INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Financiera de Desarrollo Territorial S.A. - Findeter

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Financiera de Desarrollo Territorial S.A. Findeter (the Company), which include the statement of financial position as of December 31, 2020, and the statements of income, other comprehensive income, changes in equity and cash flow for the year then ended, and respective notes thereto, which include main accounting policies and other explanatory information. I further audited the funds and special accounts managed by the Company, as indicated below.

In my opinion, the accompanying financial statements, prepared based on information taken faithfully from the books, present fairly, in all material respects, the financial position of Findeter as of December 31, 2020, its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia, applied uniformly with the previous year.

Basis for Opinion

I have conducted my audit in accordance with the International Standards on Auditing (ISA) generally accepted in Colombia. My responsibilities under those standards are outlined in the section "Independent Auditor's Responsibilities Regarding the Audit of Financial Statements" of my report. I am independent of the Company, in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, along with the ethical requirements that are relevant to my audit of the financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the aforementioned IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

I have determined that there are no key audit matters that should be reported.

Other Affairs

The financial statements as of and for the year ended December 31, 2019, are presented exclusively for comparison purposes, and were audited by me and in my report dated February 24, 2020, I expressed an unqualified opinion.

Other information

Management is responsible for other information. Other information includes the content of the annual report related to: the "Letter to shareholders, awards, recognitions and certifications, positive impact and relationships of trust," but does not include the financial statements and my corresponding audit report, nor the management report which I refer to in the section Other legal and regulatory requirements, in accordance with the provisions of article 38 of Act 222 of 1995.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion on it.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between that information and the financial statements or my knowledge obtained in the audit, or whether it appears in any way to have a material misstatement.

If, based on the work I have done, I conclude that there is a material misstatement in this other information, I am obligated to report it. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Reporting Standards generally accepted in Colombia, which includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying the appropriate accounting policies, as well as establishing the accounting estimates reasonable under the circumstances.

In preparing the financial statements, management is responsible for assessing Findeter's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Findeter's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Findeter to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

1. Based on the results of my audit, in my opinion, during 2020:

a) The Company's accounting been carried out in accordance with legal regulations and accounting techniques.

b) The transactions recorded in the books are in accordance with the bylaws and decisions of the Shareholders' Meeting.

c) The correspondence, supports of the accounts and the books of minutes and register of shares are kept and duly maintained.

d) The regulations and instructions of the Financial Superintendence of Colombia related to the implementation and impact on the statement of financial position and the statement of income and other comprehensive income of the applicable risk management systems have been observed.

e) There is agreement between the accompanying financial statements and the management report prepared by management, which includes management's statement on the free circulation of the invoices issued by vendors or suppliers.

f) The information contained in the self-settlement declarations of contributions to the Integrated Social Security System, in particular the one related to the affiliates and their base contribution income, has been taken from the accounting records and supports. The Company is not in default for contributions to the Integrated Social Security System.

To comply with the requirements of articles 1.2.1.2. and 1.2.1.5. of the Unified Regulatory Decree 2420 of 2015, in development of the Independent Auditor's responsibilities contained in numerals 1 and 3 of article 209 of the Code of Commerce, related to the evaluation of whether the acts of the Company's managers are in accordance with the bylaws and the orders or instructions of the Shareholders' Meeting and if there are adequate measures for internal control, preservation and custody of the Company's assets or that of third parties in its possession, I issued a separate report dated February 19, 2021.

2. Pursuant to the provisions of section 3.3.3.7, Chapter III, Title I, Part I of Legal Basic Circular 029 of 2014 of the Financial Superintendence of Colombia, I have audited the financial statements as of December 31, 2020, of the special funds and accounts listed below, whose reports are issued independently:

Unqualified reports

30004 - Statement of Account of the Roads Co-financing Fund FCV
30007- Statement of Account of the Urban Infrastructure Fund FIU
30008 - Social Investment Co-financing Fund FIS
30010 - Statement of Account Regional Social Investment Resources RISR
30013 - Insfopal Special Account
30018 - Special IDB San Andrés Account
30020 - Compensated Rates Fund
30021- General Royalties System Special Account
30022 - Specific Agreement on Technical Assistance - United States Agency for International Development - USAID
30024 - Inter-administrative Agreement - POD Santander
30024 - Cúcuta Inter-Administrative Agreement
30024 - Inter-administrative Cooperation Agreement Ministry of Culture
30024 - Inter-Administrative Cooperation Agreement Ministry of Housing, City and Territory

30024 - Inter-administrative Agreement Department of Cundinamarca
30024 - Ibagué Inter-Administrative Agreement
30024 - Popayán Inter-Administrative Agreement
30025 - Cooperation Agreement - NAMA
30026 - Non-reimbursable Technical Cooperation ATN / FM-15632-CO - GEF-IDB
30027- Prosperity Fund Program
30028 - Abu Dhabi Development Fund
30029 - KFW Cooperation
30030 - Cooperation Agreement -NAMA COAD
30031 - Non-reimbursable technical cooperation - NAMA MOVE

3. I followed up on the responses to the letters of recommendation addressed to the Company's management and there are no outstanding material issues that could affect my opinion.

Gabriela Margarita Monroy
Independent Auditor of
Financiera de Desarrollo Territorial S.A. - Findeter
Professional License 33256 - T
Member of KPMG S.A.S.

February 19, 2021

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Statement of Financial Position
as of December 31, 2020
(In thousands of Colombian Pesos)

Statement of Financial Position	**Notes**		**2020**	**2019**
Assets				
Cash and cash equivalents	10	$	1.180.670.793	695.223.180
Investment financial assets and derivatives	11		361.763.745	428.202.199
Loan portfolio and finance lease operations, net	12		10.024.994.463	8.893.012.444
Accounts receivable and other receivables, net	13		92.334.041	99.326.603
Property and equipment, net	14		27.645.779	33.586.104
Right-of-use assets, net	14.1		1.928.469	2.123.498
Investment properties	15		874.000	589.203
Intangible assets, net	16		1.997.831	1.393.667
Deferred tax assets, net	17		78.701.351	46.823.870
Other assets	18		2.426.653	2.233.449
Total assets		**$**	**11.773.337.125**	**10.202.514.217**
Equity and liabilities				
Liabilities				
Derivative financial instruments measured at fair value	11		58.361.272	15.972.109
Current income taxes, net	17		8.683.242	8.721.454
Certificates of deposit	19		6.776.680.932	5.444.803.724
Outstanding investment securities	20		1.571.958.773	1.570.747.870
Financial obligations	21		2.046.669.107	1.846.338.513
Lease liability	14		2.004.006	1.981.012
Employee benefits	22		6.636.216	5.154.246
Financial guarantees	23		55.239.827	64.821.669
Provisions	24		6.835.965	3.325.520
Accounts payable and other payables	25		17.151.863	17.905.712
Total liabilities		**$**	**10.550.221.202**	**8.979.771.830**
Shareholders' equity				
Issued capital	26		1.077.741.944	1.024.963.194
Reserves	26		94.775.281	73.643.211
First-time adoption results			52.075.778	52.075.778
Other comprehensive income			(9.107.513)	(1.850.616)
Net income			7.630.433	73.910.820
Total shareholders' equity		**$**	**1.223.115.923**	**1.222.742.387**
Total liabilities and shareholders' equity		**$**	**11.773.337.125**	**10.202.514.217**

The accompanying notes are an integral part of the financial statements.

SANDRA GÓMEZ ARIAS
Legal Representative

GABRIELA MARGARITA MONROY DÍAZ
Independent Auditor of Findeter S.A.
Professional License 33256-T
Member of KPMG S.A.S.
(See my report of February 19, 2021)

HOLLMAN JAVIER PUERTO BARRERA
Public Accountant
Professional License 31196-T

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Income Statement
for the years ended December 31
(In thousands of Colombian Pesos)

	Notes		2020	2019
Revenue				
Interest on loan portfolio	27	$	596.929.983	596.774.500
Net revenue from investment valuation at fair value	27		35.950.818	53.682.995
Net interest on investments at amortized cost	27		2.041.292	2.072.696
Operating expenses				
Certified interest on term deposits			(282.594.439)	(274.725.085)
Interest financial obligations	27		(52.940.050)	(77.597.335)
Interest on outstanding investment securities			(113.045.244)	(104.113.088)
Net exchange difference loss			(60.895.936)	(12.246.454)
Net derivative valuation (profit) loss			15.893.436	(8.608.823)
Net financial margin			**141.339.860**	**175.239.406**
Net (expenses) and recoveries for loan portfolio impairment	12		(12.499.321)	12.521.079
Net recoveries and expenses for accounts receivable (impairment)	13		41.581	(176.408)
Net financial margin after impairment			**128.882.120**	**187.584.077**
Revenue and expenses for commissions and other services				
Technical assistance revenue	28		56.602.696	65.323.574
Revenue for commissions and other services	28		11.450.836	14.056.385
Expenses for commissions and other services	28		(9.713.139)	(7.882.017)
Net revenue and expenses for commissions and other services			**58.340.393**	**71.497.942**
Other revenue and expenses				
Other revenue	29		13.726.220	6.042.336
Other expenses	30		(170.396.787)	(143.476.393)
Net other expenses			**(156.670.567)**	**(137.434.057)**
Earnings before income tax			**30.551.946**	**121.647.962**
Income tax expense	17		(22.921.513)	(47.737.142)
Net income		**$**	**7.630.433**	**73.910.820**

The accompanying notes are an integral part of the financial statements.

SANDRA GÓMEZ ARIAS
Legal Representative

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(See my report of February 19, 2021)

HOLLMAN JAVIER PUERTO BARRERA
Public Accountant
Professional License 31196-T

FINANCIERA DE DESARROLLO TERRITORIAL S.A. FINDETER
Statement of Cash Flow
for the years ended December 31
(In thousands of Colombian Pesos)

	Notes		2020	2019
Net Income	7	$	**7.630.433**	**73.910.820**
Adjustments to reconcile net income with net cash provided by operating expenses:				
Depreciations	14		767.879	793.872
Right-of-use depreciations	14		1.557.897	1.478.758
Amortizations of intangibles	16		1.218.942	1.075.436
Amortizations of other assets	30		2.963.117	2.024.805
Expense for lease contracts			261.128	-
Net recoveries and expenses for accounts receivable (impairment)	13		(41.581)	176.408
(Impairment) income from the valuation of investment properties	15		(284.797)	30.342
Net (expenses) and recoveries for loan portfolio impairment	12		12.499.321	(12.521.079)
Exchange difference loss, net			60.895.936	12.246.454
Income tax expense for the period	17		22.921.513	47.737.142
Net expense for other provisions	24		19.503.209	887.393
Reimbursement of financial guarantees	23		(9.581.842)	(1.871.491)
Technical assistance revenue	28		(582.196)	(8.142.628)
Net income form investment valuation			(37.992.110)	(55.755.691)
Net revenue (expense) for derivatives valuation			(15.893.436)	8.608.823
Interest on loan portfolio	27		(596.929.983)	(596.774.500)
Interest expenses			448.579.733	456.435.508
Changes in assets and exchange difference adjustment in operating liabilities:				
Negotiable investments			101.026.568	(18.386.179)
Loan portfolio and finance lease operations, net			(869.070.846)	(177.887.830)
Accounts receivable			7.574.758	(8.336.816)
Other assets			(3.156.322)	(465.822)
Derivative financial instruments			58.282.598	6.786.216
Provisions	24		(15.992.764)	-
Employee benefits	22		1.481.970	(225.105)
Accounts payable and other liabilities			1.285.199.858	307.529.605
Subtotal		$	**482.838.983**	**39.354.441**
Paid Income tax			(14.894.217)	(18.550.127)
Lease interest payments	5		(284.439)	(305.024)
Paid interest			(445.821.695)	(552.723.647)
Received interest			370.402.131	403.578.555
Net cash provided (used) for operating activities		$	**392.240.763**	**(128.645.802)**
Additions of property and equipment	14		-	(74.459)
Additions of other intangible assets	16		(1.823.106)	(1.072.097)
Net cash used for investment activities		$	**(1.823.106)**	**(1.146.556)**
Issuance of outstanding investment securities			-	400.000.000
New bank loans and other financial obligations			321.214.986	158.210.619
Bank loan payments and other financial obligations			(200.104.575)	(448.266.482)
Capital payments lease contracts	5		(1.601.001)	(1.316.219)
Net cash provided in financing activities		$	**119.509.410**	**108.627.918**
Cash and cash equivalents before the effect of exchange rate			509.927.067	(21.164.440)
Exchange difference on cash			(24.479.454)	(1.562.258)
Net increase (decrease) of cash and cash equivalents	10	$	**485.447.613**	**(22.726.698)**
Cash and cash equivalents initial balance	10		695.223.180	717.949.878
Cash and cash equivalents final balance	10	$	**1.180.670.793**	**695.223.180**
Available restricted	10		(4.959.850)	(1.742.632)
Cash and cash equivalents final balance without the available restricted		$	**1.175.710.943**	**693.480.548**

The accompanying notes are an integral part of the financial statements.

SANDRA GÓMEZ ARIAS
Legal Representative

GABRIELA MARGARITA MONROY DÍAZ
Independent Auditor of Findeter S.A.
Professional License 33256-T
Member of KPMG S.A.S.
(See my report of February 19, 2021)

HOLLMAN JAVIER PUERTO BARRERA
Public Accountant

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
for the years ended December 31
(In thousands of Colombian Pesos)

	Notes		Subscribed and Paid-in Capital	Reserves: Legal Reserves	Reserves: Occasional Reserves	First-time Adoption Effect	OCI	Net Income	Total Equity
Balance as of January 1, 2019		$	971.716.511	58.611.941	11.718.045	52.075.778	(10.324.400)	56.559.908	1.140.357.783
Changes in Equity:									
Capitalization of profits			53.246.683	5.655.991	(2.342.766)			(56.559.908)	-
Net income			-	-	-			73.910.820	73.910.820
Other comprehensive income			-	-	-		8.473.784	-	8.473.784
Total changes in equity			53.246.683	5.655.991	(2.342.766)	-	8.473.784	17.350.912	82.384.604
Final Balance as of December 31, 2019		$	1.024.963.194	64.267.932	9.375.279	52.075.778	(1.850.616)	73.910.820	1.222.742.387
Balance as of January 1, 2020		$	1.024.963.194	64.267.932	9.375.279	52.075.778	(1.850.616)	73.910.820	1.222.742.387
Changes in Equity:									
Capitalization of profits	26		52.778.750	7.391.082	13.740.988	-	-	(73.910.820)	-
Net income			-	-	-			7.630.433	7.630.433
Other comprehensive income			-	-	-		(7.256.897)	-	(7.256.897)
Total changes in equity			52.778.750	7.391.082	13.740.988	-	(7.256.897)	(66.280.387)	373.536
Final Balance as of December 31, 2020		$	1.077.741.944	71.659.014	23.116.267	52.075.778	(9.107.513)	7.630.433	1.223.115.923

The accompanying notes are an integral part of the financial statements.

SANDRA GÓMEZ ARIAS
Legal Representative

HOLLMAN JAVIER PUERTO BARRERA
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(See my report of February 19, 2021)

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Statements of Other Comprehensive Income
for the years ended December 31
(In thousands of Colombian Pesos)

	Note		2020	2019
Net income		$	7.630.433	73.910.820
Items not reclassified through profit or loss, net of taxes				
Revaluation of fixed assets		14	(5.172.446)	4.855.629
Valuation of Investments in equity instruments, shares and other financial instruments			(3.575.374)	5.631.110
Deferred tax recognition		17	1.490.923	(2.012.955)
Total other comprehensive income not reclassified through profit or loss, net of taxes			**(7.256.897)**	**8.473.784**
Total Comprehensive Income		**$**	**373.536**	**82.384.604**

The accompanying notes are an integral part of the financial statements.

SANDRA GÓMEZ ARIAS
Legal Representative

GABRIELA MARGARITA MONROY DÍAZ
Independent Auditor of Findeter S.A.
Professional License 33256-T
Member of KPMG S.A.S.
(See my report of February 19,2021)

HOLLMAN JAVIER PUERTO BARRERA
Public Accountant
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Financiera de Desarrollo Territorial S. A. - Findeter
Notes to the financial statements

As December 31, 2020

(Figures expressed in thousands of Colombian pesos, except for figures expressed in USD, number of shares and Exchange Rate)

Note (1) Reporting Entity

Financiera de Desarrollo Territorial S.A., hereinafter Findeter, was incorporated by public deed number one thousand five hundred seventy (1,570), dated May 14, 1990, with operating authorization issued by the Financial Superintendence of Colombia by Resolution No. 3354 of September 17, 1990. Findeter is a mixed economy joint-stock company established under the laws of the Republic of Colombia headquartered in the city of Bogota at Calle 103 No. 19-20, organized as a credit establishment tied to Grupo Bicentenario SAS, subject to the control and oversight of the Financial Superintendence of Colombia. Its main shareholder is Grupo Bicentenario SAS, with a 92.55% interest. It currently has five regional offices, two areas, for a total of seven offices in the country. It has an indefinite term of duration.

Findeter's corporate purpose is the promotion of regional and urban development, mainly by financing and advising the municipalities and departments of Colombia on the design, execution and management of investment projects or programs relative to the construction, expansion and replacement of infrastructure for drinking water, transport routes, educational facilities, sports facilities, hospitals and health services, etc., as well as the execution of such activities as may be assigned by legal provision or by the National Government, including the management of funds and special accounts, derived from inter-administrative contracts signed with government agencies for the development of activities associated with technical assistance and resource management.

The development of its corporate purpose is defined by Decree 663 of 1993. Findeter, acts as a second-tier development bank granting loans to state entities, territorial entities, or individuals engaged in projects for the construction, expansion and replacement infrastructure and technical assistance to adequately develop these activities for the economic sectors listed above, through entities of the Colombian financial system, which assume the total credit risk with the customer while Findeter assumes the credit risk with the financial entity, at interest rates generally below the market rate, which are financed with resources from multilateral organizations, from the public through certificates of deposit, bond placement in national and international markets and own resources.

In supporting the government's economic policies, the company was granted powers through Presidential Decrees Numbers 468 of March 23, 2020, and 581 of April 15, 2020, for the granting of loans under the direct loan modality to public service providers on account of the Covid-19 pandemic.

In compliance with the duties defined for Findeter in the organic statute of the financial system, Findeter may enter into agreements to manages resources intended for the development of its corporate purpose. Accordingly, as of December 31, 2020, Findeter has signed resource management agreements, managing the following funds and special accounts:

Fund
GEF-IDB Agreement
USAID Agreement
ABU DHABI Agreement
NAMA COOPERATION KFW Agreement
NAMA COAD MINISTRY OF HOUSING CITY AND TERRITORY Agreement
NAMO MOV COOPERATION GIZ FINDETER Agreement
COOPERATION KFW Agreement
Managed Agreements
ROYALTIES Fund
IDB SANANDRES Agreement
FUND FOR PROSPERITY
COMPENSATED RATES
INSFOPAL Management Trust
Social Investment Fund- FIS
Co-financing Fund for Urban Infrastructure-FIU
Roads Co-financing Fund- FCV
Social and Regional Investment Resources - RISR

Note (2) Declaration of compliance with the Financial Reporting Standards Accepted in Colombia

The financial statements have been prepared in accordance with the Financial Reporting Standards accepted in Colombia (CFRS), established in Act 1314 of 2009, regulated by Unified Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019 and 1432 of 2020. The CFRS applicable in 2020 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB). The base standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2018 and the incorporation of the amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions issued in 2020.

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

- The application of IAS 39 and IFRS 9 regarding the treatment of the portfolio and its impairment, and the classification and valuation of investments. For these cases, it continues to apply what is required in the Accounting and Financial Basic Circular issued by the Financial Superintendence of Colombia (SFC).

The financial statements of Financiera de Desarrollo Territorial S.A. FINDETER for the period ended December 31, 2020, have been prepared in accordance with the Financial Reporting Standards Accepted in Colombia (CFRS) and the applicable provisions issued by the Colombian Financial Superintendence.

For legal purposes in Colombia, the individual financial statements are the financial statements used to distribute dividends, when applicable.

Note (3) Significant accounting policies

a) Basis of Measurement

The individual financial statements have been prepared on the basis of the amortized and historical cost with the exception of the following items, which have been measured using an alternative basis at each balance sheet date.

Item	Basis of Measurement
Derivative financial instruments	Fair value through profit or loss.
Financial instruments classified at fair value	Fair value through profit or loss and, for investments designated on initial recognition as available for sale, at fair value through other comprehensive income.
Investment properties	Fair value through profit or loss.
Property (Land and Buildings)	Revalued cost.

Employee benefits	Present value of defined benefit obligations.
Deferred tax	Temporary differences using rates applicable in the realization period.

b) Functional and presentation currency

The items included in Findeter's individual financial statements are expressed in Colombian pesos, the currency of the primary economic environment where the entity operates, which is the functional currency and the presentation currency as well. All the information is expressed in thousands of pesos and has been rounded to the nearest whole number; with the exception of the exchange rates presented in pesos and the dollars described in note 3, section d.

c) Presentation of Financial Statements

The accompanying financial statements are presented taking into account the following aspects:

1. Statement of Financial Position

It is presented showing the different accounts of Assets and Liabilities ordered according to their liquidity, in case of sale or their enforceability, respectively, considering that for a financial institution this form of presentation provides more relevant reliable information.

2. Income Statement

The income statement is presented according to the nature of the expenses, the most widely used model among financial institutions, as it provides more appropriate and relevant information.

3. **Statement of Other Comprehensive Income**

The statement of other comprehensive income (OCI) recognizes the net differences generated in the first-time application of the International Financial Reporting Standards and their items are not specifically treated as revenue or expense, as these items are unrealized gains or losses in the period, and are recognized in equity.

4. **Statement of Cash Flows**

It is presented using the indirect method: Which determines the net flow of operating activities by correcting net income, given the effects of the items that do not generate cash flow, the net changes in assets and liabilities derived from the operating activities and given any other item whose monetary effects are considered investment or financing cash flows. Interest revenues and expenses received and paid are part of operating activities.

The following concepts are taken into account in preparing the separate statement of cash flows:

- Operating activities: these activities are the main source of income for Findeter.

- Investment activities: Correspond to the acquisition, transfer or otherwise disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: Activities that produce changes in the size and composition of equity and liabilities that are not part of operational or investment activities.

5. **Statement of Changes in Equity**

The purpose of the statement of changes in equity is to show the variations in the different elements that make up the equity in a given period. Additionally, the statement of changes in equity seeks to explain and analyze each variation, their causes and consequences within the entity's financial structure.

d) Foreign Currency Transactions

Foreign currency transactions are translated into Colombian pesos using the exchange rate published by the Colombian Central Bank on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into functional currency using the exchange rate effective on the cut-off date of the statement of financial position. Exchange differences are recognized through profit or loss. As of December 31, 2020 and 2019, the rates were, $3,432.50 and $3,277.14, respectively.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits and interbank operations with maturities of no more than one month, which are carried out as part of the usual management of cash surpluses. In order for a financial investment to be classified as a cash equivalent, it must be held to meet short-term payment commitments, rather than for investment or similar purposes, be easily convertible to a specified amount of cash, and be subject to negligible risk changes in value.

f) Trust Operations

In compliance with the duties defined for Findeter in the organic statute of the financial system, Findeter may enter into fiduciary agreements to manages resources intended for the development of its corporate purpose. Accordingly, as of December 31, 2020, Findeter has established the following fiduciary transactions and agency agreements:

National Guarantees Fund

Agreement signed between Findeter and the National Guarantees Fund, as an agency without representation, so that the latter, in exercising said agency, manages the monies delivered by the Principal and with them guarantees the delinquencies of individual loans or real estate microcredits intended exclusively to finance the construction, remodeling or acquisition of qualified affordable housing. This in accordance with Act 812 of 2003, "National Development Plan 2002-2006", which in Chapter II "Description of the Main Investment Programs", encouraged compliance with the goals of the National Government in the placement of the Colombian affordable housing portfolio.

This mandate has a term of one hundred fourteen (114) additional months from the date of the latest loan disbursement that has guarantees under the agreement.

