

$$1 + 1 = 10$$

We are the vehicle through  
which God performs miracles



**Finsocial**  
Foundation

Management Report

**2020**



## Management Report

# 2020

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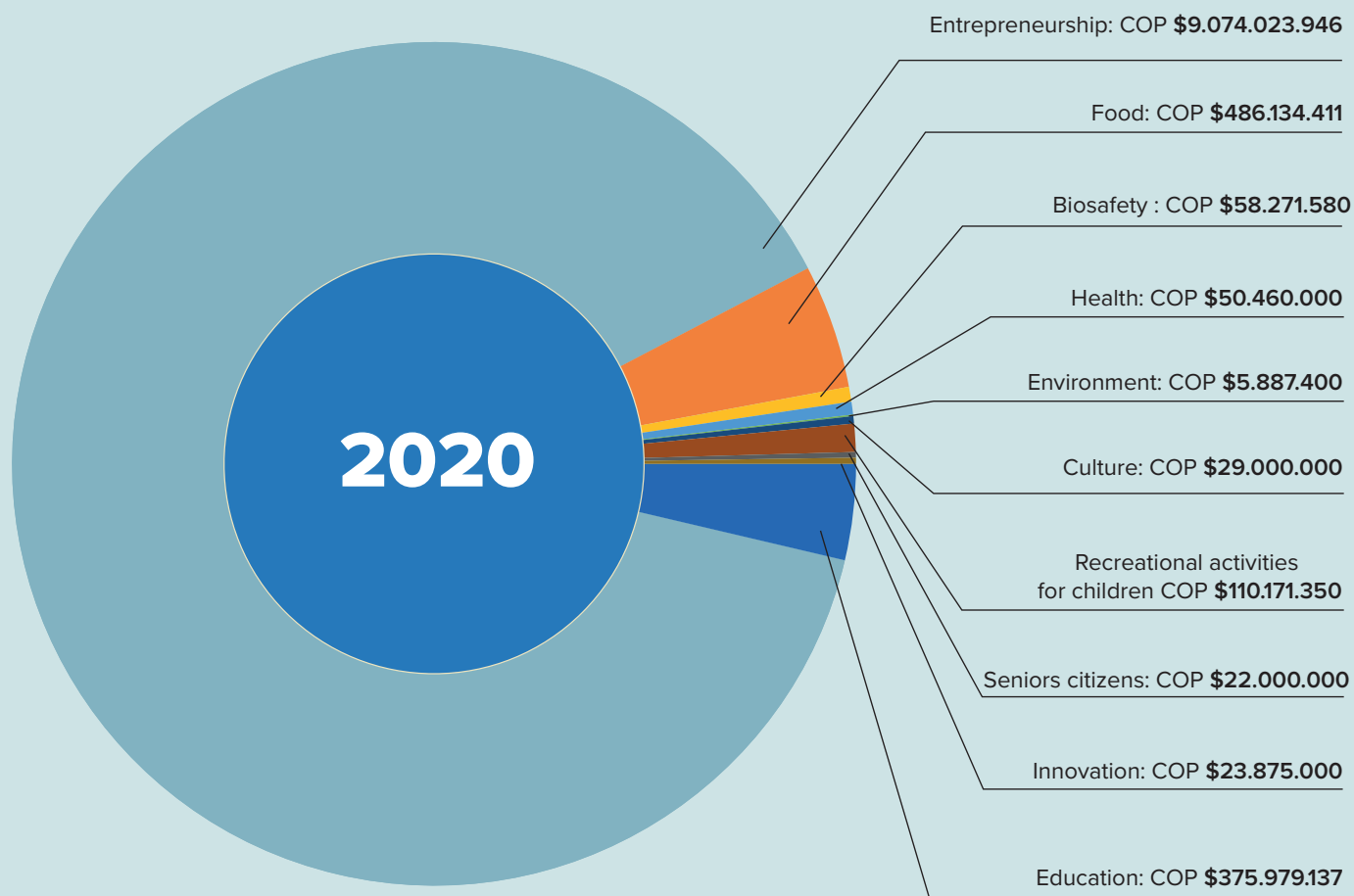
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# Our 2020 Management Results



In 2020 we aided and supported a total of:

**336.085**  
people



Total investment:

**COP \$10.263 Million**





1

# About the Finsocial Foundation

Words from our director

Who we are

Our values

Corporate governance

Our team

What moves us

## Words from Our Director

---

As I began this extraordinary journey of serving and helping others, I never imagined the impact that this project would have on the lives of so many people. Although everything was born from a dream of giving perhaps a small ray of hope to the most vulnerable Colombian families, today, with great joy and happiness, I can say that our achievements remarkably exceed our expectations. This is due to our team's effort, passion and dedication, working hard to achieve each of the proposed objectives.

