection and financial planning processes. Also, it proposes activities to potentiate citizen participation and to improve the governance of the city.	1,640	14,730
	<i>Subtotal</i>	50,225	1,586,210
	Total	1,636,435	

Set out below, there is a summary of the projects and/or studies carried out in the city during 2015 financed by Findeter.

Table 45 – Investment in Projects and/or Studies Implemented in 2015

Figures in Millions of Pesos

Activities	Description	Investment	Source
Restoration of the Central Market	It raises the development of architectural and technical studies and designs to	360	Findeter-AFD-Municipality

	<p>restore the central market building of Monteria, a Heritage of Cultural Interest at municipal level. It was financed by Findeter (COP 310 million – cooperation resources of LAIF) and the city of Monteria (COP 50 million).</p>		
Modernization of the traffic light system	<p>Modernization of the traffic light system including communication network components, control center and hard infrastructure. This project will be financed by the city (COP 120 million) and the IDB (InfraFund – Cop 400 million). It has an estimated time for implementation of eight months from March 2015.</p>	520	IDB (InfraFund)
Educational Platform of Integral and Unified Management (PEGUI, by its Spanish acronym):	<p>Seeks to implement an educational platform like LMS (Learning Management System) in order to strengthen local capacities through the design and implementation of workshops on the platform use. They are aimed at students of the 9th, 10th and 11th grades. Also, a training through diploma courses of 120 hours in length, aimed at teachers under the development model of TIC-ETIC@ competencias of Computadores para Educar from the Ministry of National Education. The cost of this platform will be financed through an agreement between Findeter, MINTIC and the municipality.</p>	3,300	MINTIC
Creative and Cultural Sector Mapping	<p>The Mapping of Cultural and Creative Industries of Monteria was the main component for constructing a Master Plan to foster and promote the Cultural and Creative Industries of Monteria. The Master Plan</p>	150	Findeter- AFD- Municipality

	presents cross-cutting factors to strengthen and promote the CCIs. Subsequently, the strategic actions for each sector identified as having the most potential to form value chains in the CCIs. It was financed by Findeter (COP 70 million – cooperation resources of LAIF) and the city of Monteria (COP 80 million).	
Total		4,330

- **Pasto:**

The Action Plan *Pasto Explore the good way. 500 years of tradition* is structured around the potential that the city has by the environmental assets with that it has (the Galleries volcano, La Cocha lagoon, and the landscape wealth) and by its huge cultural wealth. It is divided into four major cores:

Table 46 – City of Pasto – Approximate Cost of the Action Plan

Figures in Millions of Pesos

Central Themes of the Action Plan	Description	Pre-investment	Investment
Respecting natural resources	Seeks the environmental and social resilience. Its small towns and rural area make up the natural and landscape heritage. It is proposed to formulate the Integral Project of Sustainable Development <i>La Cocha</i> , as well as design planning instruments for the city to adapt to climate change, and implementation of adaptation actions and risk management.	2,900	36,400
An organized, efficient and inclusive city	Devise the municipality under the compact and polycentric city model, intelligent land use of the territory and construction of a better habitat for all, so that all the citizens can move, access to equipment and infrastructure, and have a quality public space that keeps the ecosystemic balance of the territory from the Pasto River as an organizing core.	20,290	890,000
Culture, tradition and competitiveness	Recognizes the identity and traditions as fundamental elements in the conception of the city, seeking to stand out and cement the development in the connection of these elements with the educational process, productive activities and, in general, human development. Furthermore, it seeks to consolidate the city competitiveness from the municipality agricultural development and the process to form clusters like the health cluster.	20,400	735,500

The citizen government	To strengthen the public administration, making it transparent and efficient, in order to ensure the viability of the city in the context of collective construction. It also proposes actions to develop an interested and active society in the political environment and public decision-making that supports and legitimizes the transformation process.	1,100	59,410
<i>Subtotal</i>		44,690	1,721,310
Total		1,766,000	

As a result of the identification exercise for priority projects, the Action Plan quantifies the required investment for the next ten years, which were valued in COP 1.76 trillion. The projects and/or studies carried out in the city during the 2015 were:

Table 47 – Investment in Projects and/or Studies Implemented in 2015

Figures in Millions of Pesos

Activities	Description	Investment	Source
Environmental studies	Conducted by IDOM between July 2014 and January 2015. Total cost of COP 650 million. Findeter: COP 450 million; the city: COP 200 million.	665	Findeter-Municipality
Recovery of the public space, traditional downtown	Strategy to recover physically, economically and socially the public space of the historic downtown of the city of Pasto and a pilot project. Cost of the first phase: COP 217 million (financed by the IDB and developed by Gehl Architects). September 2014 to February 2015.	217	IDB
Urban strategy for the Parque Fluvial Río Pasto (Pasto River Fluvial Park)	Urban and conceptual proposal to make hidden areas of the Pasto River visible. It is intended to give guidance on the image and the urban, landscape and environmental management of this area of the city. Total cost of COP 19 million (financed by the IDB	19	IDB

	and made by the Vienna University of Technology). September 2014 to January 2015.		
Studies and technical designs for the Parque Fluvial Río Pasto	Technical designs for continuing the mobility system between the Av. Santander y Carrera 27, that involves the expansion of a section of the Av. Santander and the design of walkways and bicycle routes in order to achieve the unification of the different modalities of transportation with the Pasto River. Total cost of COP 600 million, of which COP 450 million (USD 236,842) will be financed by the IDB and COP 150 million (USD 78,947) by the city. The first call was declared void and is in the process of reopening.	600	IDB (InfraFund)
WWTP feasibility study	Choose better technology, design basic engineering and develop contract conditions and technical specifications to construct the WWTP of the municipality. Total cost of COP 95 million financed by the IDB. August 2014 to January 2015.	95	IDB
Educational Platform of Integral and Unified Management (PEGUI)	Implement an educational platform like LMS (Learning Management System) in order to strengthen local capacities through the design and implementation of workshops on the platform use. They are aimed at students of the 9th, 10th and 11th grades. Also, a training through diploma courses of 120 hours in length, aimed at teachers under the	2,800	MINTIC

development model of TIC-ETIC@ competencies of Computadores para Educar from the Ministry of National Education. Cost of this platform: COP 2,800 million financed through the agreement between MINTIC, Findeter and the municipality.	
Total	4,396

- Valledupar:

The Action Plan Valledupar 2030: *From the Sierra to the valley, vallenato identity with a vision for the future* has been constituted in three main strategic cores of action that will lead the city to be more competitive and sustainable. Although in December a first version of the document was delivered, with the completion of the environmental studies in February, 2016, it is expected to have a final version of the Action Plan in April. The cores are:

Table 48 – Valledupar – Approximate Cost of the Action Plan

Figures in Millions of Pesos

Central Themes of the Action Plan	Description	Pre-investment	Investment
Our environment, a collective right	It will connect the city through friendly and sustainable corridors, taking advantage of the trees and the sound of the city fauna, creating a network of public spaces that covers the whole city. Being a cultural and peace territory is not easy and is what Valledupar has to face. However, its advantage lies in the multiple opportunities that it possesses – both intrinsically and extrinsically – and that it has to use.	16,294	1,525,664
Resilient and intelligent territory	It aims at environmental preservation, modern government and governance. Through education and civic culture, society must be empowered and aware that rather than rights it has citizen's obligations that include not only the pay of obligations and taxes but the care and valuation of goods offered by the city for enjoyment of all.	2,687	422,896
Cohesive and competitive citizenship	It will lead the city to the highest level of recognition as it knows how to integrate its qualities and potentialities, materializing them in the territory, in its public space and its people. The social capital (its people), must be part and parcel during all the process. Thus, several projects are intended to improve education, poverty and employment issues. A competitive and sustainable city cannot set aside its society, especially its most vulnerable people. It	12,390	767,005

must be inclusive and cohesive. An important aspect of this main theme is the understanding of culture and multiethnicity as key elements that potentiate and allow the society of Valledupar to be cohesive.			
<i>Subtotal</i>		31,371	2,715,565
Total		2,746,936	

In accordance with the foregoing, strategic projects such as the Strengthening of the Culture and Vallenato Music Cluster, and the making of Expofolclor, seek to elevate and take advantage of the great potential that the city has in the cultural field with the vallenato music, newly appointed Intangible Cultural Heritage of Humanity.

In the field of competitiveness, the Agro-industrial and Regional Logistics Platform as well as an Intermodal passengers Plan will be high-impact projects to position Valledupar as a large regional center taking advantage of its strategic geographic location. Finally yet importantly, it is intended to make the vallenato society a cohesive and fair society, where everybody has access to the social services offered by the city.

As can be seen in the table above, implementing this Action Plan would have a total cost of approximately COP 2.74 trillion, consisting in COP 31,371 million by concept of technical studies, feasibility, economic and other; and COP 2.71 trillion equivalent to the works of infrastructure, equipment and other necessary for the various planned projects.

Set out below, there is a brief summary of the projects and/or studies carried out in the city during 2015.

Table 49 – Investment in Projects and/or Studies Implemented in 2015

Figures in Millions of Pesos

Activities	Description	Investment	Source
Design of the Ecoparque Lineal Río Guatapuri (Linear Eco-park Guatapuri River)	Design of a routing sheet to the sustainable development of a linear eco-park along the Guatapuri River basin that integrates and provides a coherent framework to the planning made from different sectors of the city. The eco-park will serve as a core for transforming the city in social, economic and environmental issues, among others. This project will be completely financed by the city of Valledupar.	192	Municipality
Educational Platform of Integral and Unified Management (PEGUI)	Seeks to implement an educational platform like LMS (Learning Management System) in order to strengthen local capacities through the design and implementation of workshops on the platform use. They are aimed at students of the 9th, 10th and 11th grades. Also, a training through diploma courses of 120 hours in length, aimed at teachers under the development model of TIC-ETIC@ competencies of Computadores para Educar from the Ministry of National Education. This platform will be financed through an agreement between Findeter, MINTIC and the municipality.	2,500	Agreement between the municipality, MINTIC and Findeter

Real Madrid Foundation's Socio-Sporting School	Seeks to join efforts to serve children, adolescents and young people of the municipality by training in principles within the Real Madrid Foundation's Socio-Sporting Schools and thus increase the indicators of well-being, growth and integration in social life in order to improve coexistence as a tool for school protection. This project will be financed by the municipality, Findeter and Indupal.	230	Revel-Findeter-Indupal Foundation
Environmental studies (climate change, urban footprint, GEG)	Consulting to perform environmental studies. They include analysis of the historical and current footprint, as well as future scenarios, natural hazard analysis and vulnerability to climate change and greenhouse gases of Valledupar. The cost of these studies will be financed by the city and Findeter.	650	Findeter, AFD, Municipality
Office 365 for education – Microsoft		8	Microsoft
Total		3,580	

- **Quibdo**

The methodology implementation of the Emblematic Cities Program in Quibdo allowed the identification of the major challenges facing the municipality in: 1. Public utilities; 2. Solid waste management; 3. Climate Change Adaptation; 4. Land Use; 5. Urban infrastructure; 6. Economy Competitiveness; among others. To address these issues, the municipality planning must be aimed at:

- Strengthening its capacity as a river and intermodal port.
- Consolidate its economy of ecotourism services taking advantage of its bio-geographical and cultural potential.
- Assemble the multicultural nature of the region, generating their own space for the meeting and the multiracial coexistence.
- Develop the infrastructure of public utilities to mitigate the impacts on ecosystems and also to increase the quality of life of the people from Quibdo.
- Implement controls on the irrational use of natural resources, to mitigate the existing environmental threats.
- Strengthen their institutions, with the purpose of acquiring governance in their territory and to increase their financial capacities.

The total investment of the plan is estimated at a value of COP 1.4 trillion. Investment detail is shown below:

Table 50 – Quibdo - Approximate Cost of the Action Plan

<i>Figures in Millions of Pesos</i>		
Priority issues	Pre-investment	Investment
Public utilities	12,902	22,590

Solid waste management	2,397	127,800
Adaptation to climate change	510	10,380
Land use planning	530	210
Urban infrastructure	46,687	978,100
Competitiveness of the economy	350	13,000
Connectivity	110	2,370
Education	1,060	4,000
Health	790	67,614
Creative and cultural industries	800	7,530
Governance	1,570	71,360
Fiscal	1,400	1,300
<i>Subtotal</i>	<i>69,106</i>	<i>1,306,254</i>
Total	1,375,360	

Regarding to the projects developed by Findeter in the Quibdo municipality in 2015, the support was continued, same as it has been for the last two years, to the School of the Symphonic Orchestra of Quibdo. On December 1, 2015, the agreement with the Foundation Baton was renewed for 8 more months, worth COP 70 million destined for the operation of the orchestra.

- **Magangue**

In the framework of the cooperation agreement between Findeter and the municipality of Magangue, in December, 2015, the municipality Action Plan was delivered. The methodology implementation of the Emblematic Cities Program in the city of Magangue allowed to identify the following challenges facing the municipality: 1. Water and Sanitation; 2. Solid waste management; 3. Climate change; 4. Vulnerability to natural disasters; 5. Air quality; 6. Land Use; among others.

The actions proposed in the Action Plan are seeking comprehensive and lasting improvements in the road toward the urban, environmental, socio-economic, and fiscal sustainability in Magangue, so that the city strengthens its capacity to offer the residents a better quality of life. After the execution of the actions proposed, it is expected that in the medium and long term the municipality gets:

- To articulate and to position on a regional scale.

- Develop models of competitiveness and regional connectivity through the strengthening of its capacity as a river and intermodal port.
- Consolidate its agriculture and livestock economy taking advantage of its bio-geographical and cultural potential.
- Promote the relevant education in biodiversity as the main axis of sustainable development to build citizenship, focusing on the training addressed to the different productive chains in the search of an inclusive vocation.
- Develop an analysis of classification and possession of the ground to identify a logic in the order of the territory and its uses in relation to the water, aspect that has structured the model of occupation.
- Promote the transformation of infrastructure: a) of public utilities for its adequate service and accessibility, b) of public space and mobility, c) of accessibility; augmenting the quality of life of the people from Magangue, and mitigating the impacts on the ecosystems to ensure the sustainable use of water.
- Strengthen the institutional capacity of the local government and promote coordination between non-governmental organizations and the official institution by establishing public-private partnerships - PPP to protect the governance on the territory and to increase their financial capacities.

The total investment of the plan is an approximate value of COP 646,000 million, below the detail of the investments:

Table 51 - Magangue - Approximate Cost of the Action Plan

Figures in Millions of Pesos

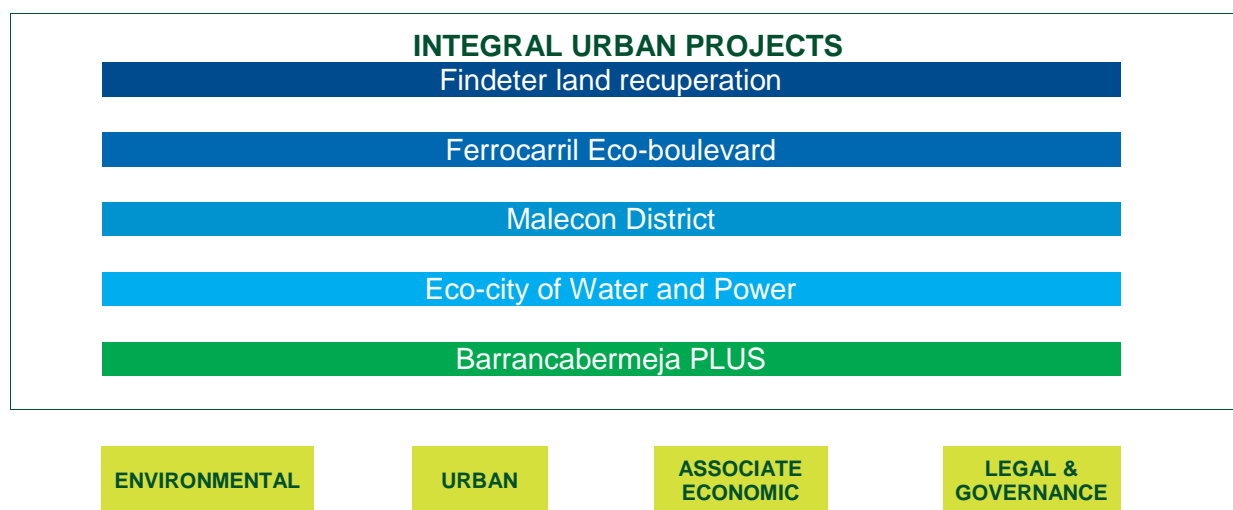
Priority issues	Pre-investment	Investment
Water and sanitation	4,600	25,400
Solid waste management	400	100
Adaptation to climate change	-	3,100
Vulnerability	1,500	87,345
Air quality	-	120
Land use planning	1,200	140
Urban infrastructure	1,350	243,700
Mobility	13,810	219,610
Competitiveness of the economy	1,500	11,350
Education	2,200	20,500
Health	5,300	800
Creative and cultural industries	410	1,350

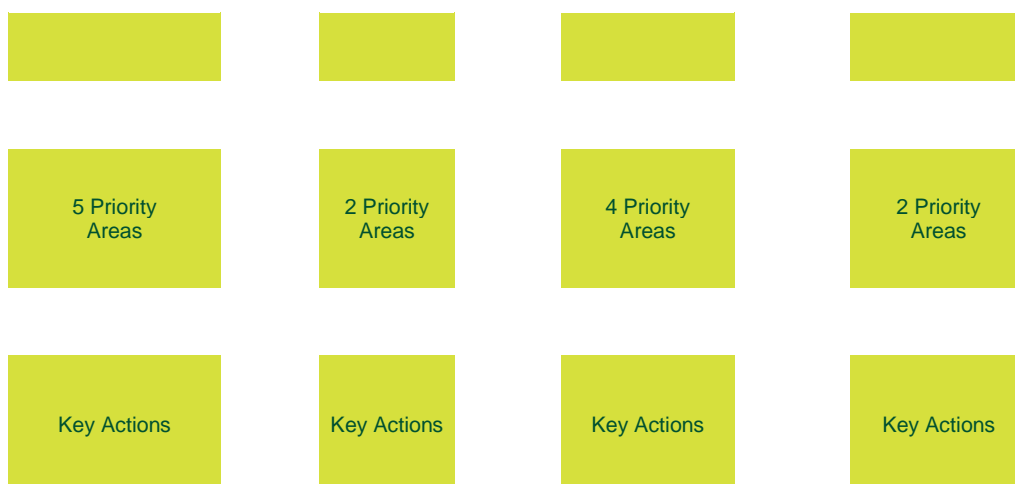
Governance	-	100
Fiscal	-	400
<i>Subtotal</i>	<i>32,270</i>	<i>614,015</i>
Total	646,285	

- **Barrancabermeja**

In the framework of the cooperation agreement between Findeter and the municipality of Barrancabermeja, in December, 2015, the Action Plan of the municipality was delivered. The implementation of the Emblematic Cities Program in the city of Barrancabermeja, along with the articulation of the initiative of the Diamante Caribe y Santanderes, allowed the consolidation of an Action Plan that identifies five comprehensive urban projects in the municipality. These grouped actions of all the dimensions in an articulate way in specific areas in the city. Complementary to these comprehensive urban projects, key actions are developed. These respond to the different challenges and opportunities identified in 14 priority areas, among them are: 1. Sanitation and Drainage; 2. Solid Waste Management; 3. Air quality; 4. Climate Change Mitigation; 5. Vulnerability to natural disasters in the context of climate change; 6. Land Use; among others.

Table 52 - Structure Action Plan Barrancabermeja





The actions proposed in this Action Plan seek comprehensive and lasting improvements in the road towards urban, environmental, socio-economic and fiscal sustainability in Barrancabermeja. Thus, the city will be able to offer its inhabitants a better quality of life. After the execution of the actions proposed, it is expected that in the medium and long term the municipality gets:

- To promote a fiscally sustainable city, whose responsibility and discipline in the management of its resources will allow to take a qualitative leap in their development.
- To develop a model of urban development that promotes the rational use of soil, protecting the water system and the natural resources of the municipality.
- To implement comprehensive urban projects seeking the articulation the fragmented town, close the gap of inequality, and improve the quality of life of all Barrancabermeja's inhabitants.
- To consolidate the municipality as a strategic node of connection between the Caribbean and the center of the country, through the most important intermodal river port of Colombia.
- To develop models of competitiveness seeking the diversity of the local economy.

The total investment of the plan is estimated at a value of COP 1.7 trillion, below the detail of the investments:

Table 53 - Barrancabermeja - Approximate Cost of the Action Plan

Figures in Millions of Pesos

Priority issues	Pre-investment	Investment
Malecon District	1,070	163,000
Barrancabermeja Plus	9,000	110,000
Ferrocarril Eco-boulevard	4,500	60

Eco-city of Water and Power	23,700	446,800
Wetland recuperation	3,600	6,600
Sanitation and Drainage		247,000
Solid waste management	130	200
Adaptation to climate change		1,000
Vulnerability	570	87,350
Air quality		2,500
Land use planning	800	
Urban infrastructure	700	20,000
Mobility	36,270	511,900
Competitiveness of the economy	800	5,800
Education	500	7,700
Health	2,000	17,500
Citizen security and coexistence	3,300	5,700
Creative and cultural industries	485	4,600
Governance		1,500
Fiscal		
<i>Subtotal</i>	<i>87,425</i>	<i>1,639,210</i>
Total	1,726,635	

- **Tumaco**

In the framework of the cooperation agreement, signed between Findeter and the municipality, the Action Plan was validated on May 2015. The plan expects to be handed over to the new government management during the first quarter of 2016. The implementation of the methodology of the Emblematic Cities Program made possible the identification of the relevant actions made in the city of Tumaco to improve the living conditions of its inhabitants.

The total investment of the plan is estimated at a value of COP 930,910 million, below the detail of the investments:

Table 54 - Tumaco - Approximate Cost of the Action Plan

Figures in Millions of Pesos

Dimension	Priority issues	Pre-investment	Investment
Environmental	Water Supply	1,000	46,730
	Sewerage	2,000	204,000
	Solid waste	2,350	5,420
	Power	0	23,000
	Vulnerability	500	22,480
Urban	Land use plan	1,000	640
	Urban Infrastructure:	32,798	455,312
Economic and social	Education	430	79,410
	Health	1,250	11,700
	Connectivity	1,060	4,000
	Competitiveness	2,050	17,580
	Citizen Security	0	4,300
	Creative and Cultural Industries	1,400	10,200
Legal & Governance	Legal & Governance	0	300
<i>Subtotal</i>		<i>45,838</i>	<i>885,072</i>
Total		930,910	

In 2016 the aim is to establish communication with the new administration to define a joint schedule to validate the information of the first version of the diagnostic as well as the dates for the other phases of the methodology, and to accompany the key decisions to frame within the Development Plan.

Certain projects that are in the Action Plan are derived from a joint effort to identify the opportunities given by "We Are All PaZcífico". This is why this strategic actor will continue to be an important part in the development of activities.

- **Buenaventura**

During 2015, the framework agreement between Findeter and the District of Buenaventura was continued. In February, the Diagnostic Document was consolidated. At the beginning of July was the validation and final socialization of the

Action Plan in front of the local Government, Chamber of Commerce of Buenaventura, Comité Intergremial de Buenaventura, and key actors.

In October, the results of Master Plan of Buenaventura were socialized in Cali in the framework of the "National Policy Intelligent territories" Forum.

During November 20 and December 11, the workshops to prepare the institutional model for Buenaventura were carried out. In these, Findeter submitted the proposal set out in the Master Plan 2015: "The Buenaventura that we deserve ", proposal received by all actors. The event was of closed nature with private sector actors, Comité Intergremial de Buenaventura, Findeter and the National Government/ We Are All Pacific.

In 2016, the aim is to establish communication with the new administration to define a joint schedule to validate the information of the first version of the diagnostic (which has March as a deadline - totally reviewed by the municipality and actors) as well as the dates for the other phases of the methodology, and to accompany the key decisions to frame within the Development Plan.

