



Financiera de Desarrollo Territorial S. A. - FINDETER

*Report for the period between **January 1st to June 31st, 2021***

*Condensed Financial Statements under Financial Information Accounting Standards
Adopted in Colombia (NCIF)*

2Q-2021

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL REPORT

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

Introduction

I have reviewed the accompanying condensed interim financial report of Financiera de Desarrollo Territorial S.A. Findeter as of June 30, 2021, comprising:

- the condensed interim statement of financial position as of June 30, 2021;
- the condensed interim statements of income and other comprehensive income for the six and three-month periods ended June 30, 2021;
- the condensed interim statement of changes in equity for the six-month period ended June 30, 2021;
- the condensed interim statement of cash flows for the six-month period ended June 30, 2021; and
- the notes to the interim financial report.

Management is responsible for the preparation and presentation of this condensed interim financial report in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia. My responsibility is to express a conclusion on this condensed interim financial report based on my review.

Scope of review

I conducted my review in accordance with the International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, included in the Information Assurance Standards accepted in Colombia. A review of interim financial reporting consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing accepted in Colombia and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying condensed interim financial report as at and for the six months ended June 30, 2021, is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia.

Jorge Enrique Peñaloza Porras
Independent Auditor of
Financiera de Desarrollo Territorial S.A. Findeter
Professional License 43402-T
Member of KPMG S.A.S.

August 13, 2021

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE REPORT IN EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL)

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

Introduction

I have reviewed the condensed interim financial report of Financiera de Desarrollo Territorial S.A. Findeter as of June 30, 2021, in eXtensible Business Reporting Language (XBRL), comprising:

- the statement of financial position as of June 30, 2021;
- the statements of income and other comprehensive income for the six and three-month period ended June 30, 2021;
- the statement of changes in equity for the six-month period ended June 30, 2021;
- the statement of cash flows for the six-month period ended June 30, 2021; and
- accompanying notes.

Management is responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia, in eXtensible Business Reporting Language (XBRL), and for the presentation of the report in eXtensible Business Reporting Language (XBRL) in accordance with instructions of the Financial Superintendence of Colombia. My responsibility is to express a conclusion on this interim financial report in eXtensible Business Reporting Language (XBRL) based on my review.

Scope of review

I conducted my review in accordance with the International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, included in the Information Assurance Standards accepted in Colombia. A review of interim financial reporting consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing accepted in Colombia and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial report of the Company in eXtensible Business Reporting Language (XBRL) as at and for the six months ended June 30, 2021, is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia.

Jorge Enrique Peñaloza Porras
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August 13, 2021

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands of Colombian Pesos)

	NOTE	30/06/2021	31/12/2020
Assets			
Cash and cash equivalents	10	\$ 766.772.225	1.180.670.793
Investment financial assets and derivatives	11	558.419.939	361.763.745
Loan portfolio and finance lease operations, net	12	10.127.886.898	10.024.994.463
Accounts receivable and other receivables, net		90.644.154	92.334.041
Property and equipment, net	14	27.272.927	27.645.779
Right-of-use assets, net	15	1.111.837	1.928.469
Investment properties		874.000	874.000
Intangible assets, net	16	1.556.951	1.997.831
Current tax assets, net	13	840.211	-
Deferred tax assets, net	13	71.068.168	78.701.351
Other assets	17	751.601	2.426.653
Total assets		\$ 11.647.198.912	11.773.337.125
Equity and liabilities			
Liabilities			
Derivative financial instruments measured at fair value	18	\$ 661.311	58.361.272
Current income taxes, net		-	8.683.242
Certificates of deposit		6.564.040.411	6.776.680.932
Outstanding investment securities		1.609.824.635	1.571.958.773
Financial obligations		2.153.877.616	2.046.669.107
Lease liability	15	1.164.361	2.004.006
Employee benefits		8.702.075	6.636.216
Financial guarantees	19	50.378.150	55.239.827
Provisions	20	3.604.162	6.835.965
Accounts payable and other payables		14.588.927	17.151.862
Total liabilities		\$ 10.406.841.648	10.550.221.202
Shareholders' equity	21	\$ 1.240.357.264	1.223.115.923
Total liabilities and shareholders' equity		\$ 11.647.198.912	11.773.337.125

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

INGRID CATALINA GIRALDO CARDONA(*)
Legal Representative

HOLLMAN JAVIER PUERTO BARRERA(*)
Public Accountant
Professional License 31196-T

JORGE ENRIQUE PEÑALOZA PORRAS
Independent Auditor of Findeter S.A.
Professional License 43402-T
Member of KPMG S.A.S.
(See my report of August 13, 2021)

(*) The undersigned Legal Representative and Public Accountant certify that we have previously verified the statements contained in these condensed consolidated statements of financial position and that they have been faithfully taken from Findeter's auxiliary accounting books.

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Consolidated Consolidated Income Statement
(In thousands of Colombian Pesos)

	Note	For the six-month periods ended on		For the six-month periods ended on	
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
Revenue					
Interest on loan portfolio	22	\$ 243.288.595	326.880.610	121.921.786	163.750.335
Net revenue from investment valuation	23	4.260.356	7.745.362	4.866.230	3.610.571
Net interest on investments at amortized cost	23	1.293.065	1.103.853	750.278	554.307
Derivative valuation profit, net	25	146.958.536	206.678.377	31.212.418	(148.444.240)
Operating expenses					
Certified interest on term deposits	24	(98.238.419)	(153.814.200)	(46.008.489)	(79.156.814)
Interest financial obligations	25	(21.427.095)	(31.695.869)	(11.152.683)	(13.222.896)
Interest on outstanding investment securities	24	(51.838.044)	(58.176.649)	(26.127.268)	(29.023.399)
(Loss) profit from exchange difference, net	26	(158.501.424)	(223.936.768)	(33.997.554)	138.791.803
Net financial margin		\$ 65.795.569	74.784.716	41.464.718	36.859.668
(Impairment) for credit financial assets, net	12	(3.266.623)	(6.584.614)	(2.177.045)	(4.565.754)
Net recoveries and expenses for accounts receivable (impairment)		(598.567)	-	(598.567)	
Net financial margin after impairment		\$ 61.930.379	68.200.102	38.689.106	32.293.914
Revenue and expenses for commissions and other services					
Technical assistance revenue	28	37.540.546	32.322.335	17.470.179	17.645.026
Revenue for commissions and other services	28	4.498.783	5.742.552	2.144.147	2.495.233
Expenses for commissions and other services		(4.109.686)	(3.081.299)	(1.291.856)	(2.125.896)
Net revenue and expenses for commissions and other services		\$ 37.929.643	34.983.588	18.322.470	18.014.363
Other revenue and expenses					
Other revenue	29	11.271.125	6.276.807	6.693.796	4.535.762
Other expenses	29	(74.921.161)	(71.800.217)	(37.416.742)	(36.179.779)
Net other expenses		\$ (63.650.036)	(65.523.410)	(30.722.945)	(31.644.017)
Earnings before income tax		\$ 36.209.986	37.660.280	26.288.630	18.664.260
Income (expenses) tax expense		(14.869.747)	(22.567.040)	(7.881.804)	2.292.484
Net income		\$ 21.340.239	15.093.240	18.406.826	20.956.744

