

# ANNUAL REPORT 2015

**BANCOLDEx** 





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# 01 OUR BANK





# 01 OUR BANK

## BANCÓLDEX IS TRANSFORMING

Here are no banks in Colombia exclusively dedicated to business growth. In general, there are no strategic vehicles in the country focused on this objective. Consequently, we are convinced that Bancóldex has to become a Development Bank in order to respond to regional business needs and contribute to the country’s business growth. This will help industry contribute more decisively to Colombia’s GDP.

Additionally, there are two types of business growth in the country. On the one hand, the flat or vegetative growth represented by the businesses that record growth close to a single digit. According to information obtained from EMIS,<sup>1</sup> these businesses reflected a real average slow-down corresponding to 2.2%. On the other hand, dynamic growth is led marked by companies that have sustainable double digit growth. These businesses demonstrated an average growth of 21.7% according to this same information.

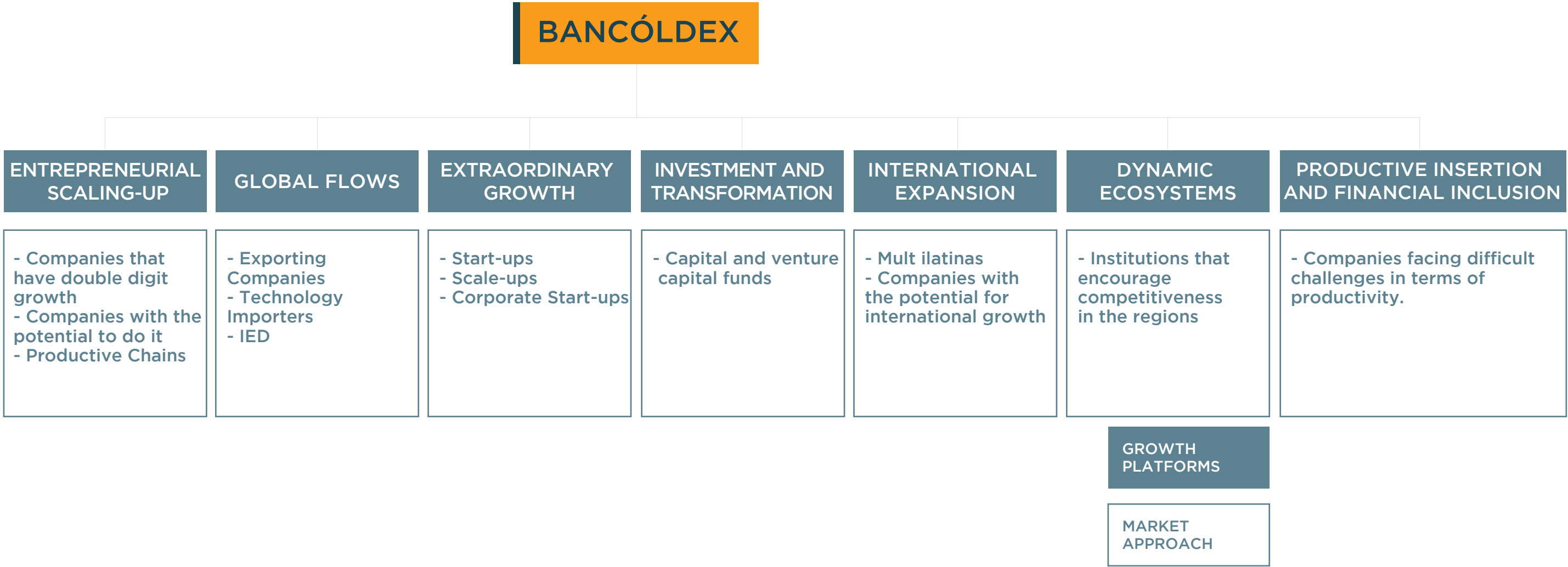
Additionally, analyzing Colombian business growth during the last decade, five types of companies have actively grown in profitability and sustainability and these businesses are showing growth of more than two digits.

In effect, the businesses that showed truly surprising growth rates are the ones that strengthened their regional business model by conquering new markets, those that reconfigured their markets by changing ownership or receiving smart capital, those that globalized by establishing their own position abroad, those that innovated their business model and those that had the possibility of inserting themselves in a fertile business ecosystem with relevant actors.

Bancóldex extended these growth leverages with the aim of offering businesses adequate tools to grow quickly, profitably and sustainably. These companies configured their business units based on six platforms in order to support businesses according to their activity and state of growth, regardless of their size or sector.



### GROWTH PLATFORMS



<sup>1</sup> EMIS: Euromoney Institutional Investor Company



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## BANCÓLDEX IS TRANSFORMING

### BUSINESS ESCALATION PLATFORM

Assisting businesses of all sizes with growth potential in all regions of Colombia with medium and long term credit that have favorable terms for business modernization. This platform also aims to assist the financing needs of chains of production that coordinate economic activities involving markets, technology and capital. These act as the foundation for productive development.

### GLOBAL FLOWS PLATFORM

Assisting businesses that export non-traditional goods and services, technology importers, capital assets and foreign companies that invest in Colombia. These businesses requires tailor-made products and longer term financing than Bancóldex is capable of offering.

### INTERNATIONAL EXPANSION PLATFORM

There is a significant market consisting of businesses that have made the decision to export their business model and establish their own position abroad and require financing to carry out this initiative. Bancóldex has different products to support this objective.

### EXTRAORDINARY GROWTH PLATFORM

Assisting young companies with high growth potential and corporate undertakings with financing as well as other instruments to encourage innovation. With this platform, Bancóldex aims to identify the businesses that have the potential for extraordinary growth<sup>2</sup> in brief periods of time and support them with relevant instruments like credits and guarantees for entrepreneurs, amongst others.

### INVESTMENT AND TRANSFORMATION PLATFORM

Bancóldex has designed the Investment and Transformation Platform with the aim of generating investment opportunities in Private Equity/Venture Capital funds for business growth and to accompany the growth of businesses in different stages of maturity with financial products that are different to credit (equity). This helps leverage reconversion and reconfiguration strategies for businesses and facilitates access to the capital market.

### DYNAMIC ECOSYSTEMS PLATFORM

With this platform, Bancóldex works with organizations that encourage competitiveness and business growth in the regions through different mechanisms. The first is focused on providing valid information on the regions that businesses select for their expansion. The Harvard Atlas of Economic Complexity tool is made available for the ecosystem as this helps to reflect the growth opportunities in different sectors at the regional level. The second is non-financial support to strengthen capacities in organizations and businesses. In this regard, the 3E Program delivers tools to export businesses that help them to constantly evaluate and innovate their international business models. Finally, projects are designed to provide regional support for organizations through encouraging competitiveness in order to develop relevant and dynamic science, technology and innovation based-projects for business growth.

### PRODUCTIVE INSERTION PLATFORM AND FINANCIAL INCLUSION

This program primarily supports micro-companies facing difficult challenges in terms of productivity. This product involves access to financial services through financial intermediaries that provide loans for micro-entrepreneurial credit.

2.Start-ups: Dynamic businesses with high growth potential; Scale-ups: companies valued at more than one million USD with the potential to double their size every three years; Corporate entrepreneurship: new firms coming from escalating corporate assets and disruptive innovation.



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## ABOUT BANCÓLDEX

### BANCÓLDEX'S PURPOSE

The Bancóldex group manages financial assets, develops access solutions and mobilizes massive amounts of capital by leveraging our relational capital and converting it into services for business growth.

### HOW DO WE OPERATE?

Bancóldex operates as a second-tier bank. This is to say that when an entrepreneur requests credit from a financial entity (from a commercial bank, for example), this institution can request the resources the entrepreneur requires from Bancóldex. Bancóldex delivers them to the financial entity and then they transfer them to the entrepreneur.

### WHO IS OUR TARGET POPULATION?

Visionary entrepreneurs that are focused and capable of leading transformations in their industries, that dare to grow and are determined to do things differently and connect where there are opportunities.

We offer financial and non-financial products and services in accordance with the growth of companies. We promote strong business dynamics in regions in order to develop more competitive environments.

The products and services that Bancóldex develops are framed in the growth platforms that companies are assigned depending on their state of growth.



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## EXECUTIVE BOARD MEMBERS

### PRINCIPAL

**DRA. CECILIA ÁLVAREZ - CORREA GLEN**  
Minister of Commerce, Industry and Tourism

**DR. MAURICIO CÁRDENAS SANTAMARÍA**  
Minister of the Treasury and Public Credit

**DR. AUGUSTO LÓPEZ VALENCIA**  
Representative of the President of Colombia

**DR. CARLOS EDUARDO QUINTERO**  
Executive Board Member

**DR. GUILLERMO VALENCIA JARAMILLO**  
Manger - CID General Industries and Investments

### ALTERNATE

**DR. DANIEL ARANGO ÁNGEL**  
Vice-Minister of Entrepreneurial Development

**DRA. MARÍA INÉS AGUDELO**  
Director of the Financial Institutions Guarantee Fund FOGAFIN

VACANT

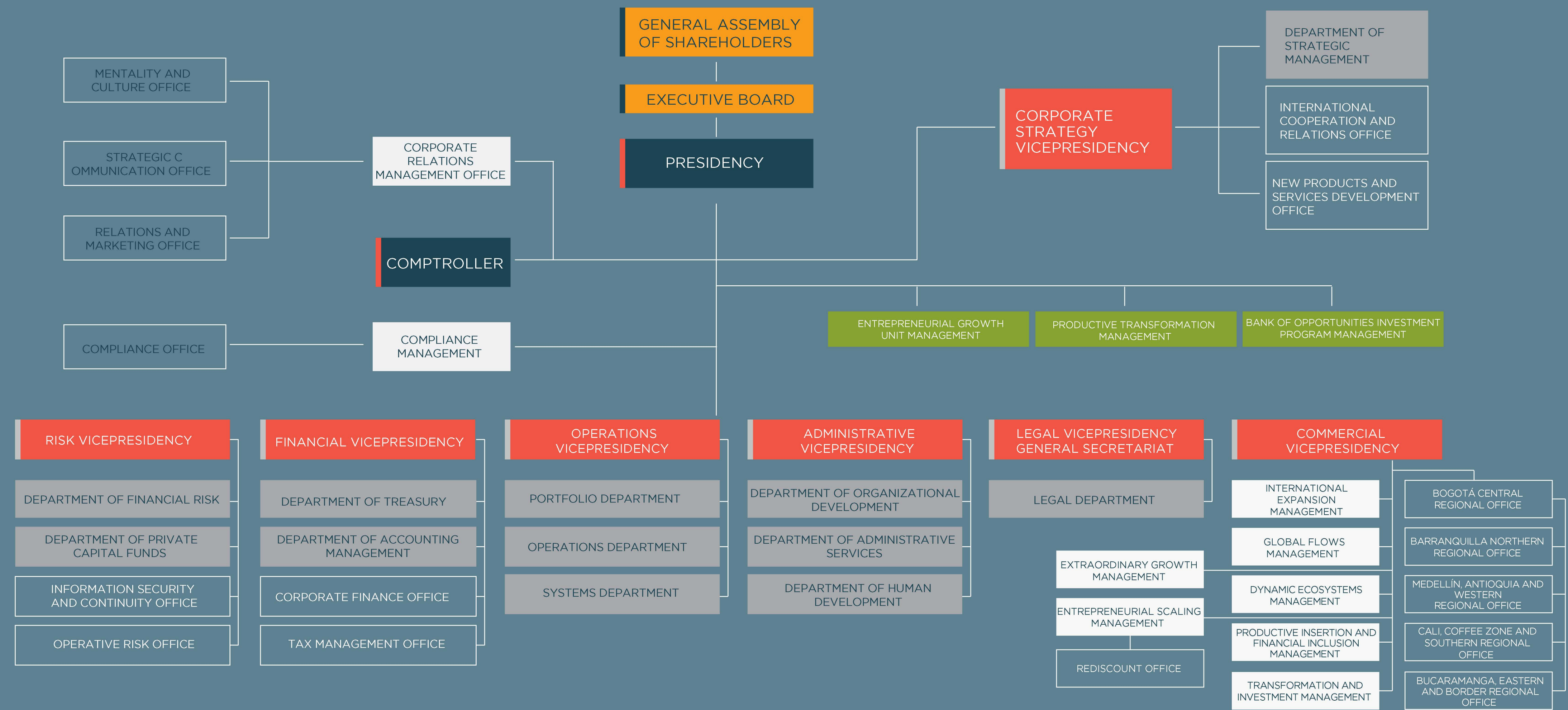
VACANT

**DR LUIS GUSTAVO FLÓREZ ENCISO**  
Executive President ACICAM



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## BANCOLDX ORGANIZATIONAL STRUCTURE





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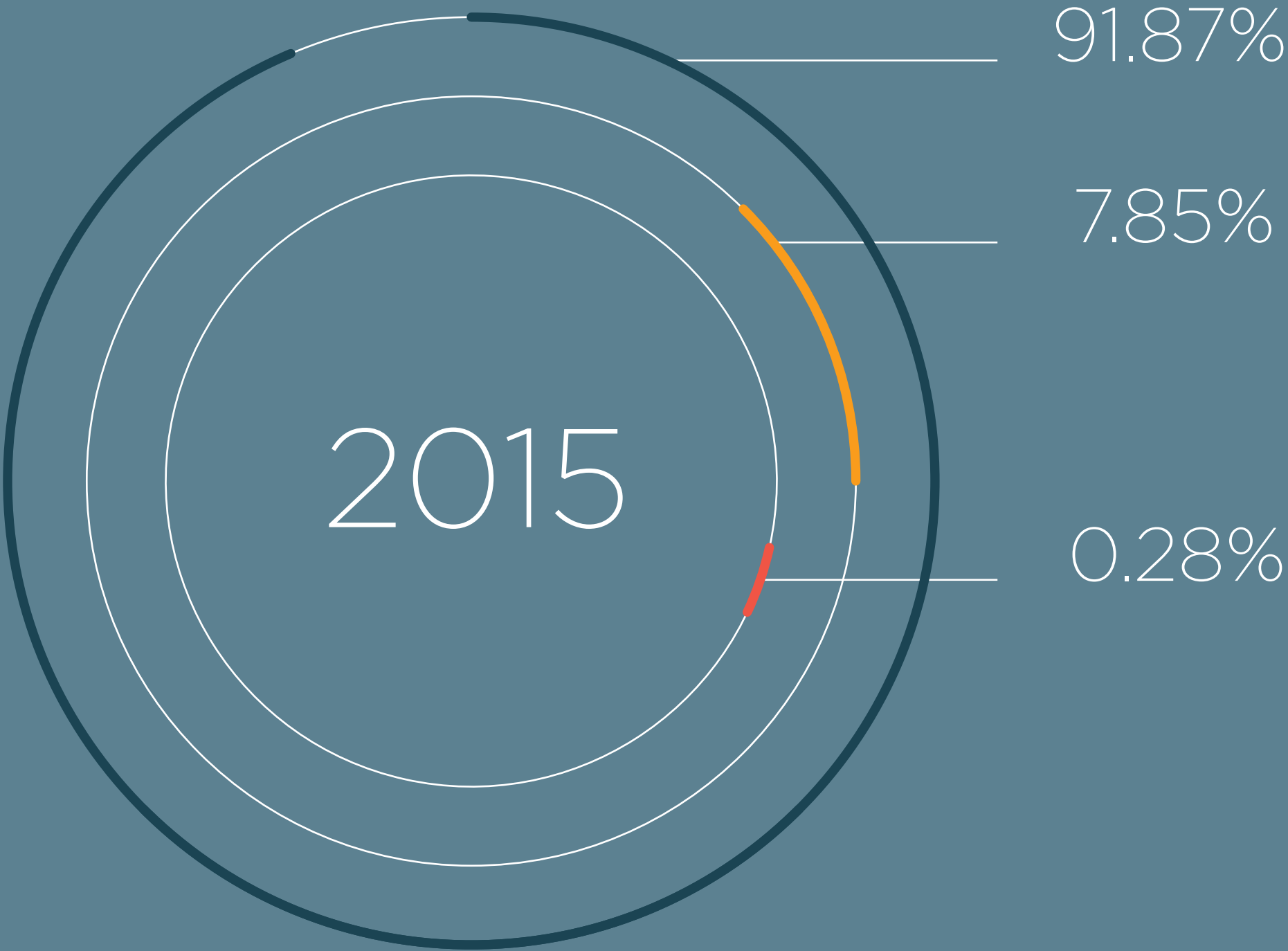


# 01 OUR BANK

## SHAREHOLDERS

NAME OF SHAREHOLDER	PERCENTAGE OF PARTICIPATION
National Government - Ministry of Commerce, Industry and Tourism	91.87%
National Government - Ministry of the Treasury and Public Credit	7.85%
Individual shareholders	0.28%

SHAREHOLDERS AS DECEMBER 2015





# 01 OUR BANK

## BANCÓLDEX PRODUCTS AND SERVICES

GROWTH PLATFORMS					
PRODUCTS AND/OR SERVICES	EXTRAORDINARY GROWTH	PRODUCTIVE INSERTION	ENTREPRENEURIAL SCALING UP	GLOBAL FLOWS	INTERNATIONAL EXPANSION
	CREDIT FOR INNOVATION	MICROFINANCE		LIQUIDITY CREDIT	
	CREDIT FOR BUSINESSES WITH A HIGH POTENTIAL FOR GROWTH	CREDIT FOR ENTREPRENEURIAL FORMALIZATION	CREDIT FOR INVESTMENT/MODERNIZATION		
		MICROINSURANCE	SUSTAINABLE DEVELOPMENT		FINANCING FOR OVERSEAS EXPANSION
			DISCOUNTS FOR DOCUMENTS		
		REGIONAL AGREEMENTS AND OTHER PARTNERSHIPS		PREFINANCING AND FINANCING OF EXPORTS	
				INTERNATIONAL BANKING OPERATIONS	
				CREDIT FOR BUYERS AND SUPPLIERS	
				CREDIT FOR CORRESPONDENT BANKS	
				INVESTMENT IN PRIVATE EQUITY FUNDS "BANCÓLDEX CAPITAL" PROGRAM	
	BUSINESS TRAINING			3E EXCELLENCE FOR EXPORT COMPANIES PROGRAM	



# 01 OUR BANK

## PRODUCTOS Y SERVICIOS BANCÓLDEX

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### CREDIT FOR INNOVATION

This product aims to support companies and academic and research institutions that have adopted activities and processes that contribute to a culture of innovation within their business strategy. This credit finances all of the needs related to investment, work capital and liquidity of companies with preferential interest rates, long repayment periods and the possibility of periods of grace.

The resources for this product can be channeled through different financing mechanisms such as leasing and loans for the company.

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### CREDIT FOR COMPANIES WITH HIGH GROWTH POTENTIAL

Through this financing alternative Bancóldex aims to identify and support the growth of companies in their initial stage, helping them to develop their potential. This is achieved through: encouraging the adoption of strategies that allows them to have rapid, profitable and sustainable growth; and encouraging the incorporation of innovation as a differentiating element for business models, the reconfiguration of markets and the development of products.

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### MICROFINANCES

Bancóldex has created a broad network of intermediaries with the purpose of driving the development of the micro-entrepreneurial sector in Colombia. Similarly, Bancóldex has incorporated financing alternatives in its portfolio of products and services that meet companies' needs in terms of labor capital, improving their cash flow, implementing their entrepreneurial modernization projects, strengthening their assets through the capitalization of their company and improving their environmental performance. In addition, the micro-companies can access the Futurex Vida product so that micro-entrepreneur and their family receive protection in the case of death or total or permanent incapacity.

The financing of these investments contributes to the micro-companies strengthening their credit history, driving the growth of their companies and improving their performance to assume the challenges of different markets.

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### CREDIT FOR ENTREPRENEURIAL FORAMLIZATION

Bancóldex offers financing alternatives that allows companies to access labor capital and fixed or deferred assets, with investments in these areas contributing to the implementation of their productive activities and their entrepreneurial formalization processes. These processes allow companies to strengthen their growth dynamic, diver-

sify their portfolio of buyers, enter new national and international markets and participate in entrepreneurial development programs implemented by the government.

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### MICRO-INSURANCE

#### LIFE INSURANCE FOR ENTREPRENEURS

This product provides protection to the micro-entrepreneur and their nuclear family in the case of accidental death, natural death or suicide, total or permanent incapacity and serious illnesses. In addition, the product offers additional support such as the payment of expenses for funeral expenses and family-related expenses due to death or incapacity.

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### LIQUIDITY CREDIT

In order to support entrepreneurial activities and contribute to economic growth of micro, small, medium and large businesses from every economic sector of the country, this type of loan provides resources to finance operating expenses and other liquidity needs that business have for their operation and development. Similarly, it allows business to move forward with a restructuring of liabilities process, decreasing the concentration of short-term debt and transferring it to long-term debt with payment periods that align with the business cycle, thus improving their cash flow structure.



