

# SUSTAINABILITY REPORT

2015-2016

Bogotá, November 2017



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# 1 LETTER FROM THE PRESIDENT

## **G4-1** Mario Suarez Melo

In 2015, Bancóldex adopted a new corporate strategy, determined by a closer relationship with Colombian businessmen who are our reason for being and, equally, for its approach oriented to business growth. This new strategy entailed relevant adjustments in the structure, products and relationship with their subsidiaries, Fiducóldex and Leasing Bancóldex (today, Arco Grupo Bancóldex Compañía de Financiamiento). In this understanding, and anticipating that the way to report environmental, social and economic activity under the Global Reporting Initiative methodology - GRI- would involve adjustments in the 2015 (adoption of the new strategy) and 2016 (initial implementation period), it was decided to present an integrated memory for 2015 and 2016 years. Thus, Bancóldex is pleased to present the 2015/2016 sustainability report, under the GRI 4.0 methodology, in which, besides the results that characterize this entity as a development bank, we implemented strategic projects on the strengthening of corporate governance, the alignment of Bancóldex with its subsidiaries, design of new products and motivation of its human talent.

From the management of the year 2017, which will be published in 2018, the Bank will return to the annual sustainability memory, as usual.

# BANCÓLDEX, A PARTNER OF ENTREPRENEURS WHO DARE TO GROW

## 1.1 ABOUT BANCÓLDEX

**G4-3, G4-7** We are **Banco de Comercio Exterior de Colombia S.A, (Bancóldex)**, a Colombian company established by Article 21 of Law 7 of 1991, mixed economy not assimilated to that of industrial and commercial enterprises of the State and attached to the Ministry of Commerce, Industry and Tourism.

Bancóldex is organized as a banking establishment for the financing of capital to the Colombian business community. We act as a second-tier bank, that is, those interested in accessing Bancóldex resources must do so through financial intermediaries such as banks, financial corporations, financial cooperatives and commercial finance companies, as well as only for micro-enterprises, through financial NGOs, cooperatives with savings and credit activity, employee funds and compensation funds.

As a development bank, we are focused on business growth in Colombia, leveraging companies of all sizes (micro, small, medium and large), from all sectors and all regions of Colombia regardless of their years of existence, belonging to the export chain or the national market, with financial instruments and knowledge services.

Additionally, we act as administrators of the Special Programs, Business Growth Management Unit, Productive Transformation Program and the Bank of Opportunities Investment Program (Programa de Inversión Banca de las Oportunidades).

### 1.1.1 STRUCTURE OF THE PROPERTY

The shareholding composition of Bancóldex is as follows:

Shareholder name	% of ownership	# of shares	type of shares
Nation - Ministry of Commerce, Industry and Tourism	91.87	976,143,335	A
Nation - Ministry of Finance and Public Credit	7.85	86,420,180	A

Individuals	0.28	2,080,683	B (ordinary)
		912,674	C (privileged)
<b>TOTAL</b>	<b>100</b>	<b>1,062,556,872</b>	

**G4-5** The Bank headquarters are the city of Bogotá, with other branches located in Medellín, Cali, Barranquilla, Pereira and Bucaramanga, and commercial presence in: Manizales, Armenia, San Andrés, Pasto, Neiva, Ibagué, Villavicencio and Tunja.

**FS10** Additionally, Bancóldex is present through its two subsidiaries, Fiduciaria Colombiana de Comercio Exterior S.A. (Fiducoldex), with 89.17% ownership, and Leasing Bancóldex S.A., with 86.55% ownership.

*Bancóldex aims to be the National Government’s instrument to catalyze the country’s business growth*

## 1.2 PURPOSE

The purpose of Bancóldex is to become the National Government’s instrument to catalyze business growth in the country. We have therefore drawn up a long-term strategy to be closer to entrepreneurs and understand their needs and growth circumstances, to provide them with a comprehensive offer of financial and non-financial products and services to aid companies in achieving sustained double-digit growth. Likewise, we seek to stimulate business ecosystems to trigger growth in the regions.

## 1.3 OUR NEW STRATEGIC GUIDE

*A new strategy to be an Entity closer to entrepreneurs*

**G4-13, G4-DMA Indirect Economic Consequences, G4-DMA Organizational Culture (non GRI-G4 aspect)** Based on the aforementioned purpose, we launched our new strategic guide in 2015, aimed at empowering visionary, focused entrepreneurs, capable of leading the transformations. With the strategic guide, we seek to create greater impact, to be an entity closer to entrepreneurs and of greater relevance for the country.

Our new corporate strategy confirmed the importance of having a national government vehicle in Colombia, focused exclusively on business growth. This was supported by previous analyses conducted at the Bank, which recommended having a modern development bank with products that will generate greater impact on entrepreneurs, allowing the industry to contribute more decisively to Colombia’s GDP.

To develop the strategy, we identified the most important business growth levers and, based on them, we set up platforms, or business units, to satisfy the different growth circumstances of companies in the country, submitting financial and non-financial tools that were supplementary to credit, regardless of the sector, size and even time since incorporation.

**G4-4, G4-EC8** “The platforms or business units defined with the new strategy allow serving different business segments such as:

- **Business Escalation:** to support companies with a domestic vocation that grow in double digits or have the possibility to do so and that are consolidated in the national market.
- **Global Flows:** to support top exporting companies such as multinationals and multilatinas and the arrival in the country of Foreign Direct Investment (FDI).
- **Extraordinary Growth: to support early stage companies<sup>1</sup>** and start-ups, which grow significantly above the industry average, driven by innovation.
- **International Expansion:** to support the internationalization of companies, which have decided to establish their own position abroad.
- **Dynamic Ecosystems:** to strengthen organizations that support business development at a regional level and offer non-financial services for the business sector such as consulting programs, information of interest to entrepreneurs in the regions and structuring of projects.
- **Productive Insertion and Financial Inclusion:** to support microenterprises with great productivity challenges and facilitate their access to financial and non-financial products.
- **Investment and Transformation:** It seeks to support, through investment in Private Equity Funds and Venture Capital Funds (PE/VC), the reconversion and reconfiguration of companies with the arrival of intelligent capital and accompany company growth with financial products alternative to credit (equity) in different maturity phases. The above facilitates company access to the capital market and promotes the industry of capital funds in the country.

Main figures related to growth platforms:

GROWTH PLATFORMS	2015	2016
Productive Insertion and Financial Inclusion Credits for microenterprises		631 billion pesos
Business Scaling	1.2 trillion pesos disbursed under favorable business modernization conditions,	1.4 trillion pesos disbursed; 72% used to finance SMEs

<sup>1</sup> Billing time from 1 to 5 years

	<b>benefiting 4,652 companies</b>	
<b>Global Flows</b> Disbursements to companies exporting goods and services, non-traditional, importers of technology, capital goods and/or foreign companies investing in Colombia	<b>848.8 billion pesos</b>	<b>1.3 trillion pesos disbursed to 725</b>
<b>International expansion</b> Aimed at companies with their own position abroad or that are developing their international expansion plan	<b>265 billion pesos disbursed to 53 companies</b>	<b>540 billion pesos in loans granted to 78 companies</b>
<b>Extraordinary growth</b> We finance young companies with high growth and entrepreneurship potential, fostering innovation	<b>51 billion pesos</b>	<b>12 billion pesos</b>
<b>Investment and transformation</b>	<b>119.8 billion pesos in investment commitments in private equity and venture funds</b>	<b>8 PE/VC funds identified, interested in investing in Colombia, which complied with the Bancóldex Capital investment policy and entered the evaluation stage</b>
<b>Dynamic Ecosystems</b>		<p><b>DATLAS</b>  Official launch of the Atlas of Economic Complexity of Colombia (DATLAS, <i>for the acronym in Spanish</i>), a tool led by the Bancóldex team with the guidance of Harvard University to identify opportunities for the sophistication of the productive system.</p> <p><b>EXPORTING EXCELLENCE PROGRAM 3E (PROGRAMA EXCELENCIA EXPORTADORA 3E)</b>  Launch and implementation of the third wave of the <i>Programa Excelencia Exportadora 3E</i>, which will benefit 39 non-mining/energy companies.</p>



## 1.4 TEN STRATEGIC PROJECTS FOR THE FUTURE OF BANCÓLDEX

**G4-9, G4-DMA Indirect Economic Consequences** Likewise, in 2015 the Priority Strategic Project Decalogue was defined to strengthen and accelerate the implementation of the new strategy. The purpose and main results of this project are as follows:

### **Valuation of Bancóldex**

In order to have the necessary information for the Bank to involve potential strategic partners to meet the future goals proposed in the strategy, an investment bank was hired in July 2015 to conduct the valuation of Bancóldex.

At the end of 2015, the results of the Bank's valuation were presented. It was considered feasible, relevant and timely that the Bank begin the search for strategic partners, which will contribute to the Bank creating greater impact among entrepreneurs and reaching objectives in the new strategy that we, as a Development Bank, have outlined.

### **Bancóldex Capitalization**

In accordance with the recommendations in the Bank's valuation process and, in order to implement the Bank's new strategy and comply with some of the objectives to have a greater impact on Colombian entrepreneurs who dare to grow, in 2016 the Bank began to seek entities, especially multilateral organizations, that might be interested in investing in Bancóldex.

### **Corporate Governance**

In our strategic redefinition, we found that in order to have a strategic partner and become an entity closer to entrepreneurs, it was necessary to strengthen the Bank's Corporate Governance. So, in 2015, the World Bank Group's International Finance Corporation (IFC) performed an appraisal of Bancóldex regarding Corporate Governance and presented 45 recommendations.

During 2016, we succeeded in implementing 24 recommendations and in 2017 we will continue with the implementation of the remaining 21 measures aimed at strengthening the Bank's corporate governance.

### **Bancóldex Alignment and Affiliates**

**G4-DMA Optimization of Processes and Procedures (non GRI-G4 aspect)** The Bank raised the need to carry out a project with the objective of redesigning and implementing a new organizational structure and operating model to support the new corporate strategy of Bancóldex and its subsidiaries, and the defined business model, thus allowing for efficiency and effectiveness benefits for the three entities.

To this end, we hired a consultancy in July 2016 to develop the design stage of the project that resulted in the completion of the diagnosis of the organizational structure and operating model. Progress was made in the design of the new operating model, which was process-based, flexible to respond to the strategic needs of the three entities, client-focused, respecting the legal nature of the business, delegation of professionalism and optimization of spending.

### **Fund of Funds**

**G4-4, G4-EC8** In response to the strategy outlined in the Bank and continuing with the purpose of offering instruments that facilitate access to capital for companies, as well as the development of the

private and entrepreneurial capital funds industry in the country, we enlisted the support of a technical consultant for the structuring of a Fund of Funds to enhance the scope of the current *Bancóldex Capital* investment program.

In 2016, we started the structuring of the vehicle called *Bancóldex Capital Fondo de Fondos* Private Capital Fund, which operates like a collective, closed and long-term investment fund.

#### **Vehicle for Productive Insertion and Financial Inclusion**

**G4-4, G4-EC8** With the objective of providing micro and small enterprises facing great challenges in productivity and contributing to their insertion in the productive sector, we set out to structure a specialized vehicle focused on productive insertion and financial inclusion for this segment. This vehicle will allow us to attract new players, develop incentives to scale innovative solutions, offer financing under the rediscount scheme, and create sustainable business networks in order to boost and densify the country's ecosystems of financial inclusion and productive insertion.

In 2016, we led the structuring project of the vehicle strategy, with the collaboration of all the Bank areas involved in this major challenge. At the end of 2016, we selected a consultant team to accompany the Bank in 2017 in the design of the vehicle for productive insertion and financial inclusion.

#### **Development of new products**

**G4-4** To respond to the Bank's new corporate and competitive strategy, during 2016 we concentrated our efforts on the design and structuring of new products and services in our portfolio, which allow us to meet the needs of companies in their different development stages. Among the products developed are:

- Scheme to engage new intermediaries driven to "Entrepreneur Credit"
- Internal structuring of the "Direct Credit to Companies" process
- Activation of the complete portfolio of Bancóldex with Foreign Financial Intermediaries
- Structuring of the "Investment Business Management" training program aimed at our commercial force
- Incorporation of programs for business support to credit agreements
- *Liquidex Plus* discount product aimed at the creation of liquidity of suppliers of large buyers and
- Support program for the identification and structuring of projects.

#### **Mobilization for transformation**

During 2015, with the implementation of the new strategy, we identified the need to design and implement a plan to activate the mobilization for the transformation of the Bank. This plan has focused on the participation of all employees, empowering them and giving them knowledge and tools to build a collective leadership in the organization.

#### **Institutional Savings Account**

**G4-4** The Savings Account project was born as an alternative to diversify the Bank’s funding sources and thus contribute to improving the margin in pesos. The Savings Account product is designed to serve institutions such as State Entities, Pension Funds, Banks, among others, in order to deposit their surplus liquidity and obtain a return for it.

During 2015 and 2016, we advanced in the structuring of this product.

**Disinvestment in Segurexpo**

This project was created with the aim of structuring the sale of the Segurexpo shares, an insurance company where Bancóldex holds a 49% ownership.

We continue with the process of implementation and consolidation of the corporate strategy focusing on the development of the Strategic Priority Projects Decalogue to carry out the initiatives described above, in order to strengthen the Bank on several fronts, and become a solid entity, more efficient and better aligned with our affiliates.

## 1.5 KEY PARTNERSHIPS FOR THE GROWTH OF REGIONAL ECOSYSTEMS - NON-FINANCIAL PRODUCTS OF THE BANK

**G4-DMA Partnerships (non GRI-G4 aspect)** In order to understand the business dynamics in the regions and contribute to their sophistication, densification and activate business growth, we have strengthened the network of strategic partners in the regions with organizations that promote business competitiveness. We developed an agenda in ten regions that concentrate more than 80% of the country’s business sector, which allowed us to establish regional business needs and develop a joint work plan for each of these regions. Within this framework, we concluded several inter-institutional cooperation agreements with Chambers of Commerce, universities, international cooperation organizations and governmental entities.

ENTITIES	2014 (*)	2015 (*)	2016 (*)
Chambers of Commerce		7	18
Universities	5	5	4
International Cooperation Organizations	1	3	1
Other entities		1	1
<b>Beneficiaries of non-financial products (**)</b>	<b>7,504</b>	<b>7,480</b>	<b>5,188</b>

(\*) 46 agreements signed with 22 partners in the three years

(\*\*) In 2014 and 2015, seminars, workshops, virtual courses and videoconferences were held. In 2016, the Bank’s new strategy was implemented with non-financial products in Consulting and Training, Intelligence and Project Structuring.

The percentage of ownership was calculated taking into account the number of partners with agreement (It does not include beneficiaries)

This initiative allowed us to develop new non-financial products that provided entities and companies access to valuable knowledge for making strategic decisions, support for the conceptualization and structuring of business projects that promote growth and strengthening of programs through strategic interventions and the development of managerial capacities.

### *Thousands of entrepreneurs from all over the country benefit from our non-financial products*

These partnerships allowed to offer entrepreneurs, among others, the following non-financial products:

#### **G4-4 *Datlas Colombia***

In April 2016, we carried out the official launch of the Atlas of Economic Complexity of Colombia, DATLAS, a public tool that allows companies, regions and sectors to explore possibilities for sophistication and diversification of products, sectors and markets. We disseminated DATLAS through fifty workshops on the use and applications of the tool in 12 regions: Antioquia, Valle, Atlántico, Bolívar, Magdalena, Risaralda, Caldas, Huila, Cauca, Quindío, Santander and Bogotá.

Participating in these events were entrepreneurs, universities, representatives of Chambers of Commerce and organizations that promote business growth in different territories. In addition, thirty-two province profiles were developed with the information generated by the tool, with the purpose of promoting consultation and analysis in all regions of the country.

#### **G4-4 *Conceptualization and Structuring of Projects***

For the structuring of projects, we began the conceptualization and subsequent implementation of the consultancy with the Economic Development Innovations Singapore (EDIS) team in March 2016, with the objective of “Applying Singapore’s principles for the strengthening of industrial clusters and the broadening of the Colombian Investment Promotion strategy”.

We are carrying out this work in partnership with representatives of the Ministry of Commerce, Industry and Tourism, the Productive Transformation Program (PTP) and Procolombia, as well as with Colciencias and regional entities.

After discussions in the regions and with the science, technology and innovation stakeholders, the target projects we established are those that:

- Will have the participation of leading companies in the industry
- Are aligned with the regional productive capacities and enable using opportunities for sophistication
- Require or benefit from having interinstitutional articulation and
- Clearly contribute to trigger business growth in the corresponding region.

**G4-16** During the last quarter 2016, we signed two Understanding Agreements, with Cotecmar and with the Chamber of Commerce of Dosquebradas, which formalize the mutual interest to develop activities aimed at the identification, conceptualization and structuring of projects for the deployment of the Navy's Strategic Surface Platform Program (PES, *for the acronym in Spanish*).

#### **Individualized Strategic Intervention to Appropriate Knowledge and Adopt Good Practices**

**G4-4** We conducted business training and education activities in order to have a greater impact in organizations. We developed a strategic intervention model that includes a diagnosis of the company's situation with recommendations from experts to improve performance and support in the implementation of such recommendations.

#### **G4-4 Export Excellence Companies Program - 3E**

In individual support or consulting, the Export Excellence Companies Program - 3E is one of the most successful initiatives we have developed, through a partnership scheme among the public sector, the private sector and academia. The aim is for the beneficiary companies to build, improve, innovate and/or bolster their Export Business Models.

During 2015, with CAF co-financing, Wave II of the 3E Program was deployed, with the cooperation of Chambers of Commerce, trade associations and academia, benefiting 13 companies from 4 regions of the country.

Thanks to the achievements and the potential scalability of the program, in 2016 a strategic partnership was created involving Bancóldex, the Ministry of Commerce, Industry and Commerce, iNNpulsa Colombia and CAF and other regional and local partners, to develop Wave III of the Program. It included 38 non-mining/energy export companies in 10 regions of the country, selected under an open call, and with an export value amounting to 2 billion dollars.

#### **G4-4 Comprehensive Strategic Intervention Program (PIIE)**

Our comprehensive strategic intervention program (PIIE, *for the acronym in Spanish*) brings together the best training and consulting practices. With the support of experts in issues of competitive strategy, governance and financial structuring, companies will conduct self-diagnosis vis-à-vis the best practices on the subject in order to learn tools and concepts for them to formulate an improvement plan.