Fiduciaria Bogotá – Pre-investment

Irrevocable commercial management and payments trust agreement signed between Fiduciaria Bogotá S.A. and Findeter, for the latter to transfer resources so that the trustee performs the contracts for the study and design of infrastructure projects, in accordance with the operations authorized to Findeter, such as providing technical assistance services, project structuring, and technical and financial consulting, as indicated in note 1.

These operations are a mechanism used by Findeter to develop its corporate purpose and execute special programs to promote regional and urban development.

g) Operating Segments

Operating segments are defined as a component of an entity: (a) that develops business activities from which it can obtain revenue and incur expenses; (b) whose operating results are reviewed on a regular basis and are used for operational decision-making in Findeter; and (c) based on which differentiated financial information is made available.

In line with this definition and taking into account that the Board of Directors, the highest operational decision-making authority, reviews and evaluates on a monthly basis the cost reports prepared by the accounting management, which are key to evaluating performance and making decisions related to investment and allocation of funds, Findeter has defined two business line operating segments for the provision of services: Financial Services and Technical Assistance. For this purpose, it has aligned the direct allocation of revenues, expenses, assets and liabilities with the allocation of the cost centers in the Findeter areas.

There are no levels of integration between the segments. Business units carry out separate activities that do not generate inter-segment pricing. The performance of each segment is measured on earnings before income tax, according to monthly reports submitted to the board of directors. See note 7.

h) Assets – Financial Instruments

Investments are classified in accordance with the provisions of Chapter I and I-1 of the Accounting and Financial Basic Circular issued by the Financial Superintendence of Colombia with respect to: negotiable investments, held-to-maturity investments and available-for-sale investments. Findeter, in developing its business model and following the guidelines of the Board of Directors, aims to negotiate investments in order to optimize the management of its financial resources, to achieve compliance, opportunity, security and transparency in its contractual commitments

1. Financial Investment Assets

Includes investments made to maintain a secondary liquidity reserve and comply with legal or regulatory provisions, in order to maximize the risk-return ratio of the portfolios and leverage opportunities that arise in the markets where it operates.

For investments valued at market prices, the entity values them using the information provided by the pricing entity PRECIA S.A, which gives inputs for the valuation of investments (prices, rates, curves, margins, etc.), and has investment valuation methodologies approved in accordance with the provisions of Decree 2555 of 2010 and the instructions in the Legal Basic Circular of the Financial Superintendence of Colombia.

The different types of investment are classified, valued and accounted for according to the business model, defined by:

Negotiables		
Characteristics	**Valuation**	**Accounting**
Portfolio to manage fixed income and variable income investments other than shares with the main purpose of obtaining profits, as a result of variations in the market value of different instruments and in activities of purchase and sale of securities. It leads to active sales and purchases.	Investments represented in securities or debt securities are valued based on the price determined by the pricing entity. In exceptional cases where there is no determined fair value for the valuation day, such securities are valued exponentially based on the internal rate of return. This procedure is performed on a daily basis. Interests in collective investment funds, private equity funds, among others, and securities issued in the course of securitization processes are valued taking into account the value of the unit calculated by the management company on the day immediately prior to the date of valuation. Unless they are listed on stock exchanges that mark the price in the secondary market, they must be valued according to this price.	These investments are accounted for in the respective accounts of "Investments at Fair Value through Profit or Loss" of the Unified Catalog of Financial Information for supervisory purposes. The difference between the current and immediately preceding fair values is recorded as a higher or lower value of the investment, affecting the period results. This procedure is performed on a daily basis.

Held to Maturity		
Characteristics	**Valuation**	**Accounting**
Securities in respect of which the entity has legal, contractual, financial and operational ability and intent to hold to maturity or repayment, taking into account that the structure of financial instruments eligible for this portfolio only involves payments of principal and interests.	Exponentially based on the internal rate of return calculated at the time of purchase, in a 365-day year. This procedure is performed on a daily basis. For variable rate fixed income investments, the Internal Rate of Return is recalculated	These investments must be accounted for in the respective "Investments at Amortized Cost" accounts. The difference between the current and immediately preceding fair values must be recorded as a higher or lower value of the investment, affecting the period results.

Held to Maturity		
Characteristics	**Valuation**	**Accounting**
	each time the value of the face indicator changes. For securities that include a prepaid option, the Internal Rate of Return is recalculated each time future flows and payment dates change.	The receivable returns pending collection are recorded as a higher investment value. Consequently, the collection of such returns must be accounted for as a lower investment value. This procedure is performed on a daily basis.

Available for sale - Debt securities		
Characteristics	**Valuation**	**Accounting**
Securities and, in general, any type of investment not classified as negotiable investments or as held-to-maturity investments. According to the business model, this portfolio manages fixed income investments with the main purpose of obtaining contractual flows and making sales as required by the circumstances require, to maintain an optimal combination of profitability, liquidity and coverage that provides support for relevant profitability.	Investments represented in securities or debt securities are valued based on the price determined by the pricing entity. In exceptional cases where there is no determined fair value for the valuation day, such securities are valued exponentially based on the internal rate of return. This procedure is performed on a daily basis.	These investments are accounted for in the respective "Investments at Fair Value through Other Comprehensive Income (OCI)" accounts. The difference between the present value of the valuation day and the immediately preceding one (calculated based on the internal rate of return calculated at the time of purchase, in a 365-day year) must be recorded as a higher value of the investment credited to profit and loss. The difference between the fair value and the calculated present value is recorded in the respective Unrealized Gains or Losses account (OCI).

1.1 Impairment or Losses due to Issuer Risk Rating

The price of negotiable or available-for-sale investments, for which there is no fair exchange prices at the valuation day, and the price of held-to-maturity investments, as well as the equity securities valued at equity variation, are adjusted on each valuation date based on the credit risk rating, according to the following criteria:

- The rating of the issuer and/or security in question, if any.

- Objective evidence that an impairment loss has or could occur in these assets. This criterion is applicable even to record a greater impairment than that resulting from simply taking the rating of the issuer and/or security, if required based on the evidence.

The amount of the impairment loss is always recognized through profit or loss, regardless of whether the respective investment has any amount recorded in Other Comprehensive Income (ORI), except for the internal or external public debt securities issued or endorsed by the Nation, securities issued by the Colombian Central Bank and those issued or guaranteed by the Guarantees Fund of Financial Institutions - FOGAFÍN.

1.1.1 Securities of Unrated Issues or Issuers

Securities that have no external rating or that are issued by unrated entities will be rated as follows:

Category/Risk	Characteristics	Provisions
A - Normal	Comply with the terms agreed in the security and have an adequate capacity to pay principal and interest.	Not applicable.
B - Acceptable	Corresponds to issues with uncertainty factors that could affect the ability to continue to adequately meet debt service. Additionally, the financial statements and other information available of the issuer evidence weaknesses that may affect its financial situation.	In the case of debt securities, the value for which they are accounted for cannot exceed eighty percent (80%) of their nominal value net of amortizations up to the valuation date. In the case of equity securities, the net value of credit risk provisions (cost less provision) for which they are accounted for cannot exceed eighty percent (80%) of the acquisition cost.
C - Appreciable	Corresponds to issues with a high or medium probability of default in the timely payment of principal and interest. Additionally, its financial statements and other available information show deficiencies in its financial situation that compromise the recovery of the investment.	In the case of debt securities, the value for which they are accounted for cannot exceed sixty percent (60%) of their nominal value net of amortizations up to the valuation date. In the case of equity securities, the net value of credit risk provisions (cost less provision) for which they are accounted for cannot exceed sixty percent (60%) of the acquisition cost.

Category/Risk	Characteristics	Provisions
D -Significant	Corresponds to issues in default in the terms agreed in the security, and their financial statements and other available information evidence marked deficiencies in their financial situation.	In the case of debt securities, the value for which they are accounted for cannot exceed forty percent (40%) of their nominal value net of amortizations up to the valuation date. In the case of equity securities, the net value of credit risk provisions (cost less provision) for which they are accounted for cannot exceed forty percent (40%) of the acquisition cost.
E - Uncollectible	Investments that are estimated uncollectible, according to the financial statements and other information available of the issuer.	The value of these investments is fully provisioned.

1.1.2 Securities of issues or issuers with external ratings

Securities or debt securities with one or more ratings and securities or debt securities rated by external rating agencies recognized by the Financial Superintendence of Colombia cannot be accounted for in an amount that exceeds the following percentages of their nominal value net of amortizations up to the valuation date:

Long-term rating	Maximum value %	Short-term rating	Maximum value %
BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 and 6	Zero (0)
DD,EE	Zero (0)		

To estimate the provisions on term deposits, the rating of the respective issuer is taken.

In any case, if the provisions on held-to-maturity investments for which a fair value can be established are higher than estimated, the provision corresponds to the difference between the registered value of the investment and the fair value, when the latter is lower.

For investments or issuers rated by more than one rating agency, the rating taken into account will be either the lowest, if they were issued within the last three (3) months, or the most recent, when the ratings are issued more than three (3) months apart.

2. Transactions with derivative financial instruments

A derivative is a financial instrument whose value changes over time in response to changes in an underlying variable (a specified interest rate, the price of a financial instrument, the price of a listed commodity, a foreign exchange rate, etc.), does not require a net initial investment or requires a lower investment than would be required for other types of contracts in relation to the underlying asset and is settled at a future date.

In developing its operations, Findeter trades such derivatives as forward contracts.

All derivatives are initially recorded at fair value. Subsequent changes in fair value are adjusted through profit or loss.

3. Loan portfolios

The loan portfolio is accounted for in accordance with the provisions of the Financial Superintendence of Colombia set out in Chapter II of the Accounting and Financial Basic Circular (CBCF) and annexes thereto.

Loans are measured initially at their disbursement value, and subsequently at cost less payment flows that decrease their balance.

3.1 Types of portfolio in Findeter:

The Findeter portfolio is classified into the following modalities:

- Commercial. These are loans granted to natural or juridical persons for the development of organized economic activities. Findeter includes in this modality the following types of loans:

    - Rediscount Transactions: It originates from loan operations that are intermediated by the entities overseen by the Financial Superintendence. Additionally, with the creation of the Affordable Housing Line, other intermediaries were authorized, such as: Family Compensation Funds, Cooperatives of Savings and Credit and Employee Funds.

- Direct Credit: Originates as operations authorized to FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER, through Presidential Decrees Numbers 468 of March 23, 2020, and 581 of April 15, 2020, which refer to:

    Granting direct loans with compensated rate and/or syndicated loans with entities of public international law, to Municipalities, Districts and Departments.

    Granting direct loans to official, mixed-economy and private Residential Public Services Companies supervised by the Superintendence of Residential Public Services, until December 31, 2020.

- Housing: Corresponds to loans granted to employees, regardless of amount, destined to the acquisition of new or used housing, or the construction of individual housing, with special rates, as per collective agreement. Findeter classifies this portfolio as follows:

    - Employee Housing Portfolio: Corresponds to housing loans granted to Findeter employees according to the benefits agreed in the collective agreement.

    - Former Employee Housing Portfolio: Corresponds to housing loans that were once granted to Findeter employees, which at the end of their relationship with the entity become part of this portfolio scheme. Findeter does not have former employee loan allocation policies.

- Consumer: Corresponds to loans granted to employees, regardless of amount, to finance the acquisition of consumer goods or the payment of services for non-commercial or non-business purposes, with special rates, as per collective agreement. Findeter divides this portfolio as follows:

    - Consumer Portfolio: Corresponds to consumer loans granted to Findeter employees in accordance with the benefits agreed in the collective agreement.

    - Former Employee Consumer Portfolio: Corresponds to consumer loans that were once granted to Findeter employees, which at the end of their relationship with the entity become part of this portfolio scheme. Findeter does not have loan granting policies for former employees.

3.2 Credit Risk

Findeter, as established and provided in Chapter II of Circular 100 of 1995 issued by the Financial Superintendence of Colombia, has designed and adopted a CRMS (Credit Risk Management System) made up of credit risk management policies and processes, internal methodologies and reference models for estimating or quantifying expected losses, provisioning system to cover credit risk and internal control processes.

Findeter permanently evaluates the risk of its credit assets based on the type of portfolio.

- For the Rediscount portfolio, this analysis starts prior to engaging a new intermediary; once engaged, regular monitoring is conducted according to the intermediary's capacity: credit institutions are monitored monthly and other intermediaries quarterly, control over each operation prior to approval, regular monitoring of operations, also includes cases subject to restructuring.

- For the direct loan portfolio, the analysis starts from customer knowledge and the risk analysis in the loan origination stage. From then on, the debtors of this portfolio are monitored every six months, based on an analysis of the evolution of the key financial figures, their payment capacity, an analysis of the guarantees provided by the beneficiary at the time of granting the loan and its repayment behavior.

- For the former employee portfolio (consumer and housing), the monitoring starts from the termination of employment and is conducted monthly based on the debtor's repayment behavior.

3.3 Credit Risk Rating

Findeter's portfolios are classified and rated into the following risk categories considering the regulatory provisions of Chapter II of the Accounting and Financial Basic Circular 100 issued by the Financial Superintendence of Colombia:

- Rediscount Commercial Portfolio (according to Annex VI of Chapter II)

CATEGORY	DESCRIPTION
A1	The quantitative and qualitative analysis reflects a solid, stable and sufficient financial situation to meet its obligations permanently and in a timely manner. Financial strength is unlikely to be adversely affected by economic and financial events.
A2	The quantitative and qualitative analysis reflects a stable and sufficient financial situation to meet its obligations permanently and in a timely manner; however, there are potential weaknesses that may compromise the counterparty's financial strength and therefore its ability to meet its obligations. Impairment in the economic and financial environment is likely to affect the ability to meet its obligations.
A3	The quantitative and qualitative analysis reflects an acceptable financial situation. There are factors that may noticeably compromise the counterparty's financial strength and therefore its ability to meet its obligations. It is vulnerable to impairment in the economic and financial environment.
A4	The quantitative and qualitative analysis reflects a high possibility of default of the counterparty's obligations. It is highly vulnerable to impairment in the economic and financial environment.
A5	The counterparty failed to pay the obligation.

- Direct commercial portfolio and former employees consumer portfolio (according to annexes III and V)

CATEGORY	COMMERCIAL PORTFOLIO (DIRECT AND FIRST-TIER)	CONSUMER PORTFOLIO (FORMER EMPLOYEES)
AA	Credits rated in this category reflect excellent structuring and service. The debtors' financial statements or the project's cash flows, as well as other credit information, indicate an optimal payment capacity, in terms of the amount and origin of the debtors' income to meet the required payments.	Credits rated in this category reflect excellent service. The debtor's risk analysis reflects an optimal payment capacity and excellent credit behavior that ensures the collection of the obligation under the agreed terms.
A	Credits rated in this category reflect appropriate structuring and care. The debtors' financial statements or the project's cash flows, as well as other credit information indicate an adequate payment capacity, in terms of the amount and origin of the debtors' income to meet the required payments.	Credits rated in this category reflect adequate service. The debtor's risk analysis reflects an appropriate payment capacity and an adequate credit behavior that allows inferring stability in the collection of the obligation under the agreed terms.
BB	Credits rated in this category are accepted and protected in an acceptable manner, but there are weaknesses that can potentially affect, temporarily or permanently, the debtor's payment capacity or the project's cash flows, so, if not timely corrected, it may affect the normal collection of the credit or contract.	Credits rated in this category reflect acceptable service. The debtor's risk analysis shows weaknesses in their payment capacity and credit behavior that can potentially affect, temporarily or permanently, the normal collection of the obligation under the agreed terms.

B	Credits rated in this category have insufficiencies in the debtor’s payment capacity or in the project’s cash flows, which compromise the normal collection of the obligation in the agreed terms.	Credits rated in this category reflect poor service. The debtor’s risk analysis shows insufficiencies in their payment capacity and credit behavior, affecting the normal collection of the obligation under the agreed terms.
CC	Credits or contracts rated in this category present serious insufficiencies in the debtor’s payment capacity or in the project’s cash flows, which significantly compromises the collection of the obligation under the agreed terms.	Credits rated in this category have serious insufficiencies in the debtor’s payment capacity and credit behavior, significantly affecting the collection of the obligation in the required terms.
NON-COMPLIANCE	The minimum objective conditions for the credit to be rated in this category are the events described in section 1.3.3.1 of the Accounting and Financial Basic Circular.	The minimum objective conditions for the credit to be rated in this category are the events described in section 1.3.3.1 of the Accounting and Financial Basic Circular.

- Employee housing and consumer portfolio (According to Annex I)

CATEGORY	RISK	DESCRIPTION
A	NORMAL	Credits rated in this category reflect appropriate structuring and service. The debtors’ financial statements, as well as other credit information, indicate an adequate payment capacity, in terms of the amount and origin of the debtor’s income to meet the required payments.
B	ACCEPTABLE	Credits rated in this category are accepted and protected in an acceptable manner, but there are weaknesses that can potentially affect, temporarily or permanently, the debtor’s payment capacity, so, if not timely corrected, it may affect the normal collection of the credit or contract.
C	DEFICIENT WITH ACCEPTABLE RISK	Credits rated in this category present insufficiencies in the debtor’s payment capacity, which compromise the normal collection of the obligation in the agreed terms.
D	DIFFICULT COLLECTION WITH SIGNIFICANT RISK	Credits rated in this category have the same characteristics as those DEFICIENT, but to a greater extent, so the probability of collection is highly doubtful.
E	IRRECOVERABLE	Is deemed uncollectible.

The housing and employee consumer portfolios are rated as category A or normal risk.

Rating Standardization

By virtue of the provisions of Chapter II of Circular 100 of 1995 issued by the Financial Superintendence of Colombia, to standardize the risk ratings of the commercial and consumer portfolio of former employees from the models to the rating that must be reported in the Financial Statements, Findeter applies the following table:

<table>
<tr><th colspan="4">REPORTING CATEGORY</th></tr>
<tr><th>GROUPED CATEGORY (FINANCIAL STATEMENTS)</th><th>COMMERCIAL-REDISCOUNT</th><th>COMMERCIAL-FIRST-TIER</th><th>CONSUMER-FORMER EMPLOYEES</th></tr>
<tr><td rowspan="4">A</td><td>A1</td><td rowspan="4">AA</td><td rowspan="2">AA</td></tr>
<tr><td>A2</td></tr>
<tr><td>A3</td><td rowspan="2">0-30 days delinquent</td></tr>
<tr><td>A4</td></tr>
<tr><td rowspan="2">B</td><td rowspan="4"></td><td>A</td><td>Over 30 days delinquent</td></tr>
<tr><td>BB</td><td>BB</td></tr>
<tr><td rowspan="2">C</td><td>B</td><td>B</td></tr>
<tr><td>CC</td><td>CC</td></tr>
<tr><td>D</td><td>A5</td><td>D</td><td>D</td></tr>
<tr><td>E</td><td></td><td>E</td><td>E</td></tr>
</table>

3.4 Modification and Restructuring Processes

For a loan to be considered for modification (not in default for more than 60 during the last 6 months for consumer loans; and 90 days for commercial and housing loans) or restructuring (changes in the original terms not considered modifications to allow debtors to adequate undertake their obligations in the face of the real impairment of their repayment capacity and) it must meet all the requirements established in Chapter II of the Accounting and Financial Basic Circular (CBCF) and External Circulars 027 of 2017 and 016 of 2019 of the Financial Superintendence of Colombia. This process starts with the express request for modification of the financial terms of the loan, then Portfolio Management analyzes the debtor's repayment capacity, which is submitted to the Administrative Loan Committee, which then decides whether or not to modify the initial terms of the loan. The accounting classification and registration is determined by the Accounting and Financial Basic Circular and External Circulars 027 of 2017 and 016 of 2019 of the Financial Superintendence of Colombia.

3.5 Portfolio Write-offs

Obligations that Management considers irrecoverable or have a remote recovery and that are one hundred percent (100%) provisioned, after exhausting all possible means of collection, in accordance with the opinion of Findeter's Legal Counsel are subject to write-off.

The write-off does not release Findeter from the responsibilities originated by the approval and management of the loan, nor does it exonerate it from the obligation to continue the collection efforts.

The Board of Directors is the only competent body with the power to approve write-offs, on the recommendation of the Administrative Credit Committee.

3.6 Impairment

Individual Impairment

In accordance with the provisions of Chapter II, Circular 100 of 1995 issued by the Financial Superintendence of Colombia, the methodologies for calculating provisions are based on the philosophy of expected loss and incorporate parameters of probability of default and losses due to default, following the credit rating determined by Findeter.

Accordingly, to cover credit risk, Findeter has a provisioning system which, depending on the type of portfolio, is found in annexes 1, 3, 5 and 6 of Chapter II of the Accounting and Financial Basic Circular, and is applied from as follows:

- For the Rediscount portfolio, the instructions given in Annex 6 (Individual provisions of the entities authorized to carry out Rediscount operations) will apply.

- For the consumer portfolio associated with former employees, the model set out in Annex 5 (Reference Model for the Consumer Portfolio) is used.

- For the Direct Loan portfolio, the Commercial Portfolio Reference Model presented in Annex 3 to Chapter II of the CBCF is applied.

- For the first-tier portfolio, prior to Annex 6 becoming effective, 100% of the portion not guaranteed by the nation is provisioned.

- For the housing portfolio associated with former employees, the instructions given in Annex 1 (General Assessment, Rating and Provisioning Regime for loan portfolio) apply. For consumer and housing portfolios associated with employees, the same annex applies.

3.7 General Provision

As per the provisions of Chapter II of Circular 100 of 1995 issued by the Financial Superintendence of Colombia, Findeter will establish a general provision corresponding to one percent (1%) of the gross portfolio balance, on the following portfolios: first-tier portfolio (BCH), employees and former employee housing.

3.8 Guarantee Management and Handling Policy

In accordance with the provisions of Chapter II of Circular 100 issued by the Financial Superintendence of Colombia, the guarantees that support the operation are necessary to calculate the expected losses in the event of non-payment and, consequently, to determine the level of provisions.

The analysis of the guarantees must include the following characteristics:

- Suitability: As legally defined.
- Legality: Document duly executed that offers legal support to enable the management of the collection of the obligations granted.
- Value: Established based on technical and objective criteria.
- Possibility of realization: Reasonably adequate possibility of the guarantees becoming effective.

Rediscount Portfolio

For the rediscount portfolio, Findeter has policies regarding the guarantees that must be constituted, which depend on the type of operation, the type of Intermediary and the final destination of the resources.

In this sense, for loan rediscounts, the original promissory note of the loan beneficiary is required, duly completed or in blank with the letter of instructions, duly endorsed by the intermediary to the order of Findeter.

On the other hand, lease rediscounts require the assignment of lease fees from the lease agreement or endorsement of the lessee’s promissory note or lessee’s promissory note endorsed to the order or in favor of Findeter by the financial intermediary.

For the Direct Loan portfolio, the guarantees are those that comply with the provisions of Decree 2555 of 2010, and the Accounting and Financial Basic and Legal Basic Circulars of the Financial Superintendence of Colombia, as well as those defined by the National Government in Decrees 517, 528, 581, 798 and 819 of 2020 in case of loan operations with Residential Public Service Providers.

In the case of loans received from an intervened first-tier bank, the guarantees are those required by the financial intermediary from the loan beneficiary; when the loan is delivered to Findeter these are assigned to the latter's favor.

- Housing portfolio

For housing loans, a first-degree open mortgage is required as guarantee with no amount limit in favor of Findeter.

4. Other accounts receivable

Impairment of other accounts receivable

Taking into account that IFRS 9 - "Financial Instruments" provides that other receivables do not have a significant financial component and are commercial accounts receivable, within the scope of IFRS 15, the simplified impairment model is applied.

Findeter determined that the application of the lifetime expected credit losses policy will initially be applied to the balances of the accounts receivable on the technical assistance services provided by Findeter.

Measurement of Expected Credit Losses

IFRS 9 provides the following alternatives to always measure the correction in value for expected credit losses of its trade receivables, contract assets.