However, Findeter, within its program "Emblematic Cities", structured a shock plan in different sectors to manage technical studies through an inter-agency support, and promoted the "Plan for the potable water sector in the district of Buenaventura", in a way that would allow to identify and propose solutions to improve the provision of the water supply system in the short, medium and long term.

Within the studies and projects that were developed in 2015, are:

Table 55 - Buenaventura - Studies and Projects Developed in 2015

Figures in Millions of Pesos

Issues	Description	Investment
Tourism cluster and Master Plan 2050: The Buenaventura we deserve.	<p>Creation of the long-term vision (36 years), through the formulation of the "Master Plan 2050 - The Buenaventura we deserve". The cost of the study will be financed by Findeter for the strategic planning of land; Identification of projects based on the potential work assets, human, cultural, Eco-touristic and economic capacities, promoted through investments by the State, Findeter and APP credits; and ideas consensus that allow the Pacific Alliance to transform and project strategically. The plan is sustained by 5 fundamental pillars: 1) Social, Cultural and Sporting, 2) Economic promotion, 3) Infrastructure, 4) Competitiveness and regional integration and 5) Governance.</p> <p>The document contains: i) Data collection and studies made to date, ii) Characterization of the fishing and tourism sectors, iii) Identification of the strategic propositions for the development of hinterland in Buenaventura and iv) Formulation of proposition of touristic cluster articulated in the</p>	987

	<p>initiative of Promotion of Buenaventura Brand. Document handed in on November 2015 within the context of Ministers of Buenaventura</p>	
Integral Zone of Company and Social Development of Buenaventura (ZIDES)	<p>Inter-administrative agreement with the Ministry of Transportation and Colombian Presidential Agency (APC) to develop the studies of urban plan of ZIDES - CAEB. Findeter, designed as responsible entity of execution of resources, besides, contributed with COP 30 million in kind, and technical assistance through contracting and supervision of products.</p> <p>The scope of the proposition was the elaboration of the studies of Urban Design of the Logistic Zone in consideration with the current normative and the future scenarios that attract foreign and local investment, thus improving the competitiveness conditions. The study contracted by Findeter was socialized with the different interested people and actors.</p>	334
Preliminary study for water supply services and sanitations	Contract with the company IDGL S.A.S to do a preliminary study named "Legal Analysis of Possible Measures to guarantee the Services of Water Supply and Sewerage on the Districts of Buenaventura"	70
Update of studies and designs of Tank Venecia II, modification of piping transmission 27" Escalarete-Km 15, interconnection.	Consulting to i) complement the diagnosis of the line of transmission in a 27" diameter from Escalarete to Cordoba and do studies and designs that lack for its proper functioning; ii) update and complete the designs of the line of transmission with 27" from Cordoba until kilometer 15; iii) to verify and update the designs of interconnection Cordoba-Venecia, for the treated water production from Escalarete to be transported until the storage facility in Venecia through a transmission line of Ø 20" or the diameter that results produced by the studies and vi) to update and adjust the design of the storage tank Venecia, Module 2 made by the company HMV.	295

Consulting institutional strengthening for the potable water y sanitation sector.	Consulting for: i) to analyze the current situation of the service of water supply and sewerage in Buenaventura, at the legal, technical-operative, financial and commercial level and to propose strategies and specific actions to improve the service; ii) To do a study of the company integral situation of the Water supply and sewerage Society of Buenaventura and to propose long-term sustainable outlines; iii) to study, analyze and submit different propositions and alternatives of institutional reorganization of the district aimed to consolidate optimal conditions of the service of water supply and sewerage, in accordance with the Act 142 of 1994; y, iv) to work alongside with authorities, district and national entities in the analysis, formulation and implementation of the required institutional adjustments.	560
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Table 56 - Buenaventura - Studies and Projects Developed in 2015

Figures in Millions of Pesos

Issues	Description	Investment
Optimization of Potable Water Treatment Plant Venecia - 1200 lps	It includes the construction of the previous treatment (coagulation, flocculation and sedimentation) for the currently treated caudal in the plant at Venecia, which functions at 1.2 m ² /s. The plant will pass from being a direct filtration plant, to a conventional treatment plant with all the basic processes. Once this phase is completed, the cuts associated with an 85% of cloudiness for this plant will be reduced. The consulting process is on execution.	7,864
Optimization plant for the treatment of Potable Water Escalarete - 500 lps and building of storage tank Venecia II - 3800 m ³	It includes: i) Works of the 1st phase of the treatment plan of potable water of Escalarete, with which the cuts associated with the increase of cloudiness on rainy season, guaranteeing the continuity of potable water production. ii) The program for the treated water storage: Implementation of new storage stages, located besides the tanks named Venecia. The Tank Venecia II of 3800 m ³ , will be contracted with the reformulation. Ongoing project	13,664

Modification of the connection of ø27" Escalarete to Cordoba and extension from Cordoba to km 15.	Execution of the following activities (among others): a. Modifications and extension pipeline of 27" of diameter in 32000 approximately. It includes supply and installation of pipes, accessories, valves, digging, filling and preliminary processes, pontoon building. b. Building of flyover 27" pipeline Rio Dagua. c. Construction of pipes interconnection 36" for existing conductions of 27" CCP, 20" HF and 16" HF. Ongoing project	8,500
Water supply and design of priority works master plan	According to the role that Findeter has been playing in the improvement of the water supply system of Buenaventura, some inter-institutional discussion group is created where the MVCT, Vallecaucana de aguas, Buenaventura District, Hidropacífico, Buenaventura Water Committee and Findeter are participants. Ongoing project	4,000
Total		36,274

- **Sabana Center**

The Sabana Sustainable Center initiative starts in 2012 as a joint effort between the University of La Sabana and Findeter, with the aim of generating a new instrument of technical assistance and planning for the regions in Colombia, especially those with metropolitan features where important processes of economic and demographic growth are seen. These have functional and dynamic relationships with their neighbor municipalities but a lack of foresight and of a consensual vision in their planning processes.

The implementation of the methodology of the Emblematic Cities Program in the 11 municipalities that make part of the Sabana Center province allowed the identification of the major challenges this region faces in: 1. Water; 2. Climate Change Mitigation; 3. Vulnerability to natural disasters; 4. Land Use; 5. Mobility and transport; 6. Competitiveness of the economy; 7. Education, among others. To address these issues, the planning of the municipality must be aimed at:

Table 56 Sabana Center – Approximate Cost of the Action Plan

Figures in Millions of Pesos

Priority issues	Description	Pre-investment	Investment
------------------------	--------------------	-----------------------	-------------------

<u>Land use Integral Management</u>	<i>The objective is to establish discussions of regional land use planning and efficiency along the following strategic lineament:</i>		
Planning for sustainability		150	2,500
- Calendar for environmental appropriation		350	1,000
- Calendar for integral Management of Water	<i>- Planning for sustainability - Calendar for environmental appropriation - Calendar for integral Management of Water</i>	204,400	122,450
<u>Competitiveness</u>	<i>It aims for the strengthening of the economic vocation of the province and transfer the represented benefits towards a wider ratio of people of Sabana Centro through the following five strategic lineament</i>		
A prepared province		72,750	759,336
A province for well-being	<i>- Infrastructure for competitiveness - Prepared Human Capital - Innovation and knowledge as values of Sabana Centro - New opportunities in competitiveness - Recreation, amusements and tourism services cluster for the City Region.</i>	2,010	182,550
<u>Management and access to information</u>	<i>It aims for the visibility of information produces from different national entities as supplies for the understanding of territorial dynamics and formulation of public policies along the following lineaments:</i>		
-Data collection		50	410
-Data management	<i>-Data collection -Data managing it aims for the visibility of</i>	-	120

	<p><i>information produces from different national entities as supplies for the understanding of territorial dynamics and formulation of public policies along the following lineaments:</i></p> <p><i>-Data collection</i> <i>-Data managing</i></p>		
<p><u><i>Regional integration and fiscal efficiency</i></u></p> <p><i>-Joined calendar of the province</i> <i>-To generate resources from municipalities for the province</i></p> <p><i>-Efficient spending of public expenditure.</i></p>	<p><i>It proposes strategies to consolidate the comparative advantages through a layout of municipal association along the following lineaments:</i></p> <p><i>-Joined calendar of the province</i> <i>-To generate resources from municipalities for the province</i> <i>-To collect more and better</i> <i>-Strengthening of institutional capacity</i></p>	<p>-</p> <p>16,325</p> <p>225</p>	<p>-</p> <p>38,675</p> <p>6,600</p>
	<i>Subtotal</i>	296,260	1,113,641
	Total	1,409,901	

The total investment of the plan is estimated to be worth COP 1.4 trillion.

- **Galapa**

Galapa is currently a municipality of strategic importance for the sustainable development of the Metropolitan Area of Barranquilla, the Department of Atlántico and the Caribbean Region. Given its strategic geographical location in the region, and the high connectivity with cities and municipalities with high growth and projection, Galapa has been positioning itself as an attractive city for companies that carry out logistic and industrial activities. This is why the application of the Emblematic Cities Program methodology in Galapa agreed to develop the Action Plan on the basis of priority topics, such as: 1. Climate change; 2. Public utilities; 3. Land Use; 4. Urban infrastructure; 5. Education, 6. Connectivity, 7. Competitiveness, 8. Fiscal. To address these issues, the planning of the municipality must be aimed at:

- Reducing the vulnerability to the effects of the climate change
- Increasing the supply and quality of public space
- Improving the quality of transport and mobility, consolidate the industrial and logistics vocation of the municipality,

- Institutional Strengthening of the administration in the area of taxation and public management
- Developing technical and professional competencies that respond to the needs of the economic sectors that are being installed in the municipality.

The total investment of the plan is estimated to be worth COP 128,830 million. Below the detail of the investments:

Table 57 - Galapa - Approximate Cost of the Action Plan

Figures in Millions of Pesos

Dimensions of Action Plan	Priority issues	Pre-investment	Investment
Environmental Dimension	Public utilities	0	14,700
	Climate Change Adaptation	0	12,000
Environmental Dimension	Land use plan	220	0
	Urban Infrastructure	9,800	73,800
Economic and social dimension	Economy competitiveness	860	2,000
	Connectivity	160	2,000
	Education	190	12,000
Legal & Governance Dimension	Fiscal	0	1,100
<i>Subtotal</i>		<i>11,230</i>	<i>117,600</i>
Total		128,830	

Regarding to the projects developed in the city we have:

- **Master Plan for Mobility and Public Space:** In the framework of the Emblematic Cities Program and Action Plan of Galapa, the will of the Mayor of the city emerged to develop in cooperation with the French Agency, the Master Plan on Mobility and Public Space. The study was initiated on May 26, 2015 through the contract 14 of 2015, with a duration of seven months until December 26 and a cost of COP 450 million. The contract that seeks to integrate the components of the urban mobility and public space in a management document is in its final phase of Formulation and Structuring of actions. This is going to be achieved through three strategic lines: (i) Goals for the competitiveness, (ii) Goals for the city (physical and environmental space), and iii) Goals for the Institutional Strengthening.

- **San Gil**

The framework agreement was continued in 2015. This was signed between Findeter and the municipality of San Gil, taking into account that at the end of the year 2014 the Action Plan was validated with the local administration which brought with it certain areas that were a priority to develop, such as air quality, climate change mitigation, water, urban infrastructure, competitiveness of the economy, connectivity, health, and governance and fiscal. In January 2015 was made the final delivery of the Action Plan document in the municipality. In 2016 the aim is to establish communication with the new administration to define a joint schedule to validate the information of the first version of the diagnostic as well as the dates for the other phases of the methodology, and to accompany the key decisions to frame within the Development Plan. The value of estimated investment for execution: COP 246,610 million.

In the framework of the Emblematic Cities Program and Action Plan of San Gil, the will of the Mayor of the city emerged to develop the Master Plan on Mobility and Public Space. The study was socialized in the city in January, 2015, showing the different transport and mobility programs ranging from the sustainable and non-motorized modes to the motorized modes and contributing to the competitiveness of the city. From September 2015 the city began with the implementation of the following strategies: signaling, changes in the road directions, pedestrianization of Calle 12, changes in public transport routes, prohibition of parking in the road in the center area, implementation of the blue zone for public transport, restrictions to upload and download, implementation of the path of heavy traffic, and constitution of the Committee of Road Safety, among others, obtaining favorable results in the mobility of the municipality.

Completed Action Plans before 2015

Findeter, working side by side with the outgoing administrations, took stock of the progress that has been made since the drafting of the Action Plan that brings clarity to the incoming administrations in their interest of the mobilization contained in it.

- **Manizales**

Within the projects developed in Manizales during 2015, in the framework of the implementation of the Action Plan presented to the city are:

Table 58 - Pre Investment Resources – Manizales

(Figures in millions of pesos)

Sector	Project	Description	Amount
Socio-economic sustainability	Rafael Pombo Corporation	Findeter endorsed an agreement with the Manizales Chamber of Commerce, Confa and the Rafael Pombo Corporation to promote the cultural development of	32,469

		children and youngsters of Manizales. The convention included contributions in cash and in kind. By November 2015, the project is in liquidation process. In December 2015 the Convention between the Rafael Pombo Corporation and Findeter was signed.	
	Life Schools	Social Innovation project which aims for an integral education based on work on three cores: Art, permaculture and body. Findeter, associated with the Manizales Chamber of Commerce and city groups structured the project (Logic framework and detailed budget) The project is being socialized for the procurement of resources.	132,143
	Manizales Más	The convention between Manizales Más and Findeter was signed with the aim of strengthening the creation of the ecosystem of entrepreneurship.	156,250
	TOTAL		320,862

- **Pereira**

Within the projects developed in Pereira during 2015, in the framework of the implementation of the Action Plan presented to the city are:

Table 59 - Pre-Investment Resources - Pereira

Sector	Project	Description	Amount
Urban sustainability	Public Space and Mobility Master Plan	To identify and to analyze the public spaces that the city has and create a development strategy that prioritizes projects in favor of the identification and exploration of opportunities and propositions that reduce the satisfaction gap of basic needs of the Municipality of Pereira. Project developed by ATKINS from June 2014 and it is expected to be ready by March 2016. Total cost of USD 184,211:	184,211

	Prosperity Fund (USD 100,000) and the city of Pereira (USD 84,211).	
	Total	184,211

- **Barranquilla**

Within the projects developed in Barranquilla during 2015, in the framework of the implementation of the Action Plan presented to the city are:

Table 60 - Pre-Investment Resources - Barranquilla

(Figures in USD)

Sector	Project	Description	Amount
Urban sustainability	Public Space and Mobility Master Plan (Prosperity Fund)	It aims to identify the current public space condition, and to establish a framework that permits for an organized and coherent urban development for the whole city. This,, in order to contribute to the decrease of the quantitative and qualitative deficit of public space on the urban zone of the District, through strategies, programs and institutional, normative, management and financial projects, aiming for the sustainability of the existing and proposed public space. Project developed by the company Arup from June 2014 and the final submission is expected for December 2015. The consultants submitted the final document, Public Space Master Plan, which included the conceptual design of La Ahuyama zone and the area around the Tomas Arrieta stadium. Total cost of USD 157,368, funded by the Prosperity Fund (USD 84,211) and the city of Barranquilla (USD 73,157).	157,368
Socio-economic sustainability	District Art School (SECO)	Its aim is to provide the cultural program with the "District Art School" with a functional, adequate and enough equipment as social integrator axis of the revitalization of the traditional center, to be linked up with the other emblematic and heritage architectonic structures from an architectonic set that is the object of a macro project of urban renovation. The Escuela Politécnica Federal de Zurich developed the studies and designs as well as an	1,200,000

	<p>exchange program of knowledge between Swiss and Colombian students. The project started in March 2014 with the identification of the land and, in July 2014, the ante-project was presented to the city, the Memorandum of Agreement between the Mayor's Office, Findeter, the Swiss Government and ETH Zurich was signed in December 2014. In May 2015, the architectural designs with sustainability and optimization, studies that show high levels of efficiency and financial savings. 93% less of energy consumption, 86% less water consumption, 93% less CO2 emissions. The next step is to finish the technical studies, architectural designs and purchase of the lands by the district administration. The project has an investment of USD 1,2 millions, put in by SECO (Swiss Ministry of Economy), in the framework of a cooperation made through (ESCI)</p>	
Routing Sheet of Central American Games	<p>Barranquilla was chosen as the Host City of the XXIII Central American and Caribbean Games 2018. The aim of the project is to create a routing sheet for the city to be a successful host during these games through a sustainable, integrated, optimal and equilibrated territory being able to efficiently support the execution of works and infrastructure necessary to hold the competitions. Also, it aims for the creation of spaces and urban services that tend to the socio-cultural, economic, environmental, and territorial existing dynamic, increasing the performance and integration on different fields. The consulting company is IDENCITY The projects started in November 2015 and has a cost of USD 120,350 (50% by Findeter and 50% by the District)</p>	120,350
Total		1,477,718

- Bucaramanga

Within the projects developed in Bucaramanga during 2015, in the framework of the implementation of the Action Plan presented to the city are:

Table 61 - Pre Investment Resources – Bucaramanga

(Figures in USD)

Sector	Project	Description	Amount (US\$)
Urban sustainability	Strategic plan for Parque Lineal Quebrada La Iglesia and surrounding areas (LAIF)	Its development is a territorial strategy to extend the green areas and public spaces to deal with the current deficit, prioritizing one that contributes to the articulation an alternative mobility system and to integrate Bucaramanga with the municipalities of the Metropolitan Area. For this, the SCC program identified: the necessity of having an instrument of support for the surrounding land use planning that make up the influence area of the park, alternatives for the articulation of this environmental axis with the urban and ecological structure, the mobility corridors associated to the integrated system of public transportation, financing instruments for environmental cleanliness, urban renovation processes and to guarantee the maintenance for their preservation in time. In September 2015, the consultant submitted the analysis and diagnosis of the influence zone of the park which offers a general outlook that allows the identification	210,526

		<p>of weaknesses and opportunities for Bucaramanga and Giron. Currently the consultant is on the definition stage for strategies and instruments of planning, management and financing to achieve environmental, urban, social and economic sustainability of the surrounding zones of the park. The project will be funded by the Metropolitan Area of Bucaramanga (AMB) (USD 52,632) and Findeter (USD 157,895 - LAIF cooperation resources)</p>	
Socio-economic sustainability	<p>Educational Platform of Unified and Intelligent Management - PEGUI</p>	<p>Pilot project formulated and developed between Findeter and ICT Fund of the Ministry of Information Technology and Communications - FONTIC and currently in progress. Its aim is to promote the use of ICT in the municipalities of the program of SCC. PEGUI is a technological solution for local problems and necessities regarding education that integrate technology, benefits from contents and high quality digital educational resources, promotes the use of ICT in education and develops a strategy of appropriation where the training of the teachers and spreading of knowledge are the central axis of the project. The secretariats of municipal education participate in the solution; they connect with the educative institutions and benefits students, teachers and parents of the official educational sector PEGUI Bucaramanga benefits</p>	992,587

	61,000 children and youngsters of official educative institutions; 2,983 teachers that gain certified competences thanks to the strategy of Computadores para Educar; it is executed in 106 seats of 43 educative institutions for 54 months with a software as a service; it trains 450 teachers in the use of the Educational Platform and 115 youngsters of normal schools and teachers ICT vocation through 60 specialized workshops. The city put in USD 100,000 of the total cost of the project.	
	TOTAL	1,203,113

Cities in the process of implementing the methodology

- **Cartagena**

In December 2015, it was possible to consolidate a preliminary version of the diagnosis, which requires validation by the new administration of the city.

Regarding to the ongoing projects, it is the related to the complementary *studies and designs of the Central Mayorista y Minorista of Cartagena de Indias*, whose execution started on October 1, 2015 with a duration of 5 months. This project aims to generate a change in the current state of the existing market place in the city, which has a disorganized main market structure and it's located in a geographical area of great fragility, which generates serious environmental and mobility problems, unhealthy conditions, occupation of public spaces, insecurity, and low economic productivity, among others. This is going to be changed into a big Central Market that concentrate in a planned manner the entire offer of the wholesale and retail market, articulated or complemented with sectoral markets. These studies have a value of COP 395,000,000, which are in charge of the Secretariat of infrastructure.

- **Santa Marta**

The entry of Santa Marta to the Competitive and Sustainable Cities initiative of the IDB and Findeter seeks to take advantage of the historic commemoration of the 500 years of its foundation to gather actors and institutions against the common objective of structural problems of the city, as well as to establish an inclusive vision that allows to define the strategies toward the conservation and exploitation of its attributes.

The signing of the Inter-administrative Convention of November 11, 2015, signed between the outgoing mayor of the city Carlos Eduardo Caicedo Omar and the president of Findeter, gave official start to the implementation of the methodology. However, taking advantage of the expression of interest made by the District under official document of September 24, the preparation of a pre-diagnostic document was started.

This document was delivered to the elected mayor Rafael Martinez with the purpose of taking advantage of the change of government to explain the relevance of the program. This was purposed as a review of the most relevant issues on the agenda of the district under the criteria of sustainability and competitiveness according to the methodology CSC.

To this end, the document consolidates a first bibliographic review that identifies the most relevant studies that different entities have made in relation to the important issues for the city. Among them was the study of the Universidad de los Andes to solve the problems in the provision of water, the studies in the framework of the revision of the Land Use Plan carried out by AECOM, UN-Habitat and Urban Geography, as well as the Santa Marta 500 years plan.

In parallel the construction of this document initiated the implementation of the study of Competitiveness and Local Economic Development made by the IdenCity firm, in which Findeter has played a role of facilitator in the information management for the study as well as manager in important stages of the methodology like the workshops that took place during the week of November 23 to 27, 2015. The resulting product from the research will be incorporated within the Action Plan of the city of Santa Marta and according to IDB (which hired the study) the outcome is expected to be delivered in February 2016.

In December 2015 the different dimensions continued in the construction of the diagnosis based on the information gathered in the bibliographic review, since it was not possible to obtain or validate the battery of indicators. For the first week of January, there is a meeting scheduled with the new delegate of the mayor of Santa Marta to organize an agenda that allows the compliance with the objectives of consolidating the diagnosis for February 2016 and the Action Plan to print in April 2016.

- [Villavicencio](#)

Villavicencio joined the Sustainable and Competitive Cities Program on December 15, 2014; during 2015 the phase of prioritization of the Sustainable and Competitive Cities Program was completed, leaving as a goal for the 2016 the next step which is the formulation of the Action Plan.

Similarly, on November 6 was signed the initiation act of the auditory Studies Basis of Urban Footprint, Vulnerability to Climate Change and Greenhouse Gas Inventory,

worth COP 640 million, which will be delivered in the month of July 2016, and include the analysis of the historical trace, current and future scenarios, analysis of natural hazards and vulnerability to climate change and greenhouse gases type in Villavicencio.

- **Corozal**

With the signing of the Inter-administrative Convention from June 24, 2015, the entrance of the municipality of Corozal to the Emblematic Cities Program was formalized, with the particularity that the municipality should make a contribution of COP 30 million to finance the implementation of the object of the convention. From this moment on the municipality sent a first version of indicators prior to the visit of Findeter to the municipality in September. In December 2015 it was possible to consolidate a preliminary version of the diagnosis.

In 2016 the aim is to establish communication with the new administration to define a joint schedule to validate the information of the first version of the diagnostic (which has March as a deadline) as well as the dates for the other phases of the methodology.

- **San Andres Island**

During 2015, there were different approaches with the Departmental Governor and in December 2015 it is socialized the Emblematic Cities Program before the new administration and it is hoped to achieve the signing of the Convention in the course of the first quarter of 2016.

In parallel, the Management of Sustainability performs the technical support to the "Program of Support to the Sustainable Development of the Archipelago of San Andres, Providencia, and Santa Catalina", corresponding to the IDB loan 3104/OC-CO for USD70 million.