# CREDIT FOR INVESTMENT / ENTREPRE-NEURIAL MODERNIZATION

This product seeks to address investment needs, in fixed or differed assets of micro, small, medium and large businesses to conduct projects guided towards increasing production and competitiveness standards, the acquisition of new technologies, the conversion of the productive apparatus, environmental protection and other national and international expansion plans. This product's resources can be channeled through different financing mechanisms such as leasing, credit to the business or credit through partners or shareholders. Necessities that supply: liquidity, foreign trade and capitalization

# SUSTAINABLE DEVELOPMENT

Alternative financing directed towards micro, small, medium and large businesses from every economic sector that requires investment in measuring, control and monitoring systems, focused on mitigating the negative effects from the business activity on the environment. This credit line seeks to encourage companies to have a sustainability approach to their business, so that they are more productive and competitive in markets that have higher environmental standards and include, within their portfolio, goods and services with added value in terms of environmental protection and care.

# DISCOUNTS FOR DOCUMENTS

Bancóldex buys derivative securities of an export that are backed by an eligible bank directly from the Colombian exporter:

- Approvals or differed payments generated from letters of credit.
- Letters backed by financial intermediaries abroad with a direct credit line or an irrevocable commitment to repay.
- Purchase exchange invoices or bills of exchange accepted by the importer and backed by a standby letter of credit.

# PURCHASE OF INVOICES – LIQUIDEX

Through this product, Bancóldex buys from business in the domestic market or direct/indirect exporters, the value of the invoices arising from credit sales of goods or services in Colombia or abroad.

This product operates using two frameworks\*:

## LIQUIDEX PESOS – DOLLARS EXCHANGE

A business that sells goods or services and has their portfolio insured with a credit insurance policy, has the possibility of deducting said invoices directly with Bancóldex at competitive rates.

## LIQUIDEX CHAINS OF PRODUCTION

Through a global credit insurance policy, Bancóldex covers the purchasing company's portfolio so that their suppliers in Colombia can directly deduct their invoices with Bancóldex at competitive rates.

\*With these frameworks, Bancóldex gives supplier companies liquidity without conditions, because these companies don't require a credit check to access this product.

# SPECIAL POSITIONS / REGIONAL AGREEMENTS AND OTHER PARTNERS

To strengthen financial support to the entrepreneurial sector, Bancóldex partners with entities such as ministries, governments, municipal councils and international cooperation agencies, among others. This in order to establish special credit lines that provide liquidity, in pesos or in dollars and with preferential financial terms, to different business segments based on their geographic location, business size and the destination of the resources.

These special credit lines take into account, as the case may be, maximum financial amount limits by the company, as well as compliance with specific conditions for the access of said resources.

# PREFINANCING AND FINANCING OF EXPORTS

Through Bancóldex, entrepreneurs have at their disposal, alternatives to finance investment related to operational costs and expenses necessary to export, business modernization and innovation projects that improve their exportable supply, strengthening plans for their production processes, the attainment of certificates required in countries of destination, to advance market studies abroad, attend trade fairs and other investments required for the preparation for an export activity.

# INTERNATIONAL BANKING OPERATIONS

Through the network of correspondent banks that Bancóldex offers:

- Confirmation of export letters of credit.
- Documentary collection management.
- Payment orders management.
- Buying/selling of currencies on foreign trade transactions.
- Confirmation of bank guarantees.



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## CREDIT FOR PURCHASER, PROVIDER AND CORRESPONDENT

The purpose of these credit mechanisms is to finance buyers abroad of Colombia goods and services, through financial intermediaries previously qualified by Bancóldex or banks that have an investment grade rating. Likewise, engineering or construction products are financed, completely or partially developed by companies in Colombia and the purchase of Colombian goods through the ALADI payment agreement in partner countries with authorized banks to operate said agreement.

Similarly, it allows for support with credit resources to financial intermediaries previously qualified by Bancóldex, prefinancing of export operations or import financing needs from other countries.

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## PRIVATE CAPITAL FUNDS PROGRAM - BANCÓLDEX CAPITAL

The Bancóldex capital program is an initiative designed to promote Development of the private equity funds and venture capital industry in Colombia.

The program has two components:

### FINANCIAL SUPPORT

Investment of private equity and venture capital funds (Bancóldex does not directly invest in companies).

### NON-FINANCIAL SUPPORT

Through the promotion of good practices between investors, managers and other actors in the industry, Bancóldex contributes to the construction of the capital funds industry ecosystem.

## OBJECTIVE OF THE PROGRAM

- Provide new long-term funding sources to Colombian business through new capital from capital funds.

- Promote the private capital and entrepreneurial funds industry in the country.

- Attract new investors, domestic and foreign, to participate in the capital funds industry in the country.

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## FINANCING OVERSEAS – POST-SHIPMENT

A mechanism through which Bancóldex finances the buyer of Colombian goods and services, through banking instruments of payments issued by authorized financial intermediaries abroad. This mechanism has been developed to improve trading conditions for Colombian exporters with their buyers abroad, and thus improve their competitiveness standards.

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## ENTREPRENEURIAL TRAINING

This program seeks that entrepreneurs strengthen their management skills through trainings, publications and business accompaniment services that contribute to the improvement of their management, performance and competitiveness.

### FACE-TO-FACE TRAINING

Entrepreneurs update their knowledge in different organizational areas to achieve better business management. The main issues that are addressed in the attendance-based courses are: enterprise formation; strategic planning, accounting and financial management; foreign trade, human resource management; marketing, client sales and services; good governance practices, environmental management and business social responsibility, among others.

## VIRTUAL TRAINING

As a complement to the attendance-based activities and to support the entrepreneurs' individual training initiatives, Bancóldex offers the following multimedia training courses:

- Finances, the key to business success.
- Management consultant for international business
- Managerial aspects to access credit

## ENTREPRENEURIAL ACCOMPANIMENT

Through partnerships with other organizations such as universities, the main aspects of a business are analyzed to determine, along with the entrepreneur, improvement actions.

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## EXCELLENCE OF EXPORT COMPANIES PROGRAM 3E - STAGE III

The Excellence Export Companies Program - 3E, helps companies invigorate their international business models, in order to achieve higher productivity and efficiency levels, the use of free trade agreements and participation in global value chains. This program makes up part of the strategy from the Ministry of Commerce, Industry and Tourism to support the "Plan to Boost Employment and Productivity" - PIPE 2.0, particularly for the non-energy mining business exporter fabric.

The strategic partnership between Bancóldex, INNpalsa Colombia and CAF, with the use of regional and local partners, will develop Wave III of the "Excellence of Export Companies Program - 3E", in which 50 companies will be involved using the 3E Program methodology. This call invites companies to submit their application in order to participate in this strategic intervention.



# 01 OUR BANK

## SPECIAL PROGRAMS

### MANAGEMENT UNIT FOR BUSINESS GROWTH - INNPULSA COLOMBIA

INNpula Colombia is a national government program created in February 2012 with the aim of supporting and promoting extraordinary entrepreneurial growth. This approach focuses on business initiatives that can be implemented quickly, sustainably and profitably. The objective is to encourage innovation and high impact entrepreneurship by understanding that these are the cornerstones that help this kind of growth.

To do this, INNpula has to accomplish three tasks:

1

#### PROMOTE A CHANGE IN MENTALITY

in order to overcome the barriers in our way of thinking that hinder more cases of extraordinary business growth.

2

#### CORRECT MARKET FAILURES

by injecting resources where they are needed and connecting and activating supply and demand.

3

#### STRENGTHEN ACTORS IN THE REGIONS

in order to promote extraordinary business growth in their territories.

FOR MORE INFORMATION, click: [www.innpulsa.com](http://www.innpulsa.com)

### PRODUCTIVE TRANSFORMATION PROGRAM - PTP

In accordance with the terms of Article 11 of Law 1753 of 2015, which modifies Article 50 of Law 1450 of 2014 and facilitates the issuing of the 2014-2018 National Development Plan, the Productive Transformation Program will have the aim of implementing public-private strategies and taking advantage of comparative advantages in order to improve the industry's productivity and competitiveness in the framework of the Productive Development Policy of the Ministry of Commerce, Industry and Tourism. Resources can be allocated to the program from the Ministry of Commerce, Industry and Tourism, international development agencies, international cooperation agreements, agreements with private organizations, agreements with territorial entities and funds from different regional and national public entities. This program will be a stand-alone private trust fund managed by the Banco de Comercio Exterior S.A. – Bancóldex.

The program's strategic objective is to accelerate and accompany processes within businesses that help them to be more competitive. To do this, we work to strengthen productive apparatus by promoting the development of sectors and export industries. In addition, we concentrate on regional development by helping to strengthen business growth clusters and initiatives in the regions and we also seek ways to internationalize businesses by working on closing the competition gaps in order to position Colombian companies in the global market.

FOR MORE INFORMATION, click: [www.ptp.com.co](http://www.ptp.com.co)

### “BANK OF OPPORTUNITIES” INVESTMENT PROGRAM

The “Bank of Opportunities” investment program (BdO for its initials in Spanish) was created by Decree 3078 of September 8th 2006 and incorporated into Decree 2555 of 2010 in order to promote access to financial services for low-income families and micro, small and medium businesses and entrepreneurs. Furthermore, the program aims to strengthen the level of financial inclusion and expand coverage to all municipalities with adequate financial products and services for all sectors of the Colombian population.

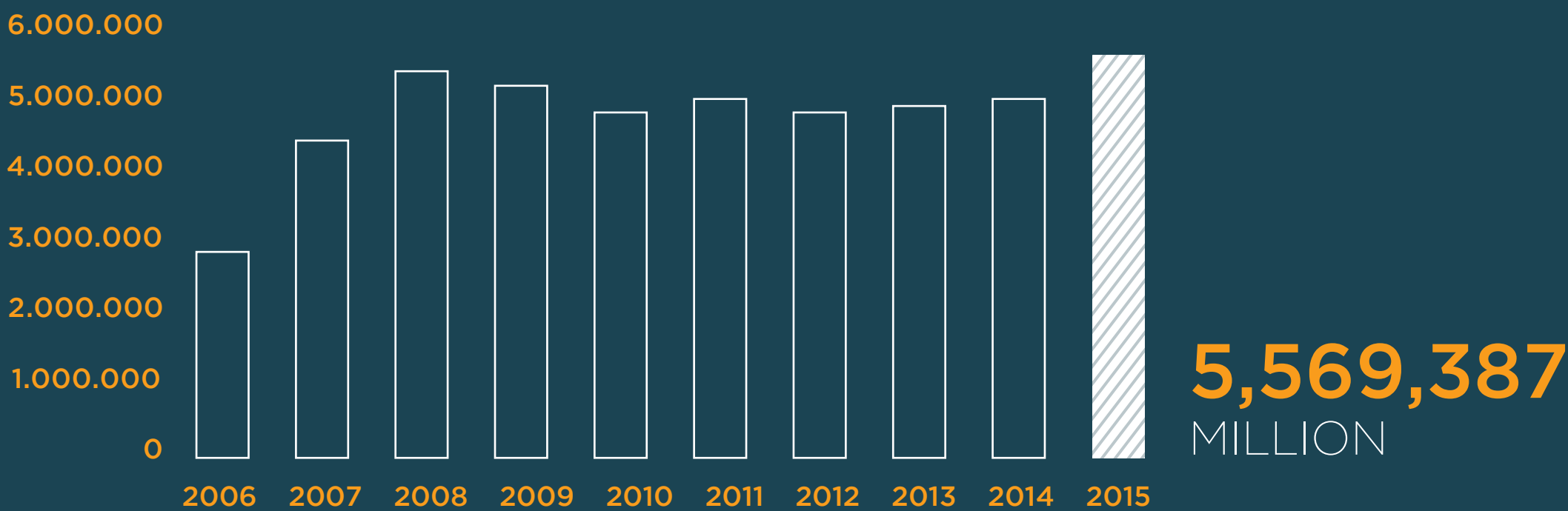
FOR MORE INFORMATION, click: [www.bancadelasoportunidades.com](http://www.bancadelasoportunidades.com)



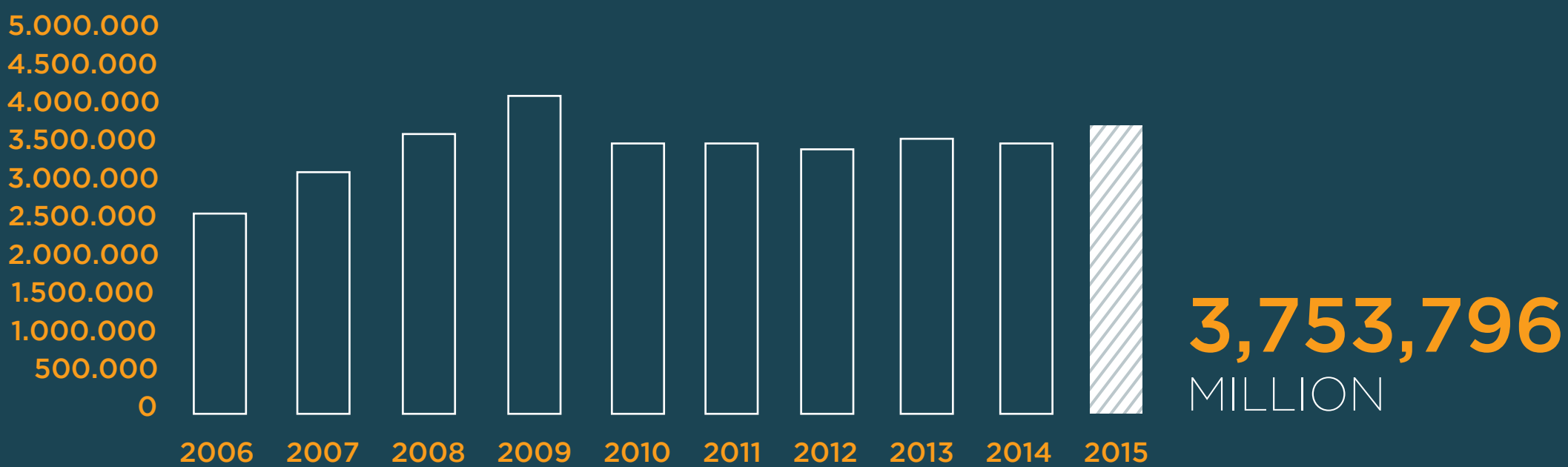
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## FINANCIAL RESULTS

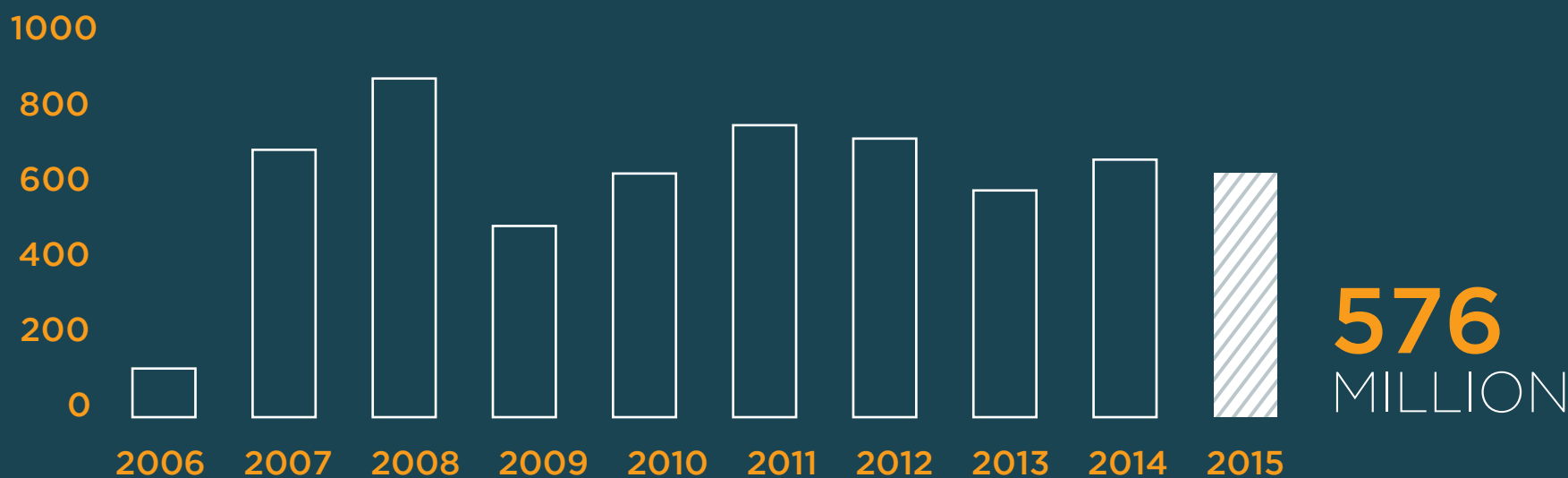
TOTAL PORTFOLIO (COP IN MILLIONS)



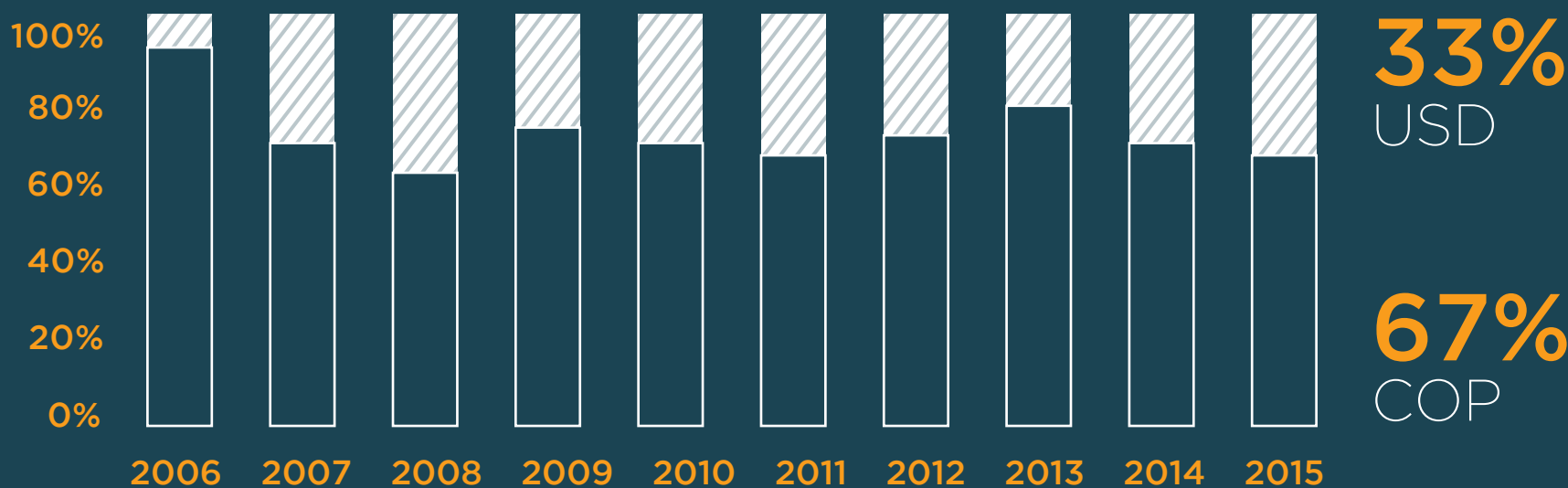
LEGAL CURRENCY PORTFOLIO (COP IN MILLIONS)



FOREIGN CURRENCY PORTFOLIO (USD IN MILLIONS)



COMPOSITION OF TOTAL PORTFOLIO



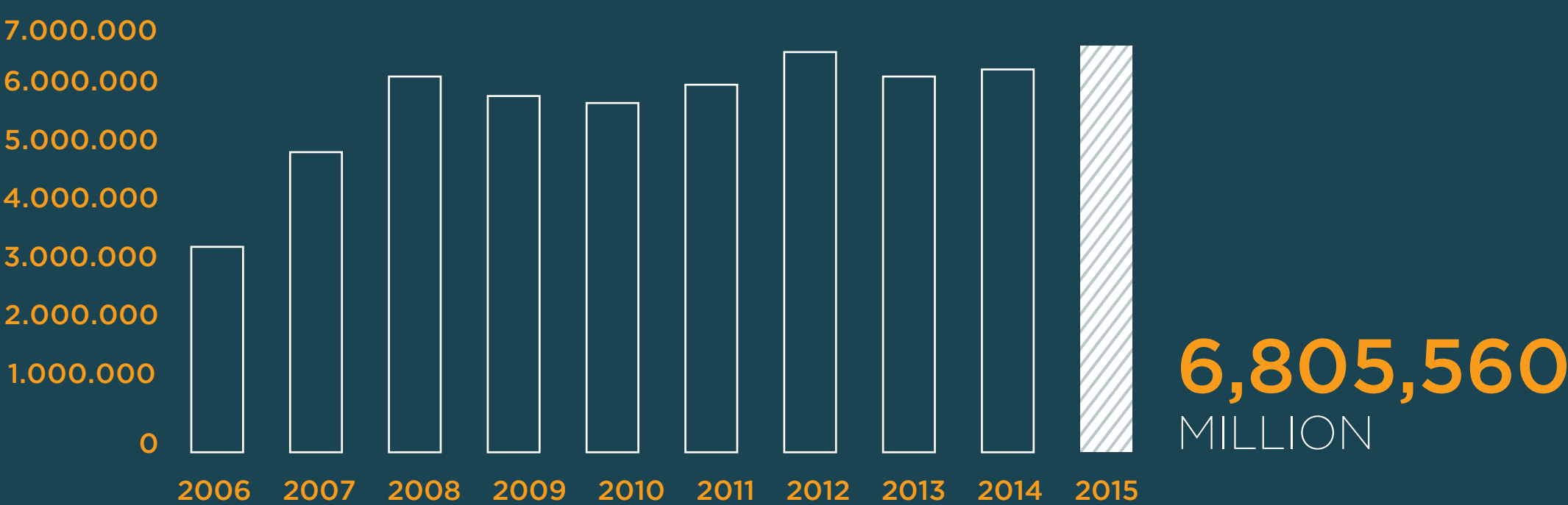
■ PORTFOLIO IN USD (STATED IN COP)    ■ PORTFOLIO IN PESOS



