

**Financiera de Desarrollo Territorial S.A. – FINDETER**

*Report for the period ended June 30, 2022 and December 31, 2021*

*Interim financial information condensed under the Colombian Generally Accepted Accounting Principles (GAAP)*

*(Figures expressed in thousands of pesos except those in USD and the number of shares)*

## **1. Reporting entity**

The Financiera de Desarrollo Territorial S.A., hereinafter Findeter, was constituted by public deed number one thousand five hundred and seventy (1570) dated May 14, 1990, with operating authorization issued by the Financial Superintendence of Colombia by Resolution No. 3354 of 17 September 1990. Findeter is a mixed economy corporation incorporated under the laws of the Republic of Colombia with its principal place of business in the city of Bogotá at Calle 103 No. 19 - 20, organized as a credit establishment, linked to Grupo Bicentenario SAS, subject to the control and surveillance of the Financial Superintendence of Colombia. Its main shareholder is Grupo Bicentenario SAS with a 92.55% stake, which has its main address in Bogotá-Colombia. It currently has five regional offices, and one area, for a total of six country offices. Its duration is indefinite, Findeter has a total of number employees of 609 at June 30, 2022 (246 in December 2021); the increase in employees corresponds to the fact that during the month of January 2022, all employees who were working by contract with the temporary services company, were hired as full-time employees on December 31, 2021, with which we sought to generate greater job stability for our employees.

The corporate purpose of Findeter is the promotion of regional and urban development, through financing and advice mainly to the municipalities and departments of Colombia with regard to the design, execution and administration of investment projects or programs, in projects such as construction, expansion and replacement of infrastructure in the sectors of drinking water, transport, educational facilities, sports facilities, hospitals and health services, etc.; likewise, the execution of those activities that by legal provision are assigned or those that the National Government attributes to it, among which is the administration of funds and special accounts, derived from interadministrative contracts signed with government entities for the development of activities associated with technical assistance and resource administration.

The accomplishment of its corporate purpose is defined by Decree 663 of 1993, Findeter, acts as a second-floor Development Bank to grant credits to State entities, territorial entities or individuals that are dedicated to developing the projects of construction, expansion and replacement of infrastructure and technical assistance to adequately carry out these activities, in the aforementioned sectors, through entities of the Colombian financial system, which assume the total credit risk with the client and Findeter assumes the credit risk with the financial entity, at interest rates generally below the market, which are financed with resources obtained from multilateral organizations, raising resources from the public through term deposit certificates, placement of bonds in national and international markets and with its own resources.

In the framework of supporting the Government's economic policies, powers were granted by Presidential Decrees Nos. 468 of March 23, 2020 and 581 of April 15, 2020, for the granting of credits under the direct credit modality to entities providing public services on the occasion of the Covid-19 pandemic.

At the meeting of the Board of Directors on July 26 of this year, according to minutes No. 399 financial management was presented as of June 30, 2022.

## **2. Declaration of compliance with the Financial Information Accounting Standards Accepted in Colombia**

The condensed interim financial information has been prepared in accordance with the International Accounting Standard Interim Financial Information (IAS 34) contained in the Accounting and Financial Reporting Standards accepted in Colombia (NCIF for its acronym in Spanish), established in Law 1314 of 2009, regulated by the Single Regulatory Decree 2420 of 2015 amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 de 2019, 1432 de 2020, 938 y 1670 de 2021. The NCIFs applicable in 2022 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2020.

In accordance with the provisions of IAS 34, the interim financial statements are prepared with the intention of updating the latest report of the annual financial statements, emphasizing the new activities, facts and circumstances that occurred during the interim period that is reported, without duplicating information previously published in the annual report, these condensed interim financial statements for the period do not include all the information and disclosures required for an annual financial statement, for this reason it is necessary to read them in conjunction with the annual financial statements as of December 31, 2021.

Findeter applies to the financial statements the following exceptions from Title 4 Special Regimes of Chapter 1 of Decree 2420 of 2015:

The application of IFRS 9, regarding the treatment of the portfolio and its impairment and the classification and valuation of investments; for these cases, the provisions of the Basic Accounting and Financial Circular of the Financial Superintendence of Colombia (SFC) continue to apply.

## **3. Significant Accounting Policies**

The accounting policies applied in these condensed financial statements of Financiera de Desarrollo Territorial S.A. FINDETER are the same as those applied in the financial statements as of December 31, 2021.

#### **4. Significant events**

The financial results and the business dynamics as of June 30, 2022 were influenced by the macroeconomic conditions described below:

The armed conflict between Russia and Ukraine has altered the dynamism of fossil fuel production and marketing worldwide, adding to the sanctions imposed by the US. The US and the European Union to Russia, have led to the prices of these commodities reaching historical highs. Likewise, Russia being one of the main exporters of urea, a fertilizer whose raw material for its production is natural gas, the higher price of this commodity has derived the increase in the price of this input and therefore has increased the cost of some products such as potatoes, wheat, corn, among others, having an impact on the increase in inflation.

As a result of the above, central banks in several countries have been forced to increase the monetary policy rate at a faster rate than expected in order to control inflation, a situation that has raised the likelihood of a generalized economic recession, but with greater relevance in the United States. On the basis of the above, a more restrictive monetary policy is observed in the US. The Federal Reserve (Fed) has increased the interest rate three times so far this year, from 0%-0.25% to 1.50%-1.75%.

At the local level, economic sanctions against Russia and rate increases in developed economies bring some benefits and disadvantages for the national economy. On the one hand, a strong economic growth has been observed that, according to the provisions of the Medium Term Fiscal Framework (MFMP for its Spanish acronym), GDP growth of 6.5% is projected for 2022, higher than the expectations of analysts and various agencies. In turn, the pressure on inflation, especially in the food component due to the external factors described above and by internal events such as the winter season that has discouraged supply, have led to the monetary policy adopted by the issuer in its most recent decision to increase the interest rate by 150 bps, reaching 7.5%.

The increase in the Repo rate has been transmitted to the different rates of the economy, including IBR and DTF, on which Findeter's assets and liabilities are indexed. This situation translates into a direct impact on the cause of the Entity's income and expenses. In terms of income, a profit has been generated at the end of June 2022, by virtue of the fact that the rates of the portfolio indexed in IBR that represents 76% of the total portfolio (\$7.58 billion) have increased on average 322 bp compared to 2021 and in IPC which represents 14% of the

portfolio (1.37 billion) in 2022 increased 632 bp, leading to revenues also increasing by this effect. On the other hand, the increase in fed rates implicitly leads to an increase in sovereign credit risk in the emerging economies within which Colombia is located, seeing a direct impact on the cost of debt, which brings direct repercussions on the cost of obtaining the resources to solve the operations, a situation to which Findeter has not been unrelated as can be seen in the behavior of financial expenses.

Finally, it is expected that the Colombia's Central Bank will continue with its monetary normalization process for the remainder of the year, which is why the Entity expects that the policy adjustment process will lead to an intervention rate of 8.75% at the end of 2022, which will continue to impact financial behavior for the remainder of the year.

## **5. Ongoing business**

The preparation of these financial statements was carried out on a going concern basis. It was determined that there is no uncertainty about facts, events or conditions that may provide significant doubt about the possibility that Findeter will continue to function normally over the next 12 months.

## **6. Judgments and Estimates**

### **Use of judgments and accounting estimates with significant effect on the financial statements**

Findeter makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amount of assets and liabilities within the next accounting period. Judgments and estimates are continually evaluated and are based on Findeter's experience and other factors, including the expectation of future events believed to be reasonable.

Findeter also makes certain judgments apart from those involving estimates in the process of applying accounting policies. Judgments that have the most significant impact on the amounts recognized in the financial statements and those estimates that may cause an adjustment in the carrying amount of assets and liabilities in the following year include the following:

#### **i. Impairment of financial assets:**

##### **Provision for rediscounted credit portfolio**

For the rediscount portfolio, calculating the impairment of an intermediary is a process whose objective is to mitigate losses in the event of an eventual default of the latter. This process goes through several stages:

- Qualitative analysis of the intermediary.
- Calculation of the value to be provisioned (impairment).
- Adjustment for systemic risk of the value to be provisioned (impairment).