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

INGRID CATALINA GIRALDO CARDONA (*)
Legal Representative

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FINANCIERA DE DESARROLLO TERRITORIAL S.A. FINDETER
Condensed Consolidated Statement of Cash Flow
(In thousands of Colombian Pesos)

		For the six-month periods ended on	
		30-jun-21	30-jun-20
	Notes		
Net Income		21.340.239	15.093.240
Adjustments to reconcile net income with net cash provided by operating expenses:	\$		
Property and Equipment Depreciations	14	386.307	378.908
Right-of-use depreciations	15	796.893	777.730
Amortizations of intangibles	16	703.982	594.020
Amortizations of other assets		1.732.373	1.246.897
Net impairment for credit financial assets	12	3.266.623	6.584.614
Net impairment for accounts receivable		598.567	-
Expense for lease contracts	15	19.739	78.223
Exchange difference loss, net	26	158.501.424	223.936.768
Income tax expense for the period		14.869.747	22.567.040
Net expense for other provisions	20	(3.231.802)	-
Reimbursement of financial guarantees		(4.861.677)	(4.019.512)
Net income form investment valuation	23	(5.553.421)	(8.849.215)
Net revenue for derivatives valuation	27	(146.958.536)	(206.678.377)
Interest on loan portfolio	22	(243.288.595)	(326.880.610)
Interest expenses		171.503.558	243.159.018
Employee benefit expense that does not generate cash outflow		3.967.570	3.455.884
Changes in assets and exchange difference adjustment in operating liabilities:			
Negotiable investments		(195.636.684)	85.924.726
Loan portfolio and finance lease operations, net		32.412.098	(1.042.315.946)
Accounts receivable		1.689.887	(29.253.116)
Other assets		(57.320)	
Derivative financial instruments		89.258.575	209.540.861
Employee benefits		(1.901.711)	(1.844.426)
Accounts payable and other liabilities		(207.745.341)	738.593.590
Subtotal	\$	<u>(308.187.505)</u>	<u>(67.909.683)</u>
Paid Income tax		(3.176.739)	(14.894.217)
Lease interest payments	15	(48.300)	(243.985)
Paid interest		(152.573.250)	(203.255.915)
Received interest		122.666.447	207.422.863
Net cash provided (used) for operating activities	\$	<u>(341.319.347)</u>	<u>(78.880.937)</u>
Net cash used for investment activities			
Additions of property and equipment	14	(13.456)	(3.799)
Additions of other intangible assets	16	(263.102)	(291.752)
Net cash used for investment activities	\$	<u>(276.558)</u>	<u>(295.551)</u>
Net cash provided in financing activities			
New bank loans and other financial obligations		47.153.488	233.441.282
Bank loan payments and other financial obligations		(123.797.726)	(102.348.305)
Capital payments lease contracts	15	(817.450)	(602.174)
Efectivo neto (usado en) provisto por las actividades de Financiación	\$	<u>(77.461.688)</u>	<u>130.490.803</u>
Cash and cash equivalents before the effect of exchange rate		(419.057.593)	51.314.315
Exchange difference on cash		5.159.025	14.106.787
Net increase (decrease) of cash and cash equivalents	\$	<u>(413.898.568)</u>	<u>65.421.102</u>
Cash and cash equivalents initial balance	10	1.180.670.793	695.223.180
Cash and cash equivalents final balance	\$	<u>766.772.225</u>	<u>760.644.282</u>
Available restricted	10	(6.657.731)	(5.693.677)
Cash and cash equivalents final balance without the available restricted	\$	<u>760.114.494</u>	<u>754.950.605</u>

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

INGRID CATALINA GIRALDO CARDONA (*)
Legal Representative

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ncial position and that they have been faithfully taken from Findeter's auxiliary accounting books.

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Condensed Consolidated Statements of Other Comprehensive Income
(In thousands of Colombian Pesos)

	Note	For the six-month periods ended on		For the six-month periods ended on	
		30-jun-21	30-jun-20	30-jun-21	30-jun-20
Net income		\$ 21.340.239	15.093.240	18.406.826	20.956.744
Items not reclassified through profit or loss, net of taxes					
Revaluation of fixed assets	14	(90)	-	-	-
valuation of investments in equity instruments, shares and other financial instruments		(4.533.911)	1.753.120	(9.628.690)	(2.601.330)
Deferred tax recognition	13	435.102	(174.119)	945.267	261.469
Total other comprehensive income not reclassified through profit or loss, net of taxes		(4.098.899)	1.579.001	(8.683.423)	(2.339.860)
Total Comprehensive Income		\$ 17.241.340	16.672.240	9.723.403	18.616.884

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FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
for the periods of six and three months ended June 30, 2021 and 2020
(In thousands of Colombian Pesos)