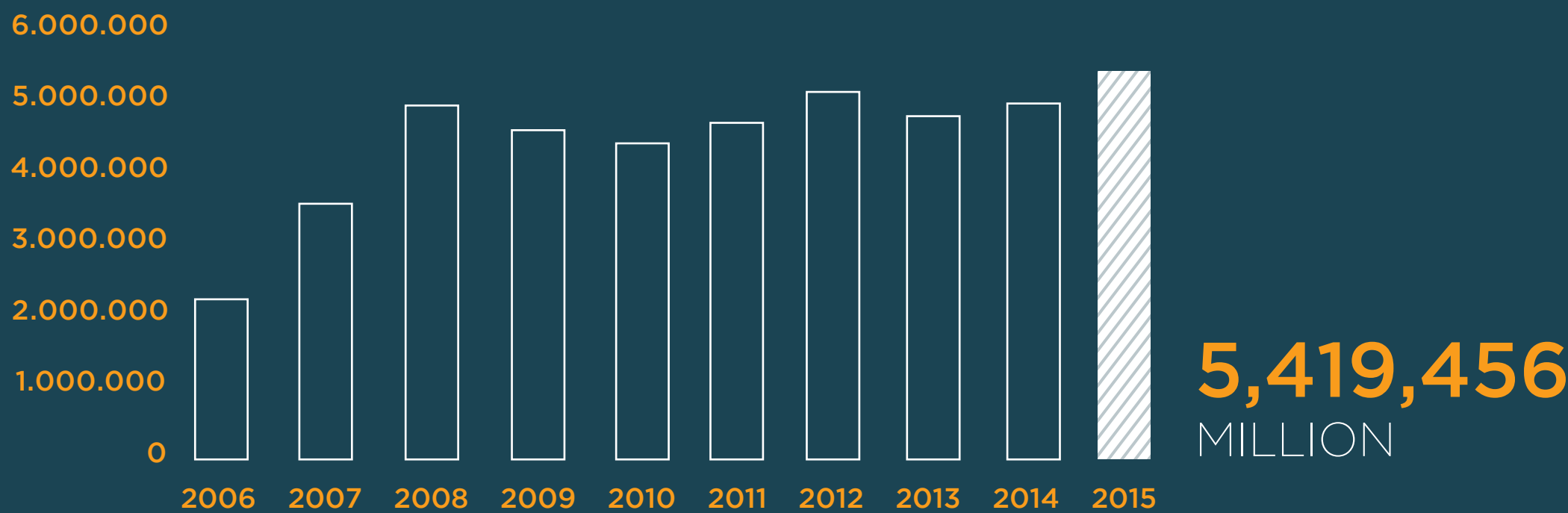
# 01 OUR BANK

## FINANCIAL RESULTS

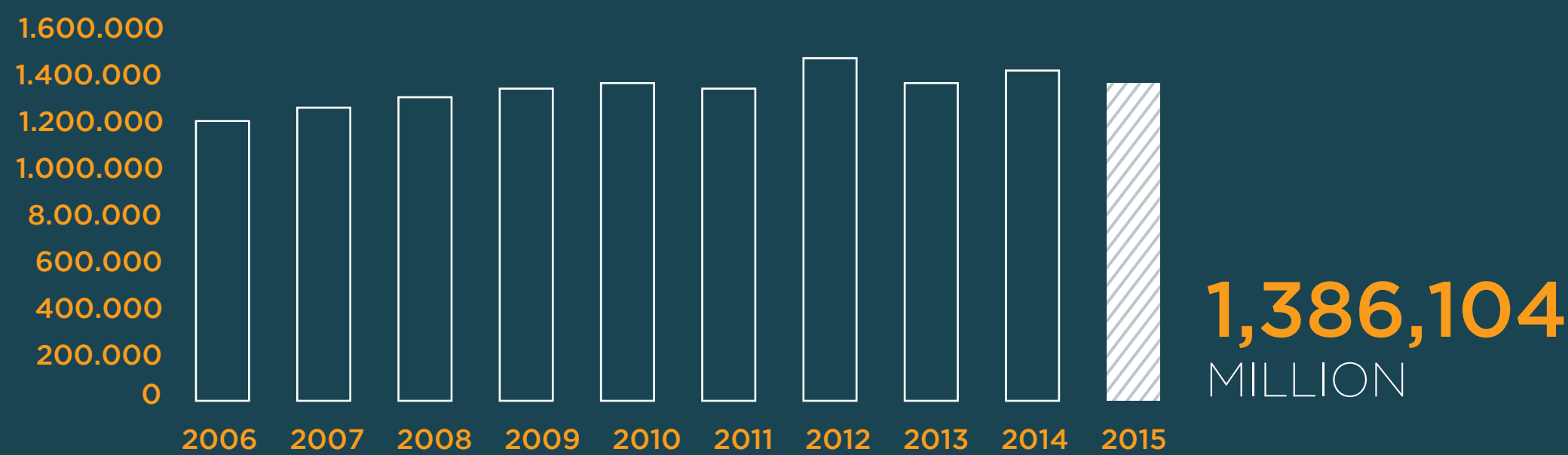
ASSETS (EXPRESSED IN MILLIONS OF COP)



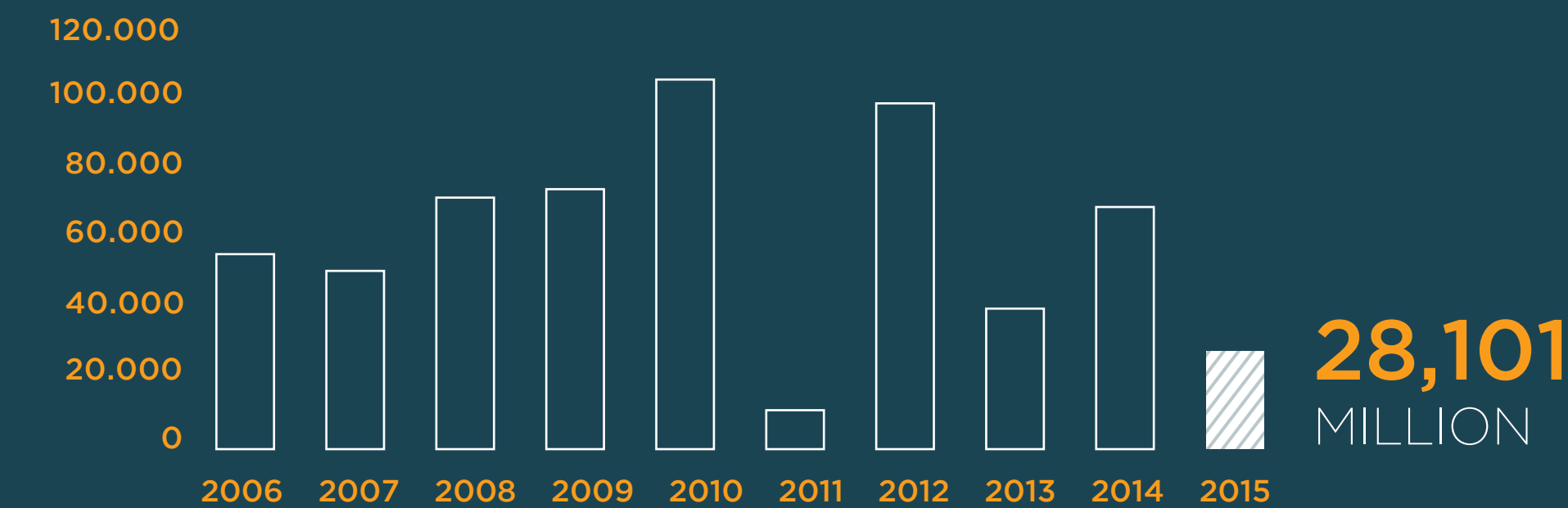
LIABILITIES (COP MILLIONS)



TOTAL EQUITY (COP MILLIONS)



NET INCOME (COP MILLIONS)

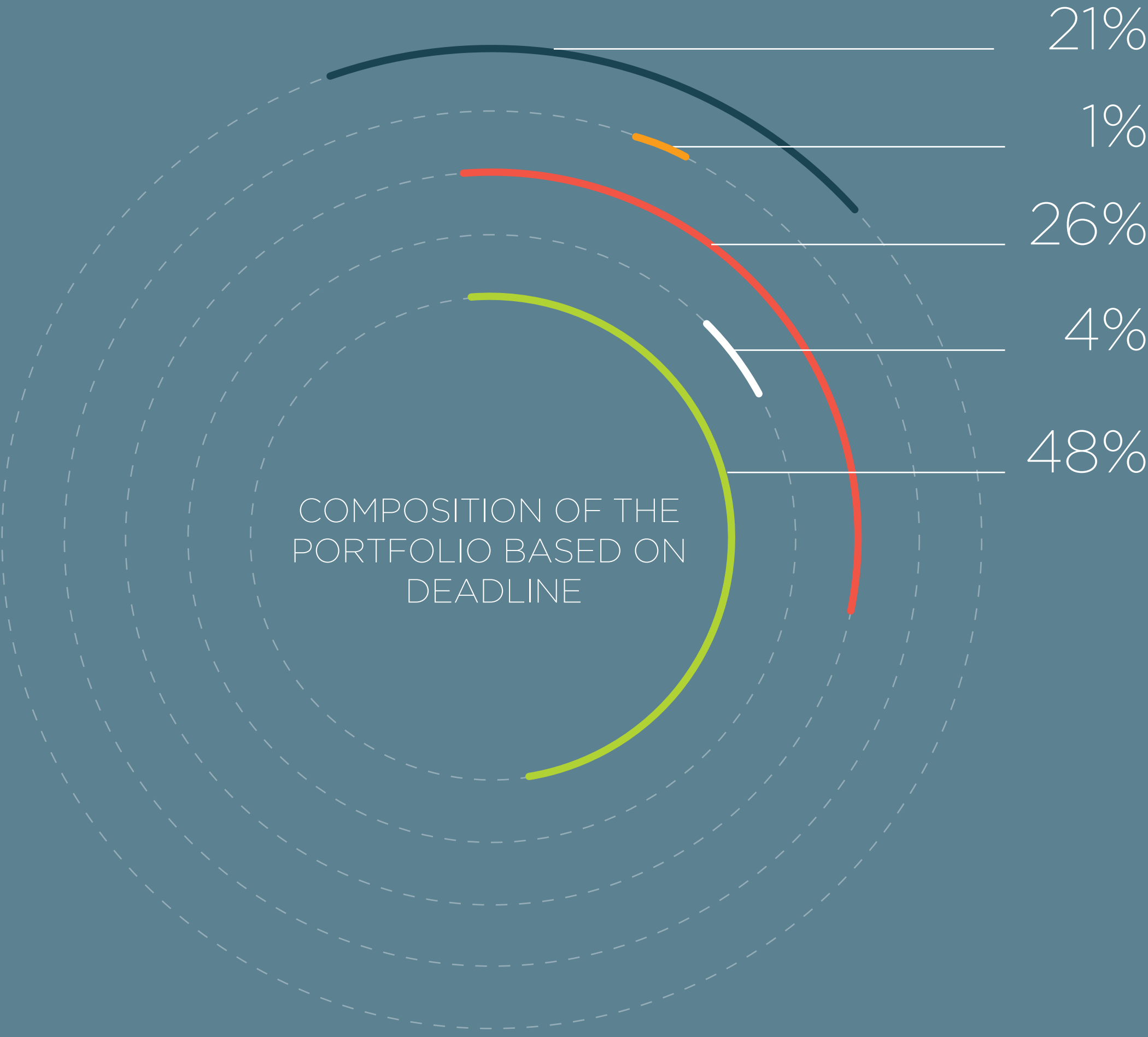




# 01 OUR BANK

## COMPOSITION OF THE PORTFOLIO BASED ON DEADLINE

TERM	TOTAL	% PART
1 YEAR	1,161,961	21%
2 YEARS	53,573	1%
3 YEARS	1,444,072	26%
4 YEARS	228,301	4%
MORE THAN 4 YEARS	2,681,481	48%
TOTAL	5,569,387	100%

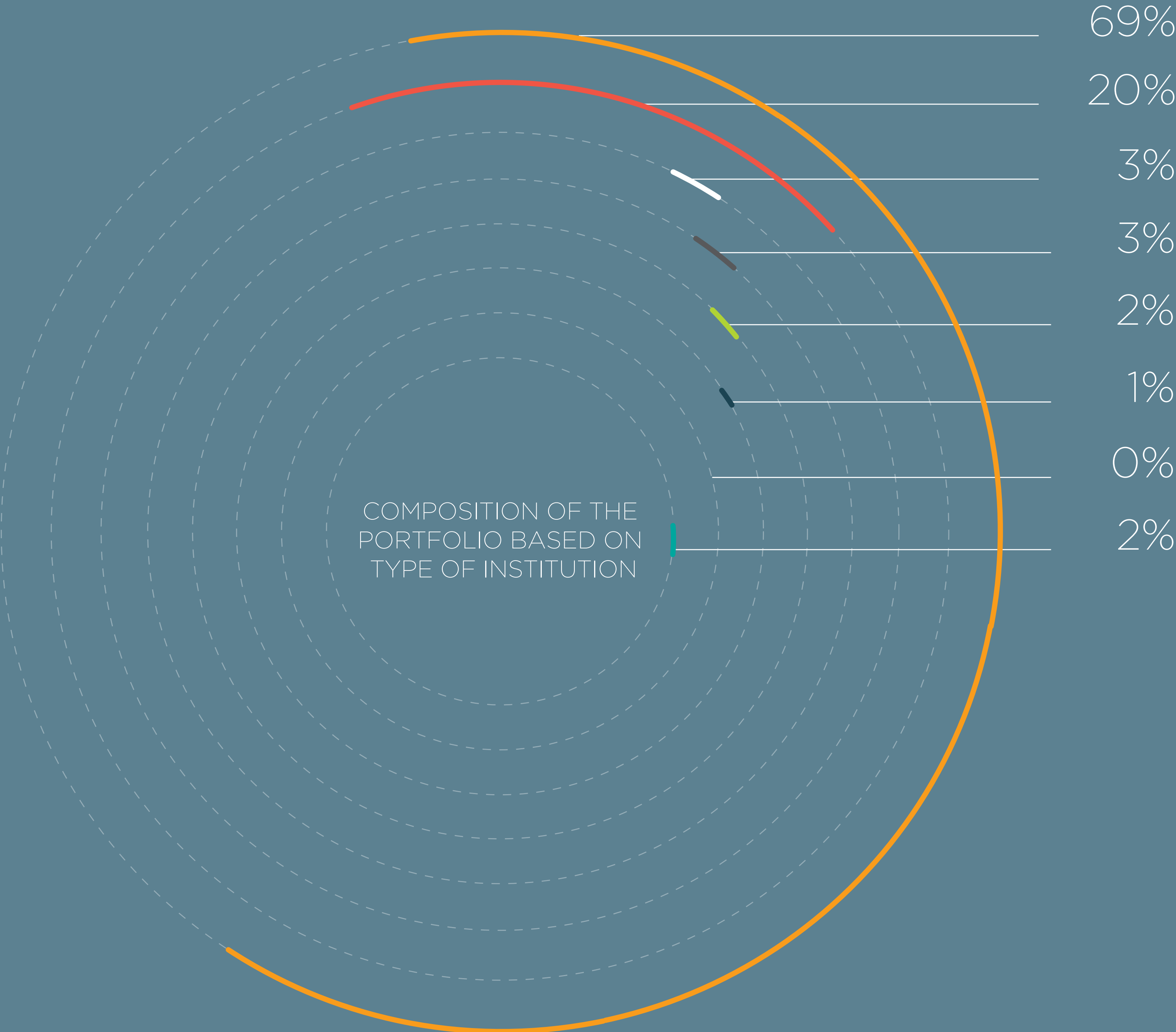




# 01 OUR BANK

## COMPOSITION OF THE PORTFOLIO BASED ON TYPE OF INSTITUTION

TYPE OF INSTITUTION	TOTAL	% PART
BANKS	3,829,590	69%
FINANCE COMPANIES	1,126,031	20%
DIRECT	169,808	3%
FOREIGN BANKS	152,872	3%
NGOS	91,057	2%
COOPERATIVES	46,560	1%
FINANCIAL COOPERATIVES	14,276	0%
OTHERS	139,194	2%
TOTAL	5,569,387	100%

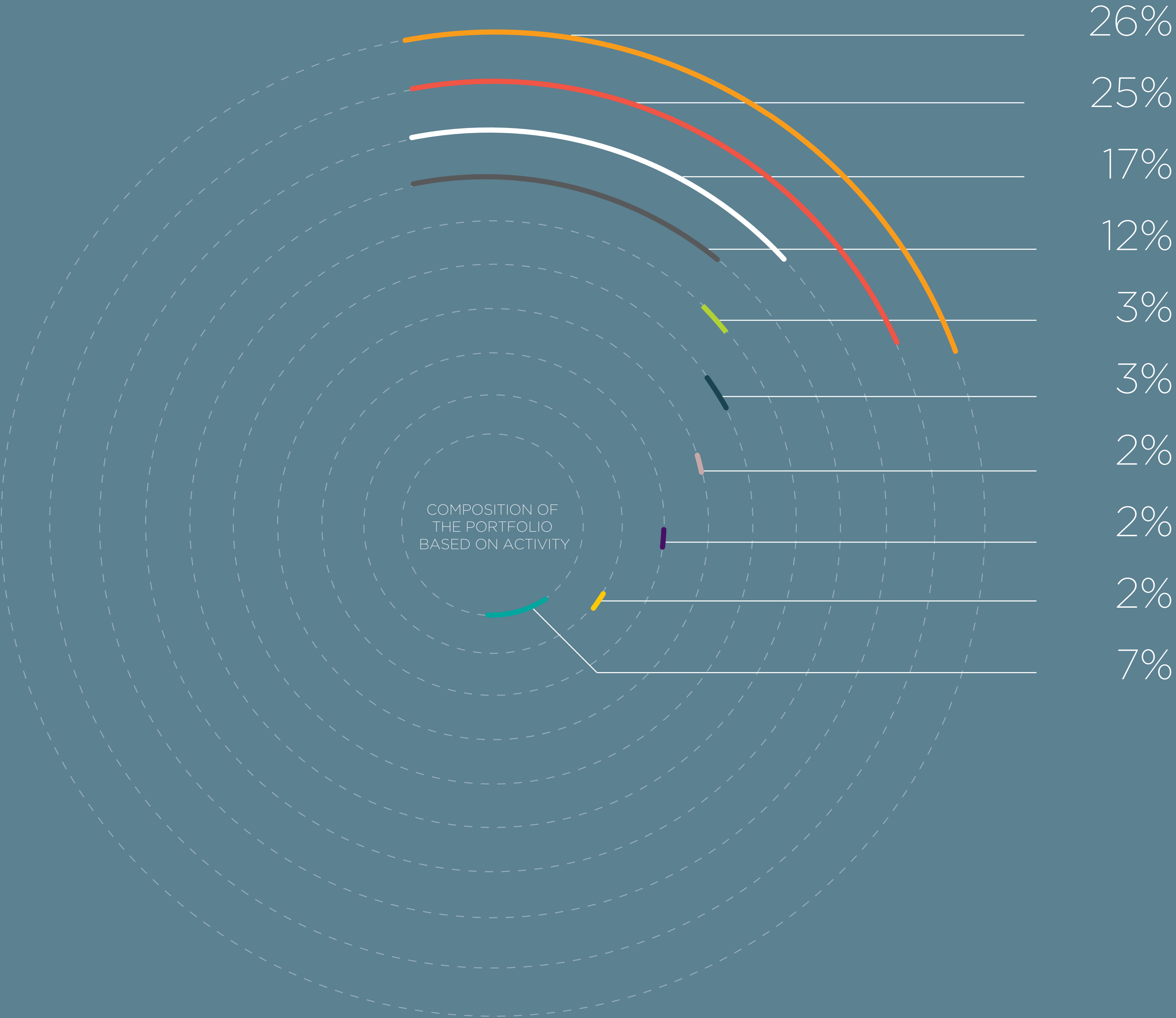




# 01 OUR BANK

## COMPOSITION OF THE PORTFOLIO BASED ON ACTIVITY

TYPE OF INSTITUTION	TOTAL	% PART
MANUFACTURING INDUSTRIES	1,448,664	26%
FINANCE AND INSURANCE ACTIVITIES	1,399,392	25%
WHOLESALE AND RETAIL TRADE; VEHICLE REPAIR	949,848	17%
TRANSPORT AND STORAGE	662,621	12%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	190,023	3%
CONSTRUCTION	164,391	3%
HEALTH AND SOCIAL SUPPORT SERVICE ACTIVITIES	130,231	2%
REAL ESTATE ACTIVITIES	123,350	2%
ACCOMMODATION AND MEALS ACTIVITIES	97,401	2%
OTHERS	403,466	7%
TOTAL	5,569,387	100%





# Q2 ANNUAL REPORT



# 02 ANNUAL REPORT

## EXECUTIVE BOARD AND PRESIDENT'S REPORT TO THE GENERAL ASSEMBLY AND STOCKHOLDERS 2015

### INTRODUCTION

The year of 2015 was characterized by important events that affected the growth of the global economy. The slow recuperation of advanced economies, and the fall of oil prices affected the economic growth of developing countries, especially those with economies linked to the production and sale of hydrocarbons.