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

In order to comply with IFRS 9 with respect to the simplified approach, Findeter evaluated the conditions of the technical assistance contracts executed, the capacity of the counterparties (such as Ministry of Housing, City and Territory, Ministry of Education, Administrative Department of the Presidency of the Republic, Cormagdalena, Ministry of the Interior, Bogota District Secretaries, among others) and their institutional support, and since there are no indications or statistics that indicate that these entities have presented credit defaults, Findeter determined that expected credit losses should not be considered until there is additional relevant information that allows forecasting future conditions that lead to a default of the counterparties. Findeter established a policy for the measurement and recognition of losses due to the time value of money.

However, the collection of receivables for the technical assistance services provided by Findeter to said entities is slow due to the different stages of approval and verifications that must be conducted.

Accordingly, the following formula will be applied to recognize the impairment of other receivables:

Impairment = Initial Registration Value * (Final Consumer Price Index / Initial Consumer Price Index) - Initial Registration Value.

* Provided by the National Administrative Department of Statistics (DANE)

i) Investment Properties

They are defined as lands or buildings considered in whole or in part that Findeter has arranged for generating income, asset valuation or both, instead of their use for own purposes.

Investment properties are initially measured at their fair value, which includes:

i. their purchase price including import duties, non-refundable purchase taxes, after deducting trade discounts and rebates; and

ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

The recognition of the cost will cease when the item is in the location and conditions necessary for operation.

Investment properties in Findeter will be subsequently measured at fair value through profit or loss.

Findeter has fully identified what property has been arranged to classify it as investment property, intended for exclusively generation of income.

j) Property and equipment

Property and equipment includes assets owned that Findeter holds for their current or future use and that it expects to use for more than one year.

They are recorded at their acquisition cost, less their corresponding accumulated depreciation and, if applicable, the impairment that occurs when the recoverable amount of the asset is less than the book value.

Property and equipment are initially measured at cost, which includes:

i. Their purchase price including import duties, non-refundable purchase taxes, after deducting trade discounts and rebates.
ii. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.
iii. Dismantling costs: The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
iv. Borrowing costs: Costs related to a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized and, in other cases, are recognized through profit or loss, in accordance with the financing costs..

Depreciation is calculated by applying the straight-line method on the acquisition cost of assets, less their residual value. In the case of assets measured at revalued cost, these are adjusted by eliminating accumulated depreciation and registering the asset for its fair value, it being understood that the land on which the buildings and other constructions are built have an indefinite useful life and, therefore, are not subject to depreciation. Depreciation is recorded through profit or loss and is calculated based on the following useful lives:

	Useful life (years)
Asset type	
Buildings	80
Furniture and fixtures	6
Computer equipment	3

The useful life and residual value of these assets are based on independent evaluations, mainly for buildings, or on specialized expert opinion and are reviewed in accordance with the accounting policy established by Findeter.

The conservation and maintenance expenses of property and equipment are recognized as an expense in the year they are incurred and are recorded under the item "Maintenance Expenses".

Findeter will subsequently measure its property and equipment assets depending on the type of asset. Furniture and Fixtures and Computer Equipment will be measured at cost, Land and Buildings will be measured by means of the Revaluation Model less impairment losses and calculated depreciations. After determining the revalued cost of the properties, Findeter will depreciate them according to the new estimated useful lives.

Findeter performs the revaluation of its buildings and land every two years, a process carried out by an expert firm, which assesses the requirements of IFRS 13 and determines their fair values. (see note 14)

- **Derecognition of fixed assets**

The book value, including the residual value of a property and equipment asset, is derecognized when no further associated future economic benefits are expected, obsolescence is determined or by management provision, and the derecognition is recognized through profit or loss.

- **Impairment of property and equipment items**

At the end of each accounting period, Findeter analyzes whether there are indications, both external and internal, that an asset may be impaired. If there is evidence of impairment, Findeter analyzes whether there is indeed such impairment by comparing the asset's book value with its recoverable value (as higher between its fair value less disposal costs and its value in use). When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying future charges for depreciation, according to its remaining useful life.

Similarly, when there are indications that the value of a tangible asset has been recovered, Findeter estimates the recoverable value of the asset and recognizes it through profit or loss, recording the reversal of the impairment loss recorded in previous periods, and adjusting future charges for depreciation accordingly. In no case the reversal of the impairment loss of an asset shall imply an increase in its book value above that which it would have had if impairment losses had not been recognized in previous years.

k) Leases

Findeter evaluates at the start of a contract whether it is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Findeter uses the definition of a lease in IFRS 16.

Recognition as lessee

Initial Measurement

Findeter recognizes a right-of-use asset and a lease liability on the start date of the lease. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payment made on or before the start date, plus the initial direct costs incurred and an estimate of the costs for dismantling and removing the underlying asset or to restore the underlying asset or the site where it is located.

Subsequent Measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, and is adjusted for certain new measurements of the lease liability, at least once a year.

Findeter measures the lease liability at the present value of the lease payments not paid on that date. In Findeter, for purposes of discounting unpaid lease fees, the lessee's incremental borrowing rate will be used, which will correspond to the borrowing rate for real estate, since it would be the rate that reflects the operation in the market .

$$VA = \frac{VF}{(1+i)^n}$$

VA = Present value
VF = Future value
i = Periodic effective interest rate
n = Number of periods

Regarding contractual obligations, the lease fees must be updated with the annual increases established for each of them.

Short-term leases and low-value asset leases

Findeter has decided not to recognize right-of-use assets and lease liabilities for low-value asset leases and short-term leases, including computer equipment, defined as assets with values not exceeding 1% of Findeter's total fixed assets, considered individually. Accordingly, Findeter recognizes payments associated with these leases as a straight-line expense over the term of the lease.

Lease Recognition from the Lessor's Perspective

Findeter will classify a lease as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset and will recognize through profit or loss the income derived from it, during the life of the lease.

l) Intangibles Assets

Findeter's intangible assets will be initially measured at cost and will be recognized only if they meet the following:

- It is likely that the future economic benefits that have been attributed to them will flow to the Chamber;
- The cost of the asset can be measured reliably.

Findeter has no intangibles of infinite life, it has been determined by accounting policy that the amortization periods will be 24 months from the moment of acquisition and that said assets will be amortized using the straight-line method, which will be recorded through profit or loss as amortization expense. These assets correspond mainly to computer programs, which are initially measured by their acquisition cost. (See. Note 16).

Useful Life of Intangible Assets

The useful life is evaluated taking into account the following factors:

- The expected usage of the asset
- Typical product life cycles for the asset
- Technical, technological, commercial or other types of obsolescence;
- The stability of the industry in which the asset operates and changes in the market demand for the products
- Expected actions by competitors or potential competitors
- The level of maintenance expenditure required to obtain the expected future economic benefits
- Whether the useful life of the asset is dependent on the useful life of other assets of the entity

i. Impairment

At the end of each accounting period, Findeter analyzes whether there are indications, both external and internal, that an asset may be impaired. If there is evidence of impairment, and in these cases, the accounting policy for property and equipment is followed, to determine if the recognition of any impairment loss applies. Any impairment loss or subsequent reversals is recognized in profit or loss.

m) Financial Guarantees

Findeter issued a financial guarantee in favor of the Intermediaries participating in the debt substitution operation that gave rise to the FINDETER CRÉDITOS ET - AGUA TRUST, estimating the associated losses based on the financial information published by the General Accounting Office of the Nation, of the beneficiary municipalities, Additionally, the historical series of allocation of the General System of Participation published by the National Planning Department and historical series of variations in the CPI were analyzed. Losses are associated with non-compliance events caused by one or more municipalities that participate in the scheme not fully or partially repaying the debt to the Trust (due to different risk factors) and consequently Findeter must answer for those differences.

As established in IFRS 9 issued by the IFRS Foundation, numeral 5.5 Impairment, sub-section 5.5.1, Findeter, based on the information described above, designed a methodology that considers the following variables as risk factors:

- The decrease in interest due to a probable restructuring of the municipality's debts in accordance with Act 550.
- The sensitivity of the flows to changes in the interest rate on loans (consumer price index, CPI).
- The sensitivity of income from changes in the allocation of the budget of the General System of Participation (SGP) in drinking water issues.

This methodology defines an aggregate expected loss, the maximum amount of coverage being COP 70,000,000, which guarantees the value of the flows that financial intermediaries will receive during the term of the loans.

n) Financial Liabilities

A financial liability for Findeter is any contractual obligation to receive cash or another financial asset from another entity or person.

Financial liabilities are recognized and measured at amortized cost, provided they correspond to the typical fundraising activities of financial entities, except for derivatives, which are measured at fair value through profit or loss, based on the available support on compliance with the applicable requirements of Chapter XVIII of the Accounting and Financial Basic Circular 100 of 1995.

Amortized cost is understood to be the cost of acquiring an adjusted financial liability (more or less, as the case may be) for the repayments of the principal and the portion systematically charged to profit or loss of the difference between the initial cost and the corresponding repayment value at maturity.

The amortized cost of financial liabilities represented by certificates of deposit, outstanding investment securities, legal currency bonds and financial obligations, are determined based on the nominal value of the obligation.

For foreign currency bonds, the transaction costs associated with obtaining them are recognized as a deduction from the liability, recalculating the effective interest rate, based on which the corresponding financial expenses are recognized through profit or loss.

Financial liabilities that Findeter has registered do not present reclassifications in their valuation and recognition. The financial statements show the items of income and expenses net of interest and commissions derived from their operations.

As of December 31, 2020, there were operations to repurchase Certificates of Deposit, which required netting the financial statements on these operations.

For estimates of liquidity, market risks and the description of their management, refer to note 9.

o) Employee benefits

Findeter grants its employees the following benefits, as consideration in exchange for their services:

I. Short-Term Benefits

Corresponds to the benefits that Findeter expects to pay within twelve months of the end of the reporting period. In accordance with Colombian labor law and employment agreements at Findeter, said benefits correspond to severance pay, interest on severance pay, vacation leaves, vacation bonuses, legal and extralegal bonuses, aids and contributions to social security and parafiscal contributions, bonuses. These benefits are measured at cost and accumulated by the accrual system through profit or loss.

II. Other Long-Term Benefits

These are all long-term employee benefits that, in accordance with Findeter's collective agreements and employment agreements, correspond mainly to pension bonuses and five-year bonuses.

Long-term employee benefit liabilities are determined based on the theory of life contingency insurance. Accordingly, it is established that the probability of a future time of life for a person with certain population characteristics is estimated from a life table with annual deaths published for each country or group of interest. In Colombia, the tables of resolution number 1555 of 2010 are used, and changes in actuarial liabilities due to changes in actuarial assumptions are recorded through profit or loss. The results obtained from applying this methodology are finally adjusted to the projected loan unit, which gives a greater value to the benefits proportionally to the seniority of the employee. These values are calculated individually, i.e., each of the beneficiary employees has different conditions (seniority, gender, age and time to pension, salary) and therefore represent different actuarial liabilities. (See note 22).

p) Taxes

Income Tax

Income tax expense includes current tax and deferred tax. It is recognized through profit or loss except for the portion corresponding to items recognized in other comprehensive income (OCI).

The policy adopted for each of these concepts is explained below:

a. Current Tax

Current tax includes the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment related to previous years. It is measured using the tax rates provided in the Tax Code as of year-end. The current tax also includes any tax on dividends.

b. Deferred Tax

Deferred taxes are recognized on temporary differences that arise between the tax bases of assets and liabilities and the amounts recognized in the financial statements, which give rise to amounts that are deductible or taxable when determining the tax profit or loss corresponding to future periods when the carrying amount of the asset is recovered or the carrying amount of the liability is settled. However, deferred tax liabilities are not recognized if: i) they arise from the initial recognition of capital gains; ii) they arise from the initial recognition of an asset or liability in a transaction different from a business combination that at the time of the transaction does not affect the accounting or tax profit or loss; iii) the deferred tax is determined using tax rates that are effective as of the balance sheet date and are expected to apply when the deferred tax asset is realized or when the deferred tax liability is offset.

Deferred tax assets are recognized only to the extent that it is probable that future tax revenues will be available against which temporary differences can be used.

Deferred tax assets and liabilities are offset when there is a legal right to offset current deferred taxes against current tax liabilities and when deferred tax assets and liabilities are related to taxes levied by the same tax authority on the same entity or different entities when there is an intention to offset balances on a net basis.

c. Industry and Trade Tax

In applying article 86 of Act 2010 of 2019, the Company recognized as an expense for the year the entire industry and trade tax incurred in the year, the amount that may be applied as a tax discount is treated as a non-deductible expense in determining the year's income tax. The tax discount applied reduces the value of the current income tax expense for the period and a deferred tax asset was recognized on the balances that may be applied as a tax discount in the following period.

q) Provisions and Contingencies

Provisions destination procedure

This is done based on the monthly report of each of FINDETER'S counsels, for the processes that have been assigned to them. The report contains the rating of contingencies, the possibility of loss and the estimate of the provision, in accordance with the General Policies for Judicial Provisions established by the National Agency for Legal Defense of the State, which include Resolution No. 353 of 2016, and IAS 37.

The rating is as follows:

a. The contingency is determined:

- Probable, when the possibility of losing the case in the opinion of FINDETER'S Legal Department or counsel is greater than 50% and/or there is a first instance or second instance ruling against Findeter.

- Eventual, when the possibility of losing the case in the opinion of FINDETER'S Legal Department or counsel is greater than 5% and less than 50%.

- Remote: When the possibility of losing the case in the opinion of FINDETER'S Legal Department or counsel is less than 5%.

b. the provision is rated, according to the procedural stage and status of the process.

r) Revenue

Revenue is measured by the fair value of the consideration received or to be received, and represents amounts receivable for the goods or services provided. Findeter recognizes revenue when the amount of these can be measured reliably, it is probable that the future economic benefits will flow to the entity and when the specific criteria for the services provided have been met.

- **Interest Revenue**

Interest revenue comes from loans, interbank operations, investments upon expiry, amortized cost and other similar items that are generally recognized as they accrue using the effective interest method.

- **Commission and Fee Revenue**

Findeter recognizes revenue in accordance with the provisions of IFRS 15 and analyzing the following activities:

- Analyze contracts with customer and their main characteristics
- Identify the performance obligations in the contract.
- Determine the transaction price and the effects caused by the variable considerations.
- Allocation of transaction amounts to each performance obligation
- Analysis of the appropriateness of the moment in which the revenue must be recognized in Findeter either at a point in time or over time.

Revenue Recognition Methodology

Inter-administrative Contracts - Technical Assistance Services And Resource Management- (Water Management)

Income from Fixed Costs	Fixed costs refer to the recognition of revenue, due to Findeter's availability of the infrastructure and logistics for the provision of Technical Assistance service and are supported in the preparation of a monthly financial and technical report.
Income from Variable Costs	

I.	Preparing the Terms of Reference and Evaluation of the Calls	The revenue recognition basis is the value awarded and actually contracted to carry out the works, audits and consultancies, multiplied by the percentage of remuneration stipulated in each of the Inter-Administrative Contracts.
II.	Project Execution Supervision	The revenue remuneration basis will result from the value paid to the construction and consulting contractors, multiplied by the percentage of remuneration stipulated in each of the Inter-Administrative Contracts.
III.	Technical Visits	They refer to work monitoring activities, progress verification and monitoring committees carried out in the field.
IV.	Management related to the monitoring item by the Ministry, corresponding to two percent (2%)	It refers to the engagement and administrative management of payments to the supervisors that are Findeter's counterparty in the Ministry for the Water program projects.

Inter-administrative Contracts - Social Infrastructure Management-

Income from Fixed Costs		Fixed costs refer to the recognition of revenue, due to Findeter's availability of the infrastructure and logistics for the provision of Technical Assistance service and are supported in the preparation of a monthly financial and technical report.
Income from Variable Costs		
I.	Preparing the Terms of Reference and Evaluation of the Calls	- The revenue recognition basis is the value awarded and actually contracted by the free-standing trust fund to carry out the works, audits and consultancies, multiplied by the percentage of remuneration stipulated in each of the Inter-Administrative Contracts.
II.	Monthly Project Monitoring Visits	They refer to work monitoring activities, progress verification and monitoring committees.
III.	Viability	Corresponds to the number of visits made to prepare the viability certificates.

SERVICE PROVISION CONTRACTS - HOUSING AND URBAN DEVELOPMENT MANAGEMENT -

Income from Fixed Costs		They are associated with all activities related to FINDETER'S management of resources for the fulfillment of the contract's purpose, i.e., the availability of the required personnel, the technical and logistical infrastructure for the fulfillment of the obligations.
Income from Variable Costs		
I.	Monthly Project Monitoring Visits	These are the activities that will be carried out in each visit project and it is conditional on the presentation of a consolidated report of the visits carried out in said period.

II. Milestone Follow-up Visits (checklist) for Housing and/or Project, Certificates of Existence and Certificates of Non-Compliance	Activities that will be carried out for each housing in contractually defined periods and is conditional on the presentation of a consolidated report of the visits and validations of the checklist carried out and certificate of existence of the works.
III. Final Contract Report	The supervision of all the projects of the contract will be carried out after the stipulation of the execution term clause for each contract.

The income estimation policies established in Findeter are based on IFRS 15. The recognition of these income is supported in the development of the performance obligations undertaken and their collection has a high degree of certainty, for contracts supporting them. See note 28.

s) Expenses

Expenses represent an outflow of money by the entity as consideration for a service received or the decrease of an asset or the increase of a liability.

t) Net of items of the same nature

In accordance with the requirements of the International Financial Reporting Standards and for presentation purposes, Findeter carries out the netting on assets and liabilities of the same nature. The netting carried out as of December 31, 2020, is detailed below:

Netting Summary BG 2020				
Item	**Balance**	**Netting**	**Net Balance Presentation**	**Supporting Standard**
Deferred Tax Assets	88,102,358	9,401,007	78,701,351	Netted as provided in IAS 12 paragraphs 71 to 76
Tax Prepayment	484	484	-	Netted as provided in IAS 12 paragraphs 71 to 76
Other Assets	9,159,765	6,733,112	2,426,653	Netted for presentation purposes according to IAS 1
Industry and Trade Tax	1,245,770	(484)	1,245,286	Netted as provided in IAS 12 paragraphs 71 to 76
Employee Benefits - other liabilities	6,733,112	(6,733,112)	-	Netted for presentation purposes according to IAS 1

Deferred Tax Liabilities	9,401,007	(9,401,007)	-	Netted as provided in IAS 12 paragraphs 71 to 76

Note (4) New Accounting Pronouncements

Standards and amendments applicable as of January 1, 2021

(a) Future Requirements

In accordance with the provisions of Decree 1432 of 2020, below are the amendments and interpretations issued by the IASB during 2019 and 2020, some of them effective internationally as of January 1, 2020 and 2021, and others as of January 1, 2022 and 2023. These standards have not yet been adopted in Colombia. The impact of these amendments and interpretations is being assessed by Findeter's management; however, they are not expected to have a significant impact on Findeter's financial statements.

Financial Information Standard	Subject of the Standard or Amendment	Detail
IAS 1 - Presentation of Financial Statements.	Amendments related to the Classifications of Liabilities as Current or Non-Current.	This amendment was issued in January 2020 and subsequently modified in July 2020. Modifies the requirement to classify liabilities as current by establishing that liabilities are classified as current "when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period." Clarifies in the added paragraph 72A that "An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and, as illustrated in paragraphs 73–75, must exist at the end of the reporting period.". The amendment applies as of January 1, 2023, and its early application is allowed. The effect of the application on the comparative information will be made retroactively.

Extension of the Temporary Exemption from the Application of IFRS 9 - Financial Instruments	Amendments to IFRS 4 - Insurance Contracts	Paragraphs 20A, 20J and 20O of IFRS 4 are amended to allow the temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for the annual periods that begin before January 1, 2023 (because as of that date there is a new international requirement contained in IFRS 17).
Annual Improvements to IFRS Standards 2018–2020 Cycle	Amendments to IFRS 1 - First-time adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture.	Amendment to IFRS 1. Subsidiary that becomes a first-time adopter of IFRS. Paragraph D13A of IFRS 1 is added, incorporating an exemption on subsidiaries that become first-time adopters of IFRS and take as balances in the opening statement of financial position the book amounts included in the financial statements of their parent (letter a of paragraph D16 of IFRS 1) to measure the accumulated exchange differences by the carrying amount of said item in the consolidated financial statements of their parent (also applies to associates and joint ventures).
		Amendment to IFRS 9. Commissions in the “10% test” regarding the derecognition of financial liabilities. A text is added to paragraph B3.3.6 and B3.3.6A is added, it is special for clarification purposes.
		Recognition of the commissions paid (through profit or loss if it is a cancellation of the liability, or as a lower value of the liability if it is not treated as a cancellation).
		Amendment to IAS 41. Taxation in fair value measurements. The phrase “nor tax flows” is removed from paragraph 22 of IAS 41 because “before the Annual Improvements to IFRS Standards 2018-2020 Cycle, IAS 41 had required an entity to use the cash flows before taxes when measuring fair value, but did not require the use of a discount rate before taxes to discount those cash flows.” This way, the requirements of IAS 41 are in line with those of IFRS 13.
		The amendment applies as of January 1, 2022, and its early application is allowed.
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts—Cost of Fulfilling a Contract	Clarifies that the cost of fulfilling a contract includes the costs directly related to the contract (the costs of direct labor and materials, and the allocation of costs directly related to the contract).

		The amendment applies as of January 1, 2022, and its early application is allowed. The effect of the application of the amendment will not re-express the comparative information. Instead, the cumulative effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, on the date of initial application.
IAS 16 - Property, Plant and Equipment.	Amended in relation to proceeds before intended use.	The amendment deals with the costs directly attributable to the acquisition of the asset (which are part of the PPE element) and refers to "the costs of testing whether the asset is functioning properly (i.e., assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes)." Paragraph 20A provides that the production of inventories, while the PPE element is in the conditions intended by management, at the time of sale, will affect the profit or loss for the period, together with its corresponding cost. The amendment applies as of January 1, 2022, and its early application is allowed. Any effect on its application will be made retroactively, but only on the PPE elements that are brought the location and condition necessary for it to be capable of operating in the manner intended by management from the beginning of the first period presented in the financial statements in which the entity applies the amendments for the first time. The cumulative effect of the initial application of the amendments will be recognized.

Note (5) Changes in Significant Accounting Policies

Findeter made no changes to its accounting policies during the reporting period.

Note (6) Judgments and Estimates

Findeter makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amount of assets and liabilities in the accounting period.

Judgments and estimates are evaluated on an ongoing basis and based on Findeter's experience and other factors, including expectations of future events that are believed to be reasonable. As of December 31, 2020, no judgments or critical estimates were identified.