	Subscribed and Paid-in Capital	Reserves		First-time Adoption Effect	OCI	Net Income		Total Equity
		Reserva legal	Occasional Reserves			Retained Earnings	Net Income	
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
Changes in Equity:								
Profit appropriation	-	-	-	-	-	73.910.820	(73.910.820)	-
Capitalization of profits	52.778.750	7.391.082	13.740.988	-	-	(73.910.820)	-	-
Net income	-	-	-	-	-	-	15.093.240	15.093.240
Other comprehensive income	-	-	-	-	1.579.001	-	-	1.579.001
Total changes in equity	52.778.750	7.391.082	13.740.988	-	1.579.001	-	(58.817.580)	16.672.241
Final Balance as of June 30, 2020	\$ 1.077.741.944	71.659.014	23.116.267	52.075.778	(271.615)	-	15.093.240	1.239.414.628
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
Changes in Equity:								
Profit appropriation	-	-	-	-	-	7.630.433	(7.630.433)	-
Capitalization of profits	21 6.929.904	763.043	(62.514)	-	-	(7.630.433)	-	-
Net income	-	-	-	-	-	-	21.340.239	21.340.239
Other comprehensive income	-	-	-	-	(4.098.899)	-	-	(4.098.899)
Total changes in equity	6.929.904	763.043	(62.514)	-	(4.098.899)	-	21.340.239	17.241.341
Balance as of June 30, 2021	\$ 1.084.671.848	72.422.057	23.053.753	52.075.778	(13.206.412)	-	28.970.672	1.240.357.263

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

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Financiera de Desarrollo Territorial S. A. - Findeter

Semiannual report for the period ended June 30, 2021,

Condensed Interim Financial Report under Financial Reporting Standards Accepted in Colombia (CFRS)

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

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, with a 92.55% interest, is Grupo Bicentenario SAS, with registered address in Bogota - Colombia. It currently has five regional offices and one area, for a total of six 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.

The financial management report as of June 30, 2021, was submitted to the Board Meeting of July 29 this year, according to Minutes No. 385.

2. Declaration of Compliance with the Financial Reporting Standards Accepted in Colombia

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in 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, 2270 of 2019 and 1432 of 2020. The CFRS 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 2018, in addition to the incorporation of the COVID-19-Related Rent Concessions, issued in 2020, which amend IFRS 16 - Leases.

In accordance with the provisions of IAS 34, the interim financial statements are prepared with the intention of updating the last annual financial statement report, emphasizing the new activities, events and circumstances that occurred during the interim reporting period, without duplicating information previously published in the annual report. These condensed interim financial statements do not include all the information and disclosures required for an annual financial statement; therefore, they must be read together with the annual financial statements as of December 31, 2020.

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

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

3. Significant Accounting Policies

The accounting policies applied in the condensed financial statements of Financiera de Desarrollo Territorial S.A. - FINDETER are the same as those applied in the financial statements as of December 31, 2020.

4. Relevant Facts

The financial results as of June 30, 2021, were not influenced by the evolution of the COVID 19 pandemic. They were, however, affected by situations in both the national and international economic environment.

During the first quarter, a considerable movement in US treasuries was observed, which began in February, generating considerable devaluations in the Colombian public debt. This behavior was then reflected in higher rates of the fixed TES curves and UVR, especially in the long-term nodes. This resulted in losses for Findeter's own portfolio and the portfolio managed through the agency agreement signed with the National Guarantees Fund, as both have considerable shares of TES in their composition. Additionally, internal factors such as the terms in which the tax reform would come out contributed to generating greater uncertainty in the local market, thus affecting the public debt.

On the other hand, during the second quarter, there were events that impacted the banking business. First, the loss of investment grade in Colombia was confirmed as a result of the reduction of the sovereign rating by Standard & Poors and Fitch Ratings, which affected Findeter's own portfolio and the portfolio managed through the agency agreement signed with the National Guarantees Fund as a result of new devaluations registered in the TES curve. In this regard, it is worthwhile to mention that this impact was observed in all companies with exposure to public debt through investment portfolios and was not an isolated event affecting only Findeter.

Second, an unexpected increase in the CPI was observed as a result of the social situation experienced in Colombia during May, causing an increase in the index and thus affecting the entity's rate GAP.

5. Going Concern

The financial statements were prepared under the going concern assumption. It was determined that there is no uncertainty about facts, events or conditions that could raise significant doubt about the possibility that Findeter will continue to operate normally during the next 12 months.

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 June 30, 2021, no judgments or critical estimates were identified, which indicates that no changes occurred with respect to December 31, 2020.

7. Operating Segments

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. For the reporting period, the same segments as in the last annual financial statements as of December 31, 2020, are defined.

The following figures correspond to revenue and expenses by segment for the half years and quarters ended June 30, 2021 and 2020:

Thousands of pesos
Reported Segment

	FINANCIAL SERVICES		TECHNICAL ASSISTANCE			
	For the half-years ended					
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Net revenue						
Interest on loan portfolio	243,288,595	326,880,610	-	-	243,288,595	326,880,610
Net revenue from investment valuation	4,260,356	7,745,362	-	-	4,260,356	7,745,362
Net investment interest at amortized cost	1,293,065	1,103,853	-	-	1,293,065	1,103,853
Net derivative valuation gain and loss	146,958,536	206,678,377	-	-	146,958,536	206,678,377
Operating expenses						
Financial expenses	(171,503,558)	(243,686,718)	-	-	(171,503,558)	(243,686,718)
Net exchange difference gain and loss	(158,501,424)	(223,936,768)	-	-	(158,501,424)	(223,936,768)
Net financial margin	65,795,569	74,784,716	-	-	65,795,569	74,784,716
Net loan impairment portfolio	(3,266,623)	(6,584,614)	-	-	(3,266,623)	(6,584,614)
Net accounts receivable impairment	-	-	(598,567)	-	(598,567)	-
Net financial margin after impairment	62,528,946	68,200,102	(598,567)	-	61,930,379	68,200,102
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	37,540,546	32,322,335	37,540,546	32,322,335
Commissions and other services revenue	4,498,783	5,742,552	-	-	4,498,783	5,742,552
Commissions and other services expenses	(4,035,302)	(3,024,187)	(74,384)	(57,112)	(4,109,686)	(3,081,299)
Net revenue and expenses from commissions and other services	463,481	2,718,364	37,466,162	32,265,223	37,929,643	34,983,588
Other revenue and expenses						
Other revenue	11,271,125	6,276,807	-	-	11,271,125	6,276,807
Other expenses	(47,710,124)	(40,166,630)	(27,211,037)	(31,633,587)	(74,921,161)	(71,800,217)
Net other revenue	(36,438,999)	(33,889,822)	(27,211,037)	(31,633,587)	(63,650,036)	(65,523,410)
Earnings before income tax	26,553,428	37,028,644	9,656,557	631,636	36,209,986	37,660,280
Income tax expense	(10,904,251)	(22,188,547)	(3,965,496)	(378,493)	(14,869,747)	(22,567,040)
Net income	15,649,178	14,840,097	5,691,061	253,143	21,340,239	15,093,240