This situation was not foreign to Colombia during the past year. Although the Colombian economy performed well, it registered a deceleration in its PIB growth, alongside inflation that exceeded the goals set forth by Banco de la República. This information, along with the highly volatile price of the dollar, and an increase in the interest rates set by this central bank. On the other hand, credit momentum was positive, with growth rates similar to the increases recorded in 2014.

Bancóldex provided more than \$4.06 trillion pesos in loans with financing for more than 100,000 companies. In 2015, the bank maintained its philosophy of attending to all sizes of businesses, looking for comprehensive solutions that would respond to the needs of each section, framed within its new corporate strategy. Similarly, the bank disbursed \$1.56 trillion COP for the modernization of production equipment and installations in Colombia.

Throughout 2015, Bancoldex has strengthened its role as a tool for the national government, providing financial support to the companies affected by the adverse circumstances that economic activities faced during the year, especially those affected by the decrease in trade along the border with Venezuela and other factors. In this way, through the use of the Plan to Boost Productivity and Employment (known as PIPE 2.0 for its initials in Spanish), which was designed by the national government to boost the economy, Bancóldex loaned 787 billion to benefit 9,280 business in 30 departments across the country.

Continuing with the exercise initiated in 2014, Bancóldex furthered its transformation based on a new corporate strategy that will permit the bank to generate greater impact, be closer as an entity to business owners and above all, to be of greater relevance within the country.

This is why at the beginning of 2015, Bancóldex launched its new corporate strategy for converting the bank into the government's strategic vehicle that is focused exclusively on entrepreneurial growth which will be implemented in the next 10 years with assets of 40 trillion COP.

In order to complete this objective, Bancóldex has identified the most important platforms for growing businesses that have allowed companies to show positive results in the last decade. By implementing these, the bank shaped its new corporate strategy in order to play a more relevant role as a government entity and boost the entrepreneurial growth nationwide.

From now on the challenge for Bancóldex will be to strengthen internal capacities grow profitably, and contribute to the growth of business in Colombia regardless of their size or sector.

This document is the complete report from the bank's management for the year 2015, which contains information on implementing the bank's mandates, aspects related to risk management, quality management and the internal control system, the bank's legal situation, corporate governance, transactions with parties related to capital, staff, intellectual property and royalties, among others.



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## MARKET TRENDS FROM 2015

2015 was a year full of economic adjustments for the global economy in a complex environment. In its “Global Economic Outlook” reports from April and July, the International Monetary Fund highlighted the disproportionate growth between developed economies that demonstrated gradual growth and the developing economies that showed a deceleration in their growth. In the developed economies the abandoning of the stagnant Euro Zone stood out, although concerns remain about the risks of deflation and the low expansion rates for productive activity. Meanwhile, in the United States there was an improvement in the labor market which permitted the Federal Reserve to adjust in its monetary policies. In contrast, while Japan was able to improve its momentum in the first half of the year, it cooled down in the second semester, a factor that could result in growth rate of its PIB for 2015 that is below 1.0%. On the other hand, in terms of developing economies, the deceleration of China was a factor that generated concern and created important volatility in financial markets, while Russia and Brazil are expected to experience a recession superior to -3.0%.

One of the main factors affecting the markets during 2015 was the fall of prices of certain commodities, particularly oil, which generated a positive result for importing countries, while contributing to a decrease in revenue from exports. At the end of 2015, WTI oil closed at 37.04 USD, which reflects a loss of -30% compared to the end of 2014. There are many explanations for the change in price of crude oil. As far as demand is concerned, consumers such as China and The United States exhibit a lower rates of consumption, while supply has caused a surplus, combined with the reluctance of the OPEC to reduce supply and increased supply to the market from Iran.

The differences in the rate of economic growth of the United States, the Euro Zone, and Japan led to a divergence in the monetary policies of the central banks in these countries. In the United States, due to growth recorded in the labor market, in December the Federal Reserve increased its interest rate overnight for the first time in 7 years, opting for a more neutral monetary policy in accordance with inflation and employment objectives. On the contrary, in 2015 the European Central Bank maintained its interest rates at minimum levels and reinforced its quantitative stimulus or relief program through the use of different instruments such as the buying of sovereign bonds, among other actions. Similarly, the Bank of Japan continued with an expansion policy in order to boost consumption in homes and increase inflation.

The contrast between the policies implemented by the primary central banks led to a strengthening of the United States Dollar (USD) and a weakening of the Euro and the Yen. This factor, combined with the fall of oil prices and other commodities, led to a depreciation of various currencies of developing nations, primarily among those nations with significant revenues coming from the mining and energy sector.

In this way 2016 looks to be a year of contrasts and additional adjustments. The biggest optimistic hope for the economic development of the United States and the Euro Zone would be counterbalanced by the deceleration observed in various developing economies, especially that of China. The adjustments to the monetary policies of the primary central banks, especially the rhythm by which interest rates are increased by the Federal Reserve, combined with the tendencies in the price of commodities could generate greater volatility in financial markets and impact the flow of capital towards developing nations due to greater changeable variables and/or due to interest rates.

In this context, 2015 was not an easy year for the Colombian economy. The fall in the balance of trade led to a negative impact that was reflected in lower momentum from direct foreign investments and a reduction of government income coming from activities related to petroleum and mining. This reduction notwithstanding, the economy was able to maintain its rate of expansion during the year and overall growth of the economy is estimated at close to 3.0%, above the average in the region.

Between January and September of 2015, the PIB expanded by 3.0%. Despite the deceleration, construction remained the leading sector in the economy along with trade. On the other hand, the mining sector demonstrated limited growth that was generated by increased extraction of crude oil and non-metallic natural gas as there was a fall in the worldwide price of coal.

In relation to foreign trade, in 2015 the second consecutive deficit in the balance of trade was recorded. Between January and November total exports presented an annual reduction of -35% for a total of 33.12 billion COP with variations of -48% and -10.8% for fuel and manufacturing respectively. This situation, along with a contraction of -14.8% of imports that reached 47.63 million USD, resulted in a trade deficit of 14.51 million USD.

In terms of prices, in December 2015 inflation for the past twelve months was at 6.77%, more than the goal established by Banco de la República. The rise in inflation was explained by heightened prices for food due to the El Niño phenomenon, as well as an increase in the prices of tradable goods caused by the depreciation in the price of the Colombian peso (COP), resulting in imports becoming more expensive. Consequently, a change occurred in the expectations for inflation in the financial sector which led to Banco de la República elevating the intervention rate in September, after having maintained it at 4.50% since August of 2014. At the end of 2015 the intervention rate was at 5.75%.

Furthermore, in 2015 the Colombian peso decreased in value relative to the dollar (USD) since the average rate passed from 2,000 to 2,746 COP, demonstrating a variation of 37.3%. As mentioned previously, the fall in the price of oil and the policies implemented by the principal central banks was reflected in a devaluing of the currencies of countries that produce crude oil. Comparing the numbers from the end of the year, the exchange rate demonstrated a variation of 24.2% and the COP closed at 3,149 pesos to the US dollar. The flexibility of the peso allowed the country to dampen the impact of external shocks on the economy.

For the Colombian economy, 2016 presents itself as a year of important challenges. As in 2015, the changes in the price of oil will be a relevant factor for the boosting of the economy. While low prices persist, the negative impact will continue to be felt in the areas of exchange rates, investments and public finances.

These factors will be partially compensated by the increase in the production of the Reficar oil refinery, which will be at full operational capacity in the first trimester of the year, the implementation of the 4G infrastructure program and with the development of the housing program advanced by the government. In the foreign sector the changes in the commerce could present contrasts due to the differences in the rate of growth of the principle commercial partners of the country and due to the impact of the type of change in exports.



# FINANCIAL SECTOR<sup>1</sup>

During 2015, the economic conditions faced by Colombia and the international panorama presented substantial changes that affected the different economic sectors, commercial partners, and market conditions, as well as other variables. Nevertheless, the financial sector was able to obtain favorable financial results along with better decisions in the areas of corporate governance, regulatory reinforcement, stability in quality indicators in portfolios and solid levels of capital. Nevertheless, the liquidity of the system presented a decrease without this affecting the capacity to meet short, and medium-term demand and the growth of credit portfolios. Among other factors, the major volatility of financial markets at local and international levels because of economic and political factors was notable, which affected the creation of income and increased exposure to market risks for fixed-rate and variable-rate loans.

On the other hand, the expansion and positioning of some Colombian financial groups in other countries, as well as an increase in the participation of foreign banks in the country has led to the adoption of local and international norms (Basilea III) which has translated to better conditions for meeting the demand for specialized financial products, mitigated endogenous or exogenous shocks that could create a stressful situation.

Due to the aforementioned factors, the Colombian financial system enjoys good health and stability, capacities with which it should be able to address the adversities of the international economy, the local dynamic and the current inversion of the balance of trade that could continue in 2016. These events, along with an appropriate risk management program, will undoubtedly support the confidence of local banks in the provision of credit, leverage of productive investments and contributions to added value.

Throughout 2015, credit momentum was positive with growth rates similar to those observed in 2014. As a result, in October 2015 the balance of the portfolios of credit establishments reached 353.7 trillion COP with an annual growth of 18.4%. The housing portfolio showed the highest trend upwards upwards for credit (+45.6%) supported by good conditions of interest rates, housing programs implemented by the national government and subsidies to interest rates (FRENCH). In addition, the consumer, commercial and micro credit portfolios demonstrated a positive performance with growth rates similar to those of the year before.<sup>2</sup>

At the end of October 2015, it was observed that in the previous year the exposure to credit risk in the financial sector reduced marginally. The quality indicators for portfolios and provisions yielded positive results (2.9% and 149.4% respectively) maintaining a controlled risk profile<sup>3</sup>. This change was due to management of appropriate risks and good distribution of portfolios that diluted the focalized deterioration of some economic sectors. Despite all of this, the indicators for quality and coverage are expected to experience a slight deterioration in 2016 given that different economic sectors will be affected by decreased economic momentum.

Investments demonstrated a tendency towards growth and will continue with an important participation in assets (19.6%). These will reach 106.2 trillion COP while public debt certificates had a participation of 41.1% followed by stocks issued by foreign entities (22.5%). The increase in interest rates by the Federal Reserve Bank of the United States, along with the deceleration of the Colombian economy and an increase in the expectation of inflation in Colombia led to a possible devaluing of value for both fixed and variable-rate assets. Nevertheless, the average weighted duration of the portfolios in the system showed a decrease, moving from 6.2 years to 5.5 years, which signals a lower impact on the displacement of the interest rates curve. This implies that in 2016 the results of the portfolio will be reduced, but there is no evidence of a stressed situation like that recorded in 2008, when the financial results of the entities were affected in a significant way.

The level of capitalization continued to be one of the financial sector's strengths. In October 2015 the solvency indicator for the sector was at 15.2%, more than what was recorded the year before, and was situated at a level much higher than the minimum requirement (9%). The increase in capital plus reserves (12.5% annually) was a result of various entities adopting the capitalization of a large portion of the utilities obtained in 2014 as a policy, and the implementing additional injections of capital.

Meanwhile, strong management of risk has meant that profitability rates in the Colombian banking industry was not affected, which reflects the strength and resilience of the sector. At the end of October 2015, utilities ascended to 9.2 trillion COP with growth of 32.9% compared with the same period of the year before. On the one hand the profitability of assets (ROA) from the Colombian banking industry (2.1%) finds itself slightly above the average for Latin America (1.8%), while the profitability of equity (ROE) is at 14.6%, which compares poorly to the regional average (17.9%)<sup>4</sup>. This is according to the most recent observations of the International Monetary Fund (IMF) about the development of Latin American economy, in which the strength acquired in the region is highlighted despite external impacts, thanks in part to best practices implemented by the financial sector.

In general terms, 2015 saw a decrease in the liquidity of the Colombian financial sector. This decrease notwithstanding, this situation was mitigated with the conclusion of the TES, which permitted the returning of resources to the economy and reduced tension in relation to liquid assets, which is evidenced in the IBR<sup>5</sup>, an indicator that returned to being aligned with the rate from the Banco de la República. Among the factors that contributed to tension in liquidity was an increase in credit above available deposits, a fall in foreign investments and the transfer of government resources from financial entities towards the Single National Account (CUN) in Banco de la República.

In the medium and long term outlook, one of the factors that could affect liquidity is the fall of the oil revenue. The national government receives less and less income from exploiting hydrocarbons, and it could take resources from the banks to attend to financial commitments or necessities. On the other hand, this situation is expected to be controllable due to lower growth in credit portfolios, along with an increase in the investor base drawn in by higher interest rates.

1. Only includes establishments that provide credit  
2. Consumption (+12.4%), Commercial (+16.4%) y Microcredit (+15.5%).  
3. The commercial, microcredit, and housing segments diminish their portfolio quality indicators by situating themselves at 2.2%, 6.4% y 1.9%, respectively, while the consumerism portfolio quality has deteriorated marginally situating itself at, 4.6%.  
4. This low level for the ROE is explained, in part, by the high level of own capital required by the Financial Superintendence (SFC) and by certain limitations as a result of the control of interest rates that exist in the market.  
5. Bank Performance indicator



# I. BANCÓLDEX AS A BANK FOR ENTREPRENEURIAL DEVELOPMENT

## MANAGEMENT AND GOALS FOR 2015

In 2015, Bancóldex disbursed 4.07 trillion COP in resources to more than 100,000 companies, especially micro, small and medium size enterprises (MSMEs). This meant that the Bank maintained its philosophy of serving all companies regardless of their size and generated comprehensive solutions that promote business growth.

The Bank’s achievement of strategic objectives for 2015 can be summarized in the following points:

### BUSINESS MODERNIZATION

As a Bank dedicated to development, one of the key objectives is to increase financing of the modernization of the productivity apparatus. Towards this purpose, Bancoldex disbursed 1.56 trillion COP in resources.

### MEDIUM AND LONG-TERM FINANCING

2.37 trillion COP, representing 58% of the total credit provided, was placed in longer term loans, reaching the proposed objective of transforming the time frames for the provision of credit.

### MSME FOCUS

1.94 billion COP in financing provided to small and medium sized companies in this sector.

### SUPPORT FOR THE INTERNATIONALIZATION OF THE ECONOMY

1.07 trillion COP in financing for exporters, for purchasers of Colombian products abroad and for commercial operations.

### REGIONAL COVERAGE

The Bank disbursed credit to businesses in 819 municipalities throughout the country, covering 30 different departments.

Additionally, Bancóldex as a tool for the national government, provided financial support to the companies affected by the adverse circumstances that economic activities faced during 2015. In this way, through the use of the Plan to Boost Productivity and Employment (known as PIPE 2.0 for its initials in Spanish), which was designed by the national government to boost the economy, Bancoldex loaned 787 billion to benefit 9,280 business in 30 departments across the country.

## 2015, A YEAR IN TRANSITION

In 2015 Bancóldex took on a new challenge. The bank initiated a process of transformation in order to become the partner of choice for businesses that dare to grow. For this reason, and in order to realize the launching of the new corporate strategy, the Bank organized the Grow 2015 event, where, for one day, leading businessmen from companies of all shapes and sizes, sectors, and regions of Colombia gathered with the objective of initiating a national conversation about business growth.

Grow 2015 took place on February 18, 2015, in the Mario Santodomingo Theatre in Bogotá, with 3,950 participants: 1,800 in person (66% from Bogotá and 34% from 24 different departments of the country). 2,150 of participants connected to this event through streaming video feeds.

Thus, 2015 represented a year of transition. The management of the Bank focused on the implementation of the new corporate strategy, with a special effort made to configure the new platforms created that will have a greater impact and offer financial and non-financial tools that are complementary to the credit provided in accordance with the needs and growth circumstances that companies find themselves in.

In accordance with this approach, the new platforms or negotiation units focused and strengthened their attention in the following areas:

### CORPORATE ESCALATION

In order to support businesses consolidated in the national market

### GLOBAL FLOWS

In order to support exporters, importers, and Direct Foreign Investment.

### INVESTMENT AND TRANSFORMATION

In order to support, by way of private funds, and venture capital funds (VC) the reconversion and reconfiguration of companies.

### EXTRAORDINARY GROWTH

In order to support young companies (start-ups and corporate entrepreneurship) that grow significantly above the average rate for their industries and driven by innovation.

### INTERNATIONAL EXPANSION

Support for the internationalization of companies through their establishment in new foreign markets.

### DYNAMIC ECOSYSTEMS

In order to strengthen support organizations for entrepreneurial development at the regional level and offer them non-financial services for the corporate sector.



In an initial stage, Bancóldex management concentrated on aligning the organizational structure of the Bank with the new strategy and established suitable work teams for each of the platforms. This implies not just the recomposition of the commercial force in the front, but also the creation of a Corporate Relations team that focuses on continuing with the task of communications. This team also strengthens the mentality and culture of the corporate sector in order to promote the growth of companies and to facilitate entry into markets that defined within the strategy.

Management on the commercial side was also strengthened with the launch of a new portfolio that has the more specific aim for the rediscount rates, bound to the needs of the different stages of growth of the companies in each of the platforms.

Additionally, at the beginning of 2015, the executive team defined a “decatalogue” or group of projects related to strategic priorities to strengthen and accelerate the implementation of the strategy.

Below, the Bank’s main achievements in implementing its strategy during 2015 will be described.

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## GROWTH PLATFORM ACHIEVEMENTS 2015

### GLOBAL FLOWS

- Definition and launch of a new platform to support the export of goods and sophisticated services, importing cutting-edge technology to improve the productive process and the inflow of FDI from flagship companies on a global scale that provide transfer of knowledge and technology as well as generate supplier development especially for SMEs in their supply chain.

- Collection, analysis and segmentation of the information sources to identify the needs of exporter entrepreneurs and understand their taxonomy, to design their business plan and appropriate financial and non-financial instruments to attend to them and to focus on the entrepreneurs with the highest potential for growth, product sophistication and destinations.

- Resource allocation of COP \$848.89 billion in the global flow platform, through all of the Bancóldex lines including the new line of Global Insertion designed for this platform.

- Definition of the care model, commercial management, customer retention and loyalty, consistent with the needs of entrepreneurs that sustain this platform.

- Bancóldex product and services portfolio diversification with the design of new financial instruments with the assumption of direct corporate risk such as guarantees for issuing bonds, guarantees for the purchasing of Colombian products abroad, risk-sharing guarantee to support the inflows of FDI and Liquidex Plus as a new portfolio purchase mechanism.

- Design and placement of new credit lines to support “Sustainable development” and “Energy efficiency and renewable energy” projects.

- Positioning Bancóldex in the efficient channeling of concessional resources from international climate funds such as the Clean Technology Fund (CTF), with which financial instruments are designed for the investments required by the business sector to implement transformational and scalable to mitigation projects or projects adaptable to climate change to improve their productivity and competitiveness. Bancóldex has already begun the accreditation process for direct access to resources from the Green Climate Fund (GCF), which is a financial mechanism from the United Nations Framework Convention on Climate Change (UNFCCC), which will provide reimbursable and non-reimbursable concessional resources to developing countries for these same goals.

### INTERNATIONAL EXPANSION

- Definition and launch of a new platform to support the international expansion process of business through exporting their business model which allows them to: diversify their markets, reach economies of scale, mitigate risks, take advantage of trade agreements, establish partnerships with foreign companies and facilitate the transfer of technology and knowledge.

- Identification, segmentation and characterization of companies with their own positioning abroad or with concrete international expansion projects for the design of a business plan and the appropriate financial and non-financial instruments for their management. Currently, 173 businesses have been identified as the target market for the platform.

- Resource allocation of COP \$265.166 trillion in 53 companies on the platform.

- Definition of the care model, commercial management, customer retention and loyalty, consistent with the needs of entrepreneurs that sustain this platform.

- Diversification of Bancóldex’s product and services portfolio with the design of new financial instruments with the assumption of direct corporate risk such as guarantees for issuing bonds and a risk-sharing guarantee to support the inflows of Investment from Colombian entrepreneurs abroad (ICE). Furthermore, new financing schemes adjusted to market needs have been designed and put into operation.

- Design and placement of a specialized credit line to support international expansion projects.

- Implementation of joint activities with Procolombia en Peru and Ecuador to know the expansion schemes and the needs of Colombian businesses with presence in said countries.