**G4-16** In 2016, 9 PIIEs were carried out, in partnership with the Chambers of Commerce of Manizales, Pereira, Cali, Dosquebradas, Ibagué, Santa Marta, Cartagena, Bucaramanga and Aburrá Sur. About 130 companies with more than 300 managers attended this non-financial activity. In order to optimize resources, these activities are carried out under cost-sharing schemes with the partner Chambers of Commerce.

#### **G4-4 Family Governance for Business Growth**

With resources from the Inter-American Investment Corporation (IIC), we started the Family Business Governance Program in 2016, aimed solely at clients using the Bank's financial services. Under this

framework, we conducted two workshops called “Family Governance for Business Growth Workshop” in the cities of Bucaramanga and Ibagué with more than 150 participants. The workshop was facilitated by the Costa Rican consulting firm “Family Business Consulting Group”, an expert in governance issues in family businesses. Likewise, we developed 8 Direct Technical Assistance (DTAs) to companies that had participated in the 2015 and 2016 workshops. This technical assistance is provided according to the intervention model defined by Bancóldex. As of December 2016, we selected the companies that would benefit from the DTAs to be developed during 2017.

**Virtual Activities for Greater Coverage**

G4-4 In order to achieve greater coverage, we have developed a portfolio of virtual activities aimed at entrepreneurs, such as e-Learning courses that are available in our Bancóldex Virtual Campus. The theme of this training is “Cash flows in Financial Projects”, “Market Studies” and “Exchange Rate Regimes in International Business”, among others. More than 4,400 entrepreneurs from ninety-nine cities and municipalities benefited from these virtual activities.

*Entrepreneur satisfaction level with Bancóldex’s non-financial products is 9.3 out of 10*

**G4-PR5** At this point, it is important to note that entrepreneurs rate us with a satisfaction level of 9.3 out of 10 in relation to the development of the aforementioned activities, which shows that they are very satisfied with the Bank’s non-financial products.

On the other hand, the network of partners in the regions is key, since this has facilitated the dissemination, structuring and execution of the aforementioned non-financial products, contributing in turn to the strengthening of the regional ecosystems. Notwithstanding the foregoing, we must continue to consolidate the network of partners, not only in the regions but also in the international sphere, which will allow us to expand the scope of the Bank’s non-financial services.

**1.6 MEMBERSHIPS IN ORGANIZATIONS AND SUPPORT TO INITIATIVES LINKED TO SUSTAINABILITY - ASSOCIATIONS**

**G4-15, G4-** It is important to highlight that Bancóldex participates in different national and international initiatives, which allow, among others, to manage non-reimbursable financial cooperation resources and technical cooperation resources to support the Bank’s strategic projects.

The following are the different national and international initiatives of which the Bank is a part:

<i>INITIATIVES</i>
Financial management committee of the National Climate Change System (SISCLIMA, <i>for the acronym in Spanish</i> ), focused on coordinating and articulating the actions and measures for the reduction of

greenhouse gas emissions and adaptation to climate change, where <b>we act as a member of the Financial Management Committee.</b>
Green Protocol signed between the financial sector and the Colombian Government for the preservation of the environment and sustainable use of natural resources, where we lead one of the financial innovation initiatives.
United Nations Environment Programme – Finance Initiative (UNEP FI)
Latin American Corporate Governance Network for State Entities
Corporate Governance Development Framework
International Development Finance Club (IDFC)
Asobancaria
Asobancaria Sustainability Committee
Monitoring Committee of the Sector Strategic Plan (PES, <i>for the acronym in Spanish</i> )
Monitoring Committee of the Sector Strategic Plan for Administrative Management (PES-GA, <i>for the acronym in Spanish</i> )

## 1.7 A PORTFOLIO OF FINANCIAL PRODUCTS AND SERVICES INTENDED TO SUPPORT BUSINESS GROWTH

### *Products and services, a bridge for the realization of our new strategy*

**G4-4, G4-DMA Product Portfolio** In 2015 and 2016, the development of new products and services became a bridge for the realization of our new strategy.

Since 2015 we have improved the sources of the Bank's resources by expanding financial agreements, diversifying the distribution channels of our financial products, including new types of partner financial entities, structuring mechanisms for the delivery of non-financial services, and achieving new partnerships to provide comprehensive support to companies and developing new mechanisms for monitoring and measuring product impact.

### *More than 45 lines of credit for different types and sizes of companies*

Following are the products and services developed by the different growth units or platforms:



Growth platforms					
	EXTRAORDINARY GROWTH	PRODUCTIVE INSERTION	BUSINESS SCALING	GLOBAL FLOWS	INTERNATIONAL EXPANSION
Product and/or service	CREDIT FOR INNOVATION	MICROFINANCE		CREDIT LIQUIDITY	
	CREDIT FOR COMPANIES WITH HIGH GROWTH POTENTIAL	CREDIT FOR BUSINESS FORMALIZATION	CREDIT FOR BUSINESS INVESTMENT/MODERNIZATION		
		MICRO-INSURANCE	SUSTAINABLE DEVELOPMENT		FINANCING ABROAD
			DOCUMENT DISCOUNT		
		SPECIAL QUOTAS/REGIONAL CONVENTIONS AND OTHER ALLIES		PRE-FINANCE AND FINANCING OF EXPORTS	
				INTERNATIONAL BANKING OPERATION	
				BUYER AND SUPPLIER CREDIT	
				CORRESPONDENT CREDIT	
				PRIVATE CAPITAL FUND PROGRAM - BANCÓLDEX CAPITAL	
		BUSINESS TRAINING		EXCELLENCE EXPORTING COMPANIES PROGRAM 3E - WAVE III	

**Credit for Innovation**

This modality seeks to support companies that have adopted activities and processes specific to an innovation culture within their business strategy.

The resources of this modality can be instrumented with the financing mechanisms of leasing and credit for the company and are channeled through the commercial financial intermediaries.

**Credit for Companies with High Growth Potential**

This alternative is aimed at identifying, financing and strengthening early-stage Colombian companies with high growth potential in all economic sectors. The investments financed with the resources of this credit modality will contribute to develop potential, encourage the adoption of corporate strategies that allow them to have a fast, profitable and sustained growth; and promoting the incorporation of innovation as a differentiating element in business models, the reconfiguration of markets and the development of products.

### **Credit for Business Formalization**

Bancóldex offers financing alternatives for companies to access working capital resources, fixed or deferred assets, the investments of which contribute to the development of productive activities, and their business formalization processes.

These processes help companies strengthen their growth dynamics, diversify their buyer portfolio, enter new national and international markets, and participate in government business development programs.

### **Microfinance**

Bancóldex has developed a wide network of intermediaries, with the purpose of promoting the development of the micro-business sector in Colombia. Bancóldex has incorporated financing alternatives to meet the needs of working capital, cash flow, business modernization projects, strengthening of assets and improvements in environmental performance. Likewise, micro-companies can access the Futurex Vida product so that the micro-entrepreneur and family receive protection in case of death or total or permanent disability.

### **Micro-insurance – FUTUREX VIDA**

It provides protection to the micro-entrepreneur and family in case of accidental, natural or suicidal death, total or permanent disability and serious illnesses. It also offers additional coverage such as aid for funeral and family expenses due to death or disability.

### **Credit Liquidity**

In order to support business activity and contribute to the economic growth of micro, small, medium and large companies of all economic sectors of the country, this type of credit provides resources to finance operating expenses and other liquidity needs of companies for operation and development.

It also allows companies to undergo a process of recomposition of liabilities, decreasing the concentration of debt in the short term and moving it to a longer term with payment periodicities that adjust to the business cycle, thus improving its cash flow structure.

### **Investment Credit/Business Modernization**

This modality seeks to meet investment needs, in fixed or deferred assets, of micro, small, medium and large companies to carry out projects aimed at increasing productivity and competitiveness standards, the acquisition of new technologies, the reconversion of the productive apparatus, the protection of the environment and other expansion plans, both national and international.

The resources of this modality can be channeled through financing mechanisms such as leasing, credit for the company or credit through partners or shareholders.

### **Sustainable Development**

This is an alternative funding aimed at micro, small, medium and large companies of all economic sectors that require investments in measurement, control and monitoring systems, focused on mitigating the negative effects of business activity on the environment.

This line of credit aims to promote companies having a focus on sustainability in their businesses, be more productive and competitive in markets that demand high environmental standards, and include, within their portfolio, goods and services with added value in terms of protection and care of the environment.

### **Discounting of Documents**

Bancóldex purchases directly, from the Colombian exporter, securities derived from an export that are backed by an eligible bank:

- Acceptances or deferred payments created by letters of credit
- Letters endorsed by foreign financial intermediaries with direct quota or with irrevocable commitment of reimbursement
- Exchange purchase invoices or single bills of exchange accepted by the importer and backed by a standby letter of credit

### **Purchase of Invoices – Liquidex**

This product operates under two schemes where Bancóldex grants liquidity to supplier companies without conditions, since they do not require a credit quota study for this product:

#### **LIQUIDEX PESOS - DOLLARS**

A company that sells goods or services and that has secured its portfolio with a credit insurance policy has the possibility of discounting these invoices directly with Bancóldex at competitive rates.

#### **LIQUIDEX PRODUCTIVE CHAINS**

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

### **Special Quotas**

Bancóldex makes partnerships with entities such as ministries, governorates, city halls and international cooperation agencies, among others, in order to establish special credit quotas that provide liquidity, in pesos or dollars, and under preferential financial conditions, to different business segments in accordance with their geographical location, the size of the company or the destination of the resources. These special credit quotas consider, depending on the case, limits on the maximum amounts of financing per company, as well as compliance with particular conditions for accessing said resources.

### **Pre-financing and Financing of Exporters**

Bancóldex has alternatives available to entrepreneurs to finance investments related to operational costs and expenses necessary for: export, modernization and innovation projects that improve their exportable offer, strengthening of production processes, obtaining certifications required in the export destinations, market research abroad, attendance at trade fairs and other investments required in preparation for the export activity.

### **International Banking Operation**

A financial tool for Colombian exporters to guarantee their international negotiations and mitigate the risk of non-payment abroad.

Through the network of correspondent banks, Bancóldex offers:

- Confirmation of export letters of credit
- Management of documentary collections
- Management of payment orders
- Currency trading on foreign trade operations
- Confirmation of bank guarantees

### **Buyer and Supplier Credit and Correspondent**

The purpose of these credit mechanisms is to finance buyers abroad of Colombian goods and services, through financial intermediaries previously qualified by Bancóldex or banks that hold an investment grade rating. Likewise, engineering or building projects are financed, totally or partially developed by companies domiciled in Colombia and the purchase of Colombian assets through the payment agreement of ALADI in the member countries, with banks authorized to operate said agreement. Likewise, they support financial intermediaries, previously qualified by Bancóldex, with credit resources for operations of pre-financing of exports or financing needs of imports from other countries.

### **Private Equity Funds Program – Bancóldex Capital**

The Bancóldex capital program is an initiative designed to promote the development of the private equity and venture capital fund industry in Colombia. These are the program objectives:

- To provide Colombian companies with new sources of long-term financing through the fresh capital of capital funds
- To promote the industry of private and entrepreneurial capital funds in the country
- To attract new investors, local and foreign, to participate in the capital funds industry in the country

To achieve this, the program develops the following components:

#### FINANCIAL SUPPORT

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

#### NON-FINANCIAL SUPPORT

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

#### **Financing Abroad Post-Boarding**

Mechanism through which Bancóldex finances the buyer of Colombian goods and services, through bank payment instruments issued by financial intermediaries authorized abroad. This mechanism constitutes a way to improve the negotiation conditions of Colombian exporters with their buyers abroad, and thus improve their competitiveness standards.

#### **G4-EC7, G4-EC8 At the end of 2016 we achieved the following growth platform goals:**

- \$129.6 billion pesos to 303 companies less than 5 years old with growth potential, located in the Extraordinary Growth Platform
- We engaged the Universidad de Los Andes with the Sustainable Business Network and Sustainable Agribusiness Model programs for the productive improvement of microenterprises, located in the Platform for Productive Insertion and Financial Inclusion.
- In the segment of companies with growth potential in the national market, within the Enterprise Scaling Platform, we structured a new discount product against the risk of debtors and invoice issuers, aimed at providing liquidity to MSMEs, large buyer suppliers.
- We started offering direct loans to exporting companies in the Global Flows Platform with the structuring of the respective operating scheme for their management and the measurement of the capacities required for direct operations with companies.
- We financed \$97 billion pesos for 20 companies classified in the International Expansion Platform, which develop their own position abroad to conquer markets. Likewise, we developed the required scheme to use the entire portfolio in the international expansion.

## 1.8 WE WANT TO SEE YOU GROW RAPIDLY, PROFITABLY AND SUSTAINABLY

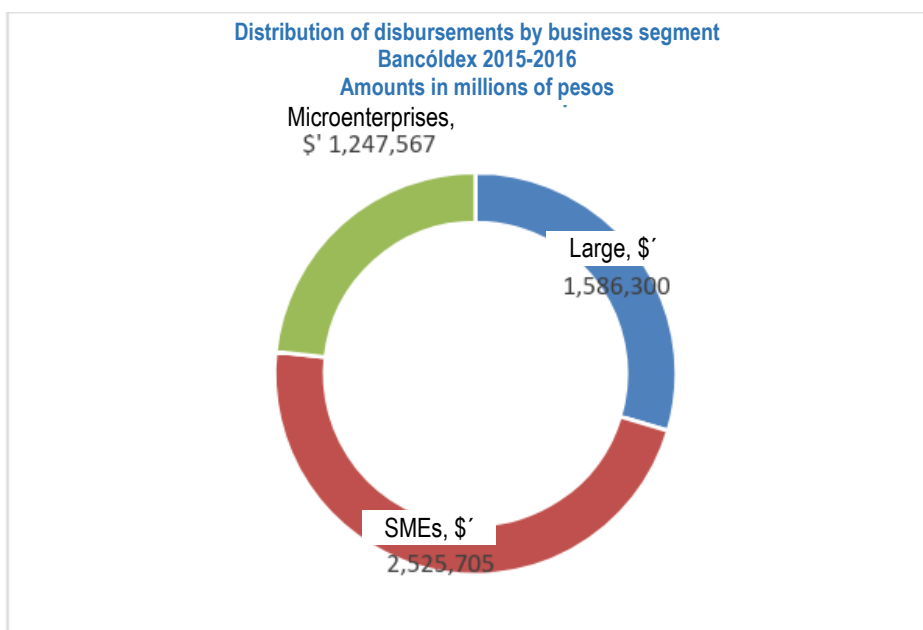
**G4-4, G4-DMA Indirect Economic Consequences, G4-DMA Product Portfolio** The financial and non-financial products and services that we offer through the growth platforms seek to offer companies the right tools to achieve fast, profitable and sustained growth, according to their activity and their growth circumstances, regardless of their size or the productive sector to which they belong.

Here are the main disbursement figures:

**G4-8, G4-EC8**

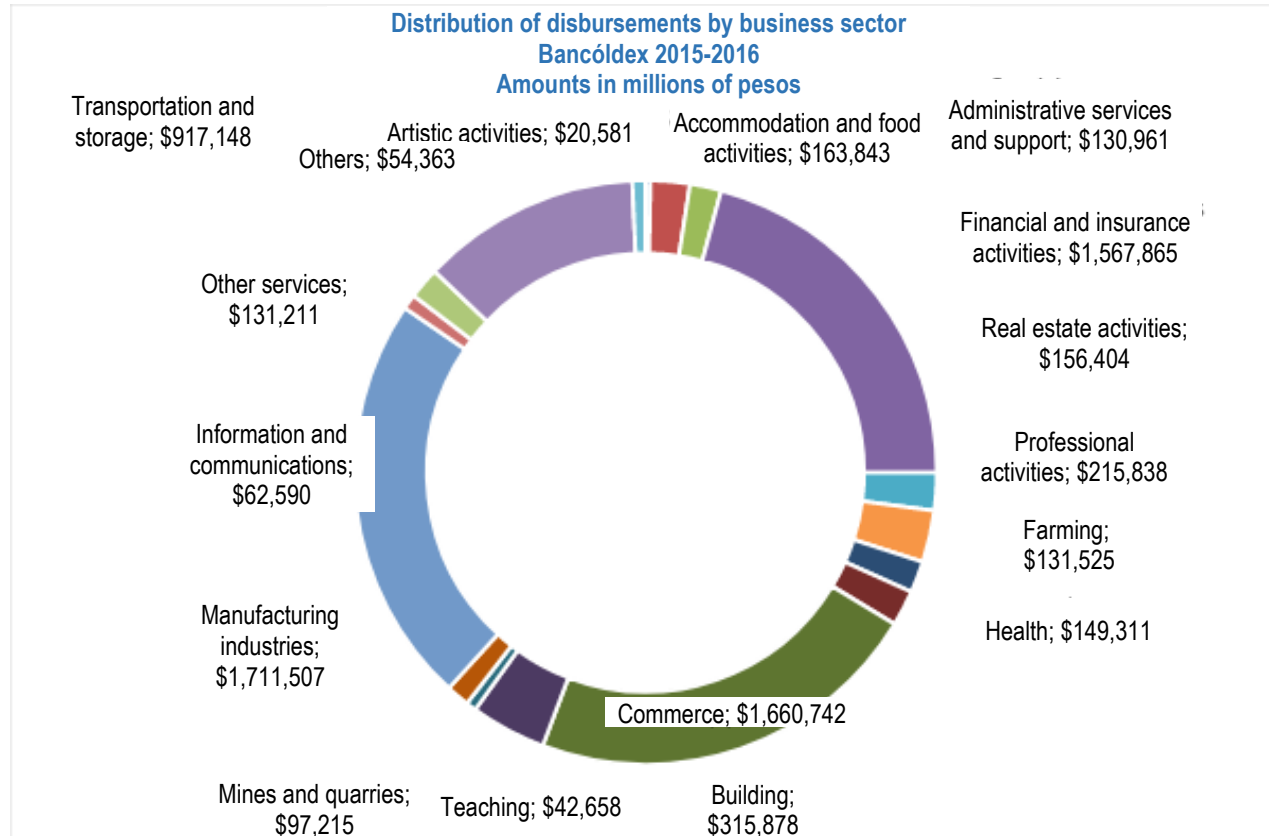
<i>DISTRIBUTION OF DISBURSEMENTS BY BUSINESS SEGMENT</i>	
Segment	Total disbursement COP (figures in millions of pesos)
Large	\$1,586,300
SMEs	\$2,525,705
Microenterprises	\$1,247,567

