

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**

**FINANCIAL STATEMENTS OF FISCAL YEAR CLOSED ON  
DECEMBER 31, 2018 PRESENTED COMPARATIVELY WITH FISCAL  
YEAR CLOSED ON DECEMBER 31, 2017**

**AND**

**REPORT OF THE INDEPENDENT AUDITORS**

**VICTORIA V. BROWN**  
**OFFICIAL TRANSLATOR**  
**Prof. Reg. 442**  
**JUDICIARY - Paraguay**

*Victoria V. Brown*

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**FINANCIAL STATEMENTS OF FISCAL YEAR CLOSED ON**  
**DECEMBER 31, 2018 PRESENTED COMPARATIVELY WITH FISCAL**  
**YEAR CLOSED ON DECEMBER 31, 2017**

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**ABBREVIATIONS**

**Gs = Guaraníes (local currency)**

**USD = US dollars**

**VICTORIA V. BROWN**  
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## **DELOITTE & TOUCHE – PARAGUAY**

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### **REPORT OF THE INDEPENDENT AUDITORS**

Members of the Board

**Fundación Paraguaya de Cooperación y Desarrollo**

Asunción, Paraguay

#### **1. Identification of the financial statements that are the object of this audit**

We have audited the financial statements of the **Fundación Paraguaya de Cooperación y Desarrollo** (henceforth interchangeably “**Fundación Paraguaya de Cooperación y Desarrollo**” or “the Entity”) which includes the statement of the financial position to December 31, 2018, the corresponding statements of resources and outlays, of evolution of corporate assets and cash flows of the fiscal year closed on said date and the complementary information contained in their notes 1 to 17 and in the annexes I to IX (note 2 describes the main accounting policies applied to prepare the attached financial statements).

The numbers and other information on the fiscal year closed on December 31, 2017 are an integral part of the abovementioned financial statements and are presented in order to be interpreted solely in relation to the numbers and other information to the figures and other information of the current fiscal year.

#### **2. Responsibility of the Board and Management of the Entity in relation to the financial statements**

The Board and Management of the Entity are responsible for the preparation and reasonable presentation of the financial statements in accordance with the rules for the provision of financial information in effect in Paraguay. Furthermore, they are responsible for the internal control they deem necessary to facilitate the preparation of financial statements free of significant errors.

#### **3. Responsibility of the auditors**

Our responsibility is to express an opinion on the attached financial statements based on our audit. We have performed our analysis in accordance with the audit standards in effect in Paraguay, issued by the Council of Public Accountants of Paraguay. These standards require that we comply with ethical requirements, and that we plan and execute the audit to establish reasonable security that the financial statements are free of significant errors.

An audit entails the application of procedures, mostly based on selective guidelines, to obtain evidence on the numbers and other information expressed in the financial statements.

The selected procedures, as well as the assessment of the risk of significant errors in the financial statements, depend on the professional judgment of the auditor. When performing these risk assessments, the auditor considers the internal control pertaining to the preparation and reasonable presentation of the financial statements by the Entity, in

order to design audit procedures suited to the circumstances, but not to express an opinion on the effectiveness of the Entity's internal control. An audit also includes the evaluation of the suitability of the accounting policies applied and of the reasonableness of the accounting estimates made by the Board and the Management of the Entity, as well as the evaluation of the presentation of the financial statements as a whole.

We consider that the evidence provided is sufficient and appropriate for our audit opinion.

#### 4. Opinion

Our opinion is that the financial statements mentioned in the first paragraph of chapter 1 of this report reasonably present, in all their significant aspects, the financial position of the **Fundación Paraguaya de Cooperación y Desarrollo** to December 31, 2018, as well as the resources and outlays, the evolution of its corporate assets and cash flows for the fiscal year closed on said date, as per the rules for financial information in effect in Paraguay.

Asunción, April 15, 2019

**Deloitte & Touche – Paraguay**

*Signed by* **Ricardo A. Fabris, Member**

*Translator's Note: This is a true translation of an Audit Opinion in Spanish that I had before me in April 2019 in Asunción, Paraguay.*

**VICTORIA V. BROWN**  
**OFFICIAL TRANSLATOR**  
Prof. Reg. 462  
**JUDICIARY - Paraguay**



**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**STATEMENT OF THE FINANCIAL POSITION TO DECEMBER 31, 2018**

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

	Reference	31/12/2018	31/12/2017
<b>Assets</b>			
<u>Current Assets</u>			
Cash & equivalents	Note 3	6,524,741,617	6,190,152,076
Short-term investments	Note 4	6,874,260,499	5,778,479,330
Credits	Notes 5-6	136,101,043,906	136,710,887,293
Other assets	Note 7	2,255,431,288	4,764,069,277
<b>Total current assets</b>		<b>151,755,477,310</b>	<b>153,443,587,976</b>
<u>Non-current assets</u>			
Credits	Notes 5-6	6,491,428,743	5,500,518,476
Property, plant & equipment	Annex 1	14,811,571,247	14,602,084,243
Other assets	Note 7	2,000,683,017	1,796,526,727
<b>Total non-current assets</b>		<b>23,307,685,007</b>	<b>21,899,129,446</b>
<b>Total Assets</b>		<b>175,063,162,317</b>	<b>175,342,717,422</b>
<b>Liabilities</b>			
<u>Current liabilities</u>			
Financial obligations	Note 8	89,851,589,425	73,213,247,412
Received donations for projects	Note 10	1,735,587,798	1,586,583,662
Social and fiscal debts		899,545,535	1,390,490,481
Provisions		3,516,535,424	3,653,246,940
Other liabilities		2,330,850,833	3,020,104,259
<b>Total current liabilities</b>		<b>98,334,109,015</b>	<b>82,863,672,754</b>
<u>Non-current liabilities</u>			
Financial obligations	Note 8	11,947,352,447	33,173,677,740
<b>Total non-current liabilities</b>		<b>11,947,352,447</b>	<b>33,173,677,740</b>
<b>Total liabilities</b>		<b>110,281,461,462</b>	<b>116,037,350,494</b>
<b>Corporate assets</b>			
Optional reserve	Note 13 a)	21,723,660,592	20,610,964,461
Revaluation reserve	Note 13 b)	4,383,997,570	3,922,648,382
Accrued surplus		33,659,057,954	31,718,543,566
Surplus of fiscal year		5,014,984,739	3,053,210,519
<b>Total corporate assets</b>		<b>64,781,700,855</b>	<b>59,305,366,928</b>
<b>Total liabilities &amp; corporate assets</b>		<b>175,063,162,317</b>	<b>175,342,717,422</b>

Notes 1 to 17 and Annexes I to IX attached are integral part of these statements.

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of a Financial Statement that I had before me in April 2019 in Asunción, Paraguay.

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**STATEMENT OF RESOURCES & OUTLAYS OF FISCAL YEAR CLOSED ON DECEMBER 31, 2018**  
**Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)**

	Reference	31/12/2018	31/12/2017
Resources of the microfinance unit		78,272,922,298	74,917,740,429
Outlays of the microfinance unit		(68,647,680,042)	(67,366,006,845)
<b>Subtotal</b>	Annex VII	<b>9,625,242,256</b>	<b>7,551,733,584</b>
Resources of agreements relating to microfinance		5,810,860,733	6,190,125,178
Outlays for agreements relating to microfinance		(6,583,830,541)	(7,127,123,107)
<b>Subtotal</b>	Annex IV	<b>(772,969,808)</b>	<b>(936,997,929)</b>
<b>Net surplus of the microfinance unit</b>	Annex VII	<b>8,852,272,448</b>	<b>6,614,735,655</b>
Resources of the agricultural schools unit		5,401,609,586	5,126,978,708
Outlays of the agricultural schools unit		(5,859,096,218)	(5,629,749,506)
<b>Subtotal</b>	Annex VIII	<b>(457,486,632)</b>	<b>(502,770,798)</b>
Resources of agreements relating to agric. schools		2,600,688,540	7,332,694,481
Outlays of agreements relating to agricultural schools		(4,997,604,801)	(9,523,245,756)
<b>Subtotal</b>	Annex VIII	<b>(2,396,916,261)</b>	<b>(2,190,551,275)</b>
<b>Net deficit of the agricultural schools unit</b>	Annex V	<b>(2,854,402,893)</b>	<b>(2,693,322,073)</b>
Resources of the entrepreneurial education unit		1,516,781,242	1,363,499,052
Outlays of the entrepreneurial education unit		(1,642,795,873)	(1,354,930,357)
<b>Subtotal</b>		<b>(126,014,631)</b>	<b>8,568,695</b>
Resources of agreements relating to entrepr. educ.		1,872,047,411	1,846,828,622
Outlays of the agreements relating to entrepr. educ.		(1,810,645,930)	(1,838,101,350)
<b>Subtotal</b>		<b>61,401,481</b>	<b>8,727,272</b>
<b>Net (deficit) surplus of the entrepren. educ. unit</b>	Annex VI-IX	<b>(64,613,150)</b>	<b>17,295,967</b>
<b>Surplus before income tax</b>		<b>5,933,256,405</b>	<b>3,938,709,549</b>
<b>Income tax</b>	Note 14	<b>(918,271,666)</b>	<b>(885,499,030)</b>
<b>Surplus of the fiscal year</b>		<b>5,014,984,739</b>	<b>3,053,210,519</b>

Notes 1 to 17 and Annexes I to IX attached are integral part of these statements.

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

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**VICTORIA V. BROWN**  
**OFFICIAL TRANSLATOR**  
 Prof. Reg. 462  
 JUDICIARY: Paraguay

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**STATEMENT OF EVOLUTION OF FINANCIAL POSITION OF THE FISCAL YEAR CLOSED ON DECEMBER 31, 2018**  
 Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

	Optional reserves	Revaluation Reserve	Accrued Surplus	Surplus of fiscal year	Total
<b>Balance to December 31, 2016</b>	<b>19,116,373,403</b>	<b>3,304,827,085</b>	<b>28,446,179,075</b>	<b>4,766,955,549</b>	<b>55,634,335,112</b>
Transfer of accumulated surplus			4,766,955,549	(4,766,955,549)	
Constitution of reserves	1,494,591,058		(1,494,591,058)		
Revaluation of fiscal year 2017		617,821,297			617,821,297
Surplus of fiscal year 2017				3,053,210,519	3,053,210,519
<b>Balances to 31 December 2017</b>	<b>20,610,964,461</b>	<b>3,922,648,382</b>	<b>31,718,543,566</b>	<b>3,053,210,519</b>	<b>59,305,366,928</b>
Transfer of accumulated surplus			3,053,210,519	(3,053,210,519)	
Constitution of reserves	1,112,696,131		(1,112,696,131)		
Revaluation of fiscal year 2018		461,349,188			461,349,188
Surplus of fiscal year 2018				5,014,984,739	5,014,984,739
<b>Balances to 31 December 2018</b>	<b>21,723,660,592</b>	<b>4,383,997,570</b>	<b>33,659,057,954</b>	<b>5,014,984,739</b>	<b>64,781,700,855</b>

Notes 1 to 17 and Annexes I to IX attached are integral part of these statements.

*Signed by* Luis Fernando Sanabria, General Manager

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**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**STATEMENT OF CASH FLOWS OF FISCAL YEAR CLOSED ON DECEMBER 31, 2018**  
 Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

	12.31.2018	12.31.2017
<b>i. CASH FLOW OF OPERATIONAL ACTIVITIES</b>		
Interest and commissions collected	43,445,557,623	38,157,042,914
Interest paid on financial obligations	(6,967,779,822)	(7,701,278,335)
Other income – microfinance unit	27,861,803,574	27,644,122,184
Changes in appropriations – microfinance unit	(6,856,909,591)	(20,054,800,285)
Net collection - agricultural schools unit	5,401,609,586	5,126,978,708
Net collection – entrepreneurial education unit	1,516,781,242	1,363,499,052
Donations received	8,021,116,811	12,308,442,569
Payments made to suppliers and employees	(63,374,582,914)	(68,996,015,405)
Income tax payment	(560,414,520)	(1,314,602,732)
Interest earned on short-term investments	213,017,402	252,395,677
Net cash from operating activities	<b>8,700,199,391</b>	<b>(13,214,215,653)</b>
<b>ii. CASH FLOW OF INVESTMENT ACTIVITIES</b>		
Short-term investments	(1,095,781,169)	7,083,665,533
Purchase of fixed assets	(2,987,232,487)	(2,416,038,005)
Net cash of the investment activities	<b>(4,083,013,656)</b>	<b>4,667,627,528</b>
<b>iii. CASH FLOW OF FINANCING ACTIVITIES</b>		
Financial obligations	(5,065,155,134)	356,994,234
Net cash of financing activities	<b>(5,065,155,134)</b>	<b>356,994,234</b>
Increase (reduction) of cash and cash equivalents	(447,969,399)	(8,189,593,891)
Effect of the exchange rate spread in liquid assets	782,558,940	(592,083,763)
Cash and equivalents at start of fiscal year	6,190,152,076	14,971,829,730
Cash and equivalents at close of fiscal year	<b>6,524,741,617</b>	<b>6,190,152,076</b>

Notes 1 to 17 and Annexes I to IX attached are integral part of these statements.