	FINANCIAL SERVICES		TOTAL TECHNICAL ASSISTANCE			
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Assets	11,577,227,114	11,706,080,710	69,971,798	67,256,415	11,647,198,912	11,773,337,125
Liabilities	10,378,763,509	10,530,083,411	28,078,140	20,137,791	10,406,841,648	10,550,221,202

Thousands of pesos
Reported Segment

	FINANCIAL SERVICE TECHNICAL ASSISTANCE					
	For the quarters ended					
	April 1 to June 30, 2021	April 1 to June 30, 2021	April 1 to June 30, 2021	April 1 to June 30, 2021	April 1 to June 30, 2021	April 1 to June 30, 2021
Net revenue						
Interest on loan portfolio	121,921,786	163,750,335	- -	121,921,786	163,750,335	
Net revenue from investment valuation	4,866,230	3,610,571	- -	4,866,230	3,610,571	
Net investment interest at amortized cost	750,278	554,307	- -	750,278	554,307	
Net derivative valuation gain and loss	31,212,418	(148,444,240)	- -	31,212,418	(148,444,240)	
Operating expenses						
Financial expenses	(83,288,440)	(121,403,109)	- -	(83,288,440)	(121,403,109)	
Net exchange difference gain and loss	(33,997,554)	138,791,803	- -	(33,997,554)	138,791,803	
Net financial margin	41,464,718	36,859,668	- -	41,464,719	36,859,668	
Net loan impairment portfolio	(2,177,045)	(4,565,754)	- -	(2,177,045)	(4,565,754)	
Net accounts receivable impairment	-	-	(598,567)	(598,567)	-	
Net financial margin after impairment	39,287,673	32,293,915	(598,567)	38,689,107	32,293,914	
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	17,470,179	17,645,026	17,470,179	17,645,026
Commissions and other services revenue	2,144,147	2,495,233	- -	2,144,147	2,495,233	
Commissions and other services expenses	(1,247,605)	(2,101,230)	(44,251)	(24,666)	(1,291,856)	(2,125,896)
Net revenue and expenses from commissions and other services	896,542	394,004	17,425,927	17,620,360	18,322,470	18,014,363
Other revenue and expenses						
Other revenue	6,693,796	4,535,762	- -	6,693,796	4,535,762	
Other expenses	(23,499,076)	(20,916,400)	(13,917,665)	(15,263,379)	(37,416,742)	(36,179,779)
Net other revenue	(16,805,280)	(16,380,638)	(13,917,665)	(15,263,379)	(30,722,945)	(31,644,017)
Earnings before income tax	23,378,935	16,307,280	2,909,695	2,356,981	26,288,630	18,664,261
Income tax expense	(7,009,425)	2,002,982	(872,379)	289,502	(7,881,804)	2,292,484
Net income	16,369,510	18,310,261	2,037,316	2,646,483	18,406,826	20,956,744

8. Seasonality or cyclical nature of the period transactions

Findeter does not show any seasonality in its operations, the transactions were carried out homogeneously during the reporting period.

9. 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 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 (PRECIA) 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 I-1 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:

Financial assets and liabilities	Fair value June 30, 2021	Hierarchy level			Fair value December 31, 2020	Hierarchy level		
		1	2	3		1	2	3
Cash equivalents (interbank)	\$ 40.202.961		\$ 40.202.961		\$ 47.004.543		\$ 47.004.543	
Negotiable investments								
Debt securities other financial entities	\$ 86.746.458 -		86.746.458	-	70.516.633 -		70.516.633	-
Government debt securities	273.412.833	273.412.833	-	-	170.502.005	170.502.005	-	-
Private Equity Fund- Ashmore	45.130.239 -		-	45.130.239	42.085.661 -		-	42.085.661
Collective investment funds	18.400.361 -		18.400.361	-	18.408.324 -		18.405.576	-
Available for sale								
shares	25.993.564 -		25.993.564	-	30.344.313 -		30.344.313	-
Future contracts	59.880		59.880	-				-
Currency forward	79.416.293 -		79.416.293	-	615.188 -		615.188	-
Total liabilities	569.362.588	273.412.833	250.819.517	45.130.239	379.476.667	170.502.005	166.886.253	42.085.661
Liabilities								
Future contracts	35.650 -		35.650	-				-
Currency forward	625.661 -		625.661	-	58.361.272 -		58.361.272	-
Total liabilities	\$ 661.311 -		661.311	-	58.361.272 -		58.361.272	-

To establish the disclosure values of the Private Capital Fund as Level 3 Assets, the historical series of the investment position of the last 20 months was determined, as well as the Value at risk for each of the months and reported to the SFC. The results were as follows:

Year	Month	Position Value	Max. Var.
2019	November	52,416,386	7,705,209
2019	December	61,938,007	9,104,887
2020	January	62,140,980	9,134,724
2020	February	61,945,818	9,106,035
2020	March	61,571,143	9,050,958
2020	April	60,798,252	8,937,343
2020	May	61,006,830	8,968,004
2020	June	49,337,750	7,252,649

2020	July	55,314,386	8,131,215
2020	August	56,183,549	8,258,982
2020	September	57,898,861	8,511,133
2020	October	57,335,698	8,428,348
2020	November	57,898,661	8,511,103
2020	December	42,085,661	6,186,592
2021	January	42,085,661	6,186,592
2021	February	42,886,929	6,304,379
2021	March	43,436,087	6,385,105
2021	April	43,845,575	6,445,300
2021	May	44,448,053	6,533,864
2021	June	45,130,239	6,634,145
	Average	50,462,120	7,417,932

Standard Deviation 1,162,751

The VAR of the position is taken because it is a risk measure and is filtered by its calculation methodology.