Taking into account that Findeter SA carries out operations with various types of intermediaries (Family Compensation Funds, Savings and Credit Cooperatives, Employee Funds, Credit Institutions and INFIS), the methodology is adjusted to the particularities of each type of intermediary.

The risk category depends on the weighted rating which in turn arises from the quantitative rating factor.

#### **Provision of direct credit portfolio**

At June 30, 2022, a critical judgment was identified, related to the determination of the client's risk level, carried out in accordance with the regulations issued by the Financial Superintendence of Colombia in Annex 3 of Chapter II of the basic accounting circular 100, which is reviewed by credit analysts.

#### **ii. Provision for legal proceedings**

Estimates and records a provision for legal proceedings, in order to cover possible losses for labor, civil, commercial, tax cases or other lawsuits according to the circumstances that, based on the opinion of the Legal Directorate of Findeter and the judicial defense committee, supported by concepts of external legal advisors when the circumstances warrant it, are considered probable of loss and can be reasonably quantified. Given the nature of the claims, cases and/or processes, it is not possible in some occasions to make an accurate forecast or quantify an amount of loss in a reasonable manner, so, the differences between the actual amount of the disbursements actually made and the amounts initially estimated and provisioned are recognized in the period in which they are identified.

#### **iii. Deferred income tax**

For the purposes of calculating the deferred tax, the estimate is based on the sale or payment of assets expressed in a foreign currency or settlement and total payment of liabilities expressed in a foreign currency, the materialization of which will have tax effects on the

exchange difference that is done according to the projected dates of each of the active or passive obligations that FINDETER has; for the purposes of estimating the deferred tax for the exchange difference caused, the total of the active and passive portfolio expressed in foreign currencies is taken, estimating annually the capital to be collected or paid as the case may be and that weight is multiplied by the exchange difference that is pending accomplishment.

## 7. Operating Segments

Findeter defined for the provision of services two business lines operating segments; Financial Services and Technical Assistance, for this purpose the direct allocation of income, expenses, assets and liabilities was established, in accordance with the allocation of the cost centers of the Findeter areas, for the reporting period, the same segments are kept defined as for the last annual financial statements as of December 31, 2021.

The following figures correspond to income and expenses for the periods of three and six months ended June 30, 2022 and 2021:

	FINANCIAL SERVICES		TECHNICAL ASSISTANCE		TOTAL	
					Por los periodos de seis meses que terminaron	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
<b>Ordinary net operating income</b>						
Interest from credit portfolio	405,150,927	243,288,595	-	-	405,150,927	243,288,595
Profit from valuation of investments, net	27,524,223	4,260,356	-	-	27,524,223	4,260,356
Interest on investments at amortized cost, net	1,961,966	1,293,065	-	-	1,961,966	1,293,065
Profit and loss from valuation of derivatives, net	38,181,864	146,958,536	-	-	38,181,864	146,958,536
<b>Operating expenses</b>						
Financial Expenses	(277,657,629)	(171,503,558)	-	-	(277,657,629)	(171,503,558)
Profit and loss from exchange difference, net	(85,833,309)	(158,501,424)	-	-	(85,833,309)	(158,501,424)
<b>Financial Margin, net</b>	<b>109,328,041</b>	<b>65,795,569</b>			<b>109,328,041</b>	<b>65,795,570</b>
Impairment for credit portfolio, net	4,826,356	(3,266,623)	-	-	4,826,356	(3,266,623)
Impairment for accounts receivable, net	-	-	(466,050)	(598,567)	(466,050)	(598,567)
<b>Financial margin, after impairment, net</b>	<b>114,154,397</b>	<b>62,528,946</b>	<b>(466,050)</b>	<b>(598,567)</b>	<b>113,688,347</b>	<b>61,930,380</b>
<b>Income and expenses from commissions and other services</b>						
Technical assistance revenue	-	-	35,782,630	37,540,546	35,782,630	375,406,546
Income from commissions and other services	2,576,830	4,468,783	-	-	2,576,830	4,498,783
Expenses for commissions and other services	(2,577,869)	(4,035,302)	(209,889)	(74,384)	(2,787,758)	(4,109,686)
<b>Income and expenses from commissions and other services</b>	<b>(1,039)</b>	<b>463,481</b>	<b>35,572,741</b>	<b>37,466,162</b>	<b>35,571,702</b>	<b>37,929,643</b>
<b>Other income and expenses</b>						
Other income	3,946,046	11,271,125	-	-	3,946,046	11,271,125
Other expenses	(60,404,551)	(47,710,124)	(38,104,269)	(27,211,037)	(98,508,821)	(74,921,161)
<b>Other income, net</b>	<b>(56,458,505)</b>	<b>(36,438,999)</b>	<b>(38,104,269)</b>	<b>(27,211,037)</b>	<b>(94,562,775)</b>	<b>(63,650,036)</b>
<b>Profit before income tax</b>	<b>57,694,853</b>	<b>26,553,428</b>	<b>(2,997,579)</b>	<b>9,656,557</b>	<b>54,697,274</b>	<b>36,209,987</b>
Income tax expense	(22,807,907)	(10,904,251)	1,185,002	(3,965,496)	(21,622,905)	(14,869,747)
<b>Profit for the fiscal year</b>	<b>34,886,946</b>	<b>15,649,178</b>	<b>(1,812,577)</b>	<b>5,691,061</b>	<b>33,074,369</b>	<b>21,340,240</b>
	FINANCIAL SERVICES		TECHNICAL ASSISTANCE		TOTAL	
	30-Jun-22	31-DIC-21	30-Jun-22	31-DIC-21	30-Jun-22	31-DIC-21
<b>Assets</b>	11,537,016,064	11,332,683,524	76,122,322	83,967,121	11,613,138,386	11,416,650,645
<b>Liabilities</b>	10,240,163,450	10,079,391,345	42,918,345	34,342,671	10,283,081,795	10,113,734,016

	SERVICIOS FINANCIEROS		ASISTENCIA TECNICA		TOTAL	
	Por los periodos de seis meses que terminaron					
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
<b>Ordinary net operating income</b>						
Interest from credit portfolio	228,985,626	121,921,786	-	-	228,985,626	121,921,786
Profit from valuation of investments, net	14,482,840	4,866,230	-	-	14,482,840	4,866,230
Interest on investments at amortized cost, net	1,049,695	750,278	-	-	1,049,695	750,278
Profit and loss from valuation of derivatives, net	175,179,012	31,212,418	-	-	175,179,012	31,212,418
<b>Operating expenses</b>						
Financial Expenses	(159,693,407)	(83,288,440)	-	-	(159,693,407)	(83,288,440)
Profit and loss from exchange difference, net	(201,382,824)	(33,997,554)	-	-	(201,382,824)	(33,997,554)
<b>Financial margin, after impairment, net</b>	<b>58,620</b>	<b>41,464,718</b>	<b>-</b>	<b>-</b>	<b>58,620,944</b>	<b>41,464,719</b>
Impairment for credit portfolio, net	(1,178,627)	(2,177,045)	-	-	(1,178,627)	(2,177,045)
Impairment for accounts receivable, net	-	-	413,621	(598,567)	413,621	(598,567)
<b>Financial margin, after impairment, net</b>	<b>57,442,316</b>	<b>39,287,673</b>	<b>413,621</b>	<b>(598,567)</b>	<b>57,855,938</b>	<b>38,689,106</b>
<b>Income from expenses and commissions from other services</b>						
Technical assistance revenue	-	-	18,812,753	17,470,179	18,812,753	17,470,179
Income from commissions and other services	1,244,113	2,144,147	-	-	1,244,113	2,144,147
Expenses for commissions and other services	(1,451,896)	(1,247,605)	(117,736)	(44,251)	(1,569,632)	(1,291,856)
<b>Income and expenses from commissions and other services, net</b>	<b>(207,784)</b>	<b>896,542</b>	<b>18,695,018</b>	<b>17,425,927</b>	<b>18,487,234</b>	<b>18,322,470</b>
<b>Other income and expenses</b>						
Other income	2,613,628	6,693,796	-	-	2,613,628	6,693,796
Other expenses	(31,867,631)	(23,499,076)	(18,488,561)	(13,917,665)	(50,356,192)	(37,416,742)
<b>Other income, net</b>	<b>(29,254,003)</b>	<b>(16,805,280)</b>	<b>(18,488,561)</b>	<b>(13,917,665)</b>	<b>(47,742,565)</b>	<b>(30,722,945)</b>
<b>Profit before income tax</b>	<b>27,980,529</b>	<b>23,378,935</b>	<b>620,077</b>	<b>2,909,695</b>	<b>28,600,606</b>	<b>26,288,631</b>
Income tax expense	(14,212,925)	(7,009,425)	(314,973)	(872,379)	(14,527,897)	(7,881,804)
<b>Profit for the fiscal year</b>	<b>13,767,605</b>	<b>16,369,510</b>	<b>305,104</b>	<b>2,037,316</b>	<b>14,072,709</b>	<b>18,406,827</b>

## 8. Seasonality or cyclicity of transactions for the period

Findeter has no seasonality in its operations, the transactions took place homogeneously throughout the reporting period.