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## FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO

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### NOTES TO THE FINANCIAL STATEMENTS CORRESPONDING TO THE FISCAL YEAR CLOSED ON DECEMBER 31, 2018

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

#### NOTE 1 – BASIC INFORMATION ON THE ENTITY

The Fundación Paraguaya de Cooperación y Desarrollo, founded in 1985, is a non-profit, self-sustaining association, with main offices in Asunción, Paraguay. It became a legal entity on August 12, 1985. On May 11, 1988 Decree of the Executive Branch No. 28.327 approved the amendments to the Articles of Association of the Fundación Paraguaya de Cooperación y Desarrollo and authorized by the Extraordinary General Assembly held on November 20, 1987. The Fundación was recognized as public benefit institution by Resolution No. 102 of the Taxation Department of the Finance Ministry dated February 21, 1991.

The **mission** of the Fundación is to develop and implement practical, innovative and sustainable solutions to eliminate poverty and create decent conditions for every family.

The **vision** is Paraguay, entrepreneur and poverty free, an example to the world.

The Fundación seeks to eliminate poverty and create decent living conditions for families through a comprehensive strategy that offers clients:

- 1) Poverty elimination through the Stoplight: a measurement system and methodology that measures poverty based on 50 indicators, which allows clients (90% of whom are women) to assess their poverty-related issues so that they are able to design their own “life maps” to overcome them;
- 2) Microfinance, Micro-franchises and Micro-insurance: in order to increase the income and reduce the financial risks of clients and create partnerships with other specialized institutions to address the other poverty-related issues;
- 3) Entrepreneurial Education: provides training and tutoring in business management to help clients and their children to find jobs and/or create their own employment; and
- 4) Financially self-sustaining schools: also for the children of clients, where students and teachers carry out sustainable activities on the campus, with the dual purpose: a) train students in a business environment, transforming them into rural entrepreneurs, and b) income generation to sustain the schools.

This comprehensive strategy allows clients and their families to play lead roles in leaving poverty behind, and allows resources to be channeled to where they are most needed, using the twenty-four microfinance offices as the main distribution network.

As civil non-profit association, the legal figure of the Fundación Paraguaya does not include owners and it is governed by 35 (thirty-five) partners, all of whom are Paraguayan professionals.

The governing structure is as follows:

- i) General Assembly: body made up by all the partners of the institution, who meet at least once a year. The Assembly approves the administrative and financial management of the Fundación and selects the members of the Board.
- ii) Board: body made up of at least 6 and maximum 10 full members, who meet every month in physical or virtual meetings. Board members do not receive any payment for the time assigned to the Fundación. According its good governance policy, four crosscutting committees have been set up to facilitate decision-making: 1) Compensations, 2) Audit and Risks, 3) Good Governance and Nominations, and 4) Theme Committees: a) Microfinance, b) Entrepreneurial Education, c) Agricultural School, and d) Teach a Man to Fish.

Two executive positions have been established:

- i) The Trustee: appointed by the Assembly to inspect assets, accounting books and documents of the Fundación. The Trustee maintains close relationship with internal and external audits and participates in the meetings of the Board and of the Audit and Risks Committee. The Trustee provides the Assembly an annual report on the financial information of the Fundación.
- ii) The Executive Director: it is an elective position working full-time in the Fundación supporting the Board (chairing the meetings) and the General Management in the strategic work (not the operational activities).

Credit assistance is provided with the resources of the institution and with funds originating from loans made by local banks and international funds, given that the Fundación does not take funds from the public, nor does it require that its clients make compulsory deposits or savings, hence it is not an intermediation entity.

The other programs are developed with the entity's own resources generated by the microfinance operations and with donations.

## NOTE 2 – SUMMARY OF THE MAIN ACCOUNTING POLICIES

### a. Accounting Bases

The financial statements have been drawn up following the guidelines of the financial information rules and regulations in force in Paraguay, on the basis of historical costs, except in the case of property, plant and equipment and of assets and liabilities in foreign currency, as explained under items **b.** and **g.** of this note, and do not fully recognize the effects of inflation on the assets and financial position of the Fundación, on the results of resources and outlays and on the cash flows.

According to the overall consumer price index published by the Central Bank of Paraguay, inflation for the year 2018 was 3.2% and for 2017 it was 4.5%.

### b. Foreign Currency

The assets and liabilities in foreign currency (in US dollars and pounds sterling) are valued at the exchange rate in effect at the close of the fiscal year. See Note 15.

The spreads of the exchange rate originated by fluctuations in the exchange rates, between the dates of the realization of the operations and their settlement or valuation at the close of the fiscal year, are recognized in results.

c. Cash and Cash Equivalents

For the preparation of cash flow statements the following were considered within the concept of cash: cash balances, liquid assets in bank accounts and all high liquidity investments, with initially agreed expiry not greater than three months.

d. Short-term Investments

Short-term investments are constituted by fixed term deposits and savings deposit certificates (SDCs) in US dollars, maintained by the Fundación in local banks, which are valued at the nominal value plus the uncollected interest earned to the closing date.

e. Credits

*Current Credits*

Credits are valued at their purchase price - net of provisions, in the case of arrears, plus the uncollected interest earned to the closing date.

According to the powers granted in Article 17 of the Articles of Association of the Fundación, the Executive Director may set the interest rates on loans and the charges for the recovery of administrative costs. Such line-items are resources of the Fundación. During the fiscal years closing on 31 December 2018 and 2017 the active interest rates were variable, but not higher than the allowed maximum rates published by the Central Bank of Paraguay.

Credit risk is controlled by the Fundación's management, mostly through the evaluation and analysis of individual transactions, for which certain aspects that are clearly defined in the entity's credit policies are taken into account, such as: proven payment capacity and indebtedness of the debtor, individual limits for the granting of credits, evaluation of economic sectors and the requirement of operating capital, in accordance with market risks.

*Overdue Credit*

The Entity institutes estimative provisions for credits of doubtful collection on the total of the portfolio of borrowers presenting arrears in the fulfillment of their obligations and on those credits whose collection is being managed directly or judicially.

*Refinanced or Renegotiated Credits*

The credit policy established the management of the Fundación defines "refinancing" as the rescheduling of the original payment plan of a loan, which may contemplate the total capital balance. Refinancing may only be granted upon request of the client, provided there is a justified cause and having tried all other alternatives.

The percentages of provisions for overdue credits are applied on the balance of capital to be collected on the cutoff date. Interest is suspended as of 31 days of arrears. Below is a description of the provision percentages applied:

To December 31, 2018

Overdue Credits		Refinanced and Overdue Credits	
Days of arrears	% of provision on capital due	Days of arrears	% of provision on capital due
0 days	1%	0 days	1%
1-30 days	10%	1-30 days	10%
31-90 days	30%	31-90 days	30%
91-180 days	60%	More than 90 days	100%
More than 180 days	100%		
In judicial process	100%	In judicial process	100%

To December 31, 2017

Overdue Credits		Refinanced and Overdue Credits	
Days of arrears	% of provision on capital due	Days of arrears	% of provision on capital due
0 days	1%	0 days	0%
1-30 days	10%	1-30 days	30%
31-90 days	30%	31-90 days	60%
91-180 days	60%	More than 90 days	100%
More than 180 days	100%		
In judicial process	100%	In judicial process	100%

*Uncollectible Credits*

The policy established by the management of the Fundación indicates that overdue credits meeting the following requirements must be written off as irrecoverable and recorded in memoranda accounts:

- a. Loans with more than 180 days in arrears
- b. Loans that cannot be recovered at any point in time due to:
  - i. Death of the debtor(s);
  - ii. Debtor has moved and/or left the country with no date of return, nor known domicile;
  - iii. Debtor(s) and their guarantors have lost all their assets and what is left is not significant to recover the debt and the costs of recovery;
  - iv. Amounts pending collection do not justify the recovery efforts;
  - v. Backup documentation of the loans has lapsed, was destroyed or lost.

**f. Other Non-Current Assets**

These are the assets received from the recovery of credits that are entered in the books as the amount of the credit paid or written-off plus the expenses incurred for their incorporation into the assets of the Fundación. If such amount is higher than the estimated realizable value or market value of the assets received, the necessary provisions are instituted to appraise said assets at their market value, charged to the results of the year.

Furthermore, the line-item includes the animals priced at their cost plus the respective recategorization and the plantations of eucalyptus priced at the cost incurred until the time of the harvest and collection.

**g. Property, Plant and Equipment**

(i) General Criterion

The assets of property, plant and equipment are priced at the purchase cost plus all other necessary expenses for their implementation, adjusted by the consumer price index issued by the Central Bank of Paraguay, minus the corresponding accumulated depreciation.

The counterpart to the net increase in the value of these assets is a special reserve that is part of the corporate assets.

Depreciation is calculated based on the straight line method, as of the month following the month in which the assets were purchased, applying annual rates sufficient to extinguish their values at the end of their estimated lifespan. See Annex 1.

The cost of improvements extending the lifespan of the assets or increasing their productive capacity is entered into the respective accounts of the asset. Maintenance costs are charged to results.

The residual value of the assets, considered as a whole, does not exceed their recoverable value at the close of each fiscal year.

(ii) Assets received as donation

There are certain assets with a value of incorporation into the net worth which has been determined according to the best estimate of the management using figures based on appraisals. These values, determined in this way, are considered as their purchase cost and with counterpart in the results of the fiscal year. This cost is revaluated and depreciated as per the abovementioned general criterion. Below is a description of the main assets received as donations and incorporated into the assets of the Fundación:

- i. Under the donation agreement with stipulations as to its use signed on December 20, 2002 between the Fundación Paraguaya de Cooperación y Desarrollo and the Asociación Paraguaya de Educación y Asistencia (APEA), the latter donated to the Fundación the lands, buildings and facilities of the "San Francisco de Asís" Agricultural School located in Cerrito (Department of Villa Hayes, Paraguayan Chaco), which was administrated and maintained by APEA until December 31, 2002 and which is administrated by the Fundación as of January 1, 2003. These assets donated with stipulations as to their use were activated by the Fundación to December 31, 2002 under the line-item "Property, Plant and Equipment" and are subject to the obligations and commitments mentioned in Note 12. The landed property and buildings of the Agricultural School received as donation with stipulations were entered into the books at the "quick sale" value estimated by an independent expert, while the movables, equipment and others received in donation with stipulations were entered into the accounts with 50% of the estimated market value established by an independent expert.

- ii. On July 1, 2011 the Fundación received the usufruct of the real estate of the Belén Agricultural School and donation of the movables and livestock of said school. These chattels were activated at the market value, considered as their cost under assets.

#### **h. Accounting Recognition of Resources and Outlays**

Resources and expenses are recognized in terms of their earnings, except when:

- a. Interest earned and uncollected on credit installments more than 2 installments in arrears (if the term of the installments is less than 30 days) or more than 60 days, which are recognized in the accounting at the time of their collection.
- b. Interest and recovery of administrative costs generated by the credit portfolio under collection and judicial process, which are recognized in the accounting at the time of their collection.
- c. Donations received and unused at the close of the year, as mentioned in Note 2.i below.

Resources and outlays are displayed in the statement of resources and outlays segmented for each operating units of the Fundación (including those related to financial and non-financial services). Common overhead or administrative outlays of the Fundación which cannot be directly assigned to each one of the referred operating units, such as considerations for senior and administrative personnel (Controller's Office, Administrative Management, Technology and Human Resources) are included in the statement of resources and outlays as expenses of the Microfinance Unit.

#### **i. Accounting Recognition of Donations Received**

Donations received in cash to finance activities and administrative costs of the units are presented at the time of their actual receipt under the line-item "Received donations for projects" of liabilities and are recognized as income or outlays in the statement of results at the time of their execution. Some of the donations received by the Fundación present commitments and contingencies in terms of their use or destination, as detailed in Note 12.

Note 10 of the financial statements summarizes the donations received from third parties and pending realization.

#### **j. Use of Estimates**

The preparation of the current financial statements requires that the Management and Board of the Fundación perform estimates and evaluations that affect the amount of the registered and contingent assets and liabilities, as well as the resources and outlays filed during the fiscal year. Actual future results may differ from the estimates and evaluations performed on the date of the preparation of the current financial statements.

The main estimates related to the financial statements refer to provisions on doubtful debts and depreciations of property, plant and equipment.

**k. Comparative Information**

Financial statements to December 31, 2018 and the respective complementary information are presented comparatively to the financial statements and complementary information of the fiscal year closing on December 31, 2017.