Note (7) Operating Segments

The following figures correspond to revenue and expenses by segment for years ended:

Thousands of pesos
Reporting segment

	Financial services		Technical assistance		For the twelve-month periods ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net revenue						
Interest on loan portfolio	596,929,983	596,774,500	-	-	596,929,983	596,774,500
Net revenue from investment valuation	38,163,487	55,755,691	-	-	38,163,487	55,755,691
Operating expenses						
Financial expenses	(448,751,110)	(456,435,508)	-	-	(448,751,110)	(456,435,508)
Net exchange difference profit and loss	(60,895,936)	(12,246,454)	-	-	(60,895,936)	(12,246,454)
Net derivative valuation profit and loss	15,893,436	(8,608,823)	-	-	15,893,436	(8,608,823)
Net financial margin	**141,339,861**	**175,239,406**	**-**	**-**	**141,339,860**	**175,239,406**
Net loan portfolio impairment	(12,499,321)	12,521,079	-	-	(12,499,321)	12,521,079
Net accounts receivable impairment	41,581	-	-	(176,408)	41,581	(176,408)
Net financial margin after impairment	**128,882,120**	**187,760,485**	**-**	**(176,408)**	**128,882,120**	**187,584,077**
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	56,602,696	65,323,574	56,602,696	65,323,574
Revenue for commissions and other services	11,450,836	14,056,385	-	-	11,450,836	14,056,385
Expenses for commissions and other services	(9,525,575)	(7,474,378)	(187,564)	(407,639)	(9,713,139)	(7,882,017)
Net revenue and expenses for commissions and other services	**1,925,261**	**6,582,007**	**56,415,132**	**64,915,935**	**58,340,393**	**71,497,942**
Other revenue and expenses						
Other revenue	13,726,220	5,815,087	-	227,249	13,726,220	6,042,336
Other expenses	(104,952,966)	(74,946,573)	(65,443,821)	(68,529,819)	(170,396,787)	(143,476,392)
Net other expenses	**(91,226,746)**	**(69,131,486)**	**(65,443,821)**	**(68,302,570)**	**(156,670,567)**	**(137,434,057)**
Earnings before income tax	**39,580,634**	**125,211,006**	**(9,028,691)**	**(3,563,044)**	**30,551,945**	**121,647,962**
Income tax expense	(29,695,262)	(49,135,353)	6,773,751	1,398,211	(22,921,511)	(47,737,142)
Net Income	**9,885,372**	**76,075,653**	**(2,254,940)**	**(2,164,833)**	**7,630,433**	**73,910,820**

	FINANCIAL SERVICES		TECHNICAL ASSISTANCE		TOTAL	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Assets	11,706,099,195	10,160,754,917	67,255,415	41,759,300	11,773,355,610	10,202,514,217
Liabilities	10,530,081,895	8,945,722,841	20,137,791	34,048,988	10,550,219,636	8,979,771,829

See note 3 item H

Note (8) Fair value estimate

Findeter values financial assets and liabilities such as derivatives and debt and equity securities, which are traded in an active market with sufficient and available information at the valuation date, using the price information published by the official pricing entity certified by the Financial Superintendence of Colombia (PRECIA SA). This way, Findeter obtains the prices and curves published by the pricing entity and applies them according to the methodology corresponding to the valued instrument.

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

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that Findeter can access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

i. Recurring fair value measurements

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

To determine the levels of fair value hierarchy, an evaluation is made of the methodologies used by the official pricing entity, with knowledge of the markets, inputs and approaches used to estimate fair values of the recurring bases.

On the other hand, and in accordance with the methodologies not objected by the Financial Superintendence of Colombia, the pricing entity receives the 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 Price: Methodology applied to assets and liabilities that have sufficiently wide markets, in which the volume and number of transactions are generated to establish an output price for each negotiated reference. This methodology, equivalent to a level 1 input, is generally used for investments in sovereign bonds.

- Benchmark margins and curves: Methodology applied to assets and liabilities for which market variables such as benchmark curves and spreads or margins are used with respect to recent quotes of the asset or liability in question or similar. This methodology, equivalent to a level 2 input, is generally used for investments in debt securities of financial institutions and corporate debt in the local market of low-recurring issuers with low outstanding amounts.

  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 and II of the Accounting and Financial Basic Circular 100.

- OTC derivatives: These instruments are valued by applying the discounted cash flow approach, which, based on inputs published by the pricing entity of domestic, foreign and implicit interest rate curves, and exchange rates, projects and discounts the future flows of each contract based on the underlying asset in question. The portfolio of these instruments, classified as level input, is made up of currency forward contracts.

- For the investment classified as level 3 input, which corresponds to the investments in the Ashmore Colombia Infrastructure Private Equity Fund, the valuation of the participation unit held is obtained from the value of the Fund at closing of the previous day (Equity Value) plus the results of the day in which the Fund is being valued ((+) Contributions (-) Withdrawals (+) Income (-) Expenses), divided by the number of Participation Units issued by the Fund at the closing of the previous day (Total Units of the Fund, which are generated in each capital call). The result gives the value of the participation unit of the Fund that is reported to investors in accordance with legal provisions.

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

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

Assets	Fair value December 31, 2020	Hierarchy level 1	Hierarchy level 2	Hierarchy level 3	Fair value December 31, 2019	Hierarchy level 1	Hierarchy level 2	Hierarchy level 3
Negotiable investments								
Debt securities other financial entities	70,516,633	-	70,516,633	-	111,433,149	-	111,433,149	-
Government debt securities	170,502,005	170,502,005	-	-	156,186,568	155,471,764	714,804	-
Private Equity Fund- Ashmore	42,085,661	-	-	42,085,661	61,938,007	-	-	61,938,007
Collective investment funds	18,405,576	-	18,405,576	-	17,213,510	-	17,213,510	-
Available for sale								
FNG Shares	30,344,313	-	30,344,313	-	33,887,605	-	33,887,605	-
Currency forward	615,188	-	615,188	-	18,137,299	-	18,137,299	-
Total assets	**332,469,376**	**170,502,005**	**19,881,710**	**42,085,661**	**398,796,138**	**155,471,764**	**181,386,368**	**61,938,007**
Liabilities								
Currency forward	58,361,272	-	58,361,272	-	15,972,109	-	15,972,109	-

Total liabilities	**58,361,272**	**-**	**58,361,272**	**-**	**15,972,109**	**-**	**15,972,109**	**-**

Financial assets and liabilities measured at fair value did not present value hierarchy transfers as of December 31, 2020.

As of December 31, 2020, Findeter registers an investment in the Ashmore Colombia Infrastructure Fund, for $42,085,661, a figure that represents an interest of 12.84% for 1,233,821.18 units on the total of the Fund. The Fund's valuation is reported by an independent third party in accordance with the provisions of the Fund's regulations. The latest report is as of December 31, 2020. The valuation variables are presented in the following table:

Type	Valuation technique	Significant unobservable information	Interrelation between significant unobservable information and fair value measurement

Contingent Consideration	The valuation of the companies that are part of the FCP-I Ashmore Colombia Infrastructure Fund is carried out through the Discounted Cash Flow and Asset Appraisal methodologies.	The main unobservable significant information corresponds to: 1. Estimated income for the valuation period. 2. The pricing and cost structure of companies 3. The weighted average cost of capital used to discount future flows 4. The level of administrative and sales expenses. 5. The working capital management policies used in the projection. 6. The balance structure used in the projection. 7. The dividend policy of each of the companies. The information of the points mentioned above comes from the business plans generated within each company, which in turn are built based on historical performance, specific growth objectives according to market information and business strategies.	The estimated unit value can increase or decrease if: 1. The projected income assumptions are met 2. If there is an effective control of costs and expenses in each company 3. If the working capital requirements increase or decrease 4. If the dividend policy is substantially modified. 5. If the discount rate used to discount free cash flows increases or decreases.

ii. **Non-recurring fair value measurements:** As of December 31, 2020, there are assets or liabilities not measured at fair value and their measurement is determined for disclosure purposes on a non-recurring basis.

Below is the detail of the way in which financial assets and liabilities accounted for until maturity were measured at fair value only for purposes of this disclosure.

In accordance with the methodologies described below, assets and liabilities measured at fair value for disclosure purposes are classified in fair value hierarchies 2 and 3.

For purposes of determining the fair value of the loan portfolio, investment financial assets, financial obligations, certificates of deposit and outstanding investment securities, the following methodology and the necessary inputs for its calculation were determined:

- **Flow projection**

For each of the portfolios, the cash flows to receivable and/or payable during their corresponding terms are projected individually. For the respective projection, the interest rate of the current flow is taken at the cut-off date to determine the interest value receivable and/or payable in the period immediately following the calculation cut-off date and the days are determined upon maturity.

- **Determining the Discount Rate**

The active or passive effective rate of each portfolio is determined as appropriate, on the cut-off date, according to the face characteristics of each one and the values accrued on the cut-off date. This rate is actual/365.

- **Calculating Duration.**

With the previous 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.

Below is the breakdown of the carrying amount and the fair value of financial assets and liabilities, on a non-recurring basis:

	December 31, 2020		December 31, 2019		Hierarchy Level
	Carrying Value	Fair Value	Carrying Value	Fair Value	
Assets					
Loan portfolio and finance lease operations, net	$ 10,024,994,463	10,260,776,068	8,893,012,444	9,090,201,347	2
Investment financial assets	29,294,369	30,254,318	29,294,369	29,408,156	3
Total financial assets	**10,054,288,832**	**10,291,030,386**	**8,922,306,813**	**9,119,609,503**	
Liabilities					
Certificates of Deposits	6,776,680,932	6,799,352,150	5,444,803,724	5,473,920,084	2
Investment securities outstanding	1,571,958,773	1,621,055,707	1,570,747,870	1,628,304,177	2
Financial obligations	2,046,669,107	2,028,788,826	1,846,338,513	1,826,796,297	3
Total liabilities	**$ 10,395,308,811**	**10,449,196,683**	**8,861,890,107**	**8,929,020,558**	

Note (9) Financial Risk Management

Risk Management Process

In its ordinary course of business, Findeter is exposed to different financial and non-financial risks. Risk management is considered as one of the cornerstones of management and as a strategic process.

As a fundamental premise, risk management permeates throughout Findeter, and starts with the Board of Directors and Senior Management.

In accordance with our ongoing improvement policy, the stages of identification, measurement, control and monitoring of each of the management systems of financial risks, such as Liquidity Risk (SARL), Market Risk (SARM) and Credit Risk (SARC), and non-financial risks, such as Operational Risk (SARO), Money Laundering and Terrorist Financing Risk (SARLAFT), Information Security (ISMS) and Environmental and Social Risks (SARAS). Each of these systems has models, methodologies, policies and limits defined in each of the respective manuals. All these components are approved by the Board of Directors of Findeter and focused on strategic decision-making.

Board of Directors

The Board of Directors is responsible for adopting the following decisions, among others, regarding the proper organization of the risk management system:

- The manuals and regulations of the different risk management systems will be approved by the Board of Directors in ordinary session.
- Declare general policies for proper risk management.
- Establish limits and risk tolerance within the different systems.
- Establish policies for setting up provisions.
- Establish recovery policies.
- Approve the risk measurement methodologies for the different systems.
- Periodically review the established limits.
- Guarantee the allocation of technical and human resources to ensure optimal risk management.
- Require Management to submit for evaluation purposes periodic reports on the levels of exposure to the different risks, their implications and the activities relevant to their mitigation and/or adequate management.
- Indicate the responsibilities and duties assigned to the positions and areas in charge of managing risk.
- Evaluate the recommendation and correction proposals for the management processes suggested by the principal legal representative, for the possible adoption of those that are deemed pertinent.
- Approve the internal control system, accurately assigning the responsibilities of the relevant areas and employees, as well as evaluating the reports and the management of the area in charge of said control.

Committees associated with risk management

i. ALCO (Asset-Liability Committee) and SARLAFT Risk Committee

General purpose: Support the Board of Directors and the entity's presidency in the definition, monitoring, control, implementation of risk management policies and procedures.

Main duties:

- Establish risk management procedures and mechanisms.
- Advise the Board of Directors on the definition of exposure limits.
- Recommend strategies for balance sheet structure regarding terms, amounts, currencies, types of instruments and hedging mechanisms.

- Evaluate the assets and liabilities portfolio.
- Ensure compliance with the decisions of the Board of Directors.
- Design and approve the risk management strategy and lead its execution.
- Recommend to the Board of Directors the maximum exposure value for rediscount, investment and hedging operations.
- Evaluate the portfolio, define the risk category of the intermediaries.

ii. SARC Committee

General Purpose: This Committee aims to analyze, validate and maintain an interdisciplinary control of all issues related to the credit risk. The internal Credit Risk Committee will meet at least once a month.

Main duties:

- Follow up on early warning indicators.
- Define the entities that must be visited according to the quantitative and qualitative analyzes.
- Analyze the level of provisions.
- Analyze the periodic reconciliations between the portfolio registered by FINDETER and by Intermediaries.
- Analyze the concentration of the portfolio.
- Make recommendations to the Risk Committee.
- Analyze the variations of the proposed Maximum Exposure Values.
- Define the qualitative points to evaluate each intermediary.
- Analyze the results of the audits of the Rediscount operations and evaluate the pertinent actions where applicable.
- Such others as may be considered by the Risk Vice President and/or the Risk Committee, ALCO, and SARLAFT Committee.

RISK MANAGEMENT SYSTEMS

Below is a detail of the different risk management systems that Findeter has in place:

I. Sistema Credit Risk Management System (SARC)

The relevant qualitative aspects of the Credit Risk, such as operations where it occurs, types of policies approved, procedures, general measurement methodologies, etc., are described below,

Operations exposed to credit risk

Portfolio - Rediscount:

It originates from loan operations made through credit establishments supervised by the Financial Superintendence and from operations originated in certain entities not supervised by the Financial Superintendence, like the Regional Development Institutes (INFIS). In addition, with the creation of the Affordable Housing Line, other intermediaries were authorized, such as Family Compensation Funds supervised by the Superintendence of Family Subsidy, Savings and Credit Cooperatives and employee funds supervised by the Superintendence of Solidarity Economy. It must be clear that the portfolio associated with entities not supervised by the Financial Superintendence of Colombia and the INFIS, with a long-term rating different from "AAA", is a portfolio exclusively in recovery; therefore no new operations were registered with these entities.

The methodologies implemented to regularly evaluate, qualify and control the different types of intermediaries are based on:

- Financial analysis and probability of impairment: Mathematical and statistical evaluation of the financial statements of intermediaries.
- Qualitative aspects and on-site visits: The objective of this component is to conduct a qualitative analysis of a series of information provided by the intermediary, with which we intend to further customer knowledge and better understand their business model, strategy and corporate governance framework.

All Maximum Exposure Values are exclusively approved by the Board of Directors of Findeter.

Portfolio - Direct Loans

Findeter, by virtue of the authorizations given by the National Government, places loans directly to some beneficiaries in order to support the territories:

Direct Loans to Territorial Entities: They originate in direct loan operations granted as a priority to the municipalities of category 4, 5 and 6, the departments of category 2, 3 and 4, and the districts, for direct and/or syndicated loans with entities of public international law, by virtue of decree 468 of March 23, 2020.

Direct Loans to Residential Public Service Providers supervised by the Superintendence of Residential Public Services: They originate from direct loan operations granted to residential public service providers, by virtue of decrees 581 of April 2020 and 798 and 819 of June 2020.

The credit risk management of this direct loan product complies with all the guidelines established in Chapter II of the Accounting and Financial Basic Circular 100 of 1995 issued by the Financial Superintendence of Colombia. For each of the granting, monitoring and recovery stages, Findeter applies the different policies, methodologies, models, and procedures, among others, necessary to maintain such risk levels as required by Management and the Board of Directors.

Given the social and economic situation that occurred during 2020 due to the pandemic, Findeter permanently monitored the behavior of the different indicators of each intermediary, adjusting the exposure level and the provision level as indicated in the analyses; however, and in general terms, intermediaries during 2020 did not suffer significant impairment in their most relevant indicators, mainly due to the financial relief offered to their customers, as allowed by the Financial Superintendence of Colombia.

Regarding the direct loan portfolio, as it was placed during the second half of 2020 to support the cash needs of customers, the indicators associated with this portfolio have not been impaired.

The main figures regarding credit risk exposure are detailed below.

Total loan portfolio exposure:

	December 31, 2020		December 31, 2019	
	EXPOSURE	SHARE	EXPOSURE	SHARE
REDISCOUNT	$ 9,610,197,895	95.43%	$ 8,869,285,599	99.46%
DIRECT LOAN	407,040,945	4.04%	-	0.00%
FIRST-TIER	4,417,440	0.04%	4,921,450	0.06%
EMPLOYEE	28,884,834	0.29%	21,942,769	0.25%

FORMER EMPLOYEE	20,352,076	0.20%	20,571,386	0.23%
	$ 10,070,893,190	**100.00%**	**$ 8,916,721,204**	**100.00%**

Total gross portfolio interest exposure:

	December 31, 2020		December 31, 2019	
	EXPOSURE	SHARE	EXPOSURE	SHARE
REDISCOUNT	$ 24,069,666	97.20%	$ 34,373,635	99.77%
DIRECT LOAN	470,108	1.90%	0	0.00%
FIRST-TIER	36,095	0.15%	36,095	0.10%
EMPLOYEE	55,451	0.22%	0	0.00%
FORMER EMPLOYEE	132,687	0.54%	44,923	0.13%
	$ 24,764,007	**100.00%**	**$ 34,454,653**	**100.00%**

The following table describes the rediscount portfolio exposure among entities supervised and not supervised by the Financial Superintendence of Colombia.

Rediscount portfolio exposure:

	December 31, 2020		December 31, 2019	
	Exposure	Share	Exposure	Share
SUPERVISED	$ 9,596,660,350	99.85%	$ 8,845,924,903	99.74%
NOT SUPERVISED	13,537,545	0.15%	23,360,696	0.26%
	$ 9,610,197,895	**100%**	**$ 8,869,285,599**	**100%**

Total rediscount portfolio interest exposure:

	December 31, 2020		December 31, 2019	
	Exposure	Share	Exposure	Share

SUPERVISED	$ 23,999,330	99.71%	$ 34,356,895	99.49%
NOT SUPERVISED	$ 70,336	0.29%	$ 16,740	0.51%
	$ 24,069,666	**100%**	**$ 34,373,635**	**100.00%**

Distribution of the rediscount loan portfolio by type of entity.

Rediscount portfolio principal exposure:

	December 31, 2020		December 31, 2019	
	Exposure	Share	Exposure	Share
BANKS	$ 9,346,265,624	97.25%	$ 8,593,573,574	96.89%
DEVELOPMENT INSTITUTES - INFIS	104,171,088	1.08%	95,861,062	1.08%
FINANCIAL COOPERATIVES	33,291,808	0.35%	52,998,497	0.60%
FINANCING COMPANIES	8,525,901	0.09%	1,336,583	0.02%
SPECIAL OFFICIAL INSTITUTION - IOE	116,006,101	1.21%	119,107,315	1.34%
OTHERS	1,937,373	0.02%	$ 6,408,568	0.07%
	$ 9,610,197,895	**100.00%**	**$ 8,869,285,599**	**100.00%**

Total rediscount portfolio interest exposure:

	December 31, 2020		December 31, 2019	
	Exposure	Share	Exposure	Share
BANKS	$ 22,822,652	94.82%	$ 33,385,951	97.13%
DEVELOPMENT INSTITUTES - INFIS	406,293	1.69%	676,039	1.97%
FINANCIAL COOPERATIVES	120,751	0.50%	183,856	0.53%
FINANCING COMPANIES	26,213	0.11%	6,694	0.02%
SPECIAL OFFICIAL INSTITUTION - IOE	689,322	2.86%	107,728	0.31%
OTHERS	4,435	0.02%	$ 13,367	0.04%
	$ 24,069,666	**100.00%**	**$ 34,373,635**	**100.00%**

The classification “others” includes compensation funds, saving and credit cooperatives and employee funds.

Distribution of the total portfolio by risk rating:

Total loan portfolio exposure:

CATEGORY	December 31, 2020 Exposure	Share	December 31, 2019 Exposure	Share
Category A “Normal Risk”	$ 10,063,932,014	99.93%	$ 8,910,043,485	99.93%
Category B “Acceptable Risk “	1,585,429	0.02%	775,384	0.01%
Category C “Appreciable Risk”	-	0.00%	-	0.00%
Category D “Significant Risk “	796,063	0.01%	796,063	0.01%
Category E “Irrecoverable”	4,579,684	0.04%	5,106,271	0.05%
Total Gross Portfolio	**$ 10,070,893,190**	**100.00%**	**$ 8,916,721,203**	**100.00%**

Total loan portfolio interest exposure:

CATEGORY	December 31, 2020 Exposure	Share	December 31, 2019 Exposure	Share
Category A “Normal Risk”	$ 24,709,602	99.83%	$ 34,396,272	99.83%
Category B “Acceptable Risk “	-	0.02%	4,422	0.02%
Category C “Appreciable Risk”	-	0.00%	-	0.00%
Category D “Significant Risk “	32,062	0.09%	32,062	0.09%
Category E “Irrecoverable”	22,343	0.06%	21,897	0.06%
Total Gross Portfolio	**$ 24,764,007**	**100.00%**	**$ 34,454,653**	**100.00%**

The portfolio in category E belongs to first-tier and former employees, this portfolio is provisioned 100%.

II. Market Risk Management System

The relevant qualitative aspects of Market Risk are described below:

Market risk is the potential loss due to changes in market risk factors that affect the valuation or expected results of lending, borrowing or contingent liability-causing transactions, such as interest rates, exchange rates, and prices indices, among others.

Market risk comes from adverse variations in the relevant financial market variables. Therefore, the main market risks to which FINDETER is exposed can be classified generically by the exposure of its portfolios to variations in the different risk factors.

FINDETER uses the standard model of the Financial Superintendence of Colombia to measure its exposure to these risks. Accordingly, we have the following risks:

Interest Rate Risk. It is the possibility that the entity suffers losses due to changes in interest rates. Financial institutions are exposed to interest rate risk whenever there is a mismatch between the average term of assets and liabilities. This risk can be in legal currency, foreign currency and in Real Value Units (UVR).

Foreign Exchange or Currency Risk. It is the possibility that the entity suffers losses due to variations in the exchange rates of the different currencies with which the entity carries out operations or has invested resources.

Equity Risk. It arises from holding open positions (buy or sell) with stocks, indices or equity-based instruments. This creates an exposure to changes in the market price of the shares linked to the indices or equity-based instruments. Findeter is exposed to this risk by having a stake in the National Guarantees Fund.

Collective Investment Fund Risk. It arises from holding positions in private equity funds, mutual funds, securities funds and investment funds. Under this scheme, there is exposure to the change in the valuation of the units of participation in said instruments.

The Market Risk Management System (SARM) has the purpose of identifying, measuring, controlling and monitoring the market risk to which the entity is exposed in the course of its authorized operations, including treasury operations, taking into account its structure and size.

Regarding the FINDETER'S risk exposure to variations in the exchange rate of the peso against other currencies, the Board of Directors adopted the policy of hedging the global exchange position in a percentage greater than 95%. Additionally, the foreign currency VaR is obtained from the positions in these currencies in the calculation of the VaR of the standard model. This VaR should not exceed 2% of Findeter's liability positions in foreign currency.

Associated Procedures for the Measurement and Control of Market Risk

Treasury book positions exposed to rate risk:

Asset positions (derechos)	**December 31, 2020**	**December 31, 2019**
Investments (excluding private equity funds, collective investment funds, and shares) (1)	241,018,638	267,619.717
Asset positions in foreign currency (rights)		
Forward rights	1,763,176,623	1,538,749,097
Liability positions (obligations)		
Forward obligations	1,820,937,557	1,536,500,378

(1) Funds and shares are subject to other sensitivities determined by the Financial Superintendence.

Asset and liability positions that determine the foreign exchange rate risk:

		2020	**2019**
Loans in dollars	$	210,044,037	225,061,091
Dollar purchase forward		1,763,176,623	1,538,749,097
Available in dollars		75,095,048	64,958,522
Other assets and accounts receivable in dollars		878,460	1,473,633
	$	**$2,049,194,168**	**1,830,242,343**

		2020	**2019**
Multilateral bank debt	$	$2,038,854,435	1,831,695,080
Other liabilities and accounts payable		7,814,672	14,654,002
		$2,046,669,107	**1,846,349,082**

Absolute difference	2,525,061	16,106,739
Foreign exchange VaR	148,731	2,686,004

* (See note 35, impact analysis of the Exchange Rate)

VaR is calculated by applying the standard model and, according to the instructions of the Financial Superintendence of Colombia in the Accounting and Financial Basic Circular, it is reported daily, which implies that the values used to estimate the market risk are prior to accounting close, so there may be differences with the balance sheet.

Positions exposed to equity risk and due to positions in collective investment and private equity funds:

	2020	2019
Shares	30,344,313	33,887,605
CIFs & PEFs	60,491,237	79,151,517

Value at risk per module according to the model of the Financial Superintendence of Colombia:

Month	December 31, 2020	December 31, 2019
Interest rate	21,725,513	$ 21,295,796
Exchange rate	148,731	2,686,004
Share price	4,605,125	4,981,493
Collective investment funds	10,031,727	11,739,509
Value at risk	**36,511,097**	**40,702,802**
Technical equity	1,188,022,620	$ 1,187,276,080
Overall VaR	**3.07%**	**3.43%**

The lower interest rate risk stands out, which as of 2019 presented a higher value, explained by the terms of the hedges that had increased from an average of approximately 90 days to 300 days according to FINDETER'S strategies. In this case, the shorter time to maturity of the hedges reflects the lower exposure to interest rate risk.