## 9. Fair value estimate

Findeter values financial assets and liabilities such as derivatives and debt and equity securities which are traded on an active market with available and sufficient information at the valuation date, through the price information published by the official price provider endorsed by the Financial Superintendence of Colombia (PRECIA S.A.). Thus, Findeter obtains the prices and curves published by the supplier and applies them in accordance with the methodology corresponding to the instrument to be valued.

The fair value of non-monetary assets such as investment properties and land and buildings is determined by independent experts using technical valuations.

The fair value hierarchy has the following levels:



- Tier 1 entries are quoted (unadjusted) prices in active markets for identical assets or liabilities to which Findeter may access the assessment date.
- Tier 2 entries are entries other than quoted prices included in Tier 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 entries are unobservable entries for the asset or liability.

Findeter classifies financial assets and liabilities in each of these hierarchies, based on the evaluation of input data used to derive fair value.

#### **i. Assessment of fair value on a recurring basis**

Recurring measurements are those that are required by the Financial Reporting Standards accepted in Colombia- NCIF, in each reporting period, on financial assets and liabilities, and which are regularly measured on the fair value, if a measurement of a financial instrument at fair value is required on a circumstantial basis, is classified as non-recurring.

For the determination of the levels of fair value hierarchy, an evaluation of the methodologies used by the official price supplier is carried out, with knowledge of the markets, the inputs and the approximations used for the estimation of the fair values of the recurring bases.

On the other hand, and in accordance with the methodologies not objected to by the Financial Superintendency of Colombia to the price provider (PRECIA), it receives information from all external and internal sources of negotiation, information and registration.

The methodologies for determining the fair value of investments in Findeter are:

- **Market Prices:** methodology applied to assets and liabilities that have sufficiently large markets, in which the volume and number of transactions are generated to establish a starting price for each negotiated reference. This methodology, equivalent to a level 1 hierarchy, is generally used for investments in sovereign debt securities.
- **Margins and reference curves:** methodology applied to assets and liabilities for which market variables are used as reference curves and spreads or margins with respect to recent quotations of the asset or liability in question or similar. This methodology, equivalent to a level 2 hierarchy, is generally used for investments in debt securities of financial institutions and corporate debt of the local market of non-recurring issuers with low amounts in circulation.

**OTC derivative financial instruments:** these instruments are valued using the discounted cash flow approach, in which, based on inputs published by the supplier of domestic, foreign and implicit interest rate curves, and exchange rates, the future

flows of each contract are projected and discounted according to the underlying in question. The portfolio of these instruments, classified at fair value level 2, is made up of currency forwards contracts.

In the case of collective investment funds, the valuation of the unit of participation in force for the day and applicable for the operations that can be carried out on this date will be given by the value of the pre-closure of the Collective Investment Fund divided by the total number of units for the beginning of the day. It should be noted that the value of the Collective Investment Fund unit will determine the number of units corresponding to the investors. The value of the unit of each type of participation of the Collective Investment Fund in force for the day and applicable for the operations that can be carried out on this date will be given by the value of the pre-closing of each type of participation of the Collective Investment Fund divided by the number of units of the type of participation for the beginning of the day.

- In the case of the investment classified in the fair value hierarchy 3, which corresponds to the investment in the Ashmore Colombia Infrastructure Private Capital Fund, the valuation of the participation unit that is held, is obtained from the value of the Fund at the end of the previous day (Equity Value) plus the results of the day on which the Fund is being valued ((+) Contributions (-) Withdrawals (+) Income (-) Expenses), divided by the number of Participation Units issued by the Fund at the end of the previous day (Total Units of the Fund, which are generated in each capital call). The result gives the value of the Fund's unit of interest that is reported to investors in accordance with the provisions of the Regulations.

Additionally, the recognition of equity investments, which have no market and are measured according to the equity variation of the entity where the investment is held. According to the recognition and measurement instructions of the Financial Superintendence of Colombia, chapter i-1 of the Basic Accounting and Financial Circular 100, which are classified at hierarchy level 3.

The financial assets and liabilities measured at fair value are as follows:

Assets	Fair values			Fair value			
	June 30, 2022	Hierarchy level		31 December 2021	Hierarchy level		
		1	2		1	2	3
<b>Negotiable Investments</b>							
Debt securities other financial institutions	129,220,293	-	129,220,293	86,876,451	-	86,876,451	-
Government debt securities	132,320,389	132,320,389	-	210,217,823	210,217,823	-	-

Private Equity Fund - Ashmore	48,165,733	-	-	48,165,733	44,478,538	-	-	44,478,538
Collective investment funds	16,965,440	-	16,965,440	-	19,235,338	-	19,235,338	-
<b>Available for sale</b>								
FNG Shares	35,350,875	-	-	35,350,875	36,162,178	-	-	36,162,178
Government debt securities	69,937,969	69,937,969	-	-	-	-	-	-
Futures Contracts	159,930	-	159,930	-	-	-	-	-
Currency Forward	125,039,909	-	125,039,909	-	62,193,935	-	62,193,935	-
<b>Total of Investments</b>	<b>557,160,538</b>	<b>271,385,572</b>	<b>83,516,608</b>	<b>459,164,263</b>	<b>168,305,724</b>	<b>80,640,716</b>	<b>202,258,359</b>	<b>210,217,823</b>
Investment Properties	924,955	-	924,955	-	924,955	-	924,955	-
Buildings	20,263,869	-	20,263,869	-	20,263,869	-	20,263,869	-
Land	6,847,500	-	6,847,500	-	6,847,500	-	6,847,500	-
<b>Total Assets</b>	<b>585,196,862</b>	<b>299,421,896</b>	<b>83,516,608</b>	<b>487,200,587</b>	<b>196,342,048</b>	<b>80,640,716</b>	<b>202,258,359</b>	<b>210,217,823</b>
<b>Liabilities</b>								
Currency Forward	2,151,218	-	2,151,218	-	2,505,503	-	2,505,503	-
Futures Contracts	139,860	-	139,860	-	-	-	-	-
Financial Guarantees	37,562,120	-	-	37,562,120	39,346,819	-	-	39,346,819
<b>Total Liabilities</b>	<b>39,853,198</b>	<b>-</b>	<b>2,291,078</b>	<b>37,562,120</b>	<b>41,852,322</b>	<b>-</b>	<b>2,505,503</b>	<b>39,346,819</b>

In order to establish the disclosure values of the Private Capital Fund as a Level 3 Asset, the historical series of the investment position of the last 32 months was established, as well as the Value at risk for each of the months and reported to the SFC. Yielding the following results:

Year	Month	Position Value	Max var	Standard Deviation
2019	November	52,416,386	7,705,209	95,332,945,556,414
2019	December	61,938,007	9,104,887	2,918,762,454,704,240
2020	January	62,140,980	9,134,724	3,021,602,283,924,720
2020	February	61,945,818	9,106,035	2,922,686,766,675,320
2020	March	61,571,143	9,050,958	2,737,401,764,778,380
2020	April	60,798,252	8,937,343	2,374,356,083,587,690
2020	May	61,006,830	8,968,004	2,469,786,729,761,780
2020	June	49,337,750	7,252,649	20,678,214,072,123
2020	July	55,314,386	8,131,215	539,881,466,877,172
2020	August	56,183,549	8,258,982	743,963,659,140,333
2020	September	57,898,861	8,511,133	1,242,520,809,747,970
2020	October	57,335,698	8,428,348	1,064,815,930,286,230
2020	November	57,898,661	8,511,103	1,242,455,267,182,850
2020	December	42,085,661	6,186,592	1,463,752,112,117,170
2021	January	42,085,661	6,186,592	1,463,752,112,117,170
2021	February	42,886,929	6,304,379	1,192,616,677,672,650
2021	March	43,436,087	6,385,105	1,022,816,137,599,570
2021	April	43,845,575	6,445,300	904,684,268,436,871
2021	May	44,448,053	6,533,864	744,052,388,625,516
2021	June	45,130,239	6,634,145	581,106,440,583,388

2021	July	45,390,084	6,672,342	524,329,725,344,509
2021	August	45,886,192	6,745,270	424,033,110,093,516
2021	September	45,226,662	6,648,319	559,697,256,028,705
2021	October	45,268,948	6,654,535	550,434,982,033,033
2021	November	46,070,596	6,772,378	389,464,394,346,956
2021	December	44,478,538	6,538,345	736,341,267,020,391
2022	January	45,071,798	6,625,554	594,277,753,965,074
2022	February	44,983,889	6,612,632	614,368,825,389,196
2022	March	45,857,434	6,741,043	429,556,557,055,786
2022	April	46,594,007	6,849,319	299,350,551,995,803
2022	May	47,412,820	6,969,685	182,127,423,836,911
2022	June	48,165,733	7,080,363	99,910,143,152,297
	<b>Average</b>	<b>50,315,976</b>	<b>7,396,448</b>	<b>1,033,364</b>

The VAR of the position is taken as a measure of risks and is filtered by its calculation methodology.

Based on the above statements, the average deviation of the data series is calculated, yielding a figure of \$1,049,899, which means that the means of the average have an average gap for that value. It is also taken to stress the possible loss of the average.

As a result of the above, the potential impact on the income statement is calculated under a less favorable hypothesis that is the average value of the var of the data series, stressing it by adding the value of a standard deviation of that data series:

Potential impact on the results account negative hypothesis (Loss) =

$$-7,396,448 + -1,049,899 = -8,446,347$$

To measure the potential Impact on the Income Statement Positive Hypothesis, the average of the active position in the series is taken and multiplied by the value of the active rate of rediscount portfolio for the final month of June 2022, 10.88% EA, yielding as the most favorable result a return of \$4,474,378.

Findeter as of June 30, 2022, records an investment in the Ashmore Colombia Infrastructure Fund, for \$45,165,733, which is equivalent to having a participation of 12.84% and having 1,124,302.01 units, out of the total of the Fund.

<b>Private Equity Fund - Ashmore</b>	<b>June 30, 2022</b>	<b>Dec 31, 2021</b>
Income from valuation	4,814,321	5,646,010
Valuation Expense	78,342	119,967

<b>Net Valuation</b>	<b>4,735,979</b>	<b>5,526,043</b>
----------------------	------------------	------------------

As of June 30, 2022, the private equity fund generated a net profit from valuation of \$4,735,979.

<b>Private Equity Fund - Ashmore</b>	<b>Balance</b>
June 30, 2022	48,165,733
Dec 31, 2021	44,478,538
<b>Variation</b>	<b>3,687,195</b>

The variation between the valuation and the final balance of the investment as of June 30, 2022, corresponds to the redemption of capital made by the fund, of \$1,048,784. The valuation of the Fund is reported by an independent third party in accordance with the provisions of the Fund's regulations. The valuation variables are presented in the following table:

Type	Valuation technique	Significant unobservable information	Interrelation between significant unobservable information and the measurement of fair value
Contingent Consideration	The valuation of the companies that are part of the Ashmore Colombia FCP-I Infrastructure Fund is carried out through the Discounted Cash Flow and Asset Appraisal methodologies.	<p>The main non-observable significant information corresponds to:</p> <ol style="list-style-type: none"> <li>1. Estimated income for the valuation period.</li> <li>2. The pricing structure and costs of the companies</li> <li>3. The weighted average cost of capital used to discount future flows</li> <li>4. The level of administrative and sales expenses.</li> <li>5. The working capital management policies used in the projection.</li> <li>6. The balance sheet structure used in the projection.</li> <li>7. The dividend policy of each of the companies.</li> </ol>	<p>The estimated unit value may increase or decrease if:</p> <ol style="list-style-type: none"> <li>1. The projected income assumptions are met</li> <li>2. If there is an effective control of costs and expenses in each company</li> <li>3. If working capital requirements are increased or decreased working capital requirements</li> <li>4. If the dividend policy is modified substantially.</li> <li>5. If the discount rate used to discount free cash flows increases or decreases.</li> </ol>

		<p>The information on the points mentioned above comes from the business plans that are generated within each company, which in turn are built on the basis of historical performance, specific growth objectives according to market information and business strategies.</p>	
--	--	--	--

Financial assets and liabilities measured at fair value did not present value hierarchy transfers at the cut-off date of June 30, 2022 versus December 31, 2021.

- ii. **Measurement at fair value on a non-recurring basis:** As of June 30, 2022, there are assets or liabilities valued at fair value determined on a non-recurring basis.

The following is a breakdown of how financial assets and liabilities held for accounting purposes to maturity were measured and are measured at fair value solely for the purposes of this disclosure.

In accordance with the methodologies described below, which are used to re-experience assets and liabilities on a non-recurring basis, only the calculation is made for disclosure purposes, and classified in Hierarchies of fair value 2 and 3.

Findeter's accounts receivable and payable are recorded according to their transaction value, have no associated interest or payment flows except the principal and correspond to short-term figures.

For the determination of the fair value of the credit portfolio, financial assets of investment in securities at amortized cost, financial obligations, term deposit certificates and investment securities in circulation, the following methodologies and the necessary inputs for their calculation were determined:

- **Flow projection**

For each of the portfolios, the cash flows to be received and/or paid during the term of each of them are projected individually. For the respective projection, the interest rate of the current flow at the cut-off date is taken to determine the interest value that would have to be received and/or paid in the period immediately following the cut-off date of the calculation and the days at the expiration thereof are determined.

- **Determination of the Discount Rate**

The effective active or passive rate of each of the portfolios is determined as appropriate, on the cut-off date, according to the facial characteristics of each and the values caused on the cut-off date. This rate is Base 365/actual.

- **Calculation of time duration.**

With the above calculations, the present values and the individual durations are obtained which, when added (present values) and weighted (durations), result in the fair value of each of the portfolios by index and currency.

In the following breakdown, the book value and fair value of financial assets and liabilities are presented, on a non-recurring basis:

	Book Value	Fair values	Book value - fair value		
<b>Assets</b>					
Credit Portfolio and finance lease transactions, net	\$ 10,190,476,213	10,625,607,433	9,573,929,584	9,889,510,172	3
Investment financial assets *	29,735,029	28,953,294	29,464,124	30,501,262	3
<b>Total financial assets</b>	<b>10,220,211,243</b>	<b>10,654,560,727</b>	<b>9,603,393,708</b>	<b>9,920,011,434</b>	
<b>Liabilities</b>					
Term Deposit certificates	6,398,051,312	6,523,441,369	6,192,074,338	6,345,222,290	3
Outstanding investment securities	1,616,109,414	1,638,693,213	1,575,884,381	1,638,822,106	3
Financial commitments	2,194,979,628	2,187,034,058	2,230,638,160	2,217,974,494	3
<b>Total Liabilities</b>	<b>\$ 10,209,140,354</b>	<b>10,349,168,640</b>	<b>9,998,596,879</b>	<b>10,202,018,890</b>	

\*Investment financial assets correspond to securities remaining from the portfolio securitization process carried out by Findeter, which were acquired and are recorded at amortized cost.

## 10. Cash and Cash Equivalents

The following table corresponds to the Bank ratings of the financial institutions where Findeter holds the balance of cash and its equivalents, as of June 30, 2022 and December 31, 2021.