**NOTE 3 - AVAILABLE**

The available balance is made up as follows:

Item	<b>31.12.2018</b>	<b>31.12.2017</b>
Revenues to deposit	4,510,321,868	3,380,217,861
Banks in local currency	1,298,352,185	2,152,186,687
Banks in foreign currency (*)	716,067,564	657,747,528
<b>Total</b>	<b>6,524,741,617</b>	<b>6,190,152,076</b>

(\*) To December 31, 2018 and 2017 includes USD 15,007 (equivalent to Gs. 89,443,821) and Gs. 83,738,610 respectively) of restricted liquidity accounted for in compliance with contract clauses related to the IADB-Rural financing agreement.

**NOTE 4 – SHORT-TERM INVESTMENTS**

Short-term investments are made up as follows:

**To December 31, 2018**

Institution	Start	Expiry	Rate	Amount in currency of origin USD	Equivalent in guaranies
<b>Short-term</b>					
Banco GNB Paraguay S.A. (*)	03/01/2018	08/01/2019	3%	500,000	2,980,070,000
Banco Sudameris	22/01/2018	28/01/2019	4%	500,000	2,980,070,000
Banco Altas	30/08/2018	07/01/2019	1.5%	120,000	715,216,800
<b>Total capital</b>				<b>1,120,000</b>	<b>6,675,356,800</b>
<b>Interest earned</b>				33,372	198,903,699
<b>Total capital and interest</b>				<b>1,153,372</b>	<b>6,874,260,499</b>

**To December 31, 2017**

Institution	Start	Expiry	Rate	Amount in currency of origin (USD)	Equivalent in guaranies
<b>Short-term</b>					
Banco Sudameris SAECA (*)	13/01/2017	18/01/2018	4.3%	500,000	2,789,985,000
Banco GNB Paraguay S.A.	29/12/2016	03/01/2018	3%	250,000	1,394,992,500
Banco GNB Paraguay S.A.	29/12/2016	03/01/2018	3%	250,000	1,394,992,500
<b>Total capital</b>				<b>1,000,000</b>	<b>5,579,970,000</b>
<b>Interest earned</b>				35,575	198,509,330
<b>Total capital and interest</b>				<b>1,035,575</b>	<b>5,778,479,330</b>

(\*) The liquidity of these term deposits is restricted as they are securing financial obligations as detailed in Note 9.

**NOTE 5 – CREDITS**

Credits are made up as follows:

<b>Short-term</b>	<b>12.31.18</b>	<b>12.31.17</b>
Current credits granted to third parties(*)	136,839,712,737	137,376,438,822
Credits granted to employees (**)	852,988,575	737,114,725
Refinanced or renegotiated credits	287,514,169	289,672,849
<b>Subtotal credits</b>	<b>137,980,215,481</b>	<b>138,403,226,396</b>
Accrued interest to be collected	1,935,721,089	1,835,141,906
Provisions for doubtful debts (***)	(2,468,619,711)	(2,183,979,981)
Generic provisions for doubtful debts (***)	(1,346,272,953)	(1,343,501,028)
<b>Total</b>	<b>136,101,043,906</b>	<b>136,710,887,293</b>
<b>Long-term</b>		
Current credits granted to third parties (*)	5,007,145,068	4,747,352,561
Credits granted to employees (**)	1,444,064,698	682,575,419
Refinanced or renegotiated credits	40,218,977	70,590,496
<b>Total</b>	<b>6,491,428,743</b>	<b>5,500,518,476</b>
<b>Overall total</b>	<b>142,592,472,649</b>	<b>142,211,405,769</b>

(\*)As indicated in Note 9, certain documents of the credit portfolio were provided as guarantee for the financial obligations of the Entity

(\*\*) In fiscal years 2018 and 2017 no credits have been granted to the General Manager or to the Executive Director or to the Board members or partners of the Fundación or to their associates.

(\*\*\*) See following table on the evolution of the provisions for doubtful debts.

The evolution of the provisions for doubtful debts is as follows:

	<b>12.31.18</b>	<b>12.31.17</b>
<b>Starting Balance</b>	(3,527,481,009)	(3,491,731,034)
<b>Plus</b>		
Setting up of provisions – net of reversals (Annex VII)	(3,193,848,669)	(3,189,371,081)
Constitution of generic provisions (Annex VII)	(1,346,272,953)	(1,343,501,028)
<b>Minus</b>		
Application of provisions on debts written off as uncollectible	4,252,709,967	4,497,122,134
<b>Final balance</b>	<b>(3,814,892,664)</b>	<b>(3,527,481,009)</b>

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**NOTE 6 – ADDITIONAL CREDIT INFORMATION**

**a) Concentration of the portfolio**

Number of clients	Amount and percentage of the credit portfolio									
	Current					Overdue				
	Capital(*)	Interest	Total	%	Capital(*)	Interest	Total	%		
<b>Year 2018</b>										
10 highest debtors	1,888,487,992	20,183,323	1,908,671,315	1.40%	745,629,761	26,251,820	771,881,581	7.59%		
50 subsequent high debtors	4,978,155,106	23,616,249	5,001,771,355	3.67%	1,483,119,656	57,326,107	1,540,445,763	15.14%		
100 subsequent high debtors	4,959,413,003	34,335,613	4,993,748,616	3.67%	1,189,756,208	44,217,819	1,233,974,027	12.13%		
Other subsequent debtors	122,840,816,210	1,488,855,838	124,329,672,048	91.26%	6,386,266,288	240,934,320	6,627,200,608	65.14%		
<b>Total of the loan portfolio*</b>	<b>134,666,872,311</b>	<b>1,566,991,023</b>	<b>136,233,863,334</b>	<b>100%</b>	<b>9,804,771,913</b>	<b>368,730,066</b>	<b>10,173,501,979</b>	<b>100%</b>		
<b>Year 2017</b>										
10 highest debtors	1,643,561,712	11,558,166	1,655,119,878	1.22%	693,606,376	22,823,962	716,430,338	7.22%		
50 subsequent high debtors	4,565,280,332	19,908,102	4,585,188,434	3.38%	1,575,182,852	60,885,607	1,636,068,459	16.49%		
100 subsequent high debtors	4,787,574,180	37,456,413	4,825,030,593	3.55%	1,134,282,000	42,074,621	1,176,356,621	11.86%		
Other subsequent debtors	123,354,366,532	1,399,592,186	124,753,958,718	91.85%	6,149,890,888	240,842,849	6,390,733,737	64.43%		
<b>Total of loan portfolio(*)</b>	<b>134,350,782,756</b>	<b>1,468,514,867</b>	<b>135,819,297,623</b>	<b>100%</b>	<b>9,552,962,116</b>	<b>366,627,039</b>	<b>9,919,589,155</b>	<b>100%</b>		

(\*) Does not include balances of provisions

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## b) Credit portfolio distributed per economic sector

Economic sector	Amount			
	Capital (*)	Interest	Total	%
Year 2018				
Agriculture	439,993,401	34,379,045	474,372,446	0.32%
Livestock	537,066,262	41,515,170	578,581,432	0.40%
Industrial	73,781,080,277	531,072,695	74,312,152,972	50.76%
Commerce	51,613,829,721	1,027,155,340	52,640,985,061	35.96%
Consumption	17,313,844,289	283,776,611	17,597,620,900	12.02%
Services	785,830,274	17,822,228	803,652,502	0.55%
<b>Total</b>	<b>144,471,644,224</b>	<b>1,935,721,089</b>	<b>146,407,365,313</b>	<b>100%</b>

Economic sector	Amount			
	Capital (*)	Interest	Total	%
Year 2017				
Agriculture	388,649,527	34,324,883	422,974,410	0.29%
Livestock	497,158,333	42,312,082	539,470,415	0.37%
Industrial	69,683,913,521	406,884,328	70,090,797,849	48.09%
Commerce	55,267,196,044	1,055,899,764	56,323,095,808	38.65%
Consumption	16,966,773,147	270,397,550	17,237,170,697	11.83%
Services	1,100,054,300	25,323,299	1,125,377,599	0.77%
<b>Total</b>	<b>143,903,744,872</b>	<b>1,835,141,906</b>	<b>145,738,886,778</b>	<b>100%</b>

(\*) Does not include balances of provisions

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## c) Credit portfolio distributed per geographical area of the country

Year 2018	Capital(*)	Interest	Total 2018	%	Total 2017	%
Alto Paraná	7,781,638,905	101,604,157	7,883,243,062	5.38%	7,629,998,400	5.24%
Asunción	5,017,963,687	48,057,452	5,066,021,139	3.46%	5,309,551,282	3.64%
Caaguazú	15,855,393,010	178,408,622	16,033,801,632	10.95%	14,227,897,180	9.76%
Canindeyú	3,815,874,279	75,755,517	3,891,629,796	2.66%	3,552,985,732	2.44%
Central	29,169,766,025	304,473,574	29,474,239,599	20.13%	31,178,830,051	21.39%
Chaco	2,832,445,162	56,817,391	2,889,262,553	1.97%	3,163,449,252	2.17%
Concepción	4,170,204,823	57,077,032	4,227,281,855	2.89%	3,676,963,900	2.52%
Cordillera	7,269,352,861	70,898,342	7,340,251,203	5.01%	7,645,594,375	5.25%
Guairá	5,364,528,232	82,174,785	5,446,703,017	3.72%	4,943,286,557	3.39%
Itapúa	9,900,252,994	83,174,706	9,983,427,700	6.82%	9,893,519,137	6.79%
Misiones	3,868,077,799	66,840,295	3,934,918,094	2.69%	3,772,757,871	2.59%
Ñembuquí	7,531,079,670	178,806,312	7,709,885,982	5.27%	8,713,421,493	5.98%
Paraguarí	29,088,763,402	444,702,216	29,533,465,618	20.17%	31,137,164,797	21.37%
San Pedro	12,730,698,975	185,399,623	12,916,098,598	8.82%	10,816,266,163	7.42%
Loan abroad (**)	75,604,400	1,531,065	77,135,465	0.05%	77,200,588	0.05%
<b>Total</b>	<b>144,471,644,224</b>	<b>1,935,721,089</b>	<b>146,407,365,313</b>	<b>100%</b>	<b>145,738,886,778</b>	<b>100%</b>

(\*) Does not include balances of provisions

(\*\*) Loan granted to Transit Enterprise in England

## d) Distribution of short-term investments, credits and financial obligations as per their expiration date

The management of the Fundación controls its liquidity mostly by matching the expiration date of its assets and liabilities, according to the short, medium and long term strategies defined and continuously monitored both for assets and liabilities.

The table below details the financial fit at the close of each fiscal year:

Item	Time remaining for their expiry – Balances to December 31, 2018					Total (*)
	Up to 30 days	From 31 days to 180 days	From 181 days to 1 year	More than 1 year & up to 3 years	More than 3 years	
Short-term investments	6,675,356,800					6,675,356,800
Interest accrued	198,903,699					198,903,699
Credits(*)						
Capital	31,205,385,676	82,401,260,731	24,373,569,074	6,044,137,822	447,290,921	144,471,644,224
Interest	1,852,285,042	82,126,153	1,309,894			1,935,721,089
Total assets	<b>39,931,931,217</b>	<b>82,483,386,884</b>	<b>24,374,878,968</b>	<b>6,044,137,822</b>	<b>447,290,921</b>	<b>153,281,625,812</b>
Fin. Obligations	10,682,785,727	37,705,776,708	41,293,586,146	12,116,793,291		101,798,941,872
Total obligations	<b>10,682,785,727</b>	<b>37,705,776,708</b>	<b>41,293,586,146</b>	<b>12,116,793,291</b>		<b>101,798,941,872</b>

Item	Time remaining for their expiry – Balances to December 31, 2017					Total (*)
	Up to 30 days	From 30 days to 180 days	From 181 days to 1 year	More than 1 year & up to 3 years	More than 3 years	
Short-term investments	5,579,970,000					5,579,970,000
Interest accrued	198,509,330					198,509,330
Credits(*)						
Capital	28,421,850,407	85,217,906,746	24,762,801,943	5,441,244,044	59,941,732	143,903,744,872
Interest	1,710,819,308	122,167,010		2,155,588		1,835,141,906
Total assets	<b>35,911,149,045</b>	<b>85,340,073,756</b>	<b>24,762,801,943</b>	<b>5,443,399,632</b>	<b>59,941,732</b>	<b>151,517,366,108</b>
Fin. Obligations	13,355,354,242	31,803,183,108	28,054,710,062	33,173,677,740		106,386,925,152
Total obligations	<b>13,355,354,242</b>	<b>31,803,183,108</b>	<b>28,054,710,062</b>	<b>33,173,677,740</b>		<b>106,386,925,152</b>

(\*) Does not include balances of provisions

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e) Classification of the portfolio and provisions for doubtful debts (calculated in terms of their arrears):