Value at risk vs. Overall Limit:

The overall value at risk of the banking and treasury book as of December 31, 2020, was 3.1% below the limit of 8% established by the Board of Directors. Compared to 3.4% at the end of

2019, there is a slight decrease caused by the lower exchange rate and collective investment funds components.

Foreign exchange value at risk vs Limit:

In the market risk monitoring policies, FINDETER determines the foreign currency VaR based on the calculations of the modules of the standard model of the Financial Superintendence of Colombia: interest rate of positions in dollars and exchange rate. This value divided by the amount of foreign currency liabilities must not exceed a limit of 2%.

The VaR in foreign currency as of December 31, 2020, was 0.3% below the limit of 2% established by the Board of Directors, compared to 0.5% at the end of 2019. There is a slight decrease caused by the match of the asset and liability positions exposed to this risk.

Foreign exchange risk exposure:

Pursuant to the provisions of External Regulatory Circular DODM 285 of the Colombian Central Bank, with respect to covering the Entity's foreign exchange risk exposure, and to the provisions of External Circular 041 of the Financial Superintendence of Colombia, regarding the transmission of the Overall Exchange Position, FINDETER has been covering the exchange exposure of its liabilities in foreign currency.

As part of its strategy to reduce its foreign exchange risk, Findeter carried out operations with derivatives and made disbursements in dollars as natural hedging for foreign currency liabilities. As of December 31, 2020, it amounted to USD 514,053,750 in forward contracts and USD 61,192,727 in rediscount loans. Additionally, Findeter monitors its foreign currency positions by keeping in check the foreign currency value at risk, which has been maintained at tolerable levels with respect to the limit defined by the Board of Directors.

The following table shows the value of the forwards constituted by the entity and the entity's share as of 2020:

	December 31, 2020	
ENTITY	**USD transactions by entity**	**Share**
BANCO DE BOGOTA	47,400,000	9%
BANCO DE OCCIDENTE	50,975,000	10%
BANCO POPULAR	37,700,000	7%
BANCOLOMBIA	71,955,539	14%

BANCO BBVA	65,500,000	13%
CORFICOLOMBIANA	65,356,776	13%
DAVIVIENDA S.A. RED BANCAFE	64,666,435	13%
ITAU CORPBANCA COLOMBIA	52,500,000	10%
SCOTIABANK COLPATRIA	58,000,000	11%
	514,053,750	

December 31, 2019

ENTITY	USD transactions by entity	Share
BANCO DE BOGOTA	89,500,000	19%
CORFICOLOMBIANA	10,000,000	2%
DAVIVIENDA	53,500,000	11%
BANCO DE OCCIDENTE	92,500,000	20%
BANCO BBVA	90,000,000	19%
BANCOLOMBIA	113,500,000	24%
BANCO POPULAR	15,000,000	3%
	473,500,000	

Overall foreign exchange positions with as of December 31, 2020 and 2019, presented values of USD 1,118,117 and USD (1,572,376) respectively, located within the allowed limits of 20% and (5%) with respect to technical equity as of October 2020, in accordance with the provisions of External Regulatory Circular DODM 285 of the Colombian Central Bank:

OVERALL FOREIGN EXCHANGE POSITION - VALUE IN DOLLARS (USD)

RIGHTS	2020	2019
Banks	21,877,654	19,821,711
Forward	514,053,750	473,500,000
USD loans	61,192,727	68,676,068
Accounts receivable	255,924	449,670
	597,380,056	**562,447,450**
OBLIGATIONS	**VALOR USD**	**VALOR USD**
	596,261,939	**564,020,165**
Overall Foreign Exchange Position (USD)	1,118,117	(1,572,715)

LIMITS ESTABLISHED

		USD thousands	**USD thousands**
Technical Equity October USD		**299.48**	**337.15**
	20%	59.90	67.43

-5%		(14.97)	(16.85)

III. Liquidity Risk Management System (SARL)

Liquidity risk is the contingency that Findeter may go through if it suffers excessive losses that lead it to sell part or all of its assets and carry out other operations to achieve the liquidity necessary to fulfill its obligations.

Liquidity risk comes from adverse variations in the relevant financial market variables. The main liquidity risks to which FINDETER is exposed can be classified by the exposure of its portfolios to the different risk factors. Accordingly, we have:

- Inadequate management of assets and liabilities: Refers to a mismanagement of resources, either due to the quality or composition of the asset, or the way to leverage its activity.
- Mismatch of terms and rates: This is the risk that occurs when the terms or interest rates of the assets and liabilities do not match.
- Volatility of the resources collected: Variability in the stability of the resources collected in forwards. Estimating volatility allows the construction of different liquidity scenarios, evaluating the deposit rates against the market and defining tolerance limits.
- Deposit concentration: This materializes in liquidity risk when the concentration of deposits is accompanied by a concentration of maturities.

Variables outside the entity's control and that can lead to a systemic crisis:

Adverse variation in interest rates.

- Deterioration of the economic sectors served.
- Rumors (financial panic).

The SARL must allow the Entity to measure and quantify the minimum level of liquid assets, in domestic and foreign currency, which it must maintain to prevent the liquidity risk from materializing, i.e., having the ability to pay in a timely and compliant manner the obligations in both a normal scenario and a crisis scenario. To measure its exposure to liquidity risk FINDETER uses the standard methodology suggested by the Financial Superintendence of Colombia.

Associated Procedures Measurement and Control of Liquidity Risk

Policies

Regarding liquidity risk, Findeter has established policies on the concentration of its obligations and the measurement and monitoring of its indicators:

Liquidity Risk Indicators:

The entity's liquidity risk indicators for the 7 and 30 calendar day horizons must always be equal to or greater than zero.

Concentration Policies:

The Board of Directors establishes the concentration limits that the entity must maintain regarding:

Credit disbursements: If disbursements made during the month reach the value that had been budgeted in the financial plan, the additional disbursements must be approved by the ALCO.

The ALCO will establish the maturity concentration limit for funding operations.

Liquidity Contingency Plan: It is considered that the entity may be presenting a significant exposure to liquidity risk when in a given weekly report the 7 or 30-day Liquidity Risk Indicator is negative. To prevent and act against said event, the Liquidity Contingency Plan is established.

7 or 30-day Liquidity Risk Indicator (LRI):

	2019		**2020**	
Month	**7 DAYS LRI**	**30 DAYS LRI**	**7 DAYS LRI**	**30 DAYS LRI**
January	734,071,833	529,951,801	422,916,827	384,015,774
February	427,950,500	379,233,875	509,270,731	469,057,783
March	392,739,207	327,576,795	398,508,464	352,013,025
April	594,099,621	529,132,196	888,637,573	825,646,389
May	646,082,609	586,707,889	853,654,567	785,840,125

June	804,007,997	741,765,593	748,168,618	677,946,697
July	682,755,081	635,389,454	1,196,612,147	1,134,293,025
August	663,309,416	602,138,416	1,421,317,569	1,336,995,464
September	504,887,390	434,912,223	1,167,215,112	1,030,306,328
October	570,018,201	512,091,680	951,596,301	883,762,358
November	417,626,154	373,313,848	989,537,697	956,303,496
December	684,729,391	609,881,402	1,233,179,355	1,152,107,680

Figures in thousands of COP

The internal model for calculating liquidity risk is based on the standard model of the Financial Superintendence of Colombia, extended to other time bands. Taking into account the nature of FINDETER'S operations, the cash flow projection should go beyond 30 days.

The liquidity risk indicator (LRI) will be determined as follows:
LRI = NAM - RLN where:

LAM: Liquid assets adjusted for market liquidity, foreign exchange risk and required reserve.
NAM: Estimated Net Liquidity Requirement for the time band.

The composition of the NAM and RLN is carried out in accordance with the provisions of Chapter VI, Annex 1 of the Accounting and Financial Basic Circular of the Financial Superintendence.

The degree of liquidity risk exposure of the positions that have contractual maturities on pre-established dates is estimated by analyzing the mismatch of the cash flows of assets, liabilities and off-balance sheet positions.

The results of the internal liquidity risk model are presented below. Bear in mind that the available and investment values that make up liquid assets cannot be restricted in any way and, additionally, include market liquidity haircuts as required by regulations (Accounting and Financial Basic Circular). Therefore, assets recognized as restricted are not part of the calculation.

Liquidity risk indicator for different bands as of December 31, 2020:

Band		1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	Cash	1,112,501	1,112,501	1,028,373	820,238	355,937	(789,702)
	Portfolio	123,735	123,735	123,735	123,735	123,735	-

Requirement	(3,056.3)	(84,128)	(208,135)	(464,301)	(1,269,373)	(902,639)
LRI	1,233,179	1,152,108	943,972	479,671	(789,702)	(1,692,341)
Relative LRI	40449%	1469%	554%	203%		

Figures in millions of COP

Liquidity risk indicator for different bands as of December 31, 2019:

Band		1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	Cash	535,837	535,837	459,634	311,865	150,647	96,780
	Portfolio	150,247	150,247	150,247	150,247	150,247	-
Requirement		(1,354.6)	(76,203)	(147,769)	(161,218)	(204,114)	(849,677)
LRI		684,729	609,881	462,112	300,894	96,780	(752,896)
Relative LRI		50650%	900%	413%	287%		

Figures in millions of COP

Liquidity risk sensitivity

Findeter determined two liquidity stress scenarios related to Portfolio collection, assuming there are defaults that reduce it to 75% and 50% of contractual flows.

2020

Band	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	1,236,236	1,236,236	1,131,925	893,145	397,215	(972,847.0)
Requirement	(3,056.3)	(104,310.6)	(238,780.4)	(495,929.4)	(1,370,062.3)	(1,135,823.3)
LRI	1,233,179	1,131,925	893,145	397,215	(972,847)	(2,108,670)
LRI Relative	40449%	1185%	474%	180%		

Figures in millions of COP

Liquidity risk indicator stressing revenues by 25% for different bands, as of December 31, 2020.

Band	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	1,236,236	1,236,236	1,101,397	831,910	304,289	(1,166,664.5)
Requirement	(3,056.3)	(134,838.7)	(269,487.0)	(527,620.7)	(1,470,953.7)	(1,369,474.7)
LRI	1,233,179	1,101,397	831,910	304,289	(1,166,664)	(2,536,139)

Relative LRI	40449%	917%	409%	158%

Figures in millions of COP

Liquidity risk indicator stressing revenues by 50% for different bands, as of December 31, 2020.

<u>2019</u>

Band	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	686,084	686,084	609,881	436,129	244,118	40,004
Requirement	(1,354.6)	(76,202.5)	(173,752.4)	(192,010.8)	(204,113.9)	(1,023,805.1)
LRI	684,729	609,881	436,129	244,118	40,004	(983,801)
LRI Relative	50650%	900%	351%	227%		

Figures in millions of COP

Liquidity risk indicator stressing revenues by 25% for different bands, as of December 31, 2019.

Banda	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	686,084	686,084	609,881	410,094	187,228	(16,885.7)
Requirement	(1,354.6)	(76,202.5)	(199,787.8)	(222,865.4)	(204,113.9)	(1,198,282.2)
LRI	684,729	609,881	410,094	187,228	(16,886)	(1,215,168)
Available	50650%	900%	305%	184%		

Figures in millions of COP

Liquidity risk indicator stressing revenues by 50% for different bands, as of December 31, 2019.

IV. Operational Risk Management System (SARO)

FINDETER has implemented the Operational Risk Management System, which identifies, measures, controls, monitors and communicates the operational risks of the Company, thus complying with the provisions of Chapter XXIII of the Accounting and Financial Basic Circular issued by the Financial Superintendence of Colombia. In accordance with the provisions of this standard, the Company has created the Operational Risk Unit (URO), led by the Risk Vice Presidency.

Findeter integrated its operational risk, money laundering and terrorist financing, information security, cybersecurity, business continuity and environmental systems based on SARO. This way, risks are identified from the processes, which are assessed and controlled in order to obtain the residual risk. The risk profile for the Entity is obtained from consolidating the residual risk. Each of the stages of the SARO has the respective policies and methodologies that contribute to its management, these are contained within the System Policy Manual, which has been duly approved by the Board of Directors, and is known to both the Audit Committee and the Risk Committee.

The system has the necessary procedures to develop the management of operational risk, which are contained within the Integrated Management System. It also contains a register of operational risk events and security incidents, an essential tool in risk management that ensures the strengthening of processes by identifying and correcting failures, thus generating greater control and operational efficiency by reducing errors and thereby creating a favorable framework for the development of the operation, as well as its different products and operating lines.

Regarding the record of 2020 events, the Company presented operational risk losses corresponding to $16,111,329, which were accounted for in fines and penalties from other authorities. These losses have the respective event record, as well as the corresponding action plans for their management.

According to the results of the latest monitoring as of December 31, 2020, FINDETER'S residual risk profile is mainly MODERATE, which results from the application of the methodologies defined in the manual for risk management and controls associated with the processes that the Company has defined for its operation.

The SARO contains the Business Continuity Plan (BCP), which includes the Emergency Response Plan and the Disaster Recovery Plan (DRP), the main objective of which is addressing situations of operation interruption, so that critical processes continue operating until activities are back to normal. Accordingly, the Company, through a business impact analysis, has defined its critical processes, which are annually subject to different types of tests that seek to ensure their operation in this type of situations.

Each test is duly documented in order to identify any activities that need to be strengthened in the crisis, these gaps generate action plans monitored by the Risk Committee, which is responsible for ensuring compliance with the BCP.

V. Money Laundering and Terrorist Financing Risk Management System (SARLAFT)

FINDETER has implemented the Money Laundering and Terrorist Financing Risk Management System (SARLAFT), which includes policies, procedures and organizational infrastructure in line with the provisions of the Legal Basic Circular of the Financial Superintendence of Colombia.

During 2020, as a result of the launch of the "Direct Loan" product aimed at Territorial Entities (Departments and Municipalities) and Residential Public Service Providers supervised by the Superintendence of Residential Public Services, an analysis of exposure to the new risks identified was carried out , yielding a "low" residual risk profile. This led to the creation of new procedures and adjustments to the corresponding manual.

Periodic reports were presented to the Board of Directors on the process carried out and the regulatory reports were delivered to the Financial Information and Analysis Unit (UIAF), highlighting that no operation was detected that could be classified as suspicious and warranting reporting to said entity.

We cross-checked our databases (customers, suppliers, contractors, collaborators) with restrictive lists, with no matches found, and conducted the annual training of the company's employees.

The Entity's consolidated risk profile based on the rating of the probability and impact of identified risks, yielded a concentration of "moderate" risk.

Finally, we monitored the SARLAFT by evaluating its constitutive elements and obtained an optimal result, thus seeking to adequately protect the Entity against this risk.

VI. Legal Risk

The Legal Department supports the work of legal risk management in Findeter's operations. Particularly, it defines and establishes the procedures necessary to adequately control the legal risk of operations, ensuring that they comply with legal regulations and are documented, and analyzes and draws up the contracts that support the operations carried out by the different business units.

Findeter, in accordance with the instructions given by the supervisory entity, assessed the claims of the proceedings brought against it based on the analysis and concepts of the counsels, and made the necessary provisions to cover the probability of loss. Note 24 to the financial statements details the processes against Findeter not classified as remote.

Note (10) Cash and Cash Equivalents

Below is the detail of Cash and Cash Equivalents:

	2020	2019
Cash	$ 25,014	20,917
Domestic currency (1)	1,053,586,338	484,909,267
Foreign currency (2)	75,095,048	64,958,522
Interbank (3)	47,004,543	143,591,842
Available funds (4)	4,959,850	1,742,632
	$ 1,180,670,793	**695,223,180**

1) Of the $1,053,586,338 of cash - Domestic Currency, the Treasury Department made available resources of $1,018,931,016 in savings accounts that, as of December 31, 2020, generated an average return of 1.42% E.A. (December 2019, 3.76% E.A.). Findeter manages its resources as a single cash unit, intended to meet all its need for resources in accordance with its corporate purpose.

   There is no restriction on their availability, there is a pledge on the resources of the Colombian Central Bank for $30,520,169. See Note 31, item 1, Commitments and contingencies – Counter guarantees, the detail of the pledges, there are no restrictions on their availability. As of December 31, 2020, there are no reconciling items.

2) Cash in foreign currency corresponds to deposits in US dollars in remunerated accounts that generated an average return as of December 31, 2020 and 2019, of 1.02% and 1.18% E.A., respectively, with a balance of USD 21,877,654.

3) Interbank funds were classified as cash equivalents, for $47,004,543, which have maturities between 1 and 30 days according to policy.

Entity	Rate	Maturity	Rating	Rating Agency
Corficolombiana	1.74%	04/01/2021	AAA	Standard and Poor's and Fitch Ratings Colombia

4) Corresponds to the cash balances as of December 31, 2020, registered in the National Guarantees Fund for $4,694,457 and the Pre-investment Fund for $265,393.

   The cash and equivalents of these funds are restricted, given that they have exclusive allocations, as is the case of the National Guarantees Fund, which must cover the loss ratio of affordable housing loans. In turn, the Pre-investment Fund has an order to meet the needs of pre-feasibility technical studies of infrastructure requirements of territorial entities.

The following table illustrates the Bank ratings by the risk rating firms authorized by the Financial Superintendence of Colombia of the financial entities where Findeter has the cash balance. As of December 31, 2020, they are rated as AAA and AA.

BANK	RISK RATING	DECEMBER 31, 2020
Banco de Bogotá S.A.	AAA	4,684,884
Banco Popular S.A.	AAA	217,142,627
Bancolombia S.A.	AAA	8,556,850
Banco GNB Sudameris	AA+	266,778,775
BBVA Colombia S.A.	AAA	326,188,283
Banco Santander S.A.	AAA	27,056,520
Banco Itau S.A.	AAA	169,670,961
Banco de Occidente S.A.	AAA	132,427
Davivienda S.A.	AAA	2,854,842
Colombian Central Bank	Country Risk	30,520,169
		$ 1,053,586,339

Note (11) Investment Financial Assets and Derivatives

The investment classification is indicated below:

		2020	2019
Negotiable investments	$	300,957,984	346,158,208
Investments to maturity		29,846,260	29,950,970
Available for sale through OCI		30,344,313	33,955,722
Derivatives		615,188	18,137,299
	$	**361,763,745**	**428,202,199**

11.1 Negotiable investments at fair value

The balance of negotiable investments at fair value is as follows:

		2020	2019
Debt securities in Colombian pesos issued or guaranteed by other financial institutions	$	70,516,633	111,365,032
Equity securities (1)		42,085,661	61,938,007
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government		169,947,366	155,641,658
Bogota Trust Fund - Pre-investment (2)		18,408,324	17,213,511
	$	**300,957,984**	**346,158,208**

(1) Through Decree 1070 of April 08, 2010, Findeter was authorized to invest in private equity funds. Subsequently, the Findeter Board of Directors approved the investment in the Ashmore Private Equity Fund through Minutes 233 of 26 April 2010. As of December 31, 2020, the fund presented a valuation loss of $3,509,966. See Note 27.

(2) Corresponds to the balance of the collective investment fund, which has constituted the Pre-investment fund, which manages resources for specific use, consisting of technical assistance for infrastructure projects.

11.2 Available for sale through OCI:

The detail of equity investments is:

		2020	2019
National Guarantees Fund - NGF	$	30,344,113	$ 33,955,522
Others		300	300
Impairment of investments		(100)	(100)
Equity through OCI	**$**	**30,344,313**	**$ 33,955,722**

Findeter has a shareholding interest in the National Guarantees Fund of 1.91%, for a total of 5,264,172 shares with an equity value per share of $5,764.27. The update of the value of the shares is recorded through ORI. For this purpose, the equity value was updated with the certificate as of November 30, 2020.

11.3 Derivatives measured at fair value

The following table expresses the fair values at the end of the foreign exchange forward contract period, in which Findeter involved.

	2020		2019	
	Notional amount	**Fair Value**	**Notional amount**	**Fair Value**
Derivative assets	**USD**		**USD**	
Forward contracts:				
Purchase of foreign currency	72,000,000	615,188	316,500,000	18,137,299
Total derivative assets	72,000,000	$615,188	316,500,000	$18,137,299
Derivative liabilities				
Forward contracts:				
Purchase of foreign currency	442,053,750	(58,361,272)	157,000,000	(15,972,109)
Total derivative liabilities	442,053,750	(58,361,272)	157,000,000	(15,972,109)
Total position	514,053,750	$(57,746,084)	473,500,000	$ 2,165,190

The derivatives executed by Findeter are traded on the OTC (over-the-counter) market with local counterparties. The fair value of derivatives has positive or negative variations as a result of fluctuations in foreign currency exchange rates.

- **Investment Time Bands**

Below is the breakdown of investments according to their maturity:

		2020				
		Up to one month	More than one month and not more than three months	More than three months and not more than one year	More than one year	Total
Debt instruments issued or guaranteed by financial institutions	$	6.596.580	5.565.000	1.579.025	56.776.028	70.516.633
Equity securities FCP			0	0	42.085.662	42.085.662
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government			14.227.613	24.707.500	131.566.892	170.502.005
Investments to maturity, debt instruments			0	0	29.291.620	29.291.620
Collective investment funds			0	0	18.408.324	18.408.324
Equity through OCI			0	0	30.344.313	30.344.313
Forward transactions			0	615.188	0	615.188
	$	**6.596.580**	**19.792.613**	**26.901.713**	**308.472.839**	**361.763.745**

		2019				
		Up to one month	More than one month and not more than three months	More than three months and not more than one year	More than one year	Total
Debt instruments issued or guaranteed by financial institutions	$		6.524.600	13.060.370	91.780.002	111.364.972
Equity securities FCP					61.938.007	61.938.007
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government		2.533.650		714.804	152.393.264	155.641.718
Investments to maturity, debt instruments					29.950.970	29.950.970
Collective investment funds					17.213.511	17.213.511
Equity through OCI					33.955.722	33.955.722
Forward transactions				244.833	17.892.466	18.137.299
	$	**2.533.650**	**6.524.600**	**14.020.007**	**405.123.942**	**428.202.199**

- **Investment counterparty rating for the year 2020.**

  The table below shows the balances and ratings of counterparties of securities that make up the entity's portfolio and the respective authorized firm that issued said rating, as of December 2020 and December 2019:

Issuer	2020	2019	Rating
Fondo Nacional de Garantías S.A.	30,344,113	33,887,405	AAA
Corficolombiana	-	720,977	AAA
Arco Grupo Bancóldex S.A.	-	5,006,150	AAA
Banco de la Republica	82,088,571	38,205,846	AAA
Banco Av Villas S.A.	-	3,501,260	AAA
Banco de Occidente S.A.	-	14,983,800	AAA
Banco BBVA	6,147,975	12,571,119	AAA
Scotianbank Colpatria	227,923	2,991,450	AAA
Banco de Bogotá	19,059,291	5,391,593	AAA
Banco Popular S.A.	8,346,940	16,666,795	AAA
Bancolombia S.A.	19,557,395	28,761,169	AAA
Banco Caja Social Colmena BCSC. S.A.	-	2,061,040	AAA
Bancóldex	-	4,494,945	AAA
Leasing Bancóldex	-	1,010,600	AAA
Leasing Bancolombia S.A.	-	1,584,795	AAA
RCI COLOMBIA S. A	-	3,023,340	AAA
Davivienda S.A.	15,219,825	17,711,335	AAA
Ecopetrol S.A.	100	100	AAA
Fondo de Inversión Colectiva Abierto Fidubogota	18,408,324	17,213,510	AAA
Titularizadora Colombiana S.A.	31,864,093	38,496,140	AAA
Fondo de infraestructura Colombia Ashmore -FCP	42,085,661	61,938,007	INTERNAL RATING
Ministry of Finance and Public Credit	88,413,434	117,980,722	RISK COUNTRY
Otros	100	100	NOT REGISTERED
	361,763,745	**428,202,199**	

  Credit or risk ratings are a relative measure of an investment's credit risk and provide investors with an idea of the safety of investing in a particular asset or issuer. In turn, country risk translates into the risk that a country has regarding its financial operation and affects foreign direct investment and is measured by its risk premium.