Based on the above statements, the mean deviation of the data series is calculated, yielding a value of \$1,062,751, which means that the means of the average have an average gap for that value, the possible loss of the average is also stressed.

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

Potential impact on negative hypothesis results (Loss) =

$$7,788,828 + 1,162,751 = 8,951,579$$

To measure the potential Impact on the Positive Hypothesis Account, the average of the active position in the series is taken and multiplied by the value of the active rate of the on-loan portfolio for the final month of the calculation June 2021 5.36% effective annual rate, producing as the most favorable result a yield of \$2,840,008.

As of June 30, 2021, Findeter registers an investment in the Ashmore Colombia Infrastructure Fund, for \$45,130,239, a figure that is equivalent to having a 12.86% interest and 233,821.18 units on the total of the Fund. Generating an increase of \$3,044,577 compared to December 31, 2020.

Ashmore Private Equity Fund- investment	Saldo
June 30, 2021	\$ 45,130,239
December 31, 2020	42,085,661
Variation	\$ 3,044,577

As of June 30, 2021, the private equity fund generated a net valuation profit of \$3,044,577.

Ashmore Private Equity Fund	June 30, 2021	December 31, 2020
Valuation Income	3,086,802	19,960,292
Valuation Expense	42,224	24,040,650
Net Valuation	3,044,577	(4,080,358)

The Fund's valuation is reported by an independent third party in accordance with the provisions of the Fund's regulations. The valuation variables are presented in the following table:

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

<p>Contingent Consideration</p>	<p>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.</p>	<p>The main unobservable significant information corresponds to:</p> <ol style="list-style-type: none"> 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. <p>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.</p>	<p>The estimated unit value can increase or decrease if:</p> <ol style="list-style-type: none"> 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.
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Financial assets and financial liabilities measured at fair value did not present value hierarchy transfers as of June 30, 2021, compared to December 31, 2020.

- ii. **Non-recurring fair value measurements:** As of June 30, 2021, there are assets or liabilities measured at fair value determined on non-recurring bases.

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, financial assets for investment in securities at amortized cost, 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:

June 30, 2021		December 31, 2020		Hierarchy
Carrying value	Carrying value	Carrying value	Carrying value	Level

Assets

Net loan portfolio and finance lease transactions	\$	10,127,886,898	10,496,804,647	10,024,994,463	10,260,776,068	2
Investment financial assets *		29,260,311	30,217,123	29,294,369	30,254,318	3
Total financial assets		10,157,147,209	10,527,021,770	10,054,288,832	10,291,030,386	
Liabilities						
Certificates of deposit		6,564,040,411	6,760,577,089	6,776,680,932	6,799,352,150	2
Outstanding investment securities		1,609,824,635	1,722,249,725	1,571,958,773	1,621,055,707	2
Financial obligations		2,153,877,616	2,144,438,470	2,046,669,107	2,028,788,826	3
Total liabilities	\$	10,327,742,662	10,627,265,284	10,395,308,812	10,449,196,683	

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

10. Cash and Cash Equivalents

The table below corresponds to the Bank ratings of the financial institutions where Findeter has balance of cash and cash equivalents, as of June 30, 2021, and December 31, 2020.

BANK	RISK RATING	JUNE 30, 2021	DECEMBER 31, 2020
Banco de Bogotá S.A.	AAA	\$ 8,631,646	4,684,884
Banco Popular S.A.	AAA	20,300,922	217,142,627
Bancolombia S.A.	AAA	40,290,271	8,556,850
Banco gnb Sudameris	AA+	260,011,820	266,778,775
BBVA Colombia S.A.	AAA	14,359,347	326,188,283
Banco Santander S.A.	AAA	32,208,022	27,056,520
Banco Itau S.A.	AAA	155,164,548	169,670,961
Banco de occidente S.A.	AAA	64,887,471	132,427
Davivienda S.A.	AAA	4,149,491	2,854,842
Colombian Central Bank	Country risk	37,934,967	30,520,169
Banks Foreign Currency	No rating	81,949,193	75,095,048
Petty cash	No rating	23,835	25,014
Interbank (1)	AAA	40,202,961	47,004,543
Restricted Cash (2)	No rating	6,657,731	4,959,850
		\$766,772,225	1,180,670,793

The variation of \$413,898,568 is due to the natural development of the entity's operations, mainly the resources kept in the accounts of the banks BBVA and Banco Popular.

There is no restriction on its availability, there is a pledge on the resources of the Colombian Central Bank for \$37,934,967. See Note 30, section 1, Commitments and Contingencies - Counter-guarantees, for the detail of the pledges.

- (1) As of June 30, 2021, and December 31, 2020, interbank funds were classified as cash equivalents, for \$40,202,961 y \$47,004,543, which have a maturity between 1 and 30 days according to policy.

Information as of June 30, 2021

Entity	Amount	Rate	Maturity	Rating	Rating Agency
Corficolombiana	20,200,961	1.71%	1/07/2021	AAA	Standard and Poors and Fitch Ratings Colombia
Banco Falabella	20,002,000	1.80%	1/07/2021	AAA	Standard and Poors and Fitch Ratings Colombia

Information as of December 31, 2020

Entity	Amount	Rate	Maturity	Rating	Rating Agency
Corficolombiana	47,004,543	1.74%	04/01/2021	AAA	Standard and Poors y Fitch Ratings Colombia

- (2) Corresponds to cash balances as of June 30, 2021, and December 31, 2021, recorded in the Agency Agreement with the National Guarantees Fund \$4,615,384 and \$4,694,457, and Pre-investment Fund \$2,042,347 and \$265,393, respectively, for a total of \$6,657,731 and \$4,959,850.

The cash and equivalents of these funds are restricted, given that they have exclusive allocations, as is the case of the Agency Agreement with 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.