To December 31, 2018

*Current and overdue credits granted to third parties*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	93.19%	132,190,999,159	1,563,171,606	133,754,170,765	1%	1,322,761,151
Overdue loans 1-30 days	4.54%	6,437,182,655	228,423,697	6,665,606,352	10%	642,792,663
Overdue loans 31-90 days	1.20%	1,703,493,915	72,398,883	1,775,892,798	30%	511,048,318
Overdue loans 91-180 days	0.48%	676,809,790	29,180,050	705,989,840	60%	406,085,879
Overdue-180 days	0.59%	838,372,286	32,564,134	870,936,420	100%	838,372,286
<b>Total</b>	<b>100%</b>	<b>141,846,857,805</b>	<b>1,925,738,370</b>	<b>143,772,596,175</b>		<b>3,721,060,297</b>
Number of loans: 18,756						

*Credits granted to employees of the Entity*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	98.44%	2,261,106,267	2,458,116	2,263,564,383	1%	22,611,076
Overdue loans 1-30 days	0.07%	1,643,941	20,382	1,664,323	10%	164,395
Overdue loans 31-90 days	1.49%	34,198,005	610,819	34,808,824	30%	10,259,404
Overdue loans 91-180 days	0.00%	105,060	4,609	109,669	60%	63,036
<b>Total</b>	<b>100%</b>	<b>2,297,053,273</b>	<b>3,093,926</b>	<b>2,300,147,199</b>		<b>33,097,911</b>
Number of loans: 163						

*Refinanced or renegotiated credits*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	65.17%	213,599,860	1,356,227	214,956,087	0%	901,355
Overdue loans 1-30 days	21.71%	71,152,415	3,285,908	74,438,323	30%	21,345,726
Overdue loans 31-90 days	3.43%	11,233,739	565,364	11,799,103	60%	6,740,243
Overdue loans 91-180 days	9.69%	31,747,132	1,681,294	33,428,426	100%	31,747,132
<b>Total</b>	<b>100%</b>	<b>327,733,146</b>	<b>6,886,793</b>	<b>334,621,939</b>		<b>60,734,456</b>
Number of loans: 28						

**Total Portfolio**

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	93.36%	134,665,705,286	1,566,985,949	135,848,911,268	1%	1,346,273,582
Overdue loans 1-30 days	4.68%	6,509,979,011	231,729,987	6,914,890,531	10%	664,302,784
<b>Total</b>	<b>1.95%</b>	<b>3,295,959,927</b>	<b>137,005,153</b>	<b>2,937,965,174</b>	<b>55%</b>	<b>1,804,316,298</b>
<b>Overall total</b>	<b>100%</b>	<b>144,471,644,224</b>	<b>1,935,721,089</b>	<b>145,701,766,973</b>		<b>3,814,892,664</b>
Number of loans: 18,947						

**To December 31, 2017**

*Current and overdue credits granted to third parties*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	93.46%	132,834,065,962	1,464,893,644	134,298,959,606	1%	1,327,590,816
Overdue loans 1-30 days	4.62%	6,570,568,175	237,302,868	6,807,871,043	10%	657,057,177
Overdue loans 31-90 days	1.01%	1,439,619,798	64,527,498	1,504,147,296	30%	431,886,100
Overdue loans 91-180 days	0.48%	679,348,981	24,793,486	704,142,467	60%	407,609,375
Overdue-180 days	0.42%	600,188,467	29,244,095	629,432,562	100%	600,188,467
<b>Total</b>	<b>100.00%</b>	<b>142,123,791,383</b>	<b>1,820,761,591</b>	<b>143,944,552,974</b>		<b>3,424,331,935</b>
Number of loans: 20,874						

*Credits granted to employees of the Entity*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	93.97%	1,334,112,788	882,787	1,334,995,575	1%	13,341,131
Overdue loans 1-30 days	2.23%	31,608,711	972,454	32,581,165	10%	3,160,871
Overdue loans 31-90 days	3.11%	44,198,827	690,599	44,889,426	30%	13,259,648
Overdue loans 91-180 days	0.69%	9,769,818	356,076	10,125,894	60%	5,861,891
<b>Total</b>	<b>100.00%</b>	<b>1,419,690,144</b>	<b>2,901,916</b>	<b>1,422,592,060</b>		<b>35,623,541</b>
Number of loans: 163						

*Refinanced or renegotiated credits*

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	50.69%	182,604,006	2,738,436	185,342,442	1%	1,826,038
Overdue loans 1-30 days	38.44%	138,491,664	7,847,662	146,339,326	28%	41,547,501
Overdue loans 31-90 days	10.42%	37,539,204	746,772	38,285,976	59%	22,523,523
Overdue loans 91-180 days	0.45%	1,628,471	145,529	1,774,000	92%	1,628,471
<b>Total</b>	<b>100.00%</b>	<b>360,263,345</b>	<b>11,478,399</b>	<b>371,741,744</b>		<b>67,525,533</b>
Number of loans: 28						

**Total Portfolio**

	Portfolio quality	Capital	Interest earned	Total	% provision	Provision
Current portfolio	93.36%	134,350,782,756	1,468,514,867	135,819,297,623	1%	1,342,757,985
Overdue loans 1-30 days	4.68%	6,740,668,550	246,122,984	6,986,791,534	10%	701,765,549
<b>Total</b>	<b>1.95%</b>	<b>2,812,293,566</b>	<b>120,504,055</b>	<b>2,932,797,621</b>	<b>5.1%</b>	<b>1,482,957,475</b>
<b>Overall total</b>	<b>100%</b>	<b>143,903,744,872</b>	<b>1,835,141,906</b>	<b>145,738,886,778</b>		<b>3,527,481,009</b>
Number of loans: 21,065						

**f) Short-term investments and credit portfolio per currency**

	Short-term investments(*) Note 4	%	Credits (*)	%
<b>Year 2018</b>				
In local currency		0%	144,396,039,824	99.9%
In foreign currency	6,675,356,800	100%	75604400	0.1%
<b>Total resident or non-resident in the country</b>	<b>6,675,356,800</b>	<b>100%</b>	<b>144,471,644,224</b>	<b>100%</b>
<b>Year 2017</b>				
In local currency	-	0%	143,828,699,872	99.9%
In foreign currency	5,579,970,000	100%	75,045,000	0.1%
<b>Total resident in the country</b>	<b>5,579,970,000</b>	<b>100%</b>	<b>143,903,744,872</b>	<b>100%</b>

(\*) Only includes capital balances

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**NOTE 7 – OTHER ASSETS**

Other assets are made up as follows:

Description	12.31.2018	12.31.2017
Miscellaneous	932,911,625	1,021,451,012
Tax credit VAT	214,073,975	264,884,689
Credits to collect – agricultural schools unit	388,391,738	171,774,488
Rental collateral	201,591,811	283,423,649
Advance payment for outlays	112,870,143	102,388,238
Rentals paid in advance	163,433,900	91,269,958
Advance payment of outlays	88,365,700	39,086,218
Insurance paid in advance	73,285,471	87,263,211
Kits for sale – microfinance unit	55,883,666	134,417,078
Advance payments to personnel	14,130,913	16,631,530
Executed projects to recover – entrepren. education unit	7,492,346	1,040,761,720
Insurance claimed for accidents	3,000,000	18,182,610
Advance payment of income tax	-	1,210,583,544
Executed projects to recover – agricultural schools unit	-	227,316,818
TOMs shoes – Donation to be received	-	54,237,734
Wheelchairs – Donation to be made by LDS	-	396,780
<b>Subtotal</b>	<b>2,255,431,288</b>	<b>4,764,069,277</b>
<b>Long term</b>		
Animals – agricultural schools	631,821,268	582,276,501
Eucalyptus plantation	639,942,364	527,775,582
Goods purchased as credit recovery	435,802,865	666,364,478
Registration of brand	173,388,304	-
Materials and inputs	119,728,216	20,110,166
<b>Subtotal</b>	<b>2,000,683,017</b>	<b>1,796,526,727</b>
<b>Total</b>	<b>4,256,114,305</b>	<b>6,560,596,004</b>

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**NOTE 8 – FINANCIAL OBLIGATIONS**

Financial obligations are made up as follows:

**Financial obligations with local entities**

Description	31.12.2018(*)		31.12.2017(*)	
	Short-term	Long-term	Short-term	Long-term
Banco GNB Paraguay S.A.	21,922,347,991		22,124,999,999	
Banco Bilbao Vizcaya Argentaria S.A.	13,166,666,663		11,500,000,000	
Banco Continental S.A.E.C.A.	7,435,568,394		-	
Interfisa Banco S.A.E.C.A.	859,058,027		3,012,060,643	
Banco Rio S.A.	5,565,470,907			
Banco Atlas S.A.	7,157,471,366		1,522,382,196	
Solar de Ahorro y Finanzas S.A.E.C.A.	1,539,842,813		2,002,360,508	
<b>Sub-total</b>	<b>57,646,426,161</b>		<b>40,161,803,346</b>	
Overdrafts in current account			201,344,294	
<b>Total</b>	<b>57,646,426,161</b>		<b>40,363,147,640</b>	

(\*) All the loans are short-term

**Financial obligations with foreign entities**

Description	12.31.2018			12.31.2017		
	Short-term	Long-term	Total	Short-term	Long-term	Total
IADB	455,154,338	793,352,447	1,248,506,785	269,688,373	1,184,620,740	1,454,309,113
Loofund Limited Partnership	1,919,475,000		1,919,475,000	3,564,761,538	1,919,475,000	5,484,236,538
Oikocredit	18,915,582,000		18,915,582,000	6,305,194,000	18,915,582,000	25,220,776,000
Kiva	10,478,400,301		10,478,400,301	12,397,989,517		12,397,989,517
Oxfam Novib – Triple Jump				9,511,969,655		9,511,969,655
INCOFIN		11,154,000,000	11,154,000,000		11,154,000,000	11,154,000,000
<b>Sub-total</b>	<b>31,768,611,639</b>	<b>11,947,352,447</b>	<b>43,715,964,086</b>	<b>32,049,603,083</b>	<b>33,173,677,740</b>	<b>65,223,280,823</b>
Interest accrued to be paid	436,551,625		436,551,625	800,496,689		800,496,689
<b>Total obligations</b>	<b>89,851,589,425</b>	<b>11,947,352,447</b>	<b>101,798,941,872</b>	<b>73,213,247,412</b>	<b>33,173,677,740</b>	<b>106,386,925,152</b>

Refer to Annexes II and III for more information on capital balances and interest rates per operation.

## NOTE 9 – GUARANTEES AND SURETIES

Information is provided below on the guarantees and sureties covering the financial obligations contracted by the Fundación to December 31, 2018.

### Guarantees provided by Fundación Paraguaya

- i. The financial obligations contracted with the bank Bilbao Vizcaya Argentaria Paraguay S.A. to 12.31.2018 are guaranteed with savings deposit certificates for a total value of USD 500,000 of GNB Banco Paraguay S.A.
- ii. The financial obligations contracted with Banco Continental to 31.12.2018 are guaranteed by a fixed-term deposit with a total value of USD 500,000 in Banco Sudameris.

### Guarantees provided by third parties

To December 31, 2018 and 2017 there was a surety or guarantee provided by International Action (Washington D.C.) to the bank Bilbao Vizcaya Argentaria Paraguay S.A. up to the amount of USD 450,000 guaranteeing the credit line and loans granted by the bank Bilbao Vizcaya Argentaria Paraguay S.A. to the Fundación within said line.

Below the guarantees and sureties covered by the financial obligations contracted by the Fundación to December 31, 2017.

### Guarantees provided by the Fundación Paraguaya

- i. The financial obligations contracted with OIKOCREDIT to 31.12.2017, were guaranteed with documents from the Fundación's loan portfolio, whose value covers the balance of the debts held with said entity.
- ii. The financial obligations contracted with BBVA S.A. to 31.12.2017 were guaranteed by a fixed-term deposit with a total value of USD 500,000 in Banco Sudameris. See Note 4.

## NOTE 10 – RECEIVED DONATIONS FOR PROJECTS

Part of the resources with which the Fundación finances its activities have been obtained from International Agencies and local contributors through donation agreements in some cases, or through subsidy programs for specific activities developed by the Fundación.

Donations for projects to be received are as follows:

Description	12.31.2018	12.31.2017
Microfinance Unit (Annex IV)	1,704,737,193	839,179,710
Self-sufficient Agricultural Schools Unit (Annex V)	30,850,605	747,403,952
<b>Totals</b>	<b>1,735,587,798</b>	<b>1,586,583,662</b>

The description of the donations to be received for projects, as well as the resources used for the operational units of microfinance, agricultural schools and entrepreneurial education during the fiscal years 2018 and 2017 are itemized in Annexes IV, V and VI.