**G4-8**



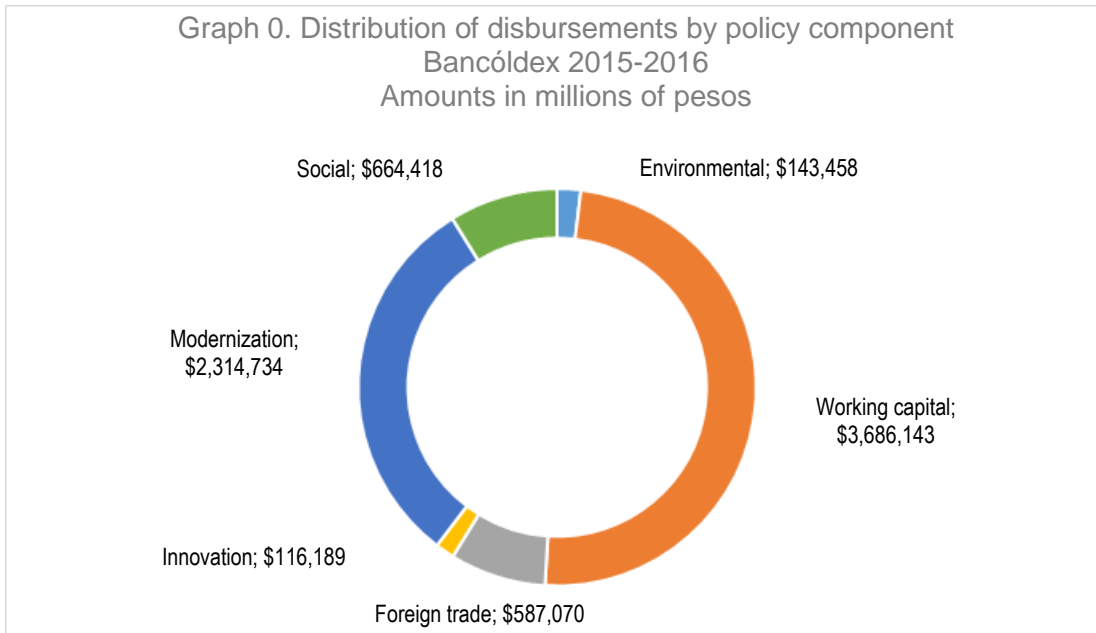
<i>DISTRIBUTION OF DISBURSEMENTS BY BUSINESS SECTOR</i>	
Macro-sector Description	Total disbursement COP (figures in millions of pesos)
Artistic activities	\$20,581
Accommodation and food activities	\$163,843
Administrative services and support	\$130,961
Financial and insurance activities	\$1,567,865
Real estate activities	\$156,404
Professional activities	\$215,838
Farming	\$131,525
Health	\$149,311
Commerce	\$1,660,742
Building	\$315,878

G4-8

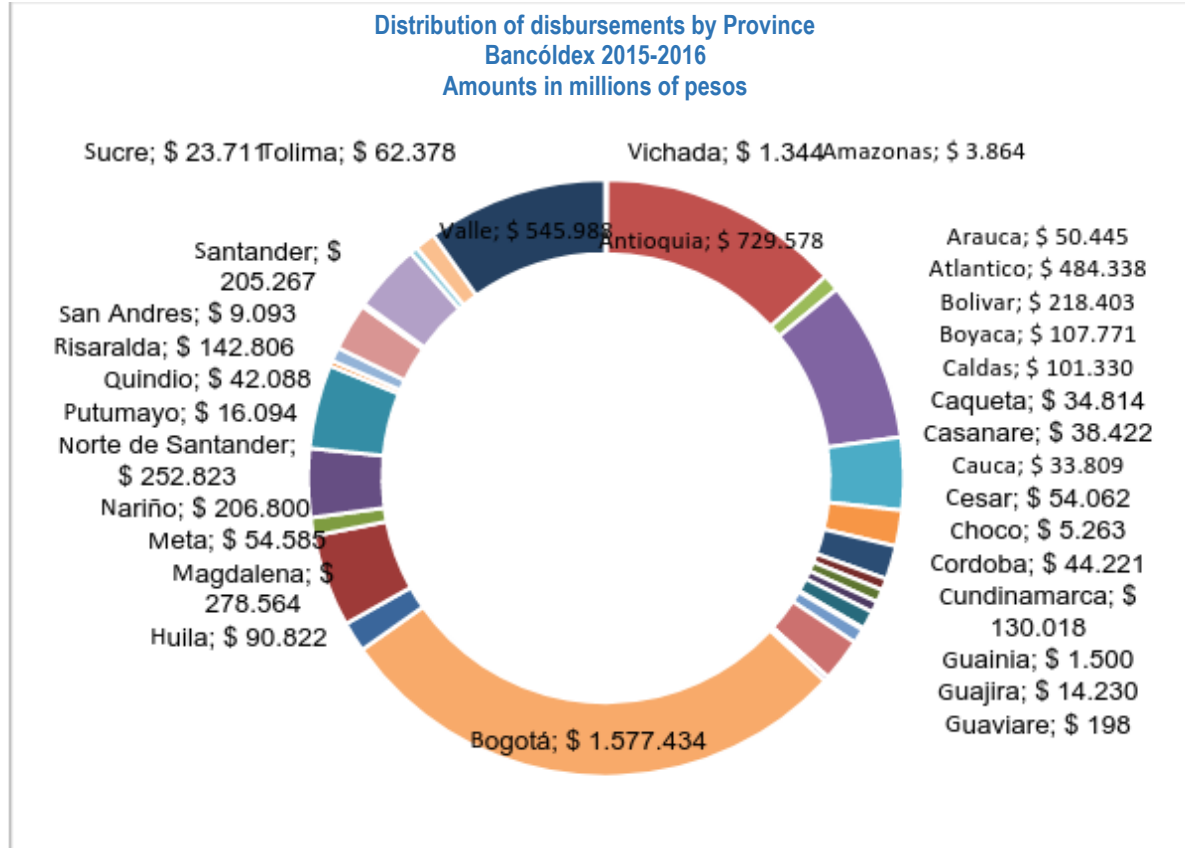


G4-EC7, FS7, FS8

<i>DISTRIBUTION OF DISBURSEMENTS BY POLICY COMPONENT</i>	
Description of the Business Sector	Total COP Disbursement (figures in millions of pesos)
Environmental	\$143,458
Working capital	\$3,686,143
Foreign trade	\$587,070
Innovation	\$116,189
Modernization	\$2,314,734
Social	\$664,418



G4-8





**G4-6, FS6** At this point, it is worth noting that in 2015 and 2016, loans for micro-enterprises were **620.1 billion pesos in 106,701 credit operations and 627.4 billion pesos in 116,559 credit operations**, respectively, benefiting 812 and 720 companies of the different municipalities of the country, exceeding our goals in both cases, based on the value of the annual disbursements of 600 billion pesos for each year.

#### 2015 and 2016

#### G4-9

PROVINCE	MUNICIPALITIES SERVED		NO. OF OPERATIONS		% OF PARTICIPATION BY NUMBER OF OPERATIONS	
	2015	2016	2015	2016	2015	2016
ANTIOQUIA	95	91	5,648	5,644	5.29%	4.84%
CUNDINAMARCA	93	83	2,979	2,022	2.79%	1.73%
BOYACÁ	75	53	1,512	698	1.42%	0.60%
SANTANDER	61	53	4,084	22,724	3.83%	19.50%
NARIÑO	54	43	25,775	2,900	24.16%	2.49%
BOLÍVAR	36	41	3,788	8,364	3.55%	7.18%
HUILA	34	38	3,972	2,366	3.72%	2.03%
TOLIMA	34	35	1,819	4,354	1.70%	3.74%
NORTE DE SANTANDER	32	32	11,360	9,763	10.65%	8.38%
VALLE	31	22	2,092	2,884	1.96%	2.47%
MAGDALENA	29	22	3,012	2,229	2.82%	1.91%
CESAR	25	21	5,381	804	5.04%	0.69%
CÓRDOBA	25	20	1,136	2,037	1.06%	1.75%
SUCRE	22	17	2,004	1,280	1.88%	1.10%
CAUCA	21	17	492	1,686	0.46%	1.45%
META	21	15	3,348	9,502	3.14%	8.15%
CALDAS	20	14	1,155	16,164	1.08%	13.87%
CASANARE	17	14	4,125	400	3.87%	0.34%
ATLANTICO	16	14	3,213	569	3.01%	0.49%
GUAJIRA	13	12	382	937	0.36%	0.80%
PUTUMAYO	12	11	1,551	2,904	1.45%	2.49%
QUINDIO	12	11	1,579	1,789	1.48%	1.53%
CAQUETA	11	10	487	54	0.46%	0.05%
RISARALDA	8	10	1,754	740	1.64%	0.63%

ARAUCA	5	10	778	1,300	0.73%	1.12%
CHOCÓ	5	5	77	1,351	0.07%	1.16%
AMAZONAS	1	2	26	4	0.02%	0.00%
BOGOTÁ D.C.	1	1	13,129	38	12.30%	0.03%
GUAVIARE	1	1	18	11,034	0.02%	9.47%
SAN ANDRÉS	1	1	21	5	0.02%	0.00%
VICHADA	1	1	4	13	0.00%	0.01%
<b>TOTAL</b>	<b>812</b>	<b>720</b>	<b>106,701</b>	<b>116,559</b>	<b>100%</b>	<b>100%</b>

With our loans, we contribute to financing companies located in all the provinces of the country. Following is the coverage in municipalities and the number of companies served by region in 2015 and 2016 for the micro-enterprise segment:

## 2 A PROFITABLE AND TRANSPARENT BANK

*2016, a year of extraordinary growth*

### 2.1 FINANCIAL INDICATORS

Indicators	2014	2015	2016
<b>ROAA</b>	<b>1.05%</b>	<b>0.45%</b>	<b>1.42%</b>
<b>ROAE</b>	<b>4.57%</b>	<b>1.96%</b>	<b>7.11%</b>
<b>Intermediation margin in pesos</b>	<b>1.50%</b>	<b>1.00%</b>	<b>0.81%</b>
<b>Solvency ratio</b>	<b>18.02%</b>	<b>16.69%</b>	<b>16.74%</b>
<b>Portfolio quality:</b>			
<b>Past-due portfolio/Total portfolio</b>	<b>0.018%</b>	<b>0.028%</b>	<b>0.093%</b>
<b>Provision/ Past-due portfolio (times)</b>	<b>2.166</b>	<b>1.424</b>	<b>4</b>
<b>Taxes/Profits</b>	<b>70%</b>	<b>153%</b>	<b>49%</b>
<b>Efficiency*</b>	<b>45%</b>	<b>54%</b>	<b>33%</b>
<i>*Administrative expenses before tax/Gross financial margin</i>			

## *\$221.2 billion pesos is the economic value created by Bancóldex in 2016*

We present an extraordinary growth of 47% with respect to 2015. This significant positive variation was due mainly to the optimizing of the good market conditions of the investment portfolio during the period.

### **G4-9, G4-EC1**

Our generation of value is based on fully serving the Colombian business sector in all development stages, which means that in addition to being a second-tier financial institution, we are the Colombian business development bank.

Figures in COP Millions

	2015	2016	Absolute variation	Relative variation
<b>Economic value generated</b>	<b>150,638</b>	<b>221,212</b>	<b>70,574</b>	<b>47%</b>
Margin of credit portfolio	97,111	107,393	10,282	11%
Portfolio	8,441	75,431	66,991	794%
Other ordinary income*	45,086	38,387	-6,699	-15%
<b>Economic value distributed</b>	<b>135,271</b>	<b>199,364</b>	<b>64,093</b>	<b>47%</b>
Suppliers	26,352	24,079	-2,273	-9%
Employees	34,758	38,556	3,798	11%
Public administration	43,054	48,961	5,907	14%
Shareholders	31,003	87,52	56,517	182%
Minority shareholders	104	247	143	138%
<b>Economic value withheld</b>	<b>15,368</b>	<b>21,848</b>	<b>6,48</b>	<b>42%</b>
Provision, depreciation and amortization	18,374	9,228	-9,145	-50%
Reserves	-3,006	12,62	15,625	-520%

\*Includes non-operating net income and exchange difference

**G4-DMA Economic Performance** Our financial management is framed in the concept of sustainability and in the function of accompanying Colombian business growth.

To this end, we have implemented measures that focus on reducing acquisition costs, on the coverage of balance sheet risks, on the development of the business area of the treasury, as well as on the maintenance of an adequate level of equity that allows us to fulfill the purpose of the Bank and also achieve a profitability consistent with a development bank.

In order to ensure our financial sustainability, during 2015 and 2016 we carried out periodic reviews of the active rates according to the conditions required by the financial structure. Within the actions we conducted, we determined the generation of added value of each business unit and we implemented a product costing method.

## 2.2 BALANCE

### G4-9

	2015	2016
Available and inter-bank Investments	145,36	170,662
	1,029,354	1,304,032
<b>Credit Portfolio</b>		
Portfolio balance COP	3,753,796	3,830,525
USD portfolio balance in COP	1,815,592	1,753,462
Provision of credit portfolio	(222,78)	-217,305
<b>Total portfolio</b>	<b>5,346,612</b>	<b>5,366,682</b>
Other assets	284,23	172,516
<b>Assets</b>	<b>6,805,560</b>	<b>7,013,892</b>
Deposits and liabilities	2,529,086	2,769,580
Inter-bank funds	106,804	95,866
Bonds	500,000	500,000
Loans with banks	2,030,985	1,946,849
Other liabilities	252,581	233,552
<b>Liabilities</b>	<b>5,419,456</b>	<b>5,545,848</b>
Share capital	1,062,557	1,062,557
Surplus	79,222	91,883
Profit of the year	28,101	100,387
Reserves	216,223	213,218
<b>Equity</b>	<b>1,386,104</b>	<b>1,468,044</b>

### Asset Quality:

### Bank assets stood at 7.01 trillion pesos

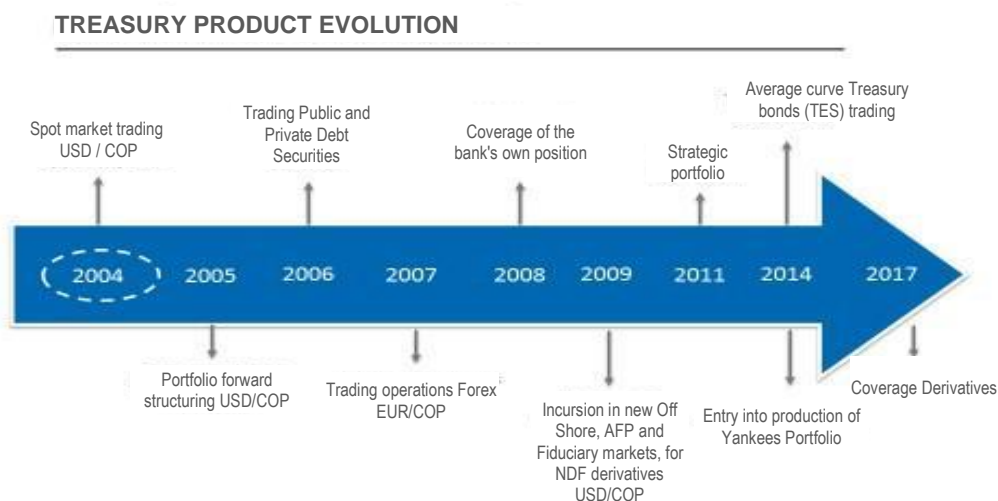
Our net loan portfolio represents 77%, the investment portfolio 19% and the necessary liquidity for the operation of the business 2%. All these assets have mitigated credit and market risk due to the characteristics of second-tier banking or given the investment and collection policies.

#### Loan Portfolio:

The placement of resources has focused on promoting MSMEs or developing foreign trade. However, the Bank also acts as a Government countercyclical tool, addressing market gaps through the structuring of lines with preferential rates that are compensated with National resources, as is the case of the lines financed for Competitive MSMEs and the Plan to Boost Prosperity and Employment (PIPE, for the acronym in Spanish) which was very active during 2016.

#### Investment Portfolio:

The incursion in new treasury products with the correct administration of the inherent risks to these operations have allowed us to access new income alternatives. We have consequently obtained an adequate level of profitability.



#### Funding in Legal Currency

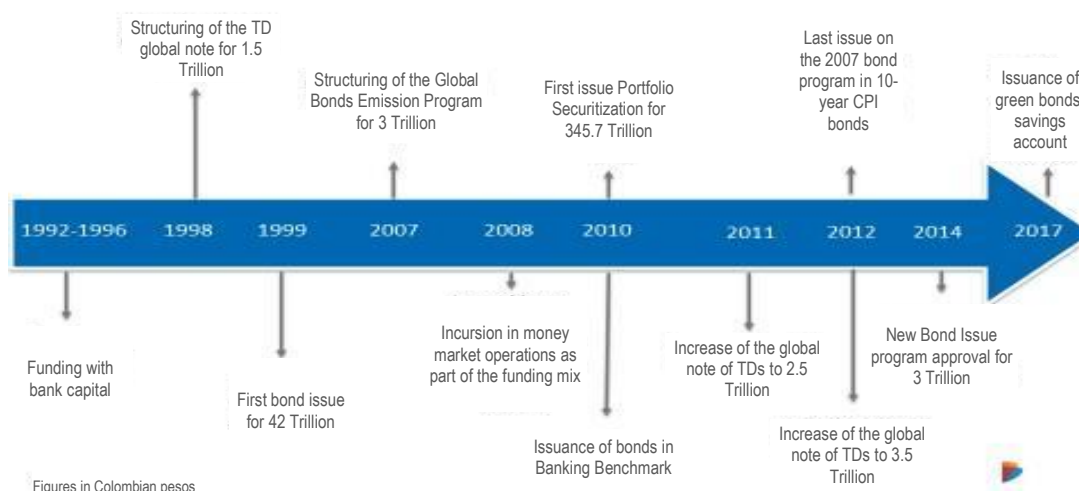
Likewise, the evolution of liquidity management by the Bank in order to guarantee the resources necessary for the placement of the loan allowed us to access different sources of funding in both legal and foreign currency under suitable financial conditions.