Note (12) Loan Portfolio and Finance Lease Transactions, Net

The financial assets account by loan portfolio in the balance sheet is shown classified by commercial, consumer and housing portfolio.

Below is the detail of the loan portfolio and finance lease operations as of December 31, 2020 and 2019:

		2020		
Modality		**Principal**	**Interest**	**Total**
Commercial Rediscount	$	9,614,615,335	24,105,760	9,638,721,095
Commercial Direct Loan		407,040,945	470,108	407,511,053
Consumer		4,280,175	23,378	4,303,553
Housing		44,956,735	164,761	45,121,496
		10,070,893,190	**24,764,007**	**10,095,657,197**
Commercial Provision		(63,874,012)	(193,780)	(64,067,792)
Commercial Provision Direct Loan		(4,613,497)	(5,148)	(4,618,645)
Consumer Provision		(126,708)	(19,134)	(145,842)
Housing Provision		(1,812,614)	(17,841)	(1,830,455)
Provision		(70,426,831)	(235,903)	(70,662,734)
	$	**10,000,466,359**	**24,528,104**	**10,024,994,463**

		2019		
Modality		**Principal**	**Interest**	**Total**
Commercial Rediscount	$	8,874,207,049	34,409,730	8,908,616,779
Consumer		4,501,256	3,849	4,505,105
Housing		38,012,899	41,074	38,053,973
		8,916,721,204	**34,454,653**	**8,951,175,857**
Commercial Provision		(56,028,222)	(242,208)	(56,270,430)
Consumer Provision		(160,062)	(16,447)	(176,509)
Housing Provision		(1,699 ,819)	(16,655)	(1,716,474)
Provision		(57,888,103)	(275,310)	(58,163,413)

$	**8,858,833,101**	**34,179,343**	**8,893,012,444**

The portfolio by rating is as follows:

Portfolio by rating

2020

		Principal	Interest and financial component	Provision Principal	Provision Interest and financial component
Commercial					
A - Normal	$	10,015,657,673	24,539,772	64,159,257	166,261
B - Acceptable		1,585,429	-	44,276	
D - Significant		796,063	32,062	666,798	28,633
E - Uncollectible		3,617,114	4,034	3,617,178	4,034
		10,021,656,279	24,575,868	68,487,509	198,928
Consumer					
A - Normal		4,240,312	21,826	86,845	111
E - Uncollectible		39,864	1,552	39,863	19,023
		4,280,176	**23,378**	**126,708**	**19,134**
Housing					
A - Normal		44,034,028	148,004	880,681	1,084
E - Uncollectible		922,707	16,757	931,934	16,757
		44,956,735	164,761	1,812,615	17,841
	$	**10,070,893,190**	**24,764,007**	**70,426,831**	**235,903**

2019

		Principal	Interest and financial component	Provision Principal	Provision Interest and financial component
Commercial					
A - Normal	**$**	8,869,302,652	34,373,634	51,451,850	215,071
D - Significant		796,063	32,062	467,783	23,103
E - Uncollectible		4,108,334	4,034	4,108,589	4,034
		8,874,207,049	34,409,730	56,028,222	242,208
Consumer					
A - Normal		4,272,763	1,190	83,536	19
B - Acceptable		166,067	1,421	15,966	142
E - Uncollectible		62,425	1,238	60,560	16,286
		4,501,255	3,849	160,062	16,447

Vivienda					
A - Normal		36,468,070	21,448	729,361	-
B - Acceptable		609,317	3,001	25,591	30
E - Uncollectible		935,512	16,625	944,867	16,625
		38,012,899	41,074	1,699,819	16,655
	$	**8,916,721,204**	**34,454,653**	**57,888,103**	**275,310**

Below is the breakdown of the loan portfolio (principal, interest and financial component) by economic sector:

				2020		
Economic sector		**Commercial**	**Consumer**	**Housing**	**Total**	**% Share**
Education infrastructure	$	1,923,661,236	-	-	1,923,661,236	19%
Transport infrastructure		1,750,377,952	-	-	1,750,377,952	17%
Health infrastructure		1,664,698,812	-	-	1,664,698,812	16%
Urban, construction and housing infrastructure development		1,365,936,821			1,365,936,821	
Infrastructure for energy development		1,429,174,555	-	-	1,429,174,555	14%
Drinking water and basic sanitation infrastructure		1,343,516,417	-	-	1,343,516,417	13%
Infrastructure for sports, recreation and culture		307,165,838			307,165,838	
Territorial fiscal consolidation		123,533,312	-	-	123,533,312	1%
Tourism infrastructure		52,304,891	-	-	52,304,891	1%
Environmental infrastructure		41,576,526	-	-	41,576,526	0%
ICT infrastructure		39,128,051	-	-	39,128,051	0%
Infrastructure Cultural, Creative Industry and Orange Economy		5,157,736	-	-	5,157,736	0%
Salaried (Employees and Former Employees)		-	4,303,553	45,121,497	49,425,050	0%
	$	**10,046,232,147**	**4,303,553**	**45,121,497**	**10,095,657,197**	**83%**

				2019		
Economic sector		**Commercial**	**Consumer**	**Housing**	**Total**	**% Share**
Transport infrastructure	$	1,995,690,506	-	-	1,995,690,506	22%
Health infrastructure		1,655,277,504	-	-	1,655,277,504	18%
Education infrastructure		1,598,050,378	-	-	1,598,050,378	18%
Infrastructure for energy development		1,222,627,669	-	-	1,222,627,669	14%
Urban, construction and housing infrastructure development		1,162,570,230	-	-	1,162,570,230	13%
Drinking water and basic sanitation infrastructure		988,439,254	-	-	988,439,254	11%
Tourism infrastructure		128,777,381	-	-	128,777,381	1%
Infrastructure for sports, recreation and culture		77,409,158	-	-	77,409,158	1%
ICT infrastructure		36,811,389	-	-	36,811,389	0%

Environmental infrastructure	35,467,129	-	-	35,467,129	0%
Territorial fiscal consolidation	7,496,181	-	-	7,496,181	0%
Salaried (Employees and Former Employees)	-	4,505,105	38,053,973	42,559,078	0%
	$ 8,908,616,779	**4,505,105**	**38,053,973**	**8,951,175,857**	**100%**

Portfolio by geographical area

Below is the breakdown of the loan portfolio by geographical area:

		2020		
		Principal	**Interest**	**Total**
Commercial				
Center region	$	3,059,958,607	7,431,952	3,067,390,559
Northwest Region		2,134,397,347	4,245,986	2,138,643,333
Caribbean region		2,164,161,277	7,731,704	2,171,892,981
Pacific region		1,186,175,391	2,393,425	1,188,568,816
Northeast area		796,098,604	1,915,453	798,014,057
Coffee growing axis area		516,168,425	680,910	516,849,335
South area		164,696,629	176,438	164,873,067
		10,021,656,280	24,575,868	10,046,232,148
Consumer				
Center region		4,280,175	23,378	4,303,553
		4,280,175	23,378	4,303,553
Housing				
Consumer		**44,956,735**	**164,761**	**45,121,496**
		44,956,735	164,761	45,121,496
	$	**10,070,893,190**	**24,764,007**	**10,095,657,197**

		2019		
		Principal	**Interest**	**Total**
Commercial				
Caribbean region	$	1,987,222,877	9,702,492	1,996,925,369
Center region		2,626,354,825	11,476,737	2,637,831,562
Northwest Region		1,908,643,873	6,187,711	1,914,831,585
Pacific region		1,047,426,570	3,101,183	1,050,527,753
Coffee growing axis area		472,071,193	1,386,219	473,457,411
Northeast area		692,140,164	2,135,725	694,275,889

South area	140,347,547	419,663	140,767,211
	8,874,207,049	34,409,730	8,908,616,779
Consumer			
Center region	4,501,256	3,849	4,505,105
	4,501,256	3,849	4,505,105
Housing			
Center region	38,012,899	41,074	38,053,973
	38,012,899	41,074	38,053,973
$	**8,916,721,204**	**34,454,653**	**8,951,175,857**

- **Portfolio by monetary unit**

Below is the breakdown of the loan portfolio by currency type:

		2020			
Modality		**Domestic currency**	**Foreign currency**	**UVR**	**Total**
Commercial	$	9,830,881,508	210,922,497	4,428,143	10,046,232,148
Consumer		4,303,553	-	-	4,303,553
Housing		45,121,496	-	-	45,121,496
	$	**9,880,306,557**	**210,922,497**	**4,428,143**	**10,095,657,197**

		2019			
Modality		**Domestic currency**	**Foreign currency**	**UVR**	**Total**
Commercial	$	8,679,205,411	226,534,724	2,876,644	8,908,616,779
Consumer		4,505,105			4,505,105
Housing		38,053,973			38,053,973
	$	**8,721,764,489**	**226,534,724**	**2,876,644**	**8,951,175,857**

- **Portfolio by maturity period**

Below is the breakdown of the loan portfolio by maturity period:

Modality		2020 0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Total
Commercial	$	116,800,592	683,749,363	1,433,434,556	5,237,807,123	2,574,440,514	10,046,232,148
Consumer		146,088	969,582	1,880,900	1,306,983	-	4,303,553
Housing		643,676	36,660	68,822	2,278,998	42,093,340	45,121,496
	$	**117,590,356**	**684,755,605**	**1,435,384,278**	**5,241,393,104**	**2,616,533,854**	**10,095,657,197**

Modality		2019 0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Total
Commercial	$	9,146,779	333,180,983	921,502,653	5,339,188,926	2,305,597,438	8,908,616,779
Consumer		126,182	845,180	1,832,197	1,701,546	-	4,505,105
Housing		646,010	38,190	29,732	418,703	36,921,338	38,053,973
	$	**9,918,971**	**334,064,353**	**923,364,582**	**5,341,309,175**	**2,342,518,776**	**8,951,175,857**

- **Restructured loans portfolio**

Below is the breakdown of the restructured loans portfolio:

		Restructured / Modified Loans Portfolio **2020**			
				Provision	
Commercial		**Principal**	**Interest**	**Principal**	**Interest**
Act 550	$	10,658	-	6,438	-
Act 617		-	-	-	-
Ordinary		4,333,865	32,062	4,204,600	28,633
		4,344,523	32,062	4,211,038	28,633
Consumer					
Ordinary		27,179	1,065	27,179	1,065
		27,179	1,065	27,179	1,065
Housing					
Ordinary		1,102,506	13,174	822,971	13,091
		1,102,506	13,174	822,971	13,091
Act 550		10,658	-	6,438	-
Act 617		-	-	-	-
Ordinary		5,463,550	46,300	5,054,750	42,789
	$	**5,474,208**	**46,300**	**5,061,188**	**42,789**

2019

Commercial		Principal	Interest	Provision Principal	Provision Interest
Act 550	$	42,633	-	26,177	-
Act 617		-	-	-	-
Ordinary		4,805,900	32,062	4,477,620	28,572
		4,848,533	32,062	4,503,797	28,572
Consumer		49,741	750	47,876	14,369
Ordinary		49,741	750	47,876	14369
		1,181,958	14,805	831,537	13,106
Housing		1,181,958	14,805	831,537	13,106
Ordinary					
Act 550		42,633	-	26,177	-
Act 617		-	-	-	-
Ordinary		6,037,599	47,617	5,357,033	56,047
	$	**6,080,232**	**47,617**	**5,383,210**	**56,047**

- **Portfolio of restructurings, agreements and arrangements based on risk rating**

Below is the breakdown of the portfolio of restructured loans by rating:

2020

Risk category	No. of loans	Principal	Interest	Provision Principal	Provision Interest
Commercial					
A - Normal	1	4,263	-	43	-
D - Significant	1	796,063	32,062	666,798	28,633
E - Uncollectible	2	3,544,197	-	3,544,197	-
	4	4,344,523	32,062	4,211,038	28,633
Consumer					
A - Normal					
E - Uncollectible	4	27,179	1,065	27,179	1,065
	4	27,179	1065	27,179	1,065
Housing					
A - Normal	2	293,495	84	5,870	1
E - Uncollectible	5	809,011	13,090	817,101	13,090
	7	1,102,506	13,174	822,971	13,091

	15	**5,474,208**	**46,301**	**5,061,188**	**42,789**

2019

Risk category	No. of loans	Principal	Interest	Provision Principal	Provision Interest
Commercial					
A - Normal	1	17,053	-	341	-
D - Significant	1	796,063	32,062	467,783	28,572
E - Uncollectible	2	4,035,417	-	4,035,673	-
	4	4,848,533	32,062	4,503,797	28,572
Consumer					
A - Normal	-				
E - Uncollectible	4	49,741	750	47,876	14,369
	4	49,741	750	47,876	14,369
Vivienda					
A - Normal	2	55,836	85	1,117	-
B - Acceptable	1	317,111	1,630	13,319	16
E - Uncollectible	5	809,011	13,090	817,101	13,090
	8	1,181,958	14,805	831,537	13,106
	16	**6,080,232**	**47,617**	**5,383,210**	**56,047**

- **Restructured loans, agreements and arrangements by economic sector**

2020

Economic sector		Commercial	Consumer	Housing	Total	% Share
Urban infrastructure development, construction and housing	$	3,537,802	-	-	3,537,802	64%
Territorial fiscal consolidation		10,658	-	-	10,658	0%
Salaried (Employees and Former Employees)		-	28,243	1,115,680	1,143,923	21%
Health infrastructure		828,125	-	-	828,125	15%
	$	**4,376,585**	**28,243**	**1,115,680**	**5,520,508**	**100%**

2019

Economic sector		Commercial	Consumer	Housing	Total	% Share
Urban infrastructure development, construction and housing	$	4,009,837	-	-	4,009,837	65%
Territorial fiscal consolidation		42,633	-	-	42,633	1%

Salaried (Employees and Former Employees)	-	50,491	1,196,763	1,247,254	20%
Health infrastructure	828,125	-	-	828,125	14%
	4,880,595	**50,491**	**1,196,763**	**6,127,849**	**100%**

- ## Restructured loans, agreements and arrangements by geographical area

Below is the breakdown of the portfolio of restructured loans by geographical area:

	2020			
			Provision	
	Principal	Interest	Principal	Interest
Commercial				
Center region	796,063	32,062	666,798	28,633
South area	$ 3,537,802	-	3,537,802	-
Caribbean region	10,658	-	6,438	-
	4,344,523	32,062	4,211,038	28,633
Consumer				
Center region	27,179	1,065	27,179	1,065
	27,179	1,065	27,179	1,065
Housing				
Center region	1,102,506	13,174	822,971	13,091
	1,102,506	13,174	822,971	13,091
	$ 5,474,208	**46,301**	**5,061,188**	**42,789**

	2019			
			Provision	
	Principal	Interest	Principal	Interest
Commercial				
Center region	796,063	32,062	467,783	23,103
South area	$ 4,009,837	-	4,009,837	5,469
Caribbean region	42,633	-	26,177	-
	4,848,533	32,062	4,503,797	28,572
Consumer				
Center region	49,741	750	47,876	14,369
	49,741	750	47,876	14,369
Housing				
Center region	1,181,958	14,805	831,537	13,106
	1,181,958	14,805	831,537	13,106
	$ 6,080,232	**47,617**	**5,383,210**	**56,047**

- **Impairment for loan portfolio**

Below is the breakdown of the loan portfolio provision:

		Balance as of December 31, 2019	Recoveries	Charges	Balance as of December 31, 2020
Principal					
Commercial	$	56,027,795	3,026,461	10,885,309	63,886,643
Direct Loan		-	-	4,613,497	4,613,497
Consumer		160,062	115,811	54,651	98,902
Housing		1,700,246	122,622	250,165	1,827,789
		57,888,103	**3,264,893**	**15,803,621**	**70,426,831**

		Balance as of December 31, 2019	Recoveries	Charges	Balance as of December 31, 2020
Interest					
Commercial	$	242,208	90,660	48,288	199,836
Direct Loan		-		5,148	5,148
Consumer		16,447	1,369	130	15,209
Housing		16,655	5,063	4,119	15,710
		275,310	**97,092**	**57,685**	**235,903**
		58,163,413	**3,361,985**	**15,861,306**	**70,662,734**
			Net Impairment	**$(12,499,321)**	

The increase in the impairment of the portfolio reflected as of December 31, 2020, is mainly due to the portfolio's net increase of $1,131,982 during the year and consequently the increase in the value of provisions.

Note (13) Net Accounts Receivable and Other Receivables

Below is the breakdown of other accounts receivable:

		2019	2018
Trust transactions	$	2,626	7,830

Accounts receivable compensated rate (1)	53,976,188	50,028,542
Commissions and fees technical assistance (2)	37,830,814	45,502,656
Leases	4,884	4,984
Advances to staff	101,368	121,694
Accounts receivable (Tax Funds)	149,010	325,234
Portfolio (3)	326,551	3,552,441
Accounts receivable pre-investment	-	235,467
Others	564,489	211,225
Subtotal	$ 92,955,930	99,990,073
Provision of other accounts receivable (4)	(621,889)	(663,470)
	$ 92,334,041	**99,326,603**

Below is the breakdown of commissions and fees receivable for technical assistance by issue date range :

Management	**1 to 3 month**	**more than 3 to 6 months**	**from 6 months to one year**	**more than 1 a year**	**Total**
Water	$ 9,957,691	1,640,550	1,361,647	2,950,228	15,910,116
Housing	3,296,244	38,569	-	-	3,334,813
Infrastructure	4,136,175	1,398,411	1,363,615	4,914,417	11,812,618
Others	2,398,671	292,631	1,029,448	3,052,517	6,773,267
	$ 19,788,781	**3,370,161**	**3,754,710**	**10,917,162**	**37,830,814**

(1) Corresponds to the balance of interest receivable from the compensated rate agreements (Ministry of Finance, Ministry of Education and the departments, among others), which are intended to cover the difference between the intermediation rate under these lines and the Findeter board. Pursuant to decrees: 3210 of August 29, 2008, of the Ministry of Education and Decree No. 925 of March 18, 2009, of the Ministry of Finance.

(2) Corresponds to accounts receivable for technical assistance services provided by Findeter under the agreements signed. As of year-end, it records the following balances per program: Housing $3,334,813, Infrastructure $11,812,618, Water $15,910,116, San Andrés $495,830, Guarantee Commission $808,045 and other services $5,469,392.

(3) Corresponds to accounts receivable of commitment commissions on approved and undisbursed loans.

(4) The decrease in impairment of other receivables is due to the recovery of provisions for other items. For an impairment recovery of $41,581.

Below is the movement of the impairment of the other accounts receivable:

	Initial balance	Charges	Recoveries	Final balance
Others	$86,918	-	41,581	45,337
Technical assistance	576,552	(69,657)	69,657	576,552
	$663,470	**(69,657)**	**111,238**	**621,889**
		Net impairment	**41,581**	

Note (14) Net property and equipment

Below is the detail of property and equipment:

	2019	2018
Land (revalued)	$ 6,847,500	$ 8,923,200
Buildings (revalued)	20,263,959	24,167,695
Furniture and fixtures	4,008,381	4,323,279
Computer equipment	1,463,961	1,149,063
Net assets	**32,583,801**	**38,563,237**
Accumulated depreciation	(4,938,022)	(4,977,133)
	$27,645,779	**$33,586,104**

Below is the movement of the cost of property and equipment:

	2019	Depreciation adjustment	Reclassifications	Revalued Cost Adjustment (1)	2020
Land	$ 8,923,200		-	(2,075,700)	6,847,500
Buildings (revalued) (1)	24,167,695	(806,990)	-	(3,096,746)	20,263,959
Furniture, fixtures	4,323,279		(314,898)	-	4,008,381
Computer equipment	1,149,063		314,898	-	1,463,961

$ 38,563,237	**(806,990)**	**-**	**(5,172,446)**	**32,583,801**

(1) As of December 31, 2020, the revalued cost adjustments for land and buildings were applied, which generated a variation of ($5,172,446), recognized according to the technical appraisals as of December 31, 2020.

As of December 31, 2020, there are no items of property and equipment outside or reclassified as available for sale.

Below is the movement of accumulated depreciation of property and equipment:

	Buildings	Computer equipment	Furniture and fixtures	Total
Balance as of December 31, 2018	$ 1,370,035	1,000,360	3,182,901	$ 5,553,296
Depreciation 2019	(984,569)	57,175	351,231	(576,163)
Balance as of December 31, 2019	385,466	1,057,535	3,534,132	4,977,133
Depreciation 2020	421,524	51,733	294,622	767,879
Adjustment or reclassification	(806,990)	314,898	(314,898)	(806,990)
Balance as of December 31, 2020	**$ -**	**1,424,166**	**3,828,754**	**$ 4,938,022**

14.1 Right-of-use assets and lease liabilities

Findeter's right-of-use assets and lease liability, as of December 31, 2020, presented a recalculation, derived from the modifications in the lease fee and validities, of any of the agreements, since, during 2020, the negotiations for their extensions were under special conditions. When measuring the right-of-use assets and the lease liabilities for the leases that were classified as such, the following balances were presented:

	2020	2019
Right-of-use assets (real estate)	2,123,498	3,602,256
Recalculation right-of-use	1,362,868	-
Depreciation of right-of-use	(1,557,897)	(1,478,758)
	$1,928,469	**2,123,498**

	2020	2019
Lease liabilities	1,981,012	3,602,256
Recalculation lease liabilities	1,362,868	-
Payment liabilities	(1,339,874)	(1,621,244)
	2,004,006	**1,981,012**

	2020
Right-of-use depreciation expense	1,557,897
Lease interest expense	284,439
	1,842,336

Note (15) Investment Properties

The following is the detail of investment properties as of December 31, 2020 and 2019. Investment properties correspond to the item of buildings, which are measured at fair value.

Investment property corresponds to the office owned in the city of Neiva which is leased generating income.

Below is the movement of the fair value of investment properties:

		2019	2018
Initial balance	$	589,203	589,203
Changes in fair value measurement (1)		284,797	-
Final balance	**$**	**874,000**	**589,203**

(1) The investment property was adjusted to fair value, in accordance with the last appraisal received at 2020 year-end.

Below is the detail of figures included in the period result (see note 29):

		2020	2019
Revenue from investment properties	$	48,415	59,725

- During these periods, there were no contractual obligations for acquiring investment properties.
- To determine the fair value of its investment properties, Findeter uses a firm that performs the appraisal in accordance with IFRS 13 requirements.
- There are no restrictions on the realization of investment properties.
- For purposes of measuring the fair value of the investment property, it is determined as a level 2 input. The observable data were as follows:
- Location of the building in a sector of multiple economic activity and very close to or near main roads.
- The recognition, facade and visual conditions of the building where the office is located; the characteristics of the building, in terms of its equipment, infrastructure and provision of services.
- The quality of the office finishes and the internal adaptations, urban regulations and applicable land uses.
- The real estate market with similar characteristics in the sector, the remaining useful life assigned to the property and the calculated fair value corresponds to the property's commercial value.

Note (16) Intangible Assets

Movement of Net Intangible Assets

Below is the movement of the cost of intangible assets:

	2018	Acquisition/ Additions	Amortization through expenses	2019	Acquisition/ Additions	Amortization through expenses	2020
Computer programs and applications	1,397,006	1,072,097	1,075,436	1,393,667	1,823,106	1,218,942	1,997,831
	1,397,006	**1,072,097**	**1,075,436**	**1,393,667**	**1,823,106**	**1,218,942**	**1,997,831**

Intangible assets consist of software licenses acquired by Findeter, which do not show signs of impairment and are amortized over a 2-year period, as defined in the accounting procedure manual.

The useful life assessment is carried out taking into account the following factors:

- The asset’s expected use.
- The incidence of technical, technological, commercial obsolescence.
- The stability of the industry or sector, and changes in the market demand for the product.
- The level of maintenance disbursements necessary to achieve the expected benefits of the asset.
- Whether the useful life of the software depends on the useful lives of other assets.