**NOTE 11 – ASSETS DIRECTLY RELATED TO THE MICROFINANCE UNIT**

A summary is provided below on the assets of the Fundación to December 31, 2018 and 2017 directly related to the Microfinance Unit and to the services rendered by said operational unit:

Description	Dec. 31, 2018	%	Dec. 31, 2017	%
Liquid assets	3,755,471,874	2.38%	4,866,112,106	3.03%
Short-term investments	5,960,140,000	3.78%	5,778,479,330	3.59%
Credits	142,592,472,649	90.45%	142,211,405,769	88.42%
Miscellaneous credits	773,085,999	0.49%	3,180,666,986	2.01%
Property, plant & equipment	4,570,768,858	2.90%	4,744,368,418	2.95%
<b>Total</b>	<b>157,651,939,380</b>	<b>100%</b>	<b>160,781,032,609</b>	<b>100%</b>

**NOTE 12 – COMMITMENTS & CONTINGENCIES**

The main contracts signed by the Fundación in effect to December 31, 2018 and 2017 are:

- a) On December 20, 2002 the Fundación received, as donation from the Asociación Paraguaya de Educación y Asistencia (APEA) the lands, buildings and facilities of the “San Francisco de Asís” Agricultural School located in Cerrito (Department of Villa Hayes – Paraguayan Chaco), which had been administrated and maintained by APEA until December 31, 2002 and which, as of January 1, 2003 has been administrated by the Fundación. Taking on its administration entails the following obligations for the Fundación:
- Taking on the property, administration and management of the School with the mission of providing technical education on agriculture and livestock to young low-income farmers and introducing academic and administrative reforms.
  - Investing the sum of Gs. 2,450,000,000 in a five-year period to: i) subsidize the spread between operational income and outlays of the School; ii) build new infrastructure; iii) purchase production goods and inputs; iv) open credit lines and provide technical assistance to graduates; v) purchase the land of 14.52 hectares bordering with the School and which is valued at USD 46,464, which was already complied with at the close of 2002.
  - Take on the work obligations of the School to the cutoff date (December 31, 2002), which has already been complied with at the close of 2002.
  - Maintain the current system of boarding school, grants and subsidies of the School enabling the access of at least one hundred young low-income farmers.
  - Develop self-help programs and technical advice for graduates.
  - Ensure an ecclesial space for students to receive catechism and pastoral education inspired on the Catholic religion.
- b) On July 1, 2010 the Fundación received the usufruct of property of the Centro de Formación Técnica Agropecuaria SOS Hermann Gmeiner “SOS Aldea de Niños Paraguay”, located in Belén, to administrate and provide continuity to social work in the area. The term of the usufruct will be 20 years, extendable upon common agreement between the parties. Once said term has elapsed, if the extension is not agreed on, the usufruct will terminate and the ownership of the assets and the administration shall be returned to “SOS Aldea de Niños Paraguay”. Taking up the usufruct entails the following obligations for the Fundación:

- Maintain the school open with the mission of education low-income youth and make academic and administrative reforms.
- Develop self-help programs and provide technical advice so that graduates may apply what they have learned in the School in their communities of origin and facilitate their access to credit for production purposes to develop viable projects.

In addition to the above, to December 31, 2018 and 2017 there are no other situations, commitments or contingencies which could generate financial obligations for the Fundación, other than those disclosed in these financial statements.

## NOTE 13 – RESERVES

### a) Optional reserves

As internal policy the Fundación determined the annual establishment, with the deduction from the accumulated surplus of previous years, of the following reserves prior approval of the Ordinary General Assembly:

- i) Maintenance reserve of the capital value, which is determined in terms of the annual variation of the consumer price index on the accumulated surplus of the previous fiscal year which includes the surplus of said fiscal year. The amounts of capital maintenance reserves established in 2018 and 2017 total Gs. 1,112,696,311 and Gs. 1,494,591,058, respectively.
- ii) IADB SP/SD-87-08-PR maintenance reserve, which to December 31, 2005 was determined in terms of the annual variation of the consumer price index on the balance of the referred IADB loan. As of 2006 the Fundación no longer establishes the aforementioned reserve as the reserve established on December 31, 2005 is deemed sufficient and appropriate for the purposes of its creation.

### b) Revaluation reserves

Fixed assets have been revaluated as per provisions of Law 125/91, using coefficients that reflect inflation in the country. This special reserve provides the matching funds of the net increase in the value of the assets. The rise in net worth generated by the revaluation may be capitalized, but not distributed as dividend, earnings or profit.

## NOTE 14 – INCOME TAX

### a) Current:

Due to the activity of the Microfinance Unit and other services, the Fundación is subject to the income tax on commercial, industrial and service activities (IRACIS), the overall rate of which is 10%.

The income tax levied on the results of the year is based on the book earnings before this item, adjusted by the line-items that the Law includes or excludes for the determination of taxable earnings to which the tax rate is applied and by the recognition of the charge or the income originated from the application of the deferred tax, if any.

Due to the activity of agricultural and livestock production of the Agricultural Schools, the Fundación is taxpayer of the income tax on agriculture and livestock activities (IRAGRO). The IRAGRO is calculated on the book result according to the regime established in the tax legislation in effect.

	31.12.2018			
	IRACIS		IRAGRO	
	Taxed	Exempt	Taxed	Exempt
Earnings(lost) before taxes	5,380,505,993	437,691,341	(114,484,970)	229,543,901
<b>Tax adjustments</b>				
(+)Non-deductible outlays	3,802,210,666	205,231,880	46,187,100	29,235,837
<b>Taxable income</b>	9,182,716,659		(68,297,870)	
Tax rate	10%	-	10%	-
<b>Income tax</b>	<b>918,271,666</b>		<b>-</b>	
	31.12.2017			
	IRACIS		IRAGRO	
	Taxed	Exempt	Taxed	Exempt
Earnings(lost) before taxes	4,333,689,685	(340,152,640)	(343,659,927)	288,832,431
<b>Tax adjustments</b>				
(+)Non-deductible outlays	4,521,300,619	215,338,788	62,432,226	15,916,005
<b>Taxable income</b>	8,854,990,304		(281,227,701)	
Tax rate	10%	-	10%	-
<b>Income tax</b>	<b>885,499,030</b>		<b>-</b>	

#### NOTE 15 – POSITION IN FOREIGN CURRENCY

The position of assets and liabilities in foreign currency is made up as follows:

Item	31.12.2018		
	USD	Pounds	Equivalent in Gs.
Assets in foreign currency	1,327,498	11,647	7,989,209,857
Liabilities in foreign currency	(2,175,884)	-	(12,970,315,430)
Net position	<b>(848,386)</b>	<b>11,647</b>	<b>(4,981,105,573)</b>

Item	31.12.2017		
	USD	Pounds	Equivalent in Gs.
Assets in foreign currency	1,382,533	36,815	7,990,772,083
Liabilities in foreign currency	(2,731,406)	(41,428)	(15,610,636,845)
Net position	<b>(1,348,873)</b>	<b>(4,613)</b>	<b>(7,619,864,762)</b>

Assets and liabilities in foreign currency were valued at the exchange rate in effect on the closing date of each fiscal year, as detailed below.

Currency	12.31.2018		12.31.2017	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
USD	5,960.14	5,960.94	5,579.97	5,600.98
POUNDS	7,560.44	7,533.32	7,504.50	7,533.32

To the date of these financial statements, the exchange rate for assets: of the US dollar was Gs. 6,215.22 and of pounds sterling Gs. 8,146.29. The exchange rate for liabilities of the US dollar was Gs. 6,225.18 and of pounds sterling Gs. 8,159.97.

#### NOTE 16 – OTHER RELEVANT ASPECTS OF THE FISCAL YEAR

On February 16, 2011 the Fundación received in usufruct the real estate of the San Fernando Farm, located in San Pedro to administrate it and give continuity to the social work in the area. The term of the usufruct was 20 years and extendable.

On said property, the institution set up a replica of the Cerrito School, which began operating in August 2012. During these years, investments worth USD 200,000 have been made to improve the infrastructure and operating costs were covered for more than Gs. 3,000 million. A total of 72 students have graduated from the school.

In the meeting on September 4, 2018, the Board of Directors decided that the Fundación will return possession and administration of the property to the Diocese of San Pedro, thus finalizing the usufruct and administration.

This decision is due to the difficulty to attain self-sufficiency because the local market is limited, insecurity in the area has increased and there is no suitable road to reach the school, which impedes the development of didactic productive units to generate sufficient income and sustainability. Despite repeated efforts with the Municipality and the Departmental Government, public entities have not provided an adequate road.

Additionally, the land of the school is complicated and limited as only one part is useable; the rest is either a natural reserve and cannot be touched, or swampy.

#### NOTE 17 – SUBSEQUENT EVENTS

Between the closing date of the fiscal year and the date of preparation of these financial statements, no significant events of a financial or other nature have occurred that need mentioning.

*Signed by Luis Fernando Sanabria, General Manager*

*Signed by Liliana Marroco Franco, Accounting Manager*

*Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.*

*Translator's Note: This is a true translation of the Notes of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.*

**VICTORIA V. BROWN**  
**OFFICIAL TRANSLATOR**  
 Prof. Reg. 462  
 JUDICIARY - Paraguay

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX I

PROPERTY, PLANT AND EQUIPMENT

Account	Original Values						Revaluation of the period	Balance to 31.12.2018
	Initial Balance	Highs	Lows & adjustments	Reclassifications	Revaluation of the period	Reclassifications		
Real estate	7,035,010,088	-	-	-	-	-	225,257,443	7,260,267,531
Movables, supplies & installations	15,124,384,202	1,187,617,363	(78,603,533)	-	-	-	355,077,801	16,588,475,833
Computing hardware	4,056,455,499	230,753,456	(15,775,325)	-	-	-	37,154,882	4,308,588,512
Transportation material	931,316,835	-	(54,985,504)	-	-	-	20,785,678	897,117,009
Improvement in third-party plots	1,976,569,861	94,491,819	(756,626,534)	-	-	-	38,392,380	1,352,827,526
Other assets	296,835,826	34,591,050	-	-	-	-	4,105,808	335,532,684
<b>Sub-Total 2018</b>	<b>29,420,572,311</b>	<b>1,547,453,688</b>	<b>(905,990,896)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680,773,992</b>	<b>30,742,809,095</b>
Ongoing constructions & installations(*)	573,466,831	1,237,652,065	(681,234,103)	-	-	-	-	1,129,884,793
<b>Sub-Total 2018</b>	<b>573,466,831</b>	<b>1,237,652,065</b>	<b>(681,234,103)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,129,884,793</b>
<b>Total 2018</b>	<b>29,994,039,142</b>	<b>2,785,105,753</b>	<b>(1,587,224,999)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680,773,992</b>	<b>31,872,693,888</b>
<b>Total 2017</b>	<b>26,687,161,930</b>	<b>2,416,038,005</b>	<b>5,412,241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>885,426,966</b>	<b>29,994,039,142</b>

Account	Depreciations						Net result at close	Years lifespan
	Initial balance	Depreciations(**)	Lows & adjustments	Reclassifications	Revaluation of the period	Accumulated		
Real estate	(2,372,627,981)	(236,964,588)	-	-	(75,924,092)	(2,685,516,661)	4,574,750,870	25
Movables, supplies & installations	(7,189,965,759)	(1,145,760,527)	26,440,678	-	(95,255,681)	(8,404,541,289)	8,183,934,544	10
Computing hardware	(3,494,940,388)	(284,245,878)	14,900,250	-	(16,881,795)	(3,781,167,811)	527,420,701	4
Transportation material	(653,767,651)	(125,639,988)	54,985,504	-	(11,904,104)	(736,326,239)	160,790,770	5
Improvement in third-party plots	(1,404,828,625)	(226,774,434)	490,995,652	-	(18,881,138)	(1,159,488,545)	193,338,981	5
Other assets	(275,824,495)	(13,677,607)	-	-	(577,994)	(290,080,096)	45,452,588	5
<b>Sub-Total 2018</b>	<b>(15,391,954,899)</b>	<b>(2,033,063,022)</b>	<b>587,322,084</b>	<b>-</b>	<b>(219,424,804)</b>	<b>(17,057,120,641)</b>	<b>13,685,688,454</b>	
Ongoing constructions & installations(*)	-	-	-	-	-	-	1,129,884,793	
<b>Sub-Total 2018</b>	<b>(15,391,954,899)</b>	<b>(2,033,063,022)</b>	<b>587,322,084</b>	<b>-</b>	<b>(219,424,804)</b>	<b>(17,057,120,641)</b>	<b>14,815,573,247</b>	
<b>Total 2018</b>	<b>(13,284,324,043)</b>	<b>(1,843,594,710)</b>	<b>4,084,900</b>	<b>(1)</b>	<b>(267,605,669)</b>	<b>(15,391,954,899)</b>	<b>14,602,084,243</b>	




(\*) Ongoing assets to 2018 correspond to the development of software for the Poverty Stoplight.  
 (\*\*) Depreciation of the fiscal year is made up of:

Description	31.12.2018	31.12.2017
Depreciación de fiscal year Microfinance (Annex VII)	764,258,565	693,960,219
Depreciación de fiscal year Internships Project (Annex VII)	7,417,194	6,858,055
Depreciación de fiscal year Replications (Annex VIII)	1,024,380	2,143,362
Depreciación de fiscal year San Francisco School (Annex VIII)	854,372,631	767,814,074
Depreciación de fiscal year Belén School (Annex VIII)	174,245,995	192,761,998
Depreciación de fiscal year San Pedro School (Annex VIII)	211,993,193	173,292,441
Depreciación de fiscal year Entrepreneurial Education (Annex XI)	15,913,556	6,764,561
Depreciation of fiscal year Own Funds Stoplight	3,837,508	-
<b>Total</b>	<b>2,033,063,022</b>	<b>1,843,594,710</b>

Signed by Luis Fernando Sanabria, General Manager  
 Signed by Liliana Marroco Franco, Accounting Manager  
 Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of Annex I of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.