In legal currency, the main sources of funding are fund-raising in the financial TD market in the short and medium term, long-term bond issue and, currently, we are working on the savings account product

for institutional investors, as one of the ten strategic projects. Therefore, we seek to diversify the base of the investors accessing these instruments and in order to obtain resources in favorable financial conditions.

The issuance of Green Bonds is being structured in the local main market, which seeks to affirm the sustainable commitment of Bancóldex as a development bank and of the country in matters of favorable impact on the environment.

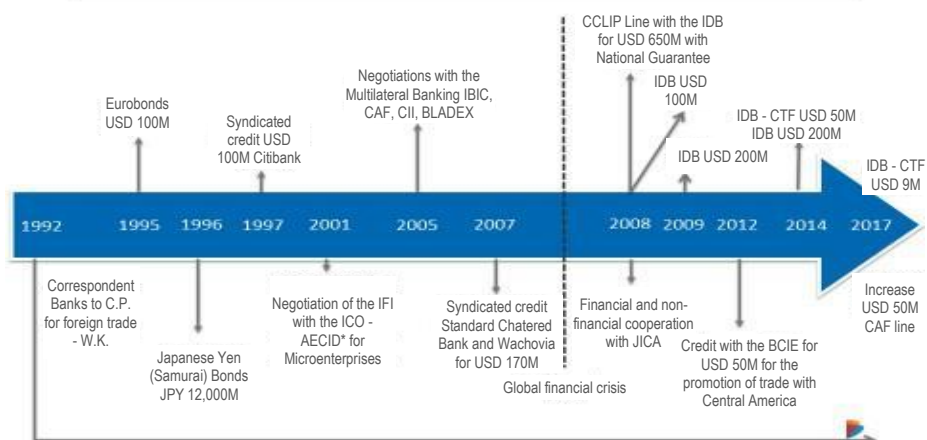
### EVOLUTION OF LEGAL CURRENCY LIQUIDITY ADMINISTRATION



### Funding in Foreign Currency

In foreign currency, we access resources through credits with correspondent banks for foreign trade operations and short-term working capital, as well as through loans from multilateral entities and cooperation agencies for medium and long-term programs. Additionally, we obtain resources in the capital market through the issuance of bonds and other funding structures. These alternatives allow us to guarantee resources for the different credit operations in accordance with their term and destinations.

## EVOLUTION OF FOREIGN CURRENCY LIQUIDITY ADMINISTRATION



### Support for the Investor

*Bancóldex solvency is well above the minimum required by Colombian regulation*

The minimum solvency ratio required by Colombian regulation is 9%. At the end of 2015 and 2016, the Bank presented solvency of 16.69% and 16.74% respectively, which allows us to have enough capital to offset the losses that the asset may generate. Likewise, it demonstrates the capacity for growth through leverage.

## 2.3 FINANCIAL RESULTS

### Income Statement

Margin by business	2015	2016
Gross margin portfolio COP	80,045	80,897
Gross margin portfolio USD	17,205	21,504
Gross margin portfolio	21,915	66,928
Gross margin Yankees	-13,475	8,503
Liquidity margin	-138	4,992
Forward/Changes	6,786	11,207
Other income/Expenses	4,666	3,076
<b>Total Gross Margin</b>	<b>117,005</b>	<b>197,108</b>
Provision/Portfolio refund	14,334	3,958

<b>Net Margin</b>	<b>102,671</b>	<b>193,150</b>
Administrative	62,832	64,973
Taxes	34,122	32,397
Provision other assets	2,317	2,933
<b>Operational Margin</b>	<b>3,400</b>	<b>92,897</b>
Net other income and expenses	33,633	24,107
<b>Profit Before Taxes</b>	<b>37,033</b>	<b>117,001</b>
Income tax	8,932	16,615
<b>Net Profit</b>	<b>28,101</b>	<b>100,387</b>

**G4-DMA Economic Performance** 2016 was a year with favorable levels of income mainly generated by the good performance of the investment portfolio, which created higher revenues compared to the previous year by 66 billion pesos, contributing significantly to the financial margin of the Bank. The increase of these revenues compared to the previous year was bolstered by the decision made at the end of 2015 to reclassify, as investments available-for-sale, the portfolio that the Bank holds in Yankee Bonds in accordance with the intention of maintaining this investment in the balance. This way, the P&L volatility by market valuation of these securities is eliminated and the valuation by contribution to IRR remains stable. Additionally, in June 2016, the investment of this portfolio was increased by 10 million dollars.

The loan portfolio presented a margin increase with respect to the previous year by 4.2 billion pesos (4%). This is due to the good performance of the dollar portfolio in terms of average balance, as a result of placements over three years. Regarding the margin of the peso portfolio, it is worth noting that the higher funding expenses caused by the increase in base rates (annual CPI, IBR<sup>2</sup> and DTF<sup>3</sup>), with respect to the previous year, were partially offset by the rise in rates to the placements made in 2016 and the reduction in the cost of funds as a result of the higher deposits in short-term TDs in accordance with the funding strategy.

The treasury operations in foreign currency were developed in a revaluation environment in 2016. The foreign exchange market recorded an appreciation of the peso that reached 4.72% at the end of December 2016. Under this scenario, the management of the NDF portfolio, and the purchase and sale of foreign currency in Spot, **generated an accumulated profit of 11.2 billion pesos at the end of 2016, compared to an accumulated profit of 4 billion pesos** registered as of December 2015

On the other hand, operating expenses showed a moderate growth of 3%, even below the inflation at the end of 2015, which was 6.77%.

Taking into account all of the above, **the closing of 2016 represented a record higher profit in 72.2 billion pesos than that in 2015.**

<sup>2</sup> Banking Benchmark

<sup>3</sup> Colombia base for fixed rate deposits over three months



## 3 SPECIAL PROGRAMS

*We administer national government programs to contribute to the economic development of Colombia*

### 3.1 *BANCA DE LAS OPORTUNIDADES*, MORE COLOMBIANS WITH ACCESS TO FINANCIAL SERVICES

**G4-DMA Indirect Economic Consequences** In Bancóldex we administer the *Banca de las Oportunidades* Investment Program, a national government program created in 2006 to promote the country's financial inclusion by facilitating access to financial services to low-income families, unbanked households, micro-entrepreneurs, small and medium enterprises and entrepreneurs in order to reduce poverty, promote social equality and stimulate economic development in Colombia.

As executor of the National Strategy for Financial Inclusion in Colombia, which is approved by the Intersectoral Commission for Financial Inclusion, the main challenges were identified and the following lines of action were established to overcome them.

1. Promote the use of financial services
2. Broaden the financial inclusion of the rural population
3. Implement new financing schemes for SMEs
4. Develop the Economic and Financial Education strategy

To achieve the goals, objectives and plans outlined, we worked coordinately with the government agencies involved and with the financial sector.

This is how the development of financial inclusion projects is carried out with the support of the ***Banca de las Oportunidades Network***, which is made up of banks, commercial financing companies, cooperatives with financial activity, microcredit NGOs, insurance companies and family compensation funds, which are responsible for extending their coverage and bringing financial services to the underserved population.

Likewise, *Banca de las Oportunidades*, through technical assistance programs, has institutionally strengthened microfinance institutions in the areas of microcredit and has contributed to the development and implementation of financial products adjusted to the needs of the population.

In addition to the information system and the different studies conducted, it has been possible to continuously monitor and track the development of financial inclusion in the country and the performance of financial institutions. This system is of great value as a source of information for different public policy decisions regarding access to financing and for the financial sector in the development of new strategies.

**G4-EC7, G4-EC8** Some of the achievements of *Banca de las Oportunidades* during the 2015 - 2016 period:

- We exceeded the financial inclusion goal established for 2016 of 76%, reaching 77.3% in December 2016.
- 100% of the municipalities of Colombia have a financial presence of some type of access point, either offices or correspondents.
- 4,714,913 credits were disbursed to micro-entrepreneurs for \$18.2 trillion pesos in 2015 and 2016, through banks, financing companies, NGOs and cooperatives.
- We have contributed financial indicators and inclusion goals through our ongoing projects and the design of new programs such as:
  - Expansion of financial coverage to reach areas with little financial presence
  - Incentive to microcredit
  - Entrepreneurship
  - Mobile Banking (use of transactional products)
  - Technical assistance to cooperatives and other types of banking establishments for the design and implementation of new credit and savings products aimed at the lower income population
  - Agricultural microcredit technical assistance
  - Insurance
  - Support project for financial inclusion in border areas with Venezuela
  - Massive and face-to-face financial education
- **G4-16** We actively participate in the different intersectoral committees and working groups with the different government entities and associations to define the activities to be developed within the framework of the National Strategy for Financial Inclusion and the National Strategy for Economic and Financial Education.
- We were able to become the official source of public financial inclusion information.

We also wish to highlight the following reports and studies:

- Quarterly Financial Inclusion Reports
- Annual Financial Inclusion Reports prepared jointly with the Financial Superintendence of Colombia
- Characterization of the correspondent channel in Colombia
- Single tax
- Regulation for inclusive insurance

- First comprehensive study of the demand for financial inclusion

## 3.2 PRODUCTIVE TRANSFORMATION PROGRAM, PARTNER OF ENTREPRENEURS TO ACCELERATE PRODUCTIVITY AND COMPETITIVENESS

**G4-DMA Indirect Economic Consequences** The Productive Transformation Program (PTP) is one of the tools set forth by the national Government in 2011 and administered by Bancóldex during 2015 and 2016, for the execution of the industrial policy for the productive development of the country with the purpose of implementing public-private strategies and the use of comparative advantages to improve industry productivity and competitiveness.

The PTP promotes the productivity and competitiveness of Colombian companies through 5 lines:

1. Strengthening: **Promoting improvements in productivity and quality**
2. Regulatory framework: **Optimizing the rules of the game**
3. Infrastructure and logistics: **Boosting processes to be more competitive**
4. Human capital: **Generating capabilities**
5. Access to financing: **Connecting them with funding opportunities**

The sectors linked to the PTP have business plans tailored to define the course to follow to achieve decisive increase in productivity and competitiveness, while strengthening production chains and positioning themselves in international markets.

**G4-EC7, G4-EC8** Some of the main achievements of the PTP for the period covered by this report were:

With the Productivity Escalation Program, we benefited **155 companies that improved their efficiency by at least 15%**, in sectors such as auto parts, footwear, fish farming, among others, achieving the following results:

- Average increases of 28.2% in the Management Index (MI) between July 2015 and April 2016 evaluating management practices in the administration of value chain processes
- Average sales increase of 5.4%
- Average increases of 4.8% in operating profitability
- Average increases of 65% of labor productivity
- Average 34% increases in customer satisfaction
- Inventory reduction of 12%
- Reduction of average unit costs by 15%
- 24% defect reduction
- Increases in efficiency of 27%
- OEE increases of 38% on average

- VA increases of 65% on average

In terms of Sectoral Strategic Planning and diversification of the productive apparatus, **we evaluated the business plans** of the electric power, chocolate, confectionery and raw materials **sectors**, as well as the software and information technology sectors.

We developed the project to improve the productivity of **500 cocoa producing units** in the Santander municipalities: Carmen de Chucurí, San Vicente de Chucurí, Landázuri and Rionegro.

We delivered quarterly reports on the actions carried out by the Program in each of the **National and Strategic Interest Projects (PINES, for the acronym in Spanish) of the beef, Hass avocado and aquaculture sectors.**

We conducted dissemination and training activities in 15 provinces about the **Regional Map of Opportunities (MARO, for the acronym in Spanish) and the Atlas of Economic Complexity of Colombia (DATLAS, for the acronym in Spanish)**. We also held **32 regional meetings for productive improvement** together with associations, Chambers of Commerce and entrepreneurs, which will maximize the opportunities of the companies in the prioritized chains and thus position themselves with a higher value-added offer in world trade.

In January 2015, we began the execution of the quality program for the **Safe + cosmetics sector, with USD2.7 million** for shares over four years and **USD600,000 as PTP matching funds.**

In November 2016, we conducted two employment rounds in Bogotá and Cali, for BPO<sup>4</sup>, software and information technology companies. Participating were about **80 companies** and **more than 600 interviews** were conducted with the candidates, where we found qualified talent, one of the biggest gaps in the service sector.

### 3.3 INNPULSA COLOMBIA, WE PROMOTE INNOVATIVE AND COMPETITIVE BUSINESS GROWTH

**G4-DMA Indirect Economic Consequences, G4-DMA Innovation (non-GRI-G4 aspect)** Likewise, in Bancóldex we managed the Business Growth Management Unit (**iNNpulsa Colombia**) during 2015 and 2016, autonomous assets created to promote entrepreneurship, innovation and productivity as tracks for business development and Colombia's competitiveness.

iNNpulsa Colombia works to forge innovative and productive companies so that they reach their maximum potential and be the protagonists of Colombia's economic growth.

For this, we fulfill three mission tracks in iNNpulsa Colombia: **Innovation and Entrepreneurship, Mentality and Culture and Business Development.**

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<sup>4</sup> Business Process Outsourcing

**G4-EC7, G4-EC8** Below we will detail some achievements of iNNpulsa Colombia in accordance with the management of each of its mission tracks, as follows:

## **INNOVATION AND ENTREPRENEURSHIP**

### **2015**

- We promote private investment in innovative companies at an early stage, through the granting of one peso for each peso that an angel investor invests. We **invested in 29 companies for \$8.1 billion pesos with a matching contribution from iNNpulsa Colombia.**
- We took 15 investors to England to learn about experiences in the United Kingdom in the development of investments in early stage companies.
- We executed two lines of credit:
  - 65 million pesos to 124 companies with growth potential
  - \$51 million pesos in 108 companies with extraordinary growth
- In partnership with Colciencias, we co-financed **7 bio-businesses that received \$2.6 billion pesos** for the pre-commercial and commercial validation of functional prototypes of biological, biomedical and energy technologies with high business growth potential.
- 16 companies dedicated to technology presented their products and services to more than 70 companies from different sectors with interest and potential to market them.

### **2016**

- Launch of a new service model called ALDEA, which seeks to improve processes
- We signed a contract with Bancolombia, for the design of credit rating processes aimed at innovative companies in early and scaling stage. This product has benefited **more than 20 companies with credits worth \$10 billion pesos.**
- We supported the creation of two new entrepreneurial private equity funds: **Promotora II and Capitalia**, in order to continue strengthening the venture capital industry aimed at innovative companies at an early stage, financing their pre-operational stage.
- 85 companies, entrepreneurs and government entities benefited from training programs at the national level (in Barranquilla, Bogotá, Bucaramanga, Cali and Medellín) and internationally (in Boston, Buenos Aires, London and Tel Aviv), to broaden the vision of the entrepreneurs, identify challenges, strengthen their knowledge, skills and create value connections.

Finally, during 2015 and 2016, collaborative innovation and intra-entrepreneurship in the public and private sectors were promoted through the following programs:

- Open innovation program in hydrocarbons and mining
- Innova Circuit
- Colombia CO4 Programs
- Co.Meta 2018
- Mega Entrepreneurs

- Launch of the Ecopetrol Innovation Award

## MENTALITY AND CULTURE

During 2015 and 2016, iNNpuls Colombia activated a national and regional conversation around innovation, entrepreneurship and productive development, promoted values and behaviors favorable to the culture of entrepreneurship, innovation and productivity and contributed to the construction of a community to take ownership of innovation, entrepreneurship and productive development in order to transform Colombia.

For this, the following initiatives were carried out, among others:

### 2015

- The Colombia iNN news agency researched, produced and published more than 1,900 stories about entrepreneurship, which were reproduced in 6,816 opportunities.
- Publication of the first investment guide, called DestiNNo 2015, with ten successful Colombian companies in search of investors.
- In the **Global Entrepreneurship Week, 171,592 participants from 20 provinces, 51 cities and 592 events** positioned Colombia as the first country in Latin America and fourth in the world in participation.
- In the framework of the **2015 Extraordinary Entrepreneurs Tour**, we visited 7 cities (Puerto Carreño, San Andrés, Quibdó, Florencia, Popayán, Valledupar and Neiva), which mobilized, around entrepreneurship and innovation, 642 people, inspired through 10 stories of extraordinary cases and knowledge transfer workshops on topics such as ideation, innovation, prototyping, creative solutions and development of new products.
- We broadcasted the animated web series *Cóndor Space*, which to date reports a total of 255,600 visits on YouTube, 1,418 likes on its Facebook fan page and 257 followers on Twitter.

### 2016

- We sponsored the audiovisual program called “Impact Mission” produced by RCN to promote the mentality and culture of entrepreneurship and innovation in Colombia, and the stories of 40 Colombian entrepreneurs and their companies were made known.
- We carried out the initiative called *Emprendetón* which aimed at connecting, sensitizing and inspiring the participants of the beneficiary regions (Cartago, Montería, Sogamoso, Ipiales, Yopal and Santa Marta), offering them experiences that will make them live the stages that entrepreneurship faces and understand that innovation is the road to productivity and economic growth.
- Through the “**Heroes Talks**”, we generated spaces for conversation and opinion about the main issues and challenges in entrepreneurship, innovation, education and science and technology where more than 200 people participated.
- During 2015 and 2016, we organized the “**Heroes Fest**”, entrepreneurial festival, which brought together entrepreneurs, global thinkers, innovators, scientists, educators, business leaders and change agents from all over the country to learn, transfer knowledge, generate

capacities, design projects and address some of the country's greatest challenges. In 2016, we reached Guatemala.

### *Heroes Fest: the most important entrepreneurship and innovation festival in the country and the second largest in Latin America*

#### **BUSINESS DEVELOPMENT**

From iNNPulsa we articulated our initiatives with the other entities of the National System of Competitiveness, Science, Technology and Innovation (SNCCTI, *for the acronym in Spanish*), ensuring consistency between the needs identified in the ecosystems of entrepreneurship and regional innovation and the guidelines of public policy in this matter.

For this, during 2015 and 2016 the following actions were carried out:

- We launched the 2015 Virtual Agenda, which informs on events conducted by different actors of the Entrepreneurship and Innovation Ecosystem.
- We also launched the book "*Emprendedores en Crecimiento*" during the Event of the National Entrepreneurship Network, organized by the Ministry of Commerce, Industry and Tourism.
- We participated in the preparation of the Technical Proposal for the Implementation of the Inter-administrative Cooperation Agreement to Support the Formulation and Structuring of Science, Technology and Innovation and Business Development Projects, within the framework of the General Royalty System.
- In coordination with the National Planning Department, we launched the Innovation Vouchers Project, which seeks to provide the regions with a useful tool, capable of increasing the levels of support of territorial entities to companies.