Certainly, in 2020 we had to redouble our efforts to continue fulfilling our mission. It was during the most difficult point of this pandemic that I became aware of something that marked my life: you find the greatest satisfaction using your efforts and dedication to relief the pain of others, particularly those who suffer the most or more severely during the storm. It is a feeling that floods our soul with such great joy and inner peace that, paradoxically, the benefit is greater in those who serve than in those who are helped. In other words, I understood how the sacred cycle of giving and receiving works: everything one gives unconditionally comes back in magnified accumulations of harmony.

For this reason, I am infinitely grateful to life for allowing me to be in charge of the Finsocial Foundation, because through the Foundation we have been able to contribute to the construction of transformative programs that provide well-being and improve the quality of life of thousands of human beings who have been on the verge of losing everything. I am certain that we have not only provided them with tools to create a better future, but have also sown in their hearts a solid sense of dignity, self-worth, empathy, resilience and, of course, service.

I admit that my greatest treasure is the smile, gratitude, love and joy that stems from all those children, young men and women, seniors citizens, mothers head of household, and small business owners to whom we have been able to help. Something that not even all the gold in the world can buy.



I hope that this Management Report can give you a glimpse of this path of service, love and dedication that we have carved out in recent years. I am heartily thankful for being allowed to be part of this dream and feel absolute fulfillment for giving my life to this, which is my life.

  
María Claudia García Navarro  
**Finsocial Foundation Director**







# About the Finsocial Foundation

## Who We Are

The Finsocial Foundation was born in 2019 as a non-profit organization that seeks to improve the quality of life of children, young people, mother entrepreneurs, teachers and pensioners through financial education programs with great social impact.

It is the dream come true of more than 600 employees of our main ally Finsocial, a technological finance company that works for financial inclusion in Colombia by providing credit solutions to those who have traditionally been excluded from the conventional banking system. This partnership is the result of the promise of value that unites both organizations: to serve others.



## Mission

The Finsocial Foundation's mission is to structure, develop and execute social and financial education projects in order to provide comprehensive tools to children, teenagers, women entrepreneurs, public sector teachers and pensioners so that they become self-sufficient, capable of transforming their lives, and agents of change in society.



## Vision

By 2026, the Finsocial Foundation sees itself as a leading and benchmark organization in financial education and social progress, standing out for its proactive and innovative attitude nationally and internationally; breaking barriers of inequality, giving people the possibility of having a better life through entrepreneurship, innovation and sustainability.

# Our Values

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# Corporate Governance

---

## Board of Founders

María Claudia García Navarro  
Raúl Santiago Botero Jaramillo

## Board of Directors

*The Board of Directors consists of two dependent  
and three independent members:*

María Claudia García Navarro  
Raúl Santiago Botero Jaramillo  
Yamid Ahmad Serna  
Pablo Andrés Lipnizky  
Andrés Darío Fernández Acosta

## Impact and Social Responsibility Committee:

María Claudia García Navarro  
Pablo Andrés Lipnizky  
Andrés Darío Fernández Acosta

## Contributions and Donations Committee

María Claudia García Navarro  
Andrés Darío Fernández Acosta  
Yamid Ahmad Serna

## Pedagogical Committee

María Claudia García Navarro  
Yamid Ahmad Serna  
Pablo Andrés Lipnizky

# Our Team



**María Claudia García Navarro**

Finsocial Foundation Director



**Miriam Carranza De Moya**

Social Management Director



**Ana María Trespalacios Diazgranados**

Project Directors



**Ligia Donado Zúñiga**

Ahorra y Siempre Program  
Executive Director



**Virginia Daza Daza**

Administrative Director



**Lorena Heras Caballero**

Psychologist



**Ornella Piscioti Prado**

Project Coordinator



**Leicy Escobar Martínez**

Accounting Administrative Assistant

# What Moves US

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Two years ago, we started this dream by focusing on a fundamental pillar: social and financial education. At that time, we understood that if we wanted to achieve lasting change in the Colombian society, we had to focus our strategy on breaking the latent cycles of multidimensional poverty in the country, but to do so, we had to go to the foundation of everything: education. This is how we set out to provide comprehensive tools to the most vulnerable people to increase their level of well-being and improve their quality of life. This way, we plant in them the possibility of transforming their environment, thus building collective good.