**VICTORIA V. BROWN**  
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 Prof. Reg. 462  
 JUDICIARY - Paraguay  




**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018**
**ANNEX II**
***Financial obligations with local entities to 12.31.2018 (Note 8)***

Creditor	Currency	Approval	Expiry	Rate	Original amount	Balance capital to 31.12.2018
Banco Atlas S.A.	GUARANIES	14/03/2018	14/03/2019	8.50%	4,019,747,051	1,037,077,887
Banco Atlas S.A.	GUARANIES	28/06/2018	10/01/2019	7.50%	2,055,180,596	334,320,919
Banco Atlas S.A.	GUARANIES	28/11/2018	20/11/2019	8.00%	3,013,662,325	2,771,599,656
Banco Atlas S.A.	GUARANIES	03/12/2018	03/12/2019	8.00%	3,014,472,904	3,014,472,904
<b>Sub-total</b>					<b>12,103,062,876</b>	<b>7,157,471,366</b>
Banco GNB Paraguay S.A.	GUARANIES	22/03/2018	17/03/2019	8.00%	3,000,000,000	750,000,000
Banco GNB Paraguay S.A.	GUARANIES	27/04/2018	12/04/2019	8.00%	1,500,000,000	500,000,000
Banco GNB Paraguay S.A.	GUARANIES	16/05/2018	11/05/2019	8.50%	3,000,000,000	1,250,000,000
Banco GNB Paraguay S.A.	GUARANIES	13/06/2018	08/06/2019	8.00%	4,000,000,000	2,000,000,002
Banco GNB Paraguay S.A.	GUARANIES	25/07/2018	25/01/2019	6.50%	2,500,000,000	422,347,989
Banco GNB Paraguay S.A.	GUARANIES	29/08/2018	15/08/2019	8.50%	3,000,000,000	2,000,000,000
Banco GNB Paraguay S.A.	GUARANIES	18/12/2018	18/06/2019	9.00%	3,000,000,000	3,000,000,000
Banco GNB Paraguay S.A.	GUARANIES	21/12/2018	21/12/2019	10.50%	5,000,000,000	5,000,000,000
Banco GNB Paraguay S.A.	GUARANIES	26/12/2018	26/12/2019	10.50%	7,000,000,000	7,000,000,000
<b>Sub-total</b>					<b>32,000,000,000</b>	<b>21,922,347,991</b>
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	27/03/2018	25/03/2019	8.00%	2,000,000,000	500,000,001
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	26/04/2018	15/04/2019	8.00%	1,500,000,000	500,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	12/07/2018	08/07/2019	7.85%	2,000,000,000	1,166,666,665
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	18/09/2018	13/09/2019	8.00%	4,000,000,000	2,999,999,997
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	13/12/2018	09/12/2019	8.00%	4,000,000,000	4,000,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	18/12/2018	13/12/2019	8.00%	4,000,000,000	4,000,000,000
<b>Sub-total</b>					<b>17,500,000,000</b>	<b>13,166,666,663</b>
Interfisa Banco S.A.E.C.A.	GUARANIES	20/04/2018	22/04/2019	8.00%	2,511,621,717	859,058,027
<b>Sub-total</b>					<b>2,511,621,717</b>	<b>859,058,027</b>
Solar de Ahorro y Finanzas S.A.E.C.A.	GUARANIES	14/06/2018	10/06/2019	8.50%	3,014,803,402	1,539,842,813
<b>Sub-total</b>					<b>3,014,803,402</b>	<b>1,539,842,813</b>
Banco Continental SAECA	GUARANIES	25/10/2018	24/04/2019	7.50%	2,500,000,000	1,676,772,176
Banco Continental SAECA	GUARANIES	20/11/2018	20/11/2019	8.00%	3,000,000,000	2,758,796,218
Banco Continental SAECA	GUARANIES	12/12/2018	09/12/2019	8.00%	3,000,000,000	3,000,000,000
<b>Sub-total</b>					<b>8,500,000,000</b>	<b>7,435,568,394</b>
Banco Río S.A.	GUARANIES	30/05/2018	07/06/2019	8.50%	2,015,996,015	1,031,381,917
Banco Río S.A.	GUARANIES	13/06/2018	19/06/2019	8.50%	3,000,000,000	1,534,088,990
Banco Río S.A.	GUARANIES	19/12/2018	28/01/2019	9.00%	3,000,000,000	3,000,000,000
<b>Sub-total</b>					<b>8,015,996,015</b>	<b>5,565,470,907</b>
<b>Total</b>					<b>83,645,484,010</b>	<b>57,646,426,161</b>

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**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**FINANCIAL STATEMENTS TO DECEMBER 31, 2018**

**ANNEX II (cont.)**

*Financial obligations with local entities to 12.31.2017 (Note 8)*

Creditor	Currency	Approval	Expiry	Rate	Original amount	Balance capital to 31.12.2017
Banco Atlas S.A.	GUARANIES	18/07/2017	14/01/2018	7.00%	3,006,771,561	508,443,639
Banco Atlas S.A.	GUARANIES	14/08/2017	10/02/2018	7.00%	3,006,771,561	1,013,938,557
<b>Sub-total</b>					<b>6,013,543,122</b>	<b>1,522,382,196</b>
Banco GNB Paraguay S.A.	GUARANIES	24/02/2017	19/02/2018	9.00%	3,000,000,000	500,000,000
Banco GNB Paraguay S.A.	GUARANIES	20/03/2017	15/03/2018	9.00%	3,000,000,000	750,000,000
Banco GNB Paraguay S.A.	GUARANIES	28/08/2017	23/08/2018	8.25%	3,500,000,000	2,624,999,999
Banco GNB Paraguay S.A.	GUARANIES	21/09/2017	16/09/2018	8.25%	3,000,000,000	2,250,000,000
Banco GNB Paraguay S.A.	GUARANIES	09/10/2017	04/10/2018	8.25%	8,500,000,000	7,500,000,000
Banco GNB Paraguay S.A.	GUARANIES	11/12/2017	06/12/2018	8.10%	4,000,000,000	4,000,000,000
Banco GNB Paraguay S.A.	GUARANIES	15/12/2017	10/12/2018	8.10%	4,500,000,000	4,500,000,000
<b>Sub-total</b>					<b>29,500,000,000</b>	<b>22,124,999,999</b>
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	14/09/2017	20/03/2018	7.00%	3,000,000,000	1,500,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	19/12/2017	17/12/2018	8.00%	4,000,000,000	4,000,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	22/12/2017	22/01/2018	6.50%	4,000,000,000	4,000,000,000
Banco Bilbao Vizcaya Argentaria Paraguay S.A.	GUARANIES	27/12/2017	26/01/2018	6.50%	2,000,000,000	2,000,000,000
<b>Sub-total</b>					<b>13,000,000,000</b>	<b>11,500,000,000</b>
Interfisa Banco S.A.E.C.A.	GUARANIES	20/12/2017	19/12/2018	7.00%	3,012,060,643	3,012,060,643
<b>Sub-total</b>					<b>3,012,060,643</b>	<b>3,012,060,643</b>
Solar de Ahorro y Finanzas S.A.E.C.A.	GUARANIES	22/12/2017	22/01/2018	8.00%	2,002,360,508	2,002,360,508
<b>Sub-total</b>					<b>2,002,360,508</b>	<b>2,002,360,508</b>
<b>Total</b>					<b>53,527,964,273</b>	<b>40,161,803,346</b>

*Signed by Luis Fernando Sanabria, General Manager*

*Signed by Liliana Marroco Franco, Accounting Manager*

*Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.*

*Translator's Note: This is a true translation of Annex II of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.*

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**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**FINANCIAL STATEMENTS TO DECEMBER 31, 2018**  
*Financial obligations with foreign entities (Note 8)*

**ANNEX III**

Financial obligations with foreign entities (Note 8)	To December 31, 2018			To December 31, 2017		
	Short term	Long term	Total	Short term	Long term	Total
<b>Inter-American Development Bank (IADB)</b>						
a. Financing agreement – Rotational Fund SP/SD-87-08-PR signed by IADB and FPCD for a total of Swiss Francs 780,750 for the execution of a credit program and training targeting microentrepreneurs. The expiry of capital and interest is biannual, between 01/06/98 and 07/06/2027. In addition a 1% annual commission is payable as of the date of the last disbursement (September 1990).	190,685,774	-	190,685,774	21,173,450	190,561,050	211,734,500
b. Financing and technical cooperation agreement No. SP/SF-02-12-PR signed by IDB and THE FUNDACIÓN for a total of USD 600,000 (reimbursible funding) and USD 250,000 for technical assistance (non-reimbursible). The goal of the project is to contribute to the improvement of the standard of living of small-scale rural producers associated in rural organizations. Payment shall be in 40 biannual consecutive and equal installments with a 5-year capital period of grace. Annual interest rate is 2.5% payable biannually as of the signing of the contract. Credit shall be reimbursed in US dollars. The balance of the capital to 12.31.2011 is USD 532,438.88 (USD 350,838 to 12.31.2010). Expiry of the operation is 11.21.2022.	264,468,564	793,352,447	1,057,821,011	248,514,923	994,059,690	1,242,574,613
<b>Loftund Limited Partnership</b>						
Fixed term loan obtained from said entity for Gs. 4,357,000,000 on September 23, 2014 subject to the following conditions: annual 7.55% interest rate adjustable on a quarterly basis plus the effective passive interest rate weighted average in local currency of the savings deposit certificates to 180 days for banks of the Paraguayan Financial System published on the web page of the Superintendency of Banks of the Central Bank of Paraguay. The total term of the operation is 4 years s of date of disbursement with twelve months grace.	-	-	-	1,005,461,538	-	1,005,461,538
Fixed term loan obtained from said entity worth Gs. 8,317,725,000 on September 21, 2017 subject to the following conditions: 7.55% interest rate adjustable on a quarterly basis plus the effective passive interest rate in local currency of the savings deposit certificates to 180 days for banks of the Paraguayan Financial System published on the web page of the Superintendency of Banks of the Central Bank of Paraguay. The total term of the operation is 4 years with 12 months grace. The final expiry date of this operation is September 9, 2018.	1,919,475,000	-	1,919,475,000	2,559,300,000	1,919,475,000	4,478,775,000

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX III (cont.)

Victoria V. Brown, Sworn Translator No. 462, Asunción, Paraguay

	To December 31, 2018		Total	To December 31, 2017		Total
	Short term	Long term		Short term	Long term	
<b>Financial obligations with foreign entities (Note 8)</b>						
<b>Oikocredit</b>						
Fixed term loan obtained from said entity worth Gs. 15,825,970,000 on December 14, 2015 subject to the following conditions: 9.3% interest rate updated on a quarterly basis paid it will be the weighted average in local currency of the savings deposit certificates to 180 days for banks of the Paraguayan financial system published on the webpage of the Superintendency of Banks of the Central Bank of Paraguay. The total term of the operation is 5 years with 12 months grace. The final expiry date of this operation is June 14, 2021.	18,915,582,000		18,915,582,000	6,305,194,000	18,915,582,000	25,220,776,000
<b>Oxfam Novib - Triple Jump</b>						
Fixed term loan obtained from said entity on March 22, 2016 worth Gs. 9,511,969,655 at a 12.5% interest rate. Interest shall be paid every six months with first payment of interests on September 14, 2016.	-	-	-	9,511,969,655	-	9,511,969,655
<b>Kiva</b>						
Kiva is a US-based organization that allows loaning money to small-scale enterprises or entrepreneurs in developing countries through the Internet. It is a non-profit organization that does not charge interest for the loans channeled through it. Through Kiva, any person may loan money (as of 25 dollars) in a secure manner to entrepreneurs who have submitted their business idea to the Kiva partner in the country where the microentrepreneur lives. The periods of time are variable depending on the period of time requested by the microentrepreneur.	10,478,400,301		10,478,400,301	12,397,989,517	-	12,397,989,517
<b>INCOFIN</b>						
Loans in guarantees worth USD 2,000,000. Variable rate resulting from the sum of the 6.98% rate plus CDAs to 180 days. One year period of grace, and subsequent payment of the principal in quarterly installments. Expiry September 9, 2018.		11,154,000,000	11,154,000,000	-	11,154,000,000	11,154,000,000
<b>Total financial obligations with foreign entities</b>	<b>31,768,611,639</b>	<b>11,947,352,447</b>	<b>43,715,964,086</b>	<b>32,049,603,083</b>	<b>33,173,677,740</b>	<b>65,223,280,823</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of Annex III of Annex III that I had before me in April 2019 in Asunción, Paraguay.