Note (17) Net current and deferred income tax

Note (17) Income tax

- **Income tax expense components:**

Income tax expense for the years ended December 31, 2020 and 2019, includes the following:

		December 31, 2020	December 31, 2019
Income tax for the current period	$	47,522,857	49,781,257
Income tax surcharge		6,541,744	-
Current tax adjustment prior periods		(756,530)	(1,602,940)
Current tax subtotal		**53,308,071**	**57,398,653**
Net deferred taxes for the period		(30,386,558)	(9,661,511)
Total income tax	**$**	**22,921,513**	**47,737,142**

- **Tax rate reconciliation in accordance with tax provisions and the effective rate:**

The current tax provisions applicable to Findeter provide the following:

- The income tax rate for 2019 was 33%, as the Constitutional Court Ruling C-510 of October 2019 declared unenforceable the application of the additional percentage points to the income tax applicable to financial institutions.

- In accordance with the Economic Growth Law 2010 of 2019, the income tax rate for 2020, 2021 and 2022 onwards is 32%, 31% and 30%, respectively. For financial institutions that obtain a taxable income equal to or greater than 120,000 UVT in the period, additional income tax percentage points of 4% for the year 2020 and 3% for the years 2021 and 2022 shall apply.

- For 2019, the presumptive income to determine the income tax cannot be less than 1.5% of net equity on the last day of the immediately preceding tax year.

- The Economic Growth Law 2010 of 2019 reduces the presumptive income to 0.5% of net equity on the last day of the immediately preceding taxable year for 2020, and to 0% from 2021 onwards.

- The Economic Growth Law 2010 of 2019 maintains the possibility of taking as an income tax discount 50% of the industry and trade, notices and boards tax effectively paid in the taxable year or period, which from the year 2022 it will be 100%.

- For the taxable years 2020 and 2021 the audit benefit applies to taxpayers who increase their net income tax for the taxable year in relation to the net income tax for the immediately previous year by at least 30% or 20%, with which the income statement will be firm within 6 or 12 months after the date of its presentation, respectively.

- With the Economic Growth Law 2010 of 2019, the term of firmness of the income tax return of taxpayers that determine or offset tax losses or are subject to the transfer pricing regime will be 5 years.

- Tax losses may be offset with ordinary net income obtained in the following 12 taxable periods.

- The excesses of presumptive income can be offset in the following 5 taxable periods.

- Occasional earnings are taxed at a 10% rate.

In accordance with IAS 12, paragraph 81, literal (c), the following is the detail of the reconciliation between Findeter's total income tax expense calculated at the current tax rates and the tax expense effectively recorded in the results of the period for the periods ended December 31, 2020 and 2019.

	Periods ended	
	December 31, 2019	December 31, 2018
Earnings before income tax	**30,551,946**	**121,647,962**
Theoretical tax expense: at the rate of 36% (2020) - 33% (2019)	10,998,701	40,143,827
More or (less) taxes that increase (decrease) the theoretical tax:		
Non-deductible expenses	9,556,698	4,773,245
Untaxed income	-	(185,995)
Current tax adjustment from previous periods	(756,530)	7,617,396
Deferred tax re-measurement	-	(540,885)
Other items	519,258	(353,382)
Tax discount	(1,256,671)	(3,717,064)
Effect on deferred taxes due to changes in tax rates	3,860,057	-
Total income tax expense for the period	**22,921,513**	**47,737,142**

- **Deferred tax by type of temporary difference:**

The differences between the bases of assets and liabilities under CFRS and their tax bases give rise to temporary differences that generate deferred taxes calculated and recorded for the years ended December 31, 2020 and 2019:

	Balance as of December 31, 2019	Effect on profit or loss	Effect on OCI	Balance as of December 31, 2020
Deferred tax assets				
National Guarantees Fund technical reserve	9,204,220	(922,961)	-	8,281,259
Provision of other assets	78,994	7,661	-	86,655
Property and equipment-Other assets	-	119,657	-	119,657
Intangible assets-Deferred charges	583,217	18,451	-	601,668
Loss on derivatives	-	19,633,668	-	19,633,668
Employee benefits	596,982	116,920	-	713,902
Provisions for other expenses	10,801,773	(2,511,084)	-	8,290,689
Unrealized exchange difference	37,091,666	7,894,472	-	44,986,138
Industry and Trade Tax	948,673	(325,117)	-	623,556
Unrealized appreciation of private equity funds	-	3,879,013	-	3,879,013
Lease liabilities	-	676,989	-	676,989
	59,305,525	**28,587,669**	**-**	**87,893,194**

Deferred tax liabilities				
Investments in negotiable debt securities	3,684,992	(1,590,122)	-	2,094,870
Investments in equity securities-Shares	756,654	-	(354,329)	402,325
Profit on derivatives	779,469	(779,469)		-
Property and equipment cost	7,207,095	(27,354)	(1,136,594)	6,043,147
IFRS 16 leases	53,445	598,056		651,501
	12,481,655	**(1,798,889)**	**(1,490,923)**	**9,191,843**
	46,823,870	**30,386,558**	**1,490,923**	**78,701,351**

	Balance December 31, 2018	Effect on profit or loss	Effect on OCI	Reclassification *	Balance December 31,2019
Deferred tax assets					
National Guarantees Fund technical reserve	9,955,147	(750,927)	-	-	9,204,220
General portfolio provision	152,465	(152,465)	-	-	-
Provision of other assets	94,927	(15,933)	-	-	78,994
Property and equipment-Other assets	65,657	(65,657)	-	-	-
Intangible assets-Deferred charges	545,913	37,304	-	-	583,217
Loss on derivatives	213,516	(213,516)	-	-	-
Remodeling	356,776	(356,776)	-		-
Employee benefits	613,952	(16,970)	-	-	596,982
Provisions for other expenses	10,280,746	521,027	-	-	10,801,773
Unrealized exchange difference	-	3,174,709	-	33,916,957	37,091,666
Unrealized appreciation of private equity funds	-	(596,902)	-	596,902	-
Industry and trade tax		948,673		-	948,673
	22,279,099	**2,512,567**	**-**	**34,513,859**	**59,305,525**
Deferred tax liabilities					
Investments in negotiable debt securities	481,826	3,203,166	-	-	3,684,992
Investments in equity securities-Shares	200,388	-	556,266	-	756,654
Profit on derivatives	9,191,287	(8,411,818)	-	-	779,469
Property and equipment cost	6,144,503	(394,097)	1,456,689	-	7,207,095
IFRS 16 leases	-	53,445	-	-	53,445
Other assets	1,599,640	(1,599,640)	-	-	-
	17,617,644	**(7,148,944)**	**2,012,955**	**-**	**12,481,655**
	4,661,455	**9,661,511**	**(2,012,955)**	**34,513,859**	**46,823,870**

For the presentation of the Statement of Financial Position, Findeter offset deferred tax assets and liabilities in accordance with the provisions of paragraph 74 of IAS 12, considering the application of the tax provisions in force in Colombia on the legal right to offset current tax liabilities and assets.

- **Effect of current and deferred taxes on each component of other comprehensive income in equity**

The effects of deferred taxes on each component of other comprehensive income are detailed below:

	December 31, 2019			December 31, 2018		
	Amount before taxes	Deferred tax	Net	Amount before taxes	Deferred tax	Net
Land revaluation	(2,075,700)	207,570	(1,868,130)	-	-	-
Building revaluation	(3,096,746)	929,024	(2,167,722)	4,855,629	(1,456,689)	3,398,940
Investments in shares and equity instruments	(3,543,292)	354,329	(3,188,963)	5,562,660	(556,266)	5,006,394
Other OCI items	(32,082)	-	(32,082)	68,450	-	68,450
	(8,747,820)	**1,490,923**	**(7,256,897)**	**10,486,739**	**(2,012,955)**	**8,473,784**

- **Tax Positions Uncertainties**

As of January 1, 2020, and by Decree 2270 of 2019, the interpretation of IFRIC 23 - Uncertainty over Income Tax Treatments was adopted for purposes of the local financial statements Group I, which clarifies when to apply the criteria of recognition and measurement of IAS 12 - Income Tax in case of uncertainty over positions adopted to determine income tax that may not be accepted by the tax authority in the event of an inspection. Accordingly, as of December 31, 2020 and 2019, Findeter has no tax uncertainties that generate a provision for said item, taking into account that the income tax process is regulated under the current tax framework. Therefore, there are no risks of an additional tax obligation.

- **Realization of Deferred Tax Assets**

In future periods we expect to continue generating taxable net income against which to recover the values recognized as deferred tax assets. The estimate of future tax results is based primarily on the projection of the Company's operation and the continuity of the positive trend.

The estimates of these financial projections are the basis for the recovery of deferred tax assets on the National Guarantees Fund Technical Reserve and Provisions for other expenses.

- **Current tax Assets and Liabilities**

Current tax assets and liabilities as of December 31, 2020 and 2019, consist of:

	December 31, 2020	December 31, 2019
Income tax surcharge prepayment	6,398,084	-
Withholdings and self-withholdings	38,983,275	41,059,803
Income tax liability	(54,064,601)	(49,781,257)
Net current tax assets (liabilities)	(8,683,242)	(8,721,454)

For the presentation of the Statement of Financial Position, Findeter offset current income tax assets and liabilities in accordance with the provisions of paragraph 72 of IAS 12, considering the application of the tax provisions in force in Colombia on the legal right to offset current tax liabilities and assets.

Note (18) Net Other Assets

Below is the detail of other assets:

	2020	2019
Prepaid expenses (1)	$ 2,424,552	2,231,348
Other assets	2,101	2,100
	$ 2,426,653	**2,233,448**

(1) Prepaid expenses correspond to the insurance policies paid, which are being amortized during the coverage period, which as of December 31, 2020 amounted to $2,963,117, see note 30, including policies of overall bank liability and management.

Note (19) Certificates of Deposits

Below is the detail of long-term deposits and liabilities:

Deposits and receivables	2020 Principal	2020 Interest	2020 Total	2019 Principal	2019 Interest	2019 Total	Average interest rate
Issued for 6 months and less than 12 months	$334,000,000	11,807,113	345,807,113	$ 634,706,000	793,863	135,793,863	5.82%
Issued for 12 months and less than 18 months	1,911,443,000	15,585,380	1,927,028,380	135,000,000	4,982,120	639,688,120	3.94%
Issued for 18 months or more	4,491,404,000	12,441,439	4,503,845,439	4,642,981,000	26,340,741	4,669,321,741	3.30%
	$6,736,847,000	**39,833,932**	**6,776,680,932**	**$ 5,412,687,000**	**32,116,724**	**5,444,803,724**	

In accordance with the provisions of Resolutions 1318 of June 25, 2020, and 1357 of July 2, 2020, of the Ministry of Finance, the issuance of certificates of deposit was established as a result of the resources of the Emergency Mitigation Fund - FOME, intended to meet the direct loan disbursements. Below is the detail of the securities included in the total balance of the previous table:

Certificates of Deposit Ministry of Finance - FOME				
Name	**Amount**	**Rate**	**Issue Date**	**Maturity**
MINISTRY OF FINANCE - FOME	525,000,000,000	0% P.V.	29/07/2020	29/11/2023
MINISTRY OF FINANCE - FOME	100,000,000,000	0.5% P.V.	03/08/2020	03/08/2021
MINISTRY OF FINANCE - FOME	150,000,000,000	0.5% P.V.	14/10/2020	14/10/2021
MINISTRY OF FINANCE - FOME	50,000,000,000	0.5% P.V.	21/12/2020	21/12/2021
MINISTRY OF FINANCE - FOME	28,367,000,000	0.5% P.V.	29/12/2020	29/12/2030
TOTAL	**853,367,000,000**			

According to the model for calculating the value of money on financial liabilities, captured at a 0% rate, Findeter calculated and recognized these instruments for the value of $12,820,826 of the cost of money and an income for the same value, for an effect of $0 through profit or loss.

Below is the detail of the maturities of deposits and receivables:

YEAR	2019	YEAR	2018
2021	$4,395,262,744	2021	2,781,210,439
2022	1,591,377,257	2022	2,235,222,559
2023	585,441,276	2023	290,337,731

After 2023	204,599,655	After 2023	138,032,995
	$ 6,776,680,932		**5,444,803,724**

Below is the detail of deposits and receivables by sector:

	2020	Share	2019	Share
Deposits and receivables				
Private	$5,127,681,970	91.81%	4,998,925,255	91.81%
Public	1,479,804,422	4.20%	228,807,819	4.20%
Mixed	169,194,540	3.99%	217,070,650	3.99%
	$ 6,776,680,932	**100.00%**	**5,444,803,724**	**100.00%**

Deposits and receivables are traded on the secondary market. As of December 31, 2020, no balances were presented due to the netting of Certificate repurchase operations.

Note (20) Outstanding Investment Securities

Below is the detail of the outstanding investment securities:

		2020	**2019**
International Bonds	$	965,553,975	963,316,140
Urban Development Bonds		26,591	26,400
Subordinated Bonds		205,718,084	206,395,517
Sustainable Bonds		400,660,123	401,009,813
	$	**1,571,958,773**	**1,570,747,870**

International Bonds:

2020

Year issued	Type of issue	Principal	Interest	Interest rate	Issue date	Maturity
2014	Foreign ordinary bonds	936.566.024	28,987,951	7.88%	12/August/2014	12/August/2024

2019

Año Emisión	Tipo de emisión	Capital	Interés	Tasa de interés	Fecha de emisión	Fecha de vencimiento

2014	Foreign ordinary bonds	934.328.189	28,987,951	7.88%	12/August/2014	12/August/2024

The bonds were issued in 2014 and will pay interest per annum and the principal upon maturity. These bonds have no guarantee. This operation was captured in US dollars and converted into pesos with the exchange rate of the day of issuance. These securities are denominated in pesos and payable in the same currency.

At the time of issuance of the bonds, transactional costs associated with the issuance amounted to $21,760,429, which are amortized at effective rate during the life of the bond, gradually adjusting the balance of the liability until reaching the total amount of the issuance of $946,975,000, of the total value of the initial costs. As of December 31, 2020, a balance of $9,608,976 is pending amortization.

As of December 31, 2020, Findeter has been fulfilling all the arrangements set out in the issuance prospectus.

- Urban Development Bonds:

2020

Type of issue	Issue date	Maturity	Capital	Interest
Urban Development Bonds	Liability taken over from former Banco Central Hipotecario	The securities are extendable until the holder of the bond is found to start the redemption process.	4,199	22,392

2019

Type of issue	Issue date	Maturity	Capital	Interest
Urban Development Bonds	Liability taken over from former Banco Central Hipotecario	The securities are extendable until the holder of the bond is found to start the redemption process.	4,199	22,201

- Subordinated Bonds:

2020

Year issued	Type of issue	Principal	Interest	Interest rate	Issue date	Maturity
2017	Subordinated Bonds	203,680,000	2,038,084	CPI + 3.57%	26/April/2017	26/April/2024

				2019		
Year issued	**Type of issue**	**Principal**	**Interest**	**Interest rate**	**Issue date**	**Maturity**
2017	Subordinated Bonds	203,680,000	2,715,517	CPI + 3.57%	26/April/2017	26/April/2024

Subordinated Bonds have an AA+ rating.

- Sustainable Bonds:

				2020		
Year issued	**Type of issue**	**Principal**	**Interest**	**Interest rate**	**Issue date**	**Maturity**
2019	Sustainable Bonds	132,827,000	206,992	CPI + 2.54%	18/June/2019	18/June/2024
2019	Sustainable Bonds	267,173,000	453,131	CPI + 2.90%	18/June/2019	18/June/2026

				2019		
Year issued	**Type of issue**	**Principal**	**Interest**	**Interest rate**	**Issue date**	**Maturity**
2019	Sustainable Bonds	132,827,000	323,178	IPC + 2.54%	18/June/2019	18/June/2024
2019	Sustainable Bonds	267,173,000	686,635	IPC + 2.90%	18/June/2019	18/June/2026

Financiera de Desarrollo Territorial (Findeter) placed for the first time in the Colombian public stock market sustainable bonds for $400,000,000, with terms of 5 and 7 years and at a rate of CPI + 2.54% and CPI + 2.90%, respectively.

Below is the breakdown by sector of subordinated and sustainable bonds as of December 31, 2020:

	2020	**Share**	**2019**	**Share**
Private	$ 592,180,000	98,10%	590,680,000	97.85%
Public	11,000,000	1,82%	13,000,000	2.15%
Mixed	500,000	0,08%	-	0.00%
	$ 603,680,000	**100,00%**	**603,680,000**	**100.00%**

All the principals of the investment securities outstanding - Bonds, have a maturity date after

December 31, 2021.

Note (21) Financial Obligations

Below is the breakdown of financial obligations:

	2020			2019				
Entity	Principal	Interest	Commissions	Principal	Interest	Commissions	Current interest rate	Expiry
Inter-American Development Bank-IDB 1967	$42,906,250	30,846	-	54,619,000	216,773	-	1.14%	09/December/2023
Inter-American Development Bank-IDB 2314	171,625,000	981,663	-	180,242,700	2,290,180	-	1.41%	05/August/2030
Inter-American Development Bank-IDB 2768	218,821,875	177,258	-	221,206,950	556,445	-	1.74%	21/December/2037
Inter-American Development Bank-IDB 3392	343,246,568	2,495,545	-	327,710,723	4,450,452	378,638	1.65%	15/July/2035
Inter-American Development Bank-IDB 3596	291,374,186	1,775,547	690,820	197,368,935	2,143,483	768,236	1.87%	15/July/2041
Inter-American Development Bank-IDB 3842	-	-	112,849	-	-	-		
French Development Agency-AFD101801K	383,118,488	1,155,645	-	418,031,978	2,073,291	-	2.59%	20/November/2027
KFW Bankengruppe-KFW 26770	183,066,667	63,948	-	218,476,000	76,317	-	4.25%	29/December/2024
Central American Bank for Economic Integration - CABEI 2142	124,428,125	306,338	-	159,760,575	674,242	-	2.45%	25/November/2023
KFW Bankengruppe-KFW 28318 (1)	217,234,676	-	21,061	54,278,218	108,952	906,425	0.00%	15/May/2033
KFW Bankengruppe-KFW 28708	63,032,601	3,152	1	-	-	-	1.80%	30/December/2033
	$2,038,854,435	**6,989,941**	**824,731**	**1,831,695,079**	**12,590,135**	**2,053,299**		

(1) On November 13, 2020, KFW Bankengruppe informed by official letter that the interest rate designated for the period November 17, 2020 - May 18, 2021, corresponds to Libor adjusted -0.4%.

Regarding financial obligations tied to the Libor rate, which experienced a significant decrease, reaching levels of 0% and 0.25%, this effect was mitigated when re-expressing the interest paid to Colombian pesos, since said restatement is offset at the closing exchange rate for each period.

In relation to financial obligations with multilateral banks and other entities, there are contractual conditions, including those indicated below:

CABEI Financial Conditions

- Equity vulnerability index less than 6.0%. Resulting from dividing the net non-performing loan portfolio by FINDETER'S total Equity.
- Gross NPL ratio less than 5.9%. Resulting from dividing the gross non-performing loan portfolio by FINDETER'S Gross Loan Portfolio.
- Liquidity Risk Indicator (LRI). As regulated and effective by the Colombian Financial Superintendence. CABEI

AFD Financial Conditions

- Solvency Index (CAR) must remain above the level prescribed in the Colombian regulation applicable to the banking sector;
- NPL ratio must remain below 5% AFD

KFW Financial Conditions

- Capital-to-risk weighted assets ratio (CRAR) (not less than 11%)
- Exposure of open credit ratio (may not exceed 10%)
- Deposits and loans ration (may not exceed 140%)
- Leverage ratio (not less than 5%)

KFW ENERGY Financial Conditions

- Capital-to-risk weighted assets ratio (CRAR) (not less than 11%)
- Exposure of open credit ratio (not less than 10%)
- Liquidity index (not less than 100%)

The covenants were fully complied with as of December 31, in accordance with each contract.

Current financial obligations with the Inter-American Development Bank

Findeter requested a rate change for the IDB loans through resolution 1496 of July 24, 2020, of the Ministry of Finance and Public Credit “Whereby Financiera de Desarrollo Territorial S.A. (FINDETER) is authorized to carry out external public debt management operations with the Inter-American Development Bank (IDB), and fixed rates were established for loans IDB-1967, IDB-2314, IDB-2768, IDB-3392 and IDB-3596 from July 30, 2020.

Note (22) Employee Benefits

In accordance with Colombian labor law and based on labor conventions and collective agreements between Findeter and its employees providing short-term benefits, such as wages, vacation leaves, legal and extralegal bonuses, and severance and interest on severance, with labor regime Act 50 of 1990; and long-term benefits, such as extralegal seniority bonuses; and retirement benefits, such as retirement bonus and five-year bonuses.

The employee benefit plans, such as retirement bonus and five-year bonuses, expose Findeter to a series of risks (interest rate and operational), which it seeks to minimize by applying risk management policies and procedures.

Below is the breakdown of the balances of employee benefit provisions as of December 31, 2020 and 2019:

	2019	2018
Short-term benefits	$ 4,382,878	3,272,347
Long-term benefits	2,253,338	1,881,899
	$ 6,636,216	**5,154,246**

- **Short-term benefits**

Breakdown of short-term benefits:

	2019	2018
Payroll payable	$ -	$ 6,525

Severance	251,783	202,445
Legal bonus	179,660	170,656
Extralegal bonus	1,541,788	1,286,879
Vacation leave	2,380,964	1,582,352
Severance int.	28,683	23,490
	$ 4,382,878	**$ 3,272,347**

Findeter grants short-term benefits such as: wages, vacation leaves, vacation bonuses, legal and extralegal bonuses, aid, parafiscal contributions and severance, and interests on severance, with labor regime Act 50 of 1990.

- **Other long-term benefits:**

Breakdown of long-term benefits:

	2019	**2018**
Five-year bonus	$ 915,281	$ 810,395
Pension bonus	1,338,057	1,071,504
	$ 2,253,338	**$ 1,881,899**

Findeter grants its employees an interest rate benefit on portfolio loans, on which a credit amortization table is prepared on a biweekly basis with the conditions of approval: interest rate at the time of granting the loan to the employee, amount of the loan and term. Once the values of the biweekly principal and interest flows have been determined, these are brought to present value on the disbursement date, using the discount rate (opportunity rate) for loans granted. Finally, the calculation of the benefit is obtained by subtracting the determined present value from the amount of the loan.

- **Actuarial Assumptions**

To calculate the valuations of its benefits to employees, Findeter uses actuarial mathematics formulations to measure life contingencies. This way, from a public table of annual deaths, it establishes the probability of survival for a person with certain characteristics of a population. For Colombia, these tables are the life tables published by the Financial Superintendence through resolution number 1555 of 2010. In these tables it is assumed that an individual, whether male or female, will not live beyond 110 years.

On the other hand, the probabilities of remaining in the entity (or turnover) were calculated based on Findeter's discharge history from 2010.

- **Other assumptions that affect the model:**

Pension Age: The number of years a person requires to start receiving pension is calculated assuming that the retirement age for men is 62 and for women is 57.

- **Five-year seniority benefit:**

In accordance with the provisions of the Findeter collective agreement, employees are entitled to an extralegal benefit for five-year terms, which will be paid when the period of time worked is reached and based on the following table:

SENIORITY	DAYS OF SALARY APPLIED TO THE BENEFIT
5 YEARS	15
10 YEARS	20
15 YEARS	25
20 YEARS	30
25 YEARS	35

- **Financial Assumptions:**

The following rates were used to update and project future flows:

RATE	2020	2019
Discount rate	5.31%	7.43%
Inflation rate (affects wages)	3%	3%
Employee turnover rate (first 5 years)	6.79%	7.13%

- **Sensitivity Analysis**

The sensitivity analysis of the post-employment benefit liability of the different financial and actuarial variables is presented below, the discount rate applied is affected by +/- 1%, with the other variables being constant:

Benefit	Present value unchanged	+1% discount rate	-1% discount rate
Five years	$ 915,281	865,135	971,620
Pension	$ 1,338,056	1,285,799	1,398,948

Note (23) Financial Guarantees

Below is the movement of financial guarantees:

	Balance as of December 31, 2019	Recoveries	Charges	Balance as of December 31, 2020
National Guarantees Fund Technical Reserve	30,680,734	5,103,387	2,026,850	27,604,197
Water Bonds Reserve	34,140,935	6,505,305	-	27,635,630
Balance as of December 31	**64,821,669**	**11,608,692**	**2,026,850**	**55,239,827**

Financial guarantees decreased by $9,581,542. The variation corresponds to the following movements:

- The coverage of the technical estimate of the National Guarantees Fund on loans granted called affordable housing decreased by $3,076,537, in accordance with the application of the model for calculating reserves on the guarantees granted established in the Fund.