As of June 30, 2021, there are 7 conciliatory items that add up to \$560, as of December 31, 2020 there were no conciliatory items.

11. Investment Financial Assets and Derivatives

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 June 30, 2021, and December 31, 2020:

Issuer	June 30, 2021	Rating
Fondo Nacional de Garantías S.A.	25,993,364	AAA
Colombian Central Bank	88,118,175	COUNTRY RISK
Banco BBVA	1,533,655	AAA

Securitization Col. TIPS	2,010,863	AAA
Banco de Bogotá	26,356,700	AAA
Banco Corpbanca	10,020,150	AAA
Banco Popular S.A.	5,199,000	AAA
Bancolombia	17,040,575	AAA
Compañía Energética del Tolima S.A. ESP.	100	NO RATING
Davivienda S.A.	17,569,345	AAA
Ecopetrol S.A.	100	AAA
Infrastructure Fund Colombia Ashmore -FCP	45,130,239	NO RATING
Open Collective Investment Fund Fidubogota	18,400,361	AAA
Ministry of Finance and Public Credit	185,294,658	COUNTRY RISK
Corficolombiana	7,016,170	AAA
Forward transactions	79,416,293	AAA
Futures transactions	59,880	AA+
Titularizadora Colombiana S.A.	29,260,311	AAA
	558,419,939	

* The counterparties with which Findeter has constituted the Forward transactions are: (Banco BBVA, Banco Colpatria, Corpbanca, Davivienda, Bogota, Occidente, Popular, Bancolombia and Corficolombiana). And futures transactions with associate Brokers.

Issuer	December 31, 2020	Rating
Fondo Nacional de Garantías S.A.	30,344,113	AAA
Colombian Central Bank	82,088,571	COUNTRY RISK
Banco BBVA	6,147,975	AAA
Securitization Col. TIPS N-16	2,572,473	AAA
Banco de Bogotá	19,059,291	AAA
Banco Popular S.A.	8,346,940	AAA
Bancolombia	19,170,130	AAA
Compañía Energética del Tolima S.A. ESP.	100	NO RATING
Davivienda S.A.	15,219,825	AAA
Ecopetrol S.A.	100	AAA
Infrastructure Fund Colombia Ashmore -FCP	42,085,661	NO RATING
Open Collective Investment Fund Fidubogota	18,408,324	AAA
Ministry of Finance and Public Credit	88,413,434	COUNTRY RISK
Forward transactions	615,188	AAA
Titularizadora Colombiana S.A.	29,291,620	AAA
	\$ 361,763,745	

The variation of the investment portfolio of \$196,656,194, between June 30, 2021, and December 31, 2020, corresponds to investments in negotiable securities as a diversification strategy and alternatives for the entity's generation of income.

Findeter's portfolio of investments is classified into negotiable investments for a total of \$360,159,291, investments at maturity for \$ 92,790,911, and \$25,993,564 as available for sale. Currently, there is no restriction on Findeter's portfolio.

In cases without rating, the counterparty does not have a rating issued by any of the firms authorized by the Financial Superintendence of Colombia.

12. Loan Portfolio and Finance Lease Transactions

The financial assets account by loan portfolio in the balance sheet is shown classified by commercial, housing and consumer portfolio, considering that this classification is adopted by the Financial Superintendence in the Unified Financial Information Catalog "CUIF". Portfolio balances are presented according to the modalities in the following classification detail:

	June 30, 2021	December 31, 2020
Ordinary loans	\$9,240,798,903	9,614,615,335
Direct loans (*)	\$882,696,146	407,040,945
Housing portfolio (employees and former employees)	51,703,118	44,956,735
Employee loans (consumer)	3,699,708	3,556,154
Former employee loans (consumer)	601,169	724,022
Interest receivable	22,317,211	24,764,007
Subtotal	10,201,816,255	10,095,657,198
Impairment (1)	73,929,357	(70,662,734)
Total	\$10,127,886,898	10,024,994,463

(*) The increase of \$475,655,201 corresponds to the disbursements made of the new direct lines of credit, implemented by the entity, offered to territorial entities, public utilities, among others.

Impairment portfolio balance	June 30, 2021	June 30, 2020
Impairment initial balance	\$ 70,662,734	58,163,413
Principal recoveries	(4,424,599)	(967,635)
Principal charges	7,529,207	7,702,251

Interest recoveries	(64,465)	(176,035)
Interest charges	226,480	26,033
Impairment final balance	\$ 73,929,357	64,748,027

The increase in the impairment of the loan portfolio is mainly due to its net increase, which between the periods compared was \$61,240,318, recognized by the entity according to the impairment model applied.

13. Income Tax

Income tax expense is recognized based on management's best estimate of both current income tax and deferred income tax.

The effective tax rate of Findeter S.A., regarding ongoing operations for the quarter ended June 30, 2021, was 29.98%. For the quarter ended June 30, 2020, an income tax net income of \$2,293 million is presented as a consequence of the difference in rates in the recognition of deferred taxes on the unrealized exchange difference in foreign loans, as well as the application of the tax discount for the industry and trade tax.

The effective tax rate of Findeter S.A. with respect to the going concern for the six-month period ended June 30, 2021, was 41.07% (Six-month period ended June 30, 2020, 59.92%). The decrease in the effective rate of 18.86 percentage points is mainly caused by the following:

- ✓ As of June 2021, a recovery of the 2020 income tax provision has been recorded, which represents a decrease in the effective rate of 14.10 percentage points.

As of June 2020, a higher income expense of \$10,498 was recorded caused by the effect of the difference in rates in the measurement of deferred tax due to the unrealized exchange difference in foreign loans. As of June 2021, the effect is \$8,406. This situation represents a decrease in the effective rate of 4.47 percentage points.

14. Property and Equipment, Intangibles and Other Assets

Below is the movement of property, plant, and equipment.