Quite simply, at the Finsocial Foundation we find our *raison d'être* in transforming the lives of children, teenagers, women entrepreneurs and seniors citizens in vulnerable condition by providing training and comprehensive support. We have seen that those who learn to handle their money with good judgment, discipline and responsibility, and who see in themselves the ability to transform their environment, later become autonomous citizens, who help to build the pillars of our Nation.

This is why we have created and structured programs, activities and strategic partnerships that have allowed us to continue fulfilling our mission. In just two years we

have had the joy of sharing, laughing, benefiting and touching the hearts of more than 300,000 people. Something that fills us with pride and that undoubtedly shows that the path we have chosen is the most successful and rewarding of all.

The joy of children, the gratitude of a mother and the satisfaction of an entrepreneur in seeing their business grow is what drives the Finsocial Foundation. In our organization we do not stop. As optimists and tireless servants, we constantly think about the next step, because for us serving has no limits, since what nurtures our work are the smiles people give us every day as a token of gratitude. This is why we will continue relentlessly to be true to our founding purpose, joining forces and creating sustainable strategies that allow us to provide more and more security and well-being to Colombian families.

**Giving away smiles together!**



At the Finsocial Foundation, we align our programs and activities based on the following Sustainable Development Goals:

Ahorra y Siempre

Aula Financiera

Gol Finsocial

Libérate

ElHéroeEresTú

Adopción al barrio La Sierrita

Hermanos de Sangre

De la mano de Tu Tienda en Casa

Waleker

Finsoalivio

Inclusive Actions

Supporting other organizations

Value-generating partnerships







“

*We put our souls  
into our work*

”



**Finsocial**  
Foundation





2

# Support During the Pandemic

ElHéroeEresTú

Adoption of La Sierrita Neighborhood

Hermanos de Sangre



## Support During the Pandemic

In the midst of a crisis like the one we had to face in 2020, those of us who are dedicated to serving had the greatest task of all: doubling our efforts to be the helping hand that thousands of Colombians needed during confinement. In order to do so, at the Finsocial Foundation we set out to quickly create campaigns and strategies that would mitigate the devastating impact that this crisis was leaving on the lives of so many people.



# El Héroe Eres Tú



## Delivering School Supplies

During confinement, low-income children lacked the basic tools to carry out their school activities at home. Therefore, with the help of the Secretary of Education of the department of Atlántico, we donated 2,592 color sets and 738 pencils so that thousands of children of Atlántico could continue their academic activities without impediments

We benefited:  
**+ 2.500**  
 Children



## Food Portions

Partnered with Dulcerna and the Scholas Foundation, the Finsocial Foundation donated prepared food to homeless persons, informal workers, immigrants, the elderly and vulnerable families who were affected by the effects of the pandemic.

We donated  
**42.920**  
 Food Portions

# #ElHéroeEresTú



## Delivery of Biosecurity Elements

During the pandemic, we identified that there was a lack of biosecurity elements, which caused a greater risk of infection, especially among those in a vulnerable condition. Therefore, we donated 100,100 masks to the Government of Atlántico and the Barranquilla Mayor's Office, to be delivered in the areas with the highest transmission rate in the department.

We benefited  
**100.100**  
 People



## Donation of Grocery

During the months of confinement, we donated more than 11,000 groceries in 210 neighborhoods of Barranquilla and 153 neighborhoods of 8 municipalities in Atlántico to benefit the most affected families. We also supported the departments of La Guajira, Chocó, Magdalena, Cesar and Sucre. Additionally, we donated groceries to the Government of Atlántico and the Barranquilla Mayor's Office.

We benefited  
**29.556**  
 People

We donated:  
**11.169**  
 Groceries



## Total Investment

**COP \$281 Million**

## This is how we made it possible!

Through our social media we summoned hundreds of heroes that made solidarity contributions for the benefit of the population living in extreme poverty. Also, our strategic partners and Finsocial's employees joined the cause and with their contribution we were able to donate food portions to more than 40,000 people.