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX IV

Resources of the microfinance unit

Donor and/or project	Description of the Agreement or Donation	Resources of the agreements used to		Expenses of the agreements used to		Net		Donations received f/projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Peery Foundation	Agreement for development of pilot program "Committee of Rural Entrepreneurial Women", Fund of Grants and Dissemination of Institutional model. Agreement for the program "Poverty Eradication".	165,731,434	151,340,673	(165,731,434)	(151,340,673)	-	-	44,790,852	38,805,088
Internships project	Fundación Paraguaya promotes the admittance of graduate and postgraduate students mainly of US universities and Europe to support their programs and gain field experience in Latin America. Outlays of the program are transferred to the students.	469,981,769	328,254,053	(561,684,802)	(506,944,444)	(92,703,033)	(178,690,391)		
BUNGE Agreement	Enlightening Lives is a project that seeks to set up 100 solar panels in communities of Curuguaty that do not have access to electricity. Project duration is 12 months.		68,760,961		(68,760,961)	-	-		
SKOLL Agreement	On this occasion, Skoll returns committing to another social renovation of the Fundación Paraguaya, the Poverty Stoplight, to continue with its development an rest it in the context of work with governments and other countries (Tanzania).	139,145,401	1,098,290,840	(139,145,401)	(1,095,518,113)	-	2,772,727	110,045,387	344,057,746
Poverty Stoplight- SKOLL - BENETECH		50,593,741		(50,593,741)		-	-	59,302,341	
GIZ Agreement	On August 31, 2018, the Fundación and GIZ signed an agreement to perform to surveys so as to determine the costs of violence against women with a partner or former partner in Paraguay in the context of the Regional Program "Violence against Women in Latin America".		33,328,779		(33,328,779)	-	-		

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX IV (cont.)

Resources of the microfinance unit

Donor and/or project	Description of the Agreement or Donation	Resources of the agreements used to		Expenses of the agreements used to		Net		Donations received f/projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Toms Shoes Y LDS	Agreement with TOM's Shoes Inc. through which THE FUNDACIÓN provides free of charge to the children of its clients and beneficiaries of its programs espadrilles donates by TOMS Shoes Inc. as per agreement signed on February 2012. Agreement signed with Wheelchair Foundation for the donation of 270 wheelchairs through THE FUNDACIÓN signed October 2013.	893,960,967	1,797,293,424	(893,946,836)	(1,794,391,606)	14,131	2,901,818	112,647,514	54,634,514
Ausaid/MIF	On March 15, 2012 the Fundación and IDB signed a non-reimbursable agreement of technical cooperation called "Development of Microfranchises for Low Income Women Entrepreneurs" with the goal of contributing to the expansion of microfranchises as economic empowerment tool for the low income population of Paraguay. The project finalizes on September 15, 2017.		1,538,507,916		(1,538,507,916)	-	-		-
USAID	Agreement No. AID-526-A-14-00001 the Fundación and USAID develop the Project "Inclusive Opportunities in Microfinance" that includes training, credit granting and the creation of microenterprises for persons with disabilities and their families. USAID will contribute to the project a total of USD 442,430. The term of the agreement is from June 27, 2014 to December 31, 2016.		7,983,000		(7,983,000)	-	-		-
Poverty Spotlight - Peery Foundation		679,334,167	-	(334,142,297)	-	345,191,870	-	754,551,113	

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX IV (cont.)

Resources of the microfinance unit

Donor and/or project	Description of the Agreement or Donation	Resources of the agreements used to		Expenses of the agreements used to		Net		Donations received f/projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Latin American Development Bank	On June 14, 2016 CAF approved a non-reimbursable technical cooperation, in favor of Fundación Paraguaya, to support the project "My toilet, my kitchen, my pride", whose purpose is to educate and raise awareness among the low-income population on the existence of the multiple dimensions of poverty, including the issue of health and sanitation. On December 7, 2016 CAF approved a non-reimbursable technical cooperation, in favor of Fundación Paraguaya to promote the dissemination of the Poverty Stoplight tool among companies and municipalities of Paraguay to identify and generate more efficient solutions to poverty.	761,699,907	769,291,999	(758,409,907)	(759,291,999)	3,290,000	4,000,000	186,286,196	110,819,185
Poverty Elimination - Own Funds	The Project seeks to provide innovative solutions to poverty, while identifying practical solutions that are normally within the reach of families, but that they cannot envision without the advice of a person acting as a mentor. Poverty is measured with a software designed by Hewlett Packard for information gathering.	1,559,969,963	453,695,896	(2,191,356,559)	(1,121,617,999)	(631,988,196)	(767,982,083)	-	-
Poverty Stoplight - "Cerrito" Initiative		176,387,860	-	(573,102,440)	-	(396,714,580)	-	-	-
IDRC Agreement		621,255,215	-	(621,255,215)	-	-	-	123,131,207	-

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX IV (cont.)

Resources of the microfinance unit

Donor and/or project	Description of the Agreement or Donation	Resources of the agreements used to		Expenses of the agreements used to		Net		Donations received from projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
LEMONAIID Project	The project seeks the financial inclusion of people with visual disabilities through access to our Microfinance programs, the possibility of accessing loans to strengthen their ventures, access to microfranchise products, training workshops and mentoring. In financial literacy and entrepreneurship, accompanied by the Poverty Spotlight, a tool that motivates families to escape poverty by self-assessing their quality of life and self-managing the solutions to different poverty indicators.	294,462,509	9,438,277	(294,462,509)	(9,438,277)	-	-	313,982,583	290,863,177
	<b>Total microfinance unit</b>	<b>5,810,860,733</b>	<b>6,190,125,178</b>	<b>(6,583,830,541)</b>	<b>(7,127,123,107)</b>	<b>(772,969,808)</b>	<b>(936,997,929)</b>	<b>1,704,737,193</b>	<b>839,179,710</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of Annex IV of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX V

Resources of the self-sufficient agricultural schools

Donor and/or project	Description of the Agreement or Donation	Resources of the program to		Expenses of the program to		Net		Donations received for projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
San Francisco de Asis Agricultural School - Cerrito	Under the donation agreement with stipulations as to its use signed on December 20, 2002 between the Fundación and the Paraguayan Education & Assistance Association (APEA), the latter donated to the Fundación the lands, buildings and facilities of the Agricultural School "San Francisco de Asis" located in Cerrito (Department of Villa Hayes, Paraguayan Chaco), which was administrated and maintained by APEA until December 31, 2002 and which is administrated by the Fundación as of January 1, 2003. These assets donated with stipulations as to their use were activated by the Fundación to December 31, 2002 under the line-item "Property, Plant and Equipment" and are subject to the obligations and commitments mentioned in Note 12. Agreements signed with Global GIVING, Karen Anasara and the Disney Foundation allow reinforcement of the infrastructure of the School, for example the laundry area and the facilities of the organic vegetable garden (Program Living Healthy). In 2016 the Fundación and UNESCO-UNEVOC signed an agreement to improve agricultural education and for teacher training through the development of a video in Spanish on exemplary agricultural practices and vegetable growing, honey production and fishing, and to train national and regional teachers on the use of Open Educational Resources in agriculture. The Fundación and the Czech Embassy signed an agreement to develop the business units to support the education of rural youth in the San Francisco de Asis Agricultural School through the construction of a germination area.	5,421,409,585	5,126,978,708	(5,876,896,218)	(5,629,749,508)	(457,486,632)	(502,770,798)	12,490,178	23,179,872
Belén Agricultural School	Aidea SOS has granted the Belén School in usufruct for a 20 year term and has donated real estate and existing livestock to said school. The self-sustainable agricultural schools is replicated in said school. As with the Cerrito Francisco de Asis School, the Belén school received the support of the Resources Foundation assigned to the Program Living Healthy of organic vegetables. Additionally, in 2011 the Peery Foundation and Marriot committed to grant funds to cover the operational costs of the Belén School for a total amount of USD 200,000, with a four-year term. On March 2015, the Czech Republic signed an agreement for the "Development of business units to support the education of students of the Belén School" through the construction of a chicken fattening unit at the Belén Agricultural School.	1,458,649,516	1,251,085,973	(2,222,195,437)	(2,261,955,418)	(763,545,921)	(1,010,869,445)	-	-
San Pedro Agricultural School	of the Granja San Fernando located in San Pedro to administrate. It and provide continuity to the social work in the area. The term of the usufruct is 20 years, extendable. In said school the model of self-sufficient agricultural schools is replicated.	301,096,811	390,062,081	(1,292,320,486)	(1,037,422,439)	(931,283,675)	(707,360,358)	-	-

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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX V (cont.)

Resources of the self-sufficient agricultural schools

Donor and/or project	Description of the Agreement or Donation	Resources of the program to		Expenses of the program to		Net		Donations received for projects	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
MasterCard	MasterCard Foundation approved a five year project for a value of USD 5.6 million that will allow the Fundación to replicate its Self-Sustaining School model in Tanzania. The project envisages supporting 5 non-governmental secondary schools attended by rural and semi-rural students of ages 14 to 20, as first step to expand the model to all Sub-Saharan Africa. The project also allows the Fundación to implement other programs with more reduced impact through the creation of student cooperatives in 20 government schools, introduces elements of the approach 'Team doing, earning and saving', improve learning of students in public schools and open the doors to greater cooperation with government schools. Date of the contract: 07/22/2011. Closing date: 12/31/2017	-	3,899,786,487	-	(3,899,786,487)	-	-	-	-
HDF	The project Innovation and the Entrepreneurial Spirit in education through the business club in Itanga 5/1/2015-6/30/2018.	210,962,851	1,693,472,596	(210,962,851)	(1,693,472,596)	-	-	210,456,091	-
Replications	Fondos recibidos para la diseminación y réplica del modelo de la escuela autosostenible de la Fundación Paraguaya.	79,897,581	42,771,694	(781,984,246)	(515,093,166)	(702,086,665)	(472,321,472)	-	-
The Resources Foundation	Funds received to disseminate and replicate the self-sustainable schools of the Fundación.	-	-	-	-	-	-	78,021,651	-
Opportunity	Pilot Club Business Program, aimed at establishing forty business clubs in twenty schools in Tanzania. The project will benefit 1200 students of primary and secondary schools, and will improve the quality of education to acquire knowledge, skills and attitudes for the workplace. The validity of the contract is from August 14, 2017 to April 30, 2018. In addition we have an additional contract that will evaluate the impact of the project. The validity of the contract is from February 23, 2018 to April 30, 2018.	530,941,781	115,515,650	(530,941,781)	(115,515,650)	-	-	18,360,427	435,746,338
	<b>Total self-sufficient agricultural schools unit</b>	<b>8,002,288,126</b>	<b>12,459,673,189</b>	<b>(10,856,703,029)</b>	<b>(15,452,995,262)</b>	<b>(2,854,402,893)</b>	<b>(2,693,322,073)</b>	<b>30,850,605</b>	<b>747,403,952</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of Annex V of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.