- The registration of the guarantee on the water bonds, which covers the possible loss of the loans granted by the financial intermediaries to the creditor territorial entities, generated a recovery for $6,505,305, according to the analysis of the possible loss ratio, adjusting the bond risk curve.

  The guarantee granted expires in July 2028.

Note (24) Provisions

Below is the movement of provisions:

	Legal processes, fines, penalties and compensations
Balance as of December 31, 2019	**$3,325,520**
Charges	19,621,774
Payment of penalties (1)	(15,992,764)
Other payments	(118,565)
Balance as of December 31, 2020 (2)	**$6,835,965**

(1) The proceedings filed against Findeter include two labor proceedings, which recorded a provision of $1,610,176, according to their legal analysis.

In August 2020, a final ruling was issued, ordering Findeter the reinstatement of the employees, in addition to the payment of salaries and social benefits, amounting to $15,992,764.

(2) The final balance consists of the constitution of a provision derived from the labor process filed against Findeter, although the process in progress was ruled in the first and second instance in favor of Findeter and pending a decision by a court of last resort. It has similar characteristics to the processes that were ruled against Findeter, which is why the risk is modified, and a provision for $5,284,440 is constituted.

Furthermore, the provision for the estimate of the payment of payroll taxes and default interest associated with the failed processes was recognized for a value of $1,551,524.

Note (25) Accounts Payable and Other Payables

Below is the detail of accounts payable and other liabilities:

	2020	2019
Suppliers and services	$ 706,639	702,672
Fees payable	261,953	295,784
Accounts payable provision	1,043,351	1,554,149

Leases	226,909	408
Accounts payable Pre-investment	4,250,218	4,758,611
Prepaid revenues	2,008,362	2,131,136
Other payables (1)	2,678,337	549,039
Industry and trade tax payable	1,245,286	1,889,909
Withholding tax payable	2,810,053	2,935,049
Sales tax payable	1,920,756	3,088,955
	$ 17,151,863	**17,905,712**

(1) The variation of other payables for $2,129,299 is mainly due to the balance payable of the contributions to the general social security system for the month of December 2020.

Note (26) Shareholders' Equity

Issued Capital

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

	2020	**2019**
Number of subscribed and paid-in shares	10,777,418	10,249,624
Subscribed and paid-in capital	1,077,741,800	1,024,962,400
Remaining capitalization	144	794

	SHARES		
	Initial balance	**Capitalization**	**Final balance**
Number of shares	10,249,624	527,794	10,777,418

The general shareholders' meeting of March 26, 2020, approved the profit distribution project, which ordered a capitalization for a value of $52,778,750. The legal process took effect in June 2020. Findeter has not issued preferred shares.

Findeter is a joint-stock company established with the exclusive participation of public entities and in accordance with Article 30 of Act 1328 of July 15, 2009, which amends Article 271 of the Organic Statute of the Financial System. As such, it "shall not be subject to forced investments and will not distribute profits in cash among its shareholders."

Reserves

The composition of the reserves is as follows:

	2020	2019
Legal (1)	$71,659,014	$64,267,932
Statutory and occasional (2)		
For investment protection	-	969,147
Others (2.1)	23,116,268	8,406,132
Total	**$94,775,282**	**$73,643,211**

1- Legal Reserve

Pursuant to legal provisions, all credit establishments must constitute a legal reserve, appropriating ten point zero percent (10.0%) of the net income each year until reaching fifty point zero percent (50.0%) of the subscribed capital. The reserve may be reduced to less than fifty point zero percent (50.0%) of the subscribed capital to cover losses in excess of undistributed profits. The legal reserve may not be used to pay dividends or to cover expenses or losses during the time that Findeter has undistributed profits.

2- Statutory and Occasional Reserves

Registers the values that by express order of the general shareholders' meeting have been appropriated from Findeter's net income in previous years, in order to comply with legal, statutory or specific purposes.

"Losses will be offset with the reserves that have been specially destined for such purpose or otherwise with the legal reserve." The reserves whose purpose is to absorb certain losses cannot be used to cover other losses, unless otherwise determined by the shareholders' meeting. "If the legal reserve is insufficient to cover the capital deficit, the profits of the following years will be applied to this end" (Article 456 C. de Co.).

Reserves for compensated rates are resources assigned by the Findeter General Shareholders Meeting to cover the deficit in the granting of credit lines with soft rates that benefit the development of Colombian territorial entities. These reserves are paid annually via capitalization, in the same proportion as the item in the expense account of compensated rates in the same period.

2.1 - Occasional Reserves Available

	2020	2019
Payments from:		
Fiscal consolidation compensated rate	$ 62,514	$106,111
Technical assistance	-	183,753
	$ 62,514	289,864
Resources available for:		
Profits prior to 2003	34,117	34,117
Technical assistance	679,841	679,841
Promotion of education projects	2,192,068	2,192,068
Incentive of efficient and effective projects compensated rate line	5,147,728	5,210,242
Pre-investment earnings 2019	15,000,000	-
For investment protection	-	969,147
Total committed available resources	23,053,754	9,085,415
Occasional reserves balance	**$23,116,268**	**9,375,279**

Note (27) Revenue and Operating Expenses

Revenue and operating expenses are detailed below:

Interest revenue	**2019**	**2018**
Ordinary resources	$ 224.239.976	$ 243,017,659
Reactiva Colombia	40.410.912	20,261,791
Automatic rediscount	82.022	859,098
Affordable housing ordinary rediscount	138.201	6,576,145
Compensated rate program	320.687.450	306,302,289
Dollars new line	3.903.158	3,976,990
REX Dollars Line 2016	5.381.894	9,324,524
Anti-cyclical policy special line	17.082	243,305
Sustainable development special line	6.477	82,086

Countercyclical policy special line	314.823	448,260
Rediscount USD IDB 2314	139.719	486,472
Rediscount USD IDB 2768	-	3,820,323
Housing employees	740.596	603,627
Housing former employees	704.678	590,109
Consumer	162.995	181,822
	$ 596.929.983	**$ 596,774,500**

		2020	**2019**
Net Valuation Investments Fair Value			
Demand deposits	$	23,188,788	26,207,160
Net gains negotiable investment valuation		17,837,546	12,102,814
Net loss gains private equity funds		(3,509,966)	15,107,330
Loss gains investment sales		(1,565,622)	245,745
Dividends		72	19,946
	$	**35,950,818**	**53,682,995**

		2020	**2019**
Net Investment Valuation Amortized Cost			
Gains investment valuation at cost		2.212.669	2.933.365
Loss investment valuation at cost		-	(860.669)
	$	**2.212.669**	**2.072.696**

Financial obligations interest expense		**2020**	**2019**
Interest IDB 1967/OC-CO	$	883,462	2,231,670
Interest IDB 2314		3,717,331	6,167,756
Interest IDB 2768		4,683,456	7,852,792
Interest IDB 3392		7,071,467	10,322,882
Interest IDB 3596/OC-CO		4,386,535	4,905,170
Interest AFD 1018 01 K		16,307,240	23,136,356
KFW 26770		9,649,346	10,592,189
Citibank New York		-	388,024
Bank Of Tokyo		-	3,380,366
BCIE 2142		5,019,290	7,712,167

KFW 28318	618,517	907,962,93
KFW 28708	603,406	-
	$ 52,940,050	**77,597,335**

Note (28) Revenue and expenses from commissions, fees and other services

	2020	**2019**
Revenue from commissions, fees and other services		
Water bond revenue	$ 3,951,738	4,917,160
Technical assistance revenue (1)	56,602,696	65,323,573
National Guarantees Fund com	881,974	1,522,470
Portfolio commissions (2)	6,600,260	7,522,007
Insfopal	16,864	94,749
	$ 68,053,532	**79,379,959**

(1) Below is the breakdown of the composition of technical assistance income as of December 31:

TECHNICAL ASSISTANCE	**2020**	**2019**
Housing	22,190,562	21,452,915
Water (*)	14,271,273	17,455,058
Infrastructure (*)	16,183,092	19,076,203
Consulting	876,146	2,874,126
San Andrés	-	1,137,256
Project Structuring	3,081,622	3,328,015
	56,602,696	**65,323,574**

(*) Revenue from technical assistance decreased by ($8,720,877), caused by the stoppage of contractual performance due to the Covid-19 pandemic emergency, in addition to reduced collections from the final stages of development of some agreements.

(2) The revenue corresponds to the collection of availability commissions under the loan agreements, which are settled on the balance of approved and undisbursed loans.

Commissions and other expenses		**2020**	**2019**
Debt service and trust business	$	1,585,825	4,206,759
Banking services		65,741	59,603
Loans commitment commissions (1)		8,040,823	3,396,405
International bonds and CDs		20,750	219,250
		9,713,139	**7,882,017**
	$	**58,340,393**	**71,497,942**

(1) The expense for loan commitment commissions increased by $4,644,418, derived from multilateral banking loans in 2020, such as IDB loans 1967-2314-2768-3392-3596 and 3842, in addition to the new KFW loans 28318 and 28708.

Note (29) Other Revenues

Below is the detail of other revenues:

		2020		**2019**
Leases	$	48,415	$	59,725
Recoveries Provision accounts payable		1,554,149		1,086,993
Revenue benefit interest rate employees portfolio		1,017,823		1,198,424
Recoveries reserves (1)		9,581,824		2,572,944
Disability reinstatement		376,055		104,010
Litigation recovery		-		563,671
Other recoveries		1,147,954		456,570
	$	**13,726,220**	**$**	**6,042,336**

(1) Revenue from recoveries of the technical reserves of the National Guarantees Fund and Water Bonds increased by $7,008,880, caused mainly by the analysis of the possible loss ratio of the ET water loans, adjusting the curve generating an income for $6.505.305

Note (30) Other Expenses

Below is the detail of other expenses:

		2020	**2019**
Property, registration and notes tax, VAT,	$	14,805,154	12,128,683

Tax on Movement of Funds (1)		
Industry and trade tax	8,975,171	9,222,277
Legal expenses	135,276	346
Fees (2)	9,206,042	7,671,176
Penalties, lawsuits and litigation (3)	19,621,774	1,452,149
Leases	5,527,836	5,880,469
Contributions and affiliations	4,705,519	4,018,756
Insurance	2,963,117	2,024,805
Maintenance and repairs (4)	5,344,045	3,326,611
Electrical installations	158,855	199,786
Other provisions	-	661,942
Depreciation	767,879	793,872
Right of use depreciation	1,557,897	1,478,758
Amortizations	1,218,942	1,075,436
Cleaning and security services	926,190	1,211,595
Temporary services	36,057,612	33,906,876
Advertising	43,912	146,030
Public relations	220	330
Public services	736,154	885,705
Travel expenses	814,032	2,063,802
Transport	157,306	397,037
Supplies and stationery	219,258	630,218
Promotion and dissemination	784,889	977,239
Spending profits on programs	62,514	289,864
Other minor	971,365	1,690,206
Employee benefits	51,057,696	48,371,809
Employee benefits- portfolio rate	1,017,823	1,198,424
Claim losses	2,560,309	1,772,192
	$ 170,396,787	**143,476,393**

(1) Tax expense increased mainly due to a higher tax on movement of funds, increasing expenses by $2,676,470.
(2) During 2020, the expenses for Fees increased by $1,534,866, caused by higher expenses by the board of directors for $272,964, payment of fees abroad for $279,758, and other consultancies for $982,144.
(3) The expenses for fines, penalties and litigation increased by $18,169,625, caused by the mandatory payments ordered in court rulings, for the labor processes that were in progress against Findeter, which

amounted to $15,992,764, in addition to provisions for the ongoing processes that affected expenses by $2,176,861.
(4) Maintenance expenses increased by $2,017,434, mainly due to the payment of maintenance and strengthening of technological platforms, as support for Findeter's operation during the Covid -19 pandemic.

Note (31) Commitments and Contingencies

Contingent accounts include:

	2020	2019
IDB loan pledge (1)	$ 30,520,169	23,892,589
Due to litigation (claims) (2)	85,255,498	80,301,717
Approved and undisbursed loans (3)	578,170,040	482,661,367
Interest on suspended loans (4)	1,123,721	1,016,439
	$ 695,069,428	**587,872,112**

(1) Counter-guarantees

Findeter signed Loan Agreements with the IDB 1967 of 2008, 2314 of 2010, 2768 of 2012 and 3392 of 2015, which established counter-guarantees in favor of the Nation, and in which the revenues received by FINDETER for the rediscount portfolio collection were pledged and paid directly in Deposit Account No. 65812166 of the Colombian Central Bank. Such revenues must cover at least 120% of the value of the semi-annual service of the debt of the Loan Agreement, in addition to granting a blank promissory note with its respective letter of instruction.

Under the IDB S.F. 977 and IBRD (BM) 4345 Loan Agreements, Findeter entered into a Trust Order with Fiduciaria la Previsora No. 420010 of February 21, 1997, and No. 4006 of July 30, 1998, respectively, as counter-guarantee of 120% for the semi-annual service of the debt of these loans, derived from the Guarantee granted by the Nation.

(2) Corresponds to the claims of legal proceedings filed against Findeter, which include labor and administrative proceedings evaluated at medium and low risk, revealed with the value of the plaintiffs' claims, which effectively covers the possible contingency.

(3) The commitments from the approved credits not disbursed are the product of contracts with customers, which do not necessarily represent future cash requirements because such available amounts may expire and therefore not be used totally or partially, but they are recognized in the contingent accounts as possible capital requirements.

The following table shows the value of the approved loans to the financial institutions that Findeter has not yet disbursed:

Banking entity	**2020**	**2019**
Bancolombia S.A.	578,170,040	482,661,367
	$578,170,040	**610,372,905**

(4) Suspended Interest

They correspond to interest on loans granted to former employees of the entity, who have not serviced the debt on the obligations acquired. To date, there are 16 loans generating this interest, 9 of which are under housing and 7 under consumer.

- As part of the analysis of the implications of Decree 492 of 2020 issued by the Ministry of Finance and Public Credit, through which instructions were given to Findeter to make capital contributions worth $100,000,000 for the National Guarantees Fund in order to strengthen the process of granting loan guarantees, Findeter continues executing the understanding process, for which it requested the Ministry of Finance and Public Credit to determine the recognition required when making this disbursement. As of December 31, 2020, we have not received any response.

Note (32) Related Parties

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements, which could exercise joint control or control over the reporting; exercise significant influence over the reporting entity; or be considered a member of the key management personnel of the reporting entity or a parent of the reporting entity. The definition of related party includes: persons and/or family members related to Findeter, entities that are members of the same group (parent and subsidiary), associates or joint ventures of the entity or group entities, plans for post-employment benefit for employees of the reporting entity or a related entity.

The following are considered related parties:

1) Economic affiliate: A person or entity that is related to some entity through transactions such as transfers of resources, services or obligations, whether or not in exchange for consideration.

2) Shareholders who individually own more than 10% of the share capital of Findeter (the Nation).

3) Key management personnel: People who have authority and responsibility to plan, direct and control the activities of the entity directly or indirectly, including any director or manager (whether executive or not) of Findeter; includes the CEO, chief officers and members of the Board of Directors.

Transactions with related parties:

Findeter may enter into transactions, agreements or contracts with related parties, with the understanding that they may be carried out at reasonable values, in accordance with market conditions and rates.

Findeter has the following transactions with related parties:

- Loans with interest rates different from those that are ordinarily paid or collected from third parties under similar conditions of term, risk, etc.

The following sums were paid to Board members for attending Board and Committee meetings:

		2020	2019
Board Member Remunerations	$	778,567	505,603

The increase in the payment of fees is derived from the creation of the monitoring committees implemented by the board of directors in 2020.

As of December 31, 2020 and 2019, Findeter records balances of the loan portfolio and key management personnel remuneration, as detailed below:

		2020	2019
Loan portfolio	$	770,534	225,500
Key management personnel remuneration		10,173,469	10,004,974

All operations and disbursements were made under the terms described in the collective agreement.

Note (33) Adequate Capital Management

Findeter's objectives regarding adequate capital management are: a) meeting the capital requirements established by the Colombian government for financial institutions, and b) maintaining an adequate equity structure to generate value for its shareholders.

The total solvency ratio, defined as the ratio between technical equity and risk-level weighted assets, cannot be less than nine point zero percent (9.0%), and the basic solvency ratio, defined as the ratio between ordinary basic equity and risk-level weighted assets, cannot be less than four point five percent (4.5%), as indicated in article 2.1.1.1.2 and 2.1.1.1.3, respectively, of Decree 2555 of 2010, as amended by Decree 1771 of 2012 and Decree 1648 of 2014.

Compliance is verified on a monthly basis in accordance with the provisions of the Financial Superintendence of Colombia in Chapter XIII - 14 of the Accounting and Financial Basic Circular 100 of 1995.

Risk assets are classified in each category by applying the percentages determined by the Financial Superintendence of Colombia to each of item on the balance sheet according to the IFRS Unified Catalog of Accounts. Additionally, market risks are included as part of risk-weighted assets to calculate the solvency margin.

To manage capital from an economic perspective and generating value to its shareholders, management constantly monitors the profitability levels for each of its business lines and the capital needs in accordance with the growth expectations of each. In addition, the management of economic capital involves the analysis of the credit, market, liquidity and operational risk effects to which Findeter is exposed in developing its operations.

Below is the detail of the minimum technical equity required in Findeter:

	2020	2019
Technical equity		
Ordinary basic equity		
Subscribed and paid-in capital	1,077,741,800	1,024,962,400
Net income appropriation	71,659,014	64,267,932
Investments available for sale in equity securities	(25,738,075)	(25,738,075)
Deferred income tax	(78,701,351)	(46,823,870)
Unrealized profit or loss (OCI)	-	(50,225,161)
Additional Equity		
Value of subordinated money obligations effectively authorized, placed and paid-in	142,576,000	162,944,000
General provision	485,235	416,110
Net income	7,630,433	73,910,820
Total technical equity	1,195,653,056	1,203,714,156
Risk-weighted assets		
Category I (High security assets weighted at 0%)	1,175,382,587	589,024,449
Category II (High security assets weighted at 20%)	362,484,339	453,675,792
Category III (Assets with high security but with low liquidity, weighted at 50%)	9,610,478,641	8,832,052,172

Category IV (Other assets at risk weighted at 100%) + Special Weights	1,253,104,803	889,468,112
Total risk-weighted assets	12,401,450,370	10,764,220,525
Market risk	36,511,097	40,702,802
Basic solvency risk indicator	17.20	18.61
Total solvency risk indicator	19.56	21.60

Findeter has the ability to continue as a going concern for the next 12 months.

Note (34) Legal Controls

Overall Exchange Position: Corresponds to the difference between all on and off-balance sheet rights and obligations denominated in foreign currency, realized or contingent. Findeter complies with the provisions issued by the Board of Directors of the Colombian Central Bank and the regulations issued by the Financial Superintendence of Colombia.

Technical Equity and Solvency Margin: Chapter XIII-13 of the Colombian Financial Superintendence provides the criteria and parameters that recipient entities must observe to comply with the adequate equity and the minimum solvency ratios established in Title 1, Book 1, Part 2 of Decree 2555 of 2010. This in order to maintain adequate levels of good quality capital to absorb unexpected losses arising from the materialization of the risks to which they are exposed, thus preserving public confidence in the financial system and its stability.

Nota (35) Relevant Events in the 2020 period

Creation of Grupo Bicentenario SAS

The President of the Republic of Colombia in exercise of his Extraordinary powers created, through Decree Law 2111 of 2019, the company Grupo Bicentenario S.A.S., a mixed economy company tied to the Ministry of Finance and Public Credit responsible for the management of the public financial service, whose objective is to strongly compete and continue advancing in improving the management of State companies, offering a greater variety of services with better quality and better conditions for users.

The company Grupo Bicentenario S.A.S. was incorporated under the terms of article 260 of the Code of Commerce as the parent or controlling company of the companies or entities that make up the Executive Branch of the National order and that are also subject to the supervision of the Financial Superintendence of Colombia and develop activities related to the public financial service, which include FINANCIERA DE DESARROLLO TERRITORIAL, S.A. - FINDETER.

On September 24, 2020, the Nation - Ministry of Finance and Public Credit, in accordance with the provisions of Legislative Decree 492 of 2020, transferred by endorsement to Grupo Bicentenario, S.A.S. its shareholding interest in the company FINANCIERA DE DESARROLLO TERRITORIAL, S.A. - FINDETER.

This action did not affect in any way the payment of obligations of FINANCIERA DE DESARROLLO TERRITORIAL, S.A. - FINDETER to its creditors.

Effects of Covid-19

The 2020 financial statements were affected in several aspects as a result of the effects of COVID-19. At the beginning of the pandemic, there was a lack of cash flow in the markets (March 2020 was arguably one of the most turbulent months for the fixed income market in recent history, with movements that reached 300 basis points in the TES sand private debt curves), leading to an increase in fund-raising costs due to the need for resources that would allow Findeter to operate in stable conditions. This was reflected in an increase in financial expenses by $8,040,731, for the payment of interest on Certificates of Deposit as of December 31, 2020.

Portfolio interest income, on the other hand, showed no significant YoY increase (2020 $596,929,983, 2019 $596,774,500) despite the increase in the portfolio's net balance by $1,131,982,019. This is due to several cutbacks by the Colombian Central Bank in the REPO intervention rate from March to September 2020, reaching historical lows (dropping by 250 Basis Points, from 4.25% to 1.75%). These decisions caused the downward trend of other market reference rates such as DTF and IBR, which had a direct impact on the portfolio's income generation, as a large portion of it is indexed to said indicators.

In relation to the Financial Superintendence of Colombia's regulations to counteract the effects of the pandemic, in terms of loan instruments, it issued external circulars 007, 014 and 022 of 2020, which set out additional provisions that were, however, not adopted by Findeter, considering the normal portfolio collection behavior.

Regarding financial obligations tied to the Libor rate, which experienced a significant decrease, reaching levels of 0% and 0.25%, this effect was mitigated when re-expressing the interest paid to Colombian pesos, since said restatement is offset at the closing exchange rate for each period.

Revenue from commissions and fees drastically dropped, as all programs associated with technical assistance presented delays, postponements or reductions in works, as a result of the measures taken to contain the virus, such as total closures of several economic sectors and their slow reopening.

Another factor that had an impact on financial results is the exchange rate volatility, which in the first months of the pandemic showed considerable growth; however, in the last months of the year it contracted significantly, closing at $3,432.50 as of December 31, 2020, which produced a considerable impact in terms of exchange difference.

Additionally, the exchange rate situation also had an impact on the valuation of derivatives and directly impacted their settlement, positively affecting Findeter's cash flow by $75,804,710 (as a result of an income of $234,470,814 and expenses for $158,666,104).

There was also a net impact on Findeter's expenses, due to the re-expressions of the asset and liability positions in dollars, amounting to ($45,002,500), product of (Net exchange difference expenses of $60,895,936 and net income from valuation of derivatives for $18,893,436).

In addition to these effects, which have an impact on the generation of income and produce higher costs, Findeter, as strategic partner of the National Government in mitigating the impacts of COVID-19, made efforts on providing more credit lines with favorable rate conditions to benefit different economic sectors in the country.

Note (36) Approval of Financial Statements

The financial statements and notes thereto were approved by the board of directors and the legal representative, in accordance with Minutes No. 180 of February 19, 2021, to be submitted for approval of the General Shareholders' Meeting, which may approve or modify them.

Note (37) Subsequent Events

No economic events occurred after December 31, 2020 (subsequent events), that could affect Findeter's financial position or prospects or question its continuity as a going concern.