# +800

heroes made it possible

# 288

people donated  
through social media



# COP \$84 Million



# 549



## Finsocial®

Juntos, hoy es posible

employees of Finsocial donated

# COP \$63 Million



Total donations by strategic partners

# COP \$50 Million

Total amount raised

# COP \$198 Million

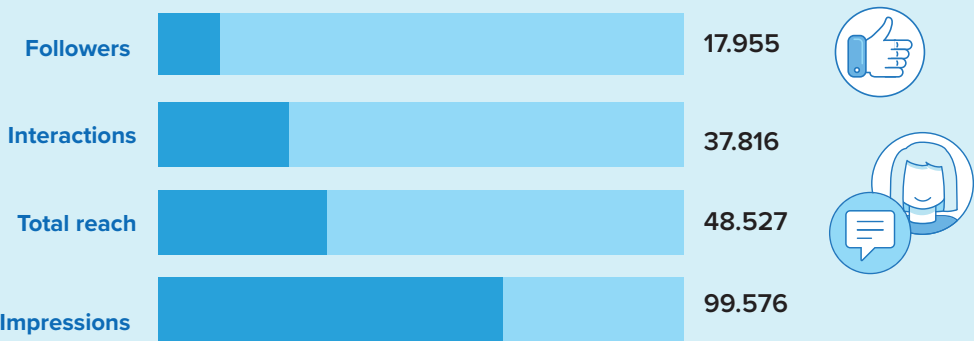
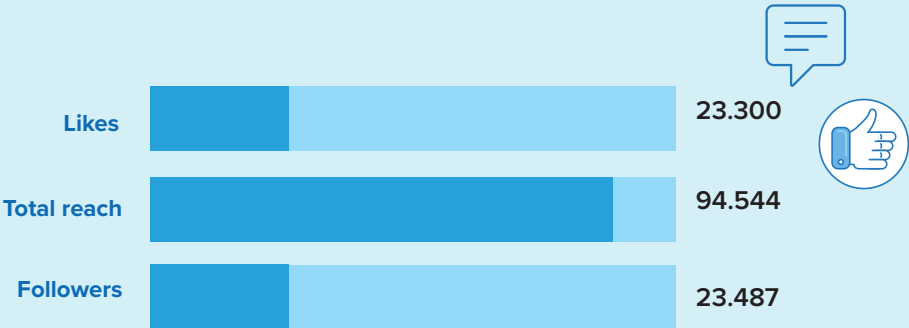








Social Media Impact of  
the Campaign El Héroe Eres Tú





Together with the District Mayor's Office, the First Lady of the City, Early Childhood and Barranquilla Verde, we developed the following social impact activities in the La Sierrita neighborhood:

## Recycle for Barranquilla

In order to reduce the negative impact of waste in the sector, we carried out activities for the inhabitants of the La Sierrita neighborhood to promote the proper selection of waste and thus enable recycling.



Soy BARRANQUILLA



We donated:

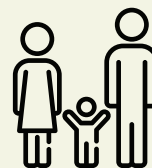
# 6

Recycling  
wheelbarrows

We benefited

# +400

Families



Investment



# COP \$5.9 Million



## Children's Literature

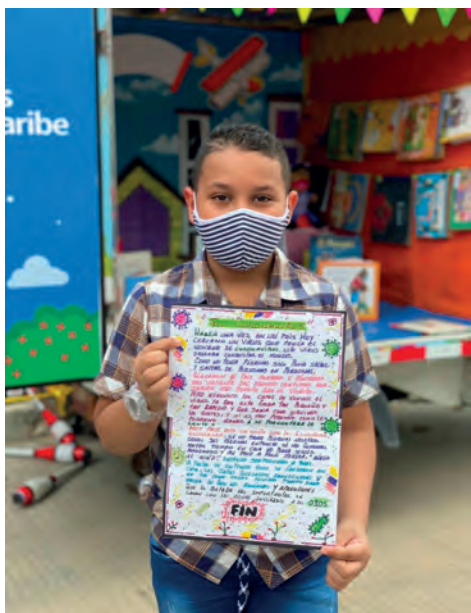
With the help of the Tiempo Feliz Foundation, we carried out different activities to help the children of the La Sierrita neighborhood develop linguistic skills, seeking to encourage reading as a tool to create, dream and work for their goals. Additionally, through a joy brigade we reinforced in children the importance of self-care and by creating a story the children expressed what Covid-19 meant to them.