## BUSINESS SCALING

- Definition and launch of a new platform to support the business scaling process, through backing in investment financing for the modernization of business that serve the domestic market and we require that they show significant sales growth.
- Identification, segmentation, and characterization of domestic business and their growth percentages as well as local coverage.
- Resource allocation of COP \$1.2 trillion in 4,652 business with rediscounting operations in traditional and in special lines such as MSME competitiveness, which is very consistent with the strategy of this platform.
- Allocation of 31% of the total disbursements according to the segmentation carried out at the end of 2015.
- The platform was essential in the disbursements, which from now on will be a part of the productive integration platform, which reached another COP \$588.85 billion, representing 15% of the total disbursements.
- Definition of the care model, commercial management, customer retention and loyalty, consistent with the needs of entrepreneurs that sustain this platform.
- Selection of financial partners to work with, establishing offices and making key contacts.

## INVESTMENT AND TRANSFORMATION

- In 2015, the first identification of the size of the target market and the possibilities of resource allocation through "structured" credits and other possible "custom-made" financial solutions was carried out. Furthermore, it was done taking into consideration the target segments of the Bank's other platforms that must be able to interface with Investment and Transformation. Business materialization will gradually happen, to the extent that the structuring of the area is finished and the organizational aspects and necessary methodologies are developed.
- For its part, the program for the investment of funds from the private and entrepreneurial sector - Bancóldex Capital continued. New funds were preliminary assessed during the year and the due diligence began for five investment opportunities. As a matter of fact, two new investment commitments were achieved: the first for COP \$7.46 billion in a venture capital fund that focuses on information technology and the second for COP \$21 billion in a private multisectorial capital fund. Furthermore, two investment commitments are in the final stages of negotiating the terms and conditions for an additional USD \$5 million and USD \$2 million which are expected to be signed in 2016.
- As of December 31st, 2015, Bancóldex has made nine investment commitments for COP \$119.83 billion, in multisectorial, tourism, venture capital, infrastructure, information technologies and energy efficiency and renewable energy funds. With Bancóldex's current investments in private and venture capital funds, the bank has mobilized third-party resources, through capital funds of COP \$1.27 trillion, that is, 10.6 times the actual value of the entity. From this value, COP \$510.8 billion has been directed to 46 Colombian businesses which means that for every peso committed by Bancóldex in capital funds, the resources for the capitalization of business in the country in different stages of growth and sectors is quadrupled. The partial outflows of business from different funds multiplied to the order of 2.7 times the purchase value; which, if considering the small time frame of the program, is considered successful.

- Regarding the non-financial support activities, the activities framed in a collaborative agreement with BID-FOMIN continued to be developed, which seek to deliver tools to each one of industry players. In this way, in April 2015, the second version of the International Private Capital and Entrepreneurial Funds Program was held, which trained more than 130 participants through its two versions with the attendance of Josh Lerner, the well-known Harvard professor.
- In June 2015, the second version of the Venture Forum took place, whose goal is to connect businesses and entrepreneurs with their potential investors. More the 380 people attended and more than 40 businesses were trained in the two versions that were held. As a result, different connections were made between them and potential investors, which materialized in investments valuing more than USD \$3 million in four companies.
- Other activities that were carried out by Bancóldex was the outreach to more than 40 potential investors, the sponsorship of seven events aiming to promote the capital funds industry at a local and international level and training sessions for entrepreneurs and associations. Furthermore, in December the bank launched the sixth version of the Private Capital and Entrepreneurial Funds Catalog, which aims to promote the capital funds industry to offer Colombian SMEs new financing sources through capital.
- Lastly, in response to Bancóldex's strategy and continuing with the aim of offering long-term instruments that facilitate the access to business capital, such as the development of the private capital and entrepreneurial funds industry in the country, the hiring of a Technical Consultant moved forward for the possible structuring of a Fund that expands the scope of the current Bancóldex Capital investment program. At the close of 2015, the consultant successfully advanced and the first deliverable was received, in a way which the study must be concluded by the close of the first quarter in 2016. At that point, the adequate structure for the Fund and the activities that enable obtaining additional resources from third parties will be decided upon.



## EXTRAORDINARY GROWTH

- A special credit line for high-potential businesses was opened, which aims that commercial banks provide resources to business in the first stages of development and show interesting and significant growth metrics for the bank.
- Discussions have begun with commercial banks interested in working and attending to businesses in early stages of development.
- Products have been designed for business in early stages of their development with extraordinary potential for growth for 2016.

## DYNAMIC ECOSYSTEMS

Taking into account that this platform is compromised of 3 areas of action, the following will present the major developments obtained in each one.

## CONSULTING AND BUSINESS TRAINING

### EXCELLENT EXPORT COMPANIES PROGRAM - 3E

Bancóldex assumed the leadership of the Excellent Export Companies Program - 3E, an initiative from the CAF, whose objective is to boost non-traditional export growth.

The 3E Program's goal is that beneficiary companies (no mining and energy companies) can build, improve, innovate or reinvigorate their international business models under a standardized methodology using practical tools with the support of strategic consultants.

Bancóldex, with support from CAF (with a non-reimbursable collaborative agreement) and the partners of the program, structured and developed Wave II of the Excellent Export Companies Program - 3E with the following achievements:

- 13 business from 4 regions of the country (Cali, Barranquilla, Bucaramanga and Pereira) benefited from this strategic interventions, developed with the support of the Chamber of Commerce of each region. In Wave I (the pilot), 10 companies participated. Working together, the Program's 23 beneficiary companies export USD \$165 million and sell in more than 30 countries.
- To be able to scale the program, a transfer capacity was carried out to apply the methodology to the three consultant firms. The main firms and consultants trained in the 3E methodology were:
  - ARAÚJO IBARRA & ASOCIADOS
  - RONDEROS & CÁRDENAS CONSULTORES ASOCIADOS
  - CARLOS RENE BECERRA

In order for the beneficiary companies form Wave I & II to continue the galvanization of their international business models, they were trained and issued a Strategyzer Build App license. This web tool extends the scope and the intervention made in the participating business of the Excellent Export Companies Program.

In light of the achievements registered on the potential scalability of the program and the impact that these type of interventions can achieve in business that dare to grow, Bancóldex, CAF and the other regional and local partners, will develop Wave III of the "Excellent Export Companies – 3E" Program, which will intervene in up to 50 business under the methodology of version 2.0 of the 3E Program.

For that, Bancóldex with support from the Ministry of Commerce, Industry and Tourism and INNpulsa Colombia, has advertised a call for applications inviting businesses to present their candidacy to participate in this strategic intervention. This announcement will be posted from October 15th, 2015 until May 31st, 2016 or until the first 50 participating spots are filled, whichever occurs first. At the close of 2015, 21 businesses had submitted applications, 14 of which have been chosen as "beneficiaries of the program". The strategic interventions with the beneficiary companies will begin in January 2016.

## MANAGEMENT TRAINING

As part of Bancóldex's new strategic approach, a pilot was designed in the Dynamic Ecosystems' platform to develop a business support scheme called "Group Interventions", directed at the entrepreneurs on the Business Scaling platform, which involves different elements of training, updating and consulting. This new scheme is applied in groups, in which the companies perform a directed self-analysis, establish gaps in their current state and best practices, they train about the tools and management essentials and the entrepreneurs finish with an short and medium term action plan.

Corporate Governance and Strategic Management have been defined as priority areas to be developed this year. Under this approach, 8 group interventions were made and various management-training workshops were help, benefiting more than 750 business executives from eleven cities in the country.

As a strategy to achieve a broader scope and boost the strengthening of businesses on the Business Scaling and Productive and Financial Inclusion platforms in more regions in the country, the Bank developed, through the Bancóldex's virtual Campus (E-learning courses) and video conferences, training activities for more than 6709 entrepreneurs from 169 cities and municipalities from the country in aspects such as: access to credit, costing, price setting, international business, marketing and customer service amongst others.

## INTELLIGENCE

Since 2014, Bancoldex along with PTP and INNpulsa and with the support of the Mario Santo Domingo Foundation, established an agreement with the Center for International Development (CID) from the University of Harvard, for the construction of the Colombian Atlas of Economic Complexity (DATLAS). Thus, during 2015 they worked along with the CID in the development of the tool, coordinating the delivery of information from certain entities such as the Ministry of Health, the DIAN, promoting the development of focus groups with interest groups from DATLAS, confirmed by the Chambers of Commerce, DNP, DANE, ProColombia, iNNpulsa and the PTP, amongst others and performing their respective feedback in which they observed the CID team.

In 2016, validation and use of the tool workshops will be held in the main regions of the country, with the aim to receive feedback and encourage its appropriation. These sessions will move forward in a coordinated way with the execution schedule that will also have the Regional Map of Opportunities (MARO), with the understanding that both resources are complementary.

The DATLAS is a diagnostic tool so that companies, investors and government authorities can make decisions that help elevate productivity through a greater diversification and sophistication, enabling it at the same time to identify sectors and exports with growth potential based on the productive complexity.

## PROJECT STRUCTURING

This unit’s aim is to identify, structure and manage projects that denote business growth and invigorate regional ecosystems. In this sense, it has advanced in the construction of the value creation model, within which the following work areas are described.

- In the short term, identify the initiatives that can give rise to business growth projects with science, technology and innovation components that are bankable with resources from the General Royalties System (SGR), especially in the CTI fund, working closely with leading companies, the Institutions to Promote Competitiveness (IFC) and with territorial bodies, which are those that have the possibility to present said projects to access these Funds.

In this sense, the negotiation of an Inter-administrative Agreement has begun with the DND, Colciencias, iNNpulsa and Bancóldex worth COP \$8.2 trillion pesos, with the aim to pull together for the structuring of projects from the General Royalties System that promotes business growth and/or incorporates CTI components. This agreement, which develops win-win relations and shared value among participating entities, uses the incentives that were achieved in the new National Development plan to support regions in the formulation and submission of projects (particularly which is refereed to in Article 197 of the PND). Said agreement is expected to be signed at the end of January 2016.

The structuring and project management from Bancóldex (in partnership with iNNpulsa Colombia) will enable it to capitalize with greater forcefulness the present opportunities in the main source of resources for business growth and innovation such as the General Royalties System (SGR) which relies upon available resources for this goal of more than COP \$2 trillion. In this sense, one of the main challenges ahead consists in increasing participation in the Commercial, Industrial and Tourism sector in the SGR and manage resources from other sources for projects that invigorate regional ecosystems and add extraordinary value to the business, achieving the monetization of services provided through this coordination, in favor of Bancóldex.

- In the medium-term, the aim is to support entrepreneurs as well, in the structuring and project management for the development of their productive and competitive capacities that apply to other financing sources (Colciencias, Tax Incentives, International Cooperation, among others).



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## BANCÓLDEX'S STRATEGIC PROJECTS ACHIEVEMENTS

### 1. VALUATION OF BANCÓLDEX

In order to have the necessary information that enables the Bank, in the future, to involve potential strategic partners to meet the proposed goals in the exercise of the strategic planning carried out in 2014, in June 2015 the investment bank Inverlink S.A. was contracted in order to complete the due diligence of Bancóldex, such as its valuation.

Inverlink S.A., along with its partner firms: Gomez Pinzón Zuleta Abogados, Euroempresarial S.A., Coinfin S.A., from July to November 2015 held different meetings with each area of the Bank in order to collect all the necessary information to perform the work for which they hired to do.

In this way, in December 2015, Inverlink S.A., submitted the results obtained during performing its due diligence as well as the valuation of the Bank to the Bank's Board of Directors. Furthermore, in compliance with what was established in the contract, Inverlink S.A. submitted a report to the Board of Directors regarding the viability, relevance and opportunity of the procurement of strategic partners or the disposal of Bank shares by the Nation.

### 2. VALUATION OF LEASING BANCÓLDEX

In May of 2015, a petition was endorsed to the contract made with Incorbank, so that this investment bank made an updated due diligence report and valuation of Leasing Bancóldex, ending on December 31st, 2014.

On August 3rd, 2015 the Bank received the update of the documents from the investment bank, which were shared with the Board of Directors in September 2015.

### 3. CORPORATE GOVERNANCE

During 2015, Bancóldex had a negotiation with the International Finance Corporation - IFC of the World Bank, with the goal of this entity evaluating the Bank's corporate governance practices and policies adjusted to Bancóldex's new mission in collaboration with investors. Moreover, that they performed an assessment to establish the role of the national government as an owner and how this is implemented through government bodies and corporate governance policies. The results of said assessment, the evaluation and the start of the implementation of the recommendations will take place during the first half of 2016.

### 4. DISINVESTMENT IN SEGUREXPO

In March 2015, the Bank received, from Incorbank, the update report on the valuation of Bancóldex's participation in Segurexpo ending December 31st, 2014.

Based on the aforementioned, the investment bank's legal team, along with the Bank's Legal Vice-President, were given the task of preparing all of the documents that made up the disposition program of Segurexpo among which are: the draft decree, first and second stage regulations, information prospectus and the sales logbook.

Furthermore, in July 2015, the bank contracted the firm Estructuras Financieras, for the preparation of a Fairness Opinion regarding the valuation report submitted by Incorbank, the results of which were presented to the Council of Ministers, body that in November 2015 issued a favorable judgment of the Bank's disposition of its interests in Segurexpo, thereby giving its approval of the sale.

Given the fact that this disposition program is being developed within the framework of Law 226 from 1995, the first and second stages are expected to be carried out in 2016 as provided for in the Law and in this way it will conclude in approximately September with the the sale of these interests in Segurexpo.

### 5. STRUCTURE AND SYNERGIES WITH AFFILIATES

In June 2015, the Bank made a call for applications for "Acquisition of professional services for the analysis and design of the organizational structure that will support development and the operationalization of Bancóldex's corporate strategy," this call for applications was declared void in September 2015 due to the fact that none of the applicants fully met the criteria of the initiative.

In November 2015, the announcement was posted again, with a new goal and scope in order to carry out a "Contracting of professional services for the "Analysis and Design of the Operational Model and Organizational Structure," which supports Bancóldex's corporate strategy and that of its Affiliates, Leasing Bancóldex and Fiducolindex."

As of December 18, 2015, the closure of the tender period, six proposals had been received which will be evaluated by an interdisciplinary team created within the Bank, with the goal of choosing a consulting firm to provide this service to Bancóldex.

## 6. STRATEGY EXECUTION

During the year, the Executive and Strategy Vice-President lead the implementation of the Bank's strategy with the help of different areas involved in this major challenge.

This means carrying out in-depth work focused on the definition of the competitive strategies of each of the platforms with the Bank's new configuration to determine the different market segments and how they will be addressed from the different business areas.

The new definition of an area in the organizational structure will enable a new commercial force that is more focused and specialized in each niche of the market (by platform), along with a new portfolio of products to respond to the business needs of each platform which will strengthen the management of the Bank and accelerate the implementation of the strategy.

Moreover, the design used the new metrics for monitoring and follow-up of the management of each one of the platforms. With the aforementioned, the Bank will be able to count on a more robust following-up of accomplishments from the strategy.

## 7. FUND OF FUNDS

In response to Bancóldex's strategy and continuing with the aim of offering instruments that facilitate the access to business capital, such as the development of the private capital and entrepreneurial funds industry in the country, the hiring of a Technical Consultant for the possible structuring of a Fund that enables boost the scope of the current Bancóldex Capital investment program moved forward.

At the close of 2015, the consultant successfully advanced and the first deliverable was received, the study is expected to be completed by the close of the first quarter in 2016 within the expected time line.

## 8. SAVINGS ACCOUNT

In 2015, the Savings Account project was planned and the activities incorporated in the plan were executed in accordance with the estimated expected time frames from the schedule. However, starting in October 2015 the project was temporarily suspended for the purpose of conducting a new analysis about the project's cost structure and implementation time. The result of this exercise was submitted to the Management Committee in December where the decision was made to continue the project with the cost structure submitted and the new time line.

## 9. MOBILIZATION AND TRANSFORMATION

In 2015, as a fundamental part within Bancóldex's evolution process, the need to put into operation the design and implementation of the plan to activate the mobilization around the transformation of Bancóldex was identified. This plan has focused on the participation of all of the Bank's partners, empowering them and giving them knowledge and tools to form constructive leadership in the organization.

The implementation of Bancóldex's new corporate strategy involves, for the entity and its partners, identifying and taking on new challenges that have an impact on some forms of work established and consolidated within the organization, such as the interaction dynamics between staff members, with clients and third parties. In this sense, to face these challenges in a successful way and advance in the consolidation and evolution of the bank, it is important to strengthen an organizational culture that, at all levels, revolves around the capacity to adapt, collaborate, communicate, and effectively self-manage and share responsibility.

With this goal, Corporate Relations Management began during the last quarter of 2015, to lead a transformation and mobilization of human talent process at Bancóldex, based on adaptive leadership. This process included an analysis of mentality patterns, behaviors and cultural references within the organization to build a self-intervention diagnostic specifically geared towards the organizational challenges and gaps related to the evolution of Bancóldex. It began with a fundamental pillar from this process, the construction of skills and capacities around collective transforming leadership with all the partners of the organization, through workshops and working sessions between areas of the Bank.

The process was conceived under Professor Ronald Heifetz's adaptive leadership principles and has had his backing and participation. Heifetz is the founder of the Center of Public Leadership at the University of Harvard, who for more than 30 years has been the chair of the John F. Kennedy School of Government.



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## ADDITIONAL ACCOMPLISHMENTS

### INTERNATIONAL RELATIONS AND COOPERATION

During 2015, a significant amount of cooperation resources were mobilized to define the corporate strategy and deploy the platforms. Around two trillion pesos were received in cooperation. These resources were dedicated to projects such as the Fund of Funds project study, 3E program escalation, technical assistance on impact assessment methodologies, support in preparing access to the Green Climate Fund and to begin the fund access process. Knowledge was also transferred on strategic issues involving South Korea, Singapore, Indonesia, Brazil, Mexico, Chile and Argentina. Strategic information was exchanged with similar entities in the United States, Canada, South Korea and Singapore to socialize the bank's strategy, seek new partnerships, manage funding, cooperation and investment resources and strengthen the bank's participation in the Pacific Alliance on issues such as venture capital funds and foreign trade.

### MANAGEMENT OF HUMAN TALENT AND WELL-BEING

In 2015, the Human Talent Management application "Our People" entered production. This marked the beginning of the training process within the bank which has the aim of getting staff to start managing their own information through this tool in order to promote self-management culture.

On the other hand, Decree 1072 of 2015 entered into force making it necessary to implement the Occupational Health and Safety Management System which expires in December 2016. One of the different activities implemented is the Occupational Medical Assessments that help companies to determine their functionaries' health status, detect professional and/or common origin diseases and implement preventative programs to preserve their functionaries' health.

In terms of training, the third group of the Diploma program on International Financial Information Standards was carried out. It finished on December 11th with a total of 33 participants. A total of 16 educational scholarships and 12 scholarships to study English were awarded to staff. Additionally, a training session was held for 20 managers as well as individual coaching sessions with five staff members.

In regards to ethnical management, three workshops were held with the group of functionaries that have been participating in the Ethic's Club for the last three years. The objective is to promote a full understanding of their emotions and for them to learn to react carefully and effectively so that they become facilitators and multipliers in building harmonic relationships and interactions within the organization.

Finally, social welfare programs were implemented in 2015 that takes a holistic approach to staff professional and personal development.

### INNOVATION MANAGEMENT

Innovation management in 2015 was focused on two major issues: 1) motivating functionaries to explore new ideas that help them accomplish this strategy so that they can be implemented in 2016; and 2) leading, in coordination with the Ministry, the strengthening of MCIT's institutional capacities and their entities in order to develop creative management that innovates the processes, change and institutional culture.

To do this, the "First Bancóldex Innovation Tournament" was held with 39 people and nine teams participating. They received training on issues of innovation. A total of 33 innovative ideas were generated and eight challenges were designed. Three challenges were awarded that will be implemented (if viable) in 2016.

The Sector Innovation Tournament was another one of the activities implemented by Bancóldex which in coordination with the Ministry achieved in getting 11 of the sector's entities to participate. The three most innovative ideas were awarded.

Finally, Bancóldex was a finalist for the 2015 ExcelGEL Prize in the ICT for Management category with the "Streamlining Disbursements to Microfinance Institutions" initiative. It consisted of transforming and redesigning the microfinance institution disbursement process and adjusting one of our technological tools. This reduced the time for disbursements from eight days to three hours resulting in a 60% growth in our operations (40,367) and an increase in the disbursements worth \$120.63 billion COP. This contributed to improving our revenue.

## II. BANCÓLDEX AS THE SPECIAL PROGRAMS ADMINISTRATOR

### MANAGEMENT UNIT FOR BUSINESS GROWTH – INNPULSA COLOMBIA

### MERGING THE INNOVATION AND DEVELOPMENT UNIT AND THE MODERNIZATION AND INNOVATION FUND

In an effort to generate conditions to leverage the country’s business development using innovation, the national government unified the Innovation and Development Unit (Article 26, Law 1450 of 2011) and the Modernization and Innovation Fund for Micro, Small and Medium-sized Businesses (Article 44, Law 1450 of 2011) into entity. This was stated in Article 13 of Law 1753 of 2015 (2014-2018 National Development Plan “Everyone for a New Country”).

In order to implement the previous legal provisions, the Inter-administrative Framework Agreement #375 was signed on July 15th 2015 between the Ministry of Commerce, Industry and Tourism (MINTIC) and the Banco de Comercio Exterior de Colombia S.A (Foreign Trade Bank of Colombia S.A.) – Bancóldex. The agreement has the objective of complying with the orders of Articles 11 and 13 of Law 1753 of 2015 which transforms the Innovation and Development Unit into the Business Growth Management Unit.