We concluded a special cooperation agreement with the National Business Association of Colombia (ANDI, *for the acronym in Spanish*) to carry out the diagnosis, the identification of opportunities and the design of a roadmap and technological map in order to facilitate the closing of innovation and technology gaps in the sectors of chemicals and life sciences, metalworking, industries 4.0 and fashion system.

In partnership with the Ministry of Commerce, Industry and Tourism and the National Planning Department, we sponsored the participation of representatives of the province of Chocó, in the Tenth Innovation and Business Round organized by Tecnnova, which is considered an ideal scenario to connect the supply and demand of knowledge, in order to strengthen the STI (Science, Technology and Innovation) ecosystem and create a University-Enterprise-State action hub.

## 4 BANCÓLDEX: A MODEL IN GOVERNMENT AND TRANSPARENCY

### 4.1 CORPORATE GOVERNANCE

At Bancóldex we adopted the premise that “Corporate Governance, Transparency and Accountability are more than compliance exercises; they are essential ingredients of good management and a requirement for the good health of organizations”<sup>5</sup>. This is reflected not only in the decision-making structure within the Bank, but also in the interest of training entrepreneurs in good corporate governance practices, and in actively participating in different national and international forums to promote them.

**G4-34** The highest governing body of Bancóldex is the General Assembly of Shareholders, which delegates the definition of the Bank’s strategy to the Board of Directors; and to the Top Management the ordinary business, that is, the day to day activities in the achievement of our goals and operations.

In accordance with number 3 of article 281 of the Financial System Law, the organization of the Board of Directors of the Bank is legal and therefore designates the principal and alternate members:

<i>BOARD OF DIRECTORS MEMBERS</i>	
<b>PRINCIPAL</b>	<b>ALTERNATE</b>
<b>Cecilia Álvarez – Correa Glen</b> Minister of Commerce, Industry and Tourism	<b>Daniel Arango Ángel</b> Deputy Minister of Business Development
<b>Mauricio Cárdenas Santamaría</b> Minister of Finance and Public Credit	<b>María Inés Agudelo</b>
<b>Augusto López Valencia</b> Representative of the President of the Republic	<b>Vacant</b>
<b>Carlos Eduardo Quintero</b> Board Member	<b>Vacant</b>
<b>Guillermo Valencia Jaramillo</b> General Manager Industrias e Inversiones Cid	<b>Luis Gustavo Flórez Enciso</b> Executive President ACICAM

<sup>5</sup> CAF - DEVELOPMENT BANK OF LATIN AMERICA, Corporate Governance in Latin America. Importance for State Owned Enterprises. Public Policies and Productive Transformation Series No. 6/2012



**G4-56** We have had a Code of Good Governance since 2001 that contains the policies and procedures of Corporate Governance aimed at the protection of our shareholders and investors and the general public.

During 2015, the International Finance Corporation (IFC) evaluated our corporate governance practices and policies; and in 2016, the Implementation Plan suggested by this corporation was presented to the Bank's Board of Directors and some measures were selected to begin implementation. These were worked on throughout the year, with the result that on December 31, 2016, 24 recommendations were approved by the Board of Directors that were identified as priorities. The remaining 21 recommendations are part of the implementation plan in 2017.

More information regarding the corporate governance of Bancóldex was communicated to our stakeholders, and the market in general, through the Annual Corporate Governance Report published on the Bank website, on the link of information of interest to shareholders and investors.

**G4-34** Bancóldex has an organizational structure based on Committees, to meet the needs of business growth and operation:

The Committees of support to the Board of Directors are the following:

- Audit Committee
- Risk Management Committee
- Corporate Governance, Nominations and Remuneration Committee

The main executive committees are the following:

- Asset and Liability Management Committee
- External Credit Committee
- Internal Credit Committee
- Portfolio Qualification Committee
- Internal Committees for Administrative Development, Information Security and Operational Risk

## 4.2 WE PREVENT POSSIBLE CONFLICTS OF INTEREST

**G4-DMA Fight Against Corruption** In Bancóldex we prevent conflicts of interest, under the understanding that these occur when the following situations appear:

- 1) There are competing interests between an administrator, or any employee of the company, and the interests of Bancóldex, which may lead the former to make decisions or execute acts that are for the person's own benefit, or that of third parties, to the detriment of the interests of the company, or

2) When there is any circumstance that may reduce the independence, equity or objectivity of the performance of an administrator or of any employee of Bancóldex, and this may be to the detriment of the interests of the company.

#### **G4-56 Conflict of Interest Policy**

The members of the Board of Directors, the President, the Vice Presidents, Managers, Directors and, in general, all other employees of Bancóldex, must disclose any conflict of personal interest against Bancóldex interests, when dealing with clients, suppliers, contractors and any person who conducts or intends to carry out business with the company or with companies in which the latter has an interest or interest, directly or indirectly.

The members of the Board of Directors, Senior Management, and all employees of Bancóldex, must refrain from:

- 1) Participating in activities, businesses or operations contrary to the law, the interests of the company or that may harm the fulfillment of their duties and responsibilities or affect the good name of Bancóldex.
- 2) Carrying out any business or operations based on feelings of friendship or enmity.
- 3) Abusing the status as a manager, employee, official or employee of Bancóldex to obtain benefits, for the person or for third parties, related to the products or services provided by the company, or to obtain personal benefits from suppliers, contractors, customers or users.
- 4) Granting to the majority shareholders any type of economic preference that is outside the parameters and guidelines established by the company for the different businesses that it performs.
- 5) Carrying out any transaction that gives rise to a conflict of interest due to the privileged information to which they have access in the exercise of their functions.
- 6) Giving, offering or accepting (regarding company directors, employees, officers and associates), directly or indirectly, gifts, favors, donations, invitations, trips or payments from any person with whom the company directly or indirectly makes business, or that is interested in carrying them out, and that may reduce independence, equity or objectivity to their actions.

The members of the Board of Directors, the President, the Vice Presidents, the Managers, the Directors and, in general, all the other employees of Bancóldex must reveal any conflict between their personal interests and the interests of Bancóldex, when dealing with clients, suppliers, contractors and any person who performs or intends to conduct business with the company or with companies in which it has an interest or interest, directly or indirectly.

#### ***How do we manage conflicts of interest?***

To solve conflict of interest situations, we follow this procedure:

1) In the event that the conflict of interest concerns an employee of the company, different from the managers thereof, the person must inform it in writing to the superior and the superior will forward it to the Vice President of Human Talent to decide on the situation. And if the Vice President considers that the conflict of interest exists, there will be coordination with the hierarchical superior to designate the replacement of the person.

2) In case the conflict of interest concerns a Bancóldex administrator, the provisions of number 7 of article 23, Law 222 of 1995<sup>6</sup> or any rule that replaces, adds or modifies it must be complied with.

3) The members of the Board of Directors must inform the corporate body of the situation of conflict of interest. Doubts regarding the characteristics of acts that involve conflicts of interest do not exempt the member of the Board of Directors from the obligation to abstain from participating in the respective activities.

### 4.3 TIMELY AND EARLY FRAUD AND CORRUPTION RISK MANAGEMENT

**G4-DMA Fight Against Corruption** The main objective of our Operational Risk Management System is to reduce losses due to operational failures or the occurrence of events related to operational, fraud and corruption risk.

We manage, in a timely and early manner, scenarios that could expose us to events of operational, fraud and corruption risk: we identify, measure, control and monitor operational, fraud and corruption risks to which we are exposed.

Likewise, in addition to the regular communication channels through the immediate superiors, the personnel assigned to the Human Talent Department and the report of operational risk events with their respective management, we have an anonymous reporting mechanism for possible fraud events through our [www.bancoldex.com](http://www.bancoldex.com) website. Reports are received by an Evaluating Committee in charge of assigning the treatment that should be given to each report, in accordance with what is established in our Fraud and Corruption Risk Prevention Program, which is also published on our website, aligned with the Bank's Operational Risk Management System.

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<sup>6</sup> “[...] In the performance of their duties, administrators must: [...] 7. Refrain from participating on their own behalf or through interposed persons in the personal interest of third parties, in activities that imply competition with the company or in acts in respect of which there is a conflict of interest, unless expressly authorized by the shareholders’ meeting or general shareholders’ meeting.

In these cases, the administrator will provide the relevant body with all the information that is relevant for decision making. The vote of the administrator should be excluded from the respective determination, if the administrator is a member. In any case, the authorization of the shareholders’ meeting or general shareholders’ meeting may only be granted when the act does not harm the interests of the company. [...]”

*The Bancóldex ethical channel is our secure channel to receive information on irregular matters*

This online anonymous complaint mechanism, called “Bancóldex Ethical Channel” is the means for officials, citizens and interested parties to have a channel to receive the concerns and complaints under appropriate conditions of availability, confidentiality and anonymity. This means of communication is the appropriate channel to receive inquiries about potential irregularities or questionable issues regarding the treatment of clients and third parties, questions related to financial information, with the performance of audits, or with external pressures with respect to which the action to follow is not, or has not been, clear.

The mechanism on our website has the appropriate protocols to ensure adequate assistance, protection and follow-up of the complainant against potential reprisals.

On the other hand, the evolution of the performance of the indicators regarding the management of the materialized operational risks has been positive, significant and of continuous improvement and is supported in the timeliness of the materialized operational risk management and in the improvement of the times of service and response.

**G4-SO3** Operational risk management has been carried out 100%, both in serving events and reviewing and updating risk maps.

In light of the implementation of the new strategy, the challenge of the Operational Risk Management System is to timely accompany the changes in processes and new products, all framed in the prevention of operational, fraud and corruption risks and strengthening of the culture of prevention of operational, fraud and corruption risk, as well as the strengthening of control framed in a Corporate Risk Management model (CRM) for the Bank.

**G4-SO4** In terms of training on policies and procedures to prevent acts of corruption, the number of employees informed, according to the classification of positions and venues, were:

<i>Description</i>		<i>2015</i>	<i>2016</i>
<b>Number of employees informed according to professional category</b>		<b>426</b>	<b>435</b>
<b>Senior Management (President and Vice Presidents)</b>		<b>7</b>	<b>8</b>
<b>Managers, Directors and Chiefs</b>		<b>41</b>	<b>54</b>
<b>Coordinators and Executives</b>		<b>142</b>	<b>137</b>
<b>Professionals and Analysts</b>		<b>152</b>	<b>154</b>
<b>Other Positions</b>		<b>84</b>	<b>82</b>

<i>Description</i>		<i>2015</i>	<i>2016</i>
<b>Number of employees informed according to location</b>		<b>426</b>	<b>435</b>
<b>Main Bogotá</b>		<b>408</b>	<b>416</b>
<b>Medellin Branch</b>		<b>4</b>	<b>4</b>
<b>Barranquilla Branch</b>		<b>5</b>	<b>5</b>
<b>Cali Branch</b>		<b>6</b>	<b>6</b>

<b>Bucaramanga Branch</b>		<b>2</b>	<b>3</b>
<b>Pereira Branch</b>		<b>1</b>	<b>1</b>

We also carry out training activities on the prevention of acts of corruption with some of our suppliers in the city of Bogotá, as follows:

<i>Description</i>		<i>2015</i>	<i>2016</i>
<b>Suppliers</b>		<b>29</b>	<b>47</b>

**G4-SO5, G4-SO8** During the last 3 years we have not had cases of corruption, fines or non-monetary sanctions for non-compliance with the legislation and regulations.

#### 4.4 TRANSPARENT, COOPERATING AND COMPLIERS OF REGULATIONS

**G4-DMA Fight Against Corruption** In Bancóldex we promote cooperation and transparency to the different criminal scourges that plague the globalized world, monitoring the implementation of the stages and elements of the Money Laundering and Terrorist Financing Risk Management System known as SARLAFT, as well as compliance with the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS), which has allowed us to establish financial and commercial relations, and receive investment either through debt or capital in the different markets of financial resource.

In 2016, our performance was higher than the established goal of seventy-five percent (75%), succeeding, on average, to respond to 90% of the incidents or queries about SARLAFT and FATCA - CRS in a term less than or equal to three (3) business days.

The favorable performance is mainly based on the internal statement to prioritize the reaction to inquiries and warning signals reported by officials, in order to provide a timely response to the clients' operations and to guarantee the development of the Bank's business plans. The optimization and standardization of the process of engaging/updating Bank clients and counterparts also contributed to this performance, where we reviewed and adjusted activities, requirements and people responsible for the process.

#### 4.5 WE PROTECT YOUR INFORMATION

**G4-DMA Customer Privacy** We ensure the efficient and safe management of information. One of our priorities is to create an environment of trust for customers, users and interested parties in the management of information held by the Bank, protecting it from possible inappropriate uses and making it easier for the owners to control their data.

Among our goals are to strengthen the efficient management of risks and controls during the life cycle of data from capture, use, storage to destruction; and keep the information available, facilitating the continuity of the processes and operations.

We have achieved this:

- Implementing methodologies to classify information and manage it as required
- Identifying the information of clients and users to protect it during the transportation of the same, via data encryption
- Maintaining contact channels with clients and users to facilitate fast and efficient interaction for the management of their information
- Appropriating a control scheme for access to information by officials in accordance with roles and responsibilities
- Continuously improving information backup strategies to achieve the minimum possible impact in case of possible losses.

**G4-PR8** We have not had events related to complaints about privacy violation or leakage of data in 2015 and 2016 coming from customers or users of the Bank, external parties or regulatory bodies.

We hope to continue contributing elements that translate into confidentiality, transactional security and education in good use of the products and services we offer.

## 4.6 MANAGEMENT OF OTHER RISKS

The financial activity by definition is a business based on risk management to generate value; therefore, it is inherent to the Bancóldex business. Through proper risk management, a better allocation of resources can be guaranteed in the different business fronts, in order to reduce the probability of loss and maximize the impact with a return adjusted to the nature of the entity and the interests of the companies, shareholders and other interested parties

Regarding Risk Management Systems in accordance with best practices and what is established by the regulations applicable to it, Bancóldex has a Comprehensive Risk Management System (SAR, *for the acronym in Spanish*), which in turn is made up of other sub-systems depending on the type of risks. In Bancóldex, we mainly have:

Credit Risk Management System (SARC, *for the acronym in Spanish*)

Liquidity Risk Management System (SARL, *for the acronym in Spanish*)

Market Risk Management System (SARM, *for the acronym in Spanish*)

Information Security Management System and Business Continuity (SGSI, *for the acronym in Spanish*)

Money Laundering and Terrorism Financing Risk Management System (SARLAFT, *for the acronym in Spanish*)

Operational Risk Management System (SARO, *for the acronym in Spanish*)

Each sub-system defines the governing bodies in risk management, policies, limits, attributions and responsibilities, as the case may be. For its part, there is a Vice Presidency of Risk responsible for comprehensive risk management with specialized areas for this purpose. Equipment, methodologies and processes are also available for the identification, measurement, control and monitoring of risks. The risk profile of Bancóldex is approved, evaluated and monitored systematically by the Board of Directors.

Additionally, there is a series of policies and regulations that require periodic exposure of the risk management related to all Bank activities and on which the governing bodies must decide. The aforementioned is additional to its own evaluation of the internal and external audits and control entities. Likewise, there is a wide variety of internal and public reports related to the Bank's disclosure of risk.

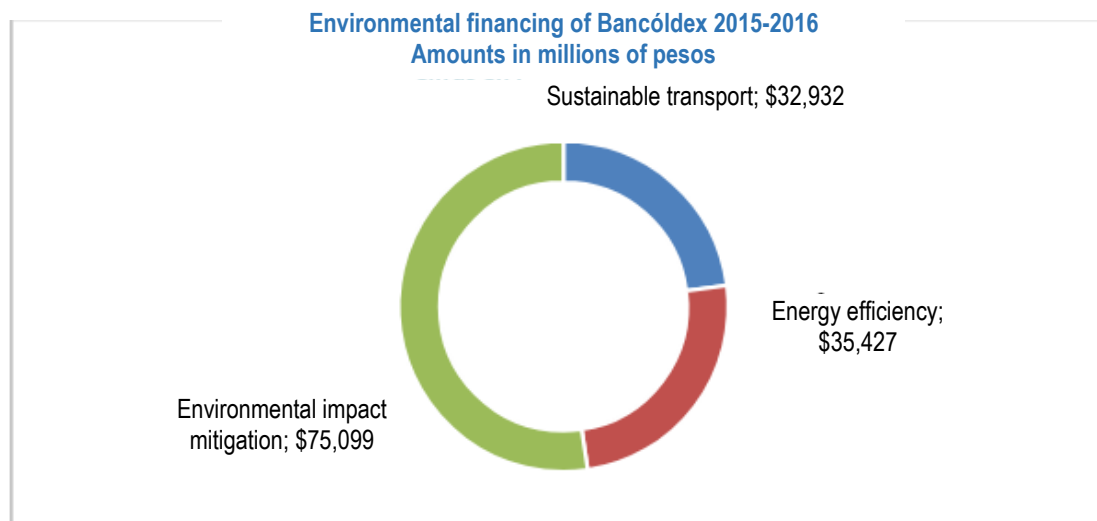
## 5 A BANK CLOSER TO THE COMMUNITY

### 5.1 WE PROMOTE GREEN PROJECTS

**G4-DMA Product Portfolio, FS8** We promote business investments for **Green Projects** that create specific solutions for environmental challenges of the Colombian economy, through credit lines to improve the environmental impact and energy efficiency: **\$143.4 billion pesos financed to 158 companies.**

*\$143.4 billion pesos to promote Green Projects*

<i>FINANCING OF PROJECTS TO MITIGATE THE ENVIRONMENTAL IMPACT</i>	
<b>Sustainable Transport</b>	<b>\$32,932</b>
<b>Energy Efficiency</b>	<b>\$35,427</b>
<b>Environmental Impact Mitigation</b>	<b>\$75,099</b>



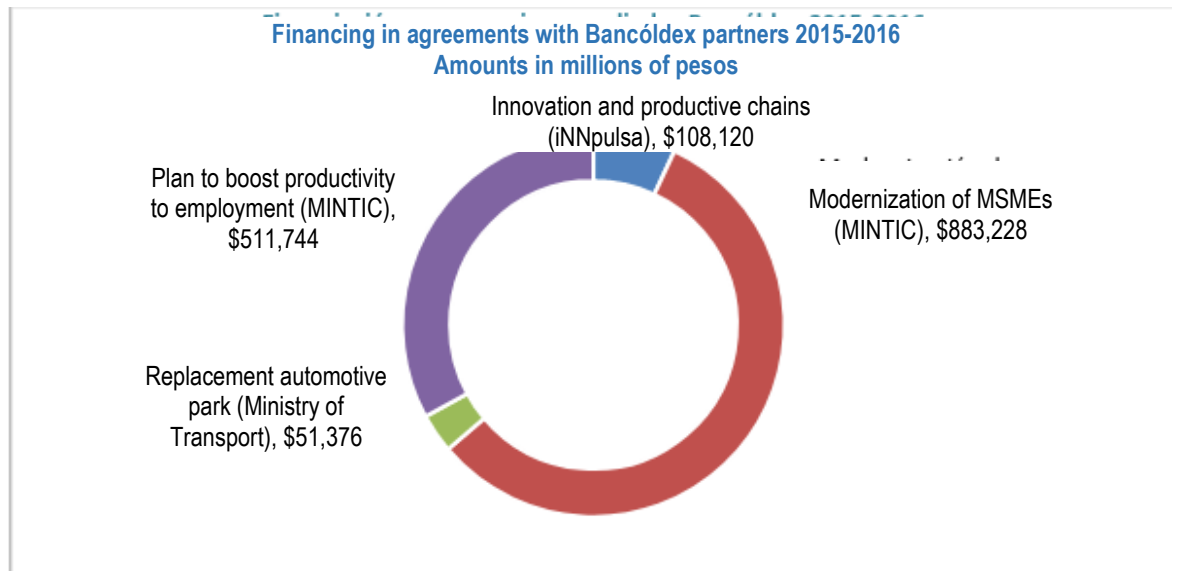
## 5.2 MODERNIZATION AND COMPETITIVE IMPROVEMENT FOR THE BUSINESS GROWTH OF THE COUNTRY

We generate preferential conditions for the business growth of the country, in partnership with the Ministry of Commerce, Industry and Tourism, the Productive Transformation Program, iNNpulsa Colombia, the Ministry of Transportation and the Clean Technology Fund of the Inter-American Development Bank, according to which we financed **\$1.61 trillion pesos to 29,866 companies**.