### We donated:

- Tablets
- Didactic Games

**+500**  
Toys



Investment



**COP \$10.3 Million**

# Training for Entrepreneurs

The Finsocial Foundation provided training to microentrepreneurs in the La Sierrita neighborhood focused on: financial education, personal development, management and entrepreneurial mentality.

Training  
**15**  
days

**9**

Businesses  
impacted



Check for

**\$300.000**

to each of the microentrepreneurs to purchase  
raw materials for their businesses.



Branding for the ventures.

Investment

**COP \$7.3 Million**

Total investment for Adoption of La Sierrita Neighborhood

**COP \$23 Million**

# Hermanos de Sangre

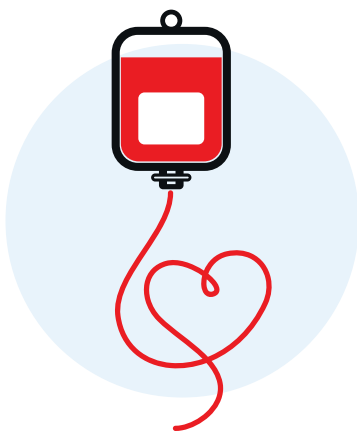
With the plummeting of blood donors caused by the mandatory isolation and considering the very serious consequences that this would have for the health system and highly complex surgical procedures, we launched the Hermanos de Sangre campaign, aimed at stimulating and reactivating blood donation in the department of Atlántico.

For each blood donation reported by the National Blood Bank, the Finsocial Foundation provides groceries to the families who need it most in the department.

**1.104**  
Donors

**2.123**  
Blood transfusions

**Hermanos  
De Sangre**



We help save lives: For one unit of blood, you can save up to 3 lives.

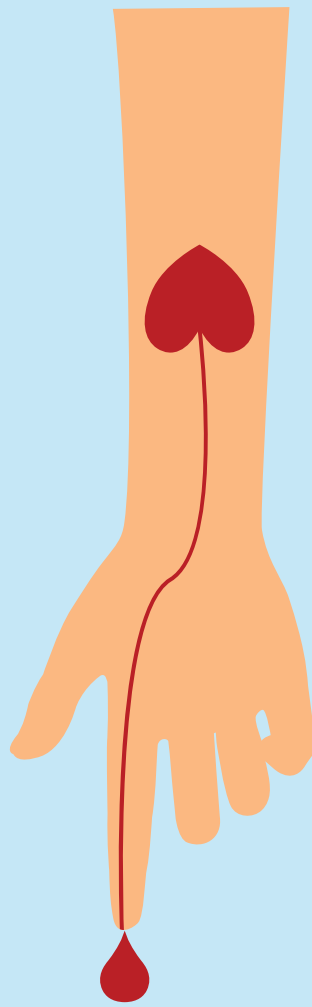


For each donation reported by the National Blood Bank, the Finsocial Foundation donates groceries to the families most in need in the department of Atlántico.

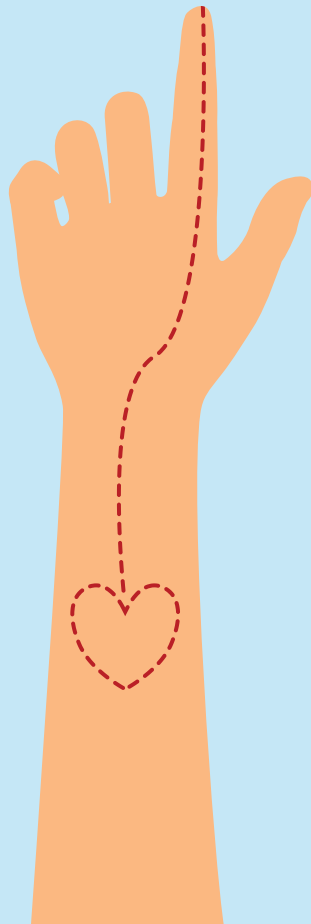


We carry out campaigns to raise awareness among the population about the importance of donating blood.





**We all have the power to  
save lives, we have it in our blood.**







# Our Programs

Ahorra y Siempre

Aula Financiera

Gol Finsocial

Libérate

# Ahorra y Siempre

## *Lifelong financial and social learning*

Ahorra y Siempre is a socio-educational program that offers a pedagogical and didactic alternative to financially and socially educate children, teenagers and teachers in vulnerable situations in Colombia, providing them with the necessary skills and knowledge to become agents of change in society. For this, workshops and activities are carried out focused on: saving, budget creation, investment, entrepreneurship, self-awareness, personal development, among others.