- During 2015 was carried out the bidding process and hiring of consultancies for the component 1 Integral Urban Development with: (i) "Integral Improvement of Neighborhoods in San Andres and Providencia", and (ii) "Revitalization of the Urban Center, North End and San Luis (Sound Bay)".
- At the end of 2015, both audits have a diagnosis of the intervention areas and some preliminary designs.

- **Guapi**

In March 2015, Guapi enters the Emblematic Cities Program with the signing of the framework agreement and starts the phase of preparation with the lifting of the available information. The consolidation of the municipality diagnosis will begin in the first quarter of 2016.

- [Aracataca](#)

In October 2015, the process Aracataca in the framework of the program Emblematic Cities Program was resumed, stipulated in the framework agreement between the municipality and Findeter. In this regard, during the last months of the year face-to-face meetings were conducted with various actors (Fontur, Fedeplama, Fundepalma, Feonoco, ANI, Fundalectura team, New Ibero-American Journalism Foundation Direction).

In 2016 the aim is to establish communication with the new administration to define a joint schedule to validate the information of the first version of the diagnostic (which has February as a deadline - totally reviewed by the municipality and actors) as well as the dates for the other phases of the methodology, and to accompany the key decisions to frame within the Development Plan.

- [Santa Cruz de Lorica](#)

In June, 2015 the Framework Convention between Findeter and the municipality of Santa Cruz de Lorica was signed. In this regard, on 18 June 2015, the mayor delivered Findeter the first version of the matrix of indicators and basic information of the municipality, indicators that were revised and adjusted. Afterwards, in September, the first day of work was made between the technical team of Findeter and the Mayor which enabled the team to make and validate the current information of the Municipality.

In December 2015 it was possible to consolidate a preliminary version of the Diagnosis Document. In 2016 the aim is to establish communication with the new administration

- [Socorro](#)

In June 2015, the Inter-administrative Convention between the municipality of Socorro and Findeter with the aim of uniting technical efforts, administrative and financial resources between the parties for the identification of projects that promote the development of the municipality and in this way contribute to the decreasing of the inequality gap and to the satisfaction of basic needs of the citizens in the framework of the Emblematic Cities Program.

On this basis, Findeter's technical team developed the diagnostic phase of the methodology, which performs a first compilation of indicators and a visit to the

municipality during the month of December. The consolidation of the municipality diagnosis will begin in the first quarter of 2016.

4.2.2 Diamante Caribe y Santanderes Project



It is an initiative led by the Government of Colombia through Findeter, whose objective is the identification of strategic projects (physical or digital) in the territory formed by the departments of the Caribbean and the Santanderes, to improve the competitiveness of the region and the country.

This project covers the departments: Atlantic, Antioquia, Bolivar, Caldas, Cesar, Córdoba, Guajira, Magdalena, Norte de Santander, San Andres and Providencia, Santander and Sucre; and the cities of Barranquilla, Barrancabermeja, Bucaramanga, Cartagena, Cucuta, Monteria, Valledupar, Riohacha, San Andrés, Santa Marta, Sincelejo, Apartado, La Dorada, and Puerto Berrio.

These departments have a population of 13,571,572 i.e. 29.83% of the total population of the country. The cities of the program including its metropolitan areas and the municipalities connecting the Diamante benefit a population of 7,574,627, covering 16.1% of the national territory.

In the process of implementation of this program in 2015, stand out:

- Execution of more than 50% of the project, according to the timetable approved by the Fund for Science, Technology and Innovation - FCTel; of the General System of Royalties: with a total budget of COP 14,504 million, managed by Findeter, the executing agency.
- Implementation of the analysis of the territory by running the following studies: 1) Technical Diagnosis; 2) The Coast - detailed exploration of the coast, 3) The Digital Architecture of the Diamante; 4) Emerging Clusters in the cities of the Diamante; 5) Accessibility of the cities of the Diamante - Space Syntax; 6) Structure and Urban Image of the cities of the Diamante; 7) Analysis and Conclusions of the Participation Forums (one per city); 8) Challenges and keys for the future.
- Development of important alliances with universities and academic partners for the development of research in the region and strengthening of capacities.
- Successful implementation of the Convention with the IDEA for the incorporation to the DCS of Uraba Antioqueño.

- Study implementation of the Territorial Strategy of the Urban Logistics Platform and Services Aguachica-Gamarra AGPLUS.

4.2.3 CIUDAT - Center for Urban Interventions of Advanced Development to Transportation

This program seeks to boost the implementation of Development Aimed at Sustainable Transport initiative (DOTS) in Colombia through the technical and financial support of pilot projects in at least three cities in the country and the generation of public-policy recommendations to the national government based on case studies and demonstration of needs by means of supported pilot projects. The activities of CIUDAT are developed under the framework of the NAMA registered with the United Nations under the name of "TOD-NAMA Colombia" that has pre-approved cooperation resources of the NAMA Facility. The final object of the program is to develop a culture of urban planning so as to reduce the greenhouse gases through the reduction in the use of the particular vehicles and the increase in the use of non-motorized modes and the collective public transport.

5. MANAGEMENT PRACTICES

5.1 Corporate Governance

In the Code of Good Governance, the entity describes its values, policies, mechanisms and instruments, processes and best practices that directs, plays and manages its risks, under a control system that ensures its transparency, efficiency, effectiveness, and in particular, the reliability of the interest groups in the processes that surround the institutional management.

In the development of these guidelines and in accordance with the provisions of the External Circular letter 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 service and the established order through clear and precise rules to obtain a comprehensive control of the management.

In line with this commitment, the Annual General Meeting for March 2015, adopted the statutory reform in which the commitment of the Organization is included, its managers and employees to comply with all the recommendations made by Findeter

in that document, especially those issued by the Financial Superintendence of Colombia, related to the practices adopted in our Code of Good Governance.

5.1.1 Shareholders

Shareholders	Percentage %
Nation	92.5477
Departments	7.2036
IFINORTE (Instituto Financiero para el Desarrollo de Norte de Santander)	0.2487

In accordance with article 6 of Decree-Law 4167 of 2011, the legal regime of Financiera de Desarrollo Territorial S.A. Findeter is of private law. In any case, this will submit to the regime of the mixed economy companies not assimilated to that of the industrial and commercial enterprises of the State, regardless of the involvement of public capital in its equity.

5.1.2 Committee of Support to Corporate Governance

The Committee of the Presidency of Findeter got an update through Circular No. 18 of December 16, 2015. This included functions directly related to the Corporate Governance.

This Committee comprises the High Management of the financial and acts as a consultant, coach and controller of policies, general objectives and actions of the Organization toward the future.

Said Committee is composed of the following members:

- The President
- Secretary General
- Vice President of Finance
- Risk and Credit Vice-President
- Vice President of Operations
- Vice Commercial Officer
- Technical Vice President
- Planning Manager
- Sustainability Manager
- Structuring of Projects Manager
- Communications Director
- The Presidency Advisers

The functions of the Committee related to the Corporate Governance are the following:

- Monitor the compliance of Corporate Governance rules, reviewing periodically its recommendations and principles.

- To inform the Annual General Meeting and/or the Board of Directors, on specific aspects of the work done by the Committee, when required by those bodies.
- To inform the Annual General Meeting on its proceedings, and address the issues the shareholders raise on matters within its competence.
- The Committee of the Presidency should report to the Board of Directors on their own initiative or when the President requests so. The report should be about the cases of members that may adversely affect the operation of the Board or pose a reputational risk to the entity, because of their link to existing judicial processes or when they are prosecuted in any of the cases of incompatibility, inability, or legal prohibition.
- Ensure compliance with the requirements to be met by the members of the Senior Management.
- To support the Board in its proposed functions and the supervision of Corporate Governance measurements adopted by the Entity.
- Ensure that the practices of the Corporate Governance of the company, the conduct and entrepreneurial and administrative behavior comply with what is laid down in the Code of Corporate Governance and other internal legislation and regulations.
- Study the proposals to reform the Statutes and the Code of Corporate Governance that are related to the good government of the society and submit modifications, upgrades, and derogating from the provisions related to the Corporate Governance.
- Respond within ten (10) following calendar days the submission of the claims of the shareholders and investors who consider that the company does not apply the Corporate Governance policies adopted.
- Review the Annual Corporate Governance Report presented by the President to the Board of Directors, so as to reflect the implementation of the Corporate Governance policies adopted by the Entity, as well as the changes implemented at the end of the year.

5.1.3 Strategic Guidelines

The Board of Directors at its meeting of December 15, 2015 approved the updating of the Code of Good Governance of Findeter, in response to the different guidelines, suggestions and recommendations given in the field of good corporate practices by the Financial Superintendence.

Additionally, at that meeting the Board approved the Strategic Plan 2015 - 2025, which defined the institutional mission, understood as our course or the reason of being of our company, in the following sense:

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

Thus, the image that Findeter wants to have in the long term was analyzed. In addition, how the company expects its future to be. In this regard, the vision was concluded in the following way:

Vision: To be the leading development banking that transforms the regions in sustainable territories

Then, it was identified the need for a differentiator that would allow us to have a commitment to the market and our customer, and make us stand out from the competition. That promise is the following:

Promise of value: Comprehensive and sustainable solutions for the development of their projects.

The institutional values were reviewed and the continuity of the four (4) in force was considered valid; however, the decision was taken to include two new values: teamwork and innovation. In this way, the **Values** for this Strategic Plan are:

- Vocation of Service
- Respect
- Integrity

- Commitment
- Team Work
- Innovation

These aspects of the Strategic Plan were equally incorporated into the Code of Good Governance of Findeter.

On the other hand, as a good practice of Corporate Governance educational campaigns were conducted continuously through the Intranet prisma app, email "*FINDEHOME*", and the digital portfolios, mechanisms through which intends to internalize throughout the organization, ethical principles and corporate values.

5.1.4 Annual General Meeting

The Annual General Meeting at its meeting of March 20, 2015, approved the amendment of the article 55 of the Articles of Association of the Entity, entered in the deed No. 767 of April 10, 2015 of the 23rd notary of Bogota. This had as its object the commitment of the Organization, its managers and employees, to comply with all the recommendations made to Findeter, especially those issued by the Financial Superintendence of Colombia, related to the practices adopted in our Code of Good Governance. The Annual General Meeting at its meeting of March 20, 2015, approved the amendment of the article 55 of the Articles of Association of the Entity, entered in the deed No. 767 of April 10, 2015 of the 23rd notary of Bogota. This had as its object the commitment of the Organization, its managers and employees, to comply with all the recommendations made to Findeter, especially those issued by the Financial Superintendence of Colombia, related to the practices adopted in our Code of Good Governance. The above in accordance with the guidelines issued by the Financial Superintendence of Colombia through External Circular letter No. 028 of September 30, 2014, through which the Control Body made a presentation of the New Country Code. The above in accordance with the guidelines issued by the Financial Superintendence of Colombia through External Circular letter No. 028 of September 30, 2014, through which the Control Body made a presentation of the New Country Code.

5.1.5 Meetings

Twelve (12) regular sessions of the Board of Directors were made. The decisions taken are reflected in the respective acts that are in the custody of the General Secretariat of Findeter.

5.1.6 Corporate Governance Activities

- Completion of the Código País survey 2014.

- In accordance with the provisions of the Financial Superintendence of Colombia, Findeter has published on its website the Código País Survey from 2008.
- The Board of Directors meeting of June 2015 adopted, within the organizational structure of the entity, a person responsible for the contact with investors. This depends on the Financial Vice-presidency. Said contributor is responsible for the direct relationship with investors and interest groups, the realization of quarterly events of financial disclosure and the updating of the web page in English. To Findeter is of great importance to maintain a strong relationship with investors and create channels to facilitate a close and direct interaction between the entity and all its interest groups.
- Taking advantage of the new technologies of the information, the Findeter has made two (2) events directed to investors of Findeter and market analysts. Investors from the United States, England, Peru, Chile and Colombia joined them. The first of them took place on June 11 2015 and the second was held on 14 October.
- Findeter created in its web page a section named Relationship with Investors. This section incorporates the most relevant corporate and financial information of the entity, where the quarterly financial statements from Findeter (Balance Sheet, Income Statement, Cash Flow, and Statement of Changes in Equity) are being published.
- In addition, the web page included a link named direct contact, which allows the agile and fluid interaction with investors. This has enabled Findeter to serve in a timely manner the concerns about the functioning and performance of the Entity.
- In September 2015, the Stock Exchange of Colombia granted Findeter the recognition "Emisor Investor Relations IR" thanks to its best practices in the disclosure of information to the market and the relationship with its investors. In this way, Findeter becomes the first financial Entity of public nature in receiving this recognition, and enters the list of more transparent entities in the market.

Family-Responsible Company- EFR

As an important policy of Human Management, the Entity is committed to the development of the skills, abilities, aptitude of its workers, and with the consolidation of the balance in life between, working, personal and family. To this purpose, it determines the guidelines and management practices of Human Talent, governed by the principles of justice, fairness, impartiality and transparency to make the processes of selection, induction, training, promotion, performance assessment, and continuous improvement of the EFR systems, and health, and safety at work. That will consolidate us as a family-responsible company.

Customer service channels towards customers, Investors, Stakeholders

Findeter uses as attention channels to the citizen, the national toll-free line 01-8000-116622, the web page of Findeter www.findeter.gov.co, the chat, the institutional email Findeter@findeter.gov.co, among others.

In social networks, you can follow us through our web page:



Findeter puts at the disposal of the shareholders and Stakeholders the financial information of the end of the exercise, a publication that has been carried out since 2011 in its web page <http://www.findeter.gov.co/documentos.php?id=111>

Another way to connect directly with the entity is in the possibility of accessing to the attention channel with the investor where information can be found on emissions, risk rating, relevant information, financial results and, the direct attention contact.

Accountability

On November 25, 2015, the entity carried out a Public Hearing with the purpose of responding publicly to the citizenship because of the missionary management carried out during the period from October 2014 to October 2015.

Said hearing was conducted under the modality of interview and dialog between the President of Findeter and its main management executives. Subsequently a video containing the economic and programmatic results achieved was presented, as well as the contributions to the development of the Regions, through the implementation of its products and services.

The President of Findeter mentioned the achievements in initiatives such as the Sustainable and Competitive Cities Program, Diamante Caribe y Santanderes of Colombia and Emblematic Cities. In the same way, the management team of the entity presented the main successful initiatives developed in each of the areas.

These results are published in the following link: <http://www.findeter.gov.co/documentos.php?id=18>

5.2 Social and Environmental Responsibility

5.2.1 Social and Environmental Responsibilities

Findeter continues with its permanent commitment with the policies of social and environmental sustainability, carrying out cross-cutting strategies and projects that contribute to the growth of the Entity and contributes to our stakeholders, in a consistent manner with the institutional mission and vision.

Findeter manages the best practices with the stakeholders. It reports annually to the Global Reporting Initiative – GRI its sustainability report, and It is part of the Colombian Network of Global Compact, where Findeter participates in the strategic communication on the financing of the Sustainable Development Objectives - ODS.

5.2.2 Environmental Management System – EMS

Findeter is aware of the environmental impact that generates its daily operation. Thus, through the certification of the quality environmental standard 14001:04, it manages the effectiveness of its environmental management system.

In the same way, Findeter promoted awareness campaigns on best environmental practices and trained the collaborators who entered the funding during 2015.

With the campaigns of the environmental education program developed in 2015, the alternatives for reducing the consumption of water, energy and paper, and of having good environmental practices were shown. These campaigns were developed primarily through activities such as the Cinema Forum and the first Environmental Fair, where they unveiled the main actions of Findeter toward the green business, social risk analysis, environmental and eco-efficiency.

Measurement of the carbon footprint and compensation of environmental impacts:

Findeter runs five environmental programs, with activities that are looking to minimize and mitigate the impacts of its operation. To do this, it elaborates annually the measurement and compensation of its carbon footprint.

In 2015, Findeter took an inventory of Greenhouse Gas Emissions - GHG from the 2014 administrative activities that are carried out at the Headquarters and at the regional headquarters of Barranquilla, Bucaramanga, Cali, Medellin, Neiva and Pereira.

The analysis of carbon footprint includes the activities of electric energy consumption in offices, refrigerant gas leaks, consumption of fossil fuels for the generation of electricity, consumption of fossil fuels in particular vehicles, and in subcontracted transportation, air transport for business trips of Findeter and the treatment and final disposal of solid waste.

Table 62 - Evolution of the Carbon Footprint in Findeter

Carbon Footprint 2010	Carbon Footprint 2011	Carbon Footprint 2012	Carbon Footprint 2013	Carbon Footprint 2014
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241.3	248.3	289.4	453.3	477.5
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The increase of the carbon footprint of 2013 and 2014 has an explanation in the count of new activities of the headquarters, as is the consumption of paper and transport emissions by commuters.

As compensation for the carbon footprint of 2014, in 2015 Findeter acquired 478 credits certified by Icontec of the Forestry Project Zero CO2.

Table 63 - Compensation of the Carbon Footprint in Findeter 2014

Carbon Footprint 2014	Obtained	Total Compensated 2014
477.5 T CO2e	478.0	Bonds

Integral management of waste:

The program seeks to provide knowledge and environmental awareness to the proper waste disposal use among the work stations. Basically, Findeter uses colored waste baskets to separate the type of waste produced in the offices among the country in order to encourage the proper disposal of waste.

Table 64 - Environmental Aspects and Impacts to be Controlled (Waste)

Aspect	Impact
Recoverable waste generation	Reduction of environmental impact
Recoverable waste generation	Overpressure of the sanitary landfill

In 2015, Findeter updated its waste management policy, made an inventory of the different wastes generated by the operation of the Bank, and separated in different storage spaces and managed. It obtained the different certifications of final disposal of waste generated by type and took advantage of those reusable and recyclable.

Table 65 - Monitor to the Performance 2015 Integrated Waste Management

Goal	Perform adequately the disposal of Entity waste
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Name of the indicator and formula	Total of recycled waste (kg)/sum of total waste (ordinary and recyclable) (kg) * 100.
Periodicity	Monthly
Unit	Percentage
Responsible for reports and analysis	Direction of Social and Environmental Responsibility
Information sources	Form of ordinary waste and records of collection

Efficient Use of Paper:

Findeter, in compliance with the Efficient Use of Paper National Strategy, seeks to reduce paper consumption through awareness campaigns. To do this, the Bank uses the app Equitrac, which reports the consumption per person, per unit, and its accumulated.

In 2015, the monthly consumption report was sent to the heads of the Entity in a report that allows comparing the behavior that each area has, knowing how many prints and copies are made in their dependence on copiers and printers. In this way, the directors can analyze and socialize with the work teams the peaks of consumption and the motivations for their increase or decrease.

Also in 2015, internal training programs were undertaken to strengthen the knowledge related to the proper separation of waste newspapers of the working places and the cafeteria.

Table 66 - Separation in the Source 2015

Particulate matter	Total of kilos
Paper, corrugated carton, glass, newspaper, plastic	3,786

Efficient Use of Water:

The program for the efficient use of water aims to manage the good environmental practices and promote the efficient use in the headquarters property of Findeter. The Findeter offices are connected to the respective sewerage system. Therefore, additional control or permission to dump is not required. The Financial activity of providing financial services does not generate different dumping to the domestic type. In 2015, awareness messages were broadcasted through the internal communication media.

Table 67 - Environmental Aspects and Impacts to be Controlled (Water)

ASPECT	IMPACT
Waste water generation	Water contamination
Water consumption	Depletion of natural resources
Water consumption for floor cleaning	Depletion of natural resources
Water consumption for cleaning and washing floors	Depletion of natural resources
Consumption for cafeteria	Depletion of natural resources
Water consumption for washing and disinfection of the water tank	Affectation to human health

The monitoring and reporting of program activities, and (ii) monitoring of the "follow-up to the efficient use of water per person for the Headquarters" indicator. Its goal for 2015 was 1.2 m3/person/bimester, with the following technical details:

Table 68 - Monitor to the Performance 2015 Efficient Use of Water

Goal	Maintain or reduce the water consumption per capita compared to the previous year of the Entity Indicator Goal 1.2 m3/person/bimester Tolerance +/- 20%
Name of the indicator and formula	Monitoring to the water efficiency = bimonthly water consumption/No. of officials.
Periodicity	Bimonthly
Unit	M3/person/bimester
Responsible for reports and analysis	Administrative Services
Information sources	Bimonthly bill of the EAAB main headquarters Human Management

It is noteworthy that the average consumption of water of Findeter is below the indicators of the sector, and that this indicator has remained constant since toilets were modified to have efficient systems of water consumption.

Efficient Use of Energy

The program for the efficient use of energy in Findeter seeks to reduce the Entity energy consumption of in and to promote a culture of savings among its collaborators. In 2015, awareness campaigns were carried out in the Bank's internal media, and with the support of the Managing of Human Management and the Direction of Communications.

Table 69 - Environmental Aspects and Impacts to be Controlled (Energy)

ASPECT	IMPACT
Energy consumption by computer	Depletion of natural resources
Energy consumption by use of the elevator	Depletion of natural resources
Energy consumption by use of the electric plant	Depletion of natural resources
Energy consumption by air conditioners and cooling equipment	Depletion of natural resources
Energy consumption by motion sensors	Depletion of natural resources

Table 70 - Monitor to the Performance 2015 Efficient Use of Energy

Goal	Maintain or reduce the consumption per capita of energy in the entity
Name of the indicator and formula	Monthly consumption of energy/number of officials of the main headquarters
Periodicity	Monthly
Unit	KWh/person
Responsible for reports and analysis	Administrative Services Leadership
Information sources	Monthly bill(s) of the main headquarters

In the other hand, Findeter participates in different spaces to promote non-conventional sources of energy and the energetic efficiency. Those are the Electric Energy Cluster of the Bogota Region, the Bureau of Energy of the Asobancaria Green Protocol and the Chamber of Energy of Andesco, entity with which, in cooperation with the Ministry of Mines and Energy and the Mining and Energy Planning Unit (UPME), the "Energy Efficiency Award" is awarded annually.

5.2.3 Social Management and Cooperation with Territories

Findeter manages socially responsible practices to generate awareness, shared responsibility, and positive impacts on our stakeholders, and act in a committed and transparent way in our areas of influence.

Social infrastructure as a tool for peace - Social and Sporting Schools in alliance with Real Madrid Foundation and Revel Foundation:

In 2015 and in alliance with the Real Madrid Foundation and the Revel Foundation, eight social and sporting schools were created with cooperation agreements with the municipalities of Galapa, Pasto, Valledupar and Villavicencio. Their objective is to provide training in values to boys and girls, making sports one of the tools to achieve this goal.

In the framework of the alliance between the Revel Foundation and Findeter, a total of 1,000 children from the four municipalities above mentioned are benefited (Valledupar, Pasto, Galapa and Villavicencio).

The purpose of the Social and Sporting Schools is to give children a complementary space to their basic education, where they are provided with a solid training in values, making the football the ideal bridge to train future agents of change.

The professional players carry their names on their shirts. In contrast, the kids from the Real Madrid Social Sporting schools are identified with values such as: 'Sportsmanship', 'Honesty', 'Chivalry', 'Loyalty', 'Fair Play', 'Solidarity' and 'Respect', among others.



Social and Sporting Schools

Educational Platform of Unified and Intelligent Management - PEGUI:

In an Agreement of Cooperation with the Fund for the promotion of ICT in the Ministry of Information Technologies - MINTIC, Findeter formulated and launched, in 2015, the Educational Platform of Unified and Intelligent Management - PEGUI, which is a

pilot project that runs in four municipalities from the Bank Sustainable and Competitive Cities Program.

PEGUI articulates Findeter with 7 public entities at national and territorial level such as the Ministry of Information Technologies and Communications - MINTIC, the Ministry of National Education, Computadores para Educar, the Municipality of Bucaramanga, the Municipality of Pasto, the Municipality of Valledupar, the municipality of Monteria.

The Educational Platform of Unified and Intelligent Management - PEGUI is a technological solution to local problems and needs in the field of education. It integrates technology, takes advantage of the more than 33,000 content and digital educational resources of high quality of the Ministry of National Education. It also promotes the use of ICTs in education, and develops a strategy of appropriation where the teacher training and the dissemination of knowledge are the central axis of the project.