*1.61 trillion pesos to modernize and make our country more competitive*

<i>FINANCING IN PARTNER AGREEMENTS</i>	
<b>Innovation and productive chains (iNNpulsa)</b>	<b>\$108,120</b>
<b>Modernization of MSMEs (MINISTRY OF ICT)</b>	<b>\$883,228</b>
<b>Replacement of the motor park (Min. Transport)</b>	<b>\$51,376</b>
<b>Plan to boost productivity to employment (MINISTRY OF ICT)</b>	<b>\$511,744</b>



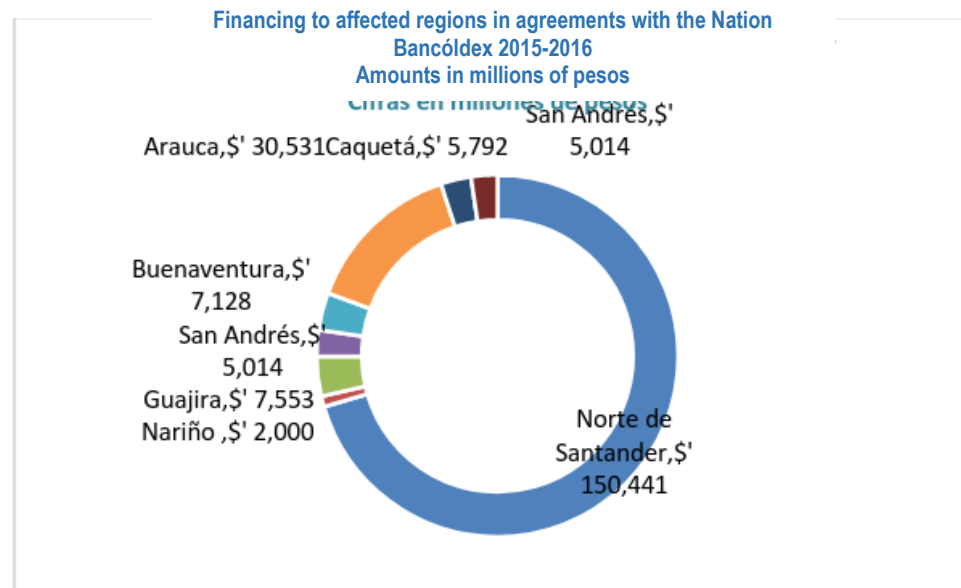


### 5.3 WE SUPPORT THE BUSINESS SECTOR IN ADVERSE CIRCUMSTANCES

**G4-DMA Local Communities, FS13** With the objective of helping the economic recovery of the business sector of the different Colombian regions affected by crises, natural disasters and other factors, we generated lines of credit with preferential conditions in partnership with the Nation with **\$208.4 billion pesos financed to 20,164 companies** in the target regions.

*\$208.4 billion pesos to help affected regions*

<i>FINANCING REGIONS AFFECTED IN AGREEMENTS WITH THE NATION</i>	
<b>Norte de Santander</b>	<b>\$150,441</b>
<b>Nariño</b>	<b>\$2,000</b>
<b>Guajira</b>	<b>\$7,553</b>
<b>San Andrés</b>	<b>\$5,014</b>
<b>Buenaventura</b>	<b>\$7,128</b>
<b>Arauca</b>	<b>\$30,531</b>
<b>Caquetá</b>	<b>\$5,792</b>
<b>San Andrés</b>	<b>\$5,014</b>



## 5.4 TO EXPORT MORE AND BETTER WE GO BEYOND CREDITS

### Plan to Boost Prosperity and Employment (PIPE, for the acronym in Spanish)

**G4-DMA Indirect Economic Consequences, G4-EC8** As it has been referenced in the non-financial products section, the Export Excellence Enterprises Program - 3E, which is part of the strategy of the Ministry of Commerce, Industry and Tourism to support the “Plan to boost productivity to employment” (PIPE 2.0., for the acronym in Spanish) specifically for the non-mining energy export business sector, helps companies enhance their international business models, in order to achieve higher levels of productivity, efficiency, use of free trade agreements and participation in global value chains.

## 5.5 SPECIAL CREDIT LINE FOR COMPANIES OF PERSONS WITH DISABILITIES

**G4-DMA Local Communities, FS14** The Bank, in accordance with the obligation established in number 5<sup>7</sup> of article 13, Law 1618 of 2013, included in its service portfolio a permanent line of credit called “Line of Credit for Companies of Persons with Disabilities”. This line is ready to meet the financing needs of companies of any size and of any economic sector, of natural persons with disabilities, and/or

<sup>7</sup> Article 13. Right to work. All persons with disabilities have the right to work. To guarantee the effective exercise of the right to work of persons with disabilities, in terms of equality of opportunity, equity and inclusion, in accordance with article 27, Law 1346 of 2009, the Ministry of Labor or whoever has this function and other competent entities will establish, among others, the following measures: (...) 5. The Banco de Comercio Exterior de Colombia, Bancóldex will create soft loans for economic undertakings or companies where 20% of holders are persons with disabilities.

of legal persons where persons with disabilities have an ownership in the social capital equal to or greater than twenty percent (20%).

**Benefits of the credit line:**

- The maximum amount per company is up to five hundred million pesos (\$500 million)
- It has a term of up to 5 years and a grace period of up to 1 year
- Rediscount rate will be lower by 0.50% E.A to that published in the modernization line of credit for each term
- The interest rate for the entrepreneur is freely negotiable

## 5.6 SPECIAL LINES FOR COMPREHENSIVE CARE TO THE VICTIM POPULATION

### *Special line and credit quota for projects of population victim of the armed conflict*

**G4-DMA Local Communities, FS13** The Bank, in compliance with the provisions of number 3 of article 19, Law 387 of 1997, created **the special rediscount credit line to finance the productive projects of the displaced or vulnerable population affected by the violence**, under which activities of industrial and artisanal transformation, commerce and services are financed.

This credit program was implemented through External Circular No. 10 of 2003 issued by Bancóldex, which states the conditions and terms that must be met to access the financing, as well as the participation scheme of the Department for Social Prosperity and the Fondo Nacional de Garantías S.A.

Additionally, regarding the obligations established in Law 1448 of 2011, Bancóldex included, within its portfolio of services, a line to meet the needs of victims of the armed conflict, as established in article 129 of the aforementioned Law. It is the **Special Credit Quota for Companies of Victims of the Internal Armed Conflict**.<sup>8</sup>

During 2015 and 2016 disbursements were made with this line of credit for \$2,658,249,600 and \$1,755,479,740, respectively.

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<sup>8</sup> In accordance with the provisions of article 2, Decree 3741 of 2003, incorporated in Decree 2555 of 2010 and its amendments, the rediscount rate differential for this purpose must be made with the available resources, delivered by the Unit for Comprehensive Care and Reparation of Victims. For this purpose, on May 31, 2017, Bancóldex issued External Circular No. 011 of 2017, which contains the conditions for access to credit for the population victim of the armed conflict referred to in Article 3, Law 1448 of 2011.

## 5.7 WE PROMOTE BUSINESS FINANCIAL EDUCATION

**G4-DMA Information on Products and Services, FS16** Financial education allows individuals to achieve a better quality of life, based on the knowledge, skills and confidence to effectively manage their finances, take advantage of investment opportunities, better cope with risks and understand the growing variety of financial products and services (CIEFF<sup>9</sup>, 2017).

In Bancóldex we understand the need to generate schemes that promote financial education, which is covered in an important measure by the Colombian financial system especially in terms of personal finance, and likewise there is a great ignorance on the thematic line of finance business. For this reason, we have designed and executed a business financial education strategy since 2012 **“Creation of management skills using ICT”** which mainly covers micro and small businesses, extending to all sizes of companies, sectors of the economy and regions of the country, thanks to the punctual and practical content.

*We promote financial education through virtual tools and activities, benefiting more than 4,400 entrepreneurs in more than 200 municipalities nationwide, as well as abroad*

In Bancóldex we have designed a dissemination strategy that involves and engages Chambers of Commerce, unions, associations and governmental entities among others. This strategy seeks, in the first instance, to prepare the actors regarding the importance of financial education in companies, to then turn them into multipliers of the different activities and means of business intervention.

Within the implementation of this strategy we have used different tools such as:

- “Business development, the series” - 10 business financial education videos
- Real-time videoconferences with easy-to-use practical tips to start financial processes:
- “Cash flows in financial projects”
- “Market studies”
- “Foreign exchange regimes in international business”

Courses for care of the basic finances of the company in topics such as:

- Understanding of financial statements
- Learning to pay in different industries
- The pricing process

We supplement our offer in financial education, with the development of audiovisual and enhancing material such as financial and foreign trade booklets that serve as bibliography and support of the

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<sup>9</sup> CIEFF – Intersectoral Commission for Economic and Financial Education

aforementioned. This material is available both in physical books and on our [www.bancoldex.com](http://www.bancoldex.com) website.

Our aim is for the scheme, which creates managerial skills using ICTs, to evolve to be a center of business knowledge, and for it to be the first alternative on entrepreneurs' mind when they have doubts about how to structure and organize their companies' finances. This scheme should facilitate access to new tools, courses and valuable information to entrepreneurs and OFCES<sup>10</sup> throughout the country.

Through the different service channels, we offered financial education in 2015 and 2016 to 51,974 and 109,082 consumers, respectively, including management consulting and business training. These figures show a growth of more than 100% from one year to the next.

**G4-16** We participated in the **Asobancaria Committee of Financial Education and Consumer Protection** both years, where these agendas were developed: Financial education, financial security programs, measurement of customer service satisfaction and cost report that financial institutions must present, among others.

## 5.8 EXPERIENCE OF SERVICE OF OUR CLIENTS

**G4-DMA Information about Products and Services** We are committed to improving the service experience to our customers every day, regarding the service channels, the process, the commercial strategy and the product. The most consulted topics are: our financial, non-financial products and the way to access the bank resources, for which we measure their effectiveness and identify opportunities for improvement and good practices.

We monitor and manage the financial consumer service schemes, creating within the entity a dynamic of care, respect and service through appropriate channels and a suitable human team with clear customer orientation.

We provide the Bank and financial consumers with a channel that delivers user experience, obtaining information and advice with sufficiency, clarity and timeliness regarding the Bank products and services and mechanisms to report complaints, claims and/or suggestions.

We provide continuous training to the team of business advisors from the different service channels and measure the experience of the Bank's consumers permanently. With the participation of an external provider we learn, from another perspective, the satisfaction levels of clients, users and different interest groups served in the bank.

The interest groups that rated the experience of service with the Bank were:

- Business
- Financial intermediaries

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<sup>10</sup> Organizations that Promote Business Growth

- Associations, partners and Chambers of Commerce

2015 and 2016 showed variations, as shown below:

**G4-PR5 Business**

Business Results					
Year	Satisfaction	Promotion	Permanence	Effort	Preference
2.015	9,50	9,00	9,30	2,0	9,0
2.016	9,18	8,79	9,26	2,6	8,8

*There is a high level of satisfaction with Bancóldex service. However, the entrepreneurs who did not succeed in obtaining credit with the entity show lower levels of satisfaction with the bank's performance.*

During 2015 and 2016 we maintained a very high indicator of entrepreneur satisfaction with the Bank and the services and products offered.

The promotion indicator identifies the levels of entrepreneur loyalty with the Bank and entrepreneur level of recommendation.

The permanency indicator indicates that entrepreneurs are willing to continue using the current service portfolio as a result of their experiences.

The effort indicator indicates the facility for entrepreneurs to access the Bank's products and services.

The preference indicator indicates the degree of certainty with which the client chose the portfolio of the Bank's services.

**G4-PR5 Financial intermediaries**

Results Financial Intermediaries					
Year	Satisfaction	Promotion	Permanence	Effort	Preference
2.015	8,60	8,20	9,70	3,0	9,0
2.016	8,65	9,49	9,33	3,0	9,0

*There is a favorable perception in terms of compliance, clarity in the process and friendliness of the staff, ease of access to their loans and competitive interest rates.*

**G4-PR5 Partners, Associations and Chambers of Commerce**

Partner results					
Year	Satisfaction	Promotion	Permanence	Effort	Preference
2.015	9,70	9,40	9,90	1,0	9,0
2.016	8,55	9,55	9,55	2,5	8,4

*The quality-price perception of the bank against other entities is favorable*

**Financial Consumer Service System (SAC)**

**G4-DMA Information on Products and Services** The scope of the Financial Consumer Service System (SAC, for the acronym in Spanish) is at the level of the entire organization and it seeks due attention and protection to the consumer, through various channels and a suitable human team with clear orientation to the customer, a culture of care, respect and service to financial consumers.

The principles that govern the SAC are:

- ✓ Due Diligence
- ✓ Freedom of choice
- ✓ Transparency and certain, sufficient and timely information
- ✓ Responsibility of the entities supervised in the processing of complaints
- ✓ Adequate management of conflicts of interest
- ✓ Education for the financial consumer

In 2016, we served the following interest group:

- ✓ Entrepreneurs: 35,319 (74%)
- ✓ Financial intermediaries: 9,100 (19%)
- ✓ Associations and support entities: 987 (2%)
- ✓ Suppliers: 903 (2%)
- ✓ Victims of the armed conflict: 765 (1.5%)
- ✓ People with business ideas: 373 (1%)
- ✓ Students: 334 (1%)
- ✓ Shareholders: 35

*The number of companies served with SAC increased 29.6% in 2016*

**Entrepreneurs served in 2015 and 2016**

<i>TYPE OF SERVICE</i>	<i>2015</i>	<i>2016</i>
Total companies served	87,801	113,824
Personalized service to entrepreneurs	7,811	19,706
Contacts served in massive activities by the Bank's commercial force	15,854	3,971
Calls served by the customer service and customer service line	14,949	14,238
Percentage of entrepreneurs served by the customer service and customer service line	45%	73%

As another service channel for our customers, the website presented a 99.99% availability.

*We respond to the concerns of our Bogotá customers on line 742-0281 and the rest of the country on line 018000 180710.*

## 6 A BANK RESPONSIBLE WITH ITS WORKERS

### 6.1 WE MOVE TOWARDS TRANSFORMATION

*Our organizational culture is based on the ability for adapting, collaboration, integrity, ethics, communication, transparency, effective self-management and shared responsibility*

In 2015, and as a fundamental step in the process of Bancóldex evolution, we identified the need to implement a plan to activate the mobilization of all employees around transformation.

This plan, one of the 10 strategic projects of the organization, focused on promoting the participation of all, empowering them and giving them knowledge and tools to build a collective leadership capable of leveraging the progress of the new corporate strategy. The implementation of the new corporate strategy means, for the organization and employees, identifying and assuming new challenges that affect some already consolidated forms of work, as well as the interaction dynamics among our employees, clients and third parties.

In light of the Bank's transformation, we work to connect the organization and our stakeholders with the purpose of business growth through experiences and learning that activate ambitious and audacious values, principles and behaviors that allow us to:

- Unleash a growth mentality in entrepreneurs in Colombia based on ambition, making visible what is possible in the Colombian business context



- Mobilize more entrepreneurs from all regions, all sizes and all sectors of the country, in the direction of growth
- Connect practical knowledge and value networks to capitalize growth opportunities
- Secure a community of interest for entrepreneurs, where experiences and learnings are shared in order to grow
- Design and implement activities to mobilize our associates around the transformation of the organization

## 6.2 WE BUILD COLLECTIVE LEADERSHIP

**G4-DMA Organizational Culture** At Bancóldex, we understood that in order to move towards an organizational culture increasingly aligned with our new corporate strategy, it was necessary to begin mobilizing our human talent, based on adaptive leadership.

This process began by analyzing the patterns of mentality, behaviors and cultural references present within the organization to build a diagnosis in the face of organizational challenges and existing gaps related to the evolution of the bank.

Subsequently, and as a fundamental pillar, progress was made in the construction of skills and capacities around a transformative collective leadership with all the associates of the organization, through workshops and work sessions between areas. This work was conceived under Professor Ronald Heifetz's principles of adaptive leadership, and we had his accompaniment and participation.