*Aprendizaje financiero y social para toda la vida*

Ahorra y Siempre truly believes that Colombian children and teenagers are capable of positively transforming their lives and their communities. Our mission is to make them aware of their capabilities, providing them with the necessary tools to maximize their potential, skills and knowledge through 6 core elements:

### Self-awareness

We seek that children and teenagers learn to value themselves, know their abilities and strengths, recognizing themselves as upright human beings and good citizens capable of managing their emotions and recognizing the value of others.

### Gender equality

We encourage children to learn about gender equality, promoting respect for different thoughts, beliefs and ideals, understanding that they are all unique, valuable and important.

### Social and financial entrepreneurship

We encourage them to project themselves as spokespersons and leaders of their community, to create, develop, organize and carry out proposals and campaigns for social and financial justice that promote teamwork from an early age.

### Communication and social skills

We strengthen verbal, non-verbal and written communication so that children express their needs or wishes optimally through assertive communication. We further seek to enrich their vocabulary, their prosocial attitudes, their security and the ability to establish solid relationships based on respect.

### Empowerment

We empower the skills and strengthen the abilities and knowledge of children and young people in order for them to become agents of change, capable of positively transforming their community.

### Savings and expenses

With this element we promote a culture of financial savings, but we also approach the concept of savings from different angles, such as: the importance of caring for the environment, saving natural resources, time, conscious eating, recycling, art, mindfulness, bilingualism and reading.

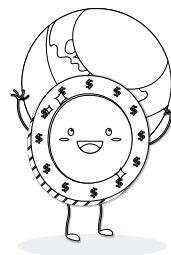
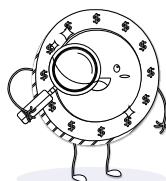
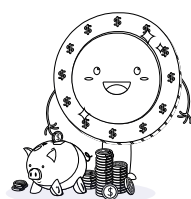




We created the Monedita character because the focus of the Ahorra y siempre program is children. This character teaches children to take care of the resources that they naturally possess. With **Monedita**, children will learn to know themselves, their talents and skills and to recognize how intelligent and valuable they are to their environment.

### Monedita teaches them:

- Recycling and taking care of the planet and its resources
- Saving and undertaking projects
- Researching, exploring and creating



### Ahorra y Siempre Program Pilot

We started the Pilot Plan for this program with 44 early childhood boys and girls belonging to the La Milagrosa Integral Development Center, located in the District of Barranquilla.

During the implementation of this pilot phase, 44 children, together with their families and 9 teachers from the La Milagrosa Integral Development Center, were named “Pioneers of the Ahorra y Siempre Club”, becoming the first community to serve as an observatory for the implementation of the network throughout Colombia.

### Implementation:

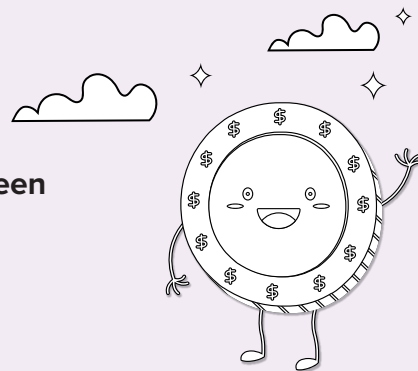
- Discussion with parents through an activity carried out via WhatsApp.
- 5 hours of training and education for teachers as multipliers of the Ahorra y Siempre network.
- 44 children enrolled, who were divided into two groups of 22, group A and group B.
- 4 hours in total of experiential activities at the center.
- The activities and lessons were personalized in 6 classrooms each with 4 children and 1 mentor.

## Resultados:

In order to measure the impact generated, we used an external evaluation methodology, direct observation, evaluation questions, and surveys of the children participating in the process. Thanks to this, we were able to show that 87% of the participating boys and girls between the ages of 2 and 5 developed a culture of saving, understanding the value of money, its role and the importance of saving in order to achieve their dreams. Additionally, 90% of the participants developed water-saving practices, prevention of excessive consumption and the application of practices for the preservation of the environment.

# 87%

**of the participating  
boys and girls between  
the ages of 2 and 5  
developed a culture  
of saving.**



# 115

people reached



Investment



# COP \$20 Million

Hours invested



# 68



We develop and promote the economic, social and financial training of children and teenagers in order to increase individual, family and social well-being.