**VICTORIA V. BROWN**  
OFFICIAL TRANSLATOR  
Prof. Reg. 462  
JUDICIARY - Paraguay

FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
FINANCIAL STATEMENTS TO DECEMBER 31, 2018

ANNEX VI

Resources and outlays of the entrepreneurial education unit

Donor and/or project	Description of the Agreement or Donation	Resources of the program to		Expenses of the program to		Net		Donations (in cash) received for projects and not used to	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Several entities	Since 1994 the Fundación has received funds from local sources to finance the expenses of the Entrepreneurial Education Program, the goal of which is the economic education of school-aged children and youth.	1,516,781,242	1,363,499,052	(1,642,795,873)	(1,354,930,357)	(126,014,631)	8,568,695	-	-
MIF-YEP	On November 9, 2017 the Fundación and IADB signed a non-reimbursable technical cooperation agreement called "Scaling Program of youth enterprises in Paraguay", with the purpose of increasing the number of successful businesses of low-income youth at the national level. The project ends on March 31, 2019.	1,872,047,411	1,216,045,102	(1,810,645,930)	(1,207,317,830)	61,401,481	8,727,272	-	-
US Embassy	On October 1, 2016, the US Embassy and the Fundación signed an agreement to implement the project "Economic empowerment of women: A new perspective to break the cycle of violence against women". This program is designed to train women for them to become sufficiently independent to break the cycle of gender violence.	-	630,783,520	-	(630,783,520)	-	-	-	-
	<b>Total entrepreneurial education unit</b>	<b>3,389,828,653</b>	<b>3,210,327,674</b>	<b>(3,453,441,803)</b>	<b>(3,193,031,707)</b>	<b>(64,613,150)</b>	<b>17,295,967</b>	<b>-</b>	<b>-</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

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**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO**  
**STATEMENT OF RESOURCES & OUTLAYS – MICROFINANCE UNIT**

## ANNEX VII

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Financial Income</b>	<b>54,266,674,447</b>	<b>53,695,906,871</b>
Products - current portfolio	40,989,878,086	39,344,711,031
Products - overdue portfolio	783,286,551	769,944,354
Portfolio and contingent commission	12,280,492,408	13,328,855,809
Products - money supply & short-term investments	213,017,402	252,395,677
<b>Financial Expenses</b>	<b>(7,032,606,480)</b>	<b>(7,824,512,835)</b>
<b><u>Gross Financial Margin</u></b>	<b>47,234,067,967</b>	<b>45,871,394,036</b>
<b>Recovery of financial assets</b>	<b>2,827,756,025</b>	<b>1,222,073,325</b>
<b>Charges for NPLs</b>	<b>(4,540,121,622)</b>	<b>(4,532,872,109)</b>
<b><i>Financial Margin after NPLs</i></b>	<b>45,521,702,370</b>	<b>42,560,595,252</b>
<b>Other operating income</b>	<b>5,755,404,509</b>	<b>3,915,383,784</b>
Effect of the foreign exchange spread	(446,943,869)	129,134,571
<b><u>Gross Operating Margin</u></b>	<b>50,830,163,010</b>	<b>46,605,113,607</b>
<b>Administration expenses</b>	<b>(41,204,920,754)</b>	<b>(39,053,380,023)</b>
Personnel expenses	(25,919,713,798)	(25,684,495,860)
Professional fees	(1,905,168,769)	(942,760,717)
Hired services	(2,030,050,526)	(2,032,045,186)
Insurance, custody and surveillance	(1,863,957,194)	(2,066,121,902)
Mobility & per diems – Represent. expenses	(2,541,907,549)	(2,706,245,057)
Taxes, fees and licenses	(117,304,343)	(134,929,748)
Maintenance and repairs	(1,086,218,894)	(751,780,971)
Depreciation and devaluation of fixed assets	(764,258,565)	(693,960,219)
Paid rentals	(1,778,914,057)	(1,577,766,946)
Communication and promotion	(433,155,046)	(265,812,211)
Staff training	(263,285,790)	(195,088,028)
<b>Other administration expenses</b>	<b>(2,500,986,223)</b>	<b>(2,002,373,178)</b>
<b>Sub-total</b>	<b>9,625,242,256</b>	<b>7,551,733,584</b>
Income Taxes	(918,271,666)	(885,499,030)
<b>Total</b>	<b>8,706,970,590</b>	<b>6,666,234,554</b>

  
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FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
STATEMENT OF RESOURCES & OUTLAYS – MICROFINANCE UNIT

ANNEX VII (cont.)

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

<b>Agreements related to Microfinance (cont.)</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<u>Poverty Stoplight - Own funds</u>		
Project resources	1,559,368,363	453,635,856
(-) Project expenses	(2,191,356,559)	(1,221,617,939)
<u>Poverty Stoplight" - Cerrito Initiative</u>		
Project resources	176,387,860	-
(-) Project expenses	(573,102,440)	-
<u>Poverty Stoplight - Peery Foundation</u>		
Project resources	679,334,167	-
(-) Project expenses	(334,142,297)	-
<u>Poverty Stoplight - SKOLL</u>		
Project resources	139,145,401	1,038,290,840
(-) Project expenses	(139,145,401)	(1,035,518,113)
<u>Poverty Stoplight – SKOLL - BENETECH</u>		
Project resources	50,593,741	-
(-) Project expenses	(50,593,741)	-
<u>TOM's &amp; LDS Agreement</u>		
Project resources	893,960,967	1,797,293,424
(-) Project expenses	(893,946,836)	(1,794,391,606)
<u>MIF-Ausaid Agreement</u>		
Project resources	-	1,538,507,916
(-) Project expenses	-	(1,538,507,916)
<u>USAID – PWD Project</u>		
Project resources	-	7,983,000
(-) Project expenses	-	(7,983,000)
<u>Bunge Project</u>		
Project resources	-	68,760,961
(-) Project expenses	-	(68,760,961)
<b>Sub-total</b>	<b>(683,496,775)</b>	<b>(762,307,538)</b>
<u>CAF project</u>		
Project resources	761,639,307	763,291,399
(-) Project expenses	(758,409,307)	(759,291,399)
<u>GIZ Project</u>		
Project resources	-	33,328,779
(-) Project expenses	-	(33,328,779)
<u>LEMONAID Project</u>		
Project resources	294,462,509	9,438,277
(-) Project expenses	(294,462,509)	(9,438,277)
<u>IDRC Project</u>		
Project resources	621,255,215	
(-) Project expenses	(621,255,215)	

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO  
STATEMENT OF RESOURCES & OUTLAYS – MICROFINANCE UNIT**

**ANNEX VII (cont.)**

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

<b>Agreements related to Microfinance (cont.)</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<i>Grant programs</i>		
Project resources	165,731,434	151,340,673
(-) Project expenses	(165,731,434)	(151,340,673)
<i>Internship Project</i>		
Project resources	468,981,769	328,254,053
(-) Project expenses	(561,684,802)	(506,944,444)
<b>Sub-total</b>	<b>(89,473,033)</b>	<b>(174,690,391)</b>
<b>Total</b>	<b>(772,969,808)</b>	<b>(936,997,929)</b>
<b>Net surplus of the microfinance unit</b>	<b>8,852,272,448</b>	<b>6,614,735,655</b>

*Signed by* Luis Fernando Sanabria, General Manager

*Signed by* Liliana Marroco Franco, Accounting Manager

*Signed by* Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

*Translator's Note: This is a true translation of Annex VII of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.*

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OFFICIAL TRANSLATOR  
Prof. Reg. 462  
JUDICIARY - Paraguay

**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO** **ANNEX VIII**  
**STATEMENT - RESOURCES & OUTLAYS- SELF-SUFFICIENT AGRIC. SCHOOLS UNIT**  
**Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)**

	12.31.2018	12.31.2017
<i>Resources of agricultural school "San Francisco de Asis"</i>		
Animal products	864,955,079	901,196,174
Agricultural products	67,183,696	72,204,469
Hotel	2,170,343,044	1,865,056,500
Academic	376,637,454	327,121,788
Income for finished products	524,683,051	543,738,910
Dairy	548,575,018	514,573,403
Icecream shop	14,541,816	-
Other income	96,006,019	-
<b>Sub-total</b>	<b>123,407,605</b>	<b>164,904,493</b>
<i>Outlays of the agricultural school "San Francisco de Asis"</i>		
Salaries and employee benefits	(1,197,133,300)	(1,064,988,099)
Travel & per diem allowances for personnel	(23,689,646)	(14,107,971)
Office expenses	(264,521,002)	(266,048,776)
Maintenance & repair of property	(74,807,795)	(85,351,661)
Professional fees	(177,427,613)	(26,304,551)
Insurance against sundry risks	(23,185,514)	(21,856,853)
Other expenses	<b>(3,243,958,717)</b>	<b>(3,107,990,842)</b>
<b>Sub-total</b>	<b>(5,004,723,587)</b>	<b>(4,586,648,753)</b>
<b>Operating margin</b>	<b>(218,390,805)</b>	<b>(197,853,016)</b>
Technical assistance	7,426,250	437,924,281
Donations received	607,850,554	300,258,690
Adjustment of inventories	-	(275,286,679)
Depreciation and amortization	(854,372,631)	(767,814,074)
<b>Result for execution of projects</b>	-	-
<b>Total</b>	<b>(763,545,921)</b>	<b>(1,010,869,445)</b>
<i>Resources of the Belén Agricultural School</i>		
Own resources of the School		
Resources of projects	1,458,649,516	1,251,085,973
(-)Expenses of the School	-	-
(-)Expenses of projects	(2,222,195,437)	(2,261,955,418)
<b>Total</b>	-	-

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**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO ANNEX VIII (cont.)**  
**STATEMENT - RESOURCES & OUTLAYS- SELF-SUFFICIENT AGRIC. SCHOOLS UNIT**  
**Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)**

<i>Resources of the San Pedro Agricultural School</i>	<b>12.31.2018</b>	<b>12.31.2017</b>
Own resources of the School	301,036,811	330,062,081
Resources from projects	-	-
(-)Expenses of the School	(1,232,320,486)	(1,037,422,439)
(-)Expenses of projects	-	-
<b>Total</b>	<b>(931,283,675)</b>	<b>(707,360,358)</b>
<i>Agreements on self-sufficient agricultural schools: Replications</i>		
<i>Replication program</i>	<b>12.31.2018</b>	<b>12.31.2017</b>
Project resources	79,897,581	42,771,694
Project expenses	(781,984,246)	(515,093,166)
<b>Subtotal</b>	<b>(702,086,665)</b>	<b>(472,321,472)</b>
<i>Mastercard Foundation project</i>		
Project resources	-	3,899,786,487
Project expenses	-	(3,899,786,487)
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<i>HDIF Tanzania project</i>		
Project resources	210,362,851	1,693,472,596
Project expenses	(210,362,851)	(1,693,472,596)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<i>Opportunity project</i>		
Project resources	530,941,781	115,515,650
Project expenses	(530,941,781)	(115,515,650)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(702,086,665)</b>	<b>(472,321,472)</b>
<b>Sub-total</b>	<b>(2,396,916,261)</b>	<b>(2,190,551,275)</b>
<b>Surplus-deficit of the agricultural schools unit</b>	<b>(2,854,402,893)</b>	<b>(2,693,322,073)</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

Signed by Ricardo A. Fabris, Member, Deloitte & Touche for identification with our report dated April 15, 2019.

Translator's Note: This is a true translation of Annex VIII of the Financial Statements that I had before me in April 2019 in Asunción, Paraguay.

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Prof. Reg. 462  
JUDICIARY - Paraguay



**FUNDACIÓN PARAGUAYA DE COOPERACIÓN Y DESARROLLO ANNEX IX  
STATEMENT - RESOURCES & OUTLAYS- ENTREPRENEURIAL EDUCATION UNIT**

Presented comparatively with the fiscal year closed on December 31, 2017 (expressed in guaraníes)

	<u>31.12.2018</u>	<u>31.12.2017</u>
<i>Resources of the entrepreneurial education unit</i>		
Donations received for administrative expenses	551,842,373	805,584,372
Income from the international forum	-	-
Income entrepreneurs' forum	113,227,275	197,695,114
Other income	791,604,357	360,219,566
<b>Sub-total</b>	<b>1,456,674,005</b>	<b>1,363,499,052</b>
<i>Expenses of the entrepreneurial education unit</i>		
Remunerations and employee benefits	(973,491,697)	(753,762,161)
Mobility expenses and trips	(100,788,391)	(85,909,473)
Office expenses	(129,620,190)	(94,700,068)
Maintenance and repair of property	(7,447,212)	(18,809,455)
Paid Rentals	-	(19,502,165)
Depreciation and amortization	(15,913,556)	(6,764,561)
Insurance on sundry risks	(4,885,936)	(3,689,726)
Cleaning services	(9,688,074)	(10,138,881)
Expenses - international forum	-	-
Expenses - entrepreneurs' forum	(149,562,557)	(127,800,145)
Other expenses	(28,558,692)	(101,607,149)
Contest and special events	(162,732,331)	(132,246,573)
<b>Sub-total</b>	<b>(1,582,688,636)</b>	<b>(1,354,930,357)</b>
<b>Total</b>	<b>(126,014,631)</b>	<b>8,568,695</b>
<i>Agreements related to entrepreneurial education</i>		
	<b>31.12.2018</b>	<b>31.12.2017</b>
<i>Project – MIF - YEP</i>		
Project resources	1,872,047,411	1,216,045,102
Project expenses	(1,810,645,930)	(1,207,317,830)
<b>Sub-total</b>	<b>61,401,481</b>	<b>8,727,272</b>
<i>Project - EEW - US Embassy</i>		
Project resources	-	630,783,520
Project expenses	-	(630,783,520)
<b>Sub-total</b>	-	-
<b>Total</b>	<b>61,401,481</b>	<b>8,727,272</b>
<b>Surplus- net deficit of the entrepreneurship unit</b>	<b>(64,613,150)</b>	<b>17,295,967</b>

Signed by Luis Fernando Sanabria, General Manager

Signed by Liliana Marroco Franco, Accounting Manager

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