In this technological solution the Secretaries of Education are involved, it connects with the public educational institutions of the municipalities and it benefits students, teachers, and parents of the public education sector.

For the implementation of the PEGUI project, FONTIC provided the resources for the technology procurement that will benefit 280,000 children of 594 locations of the 190 educational institutions from the four municipalities mentioned above. The long-term conceived project will train 12,000 teachers in ICT skills, certified by the strategy ETIC@ *Computadores para Educar* (Computers for Teaching), and they will receive an equal number of mobile devices with digital content so that they can get the most benefit from the Educational Platform PEGUI.



Tablets delivery to Monteria teachers

Pilot of the Promotion of Inclusive Employment in the Country's Infrastructure

In 2015, Findeter promoted the inclusive employment and incorporated contractual social clauses in social nature inter-administrative contracts that it celebrates with different entities of the national public order by the construction of inter-institutional synergies.

As an example, in 2015 the clause of social inclusion was incorporated as a reference for the construction of the megacolegio of Jamundí, Valle del Cauca, which generated more than 40 direct jobs to population in condition of vulnerability who is settled in this municipality.

The project of inclusive employment in the infrastructure of the country made a previous process of training in Jamundi with the Administrative Department of Social Prosperity of the Presidency of the Republic, addressed to the population to be recruited, and it was offered to them the possibility of obtaining technical certificates in construction. The compensation fund Confandí was responsible for providing the respective training and certifications.



Megacolegio of Jamundí

Financial Education for the 100,000 Free Housing Beneficiary Families:

In alliance with Bancompartir, Findeter bets on the construction of a social system and on the reduction of gaps by training the household heads who received new housing in tools and basic knowledge about sound financial decisions, proper and efficient use of public services, and short, medium and long term savings on the basis of priorities and goals. December 2015 as close date, 3,900 families were trained in the cities of Barranquilla, Galapa, Monteria, Manizales, and Pereira.

Relationship with Suppliers:

During 2015, and committed to the strengthening of the sustainability of Findeter, it was established a framework of action with which socially responsible practices will be promoted in our value chain. This means that the Bank has sustainability and declarative clauses within the contracts that celebrates with suppliers and contractors from October 2015.

Such clauses strengthen Findeter's sustainability company and ensure the compliance with the national policies and regulations, they protect the fundamental and social rights contained in the Political Constitution of Colombia, and international treaties in the social field signed by the country.

"Appropriation of knowledge Tools for the Effective Public Management in Municipal Entities in Colombia" - Capstone Study:

In the framework of the Capstone initiative of the Faculty of Finances, Government and International Relations - FIGRI of the Externado University, by 2015 it was conducted the research project "Appropriation of knowledge tools for the effective public management in municipal entities in Colombia" as a reference document for the making of administrative decisions around their plans, programs, and projects aimed at the national territories, municipalities and departments.

The Capstone Findeter Research, performed by FIGRI students, consisted on the analysis of different cases of processes of institutional strengthening and governance in Latin America with emphasis on the administrative, fiscal, and financial areas. The research provides supplies for the Fiscal and Financial Special Support Group of the Commercial Vice-Presidency of the Bank, and it proposes training and strengthening schemes for administrative groups of territorial entities and decentralized entities.

Corporate Volunteering Program:

The Corporate Volunteering Program is part of the collaborative spirit of Findeter employees, and it strengthens the work environment, the integration and synergy between the company, the collaborators and the community.

In 2015, there were two days of volunteering with the participation of Findeter's collaborators Company and their families. During the first half of the year, locative repairs were made in the school Julio Cesar Turbay located in the municipality of Soacha, benefiting 1000 students of primary education. During that day, classrooms, and green areas were repaired, and ornamental plants were cultivated so the students take care of them.

On December 2015, the collaborators of Findeter celebrated Christmas with the children of the Foundation "*Niños de Fatima*" located in the municipality of Cogua. In this activity, there was a life experiences exchange with 105 children in a vulnerable situation.



Christmas in Cogua - Corporate Volunteering

5.3 Human Welfare and Development

During 2015, actions aimed at improving the conditions of the collaborators were developed, mainly through the following aspects: quality of life, institutional training, and organizational climate.

5.3.1 Quality of Life

In 2015, the activities that were developed within the quality of life program were focused on the strengthening of the balance between work, personal, and professional life of the Entity's employees, oriented to the continuous improvement of their working conditions and the welfare of their families.

The response level to this great initiative of Findeter to maintain itself as the best company to work for in Colombia made possible to materialize this program through the implementation and certification of the Family-Responsible Company model (efr, by its acronym in Spanish). This methodology was adopted by the *Más Familia* Foundation from Spain, which allows, not only to strengthen the balance between work, personal and family life, but to generate a perfect environment to the achievement of high standards of productivity and organizational excellence through the search and use of benefits that Findeter currently offers to workers in the following dimensions:

Quality of life Diagram 5.3.1.



The main initiatives that make up the five dimensions of the model are the following:

- **Employment Quality**

- ❖ Cars and bicycles parking lots
- ❖ Company Medical Service
- ❖ Comprehensive support to the collaborators
- ❖ Shared Use Bicycles
- ❖ Half Day Free on birthdays

- **Flexibility of Time or Space**

- Teleworking
- 7:00 am to 3:00 pm schedule on Fridays
- Creating three working days
- Permission to study
- Time compensation for Holy week and Christmas

- **Support to Families**

- Educational assistance for children
- Health services policy
- Christmas' Gift for children

- Findeter mothers' schedules
- Accompaniment in death of a family member
- **Professional Development**
 - Induction and re induction programs
 - Self-leadership and trust relationship development
 - Technical and specific skills training and development
 - Workshop of pre-retire people
 - Educational assistance for workers
- **Equal Opportunities**
 - Findeter provides equal opportunities, it does not discriminate because of gender, race, social status, religion, region, or other status.

5.3.2 Institutional Training

In 2015, the training in Findeter focused toward the development of the collaborators through the strengthening of the competences and the integrated work between the different areas of the Organization, under the precept of the three learning dimensions: TO BE, TO KNOW and TO KNOW HOW TO in their human side, in order to become better people in every aspect, so they find a meaning to its work and look for the balance of personal and work life. Thus, they have the learning capacity to respond quickly and flexibly to the demands of the environment and the technological progress.

As a result of the foregoing, the quarterly average of the investment in man-hours for 2015 amounted to 12.6 hours with a coverage of 85.3%, which meant an execution of more than COP940 million. This reaffirms the permanent commitment of the Company with the development of its collaborators and with the productivity that is projected toward the regions, to always have more trained staff.

Table 71 - Human Talent Hours of Training

Year	Hours	People Trained
2013	24,418	358
2014	21,421	448
2015	21,916	481

Table 72 - Investment in Institutional Training

Figures in millions of pesos

Investment	2013	2014	2015
Training	706	832	598
Educational Aid	265	223	343
Total	971	1,055	941

5.3.3 Organizational Climate

For the third consecutive year, Findeter measured its work climate under the Great Place to Work methodology, from the construction, recognition, and interaction of the basic relationships that exist in any place of work: credibility, respect, impartiality (confidence), friendship and pride, with a response level of 94.7% in a target population of 453 collaborators.

The results showed a very satisfying work environment, 73.4%, which makes it possible to talk of a rooted organizational culture, due to that the variables remained in the habitual market measurement and they were stable in comparison with the previous results.

It is noteworthy the excellent perception the collaborators have on issues such as the reliability of the leaders, the resources that are available to them to carry out their work, the balance they perceive between their work and personal life, equity in remuneration, the fraternity and the pride felt of the Organization. These are aspects that are strongly rooted and widespread and therefore, they define a totally predictable behavior pattern. In this way, it stands out that the best qualified dimensions were: the general assessment that the collaborators have of Findeter as a great place to work, 92%; pride, 91%; friendship, 83%.

5.4 Operations Management

5.4.1 Progress of the Technology Strategic Plan (PETI)

The execution of PETI projects continued in 2015 as follow:

Business Intelligence - BI:

This project began in 2015, which aims to provide to the Entity with the capabilities, processes, and tools to effectively support the decision-making, based on data from internal and external information systems. Within the main features are:

- Accessibility to the information that will be provided to users with reliable data, because they are the main source of the business intelligence solution.
- Support for decision-making. Besides of facilitating the submission of the information, the objective is that users can access the selected tool and build their own control panels with only the data in which they are interested, and in this way ensure that the collaborators of Findeter can use these tools independently.

It is expected to optimize the decision-making in the areas of trade, finance, and planning, as well as enable leader users to create, modify, and reuse their own control panels, reports, and indicators.

In 2015, was made the recruitment of the solution Qlik Sense and saw the beginning of its implementation. Within the main benefits of the project are:

- Consolidation of the key data from multiple sources in a single application.
- Analysis of the information and data by association.
- Display of information in any mobile device.
- Easy data updating when the structure of the sources changes.
- Display of the information with attractive and technologically advanced graphics.
- Fast and efficient searches.

Service Oriented Architecture - (SOA):

Project enabled by the Entity to integrate software applications and automate business processes through a centralized component for the exchange of information, such as the Enterprise Service Bus (ESB) for the creation, use and reuse of components in the computer.

Some of the benefits brought by this service are the software development service improvement, the applications functional coverage, a greater benefit from existing applications potential, and the automation and integration of business processes. It should be noted other achievements that occurred during 2015 in terms of technology:

IT Demand Management Model:

It was implemented the Demand Management Model for IT which allowed to establish a single point of contact between users and the Direction of Technology for everything related to the software requirements of the entity. As a result, solutions delivery times to users were improved, there is a better communication with the different areas; a methodology to collect software requirements in a clearer manner, justifying the benefit for the Entity with each one of them, and it provides periodic information to users about the state of their requirements, information prioritization, and centralization according to the needs of the entity.

Comprehensive Customer Management

It was identified the necessity of a comprehensive view of the customers or the interested parts in the Entity, different from the offered product. It was decided to implement the initiative through the CRM system, for this, the requirements were defined during the year with the concerned users, the respective developments and the final testing of the functionality were made.

Technical Assistance Contracts System:

This system aims to support the contracting process for the technical assistance services, starting from the publication of the terms of reference on the web page and finishing with the delivery of the order of eligibility. In 2015, it was carried out the information survey of the necessities, the use cases with the respective approvals were completed, and the supplier was selected for the development of the application which will be implemented during the first half of 2016.

SIGEP (Information System for Management and Structuring of Projects):

Taking into account the changes presented in the process of the Technical Vice-Presidency, there were identified the needed improvements in the SIGEP system, which would facilitate the management of information in the application. To carry out this continuous improvement during the year 2015 was the lifting of information of the requirements of the Technical Vice-president and the development of the use cases made and approved by the users of the infrastructure managers and water concluding the development of the same.

Government Online - GEL:

By Decree 2573 of December 2014, the president of the Republic of Colombia redefined the model of the Online Government Strategy, as well as the deadlines and the scope. In accordance with the foregoing, Findeter redefined the work team, the scope and the action plans for the year 2015. The stage of understanding and planning of the new scheme was made, always supported by the Ministry of Information Technologies and Communications.

FindeLearning:

The Black Board platform was introduced in the software model as a service with licenses for a year to 500 concurrent users. Virtual courses of Information Security, Induction to Findeter and recruitment were launched. A total of 360 officials were invited to these courses with their corresponding final assessment for each course. The platform is available 24/7, and the principal benefits are:

- **Greater flexibility:** with regard to the conventional training method, because it is not necessary to be programming every time the logic that is inherent in any other action of training in the company. It can be received in any time slot, in addition, the contributors can set their own learning rhythm, depending on the availability of time and the objectives they have set.
- **Learning times reduction:** According to empirical studies taken to that effect, it has been proven that offering e-learning solutions can reduce learning times between 40% and 60
- **Comfort:** FindeLearning avoids that the collaborators has to move from one place to another, which means great comfort for them.
- **Cost reduction:** FindeLearning can be up to 30% cheaper than the conventional training.

Electronic Document Management System - SGDE:

During 2015, it was started the implementation project of the new document management system called POXTA, which offers great advantages in terms of the process of the electronic management of documents and its flow within each one of the processes of the different areas of the entity. Developed for SharePoint environment 2013, this system intends to take total control of all the documentation generated in Findeter in internal and external correspondence, in the file management and in the historical archive of documents. The main benefits are:

- **Increased productivity:** Effectiveness and efficiency in the documents search and retrieval.
- **Cost savings:** The spaces where the documentation is stored are reduced because it is no longer in paper.
- **Time savings:** Having all the documentation in a single repository and with the same description, creation, classification, capture rules, etc., makes

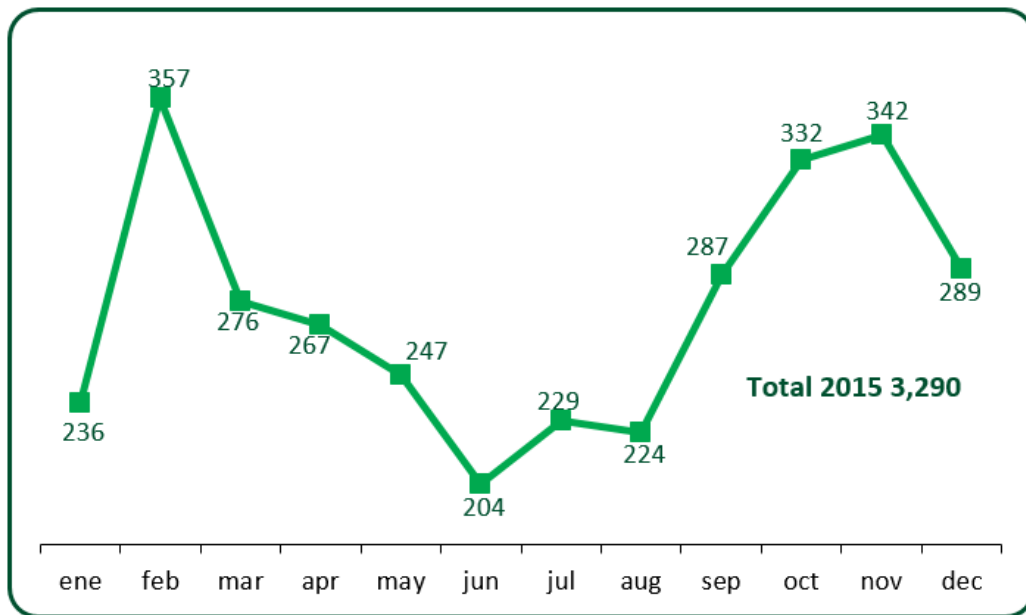
easier to find and retrieve the documentation, and it makes faster tasks within the Entity and the responses to customers. Having all the documentation in a single repository and with the same description, creation, classification, capture rules, etc., makes easier to find and retrieve the documentation, and it makes faster tasks within the Entity and the responses to customers.

- **Homologation:** The same task can be performed in different ways by different people, making it impossible to measure it in an efficient way. With POXTA processes are managed, and the procedures can be unified to perform all tasks, establishing a single model for the whole Entity.

Help Desk Management:

Below, the number of requests in 2015.

Figure 55 - Incidents 2015



Technology Infrastructure Projects:

Through the Direction of Technology, Findeter, advanced in Technology Infrastructure Projects that had an impact and direct benefits to the collaborators of the Entity:

- *Network Access Control (NAC):*

From the process of adoption of the safety standard of the ISO 27001 information and the implementation of its controls, it was identified the necessity to implement a system of Network Access Control (NAC) that would protect the data network of the entity, connections from computers and unauthorized personnel. This project was initiated with the goal of having a tool that establishes and manages policies and acceptance criteria of the devices that access the corporate network of the Entity, and therefore to its information systems. It is planned for the first half of 2016, to finish with the respective implementation. Within the benefits of NAC are:

- Control who accesses the network.
- Centrally manages and controls the position of security of all devices that are connected to the network.
- It is able to see if the machines that are connected to Findeter network passed a basic analysis of security.
- Supports regulatory compliance

- *Digital Plackards:*

The installation and the fitting of the digital billboards was made in the Entity; thanks to this, it was achieved a more effective and impact communication by having a multimedia component, remote management, information opportunity, and the reduction of printing costs aligned to the zero paper policy.

- *Refurbishment of Offices:*

IT Management participated in the adequacy and/or Manizales, Buenaventura, Bogota (104 street, 6th floor), Barranquilla, Medellin, and Bucaramanga offices remodeling. The IT infrastructure services management unit was in charge of advancing the adequacies in what refers to the electrical component, structured cabling and other technological infrastructure elements that allowed the Entity to expand its coverage and operation at the national level.

- *Environment Management*

This project identified Findeter functional requirements in regard of the security management of the IT environments, it also implemented their security architecture, ensuring the separation and segregation of roles. Thanks to this,

the staff of the Direction of Technology has better tools to manage and monitor the IT environments, giving a better response to the requirements of the business, and ensuring solutions of greater availability and quality. Likewise, the availability and quality of services of technology were improved, and they comply with the controls defined in the technical standard ISO 27001, taking the first steps to move closer to certification.

In 2016, Findeter will begin the definition and implementation of the new Strategic Plan of Information Technologies (PETI, by its Spanish initials), which will allow to align technology with business needs and, through the definition of a new portfolio of technological projects, supports the entity in the achievement of its strategic objectives.

5.4.2 Copyright

In 2015, actions of acquisition, update, and control of installed and in use software were developed for each element of the technological platform, such as are servers, active devices, and workstations among others, it was verified that the installed software is fully licensed by the respective supplier.

Likewise, Findeter maintained a detailed inventory of each one of the licensed products and the respective support papers. This was conducted with the purpose of performing increasingly automatic checks on the platform to ensure the proper application of the regulations.

The compliance with the rules of intellectual property and copyright on the software installed on each server, active device and workstations is ensured, both in the General Direction as in the Regional Units, thus fulfilling the provisions of paragraph 4 of article 47 of Law 222 of 1995 as amended by article 1 of Law 603 of 2000 on copyright.

5.5 Legal Management

The following results from 2015 stood out in terms of the Company's legal matters, judicial and extrajudicial representation of the Company, and of the inherent management of the comprehensive protection of institutional interests, the administration and collection of balances derived from the settlement of co-financing agreements related to the FIU, FCV, and FIS Funds and the RISR Program:

- Findeter was judicially represented with success in all actions in which it is linked, either as active or passive part (83 in court processes at December 31, 2015) and replied to 53 writs of protection during the course of the year 2015.

- In the processes of reducing the balances of the liabilities derived from agreements signed with Territorial Agencies and the FIU, FCV, FIS Co-financing Funds and the RISR Program, the completion of 97 forced collection processes were finished, and they were reduced from 250 to 153. The balances of the Territorial Agencies debtors were also reduced to a value of FIFTEEN THOUSAND THREE HUNDRED TWENTY-THREE MILLION PESOS - COLOMBIAN CURRENCY (COP15,323 million), which is equivalent to 52.36% of the balance to be repaid by December 31, 2014, as follows:

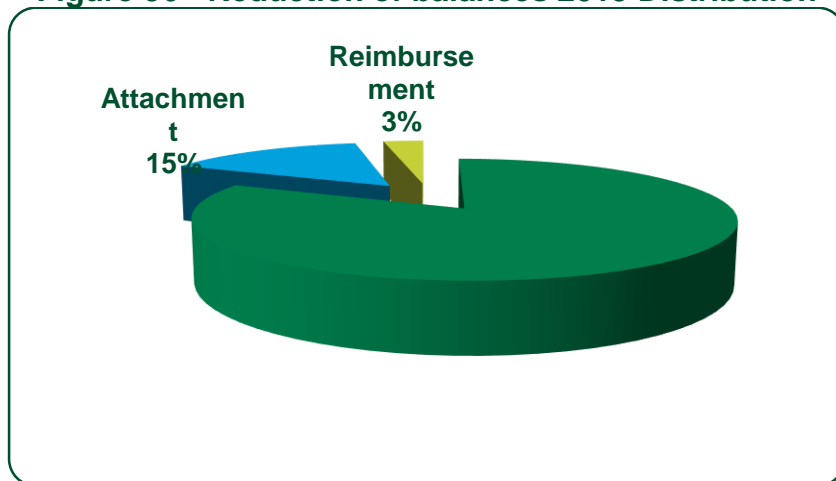
Table 73 - Co-financing Balances

Figures in Millions of Pesos

Fund	Balance to be reimbursed Dec. 31/2014	Balance to be reimbursed Dec. 31/2015	Reduction
Total	32,163	16,840	15,323

Reimbursement	Attachment	Displaced
451	2,282	12,590
Reduction total	15,323	

Figure 56 - Reduction of balances 2015 Distribution



- The Vice Presidency of Credit and Risks was judicially supported by the structuring of the credit of the “Water Bonds” – Trust Agreement Findeter ET Water Loans.

- Participation in the construction of the Decree 1068 of 26 May, 2015, issued by the Presidency of the Republic and the Ministry of Finance and Public Credit, "through which is issued the only Regulatory Decree of the Finance and Public Credit Sector" in which were compiled all the decrees of the finance sector issued in exercise of the powers of numeral 11 of article 189 of the Colombian Political Constitution, including ten decrees of Findeter.
- The Technical Vice-Presidency was judicially support in the review and evaluation of the projects and the batch of programs of VIPA II, MEN single shift, Megacolegios, among others.
- Findeter's Legal and Regulatory framework was made, which account with notes of validity and concordances, relating to all the norms applicable to the Company, which has a role in the intranet (PRISMA), which allows the publication and consultation of legal concepts issued by the Legal Direction of Findeter since 2008 to date, constituting itself in two very important tools for the collaborators of the Company and the general public.

5.5.1 Acquisition of Goods and Services.

The main achievements in terms of goods and services procurement in 2015 are:

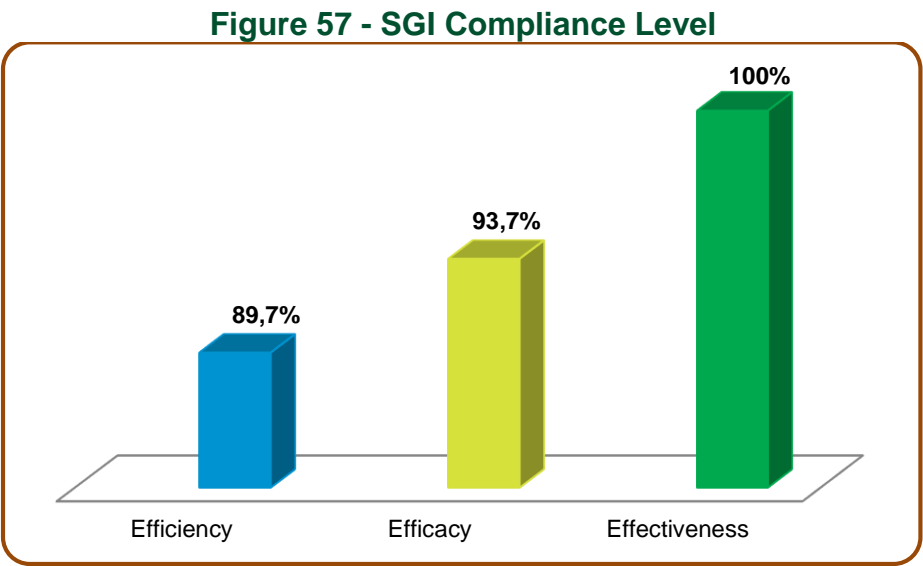
- Fulfillment of 84.96% of the 2015 Purchasing Plan, compared to an execution of 80.56% of the Purchasing Plan in 2014.
- Digitalization of the contracts folders, acceptances of commercial offer, agreements and inter-administrative contracts, which can be consulted by the departments through the AZ Digital application.
- Development of the supervisors training program through the e-learning tool, which aims to improve the skills of the staff that meet the oversight functions of contracts.