From the observation and diagnosis made at the end of 2015, we coordinated the following activities with our associates:

- 7 adaptive leadership workshops with all the organization employees
- Formation of a group of associates from different areas of the organization—the 33—who would be able to act, connected to each other and to all the areas within the Bank, with the purpose of strengthening the collective leadership in the organization
- Creation of 12 collective dialogue spaces, called Conversations to Grow, that contributed to building a more fluid and direct communication between the Presidency of Bancóldex and all the people of the organization
- Definition of a route to reinforce the appropriation of the strategy that involved the following steps:
  - Create to grow: a collective work session with all Bank employees in order to deepen knowledge and ownership of the new strategy.
  - Workshop with the management team to identify and decide the collective priorities around the implementation of the strategy in 2016
  - Strengthen leadership skills in the management team, directors, managers and coordinators

- Café Bancóldex: 18 spaces of knowledge and conversation, with all the people of the organization, on topics that contribute to reinforce the purpose of the organization
- Service design week: 33 officials participated in a workshop focused on generating knowledge and skills in the design of user-centered services

## 6.3 EIGHT VALUES TO GROW

**G4-56** Based on what was observed during the activities realized, we finalized 2016 with the definition of the culture that the organization requires, in line with its new corporate strategy. So, we agreed to focus our efforts around eight values capable of driving forward the corporate strategy and leading the organization to become more intelligent, adaptive, resilient, oriented to growth and evolve over time. The 8 values are: **teamwork, openness to change, integrity, responsibility, passion to serve, promotion of diversity, excellence and meritocracy.**

## 6.4 INNOVATION, PART OF OUR IDENTITY

**G4-DMA Innovation (non GRI-G4 aspect)** The management of innovation is part of our corporate identity.

We developed the “1<sup>st</sup> Bancóldex Innovation Tournament” with the participation of 39 people and 9 teams, which were trained in innovation issues. 33 innovative ideas were generated and eight challenges were structured, of which three challenges were rewarded to be implemented in 2016.

On the other hand, we participated in the Industry Innovation Tournament organized by the Ministry of Commerce, Industry and Tourism, where we were selected as finalists for the ExcelGEL Award 2015 ICT Category for Management, with the initiative “SPEED IN MICROFINANCE INSTITUTION DISBURSEMENT”, which consisted of the transformation of the disbursement process to microfinance institutions, re-designing it, making the disbursements reduce from eight days to three hours and obtaining a 60% growth in our operations (40,367) and an increase in the disbursements for a value of \$120.6 billion pesos.

In 2016, we prioritized other aspects for innovation management:

1. Training in innovation
2. Development and implementation of new products and services
3. Implementation of winning ideas from the 2015 Innovation Tournament
4. Active support in holding the Sectorial Fair of Innovation and other activities of the Ministry of ICT.

We managed the implementation of the “Comprehensive Offer of Ministry of ICT Services” project in order to create an application that would allow entrepreneurs to access a comprehensive offer of services and products from the commerce, industry and tourism sectors. This idea, created by Team

No. 28, called “*Pa’que nos invitan pues!?*”, took third place in the innovation tournament of the ICT sector and the first place in the Bancóldex 2015 innovation tournament.

On the other hand, we supported the Ministry of ICT in the planning and definition of the Sectorial Fair “Picnovation 2016” held on December 7, which included the participation of the Ministry of ICT, the 11 affiliated entities and more than 100 officials and assistants, among whom were colleagues of the sector, sponsors and leaders of innovation, marketing and communications.

It is important to highlight that Bancóldex also actively supported the Ministry of ICT, achieving:

- Three entities in the sector having an Innovation Management Model implemented
- Nine entities having a defined innovation process

Finally, Bancóldex was a finalist in the Indigo 2016 <sup>11</sup> awards in the category “Innovation in Security and Privacy” with the initiative “Risk, Synonym of Opportunity”, which consisted in the integration of the operational risk management model in synergy with the system of information security management, in such a way that we were able to optimize resources, add greater value, generate consolidated reports, with a single and comprehensive view of the risks of the processes.

## 6.5 PROGRAMS TO STRENGTHEN OUR COMPETENCES

**G4-DMA Training and Education, G4-LA10** At the Bank we have a training plan that works with the following program:

1. Cross-cutting programs: These are trainings that are designed for an interdisciplinary group of officials, and that seek to obtain new knowledge or to strengthen a skill necessary for the development of their functions, such as English.
2. Regulatory and technical programs: These trainings seek for our employees to acquire or update technical and/or regulatory knowledge, such as self-regulatory certifications for people working in the treasury or updates on topics of SARLAFT, SARO, SAC, among others.
3. Training programs on individual management skills: These are trainings focused on developing specific skills for officials to achieve their mission, objectives and better performance of functions.
4. Long-term training programs: These are trainings that arise from officials’ initiative to acquire specific knowledge (undergraduate, graduate, master’s degree), which will allow them to offer the Bank more specialized advice.

**G4-LA9** Our averages of annual training hours, which include the first 3 programs mentioned, were:

	2015	2016
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<sup>11</sup> Awards organized by the Ministry of ICT nationwide

Average training hours per employee	17.55	6.84
Average training hours for male associate	19.76	8.18
Average training hours for female associate	16.14	5.93
Average training hours by job category	Senior Management 80.71 Middle Management 18.45 Professional Group 20.75 Aide 0.58	Senior Management 58.61 Middle Management 10.15 Professional Group 5.37 Aide 0.36

**G4-LA10** Additionally, the long-term training program allows developing undergraduate, graduate and master's degrees for employees, which has a sponsorship component and another financing component in the interest of the associate. The programs developed in these years were the following:

FORMAL STUDIES	2015		2016	
	WOMEN	MEN	WOMEN	MEN
UNDERGRADUATE	3	2	3	2
GRADUATE	3			1
MASTER'S DEGREE	3	6	3	
TOTAL	9	8	6	3

## 6.6 OUR PEOPLE

**G4-DMA Employment, G4-10, G4-LA12** The distribution of our team of associates follows a recruitment processes under the principle of equality. This is the team in the period covered by this report:

2015		2016	
404		413	
Men	Women	Men	Women
164	240	169	244

AGE GROUP	2015					2016				
	FEMALE		MALE		Total	FEMALE		MALE		Total
	F.T.	I.T.	F.T.	I.T.		F.T.	I.T.	F.T.	I.T.	
1. Under 30	24	26	8	8	66	20	20	8	8	56
2. 30 - 50	47	110	33	84	274	52	112	35	85	284
3. Over 50	2	31	3	28	64	5	35	3	30	73

<b>Grand Total</b>	<b>73</b>	<b>167</b>	<b>44</b>	<b>120</b>	<b>404</b>	<b>77</b>	<b>167</b>	<b>46</b>	<b>123</b>	<b>413</b>
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F.T. = Fixed term contract
I.T. = Indefinite term contract

**G4-DMA Diversity and equal opportunities** It is important to note that the female population in the Bank constitutes the majority and that the salary allocation corresponds to an organizational rather than a gender rank. This situation continues in managerial positions, where women represent the majority.

The distribution according to the three subdivision categories of our positions for the years covered by this report were:

2015

Age Group	AIDE GROUP		PROFESSIONAL GROUP		STEERING GROUP	
	FEM	MAL	FEM	MAL	FEM	MAL
Under 30	15	3			35	13
30 - 50	19	7	28	26	110	84
Over 50	4	11	8	9	21	11
Grand Total	38	21	36	35	166	108

2016

Age Group	AIDE GROUP		PROFESSIONAL GROUP		STEERING GROUP	
	FEM	MAL	FEM	MAL	FEM	MAL
Under 30	12	3		1	28	12
30 - 50	19	7	35	29	110	84
Over 50	5	11	11	9	24	13
Grand Total	36	21	46	39	162	109

**Aide group:** Assistants and Secretaries

**Professional:** Analyst, Professional and Executive.

**Manager:** Coordinators, Chiefs, Directors, Managers, Vice Presidents, and President

In these classifications, we exclude SENA apprentices and Bank practitioners.

**G4-DMA Equal Remuneration between Men and Women, G4-LA13** In Bancóldex the salary relationship between men and women is defined under a compensation policy that provides internal equity. Within the Bank, there should not be gender inequalities, barriers or gaps in labor matters. With this equity model, we make sure to base ourselves on elementary concepts such as equal pay, equal work and of course without detracting that the possibilities of promotion are not restrictive by gender.

The definition of compensation by labor category (positions) is made following the trends of the labor market for all positions, according to the principle of external competitiveness, without taking into account gender or location of the position.

**G4-LA1 New hires**

Description	2015	2016
Total number of new hires	76	93
Number of men hired	26	42
Number of women hired	50	51
Number of contracts per venue:		
Main - Bogotá	72	92
Barranquilla	4	0
Medellin	0	1
General turnover rate	17.84%	21.38%
Men turnover rate	6.10%	9.66%
Women turnover rate	11.74%	11.72%

**G4-LA2** Bank employees hired for an indefinite or fixed term have the following social benefits and economic benefits:

**Extra-legal bonuses**

- Two extra-legal bonuses (June, December) for non full-compensation workers

**Prepaid Medicine Program**

- The Bank assumes 100% of the value of the contract for employee coverage.
- The Bank supports the official with a percentage of the value of the prepaid medicine contract for the official's family group.

**Insurance**

- 100% of the value of the life insurance premium with coverage of death, total and permanent disability and serious illnesses. It covers the salary 28 times.
- 100% of the value of the funeral insurance premium for the official and family group

**Pension – Vital Retirement Program**

The officials who are about to retire receive full support in the preparation of their new role, contributing to their well-being and quality of life, and of their families. This is done through training, extension of contract of prepaid medicine, and monetary incentives.

The variations with respect to hiring were only in the Bogota, Barranquilla and Medellín offices.

2015				
AGE RANGE	REGION	GENDER		Grand Total
		FEMALE	MALE	
< 30 years old	BOGOTÁ	27	10	37

30 - 50 years old	BARRANQUILLA	2	2	4
	BOGOTÁ	21	12	33
> 50 years old	BOGOTÁ		2	2
<b>Grand Total</b>		<b>50</b>	<b>26</b>	<b>76</b>
<b>2016</b>				
AGES RANK	REGION	GENDER		Grand Total
		FEMALE	MALE	
< 30 years old	BOGOTÁ	29	20	49
	MEDELLÍN	1		1
30 - 50 years old	BOGOTÁ	18	21	39
> 50 years old	BOGOTÁ	3	1	4
<b>Grand Total</b>		<b>51</b>	<b>42</b>	<b>93</b>

#### Accident rates and absenteeism

**G4-DMA Occupational Health and Safety, G4-LA5** The Bank records its accident and occupational disease statistics, in accordance with the Colombian Technical Guide GTC 3701. Our research processes are carried out under the legal regulations of Resolution 1401 of 2007, taking into account the guidelines of the Single Regulatory Decree of the Labor sector 1072 of 2015. The characterization of work accidents is: Fractures, traumatismos, contusiones, wounds and burns at muscle and bone level.

#### G4-LA6

<i>Year</i>	<i>Accident rate</i>	<i>Gender</i>	<i>No. of incapacitating accidents</i>	<i>Lost days</i>
2014	1.41%	Men	3	5
		Women	2	0
2015	1.2%	Men	1	2
		Women	3	142
2016	0.6%	Men	1	0
		Women	1	2

**G4-LA6** In 2014 there were 5 work accidents, with a total of 5 days of disability and an accident rate of 1.41%; in 2015, there were 4 work accidents, with a total of 98 days of disability and an accident rate of 1.2%, while in 2016, there were 2 work accidents, for a total of 1 day of disability and an accident rate of 0.6%.

**G4-LA7** Regarding occupational diseases, we found a characterization by pathologies related to carpal tunnel syndrome and tenosynovitis; for 2014 and 2015, 1 work-related illness was classified per year, with a rate of 0.22% and 0.23% respectively; while for 2016, no labor-related qualifications occurred and the rate was 0%. To date there have been no accidents or occupational illnesses with fatalities.

## 7 ENVIRONMENTAL MANAGEMENT. RESPONSIBLE WITH RESOURCE CONSUMPTION

### 7.1 OUR CORPORATE POLICY FOR ENVIRONMENTAL AND SOCIAL MANAGEMENT

**DMA, Policies for the Design and Sale of Financial Products and Services, Reasonably and Fair, FS15**

At Bancóldex we support the growth of the Colombian business sector by ensuring the protection of the environment and the welfare of society in its present and future activities. For this, we have had a corporate environmental and social management policy since 2014, where we declare that the Bank:

1. Strives for the rational use of natural resources in its operation to cause the least environmental impact (Eco-efficiency)
2. Has a system for environmental and social risk management
3. Designs financial and non-financial products aimed at mitigating and adapting to climate change and generating social benefits

To comply with the policy, Bancóldex must:

1. Incorporate environmental, labor and social variables into the evaluation of credit operations
2. Adopt internal practices that allow the efficient use of resources under the concept of eco-efficiency
3. Generate the capacity within the Bank, from the point of view of human resources and organizational structures, to face the challenges and opportunities in environmental and social matters
4. Create instruments and financial services that allow meeting the needs of the business sector, incorporating the concept of sustainability
5. Promote compliance with environmental legislation on the part of the business sector, including protocols and treaties that Colombia has ratified on environmental matters
6. Promote and encourage the incorporation of the environmental variable in the analysis of credit operations by financial institutions
7. Include the issues related to sustainability management in the strategic planning of Bancóldex
8. Link environmental and social aspects in the communication strategy, both internal and external
9. Connect Bancóldex with national and international initiatives that promote the best sustainability practices in the financial sector and all others related to the matters of this policy
10. Include sustainability criteria in the conservation of the Bancóldex facilities
11. Perform the actions required to comply with the environmental policy



## 7.2 EFFICIENT MANAGEMENT OF RESOURCES

**G4-DMA Energy and Water** Aware that natural resources are finite and that there is an imperative need to reduce the CO<sub>2</sub> emissions from electricity consumption, we ensure the protection of the environment while generating savings in the organization’s operating expenses, through the rational use of resources and concrete actions in our facilities, such as:

Progressively making adaptations to offices incorporating the use of led lights in replacement of halogen lights.

- In 2015, we replaced the air conditioning equipment in the computer center, with air conditioning technology of lower energy consumption, an action that contributed to a saving of 31,000 kw.
- In 2016, we implemented administrative measures to reduce electricity consumption in response to the energy supply due to difficulties in the country during the intense summer season caused by the El Niño Phenomenon, which are still in force at the Bank:
  - Rationalizing the number of active luminaires to allow sufficient illumination of the Bank’s work areas. Areas such as corridors and cafeterias have had an important intervention by turning off the lights during low traffic hours or by inactivating at least 50% of the luminaires.
  - Modifying the work shifts of the team of workers of the cleaning company, Casalimpia. The first, from 5:00 a.m. to 1:00 p.m. and the second, from 10:00 a.m. to 6:00 p.m.
  - Connecting the cell phone chargers only while charging the device. Immediately after, they should be disconnected.
  - Turning off computers, by all officials, once the working day has ended

### G4-EN3, G4-EN6 Internal Energy Consumption

	2014	2015	2016	Variation
Electricity (kw)	764,183	709,998	645,152	9%
Gasoline (gallons)	6,467	5,760	5,249	9%

*In the last year, we recorded important optimization in terms of energy consumption by disbursement, represented by a decrease of 23%*

### G4-EN5 Energy Intensity

	2014	2015	2016
Total electricity consumption/No. of disbursements	4.83 kw/disbursement	5.75 kw/disbursement	4.41 kw/ kw/disbursement

### G4-EN8 Our Water Consumption

In the same way that we rationalize the consumption of energy, we rationalize the use of water. Our bathroom sinks have mechanisms that allow regulating the flow of water and the opening time of the faucets; and the recently installed toilets have a double discharge device, which allows discharges with

half the contents of the tank. Additionally, we invite officials and visitors to make good use of the elements arranged in the bathrooms.

	2014	2015	2016
<b>Liters of water consumed</b>	<b>6,443 m3</b>	<b>4,952 m3</b>	<b>5,618 m3</b>

It is worth mentioning that because of our activity, we do not make direct abstractions and the water that we consume is supplied by the municipal aqueduct companies.

**Waste Management**

**G4-DMA Effluents and Waste, G4-EN23** We contribute to the care of the environment through the orderly collection of waste, so environmentally certified operators carry out the corresponding efforts to transport and for final disposal of waste generated by the normal operation of the Bank. Through the LITO environmental operator, the Bank has managed the disposal of Waste Electrical and Electronic Equipment, WEEE.

With regard to the printer toners, Datecsa S.A., the Bank supplier carries out its final disposition through its own program called Ecosocial.

Weight by Type of Residue	2015	2016	Disposal method	2015	2016
Paper and cardboard (kg)	1,259	78	Reuse		
Containers and packaging (kg)	9.20	13	Recycling	1,259 kg	78 kg
Printer toners and cartridges for recycling (kg)	11.8	28.3	Others	21 kg	41.3 kg
TOTAL	1,280 kg	220.60 kg	TOTAL	1,280 kg	220.60 kg

## 8 SUPPLIERS

Bancóldex considers its suppliers of goods and services an important interest group. Through them, it seeks to supply the requirements of goods and services, efficiently and timely, to meet the normal operation of the Bank. The relationship is based on the principles of equity, quality, economy, transparency and corporate social responsibility. On this last aspect, the Bank emphasizes seeking twin-track practices. On the one hand, through the Business Strengthening Program for Suppliers, the Bank seeks to strengthen its management practices in order to make them more competitive and, on the other hand, the Bank evaluates its initiatives in the selection process regarding relationships with suppliers, associates, the community where they operate and the environment. The Bank not only conceives them from the perspective of supply, but also from a commercial perspective, being Bancóldex the bank that promotes the development of Colombian entrepreneurs.

The procurement of goods and services in the Bank is governed by the Manual of Goods and Services Procurement. It is classified by amounts and depending on these values, the procedural requirements are gradually increased. The evaluation and selection are made under objective criteria with the approval of the corresponding expenditure management instance; depending on the amount, an

instrument is selected to formalize the contract. The supervision of the execution of the contracts is delegated to competent officials, who in turn carry out the reevaluation of the suppliers in order to validate their suitability and compliance, in practice, with the obligations with the Bank. The economic compensation for the provision of goods and services is made in a timely manner under fair commercial criteria.

**G4-DMA** In addition, the Bank performs an administrative evaluation, assessing, in general, the environmental care practices and activities that the proponents carry out, basically in terms of eco-efficiency (recycling of paper, classification of waste by means of ecological points, implementation of led lights, etc.). However, no score is awarded for the review of environmental or social criteria.