It was launched as an effort by the national government to generate conditions in order to leverage the country’s entrepreneurial development using innovation.

The main objective of the Business Growth Management Unit is to strengthen different actors in the productive sector so that they are more innovative and for more entrepreneurs to join the business development processes marked by innovation. The Business Growth Management Unit encourages the creation of partnerships between the public sector, private sector and academia as the fundamental basis of business growth and as a pillar of the national innovation strategy. It works on generating an entrepreneurial culture and innovation in the country.

### BACKGROUND

### CREATING THE MODERNIZATION AND INNOVATION FUND - FMI

Article 44 of Law 1450 of 2011, the 2010-2014 National Development Plan, established the creation of the Modernization and Innovation Fund for Micro, Small and Medium-sized Business (MIF) as a system to manage Bancóldex’s separate set of accounts, integrating them into a trust asset.

The fund has the aim of applying financial and non-financial instruments. These non-financial instruments are to be applied through non-reimbursable co-financing for programs, projects and activities to innovate, encourage and promote MSMEs. The MIF’s Technical Secretariat and Administrative Directorate were regulated on September 8th 2011 by Decree 3321.

Subsequently, MINCIT and Bancóldex signed Interadministrative Administration Agreement # 199 on September 30th 2011. The 2010-2014 National Development Plan highlighted the need to create new companies motivated by opportunity, financing mechanisms for new businesses (this includes increasing private equity funds) and industry supporting entrepreneurship.

It became clearer and clearer that as long as economic growth was the objective, it would be necessary to work towards having businesses capable of exploiting high growth potential opportunities in which competitive advantage would derive from the businesses’ innovative capacities.

### CREATING THE DEVELOPMENT AND INNOVATION UNIT

In 2012, the Business Development Unit –iNNpulsa Colombia was created through Law 1450 of 2011 (2010-2014 National Development Plan). It is an effort by the national government to highlight the importance of business and innovation in the country’s culture and it focuses on the aspiration for growth and innovation through an integrated way of doing business.

iNNpulsa Colombia is a result of learning about the importance of business and innovation as the country’s motor of economic development. It is an interpretation of the role of public policy in prioritizing the development of innovative capacities in businesses as a condition for economic growth in the country.



# INNpulsa COLOMBIA ACHIEVEMENTS IN 2015

The best way to detail iNNpulsa Colombia’s achievements is to examine all of the areas that make up the Business Growth Management Unit. These areas work to achieve the objective of getting more of the country’s entrepreneurs to participate in business development marked by innovation.

## INNOVATION AND ENTREPRENEURSHIP

during 2015, iNNpulsa Colombia continued to support innovative businesses with a high growth potential through financial (encouraging investment, easy access to credit and co-financing) and non-financial (training, innovation and corporate entrepreneurship) programs. These programs benefit and work in coordination with 970 business. This effort has achieved in leveraging \$190 billion (COP) from private resources for entrepreneurship and innovation.

## FOSTERING INVESTMENT

iNNpulsa successfully promoted investment in 29 business for \$8.15 billion COP with the state matching the contribution. Additionally, 15 investors from London were invited to share experiences from the United Kingdom on investing in early stage businesses.

## ACCESS TO CREDIT

iNNpulsa Colombia opened two credit lines (through Bancóldex) in 2015 that leveraged credits worth \$116.71 billion COP for 232 businesses. A total of \$7.27 billion COP in resources was contributed by iNNpulsa Colombia. The financial preparations and banking awareness program trained 190 businesses on financial issues and raised the awareness of four financial entities on characteristics of the sector of innovative businesses with high growth potential.

## CO-FINANCING

iiNNpulsa Colombia, in partnership with Colciencias, organized a call in 2015 in order to co-finance the pre-commercial and commercial validation for functional prototypes of biological, biomedical and energetic technologies with high business growth potential. A total of seven bio-companies received \$2.65 billion COP contributed by iNNpulsa Colombia. Additionally, 44 businesses benefitting from early stage capital resources were monitored. This had the aim of leveraging these companies’ growth and escalation.

## TRAINING PROGRAMS

145 businesses were identified and analyzed. Out of these, 75 strengthened their capacities and 37 entrepreneurs and eight organizations supporting the endeavor participated in a training camp (Boston, London, Buenos Aires) to strengthen their capacities, business models and attract investment money. A total of six bio-companies received accompaniment from the high level management team and through this process the Colombian Institute of Tropical Medicine (ICMT) received the INVIMA certification for the first biological plant in Colombia. Additionally, Keraderm’s product was also patented in the United States and Colombia. Finally, as a result of the Technological Transference program, 16 entities made business deals for \$10trillion COP.

## COLLABORATIVE INNOVATION

a network of 1,712 solvers was successfully consolidated, capacities and methodologies were generated for 11 leading businesses, conceptual capacities were generated on collaborative innovation with 152 solvers, 409 solutions were proposed for 32 challenges and 19 partnerships were consolidated between leading businesses and solvers with an initial investment of \$5,300,000,000 COP in the companies. Finally, in 2015, iNNpulsa Colombia took a chance on corporate entrepreneurship with a program called “Mega-Entrepreneurs, Businesses Doing Business”. The program has the aim of generating new high potential businesses out of large companies. A total of 12 mega-entrepreneurs were selected from various cities of the country.

## BUSINESS DEVELOPMENT

in partnership with the Ministry of Tourism, Industry and Commerce, 19 projects were supported with the aim of increasing the connectivity to the internet for micro, small and medium sized businesses (MSMEs). The total investment in these projects was \$28.57 billion COP. This is expected to benefit 16,720 businesses at the national level. Additionally, more calls were opened directed at co-financing projects.

## MENTALITY AND CULTURE

iNNpulsa Colombia contributed to promoting a change in mentality and culture so that businesses can grow quickly and sustainably by:

- 1

**OPENING A REGIONAL AND NATIONAL CONVERSATION ON DYNAMIC INNOVATION AND ENTREPRENEURISM:**

This can be demonstrated by: the Colombian news agency iNN investigated, produced and published more than 1,900 stories; the agency created a community of interest on social networks which is now one of the largest and most relevant on the ecosystem; and the first investment guide entitled DestiNN 2015 was also published with successful Colombian businesses looking for investors. The publication’s circulation was 180,000 copies distributed through two newspapers: El Tiempo; and Portafolio. It is estimated that more than 250,000 people read the publication.
- 2

**CONTRIBUTING TO PROMOTING FAVORABLE VALUES AND BEHAVIORS FOR ENTREPRENEURSHIP AND INNOVATION:**

iNNpulsa Colombia’s leadership contributed to Colombia’s participation during the 2015 Global Entrepreneurship Week. Colombia had the largest representation in Latin America and was fourth in the world during the week with 171,592 participants from the country.
- 3

**POSITIVELY ADVOCATING FOR BUILDING A COMMUNITY AROUND INNOVATION AND THE ENTREPRENEURIAL SPIRIT:**

Heroes Fest 2015 was held. It is a festival that brought together entrepreneurs, global thinkers, innovators, scientists, educators, business leaders and agents of change throughout the country in order to learn, transfer knowledge, generate capacities, design projects and address some of the country’s biggest challenges. Participants came from all over the country.

## COORDINATION OF STRATEGIC POLICIES AND PROJECTS

conceived as a cross-cutting area at the service of the Unit and the Productive Development, Innovation and Entrepreneurship Ecosystem. The main achievements of 2015 are presented below:

1

### LAUNCHING THE 2015 VIRTUAL AGENDA

information is reported through it on events held by the Ecosystem's different actors. It is being positioned as an updated source of reference.

2

### DESIGNING PUBLIC POLICY THAT ADVOCATES FOR ENTREPRENEURSHIP AND INNOVATION WHICH ACCOMPLISHED:

#### A. CONPES DOCUMENT: NATIONAL SCIENCE, TECHNOLOGY AND INNOVATION POLICY (2015-2025)

This document is currently being reviewed in order to be presented to CONPES. iNNPulsa Colombia participated in building the diagnostic based on official statistics, a description of the main market failures that this policy has to address, the regional socialization sessions and in drafting the action plan for the Innovation and Technological Transference Chapters; and

#### B. CONPES DOCUMENT NATIONAL PRODUCTIVE DEVELOPMENT POLICY (PDP)

iNNPulsa Colombia actively participated in the work reading, providing comments and drafting the document in coordination with PDP's Technical Committee.

3

## STUDY AND RESEARCH

A. iNNPulsa Colombia carried out a research effort to understand Colombia's dynamic entrepreneurship characteristics which stands out for its capacity to break down productivity barriers. This result is included in the Growing Entrepreneurs Book which was launched in the National Entrepreneurship Network Event organized by the Ministry of Commerce, Industry and Tourism. A reinforcement campaign was also held in Heroes Fest;

B. as part of the information building initiatives servicing the ecosystem, iNNpulsa Colombia assessed the results of the Calls for Proposals for the Knowledge and Technology Transfer and Structuring of Projects initiative. The information resulting from this work provides recommendations that help measure these interventions' direct effects which makes it easier to redesign future interventions; and

C. iNNpulsa, requested the documentation and systematization of ten of their interventions as part of their commitment to assess their instruments with FEDESARROLO in charge.

4

## STRATEGIC PROJECTS

iNNpulsa Colombia participated, as a part of this coordination, in the technical proposal to implement the Interadministrative Cooperation Agreement to Support the Development and Design of Science, Technology, Innovation and Business Development Projects in the framework of the General Royalty System (SGR).

## PRODUCTIVE TRANSFORMATION PROGRAM (PTP)

In accordance with the provisions of Article 11 of Law 1753 of 2015 that modifies Article 50 of Law 1450 of 2011 through which the 2014-2018 National Development Plan is issued, the Productive Transformation Program will have the objective of implementing public-private strategies and taking advantage of comparative advantages in order to improve the industry's productivity and competitiveness in the framework of the Productive Development Policy of the Ministry of Commerce, Industry and Tourism. Resources can be allocated to the program from the Ministry of Commerce, Industry and Tourism, international development agencies, international cooperation agreements, agreements with private organizations, agreements with territorial entities and transfers from different regional and national public entities. This program will be an autonomous asset in the private sector managed by the Banco de Comercio Exterior S.A. -Bancóldex.

The program's strategic objective is to accelerate and accompany processes within businesses to help them be more competitive. We work towards this through strengthening the productive apparatus by promoting the development of the sectors and their exportable supply. On the other hand, we focus on regional development by strengthening business growth clusters and initiatives in the regions. Finally, we visualize the companies' internationalization by working on closing the competitiveness gaps in order to position their offer in the global market.

During 2015, the Productive Transformation Program reached 1,113 businesses and 438 productive units with investments totaling \$8.09 billion COP that leveraged \$27.9 billion COP.

The main developments and achievements were:



1

#### PRODUCTIVITY ESCALATION PROGRAM

A productivity escalation program was implemented in 100 businesses for 14 PTP sectors in 15 departments so that they increase their productivity by 15%. This program aims to improve the productivity, quality and competitiveness of businesses linked to PTP sectors.

2

#### TECHNOLOGICAL EXPANSION PROGRAM

A total of 53 supplier companies from the automotive parts union have been receiving accompaniment from the PTP in order to improve their productivity by at least 15% with a view to making the automotive parts sector more competitive. This initiative is being carried out with accompaniment from the National Planning Department (DNP) and the National Learning Service (SENA)

3

#### PROJECT TO IMPROVE THE CACAO SECTOR'S PRODUCTIVITY

At least 500 farmers from the Department of Santander will benefit from the project to improve the sector's productivity. It is co-financed with resources from the Santander Plan agreement amounting to \$1.8 trillion COP which is managed by the PTP. The PTP will work on the diagnostic and closing productivity gaps by strengthening the participating beneficiaries' organizational, technical and commercial capacities and investing in plots of land in order to improve the grain's quality in the post-harvest processes, renewing crops with guaranteed vegetable material and supplies like fertilizers.

4

#### ASSESSING THE PTP'S BUSINESS PLANS

Six sectorial business plans were assessed that have completed five years in the PTP. We also launched the new business plan for the fish farming sector. The sectors assessed were business process outsourcing (BPO), cosmetics, textiles and clothing, automotive parts, graphic industry and health tourism..

5

#### MAPPING REGIONAL OPPORTUNITIES

Tool created by the PTP that identifies departments, sectors, goods, services and destinations with greater export potential. The purpose of this mapping is to help the national government, regional governments, local governments and entrepreneurs to accomplish the national goal of increasing exportations of goods and services not linked to mining and energy by \$30 billion USD in 2018.

6

#### MAPPING PRODUCTIVE ZONING

This year, like in Chile México and Peru, we carried out a zoning study that identified the country's optimal areas to produce the seven fruits and vegetables prioritized by the government (pineapple, papaya, mango, strawberry, hass avocado, chili and onion). This work is carried out in coordination with the Rural Agriculture Planning Unit (UPRA).

7

#### BIOMASS TO PRODUCE ENERGY

An energy generation model was designed in coordination with Fedepalma. It is based on using palm oil biomass and is the result of a prefeasibility study implemented at two plants in the country. The study helped determine the investments an extraction plant has to make in order to participate in these developments. This would not only be reflected in saving their production process but also the possibility of selling energy surpluses to the interconnected network and taking advantage of the Law on Renewable Energies' provisions in order to become a solution to the difficulties the energy sector is experiencing.

8

#### INCREASING LINKS BETWEEN SUPPLY CHAINS OF PRODUCTS AND RELATED SERVICES

With the aim of increasing the participation of national suppliers of goods and related services in building the transmission lines and sub-stations, a diagnostic was carried out on the main gaps and opportunities to improve the national industry. Additionally, a plan was jointly designed with industry-unions and government entities that will help implement the necessary actions to close these gaps on issues of productivity, quality, human capital, amongst others.

9

#### JOB FAIRS

Around 1,600 people participated in two job fairs we organized with the Chambers of Commerce of Bogotá and Barranquilla. The fairs brought together the best human talent with 61 businesses from the BPO, Software and Information Technology, Creative Industries and Nature Tourism sectors.

10

#### FRAMEWORK AGREEMENT ON PRICES

The PTP provided support to the Colombian Government Procurement Agency in the stages to build and develop the Framework Agreements on Prices (AMP) for Vehicles. It came into force in August 2014 and was renewed in November 2015. Public entities can use this new mechanism to purchase goods and services in the Colombian government's virtual store. So far, the Framework Agreement on Prices for Vehicles has generated purchase orders for more than \$208 billion COP. Out of this, \$115 billion COP correspond to orders placed by businesses from PTP's Automotive Parts and Vehicles sector.

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# “BANK OF OPPORTUNITIES” INVESTMENT PROGRAM

The “Bank of Opportunities” investment program (BdO) was created by Decree 3078 on September 8th 2006 and incorporated into Decree 255 of 2010. It has the objective of promoting access to financial services for low-income families, micro, small and medium-sized businesses and entrepreneurs. Additionally, the program aims to improve the level of financial inclusion and expand coverage to all municipalities with adequate financial products and services for all sectors of the Colombian population.

During 2015, the financial coverage expansion programs continued. They have facilitated financial presence in seven municipalities of the territorial consolidation zones with public security issues by opening seven offices for financial entities. The coverage programs also continued in the Municipalities of Mitú (Vaupés), Puerto Inírida (Guainía) and San Andrés through the financial entities’ offices and micro-credit assessors. Additionally, the population of 42 municipalities is being provided assistance with the opening of the Cooperatives’ offices in the framework of the technical assistance program implemented with the cooperatives. In terms of this program’s technical assistance to cooperatives in designing and implementing savings and credit products, a second phase was expanded and 20 new cooperatives were added for a total of 32. A total of 212,000 people have been successfully included in the financial sector with this program (up to September 2015).

With the guarantees program that is implemented through the agreement signed with the National Guarantees Fund (FNG), up to December 2015, 96,113 people have benefitted from low-rate micro-credits for an accumulated sum of \$156.75 billion COP. A new program was designed in this agreement’s framework called “Special Program for Guaranteeing Credit during the Border Closure with Venezuela” to leverage credits with a guarantee of 70% for people living in municipalities bordering Venezuela.

Up to December 2015, technical and financial accompaniment has been provided to the inhabitants of 10 municipalities in the Departments of Córdoba y Sucre through the entrepreneurship program with financing schemes. A total of 450 entrepreneurs have accessed credit and started their business.

Concerning financial education, the Financial Education Program in the Mass Media stands out for reaching 300,000 people in in 70 municipalities of the country with short messages on financial education, theatre plays, song, radio soap operas, announcements in Sunday newspapers, billboards in municipalities, TV advertisements, etc.

In 2015, the first integrated study on the demand for financial inclusion was implemented and socialized. The fourth Annual Financial Inclusion Report up to December 2014 was presented and the Bank of Opportunities Quarterly Financial Inclusion Reports began to be drafted and published on the web page. This was previously carried out by Asobancaria.

In terms of the total amount of credits disbursed to microbusinesses through banks, financing companies, NGOs and Cooperatives, 2,136,562 micro-credits were provided totaling \$7.9 trillion COP up to November 2015.

The banking correspondents have had a positive impact over the last few years. Up to November 2015, there were 92,304 banking correspondents (BC), meaning a growth of 4,417 new BCs (a 5% increase) compared to the number established in November 2014 (87,887). Banking correspondents have been opened by 25 financial entities in 1,099 municipalities of Colombia. More than 58 million transactions have been carried out through them related to the “bankization” for a total of \$23.2 trillion COP.

The percentage of adults with some financial product in a credit institution, cooperatives with a savings and credit section and NGO micro-credit institutions, increased from 73.9% in December 2014 to 76% in September 2015. This means that 993,072 additional adults reported having had some formal financial product.

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# RISK RATINGS

In 2015, Bancóldex maintained the local F1 and AAA ratings issued by Fitch Ratings Colombia S.A. for the short and long term with a stable outlook. BRC Standard & Poor’s confirmed the AAA ratings for the long term and BRC 1+ for the short term.

In terms of the rating in foreign currency, the bank received a BBB rating with a stable outlook by Fitch Ratings New York. This was based on the alignment that Bancóldex’s risk has with the sovereign risk and the national government’s capacity to provide support to Bancóldex if necessary.

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# MEETING SINERGIA<sup>6</sup> GOALS FOR 2015

Amongst the National Development Plan strategies, Bancóldex participates in the “Sustainable Growth and Competitiveness” objective with three goals.

1

**EXPORT BUSINESSES’ OPERATIONS BENEFITTING FROM BANCÓLDEX’S FINANCIAL PRODUCTS:**  
Bancóldex’s goal for 2015 was to provide 1,350 loans to this business sector. A total of 1,328 loans were disbursed in the year for a total of \$1.06 trillion COP, which benefitted 731 export businesses. A total of 98% of the goal for the period was achieved.

2

**COMMITMENTS TO INVEST IN PRIVATE EQUITY AND VENTURE FUNDS:**  
Bancóldex’s goal with their commitments to invest in equity funds through their Bancóldex Capital program for 2015 was \$97.84 billion COP.

During the year, \$119.84 billion COP in resources were committed achieving 122% compliance, greatly exceeding the established goal.

6. The Colombian government’s system of goals. This helps the government and the whole population to closely monitor the social and economic policies in the framework of the National Development Plan.



**VALUE OF THE ADDITIONAL EXPORTS GENERATED BY BUSINESSES BENEFITTING FROM THE INTERVENTIONS OF THE 3E EXPORTING EXCELLENCE PROGRAM:**

this new indicator was included into SINERGIA's four-year goals at the end of 2015.

## COMPLIANCE WITH THE COMMITMENTS IN THE SECTORIAL STRATEGIC PLAN OF THE MINISTRY OF COMMERCE, INDUSTRY AND TOURISM – PES 2015

During 2015, Bancóldex participated in the Sectorial Strategic Plan's following strategies led by MCIT: business innovation; and financing for innovation.

In terms of Bancóldex's commitments during the year, their program, Bancóldex Capital, stood out by fulfilling the goal for investment commitments in private equity funds by 122%.

By the end of 2015, the disbursements indicator to increase the productivity of micro-businesses had 94% compliance while the goal of micro-businesses assisted with these resources was fulfilled by 72%. This last indicator is delayed by 60 days due to the way micro-finance institutions operate in Bancóldex Capital. As a result, once the reports are received from the last few months of 2015, the target set will be reached.

On the other hand, the disbursements goal for financing exports had 82% compliance. This result is explained by the impact the dollar's volatility had on the businesses' financing needs.

## FINANCIAL MANAGEMENT

Over the course of 2015, the inflationary pressures<sup>7</sup> continued and the Banco de la República was forced as a result to prolong the monetary policy adjustment that it has been implementing since the previous year. As a control mechanism, during the last four months of the year, their intervention rate (Repo rate) increased by 125 points taking it to 5.75%. In response to this increase, the market experienced a considerable rise in the cost of liquidity and for the first time the acquisitions indexed to DTF disappeared and the Banking Reference Indicator was consolidated as the short term reference indicator for the Colombian private debt curve.