BANK	RISK RATING	June 30, 2022	DECEMBER 31, 2021
Banco de Bogotá S.A.	AAA	\$647,190	\$1,395,730
Banco Popular S.A.	AAA	147,550,947	144,744,003
Bancolombia S.A.	AAA	6,033,525	8,008,197
Banco GNB Sudameris	AA+	23,557,459	210,754,308
BBVA Colombia S.A.	AAA	37,003,186	142,849,825
Banco Santander S.A.	AAA	8,074,610	40,416,633
Banco Itau S.A.	AAA	145,057,880	167,646,461
Banco de occidente S.A.	AAA	600,141	97,294,546
Davivienda S.A.	AAA	4,247,277	4,032,273
Banco de la República	Country Risk	57,031,632	40,402,716
Banks-Foreign Currency	BBB	30,015,374	54,611,212
Petty cash	UNRATED	27,860	23,640
Interbank (1)	AAA	89,214,240	190,746,266
Restricted cash (2)	AAA	6,916,938	10,561,946
		<b>\$555,978,259</b>	<b>1,113,487,756</b>

The decrease of \$557,509,497 is due to the natural development of the entity's operations (rediscount, investments, settlement of liabilities and payment of payroll, purchase of goods and services), mainly of the resources held in the accounts of BBVA, Sudameris and Occidente banks and interbank settlements.

There is no restriction on its availability, except for the pledge over the resources of Colombia's Central Bank for \$57,031,632. See Note 34 number 1, Commitments and contingencies – Counter-guarantees the detail of the pledges.

(1) At June 30, 2022 and December 31, 2021, interbank funds were classified as cash equivalents, for \$89,214,240 and 190,746,266 respectively, which have maturity between 1 and 30 days according to policy.

Information as of June 30, 2022

Entity	Rate	amount	Expiration Date	Grade	Rating agency
Corficolombiana	5.75%	89,214,240	1/07/2022	AAA	Standard and Poors and Fitch Ratings Colombia
<b>Total</b>		<b>89,214,240</b>			



**Information as of December 31, 2021**

Entity	Rate	amount	Expiration Date	Grade	Rating agency
Corficolombiana	2.91%	60,712,628	3/01/2022	AAA	Standard and Poors and Fitch Ratings Colombia
JP Morgan	3.11%	130,033,638	3/01/2022	AAA	Standard and Poors and Fitch Ratings Colombia

**Total 190,746,266**

- (2) Corresponds to the cash balances as of June 30, 2022 and December 31, 2021, recorded in the Mandate Contract with the National Guarantee Fund for \$5,535,481 and \$10,459,811, and Pre-Investment Fund for \$1,381,457 and \$102,135, respectively, for a total of \$6,916,938 and \$10,561,946.

The cash and equivalents of these funds are restricted, due to the fact that they have exclusive allocations for their purpose, as is the case of the Mandate Contract with the National Guarantee Fund that must cover the claims of housing credits of social interest, in the case of the Pre-investment Fund these have a system to meet the needs of technical studies of prefeasibility of infrastructure requirements of territorial entities.

**11. Investment financial assets and derivatives**

The following table shows the balances and ratings of the counterparties of the securities that make up the Findeter portfolio, with cuts as of June 30, 2022 and December 31, 2021:

Issuer	June 30, 2022	Grade
Banco AV Villas	974,680	AAA
"Banco Colpatria Red Multibanca"	4,837,655	AAA
Banco de Bogotá	31,276,375	AAA
Banco De Occidente	14,307,950	AAA
Banco Falabella	1,998,180	AAA
Banco Popular	4,845,360	AAA
Bancóldex	2,981,820	AAA
Bancolombia	13,121,160	AAA
BBVA Colombia	12,867,990	AAA
Corficolombiana	10,827,180	AAA
Davivienda	25,170,355	AAA
Republic of Colombia	59,820,695	AAA
Titularizadora Col. N-16 TIPS	1,134,388	AAA
Ashmore	48,165,733	NO RECORDS
Banco Corpbanca	4,877,200	AAA
Ministry of Finance and Public Credit	142,437,663	NO RECORDS
Titularizadora Colombiana S.A.	29,735,029	AAA
Forward operations	125,039,909	NO RECORDS

Issuer	June 30, 2022	Grade
Futures Operations	159,930	NO RECORDS
Ecopetrol S.A.	100	AAA
Compañía Energética del Tolima S.A. ESP.	100	NO RECORDS
National Guarantee Fund	35,350,675	NO RECORDS
Fiduciaria la Previsora SA	16,965,440	AAA
	<b>586,895,567</b>	

(\*) The counterparties with which Findeter has Forward transactions are: (Banco BBVA, Banco Colpatría, Banco Itau Corpbanca, Davivienda, Bogota, Occidente, Popular, Bancolombia and Corficolombiana). And future operations with associated brokers.

Issuer	Dec 31, 2021	Grade
National Guarantee Fund	36,161,978	NO RECORDS
Corficolombiana S.A.	6,986,000	AAA
Bancóldex S.A.	3,032,910	AAA
Republic of Colombia	70,818,670	COUNTRY RISK
Titularizadora Colombiana S.A.	1,569,861	AAA
Banco de Occidente S.A.	14,675,150	AAA
Banco de Bogotá S.A.	24,008,410	AAA
Banco Popular S.A.	5,030,930	AAA
Bancolombia S.A.	7,096,320	AAA
Banco Corpbanca S.A.	9,915,050	AAA
Itaú CorpBanca Colombia S.A.	3,807	AAA
Davivienda S.A.	14,558,013	AAA
Ecopetrol S.A.	100	AAA
Fondo de Inversión Colectiva Abierto Fidubogota S.A.	19,235,337	AAA
Titularizadora Colombiana S.A.	29,464,124	AAA
Forward operations	62,193,936	AAA
Colombia Ashmore Infrastructure Fund -FCP	44,478,538	NO RECORDS
Ministry of Finance and Public Credit	139,399,153	NO RECORDS
Compañía Energética del Tolima S.A. ESP.	100	NO RECORDS
	<b>488,628,387</b>	

Findeter's investment portfolio is classified into:

	June 30, 2022	Dec 31, 2021
Negotiable Investments	326,671,855	283,057,706
Investments held to maturity	29,735,029	29,464,124

Available-for-sale investments	105,288,844	113,912,622
Derivative Instruments	125,199,839	62,193,935
	<b>586,895,567</b>	<b>488,628,387</b>

There is currently no restriction on the Findeter portfolio, the investments of the National Guarantee Fund and the pre-investment fund, are managed and managed in the funds for their ordinary handling.

## 12. Credit portfolio and finance lease transactions, net

The account of financial assets by credit portfolio in the balance sheet is classified by commercial portfolio, housing and consumption, taking into account that this is the classification adopted by the Financial Superintendence in the Single Catalog of Financial Information "CUIF", the balances of the portfolio are presented according to the modalities in the following classification detail:

	June 30, 2022	Dec 31, 2021
Ordinary loans	\$8,631,038,068	8,296,318,097
Direct Credit Loans	1,486,113,405	1,251,480,355
Housing portfolio (employees and former employees)	62,724,392	56,378,425
Credits to employees (consumption)	4,053,392	4,065,083
Credits to former employees (consumption)	548,548	515,606
Accounts receivable - interest	64,456,009	28,455,976
Subtotal	<b>10,248,933,814</b>	<b>9,637,213,542</b>
Impairments	58,457,601	63,283,958
<b>Total</b>	<b>\$10,190,476,213</b>	<b>9,573,929,584</b>

(\*) the increase of \$616,546,629, mainly corresponds to the portfolio disbursements made by the entity, which as of June 30, 2022, amounts to 1.3 billion.

Portfolio Impairment Movement - Expense	June 30, 2022	June 30, 2021
Capital recoveries	12,593,739	4,424,599
Capital Charges	(6,724,122)	(7,529,207)

Interest recoveries	61,720	64,465
Charges, Interests	(1,104,981)	(226,480)
<b>Net recovery of impairment of portfolio</b>	<b>4,826,356</b>	<b>(3,266,623)</b>

### 13. Trade accounts receivable and other accounts receivable, net

The accounts receivable as of June 30, 2022 and December 31, 2021 were, \$94,572,472 and \$71,007,001, for an increase of \$23,565,471, derived from the variation of the account receivable for the compensated rate interest subscribed with the Ministry of Finance and Public Credit, Social Protection, Education among others in \$35,789,701, on the other hand, there was a decrease in the accounts receivable for technical assistance services of (\$11,644,160) and the variation of other accounts for \$580,071.