5.6 Quality Management

The Integrated Management System (SGI by its Spanish initials) composes the Quality Management System (SGC by its Spanish initials), Environmental Management System (SGA by its Spanish initials), the Internal Control System (SCI by its Spanish initials) and the Operational Risk Management System (SARO by its Spanish initials). It continued as a basic tool to achieve a constant improvement in the management of the Company, its internal control and the management of institutional risks.

5.6.1 Indicator Analysis

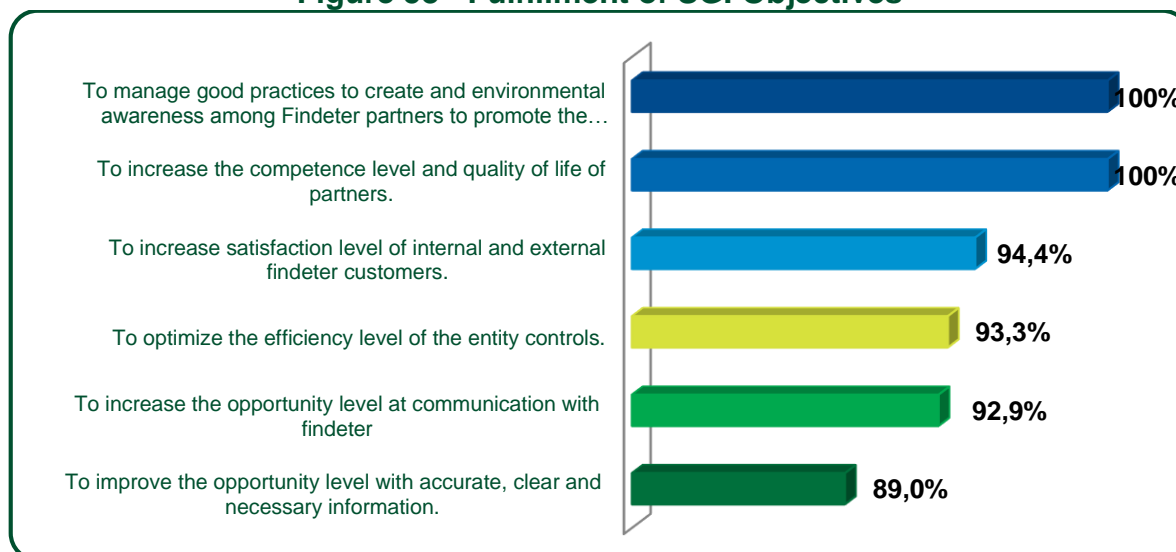
The analysis and measurement of the management indicators show that the company's efficacy, efficiency and effectiveness were positive. The results as follow:



5.6.2 SGI Objectives

The SGI objectives related to: The internal and external customers satisfaction; timeliness of communication; efficacy of controls; human resource skills and good environmental practices presented compliance above 92%. On the other hand, the objective regarding timeliness of information showed fulfillment of 88.96% due to four (4) indicators associated to this goal did not reach the goal.

Figure 58 - Fulfillment of SGI Objectives



0-59.9%

60-84.9%

>85%

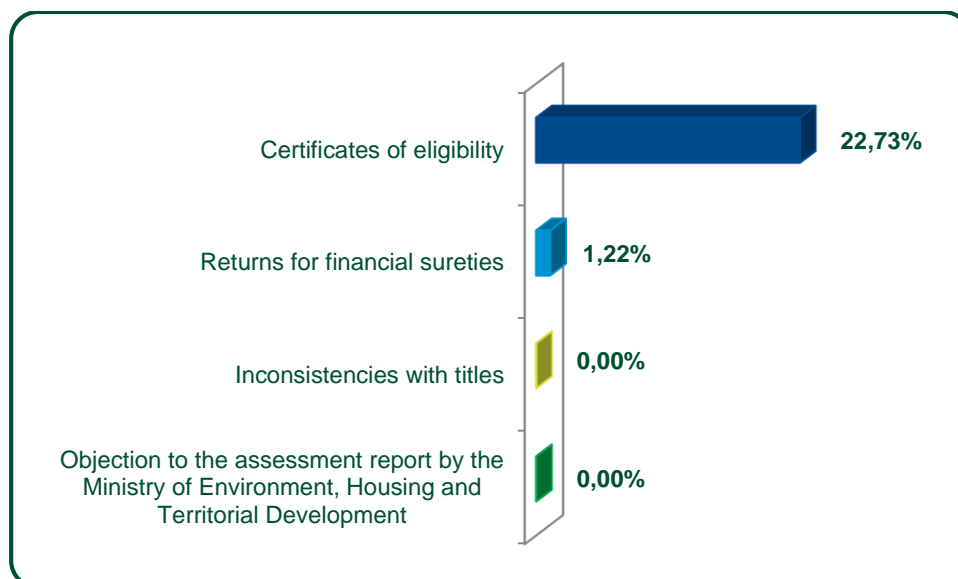
5.6.3 Non-compliant Products

Findeter has identified four (4) Non-compliant products (PNC by its Spanish initials) some of them are: Eligibility Certificates, objection to the evaluation report MVCT, Titles Inconsistencies, and Return by guarantees revision. In 2015 this Non-Compliant Products behaved as follow:

Table 74 - 2015 Non-compliant Products

Name	Non-conforming product (PNC)	Products total	PNC (%)
Objection to the assessment report by the Ministry of Environment, Housing and Territorial Development	0	96	0.00%
Inconsistencies with titles	0	4	0.00%
Returns for financial securities	7	576	1.22%
Certificates of eligibility	5	22	22.73%

Figure 59 - 2015 Non-compliant Product



5.6.4 Corrective, Preventive and Improvement Actions

During 2015, 271 actions were distributed as follows: 131 corrective, 133 improving and 7 preventive.

It has been observed that the actions deriving from both internal audit of the SGI and from the internal management audit were the sources with the highest participation, with 90.77%.

Table 75 - Origin of ACPMs from the SGI

Source	No.	% Part
Administration of the Process	1	0.4%
External auditing	9	3.3%
IMS internal audit	28	10.3%
Management internal audit	218	80.4%
Independent assessment	1	0.4%
Management indicators	3	1.1%
Other sources	11	4.1%
General Total	271	100%

The second audit for the certification of the Quality Management System, carried out by the certifying firm COTECNA, confirmed the certification until year 2018 by demonstrating that the requirements of the standards ISO 9001:2008 and NTCGP1000.2009 were met. At the same time, the first follow-up audit of certification under the standard ISO 14001.2004, Environmental Management System, showed that Findeter is committed with the identification of the environmental impacts generated by the Company in its headquarters and with raise programs to control them.

The foregoing is ratified with the seventh cycle of SGI internal audit that reflected the commitment, the sense of belonging, and the work of the teams in the System internalization in their daily work.

It was also continued the implementation of the ISO 27001:2013, Information Security Management System, integrating it into Findeter's Management System; and it was continued the SGI maintenance and improvement of the as a tool to keep the certification in the standard ISO 9001:2008, NTCGP1000.2009, and ISO 14001:2004.

5.7 Archives and Records Management

In 2015, Findeter implemented different activities aimed at strengthening its documentary management, starting with the formulation and publication of Document Management Program and the Conservation Integrated System, as well as the updating of other fundamental archival instruments for the planning and implementation of the procedures involved in the workflow process.

Document Management Diagram

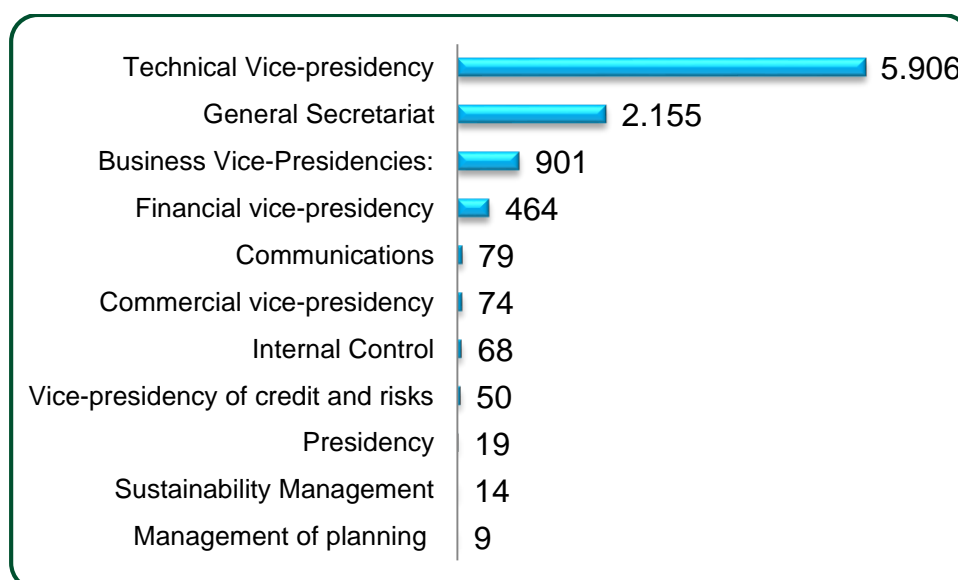


Source: Findeter

One of the year's most important activities consisted on the documentary procedures and instruments articulation, with the Integrated Management System and the Risk Management System, which seeks to ensure the protection and conservation of the records that are part of the institutional memory of the Company.

As part of the Company's improvement plan, it was continued with the training spaces in archival records management. It was made the counting of all the documentary inventories of the management files, and at the end of 2015 a total 9,739 documentary units in the management files of the entity were the result, distributed as follows:

Figure 60 - Documentary Units according to Business Departments



5.8 Communication Management

In 2015, Findeter developed a communication strategy addressed to humanize and take the Company's projects results and programs in different regions in an experiential way and with a regional and social approach to the public opinion.

As part of this strategy, the Direction developed relationship plans and communicative actions (press releases, articles, sectoral press articles, press conferences covering agenda, events, and interviews), through free press (activities at no cost for Findeter), which were carried out through journalistic lobby, ensuring that the mass media issued 3,918 news about Findeter at regional and national level, which were displayed through 40 mass media.

The strategy reported significant achievements when positioning Findeter's objective in the different regions where the Entity leads projects. In the economic analysis of the results, Findeter found that the mentions obtained with these press strategies generated to Findeter savings of COP 4,950 million in advertising and editorial savings of COP 9,912 million.

Likewise, in order to make the message accessible to all and ensure its regional knowledge, Findeter continued with the program NotiFindeter; a 7 minutes television space whose purpose is to highlight the infrastructure works that have an impact on the regions. Through the capsules "*Minuto Findeter*" a window was opened that allowed the external public to recognize how Findeter supports the sustainable growth of the regions.

5.8.1 Internal Communication

During 2015, the Communication Direction renewed and created new channels of internal and external communication, so that clients and their workers receive clear, timely, and permanent information.

- Prisma
- FindeHome
- Findenet
- Video de arranque
- @YoungFindeter1 (Instagram)
- Un Café en el Séptimo
- Así nos registran los medios
- Papel tapiz

At the internal level, it worked with the different Findeter departments to strengthen the process of internal communication, which highlights the efr policy implementation "Family-Responsible Company" and pedagogical campaigns that increased the level of organizational culture of the company.

Examples:





5.8.2 Corporate Communication

The Communications Direction created the brand commercial message and the speech for 2015, focused on "Our life project is Colombia" and with which Findeter will be positioned during 2015 through the different mass media.

"Our life project is Colombia" is Findeter's reason of being, and the 25th anniversary was the perfect occasion for communicate it.

Campaign Findeter 25 YEARS:



In the virtual communication specific case, it strengthened its relationship with users and followers through an informative and educational strategy that allowed it to count with daily public interest projects, programs, and activities, by promoting and disseminating the various Company's products, news, and activities, ensuring closer communication with users and generating much more timely, direct, and concrete information.

The virtual communication within the framework of Findeter's communications took a new direction, which is aligned with the demand of the new Online Government policies and with the results of the diagnosis made by the new human resource that is at charge of these channels.

With this strategy the number of followers on Twitter increased to 14,000, 1,625 in Facebook, and 947 in Instagram; the 417 videos uploaded to YouTube obtained more than 25,895 reproductions.

DATOS DESTACADOS DEL TWEET

Tweet principal tuvo 2.299 impresiones

¿Cómo sueñas la ciudad ideal para tí y tus hijos? Conoce más sobre Ciudades Sostenibles y Competitivas:
youtu.be/yhjxT8Nf9zc?li...

🔗 5 ★ 2

[Ver toda la actividad del Tweet](#)

View Tweet activity

5.9 Customer Service

In 2015, Findeter made efforts to implement a strategy of Customer Service that allows the Company collaborators to internalize the importance of developing the skill to serve in each one of them, and the impact of their behavior for the fulfillment of this institutional value. This was achieved by means of workshop type trainings "Customer service, a matter of attitude and identity", this activity was carried out at national level and counted with a stake of more than 80% of the collaborators.

Knowing the importance of the different communication channels of the Company, they are being improved constantly considering the suggestions and requests of the clients. For this reason, in 2015 the chat and the web page have been redesigned, they were converted into spaces with more complete information, more user friendly, and with greater participation.

The most relevant results obtained in 2015 regarding this matter are presented below:

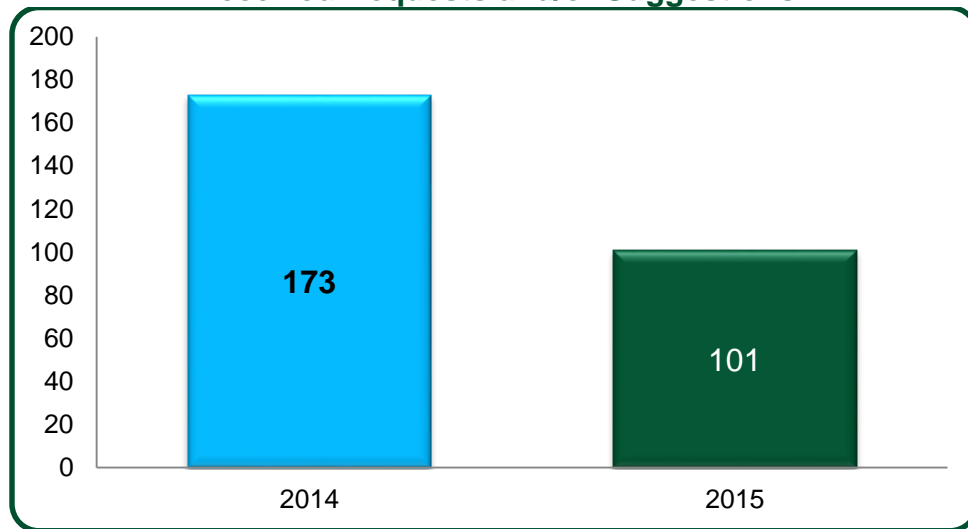
5.9.1 Received Requests

Findeter refers to the total number of received requests (Questions- Suggestions), to be addressed in the year that is being evaluated. The analysis of attention times will be performed according to the times established by law.

During the year 2015, the Company's website (www.findeter.gov.co) received 101 requests for information and/or suggestions, 100% of which were attended. The attention on the totality of the requests is made in a timely manner, considering the response times established by law, 15 business days. The indicator was 100% met.

In 2015, the citizens' concerns who have entered through the Webb page decreased by 41% in comparison with those received in the same period during 2014, what leads us to conclude that the various improvements that have been implemented in the web page with regards to content meet to a greater extent the citizens needs for information.

**Figure 61 - 2014 – 2015 Comparison
Received Requests and/or Suggestions**

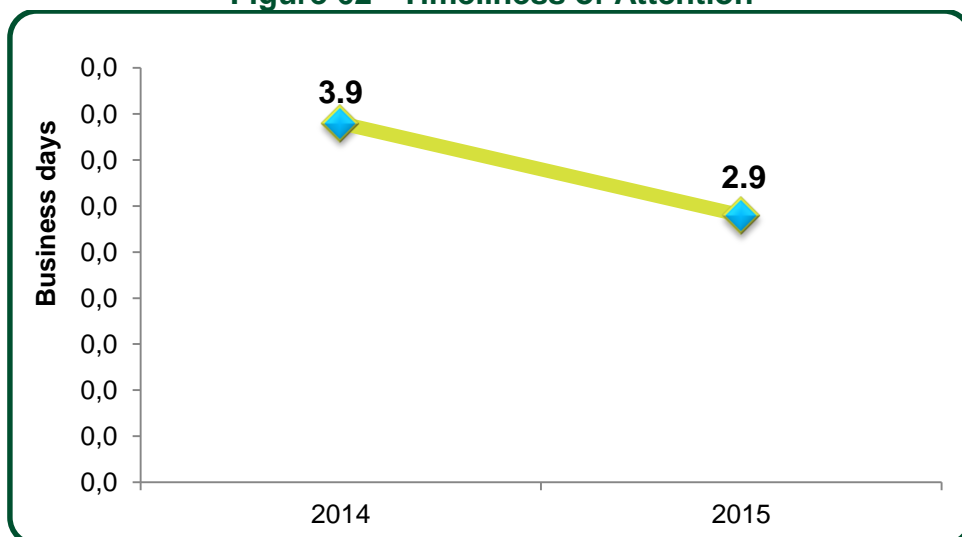


5.9.2 Timely Attention - Response Time

100% of the 101 concerns and/or suggestions received in 2015 were resolved in a timely manner, within the 15 days established by law.

The average response time in 2015 was 2.9 days, it was an improvement compared to the previous year (2014), where the response times averaged 3.97 days.

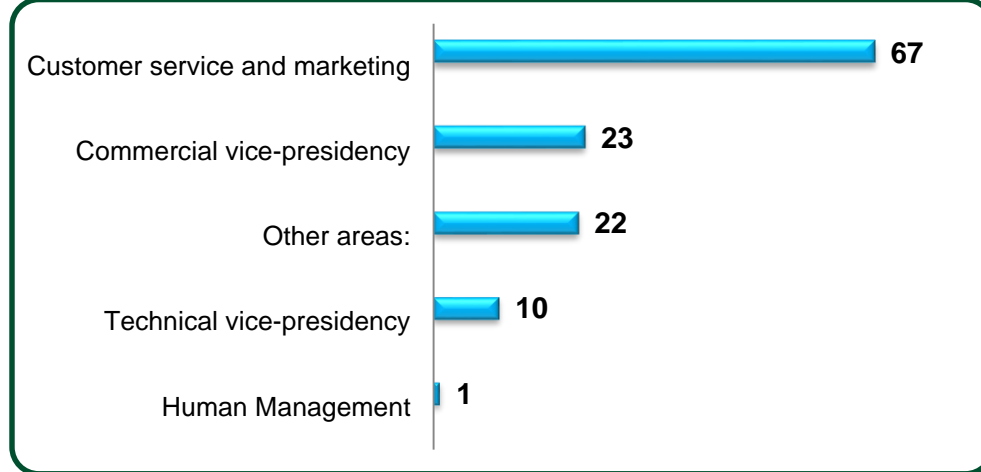
Figure 62 - Timeliness of Attention



5.9.3 Participation by Department in Handling of Requests in 2015

The departments that were forwarded requests of information by the Marketing & Customer Service team be solved for the citizens, given their specialization on the concern to be resolved were:

Figure 63 - Requests Handled by Department



Head of Marketing & Customer Service

During 2015 this department received 101 requests, 67 of which were resolved directly, the average response time was 1.66 days.

Commercial Vice-Presidency

23 requests were forwarded to the Commercial Vice-Presidency, the average response time was 4.4 days, improving with regard to 2014 where the responses were on average in 5.17 business days.

Human Resources

To the chief of Human Resources was referred 1 concern, which had a response time of 11 business days.

Technical Vice-Presidency

To the Technical Vice-Presidency were submitted 10 requests, which had an average response time of 8 business days.

5.9.4 Satisfaction Survey of the Requests Received via Website

Out of the 101 requests received over the course of 2015, 11.8% of these were rated, receiving an average score of 4.92 on a scale of 1 to 5, where 1 is deficient and 5 is excellent.

The level of satisfaction of the service provided through the Web page in the 2015 is still at a higher level and improved in comparison with the indicator of 4.25 in 2014.

Table 76 - Results of Website Request Satisfaction Survey (Nexura)

Name Issue / Activity	Responsible	Rating					Attended	Indicators	
		1	2	3	4	5		Satisfaction	Attention
Question or suggestion	Angélica Arzuza	0	0	0	1	11	101	4.92%	100.00%

Chat

In 2015, through the Company's Web page (www.findeter.gov.co) in the chat option 625 people entered with their respective concerns or requests, each one of them was answered.

Survey

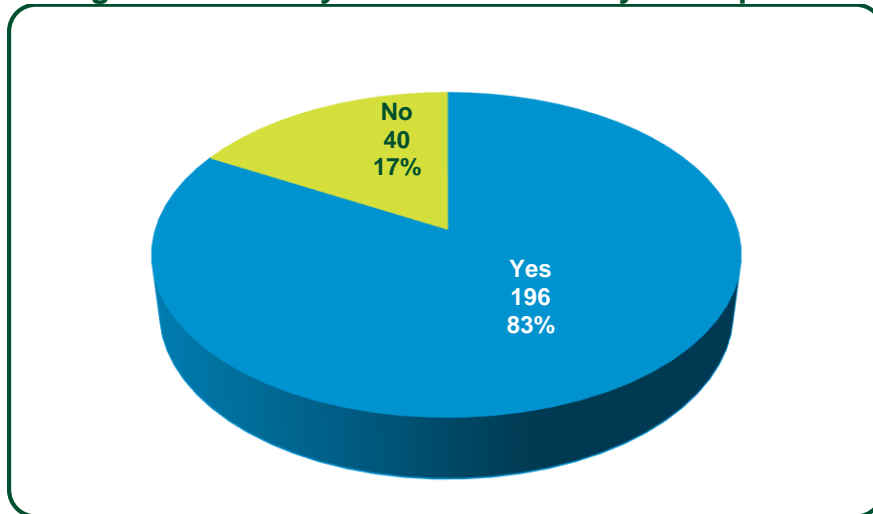
The purpose of the survey is to know the level satisfaction with the service provided on the chat, closing this window the system shows a four question survey:

- Were you able to resolve your request?
- How was the information quality?
- How did the advisor treat you?
- How was the chat experience??

With this survey it is expected that the opinion of the chat users allows to make the appropriate improvements, seeking to meet their needs and requirements.

- Were you able to resolve your request?

Figure 64 - Were you able to resolve your request?



Out of the 625 received applications, 236 people answered the first question of the survey. An 80% (193 people) responded that their request had been resolved, this was due to:

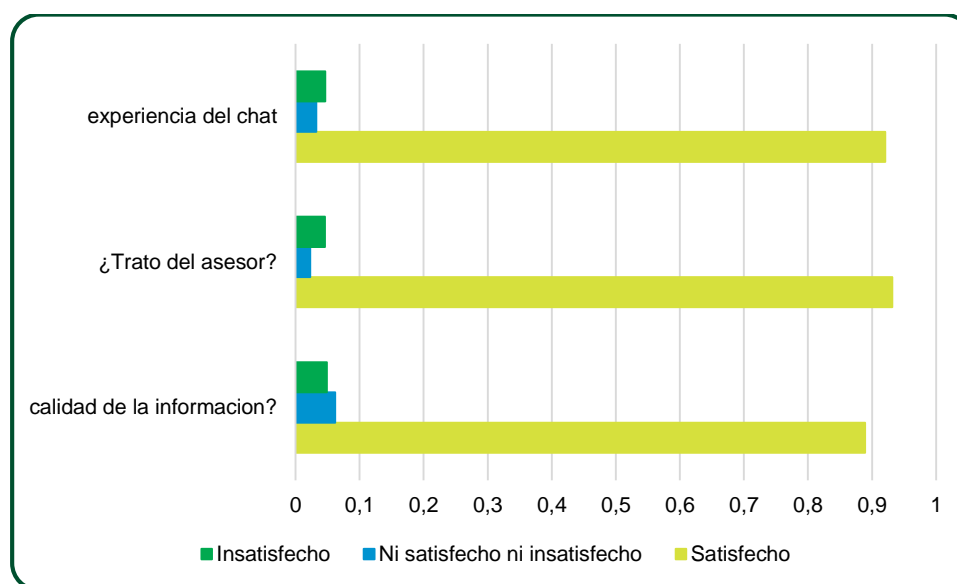
- It was sent to the person who has the assertive information
- They were given specific indications of the actions they should make
- They obtained the required information
- They were well treated
- The advice was very effective and friendly

The missing 20% refers to the people who said that their request was not resolved and this are the reasons:

- The required information was not available
- It was not the means they needed
- They are waiting for the answer via e-mail

The questions 2, 3, and 4 in the chat survey presented the following levels of satisfaction:

Figure 65 - Survey Chat Levels of Satisfaction



And gives us as a result in 2015 an index as follows:

- Satisfaction: 91%
- Neither satisfied nor dissatisfied: 4%
- Dissatisfaction: 5%

A follow-up was made to the 9% of people that was not satisfied, in order to know exactly the causes of their dissatisfaction, once it was established new responses were given that comply to a greater extent with their expectations.