Under this scenario, Bancóldex worked on encouraging the disbursement of indexed areas to the Bank Reference Indicator, while increasing rates for credit in pesos was reviewed. As a result of the increases in the intervention rate, the private debt reacted equally, raising the entity's cost of funds.

The bank continued strengthening the assistance to the MSME sector through disbursements to traditional areas (modernization and working capital) and with special quotas for their participation. They were mainly financed with the liquidity surpluses that came from the previous year as a result of the prepayment situation that was experienced in the second half of the year. Additionally, resources were received from MINCIT to continue the disbursements for the MSME Competitiveness credit line and the credit lines with resources coming from the Prosperity and Employment Promotion Plan (PIPE) (that also allocated their resources towards work capital and foreign trade). These resources were used not only to strengthen support for the MSME sector but to also transform (increase) the productive apparatus terms for businesses.

In terms of the performance of the portfolio's position in foreign currency, the bank maintained the same rates as the previous year for traditional operations. However, the Prosperous Colombia Line's rate diminished during the second half of the year with the aim of encouraging disbursements in dollars in the long term. They were being affected by the peso's depreciation starting the previous year. In terms of funding in dollars, it is important to mention that the Inter-American Development Bank (IDB) informed Bancóldex that IDB's Executive Board approved a 30 points increase in the interest margin and a 25 points increase in the credit commission. These rate increases were applied on July 1st 2015.

This had an immediate negative effects on the credits already disbursed with IDB resources and a long-term effect on the financial margin expected when it was positioned. In summary, Bancóldex's portfolio's financial margin in dollars is reduced and the debt with IDB represents nearly 50% of the liability in dollars.

Concerning the investment portfolio, 2015 was characterized by a rising displacement in the fixed income performance curves for emerging countries and Colombia was not an exception. This movement caused the income provided by the portfolio's performance to be less than in previous years. The events that influenced the portfolio investment's negative behavior over this year were first caused by lower oil prices which went from 60 dollars a barrel at the beginning of the year to 37 dollars at the end. This resulted in several imbalances in the Colombian economy from the fiscal front to their external accounts. Secondly, the Colombian pesos' marked devaluation going from 2,376 COP per dollar to 3,149 COP, representing an annual devaluation close to 32.5%.

The bank's portfolio strategy during 2015 was focused on maintaining a controlled portfolio balance at minimum levels and with short duration, taking into account the requirements within the annual liquidity strategy. With the aim of mitigating (as much as possible) the losses resulting from the investments' devaluation, a decision was made in August to substantially reduce the portfolio in light of the imminent withdrawal of the United States Federal Reserve's expansionary measures and the probable rise in the Banco de la República's expansion rate during the second semester of 2015 due to the marked increase in inflation. According to the liquidity management strategy and with the aim of maintaining the Liquidity Risk Indicator at a comfortable level facing the illiquidity situation occurring in the Colombian market during October due to the Single National Account (CUN) coming into effect to manage the nation's surpluses, a decision was made to increase the portfolio to nearly \$700 billion COP, maintaining the short duration strategy with the corresponding negative impact on earnings as a result of the rising displacement of the performance curve in November and December.

7. At the end of 2014, inflation was 3.66% in comparison to 6.77% at the end of 2015.

In terms of the funding, the acquisition strategy continued in the market through CDT with a maximum maturity of two years. This has the aim of reducing (as much as possible) the liability's duration and adjusting the term GAP again between the assets and the liability that was undermined at the end of 2014 by the effect of the increase in the payments of the long term portfolio.

With the aim of accompanying Bancóldex's new funding strategy (that has the objective of significantly increasing the number of credits issued and consequently this growth will need to be accompanied with greater levels of resources in the liability), the viability of implementing the new Savings Accounts product was reviewed for the Institutional and Corporate Sector. Additionally, a proposal was made to the Board of Directors to approve the project's design in order for it to be developed and implemented. In May 2015, the Board of Directors approved this initiative focused on improving the entity's mixture of funds.

To date, the project is currently being implemented and was ratified by the Board of Directors on December 18th 2015. According to the timetable, it will be in production in April 2017.

## FINANCIAL RESULTS

In general terms, the bank's 2015 financial results were influenced by the unfavorable behavior of the investment portfolios. Although they generated substantial earnings with the correction that occurred in the fixed income market, the bank's revenues were negatively impacted compared to 2014's performance.

In terms of the credit portfolio intermediation margin in pesos, there was a reduction than can mainly be explained by the portfolio's reduced average balance maintained during the year and the increased rates of liability with debt that were greater than 90 points compared to the previous year. This reduced margin was partly compensated by the lower levels required for funded debt given the higher capital allocation as a source of resources. On the other hand, the natural coverage designed in 2014 for resources received to finance the PIPE areas in dollars contributed, through the conversion, around \$1.12 billion COP to the portfolio's net margin in dollars.

Concerning taxes, there has been a significant increase in this rubric compared to the previous year which is mainly a result of the wealth tax. It is important to highlight that in 2015's fiscal implementation, the bank will be taxed on presumptive income tax which means a lower expenditure in the income statement. This partly mitigates the lower earnings explained in previous paragraphs.

## ASSETS

In 2015, the bank's assets were valued at \$6.8 trillion an increased value of \$500 billion COP (8%) compared to the previous year. This variation is the result of the following factors:

### INCREASE IN THE GROSS LOAN PORTFOLIO IN PESOS BY \$1.4 BILLION COP COMPARED TO THE PREVIOUS YEAR

Despite the portfolio's balance not increasing considerably, it is important to highlight the good performance of the resource allocation, particular the MSME Competitiveness line and the area with resources coming from the Prosperity and Employment Promotion Plan (PIPE) (which also allocated resources to work capital and foreign trade). This not only strengthened support for the MSME sector but also transformed (increase) the productive apparatus terms for businesses.

In total, \$2.4 trillion COP was disbursed at a weighted average rate of DTF + 3.23% and an average term of 4 years. This fulfilled the budget for disbursements in local currency by 91%.

### REDUCING THE CREDIT PORTFOLIO IN DOLLARS BY \$33 MILLION USD BUT CONVERTING IT INTO THE NATIONAL CURRENCY SHOWS AN INCREASE OF \$357 BILLION COP (25% COMPARED TO THE PREVIOUS YEAR)

In 2015, the portfolio balance in foreign currency was \$576 million USD compared to \$610 million USD the previous year. This reduction can be explained by fewer disbursements (\$615 million USD) with respect to 2014 (\$794 million USD). The demand for resources in 2015 was issued at a weighted average rate of LIBOR + 2.08% and a weighted average term of 1.7 years.

### INCREASE THE INVESTMENT PORTFOLIO BY \$130 BILLION COP (14% COMPARED TO THE PREVIOUS YEAR):

In August 2015, there was a slight reduction in the investment portfolios, particularly those classified as negotiable. This had the aim of decreasing the interest rate's exposure to risk before the imminent rise in rates. However, as a strategic decision to maintain the entity's liquidity ratio in response to the liquidity crisis that occurred last quarter, a decision was made to increase the liquidity investment portfolio under the premise of extremely short durations in order to protect P/L from the effects of the increase in rates.



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## LIABILITY

Compared to December 2014, the Bank’s liabilities increased by \$543 billion COP (11%). This increase is due to variations in the following positions:

### INCREASED USE OF CREDIT WITH CORRESPONDENT BANKS OF \$42 MILLION USD OR \$589 BILLION COP (41% COMPARED TO THE PREVIOUS YEAR)

The portfolio’s increase in foreign currency was completely financed with debt. This is the reason why the foreign trade fund operations came from the correspondent bank. In terms of the Multilateral Bank, in December 2014, Bancóldex formalized three long-term debt operations for the CCLIP line with BID’s approval in 2008 for a total of \$250 million USD which was effectively disbursed for \$40 million USD in 2014.

### MATURITY DATE OF SECURITIES ISSUED IN PESOS FOR \$56 BILLION COP (REDUCTION IN THE BALANCE OF 23% COMPARED TO THE PREVIOUS YEAR)

The reduction in fund sources in pesos can be explained by the bonds expiring during the year (\$207 billion COP). They were partially recovered with the capture via CDT, particularly the securities indexed to the banking reference indicator.

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## CAPITAL

Up to December 2015, the capital was \$1.39 trillion COP compared to \$1.43 trillion COP in 2014. This means a reduction of \$43 billion COP (3%) compared to the previous year. This variation can be explained both by the reduced net income (\$37 billion COP) and a lower surplus due to the valuation of investments, particularly fixed income securities (\$17 billion COP). The previous variation was partly compensated by the greater reserve levels (\$9.91 billion COP) established during 2015.

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## INCOME STATEMENT

### FINANCIAL MARGIN

The gross financial margin compared to 2014 experienced a reduction of \$53 billion COP. This is a result of the investment portfolio’s poor performance (both fixed income and private equity funds) due to the correction in the markets and the adjustments to the unit value in the Investment Funds.

In terms of the credit portfolio, there is a reduction in the portfolio’s intermediation margin in local currency. However, this is partly offset by the portfolios increased earnings in foreign currency. For the business in pesos, there are fewer debt expenditures derived from lower leveraging compared to the previous year. Concerning the portfolio in US dollars, the net margin’s increase is due to the allocation of medium and long term operations (greater rate) and designing coverage to amortize the rate differential through conversion.

Finally, the net financial margin corresponding to the difference between the gross financial margin and the portfolio provision experienced a reduction of \$57 billion COP compared to the previous year. It was affected by the portfolio provision expense which was more than \$5 billion COP compared to 2014 and reduced financial revenues.

### UTILITIES

The accumulated revenue of 2015 was \$28 billion COP, a reduction compared to the same period in 2014 of \$37 billion COP (57%). This variation can mainly be explained by the reduced financial earnings. In terms of the performance of the year’s profits, the extraordinary revenues generated by liquidating the trust law established for the securitized portfolio program provided \$14 billion COP. These resources were allocated to compensate the wealth tax payment for 2015 (\$18 billion COP).

Another important factor to mention is the reduction in the income tax expenditure which went from \$32 billion COP in 2014 to \$9 billion COP in 2015. This reduction is mainly due to the reduction in earnings and the reversion of the portfolio’s general provision surplus of \$69 billion COP that is considered by tax advisors to be untaxed income. It is important to mention that for 2015, the income tax is determined by the presumptive income tax system as ordinary liquid revenue is the basis to determine if the income tax is less than the presumptive income tax.<sup>9</sup>

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## RISK MANAGEMENT

### CREDIT RISK MANAGEMENT SYSTEM (SARC)

In 2015 adjustments were made to credit risk policies related to the methodologies for assigning credit limits set for different types of debtors. Additionally, in compliance with Newsletter 032 of 2014 from the Financial Superintendent of Colombia, the Bank implemented a new provision scheme for portfolios; this involved the design and application of models for estimating required risks for every type of portfolio. Additionally, Bancoldex continued to reinforce the tracking process for debtors through the use of reports and early alerts.

### MARKET RISK ADMINISTRATION SYSTEM (SARM)

During 2015, Bancóldex reviewed and updated its policies for market risks and adjusted the operation limitations for its Treasury, keeping in mind the market conditions and the negotiation strategy. In order to comply with IFRS standards, policies were adopted for calculating reasonable prices for derivative and design operations and the methodology for calculating the credit value adjustment – CVA y debt value adjustment -DV was implemented.

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8. In 2015, the average liability was \$2.8 billion COP financing 81% of the portfolio. In 2014 it was \$3.3 billion COP financing 85% of the portfolio.

9. Fiscal regulations state that when presumptive revenue (3% of the previous year's liquid patrimony) is greater than the net income calculated according to the ordinary system (earnings minus costs and allowable expenses), it becomes taxable income which is applied to the Rent, CREE and CREE surcharge rates.

The Vice-president of Risk Management supported the Treasurer by working on related requirements in the development of new products and the design of methodologies such as: a credit exposure calculator, a credit exposure calculator with netting, recouping of forward operations, a price sensibility calculator for increasing interest rates, “DVO1” for derivative operations and other initiatives.

Additionally, the Bank continued to take into account financial risks, framework contracts, and ISDA, as well as risk mitigation annexes which have allowed for an increase in the diversification of counterparts, and because of a significant reduction, concentration risk.

Throughout 2015 Bancóldex used the risk calculator to set interest rates, which in turn was used to estimate the risk value of the financial margin due to the exposure of fixed or variable interest rates. This methodology serves as support to carry out an evaluation of the financial impact and risk associated with implementing new business strategies.

LIQUIDITY RISK ADMINISTRATION SYSTEM (SARL)

Risk management in terms of liquidity has been oriented towards strengthening the liquidity contingency plan and to evaluate the impact of new products being implemented by the Bank. For this reason, tests were carried out on the contingency plan with satisfactory results such as an evaluation of the ATL mechanism with the Banco de la República as a tool to strengthen the liquidity contingency plan. Similarly, the liquidity risk in the implementation of savings accounts was analyzed and used to develop a methodology for the mediation of liquidity risks for the product, such as the definition of limits and policies.

Finally, improvement plans focused on internal processes within the Financial Risk Department were implemented, which involved the implementation of service agreements in the areas related to liquidity management, such as the work of internal validators to ensure accurate transition of information to the Financial Superintendent of Colombia.

OPERATIVE RISK ADMINISTRATION SYSTEM (SARO)

In 2015, self-evaluations were carried out for risks and controls using hazard maps for all of the Bank’s processes. The technological risks that affect each of these processes were consolidated.

During the process of managing operational risks, self-evaluations of risks and controls were conducted to strengthen and improve approaches and action plans that respond to specific problems related to these processes.

The Fraud and Corruption Risk Prevention Program continued to be strengthened during the year. In 2015, synergies were developed with the areas involved in the Fraud Response Protocol for the study of cases by the Treasury. Sanctions were imposed by the AMV and external fraud cases were managed.

Among the prevention activities, the awareness and internal disclosure actions conducted with all levels of the organization, Special Programs and third party suppliers are notable. In the area of detection, Bancoldex’s ethical disclosure guidelines were maintained and made available to all bank staff and stakeholders. Awareness of these guidelines increased during the year.

Finally, during 2015, the Operative Risks Administration System participated in the development of product or process modification initiatives, in relation to Savings Accounts, Liquidex Plus, Netting and other products. This accompaniment allowed for the timely identification of risks and facilitated feedback about ways to improve.

STRATEGIC RISK ADMINISTRATION SYSTEM (SARE)

In 2015 the Strategic Risks Administration System focused on raising awareness among platform leaders regarding the methods for identifying and evaluating strategic risks, understanding strategic risks that need to be mapped out for each platform and their action plans as mechanisms for the mitigation of risks to comply with the strategy. Additionally, the work programs to identify strategic risks and respective action plans associated with each platform were prepared once the goals were completely defined.

CONGLOMERATED RISK ADMINISTRATION SYSTEM

In 2015 the Bank’s administration continued to strengthen the system for tracking the level of risk for subsidiaries and associates. The Bank also improved the analysis of comprehensive risks from partners, reviewed possible impacts and synergies related to adopting the IFRS and reviewed methods for mediating market and liquidity risks with the purpose of finding eventual additional guidelines through which these goals can be reached. Additionally an action framework was developed for the topic of conglomerate risks, taking guidelines from best practices, and, in coordination with our subsidiaries, we defined the scope of the project within each time period.

INFORMATION SECURITY

In 2015 we strengthened synergies with the Operational Risk Administration System (SARO) and submitted risk maps to the Bank that were unified in both process and corporate risk. These maps also include the operational risk events reported during the year. With these maps it will be possible to analyze the operational reality of the Bank with greater precision and in an integrated manner through the perspective of identifying risks in order to give feedback to the Information Security Management (SGSI) and adjust these to the new business strategies. Similarly, the SGSI policies and directives were linked to the regulatory completion of topics related to the protection of personal information and the transparency of public information.

BUSINESS CONTINUITY

In 2015 the implementation of various tests such as the occurrence of certain minor continuity incidents, allowed for the identification of opportunities for improvement and to demonstrate the need to focus efforts on implementing the current Disaster Recuperation Plan, which is also oriented towards contributing to new goals for the business. Operational areas made significant progress in their operational plans to provide assistance to contingencies and it is expected that with the changes in international accounting standards in 2016 the Accounting and Tax Management Plans will be reviewed.



**MONEY LAUNDERING AND THE FINANCING OF  
TERRORISM RISK ADMINISTRATION SYSTEM  
(SARLAFT)**

In 2015 this system allowed the Bank to prevent and mitigate risks from money laundering and the financing of terrorism (LA/FT) in its operations. It continued to strengthen the process of obtaining information about clients and made adjustments to its model of risk evaluation for ML/FT, incorporating recommendations from auditors and international standards that contribute to mitigating LA/FT risks within the bank’s operations.

Similarly, the monitoring of the LA/FT risk profile continued, identifying risk factors, associated risks and the Bank’s consolidated risk, both inherent and residual, maintaining the last of these within the lowest level approved by the Executive Board. In addition, procedures and policies from the SARLAFT Manual were updated for training and socialization and sent to the Bank’s officials, suppliers, and partners, along with relevant aspects for the prevention and mitigation of risks for LA/FT in the Bank operations. Finally, the standardized SARLAFT reports were prepared in a timely manner in accordance with the specific requirements of the different competent authorities.

**FATCA COMPLIANCE SYSTEM (FOREIGN ACCOUNT TAX  
COMPLIANCE ACT)**

In accordance with Resolution 060 of June 12, 2015, expedited by the DIAN Tax Office, the Bank’s Manual for FATCA Compliance was updated, and due diligence in relation to FATCA with all of the financial institutes that the Bank works with was managed, along with the information requirements related to FACTA with other financial entities.

Additionally, a FATCA and CRS (Common Reporting Standard) from the OCDE (Organization for the Cooperation and Development of the Economy) impact analysis was carried out for new products (financial accounts) and the operational requirements and necessary procedures were defined for the fulfillment of the obligations derived from these standards.

**QUALITY CONTROL SYSTEM**

In May of 2015, Bancóldex received a monitoring visit from the Veritas Bureau in order to evaluate the fulfillment of the requirements from the Bancoldex SGC for standards such as ISO 9001:2008 and NTCGP1000:2009. In accordance with the report issued by the certifying organism, the Bank demonstrated the following in regards to the quality standards that were audited: the effective implementation and maintenance / improvement of its management system. Bureau Veritas continued the SGC certification for Bancóldex until August of 2017 and in May of 2016 the Bank will receive its second monitoring visit, thus complying with Bulletin No.06 of June 27 of 2005 issued by DAFP and Decree No. 4110 from December 9 of 2004 issued by the Presidency of the Republic.

**ADAPTING OF THE NEW ISO 9001:2015 STANDARD**

Standard IOS 9001:2014 was published on September 23, 2015, and the Bank will have to began an analysis of the transition required. The new ISO 9001:2015, brings important changes, although the most notable of these is the incorporation of risk management or a risk-based approach for Quality Control Systems. Although it is a standard technique applied to the organizations, it has not been aligned with the SGC until now.

The standard 2015 version of ISO 9001 should be implemented in the Bank. There is a 3 year transition period, particularly relevant for organizations that have active certifications under the Standard ISO 90001:2008.

The Quality Control System, and harmonization with the MECI have served as a base for consolidating a management and structure model based on these processes. At this time, the processes are permanently designed, automated, managed, and optimized; achieving in this way the organizational effectiveness in terms of the satisfaction of clients’ needs and improving the organization. Given that process management allows for a comprehensive understanding of the operations and represents a structure supported by the unique points that give the business its identity, the Bank has been working on improving its process management, a process that has been developed with the support and commitment of the administration.

**INTERNAL CONTROL SYSTEM**

Bancóldex’s Internal Control System (SCI) is based on the principles of Self-control, Self-regulation, and Self-management and works in partnership with the Quality Control System (SGC), which has allowed the organization to focus towards continuous improvement of the different elements and components of the management systems; all of these are consistent with the progress made in the Risk Management Systems that are in accordance with the standards established the Financial Superintendent, as well as in the Internal Control Systems applicable to monitored public institutions that are regulated by this entity, in Part I, Title I, Chapter IV of the Basic Juridical Bulletin.

The Internal Comptroller at Bancóldex oversaw the Internal Control System (SCI) assessments during 2015 in accordance with what was established in the Annual Audit Plan approved by the Audit Committee of the Executive Board. This required the application of the objectivity and independence of respective standards to quality control, without creating limitations for the Bank’s work. The focus, the definition of its reach, the selection and application of these types of quality controls, as well as the communication of results, were conducted based on professional practice norms established in the Internal Audit.

Similarly, the comptroller shared recommendations and opportunities for improvement in different areas with the Audit Committee. Through the presentation of the results of monitoring processes the Committee verified the adoption of the recommended actions. It is worth noting that the primary management body for the Internal Control System (SCI) in Bancóldex is the Executive Board through the Audit Committee, that has constantly worked to ensure the appropriate operation and strengthening of the SCI. The Committee has implemented its work in accordance with the existing internal regulations for government entities in general and for Financial Institutions in particular. In keeping with its responsibilities, the Audit Committee has provided support and acted as a permanent communication channel with the Executive Board for making decisions in relation to the Internal Control System and its continued improvement.