We promote saving and responsible spending habits, self-knowledge, empowerment, communication skills, gender equality and love and respect for their environment.



We validated the effectiveness of the program from the cultural sphere, understanding the psychosocial, psycho-emotional and sociocultural reality of the children who participate in the program.

# Aula Financiera

Training, empowering and encouraging people to undertake, work and progress have always been factors embedded in the DNA of the Finsocial Foundation. Following this principle, in 2020 we decided to become a support for users of the credit lines of our main partner Finsocial: FinsoAlivio, FinsoCrédito, FinsoTienda and FinsoAmigo. In order to add value to the service provided by our partner, in addition to the principal or capital that is disbursed to its customers, the Finsocial Foundation offers them solid training in the main aspects of entrepreneurship and financial habits. Thus, we benefit public teachers and pensioners, women entrepreneurs and microentrepreneurs.

Through this program, and according to the different lines of credit, the beneficiaries receive education adapted to their needs and contexts.



The program has training modules in:



Financial Education



Resource management  
and investment



Legal framework



Entrepreneurship



Personal development  
and business thinking



Basic business  
management tools



Through various communication channels, we send information and carry out activities and workshops that complement the training process for the beneficiaries of Finsocial's lines of credit.

## Communication channels with the customer:

- WhatsApp Chats
- Email
- SMS
- Calls

## Training means:

- E-learning platform: customers are trained through prerecorded video organized by modules.
- Books
- Workshops, talks or trainings through live streaming on social networks.

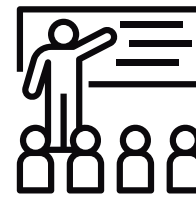


15

Training  
Workshops

We benefited:

1.416  
microentrepreneurs



Inversión



COP \$168 Million



Quality training in business management, basic accounting, financial habits and personal development.



Encourage the beneficiaries to properly manage their economic capital to ensure and promote the growth of their businesses.



Provide the necessary tools to the beneficiaries so that they can become integral entrepreneurs.



# Gol Finsocial

The Finsocial Foundation recognizes sports as the vehicle through which a capable, competitive, disciplined society is built and also as a key element to promote our nation's development. Upon this thesis the Gol Finsocial program was conceived, focusing on supporting, promoting and fostering the development of different sports and their proper practice among talented, committed children and teenagers full of dreams, so that through sports they find a better way to live.



## Donations

- Soccer cleats
- Uniforms
- Soccer balls
- Sporting gear

# 463

Benefited children

## Investment



# COP \$28 Million



We encourage sports to keep children and teenagers away from criminal groups, drugs and idleness.



We promote spaces to encourage discipline and healthy competition.



We support talented children and young people in sports to dream of a better future.

# Libérate

## Training for inmates

Inmates are subject to monotonous routines and lack activities that motivate them and promote their personal and cognitive development. In fact, according to the Ministry of Justice 40% of national prisons lack suitable educational classrooms for their training (formal education).



That is why from the Finsocial Foundation we have created Libérate, a program whose main objective is to develop trainings and workshops for inmates in order to promote the creation of their productive projects in the prisons of the department of Atlántico. This way, we will contribute to the strengthening of the processes of reconciliation, reintegration and re-socialization of inmates and we will encourage them to undertake and recognize their abilities and potential.

### With this program, inmates obtain the following benefits:



Support and advice in the development of their productive projects so that these are sustainable and become a fixed source of income for their families.



Training on topics such as personal development and self-knowledge to strengthen their self-esteem and capacity to recognize themselves as beings capable of transforming their lives.



Participation in the Virtual Fair “Libérate” which will allow their products to have a greater reach and to be marketed effectively.



*At the Finsocial Foundation  
we believe in second chances*



## Implementing Libérate in the department of Atlántico

- Initially, we implemented the program in "La Modelo" Prison in Barranquilla, the El Bosque Penitentiary and the Sabanalarga Special Prison, in order to benefit 180 inmates.
- 530 training sessions were carried out.
- In total, we strengthened 15 businesses.

APRENDE. CONOCE. HAZ.  
**LIBÉRATE**



### Training

#### PERSON Component:

The trainings focused on personal development are intended to:

- Make inmates aware of the importance of recognizing their skills and talents to reach a productive achievement that generates well-being.
- Provide them with comprehensive tools that drive them to expand their resilience in the face of adversity.
- Project a better way of living through knowledge and entrepreneurship.