5.10 Innovation and Knowledge Management

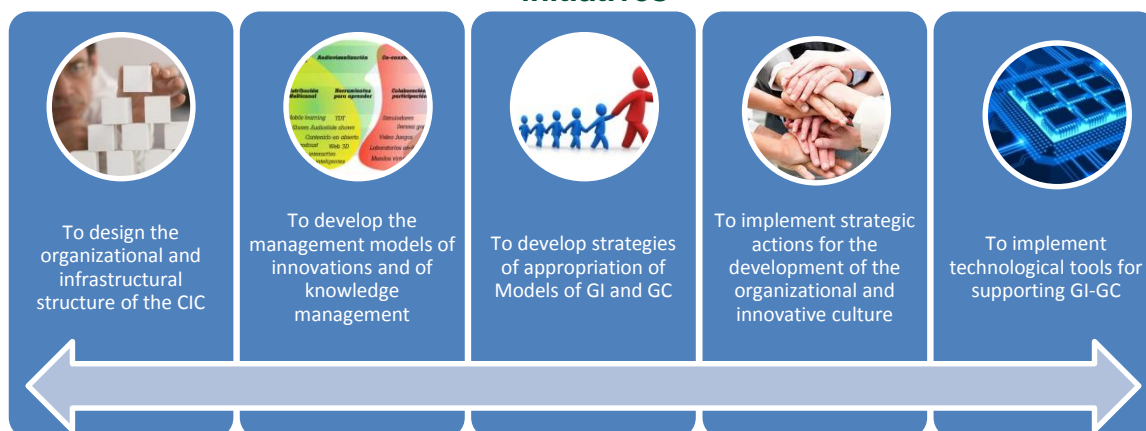
In a scenario of high competitiveness, globalization, technological development, and reducing the products and services durability, innovation and knowledge management is key to achieve sustainable success of any company or entity.

Findeter understands innovation as an event resulting from the research and development activities, in which processes are aligned and run strategically in order to organize and direct human, material, and economic resources with the aim of acquiring information, to transform it into knowledge, incorporate it into the organization, share it quickly and put it into practice for the generation of ideas that allow us to develop new products and services or improve the existing ones.

In its new 2015-2025 Strategic Plan, Findeter recognizes the importance of developing these new strategies, capacities, and organizational skills for the fulfillment of its mission and it decides to implement the innovation perspective with

the sole objective of creating the Center of Innovation and Knowledge (CIC) with the following initiatives:

Figure 66 - Perspective of Innovation of the Strategic Plan 2015-2025 initiatives



The development of these initiatives will give institutional strengthening to Findeter and it will enhance its effectiveness, competitiveness and positioning as a development banks.

- What is the CIC?

Findeter's Center for Innovation and Knowledge (CIC) is conceived as an open and collaborative space that promotes the innovation and knowledge management for the Company's value generation.

- CIC Mission

Findeter's Center for Innovation and Knowledge's mission is to promote institutional strategies to facilitate the innovation and knowledge management as essential elements for the competitiveness, the development, and the generation of organizational and social value of the Company.

- CIC Vision

The vision is to be recognized as the leader Center of Innovation and Knowledge (CIC) of the development banks in Latin America.

- CIC Objectives

- To promote the Company's innovation and competitiveness culture.

- To activate, capitalize, and share the knowledge generated from the interactions between people, institutions, companies, and society, derived from the financing actions, projects development, the technical cooperation provision, and other specialized services provided by Findeter in the public and private sectors.
- To promote strategic partnerships and synergies with the academic sector, companies, territorial entities and the government to support the country's sustainable development, and generate welfare in the regions.
- To facilitate the formation of collaboration and knowledge networks.
- To facilitate the formation of practice communities in specialized knowledge on issues related with Findeter's mission.
- To promote basic and applied research on issues of territorial development.
- [What are the services that CIC will provide?](#)

The CIC should support Findeter's Innovation Management through:

- The search for opportunities to be a more effective and more competitive company
- The design and development of new products, services, and processes
- The continuous improvement in products, services, and processes
- The Management of an innovative projects bank
- The management of an ideas bank

Promote the *Knowledge Management* through:

- The creation of the virtual library
- The Documentation Center
- The development of publications of the different departments
- The development of the *Pensamiento Urbano* Magazine
- The dissemination of success stories, lessons learned, and good practices
- The follow-up to the indicators portfolio on the cities hierarchy.
- Support in the training programs

[What work team will develop the CIC?](#)

The CIC is a unit that provides services on a transverse way to the organization, it has a basis work team for each of the action lines, Innovation Management and Knowledge Management, and interacts with multidisciplinary teams conformed in accordance with the initiatives to develop.

Findeter has within its staff professionals who are experts in different areas. Among their profiles are researchers, specialists in engineering projects, architecture, environment, development, urban planning, information technologies, process engineering, innovation management, marketing, sales, finance, risks, communications, design and development of new products, organizational development among others.

The progress achieved in the development of the perspective of innovation and its various initiatives in 2015 is summarized as follows:

- Formalization of a minimum basis work team for innovation management and knowledge management.
- Lines, products, and services initial conceptualization that CIC should provide to the organization.
- Internal management for the preparation of preliminary studies for the recruitment of consultancies that will make the innovation and knowledge management models.
- Support for the development of Findeter's different programs' publications.
- Development of the second issue of the *Pensamiento Urbano* Magazine.

6. RISK PREVENTION, MANAGEMENT EVALUATION AND CONTROL.

6.1 Risk Management

During 2015, Findeter, within its plans of action on the risks area, worked on a new methodology for the calculation of the provisions of its rediscount account receivable, in the calculation of the economic capital, and in a new model of opposing party risk to the commission agents, which allowed it to perform an efficient credit management in accordance with the investment strategy of the Company. Additionally, the operational risk management system was strengthened to the extent that it continued the implementation and application of the information security system, tests were carried out to the business continuity plan and the anti-fraud and anti-corruption system was adopted.

In accordance with the continuous improvement policy established in the Company, the procedures of identification, measurement, tracking, control, and monitoring of each one of the Risk Systems have been updated and optimized. These systems are: Liquidity Risk (SARL by its Spanish initials), Market Risk (MRSA by its Spanish initials), Credit Risk (SARC by its Spanish initials), Operational Risk (SARO by its Spanish initials), and Risk of Money Laundering and Financing of Terrorism (SARLAFT by its Spanish initials). Each system has defined models, methodologies, policies, and limits in each one of the respective manuals. All these components are approved by the Company Board of Directors and aimed to its strategic decisions making.

6.1.1 Liquidity Risk Management System - SARL

As it can be seen in the monthly cycles, in 2015 the liquidity risk indicator (LRI) for the bands of 7 and 30 days remained positive:

Figure 67 - 7-days LRI

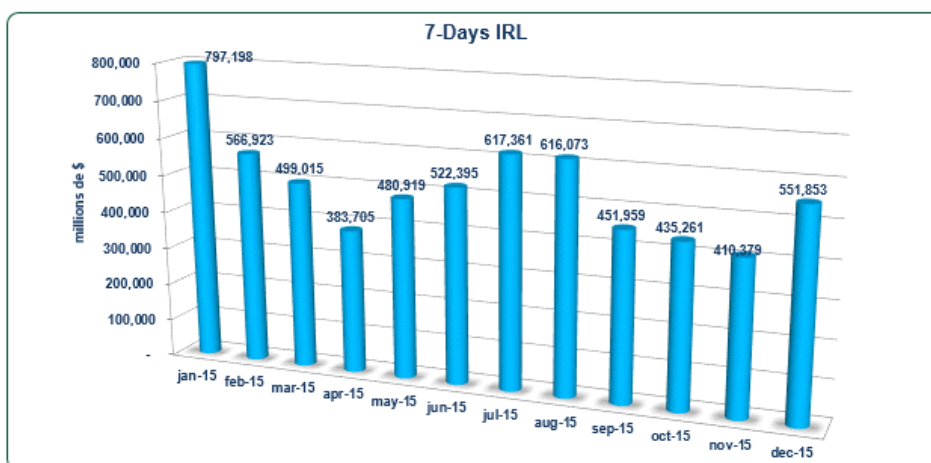
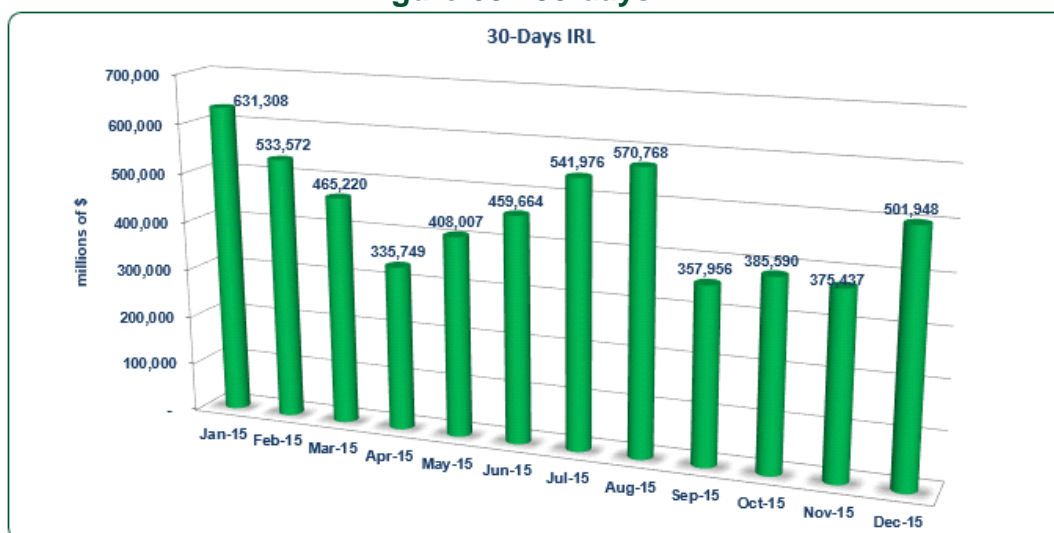


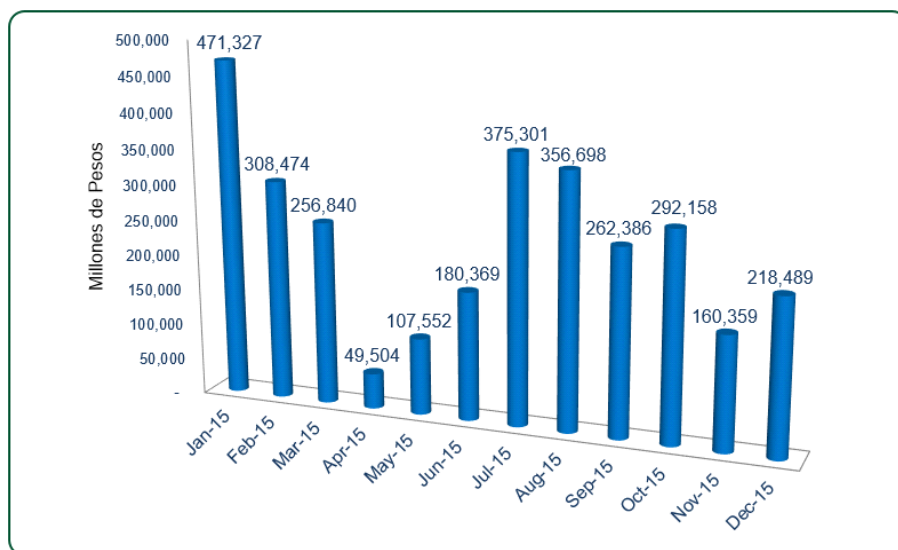
Figure 68 - 30-days LRI



At the end of the year the indicator was COP 551,853 million for the 1 to 7 days band, and COP 501,948 million for the 1 to 30 days band, which reflects that it maintained an adequate level of resources in the Company to comply with its obligations and carry out its activities.

With the aim to monitor and control the liquidity risk in medium and long term, Findeter developed an internal model that is based on the liquidity requirements and contractual flows defined in the standard model of the Financial Superintendence of Colombia, but including the analysis of the indicator of liquidity risk in other bands of time, according to the nature of the operations of the Company. In 2015, the cumulative result in the 90-days band was positive:

Figure 69 - 90-Days Cumulative Liquidity Gap



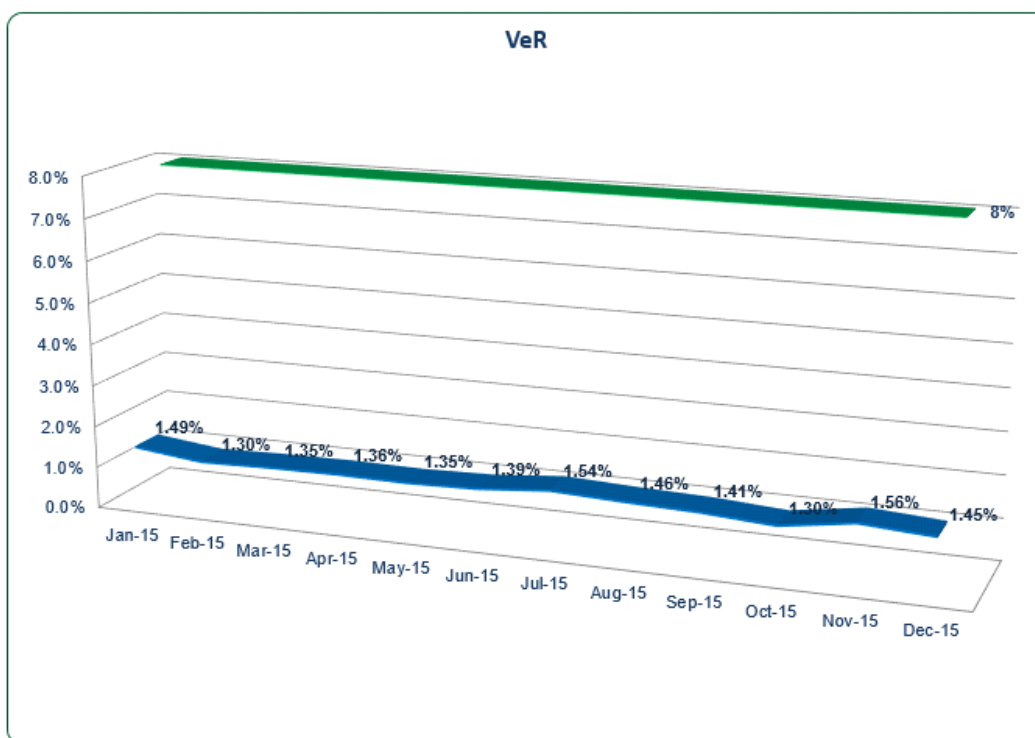
In this respect, the liquidity risk is monitored through the LRI weekly projection, obtaining an indicator for up to 60 days from the cutoff date of each projection. This way, changes are anticipated and it makes it possible to know the impact generated by the daily dynamics of disbursements or collections in the Institution's liquidity.

6.1.2 Market Risk Management System - SARM

The market risk value is estimated following the method suggested by the Financial Superintendence of Colombia. The result of the Value-at-Risk (VaR), on the cutoff date of 2015 was COP 13,156 billion, which represents a 1.45% of Findeter's technical equity, below the 8% threshold established by the Board of Directors.

The following figure shows the behavior of the Value-at-Risk (VaR), which remained below the limit established by the Institution's Board of Directors.

Figure 70 - VaR



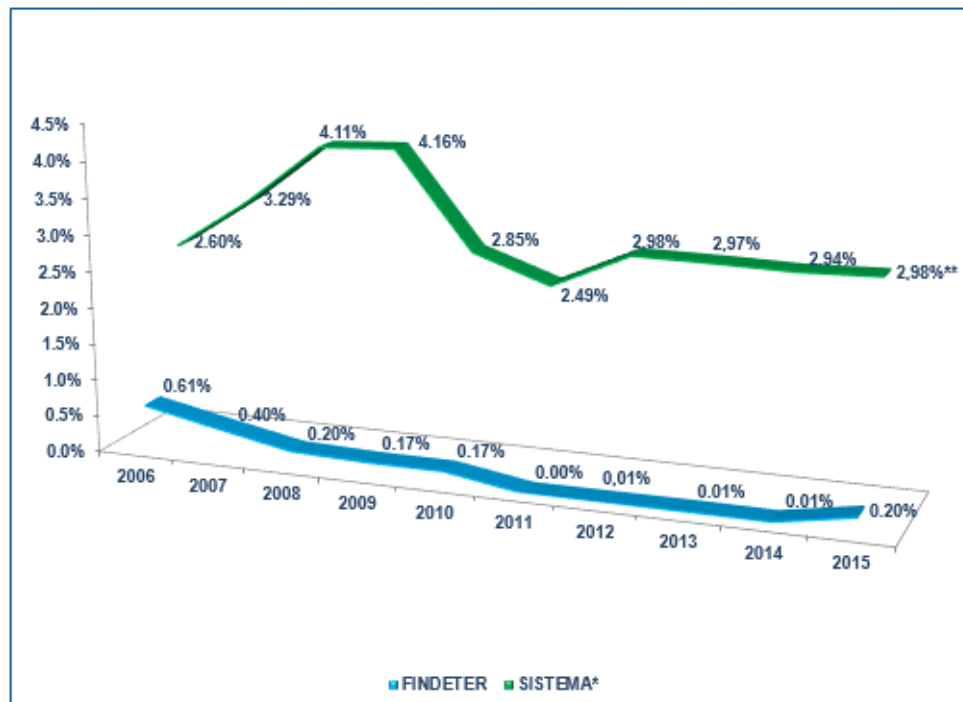
6.1.3 Credit Risk Management System - CRAS

Findeter's credit risk management is carried out pursuant to the rules enacted by the Financial Superintendence of Colombia and the guidelines established by the Board of Directors. The policies, thresholds, procedures, models, and allocation of the Maximum Exposure Value (MEV) methods, as well as the monitoring and control of each type of intermediary, are recorded in the Institution's SARC Manual. This manual was updated on December 15, 2015.

The methods implemented by the Company differ according to the type of intermediary that will be evaluated, rated, and controlled, and are based on the financial analysis, probability of default, qualitative aspects and in situ visits (the latter refers to intermediaries not supervised by the Financial Superintendence). These perspectives of analysis provide an objective allocation of the maximum Exposure Value - MEV for each intermediary. It should be noted that all MEVs must be approved solely by Findeter Board of Directors, prior analysis of the Risk Committee and GAP.

As a result of the implementation of its evaluation, qualification, and follow-up to the partners that make up the credit portfolio, Findeter maintained the credit risk indicators at levels that are placed between the best of the financial system, a situation that is shown in the following figures:

Figure 71 - Portfolio Quality = (Overdue portfolio/Gross Portfolio)

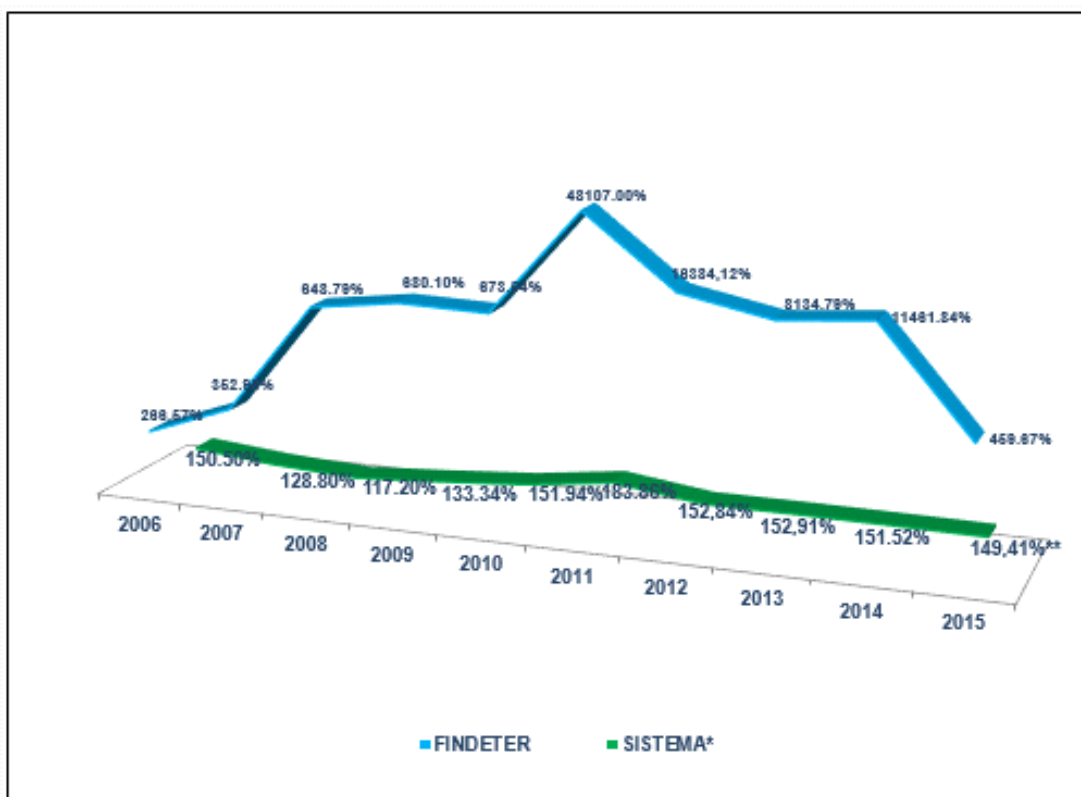


* Source: Financial Superintendence of Colombia.

**figure as of October, 2015.

With regard to portfolio quality indicator, it has historically been located at very low levels with respect to the system. In December of 2015, this indicator suffered a small growth in comparison with December of 2014, reaching a 0.2006% level. It is noteworthy that within this portfolio is included the portfolio to former employees.

Figure 72 - Hedging = Reserves / Overdue Portfolio



* Source: Financial Superintendence of Colombia.

** Figure as of October, 2015

It is important to clarify, in terms of figures of hedging, that due to the effect that the decline of overdue portfolio, as a result of the 2011 portfolio punishment, the hedging indicator from that date has had values that are not visible to scale in the figure. In December 2015, it stood at levels of 459.67% lower than reported the previous year; this decline was mainly due to the change in the provisions methodology giving effect to External Circular 032 of November 2014 by the Financial Superintendence of Colombia. This new methodology allows the Company to be more efficient when recognize the risk associated with each intermediary adding the systemic risk component and in this way, calculate the expected losses from this risk.

Below is the distribution of the portfolio by rating:

Table 77 - Portfolio Rating Cutoff Date: December 31, 2015

Category	Portfolio Balance	% Participation
Category A "Normal Risk"	6,832,632	99.79%
Category B "Acceptable Risk"	1,630	0.02%
Category C "Appreciable Risk"	173	0.00%
Category D "Significant Risk"	9,424	0.14%
Category E "Irrecoverable"	3,126	0.05%
Total of Gross Portfolio	6,846,985	100.00%

As it is evident, 99.79% of the Institution's total portfolio is rated in category A; the most significant increase was found in the category D, which is due to the intervention for liquidation by the Financial Superintendence of Colombia of a finance company, this is why Findeter classified this customer in category D. The increased participation in the category E "Irrecoverable Risk" is because the portfolio of the restructured obligations Law 550/99 and 617/00.