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

15. Net Right-of-Use Assets

The movements of Findeter's right-of-use assets and the lease liabilities for the 2021 term is presented below:

Movement of right-of-use assets	June 30, 2021	December 31, 2020
Right-of-use assets -Buildings	\$ 1,928,469	2,123,498
Right-of-use adjustment	(19,739)	1,362,868
Linear depreciation right-of-use	(796,893)	(1,557,897)
Right-of-use balance	\$ 1,111,837	1,928,469
Movement of Lease Liabilities	June 30, 2021	December 31, 2020
Lease liabilities	\$ 2,004,006	1,981,012
Capital payment liabilities	(817,450)	(1,091,435)
Interest payment liabilities	(48,300)	(248,439)
Lease liability adjustment	26,105	1,362,868
Lease liability balance	\$ 1,164,361	2,004,006

16. Net intangible assets

Below is the movement of the cost of intangible assets as of June 30, 2021:

	December 31, 2020	Acquisition/ Additions	Amortization through expense	Balance as of June 2021
Computer programs and applications	\$ 1,997,831	263,102	703,982	\$ 1,556,951
Net intangible assets	\$ 1,997,831	263,102	703,982	\$ 1,556,951

17. Net other assets

Below is the detail of other assets as of June 30, 2021:

	December 31, 2020	Acquisition/ Additions	Amortization through expense	Balance as of March 2021
Insurance	\$ 2,426,653	21,136	1,696,188	\$ 751,601
Net other assets	\$ 2,426,653	21,136	1,696,188	\$ 751,601

The total expense for other assets amounts to \$1,732,373, of which \$1,696,188 corresponds to amortization and \$36,185 to payments attributed directly to the expense due to the nature of the item.

18. Derivative financial instruments measured at fair value

The derivative financial instruments liabilities, as of June 30, 2021, and December 31, 2020, were \$661,311 and \$58,361,272 respectively, decreasing by (\$57,699,961), since the balance of derivative liabilities as of June 30, 2021, amounted to USD \$18,187,582, while in December 2020 it was recorded at USD \$442,053,750, indicating that GAAP derivatives effectiveness is in a winning position.

19. Financial Guarantees

Below is the movement of financial guarantees:

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

Financial guarantees presented a decrease of \$4,861,677; the variation corresponds to the following movements:

- The coverage of the technical estimate of the National Guarantees Fund, on the loans granted called low-income housing, decreased by \$1,987,183, 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 bond credits, which covers the possible loss of the credits granted by the financial intermediaries to the creditor territorial entities, generated a recovery for \$2,874,494, according to the analysis of the possible accident rate, adjusting the risk curve of the bonds.

The guarantee granted expires in July 2028.

20. Provisions

The following is the movement of provisions:

	Legal processes, fines, sanctions, and compensation (1)
Balance as of December 31, 2020	6,835,965
Refund	(3,231,803)
Balance as of June 30, 2021	3,604,162

- (1) Provisions for legal processes correspond to: 1 labor process; for which it is not possible to determine a disbursement schedule due to the instance. As of the end of the quarter, there are 123 processes against Findeter, of which according to the instance and the provisioning policy, 1 process has been provisioned, for a total of \$2,052,638, classified as probable according to IAS 37, which decreased \$3,231,802 with respect to the balance registered as of December 31, 2020, caused by the recalculation of the claims of judicial processes which generated the recovery.

The remaining \$1,551,524 correspond to the balance payable of social security contributions on court judgments paid between November and December 2020.

21. Shareholders' Equity

Share capital

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

	<u>Jun-21</u>	<u>Dec-20</u>
Number of subscribed and paid-in shares	\$ 10,846,707	10,777,418
Subscribed and paid-in capital	1,084,670,700	1,077,741,800
Dividends declared	1,148	144
	\$ 1,084,671,848	1,077,741,944

The general shareholders' meeting of March 25, 2021, approved the surplus application project, which ordered a capitalization for a value of \$6,929,904. The legal process took effect in May 2021. Findeter has not issued preferred shares.

FINANCIAL SURPLUSES APPLICATION	
I. SURPLUS FINANCIAL YEAR 2020	(\$)
TOTAL INCOME.	2.577.813.506
TOTAL EXPENSES.	2.547.261.559
Provision for income taxes and complementary.	22.921.513
TOTAL NET INCOME FOR THE YEAR.	7.630.433
APPLICATION PROJECT:	
1. Legal reserve.	763.043
2020 SURPLUS BALANCE TO BE ALLOCATED	6.867.390
II. OCCASIONAL RESERVATIONS	
<i>(According to the Code of Commerce, the Shareholders' Meeting is responsible for reallocating the occasional reserves already constituted)</i>	
OCCASIONAL RESERVES COMMITTED	
) Education compensated rate	2.192.068
) Compensated rate fiscal remediation adjustment line	5.210.242
) Committed earnings from previous years.	34.117
) Technical assistance	679.841
) Pre-investment Reserve	15.000.000
BALANCE OF OCCASIONAL RESERVES AS OF 2020	23.116.268
USE OF OCCASIONAL RESERVES IN THE YEAR 2020	
) Value used in Fiscal Remediation Compensated Rate	62.514
) Value used in Technical Assistance	0
TOTAL	62.514
The General Shareholders' Meeting should proceed with the following:	
1) Capitalization of 2020 Surpluses in the amount of:	6.867.390
) Capitalization of Occasional Reserves used in 2020.	62.514
TOTAL APPLICATION OF SURPLUSES AND MOVEMENT OF RESERVES	6.929.904

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.”

22. Portfolio income

As of June 30, 2021 and 2020, the income balances derived from the loan portfolio were \$243,288,595 and \$326,880,610, respectively, presenting a variation of (\$83,592,015), which is caused by a decrease of 95 basis points in the average placement rate, from 6.24% in 2020 to 5.30% in 2021.

23. Income from investment valuation and investment interest at amortized cost, net

As of June 30, 2021 and 2020, the investment valuation balance was \$5,553,421 and \$8,849,215, respectively, evidencing a decrease in earnings of (\$3,295,794), mainly due to the devaluation of the portfolio of debt instruments, derived from the behavior of the yield curves of the TES, CDT and bonds.

24. Financial expenses for interest from certificates of deposit and investment securities outstanding

As of June 30, 2021 and 2020, the balance of financial expenses for interest on certificates of deposit and investment securities outstanding was \$150,076,463 and \$211,990,849, respectively, evidencing a decrease of \$61,914,386, generated mainly due to the decrease in the accrual of interest on the certificate of deposit for \$55,575,781 due to the variation of the liability by (\$212,640,521); on the other hand, the accrual of interest on the bonds issued decreased by (\$6,338,605), caused by the decrease of 219 basis points in the CPI.