### 14. Income Tax

Income tax expense is recognized based on management's best estimate of both current income tax and deferred income tax. The effective tax rate of Findeter S.A., with respect to continuous operations for the three-month period ended June 30, 2022 was 50.80% (Three-month period ended June 30, 2021, 29.98%).

The increase in the effective tax rate of 20.82 percentage points is mainly generated by the following factors:

For the quarter ended June 30, 2022, the Financial generated by effect for rate differential of \$11,477, which is generated by the rates used in the constitution of the deferred tax mainly for the concept of "unrealized exchange difference" against the nominal rate of the taxable year 2022; while, for the quarter ended June 30 of the fiscal year 2021, an effect was generated for the same concept of \$(7,700) against the nominal rate of the fiscal year 2021. This situation resulted in an increase in the effective comparative rate of 24 percentage points.

For the quarter ended June 30, 2022, the Financial Company generated a reimbursement of expense for adjustment of previous periods, the above due to the fact that an excess of provision recorded in the Financial Statements was generated against the value actually declared in income of 2021; while for the same half of the year 2021, an expense was generated by adjustment of previous periods, due to the fact that an underestimation of the tax recorded in the Financial Statements was generated against the value actually declared in income of 2020. This situation resulted in a decrease in the effective comparative rate of (14.66) percentage points.

The Financial Company for the quarter of the fiscal year 2022, generated a higher non-deductible expense for industry and trade tax not subject to deferred tax, GMF and fines and sanctions; compared to the same quarter of the fiscal year 2021. This situation generated an increase in the effective comparative rate of 12.02 percentage points.

The effective tax rate of Findeter S.A., with respect to continuous operations for the three-month period ended June 30, 2022 was 39.53% (Three-month period ended June 30, 2021, 41.07%).

The decrease in the effective rate of (1.54) percentage points is mainly generated by the following factors:

For the semester ended June 30, 2022, the Financial Company generated a reimbursement of expense for adjustment of previous periods, the above due to the fact that an excess of provision recorded in the Financial Statements was generated against the value actually declared in income of 2021; while for the same half of the year 2021, an expense was generated by adjustment of previous periods, due to the fact that an underestimation of the tax recorded in the Financial Statements was generated against the value actually declared in income of 2020. This situation resulted in a decrease in the effective comparative rate of (9.13) percentage points.

The Financial Company for the semester of the fiscal year 2022, generated a higher non-deductible expense for industry and trade tax not subject to deferred tax, GMF and fines and sanctions; compared to the same quarter of the fiscal year 2021. This situation generated an increase in the effective comparative rate of 5.03 percentage points.

The Financial Company for the first half of the taxable year 2021, generated a higher non-taxable income for reimbursements of provisions; compared to the same half of the taxable year 2022. This situation generated an increase in the effective comparative rate of 3.01 percentage points.

## 15. Property and equipment, net

The following is the movement of property and equipment:

	Net Balance in Books as of December 31, 2021	Additions as of June 30, 2022	Withdrawals and adjustments as of 30 June 2022	Depreciation of write-downs as of June 2022	Depreciation as of June 2022	Net Balance in Books June 30, 2022
Land plots (revalued)	\$6,847,500	-	-	-	-	\$6,847,500

Buildings and constructions (revalued)	20,002,446	-	-	(130,711)	19,871,735
Furniture and office equipment	260,613	-	(333,662)	329,043	197,673
Computer equipment	51,536	591,690	(119,776)	119,776	600,347
	<b>\$27,162,095</b>	<b>591,690</b>	<b>(453,438)</b>	<b>448,819</b>	<b>(231,911)</b>
					<b>\$27,517,255</b>

	31 December 2020	Depreciation as of Dec 2020	Net Balance in Books as of December 31, 2020	Additions, withdrawals and adjustments 2021	Depreciation as of June 2021	Net Balance in Books June 30, 2021
Land plots (revalued)	\$6,847,500	-	6,847,500	-	-	\$6,847,500
Buildings and constructions (revalued)	20,263,959	-	20,263,959	- 90	130,753	20,133,116
Furniture and office equipment	4,008,381	3,513,856	494,525	6,897	221,744	279,677
Computer equipment	1,463,961	1,424,166	39,795	6,649	33,810	12,634
	<b>\$32,583,801</b>	<b>4,938,022</b>	<b>27,645,779</b>	<b>13,456</b>	<b>386,307</b>	<b>\$27,272,927</b>

## 16. Assets from rights of use and liabilities from lease, net

The changes in Findeter's right-of-use assets and lease liabilities at June 30, 2022 and 31 December 2021, arising from the application of IFRS 16, are as follows:

	Jun 30, 2022	Dec 31, 2021
<b>Movement of Assets by right of use</b>		
Assets by right of use - Buildings	5,460,076	5,027,082
Adjustment of recalculation for rights of use	441,865	432,994
Right-of-use linear depreciation	( 5,379,843)	( 4,709,908)
<b>Balance of right of use</b>	<b>522,098</b>	<b>750,168</b>

<b>Changes in lease liabilities</b>		
Lease liabilities	5,456,935	5,027,082
Adjustment of recalculation of lease liabilities	441,865	429,853
Capital Liability Payments	( 5,361,252)	( 4,691,218)
<b>Balance of lease liabilities</b>	<b>537,548</b>	<b>765,717</b>
Expense from Depreciation of right of use	669,935	1,596,593
The payment for Interest during each Term	28,932	78,060
Capital Payments	670,035	1,653,440

## 17. Intangible assets, net

The following is the change in the cost of intangible assets, with a cut at June 30, 2022:

	<b>Dec 31, 2021</b>	<b>Acquisition/ Additions</b>	<b>Amortization charged to expense</b>	<b>Balance as of June 30, 2022</b>
Computer programs and applications	\$ 2,234,388	198,490	838,186	\$1,594,692
<b>Intangible assets, net</b>	<b>\$ 2,234,388</b>	<b>198,490</b>	<b>838,186</b>	<b>\$1,594,692</b>

	<b>31 December 2020</b>	<b>Acquisition/ Additions</b>	<b>Amortization charged to expense</b>	<b>Balance June 2021</b>
Computer programs and applications	1,997,831	263,102	703,982	\$1,556,951
<b>Intangible assets, net</b>	<b>1,997,831</b>	<b>263,102</b>	<b>703,982</b>	<b>\$1,556,951</b>

## 18. Other assets, net

The following is a breakdown of other assets, with a cut-off date of June 30, 2022:

	<b>Dec 31, 2021</b>	<b>Acquisition/ Additions</b>	<b>Amortization charged to expense</b>	<b>Balance as of June 30, 2022</b>
Insurance	\$3,255,234	269,870	1,826,126	\$1,698,978
Other	\$2,100	-	-	\$2,100
<b>Other assets, net</b>	<b>3,257,334</b>	<b>269,870</b>	<b>1,826,126</b>	<b>\$1,701,078</b>

The total expense for other assets amounts to \$1,977,380, of which \$1,826,126 corresponds to amortization and \$151,254 corresponds to payments charged directly to the expense due to the nature of the item.

## 19. Term Deposit certificates

The term certificates of deposit as of June 30, 2022 and December 31, 2021, were \$6,398,051,312 and \$6,192,074,338, for an increase of \$205,976,974, derived from issues and renewals of securities, classified into maturities between 12 and 18 months.