6.1.4 Foreign Exchange Risk

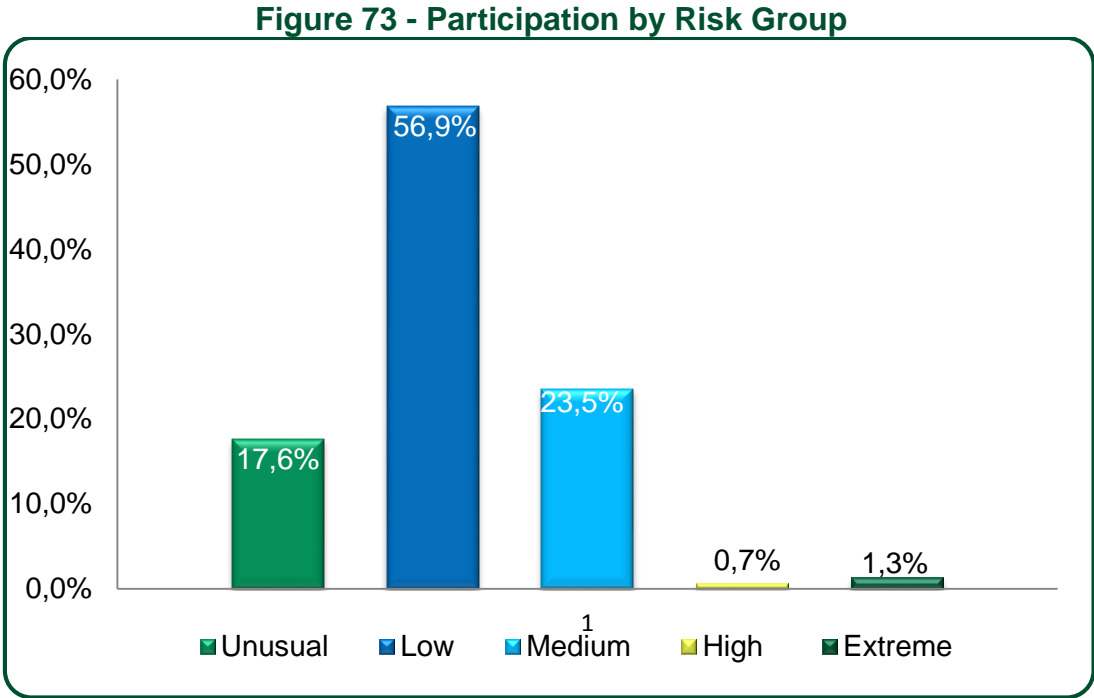
In compliance with the provisions of the Bank of the Republic External Regulatory Circular DODM 285 to hedge the Company's exchange exposure, and the External Memo No. 041 of the Financial Superintendence of Colombia with regard to the transmission of Global Exchange Position, Findeter has been hedging the exchange exposure of its liabilities in foreign currency.

Therefore, the Entity adopted the hedging policy of its liabilities in foreign currency before the issuance of the regulations in 2005, given the strict compliance of the Board of Directors to what is established in the External Memo 14 of 1998 issued by the Financial Superintendence of Colombia, as reflected in the Minutes of Board No. 131 of January 23, 2003.

As part of its strategy to reduce its exchange risk, in 2015 Findeter carried out forward transactions and disbursements were made in dollars as a natural hedge for the liabilities in foreign currency reaching USD 257,356,393 and USD 85,123,233 respectively, in the cutoff date of December. The hedging program of the Company's liabilities finished 2015 with a foreign exchange hedging of 99.93%.

6.1.5 Operational Risk Management System - SARO

During 2015, the risk matrices were updated for each process, which enabled to determine a total of 153 residual risks that according to their risk group are distributed as follows:



The Risk and GAP Committee identified 3 risks that required treatment during 2015, found in the technical assistance processes, portfolio management and administrative management.

There were 16 risk events recorded that did not generate loss to the Institution. The Risk and GAP Committee made the corresponding follow-up.

"For an operational risk culture", its aim is to strengthen the management of the non-financial risks within the Entity through the implementation of best practices. Additionally, a tool specialized in the management of these risks was acquired in order to integrate the administration and the management of the SARO, SARLAFT, Information Security, and Regulatory Compliance systems.

Once evaluated the risk profile of the Anti-fraud and Anti-corruption program there were no elements that amend it, keeping it in moderate. Additionally, an evaluation to the elements that make up the program was performed and an acceptable result was obtained.

6.1.6 Asset Laundering and Terrorism Financing Risk Management System - SARLAFT

In 2015, the Institution's consolidated risk profile was updated on the basis of the likelihood and impact rating of identified risks that indicated a low risk profile.

Regular reports were submitted to the Board of Directors about activities performed by the Compliance Officer, and the transmission of the Suspicious Transactions Report (ROS, by its Spanish initials) and the Products Report were submitted to the Financial Analysis Research Unit (UIAF, by its Spanish initials).

SARLAFT training and annual evaluation of the Institution's officers were carried out, 357 employees attended it.

According to the provisions of the Basic Legal Memo, the SARLAFT was monitored through the evaluation of its elements, and optimal result was obtained, thus seeking to safeguard the Institution against this risk.

6.1.7 Information Security

During 2015, the Credit and Risks Management focused its efforts on promoting within the Entity a culture of information security through awareness raising campaigns, the development of the virtual course of security and the socialization of the information security model with all the Company departments.

A set of controls designed to reinforce the Entity's security of the information was implemented according to plans of action defined in 2014.

The model of security and privacy of information in the context of the Government Online Strategy was reviewed, and actions to continue with the aim to comply with the different requirements established in this model were identified.

Each one of the requirements of the Law 1712 of 2014 'Law of Transparency and Rights of access to public information...' was evaluated with the aim to comply with each one of them. The index of information requested in such Law was published on the Company's web page.

6.1.8 Environmental Risk and Analysis System Management - SARAS

At the beginning of 2015 and with the support of the IDB, Findeter designed the Environmental and Social Risks Analysis System- SARAS, to evaluate the impact of investments in various economy sectors that are placed in credit through the "Rediscount". In the Risk Analysis System (SARAS) are involved different departments of the Entity, with different roles in the risk analysis field, the placement of the credit and the SARAS effectiveness and implementation.

The SARAS, which began operations on July 1, 2015, covers operations with Financial Intermediaries and investment projects that meet the criteria contained in the Manual of the SARAS approved by Findeter's Board of Directors, with exclusion of the rediscount operations for the acquisition, purchase, or improvement of social interest housing financing.

The system makes possible to identify, evaluate, reduce, and follow up to possible environmental and social risks associated with the projects and beneficiaries that are financed by Findeter, so as to minimize the possibility that Company has to assume costs transferred by this type of risk.

The SARAS assessment is Favorable, Favorable with Commitments or Not Favorable. The SARAS provides relevant information to financial risks result from environmental and social impacts and gives recommendations to the instances of Bank's rediscounts approval, and for the decision-making process for the financing of projects.

The Favorable with Commitments assessment provides recommendations and follow-up on the established commitments, and verifies that the financial risk result from social and environmental impacts of investments financed by Findeter does not materialize the risk or grow in the qualified impact.

In 2015 13 projects were evaluated using the risk analysis SARAS.

Table 78 - Results Findeter SARAS Operation

Detail	No. Projects	Value of credit (\$ Millions)
No. From assessed projects	13	
“Favorable” or “Favorable with commitments” projects	12	303,081
“Non-favorable” projects	1	17,233
Discounts for “Favorable” or “Favorable with commitments” projects	7	99,764

It is mandatory by the continuous improvement institutional policy that there are improvements to the internal and external instruments used by SARAS system, in this way, in October 2015 the internal procedural and operational tools were updated and other management actions of the system to expand the responsibilities of the different actors of the Management System.

Through the knowledge acquired by Findeter with the SARAS analysis, and the social and environmental risks evaluation of the Special Line of Credit of Alternative

Energies and Energy Efficiency, the SARAS management also allows to analyze financial conditions of the funding resources.

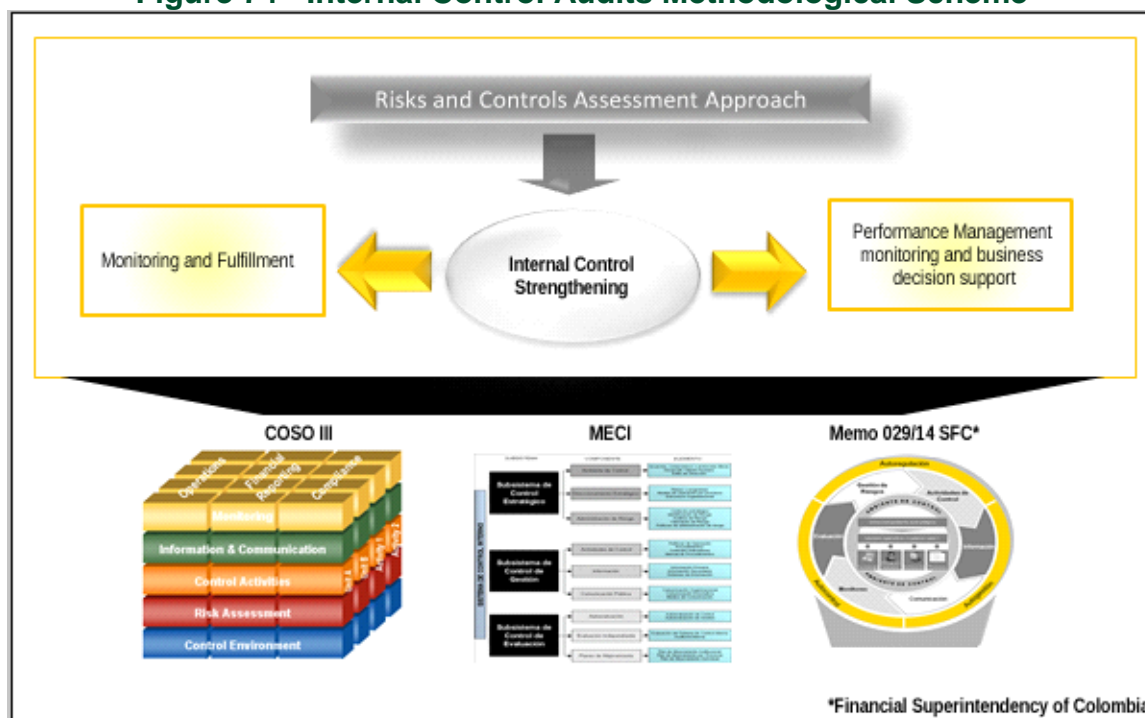
In 2015, Findeter studied, defined, and negotiated the clauses related to the conditions of the environmental and social management for the implementation of projects to be financed with the loan contract IDB 3392/OC-CO, for Barranquilla, among others.

6.2 Internal Control of Management

6.2.1 Approach

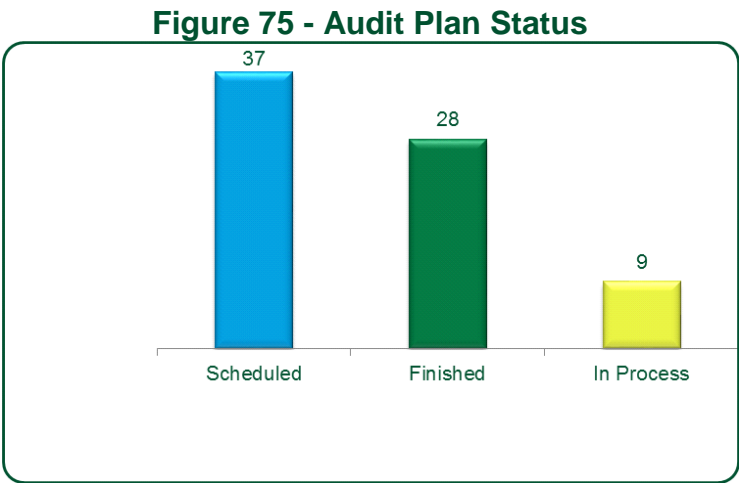
Internal audits of management were carried out with an approach of structured and comprehensive work, based on risks, leveraged on a methodology that allows to evaluate in each process the following components: Environment control, control activities, information and communication, monitoring, as well as controls associated to the accounting transactions and their supporting applications. Assessments that have allowed to identify the potential risk situations and issues that can impact the business operations and its control environment.

Figure 74 - Internal Control Audits Methodological Scheme



6.2.2 Audit Plan Development

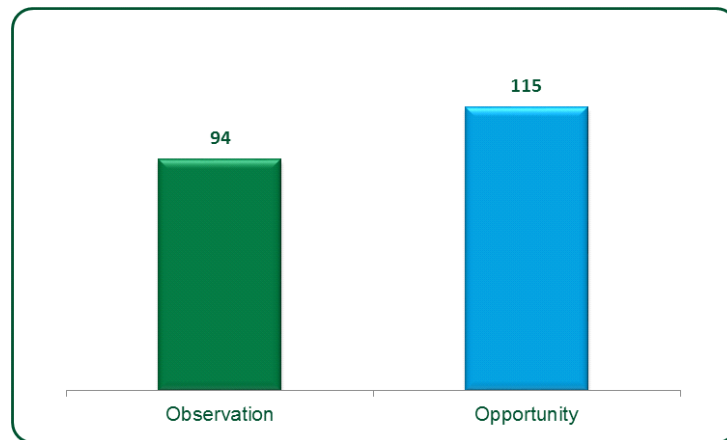
In accordance with the 2015-2016 Audit Plan approved by the Audit Committee of the Board of Directors, in its meeting held on February 17, 2015, the Internal Management Control Office, with the support of the firm Ernst & Young, conducted a total of thirty-seven (37) audits, as follows: Seventeen (17) special evaluations, eleven (11) management internal audits, and nine (9) audits that are in implementation and validation by the owner of the process.



Audits Results

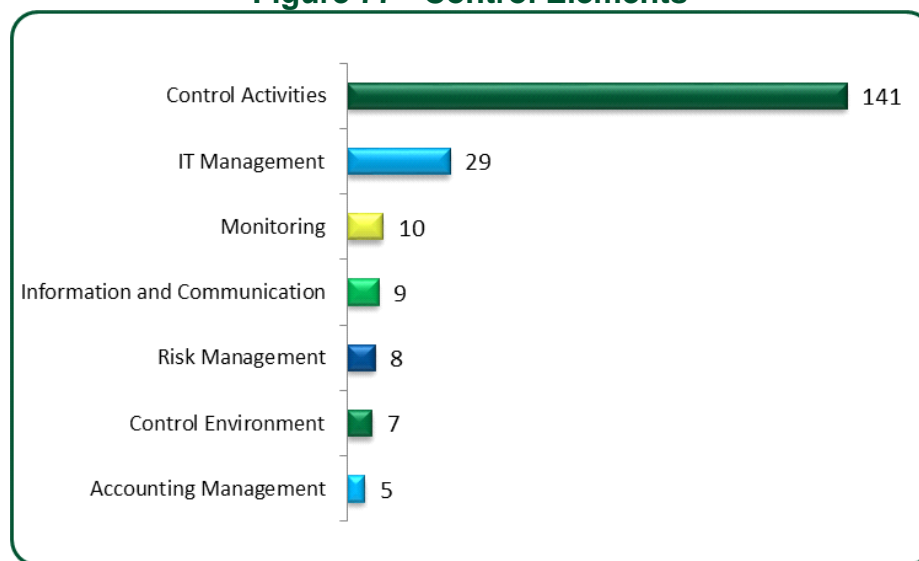
According to the evaluations performed and filed as of December 31, 2015, a total of 209 observations and improvement opportunities were generated, thus producing 262 action plans aimed to strengthen the compliance with the Company objectives and its several control elements established under Section I, Title I, Chapter IV of the External Memo 029 issued by the Financial Superintendence of Colombia.

Figure 76 - Type of Observation - Results 2015



In the following figure the number of observations and opportunities for improvement by control element are presented:

Figure 77 - Control Elements



As a result of the execution of the audits, situations that will allow the Company to continue with the strengthening of its Internal Control System in each one of the processes were identified. Some of the most relevant aspects recommended were:

- Review the methodology and design of the array of the Entity's operational risks, in regard to the identification of the risks that affect the operations of each process; the documentation and effectiveness of the controls so they mitigate the identified risks; the qualification of the inherent risks and the record of the risks events.
- Continue with the awareness campaigns about the operational reports by the areas.

- Identify the information assets, and classified the information generated during the processes according to their criticality.
- Carry out training on the contracts monitoring procedures and on the consequences of not consulting the Supervision Manual; on the management of the applications received, and the importance of the timeliness and quality of the responses delivered; and train the sponsor in the preparation of reports on the activities implementation, and the resources used in the strategic objectives.

Results of Special Audits

- *Transparency Law*

Once Findeter made the review of compliance on the Transparency Law No. 1712 of 2014 and the Regulatory Decree 103 of 20 January, 2015, recommendations on the information publication in particular section, on the differential criterion of accessibility, on the minimum mandatory information, on the publication schema, on the information assets, on the previously published information and document management program were generated.

- *Competitive and Sustainable Cities, Emblematic Cities and Diamante Caribe*

The following recommendations were generated according to the implementation of the 3 evaluated programs:

- Identify and document inherent policies, manuals, procedures, formats, and operational risks associated to the different projects and the controls that mitigate them.
- Document any program supports and allows to confirm the criteria or reasons used for the selection and decision to include to the program to cities benefit from the project.
- Define controls to track the relationship of the used resources in the implementation of the methodologies and the income obtained as a result of the three (3) programs.
- Define controls to monitor contracts concluded for the implementation of the programs.

- *Corporate Governance Evaluation*

The compliance of the 9 elements suggested by the Conceptual Document of Corporate Governance issued by the Financial Superintendence of Colombia was verified. The good practices of governance established by the OECD and the model of the three parties of governance of the Best Practices Document for savings and credit organizations.

As conclusion of this assessment, it was noted that Findeter is complying with the minimum elements established by the conceptual document of Corporate Governance issued by the Financial Superintendence of Colombia. However, the Corporate Governance issues are characterized by being dynamic, so, it is necessary that the Company continuously reviews the measures proposed and when necessary, develops new measures, so that the code is always set to the market and the Company situation.

- *Risk Management*

The different risk-management systems administrated by the Company were audited in accordance with the Financial Superintendence of Colombia current regulations. Likewise, thanks to the audits results, recommendations had been submitted in a timely manner to the different owners of process and the Vice Presidency of Credit and Risks was communicated about them.

Below, the basic reviewed risk-management systems and recommendations generated for each one are explained.

- *Operational Risk Management System - SARO*

As a result of our review, it became evident that Findeter is complying with the elements and stages of the chapter XXIII of the Accounting and Financial Basic Memo by the Financial Superintendence of Colombia. However, recommendations that will allow it to continue with the strengthening of the system in the identification and control stages and the elements of technological platform and event records were generated.

- *Asset Laundering and Terrorism Financing Risk Management System - SARLAFT*

Findeter is complying with the stages and elements that make up the Asset Laundering and Terrorism Financing Risk Management System (SARLAFT), in terms of what is stipulated in Part I, Title IV, Chapter IV of the Accounting and Financial Basic Memo issued by the Financial Superintendence of Colombia. However, recommendations for the system strengthening in the monitoring stage

and the elements of technological platform and policies and procedures were generated.

- *Market Risk Management System (SARM) and Liquidity Risk Management System (SARL)*

The work performed in the first half of 2015 was focused on the review of the Findeter's compliance with each of the stages and elements that make up the Market Risk Management System (SARM) and Liquidity Risk Management System (SARL), in terms of what is stipulated in the Chapter XXI. "Rules Relating Market Risk Management System", and chapter VI: "Rules Relating Liquidity Risk Management System" of the Accounting and Financial Basic Memo issued by the Financial Superintendence of Colombia. From the above, recommendations were presented in the Control and Monitoring stages and in the policies and procedures element.

- *Credit Risk Management System - CRAS*

The work was focused on the review of Findeter's compliance with each of the stages and elements that make up the Credit Risk Management System (SARC), in terms of what is stipulated in External Memo 032 of 2014 of the Financial Superintendence of Colombia.

- *Monitoring of the Action Plan Implementation*

The Internal Management Control Office conducted a monthly follow-up to the action plans that resulted from the recommendations implemented by the processes owners, a check on the tool prepared by Findeter (ISOLUCIÓN) is made for this purpose, with regard to timely compliance, and activities included therein as well as the media that may be required.

Thanks to the result of the monitoring of the 262 action plans carried out by the OIC Management generated for 2015, it was observed that: One hundred and sixty-six (166) action plans are closed, and ninety-six (96) are still pending to implement.

- *Integrated Management System Audits*

The Internal Control Management Office (OIC) coordinated the seventh cycle of internal audit of the SGI, from 14 to 20 November, 2014, relying on the audit team from Findeter. The result of the audit is detailed in the following table:

Table 79 - Integrated Management System Internal Audit

Type of processes	Process	Type of finding					
		NC	NC	OB	OB	IO	IO
		Quality	Environmental	Quality	Environmental	Quality	Environmental
Strategic	Planning			2	1	3	1
	Risk management	1		3		3	
Mission-related	Commercial Management	1		5			
	Technical vice-presidency	1		2			
Support	Loss Management			1			
	Portfolio Management					1	
	Legal Management			1			
	Continuous Improvement Management	1	1		1		
	Administrative Management			1		1	1
Assessment and Control	Institutional Management Control						
Regionals, zones and satellites	Northeast branch			1		2	
	Northwest branch					3	
Total		4	1	16	2	13	2

NC= Non-Conformity
OB=Observation
OM=Improvement Opportunity

In accordance with the eighth audit cycle results, it can be concluded that Findeter's Integrated Management System shows a satisfactory level of compliance in accordance with the provisions.

- *Integrated Management System Audit Follow up*

In 2015, a quarterly monitoring of the compliance of the action plans of the sixth and seventh cycle of internal audits of the SGI (quality and environmental) was conducted. The result of this follow up was the following: On 31 December, 2015, all plans of action defined by the owners of process for the sixth cycle were closed.

From the seventh cycle of audit 23 plans of action were closed, and 3 improvement opportunities are pending for implementation, which are oriented to the documents update of the SGI, and the filing of the received correspondence.

6.2.3 Internal and External Reports of Control Management

The Office of Internal Management Control acting in the role of "Relation with the external entities", and as a booster component of the Internal Control System has developed but limited to the following reports and requirements of the controlling entities in 2015: Accounting Internal Control Report, Improvement Plan Report CGR, Ekogui, Planning and Management Integrated Model (PDA), follow up to the Anti-corruption Plan and Citizen Attention, Detailed Report on the Status of Internal Control - Law 1474 of 2011, follow up to the Rights of Petition, Expenditure Austerity Report. The preparation of these reports is regulated by the existing rules for this purpose, as well as their periodicity: Monthly, every two months, quarterly every four months, and biannual.

6.2.4 Board of Directors' Audit Committee and Internal Control Coordination Committee

Board of Directors' Audit Committee

The Audit Committee performs in the different sessions a follow up to the outcome of the Audit Plan presented in 2015, for the purposes of establishing the general guidelines for the supervision, monitoring and improvement of the Internal Control System-SCI, as well as the process used for the review of the effectiveness of the SCI, and aspects related to the Risk Management.

The Audit Committee management is carried out through the permanent and active supervision of the functions and activities developed by the Internal Control Office, in order to establish an adequate independence in relation with the activities that are being audited, allowing the means to comply with the approved annual audit plan for

the established time, for this purpose there were held 4 sessions: February, May, August, and November of 2015, of which were erected the corresponding minutes.

Coordination Committee of Internal Control

Findeter's Coordination Committee of Internal Control System, as a corporate body that provides support for the administration and in accordance with the applicable legislation and other regulatory Decrees is responsible for sorting the actions necessary to ensure the articulated, efficient, and effective functioning of the Internal Control System and the SGI.