25. Interest on financial obligations

As of June 30, 2021, and June 30, 2020, the balances of interest on financial obligations were \$21,427,095 and \$31,695,869 respectively, decreasing the expense by (\$10,268,774) as a result of a variation in favor of Findeter, from interest rates on IDB loans, which were at an average variable rate of 2.11%, leaving a new average fixed rate of 1.56%, resulting from the negotiation carried out by Findeter with the multilateral bank in October 2020.

26. Exchange difference loss

As of June 30, 2021 and 2020, the balance of the exchange difference loss was (\$158,501,424) and (\$223,936,768), respectively, mainly generated by the decrease in the expense of the restatement of financial obligations, due to the decrease of \$89,246,117 in the balance of the liability owed.

27. Net income from valuation of derivatives

As of June 30, 2021 and 2020, the balance of income from valuation of derivatives was \$146,958,536 and \$206,678,377, respectively, this variation is due to the decrease in the balance of forward transactions that for 2020 amounted to USD \$511,600,000 compared to USD \$499,451,000 as of June 30, 2021, generating a lower valuation income.

28. Income from technical assistance, commissions and other services

As of June 30, 2021 and 2020, income recognized for technical assistance, commissions and other services, presented a variation of \$3,974,442, from \$38,064,887 to \$42,039,329, which is detailed below according to the service provided :

TECHNICAL ASSISTANCE	As of June 30, 2021	As of June 30, 2020
Housing (1)	\$ 15,708,496	11,629,455
Waters	5,946,010	7,299,137
Infrastructure (1)	12,818,293	9,821,175
Consulting	705,647	359,138
Investment banking	2,362,099	3,213,430
	\$ 37,540,546	32,322,335

	As of June 30, 2021	As of June 30, 2020
Guarantees on Water Bonds	\$ 1,802,661	2,018,785
National Guarantees Fund Commissions	240,244	487,820
Commissions availability	2,450,794	3,225,974
Insfopal commission	5,083	9,974
	\$ 4,498,783	5,742,552
	\$ 42,039,329	38,064,887

- (1) The increase in income in the housing and infrastructure programs corresponds to the execution of the agreement SAIPRO 9677-127-2021 signed in January 2021, the object of which is to rebuild the homes on the island of San Andrés and Providencia.

29. Other income and other expenses

As of June 30, 2021 and 2020, other income recorded a balance of \$11,271,125 and 6,276,807, respectively, increasing by \$4,994,318, mainly generated by the recovery of provisions for legal proceedings for \$3,231,802, according to note 20.

Other expenses, presented an increase of \$3,120,944, caused mainly by the increase of the following items: personnel expenses for \$952,970, taxes other than income tax for \$712,406, expenses for maintenance of technological platforms for \$960,437, insurance for \$426,892, and others amounting to \$68,239.

30. Commitments and Contingencies

Commitments and contingencies correspond to:

	June 30, 2021	December 31, 2020
IDB loan pledge (1)	\$ 37,934,965	30,520,169
Due to litigations (claims) (2)	82,828,577	85,255,498
Approved and undisbursed loans (3)	2,099,329,825	578,170,040
Interest on suspended loans (4)	1,190,615	1,123,721
	\$ 2,221,283,982	695,069,428

(1) IDB loan pledge

Findeter signed Loan Agreements with the IDB 1967 of 2008, 2314 of 2010, 2768 of 2012, 3392 of 2015, 3596 of 2016 and 3842 of 2019, 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 120% of the value of the semi-annual service of the debt of the Loan Agreement.

CUD account balance 30-Jun-21	Amount to cover COP 30-Jun-21	Coverage 120%
37,934,965	31,407,366	120.78%

- (2) Corresponds to the claims of the legal processes filed against Findeter, which as of June 30, 2021, add up to 123 processes, including labor and administrative processes qualified with medium and low risk, revealed with the value of the plaintiffs' indexed claims, which effectively supports the possible contingency.
- (3) The commitments from the approved credits not disbursed are the product of contracts with customers. In this sense, we determined that the outstanding balances of unused loan 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 different financial institutions that have not been disbursed by Findeter:

Banking entity	Mar-21	Mar-20
Bancolombia S.A.	\$ 306,061,222	455,584,887
Approved Direct Loans	1,793,268,603	122,585,153
	\$ 2,099,329,825	578,170,040

Regarding the variation in approved undisbursed loans, as of December 2020 direct loans were just started to be disbursed, only the direct credit line was active for public service companies, whose pending disbursement approvals totaled \$122,585,153. During the first half of 2021, the direct credit line of reactivation Colombia section II is activated towards territorial entities, for which the approvals as of June 30, 2021, total \$1,793,268,603.

- (4) Suspended Interest: They correspond to interest on loans granted to former employees of Findeter, who have not serviced the debt on the obligations acquired. To date, there are 17 loans generating this interest, 10 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 is executing an understanding process, for the recognition of this operation, requesting the Ministry of Finance and Public Credit to determine the procedure for this disbursement. As of June 30, 2021, we have not received any response.

31. Transactions with related parties

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.

Currently, Findeter has no registered operations with the largest shareholder, Grupo Bicentenario S.A.S.

Findeter has the following transactions with related parties:

1. The following sums were paid to Board members for attending Board and Committee meetings and to Findeter's key personnel:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Board Member Fees	\$ 455,030	213,306
Key Management Personnel Remuneration	\$ 5,229,709	5,032,848

2. As of June 30, 2021, and December 31, 2020, Findeter recorded balances of the loan portfolio with Findeter's key management personnel, as detailed below:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Loan portfolio	\$ 2,843,092	770,610

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

32. Events After the Reporting Period

From June 30, 2021, to August 13, 2021, the date of the opinion of KPMG's tax auditors, there are no events that had an impact on the interim financial statements that should be disclosed

or that could affect Findeter's financial position or prospects or question its continuity as a going concern.