## 20. Financial guarantees

The following is the change in financial guarantees:

	<u>Balance - December 31, 2021</u>	<u>Recoveries</u>	<u>Balance as of June 30, 2022</u>
FNG Technical provision	24,652,691	414,319	24,238,372
Water Bond Reserve	14,694,128	1,370,380	13,323,748
<b>As of June 30, 2022</b>	<b><u>39,346,819</u></b>	<b><u>1,784,699</u></b>	<b><u>37,562,120</u></b>

	<u>Financial guarantees</u>
Balance as at 31 December 2020	\$55,239,827
Recovery of existing provisions	(4,861,677)
<b>as of June 30, 2021</b>	<b><u>\$50,378,150</u></b>

- - The coverage of the technical estimate of the National Guarantee Fund, on the loans granted called social housing, showed a decrease of \$414,319, in accordance with the application of the reserve calculation model on the guarantees granted established in the Fund.
- The filing of the guarantee on water bonds, which protects the possible loss of the credits granted by the financial intermediaries to the creditor territorial entities, generated a recovery of \$1,370,380, according to the analysis of the possible loss, adjusting the risk curve of the bonds.

## 21. Provisions

The following are the changes for provisions:



	<b>Provisions for Legal proceedings, fines, penalties and compensation</b>
<b>Balance as at 31 December 2020</b>	<b>\$6,835,965</b>
Recoveries	(4,702,897)
<b>Balance as of December 31, 2021</b>	<b>2,133,068</b>
Fees	167,452
<b>As of June 30, 2022</b>	<b>\$2,300,520</b>

The provisions for legal proceedings correspond to: 1 labor process; for which it is not possible to determine a disbursement schedule due to the instance, at the end of the period there are 146 proceedings against Findeter (107 administrative, 3 civil and 36 labor), of which according to the instance and in front of the provision policy, only 1 is provisioned, for a total amount of \$2,300,520, qualified according to IAS 37 as probable, which presented an increase in relation to the balance recorded as of December 31, 2021, for \$167,452, generated by the recalculation of the claims of legal proceedings.

As of June 30, 2022, there are no fines, penalties and compensation payable.

## 22. Shareholder equity

The common shares authorized, issued and outstanding of Findeter have a nominal value of \$100,000 for each, and are represented as follows:

	<b>June 30, 2022</b>	<b>Dec 31, 2021</b>
Number of subscribed and paid-up shares	10,846,707	10,846,707
Subscribed and paid-up Capital	\$1,084,670,700	\$1,084,670,700
Dividends declared	1,148	1,148
	<b>\$1,084,671,848</b>	<b>\$1,084,671,848</b>

During the General Shareholders' Meeting of March 30, 2022, the surplus application project was approved, where the capitalization was ordered in the amount of \$69,550,390. The legal process will take effect in July 2022. Findeter has no preferred stock issued.

APPLICATION OF FINANCIAL SURPLUSES	
I. 2021 FINANCIAL YEAR SURPLUSES	(\$)
TOTAL INCOME	2,107,000,600
TOTAL EXPENSES	2,015,409,448
Provision for income and complementary taxes.	14,412,272
<b>TOTAL NET PROFIT FOR THE YEAR.</b>	<b>77,178,879</b>
DRAFT IMPLEMENTATION:	

1. Legal reserve	7,717,888
<b>SURPLUS BALANCE OF 2021 TO ALLOCATE</b>	<b>69,460,992</b>
<b>II. OCCASIONAL RESERVES.</b>	
<i>(According to the Commercial Code, it is the Assembly's power to reallocate the occasional reserves already established)</i>	
<b>OCCASIONAL RESERVES COMMITTED</b>	
1) Compensated Education Rate	
2) Compensated Rate Adjustment Line Fiscal Sanitation	2,192,068
3) Committed Earnings from previous years.	5,147,728
4) Technical Assistance	34,117
5) Pre-investment reserve	679,841
	15,000,000
<b>BALANCE OF OCCASIONAL RESERVES AS OF 2021</b>	<b>23,053,754</b>
<b>USES OF OCCASIONAL RESERVES IN 2021</b>	
1) Value used in Compensated rate Fiscal consolidation	44,493
2) Value used in Technical Assistance	44,906
<b>TOTAL</b>	<b>89,398</b>
<i>It is recommended that the General Shareholders' Meeting:</i>	
1) Capitalization of 2021 Surpluses in the amount of :	69,460,992
3) Capitalization of the Occasional Reserves used in the year 2021.	89,398
<b>TOTAL APPLICATION OF SURPLUSES AND MOVEMENT OF RESERVES</b>	<b>69,550,390</b>

Findeter is a public limited company of the national order, constituted with exclusive participation of public entities and in accordance with Article 30 of Law 1328 of July 15, 2009, which modifies Article 271 of the Organic Statute of the Financial System, "will not be subject to forced investments and will not distribute profits in cash among its partners".

### **23. Other comprehensive income/loss and results adopted for the first time**

As of June 30, 2022 and December 31, 2021, (\$39,655,686) and (\$45,590,092), presenting a variation of \$5,934,406, generated by the effect of the valuation of investments classified as available for sale with changes in the ORI by (\$9,989,368), the effect of the application of deferred tax charged to equity by \$3,291,235 and the application of the items that affect the first-time adoption of \$763,727; mainly due to the effect of the realization of benefits to employees, amortization of intangibles among others, recognized in the adoption of International Financial Reporting Standards.

On the other hand, the reclassification of the effects of the items that have affected the results of adoption for the first time was made, for \$12,150,775, which includes the reclassification of available-for-sale investments (shares), amortization of deferred charges, benefits to employees, among others.

### **24. Portfolio income**

As of June 30, 2022 and 2021, the income balances derived from the credit portfolio were \$405,150,927 and \$243,288,595 respectively, presenting a variation of \$161,862,332, which

originates from the increase in the average placement rate by 552 basis points, going from 5.36% in 2021 to 10.88% in 2022, applicable to the commercial credit billboard rates.

**25. Profit or loss from valuation of investments and interest on investments at fair value and amortized cost, net**

As of June 30, 2022 and 2021, the balance of the valuation of investments was \$29,486,189 and \$5,553,421 respectively, presenting an increase in profit of \$23,932,769, mainly generated by the valuation of the portfolio of debt instruments, especially those indexed to: Reference Banking Indicator, Real Value Unit and Consumer Price Index.

**26. Profit, loss from valuation of derivatives, net**

As of June 30, 2022 and 2021, the net balance from valuation of derivatives was \$38,181,864 and \$146,958,536 respectively, presenting a variation of (\$108,776,672), which is due to the change in the position of the derivatives constituted, in addition to the differential between the Representative Trading Market Rate and the Representative Market Rate with which the constituted derivatives are being valued.

All derivative financial instruments at June 30, 2022 worth USD \$522,769,924 were in a earning position, which meant a fair exchange price at that date (financial settlement approx.) for \$125,684,281, mainly originating in an increase in the price of the dollar, which only in June rose \$374.69, going from \$3,776.52 on May 31, 2022, to \$4,151.21 on June 30, 2022, presenting a devaluation of 9.92%.

As of June 30, 2022, there were 35 forward Peso/Dollar contracts for a Nominal of USD \$522,769,924, contracted at an average forward rate of 5.85%, a spot price at the average hire date of \$3,842.69 and an average forward rate of \$3,913.06. The TRM for that date was \$4,151.21.

Contrast with the situation at December 31, 2021, period in which there were 41 contracts for a nominal of USD \$518,923,482, contracted at an average forward rate of \$3,862.42, an average spot price of \$3,819.49, and a devaluation forward of 2.95%. Of those contracts only 8, were in a losing position for a nominal of USD \$88,500,000 and with a fair exchange price of \$-2,506,163, while in a winning position were 33 contracts for a nominal of USD430,873,482 and Fair exchange price of \$62,286,262. The TRM for that date was \$3,981.16.

As can be seen, this change is due to the volatility of the financial underlying, in this case the dollar and the values of the devaluations that passed in that period from an average of 2.95% to 5.85%, presented an increase of 290 bp.

**27. Operational expenses - interest**

**Interest on term deposit certificate**

As of June 30, 2022 and 2021, the balance of the term deposit certificate interest was \$187,887,863 and \$98,238,419 respectively, which present an increase of \$89,649,444, mainly generated by the increase in liabilities by \$205,976,974 in the current year of 2022, which was not presented in the 2021 term, in addition to an increase in interest rates: Consumer Price Index and Reference Banking Indicator.