Moreover, as a result of the Integrated Audit carried out by the General Comptroller for the Republic in 2015 regarding the 2014 financial year, this supervisory body issued an opinion without exceptions about the Bank's Financial Declarations, classified the General Internal Control System with 95.280 points and approved Bancoldex' accounts for the 2014 financial year. In a similar manner, it established four (4) Administrative findings, one of which refers to a fiscal finding and another that was transferred to the Nation's General Archive. It is important to mention that these findings were attended to by the Bank through an improvement plan with established activities and timeframes for those responsible.

Additionally, the Internal Accounting Control System (SCIC) obtained a classification of "Efficient" as it provides reliability to the organization in terms of resource management and the completion of objectives. The "Opinion on Accounting Books", according to the same report, indicates that these "reasonably present, in all significant aspects, the financial situation of the bank as of December 31, 2014, as well as the results of the operations for the year up until this date", in accordance with generally accepted accounting standards and principles, instructions of the Financial Superintendent of Colombia and norms established by the General Comptroller of the Republic. As a result of the previous evaluations, and through this report, the General Comptroller of the Republic approved Bancoldex's accounting for the fiscal year of 2014.

At the end of 2015, the Bank's Administration, the Bank's internal and external control bodies or the Audit Committee detected any material or significant weaknesses that could put at risk the effectiveness of the Internal Control System. Neither was there evidence of fraud, deliberate errors or manipulation of the financial information prepared and disclosed by the Bank.

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## BANCOLDLEX'S JURIDICAL SITUATION

At the close of the Bank's work in 2015, Bancóldex maintained its status as a mixed economic public entity that is part of the Ministry of Trade and Tourism, and organized as a lending bank, not part of the framework of the government's industrial and commercial companies and that acts independently to any government participation in its capital. Given this status, and notwithstanding its position as a public entity, Bancoldex maintains a legal framework based on private law in regards to its actions and contracts, in conformity with the legal and regulatory dispositions that regulate this area, which allow it to be competitive in its activities to provide financial support to businesses.

In terms of what is included in Law 1753 from 2015, which covers the National Development Plan for 2014-2018, the Modernization and Innovation Fund for Micro, Small and Medium-sized Businesses and the Unit for Business Growth were consolidated into the Business Growth Management Unit. This Unit allows Bancóldex to administer these existing areas as well as to implement the Productivity Transformation Program (PTP). In accordance with what is established in Decree 3078 of 2006, incorporated into Decree 2555 of 2010, Bancoldex has continued with the administration of the "Bank of Opportunities" investment program.

Similarly, taking into account that the Congress of the Republic issued Law 1618 of 2013, "by which the norms are established in order to guarantee the full exercising of the rights of disabled persons", during 2013 Bancoldex created the "Credit line for companies with disabled persons", with the objective of supporting business activities with disabled persons. This credit line is currently active at this time.

At the time of writing this report, Bancoldex together with Fiducol-dex, the Banco de la República, and the Ministry of Foreign Affairs, has been assessing five different industrial relations processes involving officers, Deputies, and Directors from Colombia's commercial offices in other countries who worked for this entity between 1967 and 1992. The aforementioned processes seek recognition for pension contributions to be made to these former staff members.

Finally, the report also observes that the administrators of Bancóldex do not obstruct the free circulation of the invoices issued by the providers. This is in accordance with the terms established in Paragraph 2, Article 87 of Law 1676 of 2013, "by which access to credit is encouraged and certain standards are dictated for secured transactions", supported by Article 7 of Law 1231 of 2008, "that considers invoices as asset titles and as such can be used as a mechanism for the financing of micro, small and medium-sized companies, with other provisions also included".

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## CORPORATE GOVERNMENT

Since 2001, Bancóldex has implemented a Code of Conduct for Good Governance that contains the policies and procedures for Corporate Governance oriented towards the protection of its shareholders and investors as well as the general public.

In 2015, Bancóldex entered into an agreement with the International Finance Corporation (IFC) with the purpose of having said organization evaluate its corporate governance practices and policies and develop an adjusted framework that incorporated Bancóldex's new mission and the participation of new investors. In addition, the bank conducted a diagnostic on the role of the government as its majority shareholder and the way in which government policies are implemented in its corporate governance. The results of this diagnostic, the evaluation and the initiation of the implementation of the recommendations will be carried out in 2016.

Furthermore, the Financial Superintendent of Colombia implemented a process to review the Country Code, taking as a guide the publication of the CAF "Alignments for a Latin-American Code of Corporate Governance" and comments of the industry to develop a new Country Code for Corporate Governance. The entities monitored by the Colombian Financial Superintendent will have to follow this code and the guidelines of the aforementioned entity.

During 2015 the Bank decided to implement these modifications that, in terms of its legal framework, are applicable and the Bank also carried out a statutory reform that will allow it to implement these changes.



In 2015 two meetings of the Corporate Governance Committee were held, in which the Bank’s new strategy was analyzed and the Executive Board decided how evaluations should be carried out.

During the month of March of 2015, the Bank participated in the “Corporate Governance Development Framework” meeting in Mexico City. The main conclusions were as follows: (i) The evolution of all of the banks was analyzed, Bancóldex among them, in the implementation of best practice in the area of Corporate Governance and a matrix for analyzing the level of progress in the application of best practices was presented by each of the entities; (ii) additionally, Bank staff participated in training sessions that that were held during the meetings and took advantage of this opportunity to consolidate their relations with other Latin-American development entities to link corporate governance activities in the region.

As of October 12, 2012, the Bank has participated in the Latin-American Network of Corporate Governance for State Entities. This Network has as its objective “to promote good governance in public entities of the region through exchanging experiences and knowledge about policies, practices and reforms, using as its main referential framework the guides established by two multilateral organisms” (CAF Development Bank for Latin America and the Organization for Economic Cooperation and Development (OECD)). In the month of June 2015, the Bank participated in the work meetings that were carried out in Santiago, Chile, where topics related to corporate government principles were discussed along the development of Executive Boards, the fiscal control architecture and management. In addition, representatives of the different entities shared their experience in the area with other development banks.

It is important to note that the Executive Board met in both ordinary and extraordinary meetings on fourteen occasions during the year and the topics covered, just as the decisions adopted, are included in the respective minutes of these meetings, all of which are kept by the Legal Vice-President – Secretary General of the Bank.

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## COUNTRY CODE SURVEY

The Country Code Survey is defined as a tool applied by the Colombian Financial Superintendent with the objective of attaining adequate corporate governance that contributes to fulfilling the objectives of stability, security, and confidence, development of the Colombian market’s value and the protection of investors, savers and policy holders.

With respect to this case, in 2015 the Bank completed the Country Code Survey corresponding to the situation of the Bank on the 31st of December of 2014, which has been published for public access on the Bank’s website, following the link “Information of interest to shareholders and other investors”.

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## COMPANY SOCIAL RESPONSIBILITY

As an opportunity for dialogue and as an exercise in the review and transparency of the Bank’s management, in 2015 Bancóldex assumed the challenge of preparing its sustainability report using the GRI4 (Global Reporting Initiative) methodology, in which the principle economic, environmental and social results for the entity were reported as of December 31, 2014. This document was prepared with employers, suppliers, banks and employees of Bancóldex, allowing in this way more assertive communication between the Bank and its stakeholders.

Similarly, throughout 2015 the Bank engaged in dialogue with different interest groups as part of the creation of the sustainability report.

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## ACQUISITIONS OF GOODS AND SERVICES IN BANCÓLDEX

Acquisitions of goods and services in Bancóldex are guided by the values of equality, economy, objective selection and transparency. Through the aforementioned definition of objective criteria for acquisitions and their rigorous application, the Bank guarantees the appropriate selection of its providers. At the same time, by way of the publication of these tenders and contracts on its website, it allows the general community to become familiar with the Bank’s contracting processes, guaranteeing full access to all interested persons and companies to participate in these tenders.

The acquisition process is not limited to a simple acquisition of goods and services. Within the Bank’s Social Business Responsibility philosophy, its providers constitute an important interest group, which is why the Bank seeks to they generate long term relations based on confidence, equality, and cooperation. In this last aspect, the Bank has put into action its EntrepreneurialsStrengthening for Bancóldex Suppliers Program. In 2015 this was transformed into a Group Intervention for the Business Growth of Bancóldex Suppliers, incorporating a groundbreaking methodology designed to perfect the negotiation model and implement a pattern of advanced corporate governance through enriching suppliers with best practices.

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## TRANSACTIONS WITH RELATED PARTIES

As of the writing this report, the Bank has duly implemented its operations and has complied with its standards.

The operations carried out by the Bank with its administrative partners are in accordance with the institution’s general policies. These operations are duly specified in Note # 27 (transactions with related parties) in the financial statements. The Bank did not conduct any transactions or operations with partners or administrators, whose characteristics differ from those carried out with third parties, nor did it provide free or compensated services, loans without interest, or compensation with the exception of those of an employment-related nature regulated by Articles 152 and 153 of the Substantive Work Code.

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## SUBORDINATES

Bancoldex owns the Colombian Trust for Exterior Commerce S.A. FIDUCOLDEX, which is an autonomous mixed economy society belonging to the national government and constituted as of October 31 of 1992, and has ownership of 89.17%. Similarly, the Bank also owns Bancóldex Leasing S.A, a financing company that is a mixed economy society that was indirectly created and is not attached or linked to any specific Ministry and is assimilated as an industrial and commercial company controlled by the government, of which the Bank owns 86.55%.

Throughout 2015, the Bank carried out some administrative operations directly with Fiducoldex such as the outsourcing of the global banking policy. Additionally, the Bank received dividends from this company, and this entity is in charge of managing the autonomous assets derived from the securitization of Bancóldex portfolios, which occurred at the end of 2010. It is also important to clarify that the trust company is the administrator of the Private Capital Fund Aureos Colombia FCP, of which Bancoldex is an investor.

Furthermore, along with Leasing Bancóldex, a financing campaign and portfolio credit operations for the treasury and the administration related with the global banking policy were carried out. Additionally, dividends were received from this entity.

As a result, Bancóldex maintains, along with Fiducoldex and Leasing Bancóldex, an agreement on the shared service framework with which these parties intend to take advantage of synergies between the entities that make up the “Bancóldex Group”, as long as doing so does not imply for any party the compromising of their professionalism.

Finally, it is important to add that the independence in the management of dealings and the decision making is an important part of the relations between these entities, which is limited to the benefit that the each can obtain from the products and services that each of the entities offers

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## OTHER CAPITAL INVESTMENTS

At the end of December 2015, Bancóldex maintained investments in the Latin-American Exportation Bank (BLADEx) (1.3%) in the National Guarantee Fund (25.73%), in the Credit Insurer and Foreign Commerce (SEGUREXPO) (49.63%) and in the CIFIN S.A. Society (0.50%).

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## INTELLECTUAL PROPERTY ROYALTIES

Bancóldex acts in accordance with the law, following defined policies on the acquisition of technology and the use of licensed software. In this way it is supported by internal control procedures that look to ensure that these standards are satisfactorily met.

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## PERFORMANCE OF CONTROL AND DISCLOSURE SYSTEMS

With the objective of completing what was established in Articles 46 and 47 of Law 964 of 2005, the Colombian Exterior Commerce Bank S.A and Bancóldex certify that the financial statements and other relevant reports for the public do not contain falsehoods, inaccuracies or errors that would impede the understanding of the real condition of the assets or the operations realized by these companies. Additionally, the disclosure and control systems that the entity uses to incorporate information contained in these financial statements and relevant reports to the public are based on reliable information and submitted to the authorities that are responsible for the internal regulation of the Bank and the Fiscal Reviewer, under the supervision of the Audit Committee.

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## MANAGEMENT 2016

In a complex economic environment characterized by the fall in petrol prices and a strong devaluation of the peso compared to the dollar, different alternatives need to be found to stimulate economic growth. There is a need to counteract this situation by replacing oil revenue with other sources. Bancóldex is aware of the role it can play as a development bank in contributing to entrepreneurial growth.

Given this situation, the Bank will focus actions on the deployment of its new corporate strategy and will continue to strengthen its commercial management from each of its platforms, increasing knowledge of the entrepreneurial sector at a regional level. Finally, the Bank will concentrate on the development of ten strategic projects planned for 2016.

The implementation of the recommendations made by the IFC, a result of the analysis and accompaniment realized during 2015 by this entity, will be critically important for adopting best practices and strengthening the Bank’s corporate governance in relation to the potential entry of a strategic partner and the activation of operations that imply direct risk.



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## FINANCIAL PERSPECTIVES

In 2016 it is expected that commodity prices in emerging markets will continue to demonstrate a high level of volatility, in addition to the devaluation of these currencies due to the persistent low prices of raw materials, especially oil. As a consequence of the beginning of the process to normalize monetary policy in the United States, which began in December 2015 with the Federal Reserve increasing the referential interest rate, it is expected that interest rates will continue to gradually increase during 2016.

It is estimated that during 2016 the Colombian economy will have a lower growth rate compared to 2015 as a consequence of the drop in the international price of oil and some raw materials, which will in turn narrow the government's fiscal margin due to a reduction in tax revenue from the oil industry. Also contributing to this drop in growth are increases in interest rates, the continuity and intensity of the El Niño phenomenon and reduced growth of some of our main commercial partners. At the time of writing this report, Standard and Poor (S&P) had downgraded Colombia's risk credit rating from "stable" to "negative". This can be explained by the drop in expected growth, the fiscal situation and the balance of trade, based on less optimistic projections of the price of oil from this agency. Despite this, it is hoped that internal factors such as an increase in production at the Reficar refinery, a new PIPE, investments in 4G projects and others avoid that the Colombian economy's growth is less than 2% in 2016.

It is expected that 2016 will not be easy. It will be a year of enormous challenges in both economic and social terms, but the assertiveness of policies and their successful implementation will decide whether the economy improves.

Internal inflationary pressure is predicted to continue for the first semester of the year, which will lead to a contractionist position taken by the Bank of the Republic. Taking into account this expectation in terms of monetary policy, it is expected that the high interest rates for public and private debt are maintained during this year and that the volatility of certain markets increases.

For this reason, the Bank's portfolio strategy will be to maintain a position that allows an adequate level of liquidity to finance the disbursement goals, comfortably complying with liquidity indicators, concentrating on short-term lending periods and liquid references.

In terms of liabilities, the acquisition of resources will continue to be concentrated at the same level as 2015 in short-term CDTs with the goal of reducing the duration of liabilities as much as possible and to continue to adjust the gap between the set term for the asset compared to the liability. This will occur as part of the Bank's new strategy to increase the number of credit lines with longer lending periods, so that the term of the liability that accompanies the asset can be lengthened. During 2016 the Bank will continue to address the challenge of developing its Savings Account product, with the goal of making this available in 2017 as a strategy to diversify liabilities.

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## IMPLEMENTATION OF INTERNATIONAL FINANCIAL INFORMATION NORMS

Law 1314 of 2009 made the most widely accepted international standards in the areas of accounting, divulgation of financial information and security of information obligatory for public entities that issue financial information in Colombia. The national government then issued Decree 2784 on the 28th of December 2012, which regulates this Law and incorporates the new technical normative framework for public entities that issue financial information and form part of Group 1.

In addition, Decree 1851 of 2013 established specific legislation for banking establishments, which was then modified with Decree 2267 of 2014 in the following manner:

- The normative technical framework established in the Annex of Decree 2784 of 2012 and its amendments will be applied to the preparation of consolidated financial statements, except in regards to the treatment of the credit portfolio and its deterioration and the classification and evaluation of investments, as covered by NIC 39 and NIIF 9 and detailed in this Annex.

On December 17th 2013 the General Comptroller of the Nation issued Resolution 743, which included Bancóldex within the group of public entities with special regimes and established the timeline for these entities. Similarly, the Financial Superintendent of Colombia issued External Memo 038 on December 26th 2013, which establishes that the entities that prepare financial information and are part of the agencies that are classified within the public accounting regime will have to follow the timeline and the other guidelines established by the General Comptroller of the Nation. As a result, the timeline indicated in Resolution 743 has been applied:

- Obligatory preparation period from January 1st to December 31st of 2014.

- Transition period from January 1st to December 31st of 2015.

- First application period from January 1st to December 31st 2016, which means that the Bank will present the first comparative financial statements prepared using the new legal framework after December 31st 2016.

On December 31st, Bancóldex completed the transition period. This meant that the Bank is sufficiently prepared in the following areas:

- Accounting policies and technical memorandums have been adjusted in the items that required increased precision to avoid erroneous interpretations.

- Development and implementation of the software application that does the calculations required for the presentation of financial figures in accordance with NIIF guidelines for portfolio products, financial obligations and outputs and acquisitions.

- Development of the SISA NIIF application that administers fixed assets in accordance with international guidelines.

- Training for staff members responsible for the different areas of International Financial Information Norms.

- Presentation of the opening IFRS statement of financial position.

- Completion of the special audit for the opening IFRS statement of financial position as part of the statutory audit.

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## SUBSEQUENT EVENTS

The Administration is not aware of any important event that could have occurred between the date of the close of 2015 for the Bank and the date of presenting this report that could affect the scope or interpretation of the information included in its content.

Luis Fernando Castro Vergara  
President



# 02 ANNUAL REPORT 2015

## FINANCIAL STATEMENTS

[REPORT FROM THE EXECUTIVE BOARD  
AND THE PRESIDENT](#)

[NOTES ON THE FINANCIAL STATEMENTS](#)

[CERTIFICATE OF THE LEGAL  
REPRESENTATIVE AND THE ACCOUNTANT](#)

[FINANCIAL STATEMENTS \(PDF\)](#)

[FINANCIAL STATEMENTS \(EXCEL\)](#)

## CONSOLIDATED FINANCIAL STATEMENTS - BANCÓLDEX AND SUBSIDIARIES

[NOTES ON FINANCIAL STATEMENTS](#)

[CONSOLIDATED FINANCIAL STATEMENTS \(PDF\)](#)

[CONSOLIDATED FINANCIAL STATEMENTS \(EXCEL\)](#)



# Q3 2015: 10 HIGHLIGHTS



# 01 OUR BANK

## BANCÓLDEX IN FIGURES

### DISBURSEMENTS

**COP 4.07**  
TRILLION

DISBURSED IN 819  
MUNICIPALITIES IN THE  
COUNTRY.

### CREDIT OPERATIONS

**COP 1.94**  
TRILLION

DISBURSED TO  
MIPYMES.

### ENTREPRENEURIAL MODERNIZATION

**COP 1.56**  
TRILLION

IN FINANCING FOR THE  
MODERNIZATION OF  
COLOMBIAN PRODUCTIVE  
EQUIPMENT.

### DISBURSEMENTS IN DOLLARS

**USD 615**  
MILLION

OF FINANCING.

### FINANCING OF EXPORTS

**COP 1.07**  
TRILLION

DISBURSED FOR THE  
FINANCING OF EXPORTS  
WITH 731 COMPANIES.

### PIPE 2.0 CREDIT LINES

**COP 787.000**  
BILLION

PROVIDED THROUGH  
THE PIPE 2.0 CREDIT  
LINES TO 9,280  
COMPANIES LOCATED  
IN 30 DEPARTMENTS  
ACROSS THE COUNTRY.



# 01 OUR BANK

## GROWTH PLATFORMS IN FIGURES

### GLOBAL FLOWS

**COP 848.894  
MILLION**

DISBURSED TO COMPANIES THAT EXPORT NON-TRADITIONAL PRODUCTS AND SERVICES, THOSE THAT IMPORT TECHNOLOGY AND CAPITAL ASSETS AND FOREIGN COMPANIES THAT INVEST IN COLOMBIA.

### INTERNATIONAL EXPANSION

**COP 265.166  
MILLION**

DISBURSED TO 53 COMPANIES THAT HAVE DECIDED TO EXPORT THEIR BUSINESS MODEL OR EXPAND THEIR OPERATIONS IN OTHER COUNTRIES.

### ENTREPRENEURIAL SCALING UP

**COP 1.2  
TRILLION**

DISBURSED IN FAVOURABLE CONDITIONS FOR ENTREPRENEURIAL MODERNIZATION THAT BENEFITS 4,652 COMPANIES.

### INVESTMENT AND TRANSFORMATION

**COP 119.839  
MILLION**

IN INVESTMENT AGREEMENTS IN PRIVATE INVESTMENT AND ENTREPRENEURIAL FUNDS.

### EXTRAORDINARY GROWTH

**COP 51.012  
MILLION**

PROVIDED TO YOUNG COMPANIES WITH A HIGH POTENTIAL FOR GROWTH AND ENTREPRENEURIALISM THROUGH ENCOURAGING INNOVATION.

### DYNAMIC ECOSYSTEMS

DEVELOPMENT AND IMPLEMENTATION OF THE ECONOMIC COMPLEXITY ATLAS (DATLAS) TOOL THAT CONTRIBUTE TO DIVERSIFYING AND IMPROVING PRODUCTIVE EQUIPMENT (VALIDATION OF 3 LINKS IN THE PALM/PTP SECTOR CHAIN).

LAUNCH OF THE THIRD EXPORT EXCELLENCE WAVE PROGRAM (3E) IN LINE WITH THE MINISTRY OF COMMERCE, INDUSTRY AND TOURISM TO INCREASE NON-MINING OR ENERGY EXPORTS.



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# 04 INSTITUTIONAL VIDEO

[WATCH VIDEO](#)



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# 05 CONTACTS



# 05 CONTACT

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