**G4-EN32** Likewise, the Bank, in its contracting process of suppliers, conducts an administrative visit, with the general purpose of validating, among other aspects, the business history, product portfolio, client portfolio, market coverage, strategic business focus, physical infrastructure and corporate social responsibility of the proponent.

**G4-EN33** Particularly and in relation to Corporate Social Responsibility, the Department of Administrative Services, the responsible area within the Bank to conduct a visit to potential suppliers, analyzes, among others, the following aspects:

- Human capital: Personnel roster, general hiring and compensation policies, career plans, welfare and benefits programs, turnover rates, among others.
- Relations with the community: The activities that the proponent undertakes on proponent’s own initiative in order to support the development of the community where proponent develops operations.
- Environmental care programs or activities, depending on the impact of the operations on it.

However, no score is awarded for the review of environmental or social criteria.

## 9 ABOUT THIS REPORT

**G4-28, G4-29, G4-30 and G4-32** We are publishing our fourth biennial Sustainability Report, under the guidelines of the Global Reporting Initiative, GRI, version 4 in its Core option, for 2015 and 2016. Continuing the last report published in 2015.

**G4-18, G4-20, G4-26** The content of this report has been the result of the prioritized aspects in the materiality workshops conducted with managers, associates, suppliers and customers, as well as the result of the massive survey conducted with various interest groups.

The result of the materiality exercise resulted in 26 matters of great importance for both the Bank and stakeholders, classified as Very relevant, the first 13 and Relevant the next 13. In the following graphs the interest group that voted in favor of including each aspect as a subject that merits a management by Bancóldex is illustrated with color, as follows:

### Very Relevant Aspects for the Bank and Stakeholders

**G4-19, G4-20, G4-21**

<i>GRI ASPECT</i>	IMPORTANCE FOR BANCÓLDEX	IMPORTANCE FOR INTEREST GROUPS
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	<i>Steering Committee</i>	<i>Workers</i>	<i>Suppliers</i>	<i>Customers</i>
Mechanisms for the prevention of corruption				
Prevention of money laundering and fraud				
Customer satisfaction				
No discrimination based on race, sex, religion, opinion, etc.				
Good economic management of the entity and responsible economic growth				
Responsible consumption and use of water				
Privacy of customer information				
Good Governance Practices, ethics and transparency				
Creation of products and services with environmental and social benefits				
Responsible consumption and use of energy				
Consumption of paper, use of recycled paper and other sustainable materials				
Training plans for all workers, including training in environmental and social policies applied to the business				
Partnerships and associations				

**Relevant Aspects for the Bank and Stakeholders**  
**G4-19, G4-20, G4-21**

<b>GRI ASPECT</b>	<b>IMPORTANCE FOR BANCÓLDEX</b>		<b>IMPORTANCE FOR INTEREST GROUPS</b>	
	<i>Steering Committee</i>	<i>Workers</i>	<i>Suppliers</i>	<i>Customers</i>
Innovation				
Organizational culture				
Stable jobs with fair and equitable social benefits				
Equality of opportunity and equal pay for women and men				
Occupational health and safety of workers				
Compliance with applicable environmental regulations				
Mission, vision and promise of value				
Optimization of processes and procedures				
Mechanisms of communication and dialogue with workers				

Local development projects, including initiatives to favor access to people vulnerable to financial services				
Improvement of public welfare derived from the activity of the entity				
Acquisition of environmentally responsible products and services				
Projects for the promotion of financial education				

**G4-24, G4-25 Our Stakeholders**

In Bancóldex we have a large group of interested parties with whom we interact in the scope of the purpose. The stakeholders were identified through the combination of the Accountability and GRI Global Reporting Initiative methodologies, with whom we maintain the relationship strategy leveraged in different instruments such as mass events in different regions, videos, serials, reports, specialized studies, our web page, the Bancóldex line, among others.

- Shareholders
- Entrepreneurs
- Directors
- Employees
- Associations
- Chambers of Commerce
- Universities
- Suppliers
- Control entities
- Citizens
- Investors
- Risk rating agencies
- Financial intermediaries
- Subsidiaries and affiliates
- Correspondent banks abroad
- International development and cooperation entities

## 10 GRI G4 CONTENT INDEX

### G4-32

GENERAL BASIC CONTENTS			
		Page or direct answer (Pages correspond to the Spanish version)	External verification
<b>STRATEGY AND ANALYSIS</b>			
<a href="#">G4-1</a>	Declaration of the main responsible of the decisions of the organization on the relevance of sustainability for the organization and its strategy to address this issue.	4	
<b>PROFILE OF THE ORGANIZATION</b>			
<a href="#">G4-3</a>	Name of the Organization	5	
<a href="#">G4-4</a>	Most important brands, products and services of the organization	8, 10, 11, 12, 13, 15, 17, 23	
<a href="#">G4-5</a>	Place where the organization's headquarters are located	6	
<a href="#">G4-6</a>	Countries where the organization operates and name of those countries where the organization carries out significant operations	Bancóldex offers financing to Colombian buyers of goods and services, abroad, through previously qualified banks. In 2015 in fifteen (15) countries and in 2016 in fourteen (14) countries, with significant operations in Ecuador, Panama and Costa Rica.	
<a href="#">G4-7</a>	Nature of the property regime and its legal form	5	
<a href="#">G4-8</a>	Indicate which markets are served (with geographical breakdown, by sectors and types of customers and recipients)	24, 25,27	
<a href="#">G4-9</a>	Size of the organization	9, 28, 30, 31	
<a href="#">G4-10</a>	Size of the template	70	
<a href="#">G4-11</a>	Percentage of employees covered by collective agreements	0% - In the Internal Work Regulation of the bank, we establish a series of articles that seek to guarantee the right of the employees to free association and respect for the conditions established in the collective agreements. However, to date we do not have unionized personnel.	
<a href="#">G4-12</a>	Supply chain of the organization	The Bank has reported variations in the number of its suppliers for the years of this report: 661 in 2015 and 644 in 2016, with purchases equivalent to 29 and 40 billion pesos respectively.	
<a href="#">G4-13</a>	Significant changes during the period under analysis in the size, structure, ownership or supply chain of the organization	7	

<a href="#">G4-15</a>	List of letters, principles or other external initiatives of an economic, environmental and social nature that the organization subscribes or has adopted.	16	
<a href="#">G4-16</a>	List of associations (for example, industry associations) and national or international promotion organizations to which the organization belongs	14, 16, 38, 59	

MATERIAL ASPECTS AND COVERAGE			
<a href="#">G4-17</a>	Scope of the report	This report discloses the economic, social and environmental performance of Bancóldex, but not of the companies in which the Entity has a stake.	
<a href="#">G4-18</a>	Process to determine the content of the memory and the limit of each aspect	78	
<a href="#">G4-19</a>	List of relevant aspects that were identified during the process of defining the content of the report	78-79	
<a href="#">G4-20</a>	Limit within the organization of each relevant aspect	78-79	
<a href="#">G4-21</a>	Coverage outside the organization of each relevant aspect	78-79	
<a href="#">G4-22</a>	Consequences of the reformulations of the information provided in previous reports and causes	There has been no restatement of information in previous reports	
<a href="#">G4-23</a>	Significant change in the scope and limit of each aspect with respect to previous reports	To define the material aspects of this report, we conducted an exercise with different interest groups this year	
<b>PARTICIPATION OF INTEREST GROUPS</b>			
<a href="#">G4-24</a>	List of interest groups linked to the organization	79	
<a href="#">G4-25</a>	Basis for the election of the groups of interest	78	
<a href="#">G4-26</a>	Focus of the organization on the participation of the interest groups	79	
<b>MEMORY PROFILE</b>			
<a href="#">G4-28</a>	Period covered by the report (for example, fiscal year or calendar year)	78	
<a href="#">G4-29</a>	Date of the last memory (if applicable)	78	
<a href="#">G4-30</a>	Memory reporting cycle (annual, biennial, etc.)	78	
<a href="#">G4-31</a>	Point of contact to resolve any doubts that may arise in relation to the content of the report	José Alberto Garzón Gaitán, Legal Vicepresident and Corporate Secretary. Jose.garzon@bancoldex.com	
<a href="#">G4-32</a>	Option "In accordance" with the Guide	78,79	

<a href="#">G4-33</a>	Current policy and practices of the organization with regard to external verification of memory	Bancóldex does not perform the process of external verification of memory	
<b>GOVERNANCE</b>			
<a href="#">G4-34</a>	Governance structure of the organization	46,47,48	
<b>ETHICS AND INTEGRITY</b>			
<a href="#">G4-56</a>	Values, principles, standards and norms of the organization, such as codes of conduct or ethical codes.	47,49,67	

SPECIFIC BASIC CONTENTS				
Material aspects	Information on the management approach and indicators	Page or direct answer (Pages correspond to the Spanish version)	Omissions	External verification
<b>CATEGORY: ECONOMY</b>				
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>				
<a href="#">G4-DMA</a>	General information on the management approach	29, 31, 35		
<a href="#">G4-EC1</a>	Direct economic value generated and distributed	30		
<b>MATERIAL ASPECT: INDIRECT ECONOMIC CONSEQUENCES</b>				
<a href="#">G4-DMA</a>	General information on the management approach	7, 9, 23, 37, 39, 42, 58		
<a href="#">G4-EC7</a>	Development and impact of investment in infrastructure and types of services	18, 26, 38, 40, 42		
<a href="#">G4-EC8</a>	Significant indirect economic impacts and scope thereof	8, 10, 11, 18, 24, 38, 42		
<a href="#">G4-EC9</a>	Percentage of spending in places with significant operations that corresponds to local suppliers	99,65% in 2015 and 98,33% in 2016		

<b>CATEGORY: ENVIRONMENT</b>				
<b>MATERIAL ASPECT: ENERGY</b>				
<a href="#">G4-DMA</a>	General information on the management approach	74		
<a href="#">G4-EN3</a>	Internal energy consumption	74		
<a href="#">G4-EN5</a>	Energy intensity	74		
<a href="#">G4-EN6</a>	Reduction of energy consumption	74		
<b>MATERIAL ASPECT: WATER</b>				



<a href="#">G4-DMA</a>	General information on the management approach	75		
<a href="#">G4-EN8</a>	Total water abstractions according to the source	75		
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>				
<a href="#">G4-DMA</a>	General information on the management approach	75		
<a href="#">G4-EN23</a>	Total weight of waste managed, by type and method of treatment	75		
<b>MATERIAL ASPECT: REGULATORY COMPLIANCE</b>				
<a href="#">G4-DMA</a>	General information on the management approach	52		
<a href="#">G4-EN29</a>	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with legislation and environmental regulations	During the years covered by this report, we have not had fines or non-monetary sanctions for non-compliance with legislation and environmental regulations.		
<b>MATERIAL ASPECT: ENVIRONMENTAL EVALUATION OF SUPPLIERS</b>				
<a href="#">G4-DMA</a>	General information on the management approach	76, 77		
<a href="#">G4-EN32</a>	Percentage of new suppliers that were examined according to environmental criteria	76, 77		
<a href="#">G4-EN33</a>	Significant actual and potential negative environmental impacts in the supply chain and measures in this regard	76, 77		
<b>CATEGORY: SOCIAL PERFORMANCE</b>				
<b>SUBCATEGORY: LABOR PRACTICES AND DECENT WORK</b>				
<b>MATERIAL ASPECT: EMPLOYMENT</b>				
<a href="#">G4-DMA</a>	General information on the management approach	70		
<a href="#">G4-LA1</a>	Total number and rate of hiring and average rotation of employees, broken down by age group, sex and region	70, 71		
<a href="#">G4-LA2</a>	Social benefits for full-time employees, which are not offered to temporary or part-time employees, broken down by significant locations of activity	71		
<a href="#">G4-LA3</a>	Levels of return to work and retention after maternity or paternity leave, disaggregated by gender	100% of the employees who exercised their right to maternity or paternity were reincorporated into the organization. In 2015: 6 men and 8 women and in 2016: 2 men and 5 women.		

<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>				
<a href="#">G4-DMA</a>	General information on the management approach	71		
<a href="#">G4-LA5</a>	Percentage of workers represented in formal joint health and safety committees for management and employees, established to help control and advise on occupational health and safety programs	We currently have 3 (three) formal committees that are part of the Safety and Health Management System at Work: The Committee of Labor Coexistence and the Joint Committee on Safety and Health at Work, each comprising 8 members between principals and alternates, of which 50% are representatives elected by the employer among directors and the remaining 50% are representatives elected by workers by voting. Likewise, we have the Strategic Road Safety Plan Committee, comprising 8 members, including principals and alternates, elected by the organization's management.		
<a href="#">G4-LA6</a>	Type and rate of injuries, occupational diseases, lost days, absenteeism and number of fatalities related to work by region and sex	71		
<a href="#">G4-LA7</a>	Workers whose profession has a high incidence or risk of disease	71		
<a href="#">G4-LA8</a>	Health and safety issues covered in formal agreements with unions	In the Internal Work Regulation of the bank, we establish a series of articles that seek to guarantee the right of public servants to free association and respect for the conditions established in collective agreements.		
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>				
<a href="#">G4-DMA</a>	General information on the management approach	69		
<a href="#">G4-LA9</a>	Average training hours per employee per year, broken down by sex and by job category	69		
<a href="#">G4-LA10</a>	Skills management and continuing education programs that promote the employability of workers and help them manage the end of their professional careers	69		
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES</b>				
<a href="#">G4-DMA</a>	General information on the management approach	70		
<a href="#">G4-LA12</a>	Formation of the governing bodies and breakdown of the staff by professional category and sex, age, minority and other indicators of diversity	70		
<b>MATERIAL ASPECT: EQUAL REMUNERATION BETWEEN WOMEN AND MEN</b>				
<a href="#">G4-DMA</a>	General information on the management approach	70		
<a href="#">G4-LA13</a>	Relationship between the base salary of men with respect to that of women, broken down by significant locations of activity	70		
<b>MATERIAL ASPECT: CLAIMS MECHANISMS ON LABOR PRACTICES</b>				

<a href="#">G4-DMA</a>	General information on the management approach	Through our Work Coexistence Committee, we seek to address and solve harassment work behaviors, in order to create dignified and fair conditions, and promote harmony among those of us who share business life, as well as a good environment in the company, protecting the honor, mental health and the freedom of people at work.		
<a href="#">G4-LA16</a>	Number of complaints about labor practices that have been reported, addressed and resolved through formal grievance mechanisms	In 2015, we had 6 claims and in 2016, 1. In both cases all the claims were received and processed the same year. Notwithstanding the above, the Committee carries out a follow-up every 6 months in relation to each of the processes.		
<b>SUBCATEGORY: HUMAN RIGHTS</b>				
<b>MATERIAL ASPECT: NON-DISCRIMINATION</b>				
<a href="#">G4-DMA</a>	General information on the management approach.		70	
<a href="#">G4-HR3</a>	Number of cases of discrimination and corrective measures adopted	At Bancóldex we have not had any cases of discrimination for the period covered by this Sustainability Report 2015 - 2016.		
<b>SUBCATEGORY: SOCIETY</b>				
<b>SECTORIAL SUPPLEMENT MATERIAL ASPECT: LOCAL COMMUNITIES</b>				
<a href="#">G4-DMA</a>	General information on the management approach		57, 58	
<a href="#">FS13</a>	Access points by type in areas of low population density or economically disadvantaged		57, 58	
<a href="#">FS14</a>	Initiatives to improve access to financial services for disadvantaged people		57	
<b>MATERIAL ASPECT: FIGHT AGAINST CORRUPTION</b>				
<a href="#">G4-DMA</a>	General information on the management approach		49, 51, 52	
<a href="#">G4-SO3</a>	Number and percentage of centers where the risks related to corruption and significant risks detected have been evaluated		51	
<a href="#">G4-SO4</a>	Communication and training policies and procedures on the fight against corruption		51	
<a href="#">G4-SO5</a>	Confirmed cases of corruption and measures taken		51	
<b>MATERIAL ASPECT: COMPLIANCE</b>				
<a href="#">G4-DMA</a>	General information on the management approach		52	
<a href="#">G4-SO8</a>	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with legislation and regulations		51	
<b>SUBCATEGORY: PRODUCT RESPONSIBILITY</b>				
<b>MATERIAL ASPECT: LABELING OF PRODUCTS AND SERVICES</b>				
<a href="#">G4-DMA</a>	General information on the management approach		72, 73	

<a href="#">FS15</a>	Policies for the design and sale of financial products and services, in a reasonable and fair manner	72, 73		
<a href="#">G4-PR5</a>	Results of surveys to measure customer satisfaction	60, 61		
<b>SECTORIAL SUPPLEMENT MATERIAL ASPECT: PRODUCT PORTFOLIO</b>				
<a href="#">G4-DMA</a>	General information on the management approach	17, 23, 55		
<a href="#">FS6</a>	Indicate the percentage of the portfolio destined for business loans disaggregated by region, size (e.g. Micro, SME, large) and by sector	28		
<a href="#">FS7</a>	Indicate the monetary value of products and services with social benefits by business lines	26		
<a href="#">FS8</a>	Indicate the monetary value of products and services with environmental benefits by business lines	26, 55		
<b>MATERIAL ASPECT: PRIVACY OF CUSTOMERS</b>				
<a href="#">G4-DMA</a>	General information on the management approach.	52		
<a href="#">G4-PR8</a>	Number of substantiated claims about privacy violation and customer data leak	52		
<b>MATERIAL ASPECT: SHAREHOLDER ACTIVITY</b>				
<a href="#">G4-DMA</a>	General information on the management approach	6		
<a href="#">FS10</a>	Percentage and number of companies within the portfolio of the entity with which the reporting organization has interacted on environmental and social issues	6		

OTHER ISSUES NOT GRI G4				
Issues	Information on the management approach and indicators	Page or direct answer (Pages correspond to the Spanish version)	Omissions	External verification
<b>MATERIAL MATTER: PARTNERSHIPS</b>				
<a href="#">G4-DMA</a>	General information on the management approach	12		
<b>MATERIAL MATTER: INNOVATION</b>				
<a href="#">G4-DMA</a>	General information on the management approach	42, 68		
<b>MATERIAL MATTER: ORGANIZATIONAL CULTURE</b>				
<a href="#">G4-DMA</a>	General information on the management approach	7, 66		
<b>MATERIAL MATTER: OPTIMIZATION OF PROCESSES AND PROCEDURES</b>				
<a href="#">G4-DMA</a>	General information on the management approach	10		