**27-2 Interest on investment securities outstanding**

As of June 30, 2022 and 2021, the balance of interest on bonds issued was \$67,453,957 and \$51,838,044, suffering a variation of \$15,615,912, derived from the increase in the Consumer Price Index, at which sustainable and subordinated bonds issued in 2019 are indexed.

**28. Profit (Loss) from exchange difference, net**

As of June 30, 2022 and 2021, the balance of the exchange difference loss was (\$85,833,309) and (\$158,501,424) respectively, for a decrease in expense of \$72,668,115, mainly generated by the decrease in expense from the restatement of financial obligations, due to the decrease in the balance of the liability owed from 574,597,203 USD in 2021 to 528,756,586 USD in 2022, for a decrease of 45,840,617 USD.

Another important point, which we must highlight, corresponds to the volatility of the Representative Market Rate, which during the period January to June 2021 had increased by \$316, while in the period January June 2022, increase by \$170.05, generating a decrease in the aforementioned expenditure.

**29. Income from technical assistance, commissions and other services**

As of June 30, 2022 and 2021, income recognized for technical assistance, commissions and other services, presented a variation of (\$3,679,869), going from \$42,039,329 to \$38,359,460, which is detailed below in accordance with the service provided:

TECHNICAL ASSISTANCE (1)	At June 30, 2022	At June 30, 2021
Housing	10,751,759	15,708,496

Water	4,925,189	5,946,010
Infrastructure	17,349,697	12,818,293
Consulting	921,931	705,648
Investment Banking	1,834,054	2,362,099
	<b>35,782,630</b>	<b>37,540,546</b>

<b>COMMISSIONS AND OTHER SERVICES</b>	<b>At June 30, 2022</b>	<b>At June 30, 2021</b>
Guarantees Water Bonds	1,398,283	1,802,661
Commissions from the National Guarantee Fund	218,989	240,244
Commissions Availability (2)	954,507	2,450,795
Insfopal Commission	5,051	5,083
	<b>2,576,830</b>	<b>4,498,783</b>
	<b>38,359,460</b>	<b>42,039,329</b>

- 1- The decrease of (\$1,757,916) in the cause of the technical assistance income, going from (\$37,540,546 in 2021 to \$35,782,630 in 2022), as a result of the lower income generated by the housing management in (\$4,956,737) San Andrés contract and providence, the (\$528,745) of the Contract with the Territory's Renewal Agency, (\$1,020,821) of the water management, which are offset by the increase in the income of the infrastructure management for \$4,531,404 of the new contracts signed (Civil Aeronautics, Ministry of Technologies, Ministry of Culture, Ministry of Sport among others).
- 2- The income from availability commissions presented a decrease of (\$1,496,288) going from (\$2,450,795 in 2021 to \$954,507 in 2022), due to the decrease in the balance of approved and undisbursed credits (\$306,061,222 in 2021 compared to \$146,472,975 in 2022), resources rotated for the 4G Neiva Girardot and north connection projects.

### **30. Other income and other expenses**

As of June 30, 2022 and 2021, other income recorded a balance of \$3,946,046 and 11,271,125, respectively, presenting a decrease of (\$7,325,079), generated mainly by the decrease in the recovery of provisions for litigation (\$3,231,802) that were presented in 2021, in addition to the decrease in the recovery of the technical reserves of the National Guarantee Fund and Water Bonds by (\$3,076,978).

The other expenses presented an increase of \$23,587,660, generated mainly by the variation of the following items: personnel expenses of \$13,869,980, Non-income taxes of \$3,980,477,

lease expenses of \$609,303, as well as the increase in the expense of fees of \$994,410, the expense of contributions of \$663,963, travel expenses of \$1,479,178, among others.

The increase in personal expenses is derived from the 2022 salary increase of 10.07%, in addition to the increase in staff payroll from 246 workers at December 31, 2021 to 609 at June 30, 2022, due to the incorporation of personnel who were hired through the temporary services company, which were onboarded to the entity by approval of the Board of Directors, generating an increase in the benefit and conventional burden.

### 31. Agreements and contingencies

The commitments and contingencies correspond to:

	<u>June 30, 2022</u>	<u>Dec 31, 2021</u>
Pledge of IDB loans (1)	\$57,031,632	40,402,716
For litigation (claims) (2)	89,581,302	81,222,944
Approved and undisbursed credits (3)	1,744,967,165	1,735,618,600
Interest on suspended loans (4)	924,507	1,163,594
	<u><b>\$1,892,504,606</b></u>	<u><b>1,858,407,854</b></u>

#### (1) Pledge of IDB loans

Findeter signed the Loan Agreements with the IDB, credit 1967 of 2008, 2314 of 2010, 2768 of 2012, 3392 of 2015, 3596 of 2016 and 3842 of 2019, on which counter-guarantees contracts were constituted in favor of the Nation, in which the income received by FINDETER is pledged for the rediscount portfolio collection paid directly into the Deposit Account No.65812166 at Colombia's Central Bank, such income must cover 120% of the value of the semi-annual service of the debt of the Borrowing Agreement.

<b>CUD account balance Jun 30, 2022</b>	<b>Value to be covered COP Jun 30, 2022</b>	<b>Coverage 120%</b>
\$57,031,632	\$46,546,043	122.53%

(2) It corresponds to the claims of the legal processes filed against Findeter that at June 30, 2022 total 146 processes, among which there are labor and administrative processes, and

whose loss assessment is considered of medium and low risk, which is revealed with the value of the indexed claims of the plaintiffs, which really supports the possible contingency.

- (3) The commitments derived from the undisbursed approved credits are the product of the contracts with customers, in this sense it is determined that the unused outstanding credit balances do not necessarily represent future cash requirements because said quotas may expire and not be used in whole or in part, but they are recognized in the contingent accounts as possible capital requirements.

In the following list, the value of the approved credits is reported to the different financial institutions and which have not been disbursed by Findeter:

<b>Bank Entity</b>	<b>June 30, 2022</b>	<b>Dec 31, 2021</b>
Bancolombia S.A.	146,472,975	161,472,975
Approved Credits Direct Credit	1,598,494,190	1,574,145,625
	<b>1,744,967,165</b>	<b>1,735,618,600</b>

- (4) Suspended Interest:

They correspond to interest on credits granted to former officials of the entity, as well as a first floor credit, which have not serviced the debt on the acquired obligations. As of June 30, 2022, there were 16 (25 in 2021) credits generating these interests, of which 9 are in the housing modality (15 in 2021), 7 for consumption (9 in 2021).

- Findeter within the analysis of the implications of Decree 492 of 2020 issued by the Ministry of Finance and Public Credit, through which instructions are given to Findeter, to make capital contributions of \$100,000,000 for the National Guarantee Fund, in order to strengthen the process of granting credit guarantees, an understanding process is being advanced, for the recognition of this operation, for which a request was extended to the Ministry of Finance and Public Credit in order to determine the way forward at the time of making this disbursement. As of June 30, 2022, we have not received any response.

### **32. Transactions with related parties**

**Transactions with related parties:**

Findeter may enter into transactions, agreements or contracts with related parties, on the understanding that any such transactions will be carried out at fair values, taking into account market conditions and rates.

At present, Findeter does not record transactions with the maximum shareholder Grupo Bicentenario S.A.S.

Between Findeter and its related parties the following takes place:

1. As a result of the activities of the Board of Directors, fees were paid to its members for attendance at meetings of the Board of Directors and Committees, and remuneration with key Findeter personnel, the sum of:

	<u>June 30, 2022</u>	<u>Dec 31, 2021</u>
Board of Directors Fees	\$400,546	948,087
Total key management personnel remuneration	1,718,643	3,371,118

2. As of June 30, 2022 and December 31, 2021, Findeter records balances of the loan portfolio with Findeter's key personnel, as follows:

	<u>June 30, 2022</u>	<u>Dec 31, 2021</u>
Credit Portfolio	4,548,770	4,296,902

All operations and disbursements were carried out under the conditions described in the collective agreement.

### **33. Subsequent events**

Between June 30, 2022 and Aug 11, 2022, the date of the opinion of the KPMG Tax Auditor, there are no events that impact the interim financial statements that must be disclosed, or that may affect the financial situation, the prospects of Findeter or that cast doubt on the continuity of this.