The Management Internal Control Office acts as the Technical Secretariat of this Committee, being responsible for the development, compilation, and custody of the respective minutes. During this time, the Committee met in four (4) opportunities: Two (2) in February, May, and November 2015.

In the sessions held by the Committee, the Management Internal Control Office presented the evaluations carried out on the Findeter's management models, as well as the follow up to the action plans that resulted from the audit's observations and improvement opportunities, activities in the promotion of the culture of monitoring and relationship with external entities.

6.2.5 Promotion of the Culture of Control

The OCI in its "Promotion of Control Culture" role, developed a Self-Control campaign, aimed to raise awareness, educate, and empower Findeter's employees, to be responsible for evaluating and analyzing their own responsibilities and controls that will contribute to the continuous improvement in the fulfillment of the institutional mission. For this campaign, a purpose was established in order to nominate outstanding employees in applying the self-control in its work in regard to: Quality, opportunity, and attitude.

Thanks to this activity, it was identified that Findeter has an Organizational Culture focused on the strengthening of the Internal Control System and the continuous improvement.

6.2.6 Improvement Plan of the Office of the Comptroller General of the Republic

The Office of the Comptroller General of the Republic, on the basis of the powers granted by law, audited to the Financiera de Desarrollo Territorial- Findeter S. A., which evaluated the principles of fiscal management: evaluating the fiscal management principles: economy, efficiency, and efficacy, through which the available funds were managed, and the management results, as well as the

evaluated areas, activities or processes, the General Balance Sheet and the Profit and Loss Statement as of December 31 of 2014.

As a result of this assessment, the Comptroller General of the Republic conceptualizes on the basis of the principles of efficiency, effectiveness, and economy of the Public Function that Findeter's management of the activities evaluated for 2014 is favorable, with a rating of 91.09 points over 100. On the basis of the rating obtained in the management components and Results of The Office of the Comptroller General of the Republic.

It concludes the account for 2014, and now, Findeter relates the result obtained by the evaluated components:

Table 80 - Components of CGR Management Control

Components	%	Rating Components	Rating Weighted
Management Control	20	90.75	18.15
Results Management	30	87.5	26.25
Legal Control	10	90	9
Financial Control	30	100	30
Internal Control	10	76.95	7.69
Total Rating General Management	100		91.09

Findeter prepared and signed the Improvement Plan through the Accountability and Reporting Electronic System (SIRECI). The plan is established for sixteen (16) findings with thirty-one (31) activities scheduled during 2015 and 2016, in December 31, 2015 it presents an execution rate of 77%, which means 24 activities (24) carried out as scheduled for the thirty-one (31) proposals.

Through SIRECI were transmitted the follow up of the Improvement Plan corresponding to the 2013 validity of the entity and the follow up to the of Special Action Plan of Control-Popayan Validity 2009-2013, which complied with the 100% of what was planned in the established dates.

6.2.7 Assessment of the Internal Control System - SCI

Findeter has implemented and developed within the organization the MECI elements, as well as the elements defined in part I, Title I, Chapter IV of External

Memo 029 of 2014 issued by the Financial Superintendence of Colombia, including Technological Management and Accounting Management. The senior management and all Findeter's levels are committed to the strengthening of the Internal Control System and participate actively in the activities aimed at promoting the self-control. Notwithstanding the above, it is necessary to continue working in the defined actions in the plans of action signed with the responsible areas, in order to advance in the improvement of processes and the strengthening and sustainability of the Internal Control System.

In view of the foregoing, it is concluded that Findeter has a defined, documented and active SCI. It also has a monitoring scheme that allows to perform a monitoring of the fulfillment of its objectives in order to check the continuous improvement, the sustainability and the strengthening the system.

6.2.8 Internal Accounting Control System

Based on the audit procedures developed in 2015, it may be concluded that Findeter Accounting Internal Control System was implemented as provided by the legal regulations and the accounting technique.

Findeter implements the accounting principles generally accepted in Colombia for institutions supervised by the Financial Superintendence of Colombia. This includes the design, implementation and maintenance of the internal control relevant to the preparation and reasonable submission of the financial statements, in a way that they are free from material misstatement; it also includes the selection and implementation of appropriate accounting policies, as well as the development of reasonable accounting estimates.

Findeter has manuals, procedures and controls documented and implemented, that allow managing the financial and accounting information. In the audits of the Findeter's processes, the identified observations and improvement opportunities were managed by the persons in charge of the process, who signed action plans aimed at strengthening the accounting management.

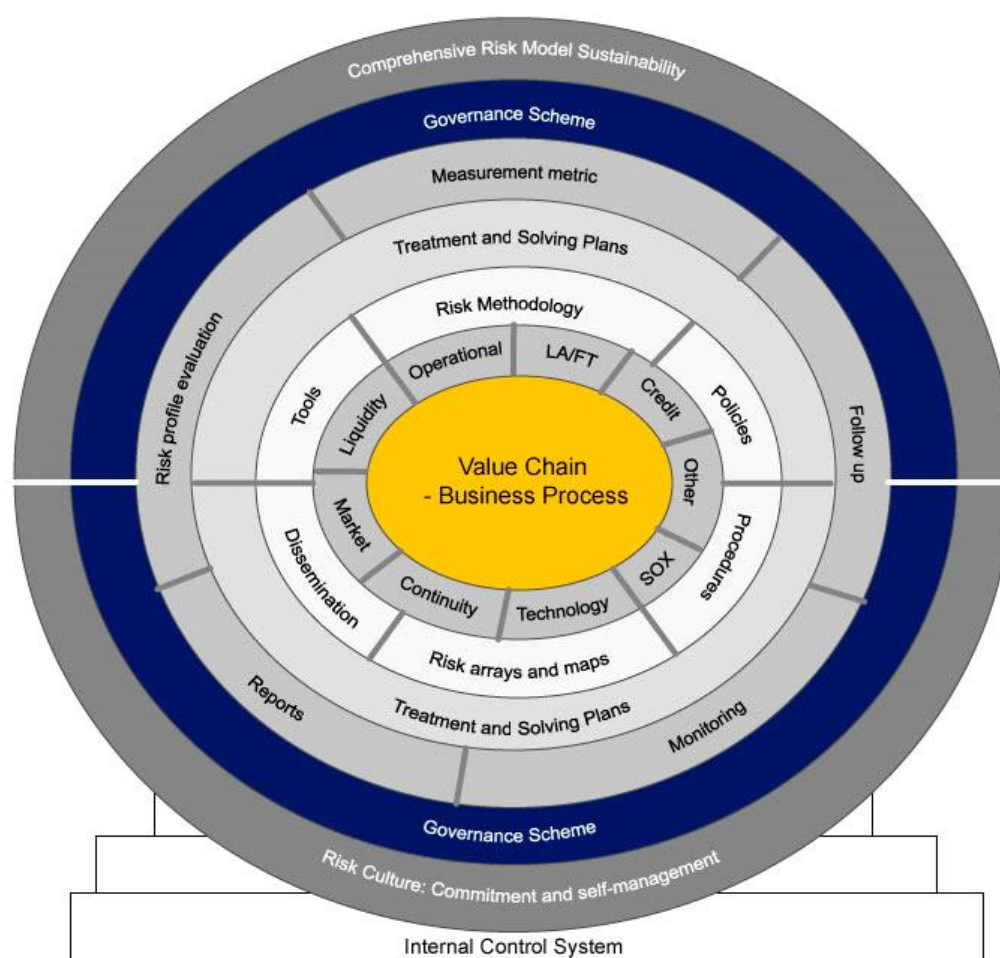
6.3 Internal Control System - SCI

Findeter Internal Control System seeks the Institution's sustainability and strengthening in leading practices and implementing the guidelines set forth under the current regulations related to the review and adequacy of Internal Control System (ICS), thus allowing Findeter to have management systems aimed at leveraging the achievement of its objectives, on the grounds of its business model.

The Internal Control System evaluation was carried out in line with:

- Decree 943 (May 21, 2014), that enables to update the Standard Model of Internal Control, MECI, regarding 2 modules, 6 components, 13 elements, and one keystone.
- Each of the elements defined in Section I, Title I, Chapter IV of the External Memo 029/2014 issued by the Financial Superintendence of Colombia, including the Technology Management' and Accounting Management.

Figure 78 - Internal Control System

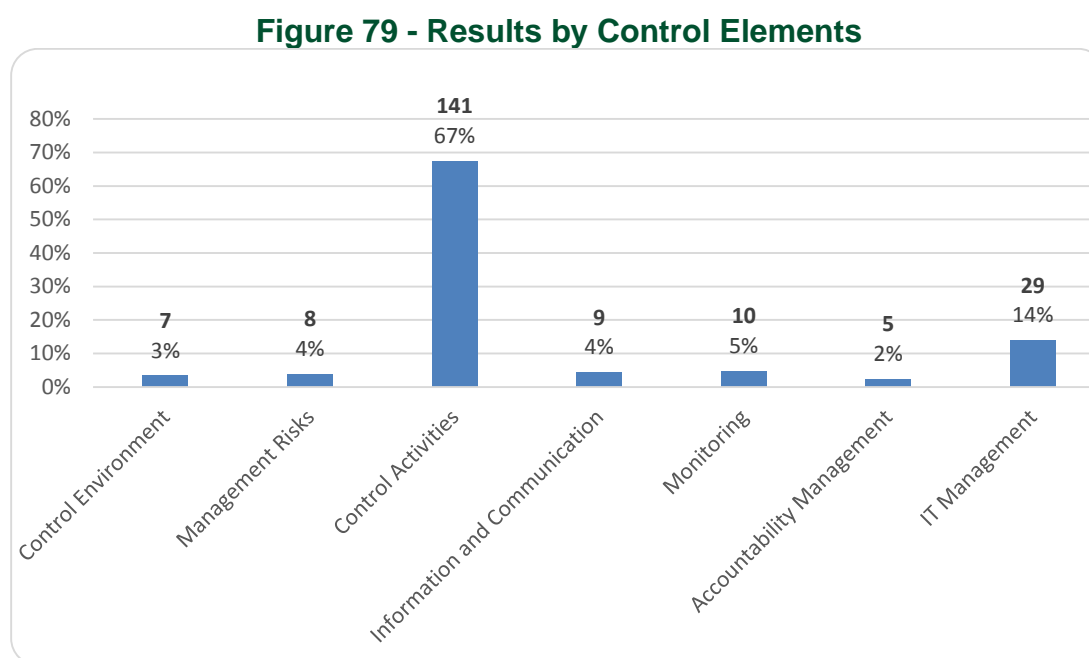


- An evaluation approach based on risks and controls:

In addition, the Internal Control Office performs its assurance operation and consultation by evaluating 100% of Findeter, Regional Branches, and Management

Systems Processes and contributes to the strengthening of the system. Additionally it carries out special audits with the purpose of identifying improvement opportunities in a preventive manner and supports the strengthening of its processes.

Below are the results of the improvement opportunities or observations identified by control elements in 2015, which aim to strengthen the processes and Findeter Integrated Management System:



In accordance with the previous figure, the recommendations allowed to strengthen the various control elements, as follows:

- **Control Environment** It was strengthened through the upgrade of the regulations applicable to Entity's processes, the definition and documentation of the policies and procedures applicable to new areas and programs or projects administered by Findeter.
- **Risk Management:** Some recommendations were made with respect to the different stages and elements of the management systems of operational risks, of money laundering and financing of terrorism, market and liquidity risk. On the other hand, recommendations were made with respect to the array of risks event log as well as the documentation of all risks events identified by the areas or audits.

- *Control Activities:* These recommendations were made to strengthen the design and effectiveness of the controls implemented for each of the processes, in order to mitigate the risks that might affect the achievement of objectives by the organization. As a result of our assessments, some recommendations were issued to each area, related to the identification of new controls and the implementation and efficiency improvement of existing controls.
- *Information and Communications:* Improvement opportunities were generated for the strengthening of information assets in terms of security (confidentiality, integrity, and availability), quality (effectiveness, efficiency, and reliability) and the compliance with the information generated.
- *Monitoring:* Some recommendations were made on the definition of management indicators for the new areas, projects or programs managed by Findeter. Likewise, opportunities for improvement were generated on the definition of action plans for compliance with the set targets.
- *Accounting Management:* Some recommendations were made for the strengthening of policies and procedures defined by Findeter, in regard to the implementation of reconciliations, the establishment of transactions limits and the controls defined in the accounting accruals.
- *IT Management* The recommendations were directed to access control and segregation of duties in the new tools, data management, the performance management and infrastructure capacity, technology operations management, change management, acquisition, development, and deployment of new applications, the handling of incidents, the administration of the computer center, and inventory management.

To address recommendations, Findeter developed action plans aimed at strengthening and improving the Internal Control System, which have been implemented on the deadlines set out in the audit reports and special evaluations.

Findeter has implemented and developed within the organization the guidelines issued by the Administrative Department of the Public Function - MECI and the guidelines of the Financial Superintendence of Colombia. The management of Directors and, in general, the Entity at all levels is committed for the continuous improvement of processes and the identification and implementation of good practices of the Internal Control System.

Therefore, it may be concluded that Findeter has a defined and documented control environment, identified and monitored risks systems, control activities implemented in their processes, information and communication systems and a monitoring scheme for the fulfillment of its objectives which has allows the sustainability and the strengthening of the Internal Control System.

7. ACHIEVEMENTS 2015

Findeter remained a solid and profitable financial institution with continued growth. There were placements on the amount of COP 2,298,334 million, remaining in the range of the highest numbers in the entire history of the Entity. This was the result of an effective commercial work, an efficient financial management that increased the assets in 6.29% and hence the net portfolio in 13.98% with respect to the previous year, based on an efficient model of management, supported by leadership and empowerment of its human capital.

The following aspects about the management work of 2015 stand out:

- During the government of the President Santos period between August 7, 2010 and December 31, 2015, Findeter contributed, as a development bank, to the promotion of the country's infrastructure with disbursements to priority sectors of the national economy in the amount of COP 13.07 trillion.
- During the year 2015 the credit disbursements amounted to COP 2.3 trillion, covering 117 municipalities in 27 departments through 859 operations. Out of these, 73% for an amount COP 1.68 trillion which were used for the funding of projects in the transport sectors (34%), health (27%), and Education (11%).
- Profits amounted to COP 27,852 million and an increase in the assets of 2.69%, and reached a value of COP 985,524 million. The above demonstrates the strength of the Entity and the financial capacity to continue with the sustained growth of the portfolio.
- It is noteworthy, in management development concerning Projects Structuring, the following aspects: Validations of projects of public-private partnerships - (APP, by its acronym in Spanish) for Territorial Entities; Fiscal Support and comprehensive advice to public entities of the territorial order (mayors, governorship, decentralized entities); investment projects formulation under the Adjusted General Methodology - (MGA, by its acronym in Spanish) for the application of rates offset in the health, and water sectors.
- Findeter achieved to earn resources of COP 2.35 trillion in the local market through the issuance of time deposits.
- In terms of the technical management development, Findeter has participated in the processes developed by the Ministry of Housing, City and Territory to reach the goal of contributing to the construction of decent housing for the most vulnerable population of the country.
- In the process of monitoring with regard to the program of free housing, Findeter has managed to certify 49,962 priority housing at the end of 2015, which have been delivered to the beneficiaries of the grant and their families

with the help of the Ministry of Housing, City and Territory; in regard to the housing program of priority interest to savers, in 2015, 15,274 homes that benefit around 61 thousand inhabitants were certified.

- In regard to the participation of Findeter in the eligibility of Social Interest Housing Projects, in December, 2015, 4,272 certificates have been issued for a 295,139 houses offer.
- With regard to the Water for Prosperity Program it was achieved to finish 33 projects and the award of 85 calls that are being carried out, which 14 were of consulting, 38 of overseeing and 33 of work.
- Delivery of the Action Plans of Monteria, Pasto, and Valledupar as part of the Sustainable and Competitive Cities Program; and Barrancabermeja, Buenaventura, Tumaco, Magangue, and Quibdo, as part of the Emblematic Cities program.
- Implementation and certification of Findeter's model EFR (Family-Responsible Company), by the Foundation Más Familia from Spain, which allows not only to strengthen the balance between working, personal, and family life, but to create an environment conducive to the achievement of high standards of productivity and organizational excellence.
- The increasing in hours of training of the collaborators from 9 hours in 2014 to 12.6, with a coverage of 85.3%, which has increased the skills of the collaborators and the improvement of competencies in the development of its functions, aligned with the strategic direction of Findeter.
- As a result of the strategic planning for the period 2015 - 2025 two new institutional values were included: Innovation and Teamwork. Likewise, at the end of the year the current and the expected culture were measured, these results will be the input for the new strategic plan.
- Thanks to the Internal Control Management, Findeter has strengthened the technological tools that support the business processes, and in a preventive manner, there have been generated recommendations that have improved the risk-management systems, the controls associated with the missionary processes of the Entity, the formalization of new processes, the sustainability of the Integrated Management System, and the optimization of the System of Financial Consumer Care.

8. ACCOLADES

- **ISSUER INVESTOR RELATIONS-IR**

The Colombian Stock Exchange awarded Findeter the "IR Issuer" recognition due to its best practices in the disclosure of information and investor relations.

- Corporate and financial information updated on the web page, available in Spanish and English.
- Quarterly events of disclosure of financial information to investors and analysts.
- Appointment of a responsible for relations with investors.

• INTELLIGENT CITIES WORLD PRIZE

In the framework of the "Smart Cities Expo World Congress" in Barcelona, Spain, Findeter was awarded for the Diamante Caribe y Santanderes Project, as the best innovative idea at global level, which means a recognition of this new territorial vision in which Findeter has been working for two years, with mayors and governors of the Caribbean and the Santanderes region, in order to improve the living conditions of its inhabitants.

9. IMPORTANT EVENTS THAT OCCURRED AFTER THE YEAR (DECEMBER 31, 2015)

In the course of 2016, and as a result of the implementation of the funding plan, Findeter conducted on February 3 a Dutch auction of time deposits via Colombia's Stock Exchange, where there were captured resources of COP 317.1 trillion to 18 months, 2 years, and 3 years from demands that reached COP 415.7 trillion.

In this same regard, on February 9 it the negotiation of a loan of USD50 million with the bank Citibank N.A. was finished, this disbursement took place on February 11. These resources are included in the funding plan 2016.

10. OUTLOOK OF 2016

In 2016, Findeter will take on important challenges to continue growing competitively and to consolidate itself as the regional development bank. This will be framed within the formulation process for the new 2015-2018 Strategic Plan, with which Findeter plans on creating the direction, strategic objectives, and initiatives for the next few years, under the guidelines of the new National Development Plan.

In this sense, it is a priority to align and implement the new Corporate Strategic Plan, as well as the accompanying and advising to the different processes (Strategic, Missionary, Control and Support) in the formulation of action plans to ensure compliance with the missionary objectives. In order to control and monitor the implementation of projects relating to the raised initiatives, the project management best practices of the Project Management Institute (PMI) will be implemented, and the SIGEP tool will be used for an adequate control.

Among the short-term actions to be carried out, the following stand out:

➤ **Commercial Management**

- To contribute to the fulfillment of the approach proposed in the National Development Plan (2015-2018) “*Paz, Equidad y Educación*”, working hand in hand with the state entities involved in regulating and financing the different strategic sectors for both Findeter as to the National Government.
- To continue with the strategy of rapprochement and loyalty addressed to the main groups of interest of the entity in a year where new cycles in local administrations are starting, seeking to generate synergies with regional leaders and the positioning of Findeter as development bank.
- To materialize the strategic sectors projects and to promote the sustainable planning and execution of the planned investment, through the strengthening of the instruments that generate greater added value, and that enrich the commercial management in a comprehensive manner, such as: Advice on Projects Financing; Technical Assistance; and Analysis And Fiscal Support to the territorial entities.
- To promote the formulation and structuring of infrastructure projects in the territories that have Royalties General System resources and/or incorporating mechanisms for linking private capital, such as the APP, as well as to train the Territorial Entities in topics related to structuring of projects, MGA - Royalties and APP.

➤ **Financial Management**

- To continue with a prudent financial management however the turbulence that looms on the national and international economic panorama, achieving an adequate collecting of resources that facilitate the implementation of the commercial goals, through appropriate mechanisms of market uptake and the support of the multilateral bank, decreasing the risks generated by the volatility of macroeconomic variables and transmitting confidence to the financial market.

- Resources collection of COP1.82 trillion through issues of bonds on the local market.

➤ ***Integrated Territorial Development***

- To assess and to select the builders for the second phase of the 100 thousand free houses program, and deliver the 35,000 homes of the VIPA program.
- To support the execution of 81 projects related to aqueduct and basic sanitation works and consulting.
- To deliver about 84 projects corresponding to: 13 citizen integration centers; 9 Megacolegios; 17 collective public facilities; 27 Recreational and Sport Parks; 16 libraries; 2 houses of culture; Museum of Modern Art of Barranquilla, among other projects, complying with the commitments acquired with the customers.
- Technical assistance to studies and designs, construction and overseeing of 76 Schools within the single shift program, as well as to the intervention of the house (Casona) and Trapiche (mill) in Hacienda Cañasgordas.
- To receive 100% of the results of the Diamante Caribe y Santanderes project that will contain the Regional and City Strategic Projects, as well as manage the inclusion in the departmental development plans projects to scale Diamante with the new local administrations.
- To structure along with the Government of Bolivar the initiative "Innovatur" (Science, Technology, and Innovation), in order to strengthen the tourism sector in the department for subsequent presentation to Colciencias.
- To structure the "Agropolis" model for two new regions.
- To manage the studies for the development of the master plan of the Valle de la Salud, project "Santander Life".

➤ ***Customer Service and Marketing Management***

- In terms of customer service and attention to the citizen, the goals are to further develop the guidelines of the Citizen Service National Program that the National Planning Department leads, as well as to strength the mechanisms of citizen participation and accountability that strengthen the relationship with our different interest groups.

➤ ***Risk and Credit Management***

- To integrate the methodologies of the non-financial risks, SARO, SARLAFT and Information Security, and to continue with the phases III and IV of the workshop "For an operational risk culture".
- To implement Findeter's management of the non-financial risks tool and put into operation the Information Security System.
- To continue with the tests to the Business Continuity Plan in Findeter, as well as setting parameters and guidelines for resistance tests associated with the Findeter's activity.
- To implement the internal methodology for the calculation of adjustments CVA and DVA for the valuation of derivative instruments in accordance with External Memo 041 of 2015 of the Financial Superintendence of Colombia; to implement the methodology for the calculation of the economic capital.

➤ ***Operations Management***

- To auto-deploy bank reconciliations for Findeter's accounts, giving priority to the accounts of suppliers that are managed with commercial banks, where a high volume of operations related to travel allowances, payroll, services, and voluntary pension, among others are controlled.
- To systematize the rediscount process in pesos with multilateral banks resources that makes possible to have accurate and in real time information.

➤ ***Human Resources***

- Implementation of Findeter's Plan for the Cultural Development. Its base is on the Strategic Plan and the results of the measurement of the organizational culture that will define the most relevant elements to help understand role of culture as a strategic issue toward the construction of a competitive advantage and support the sustainable growth of the business "Culture boosts strategy".
- Transition from the development evaluation by competences toward a model of integrated performance management, containing strategic indicators, general competences, specific and/or related behaviors to Culture and Climate, so as to allow for the feedback, evaluation, and development processes to yield relevant information to the formation and growth plans.

- Evolution and follow up to the EFR model (Family-Responsible Company) that allows to strengthen its appropriation by all partners and to add it to the organizational culture.

➤ ***Internal Control Management***

- To carry out comprehensive audits for the different processes, as well as for further evaluations that are required to continue with the strengthening of the Internal Control System, identifying improvement opportunities based on leader practices and knowledge of the business in order to improve the effectiveness, efficiency and efficacy of controls and processes in order to strengthen the fulfillment of Findeter's objectives.

APPROVAL

This 2015 Management and Financial Report of 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 during the session of February 16, 2016, and was signed in Minutes No. 306.