#### DO Component:

The trainings focused on doing are intended to:

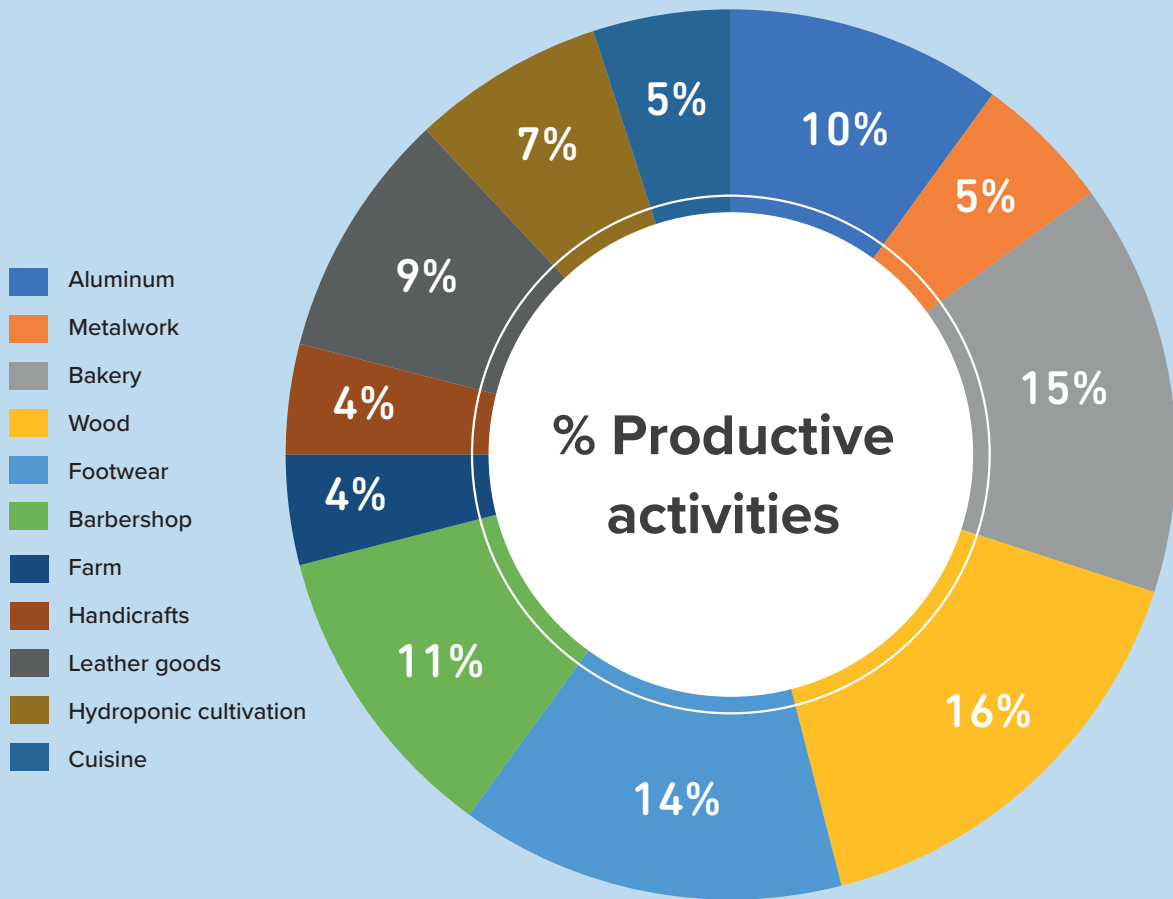
- Strengthen and enhance the art or trade performed by the inmates and their skills so that the development of their activities is effective.
- Learn techniques that develop skills, improve productive processes and induce a proper use of raw materials, in order to be efficient and effective in their businesses.
- Encourage inmates to set clear goals allowing them to execute actions efficiently and achieve the productivity they need in order to obtain revenue growth, the expected profits and a strengthened human talent.



Age range of inmates benefited from this program:

Age Range	El Bosque Penitentiary	La Modelo Prison	Sabanalarga Special Prison	Total Beneficiaries
22 to 35	42	24	5	71
36 to 45	27	19	5	51
46 to 55	18	6	7	31
56 to 65	9	8	6	23
66 and older	2	2	0	4
<b>Total</b>	<b>98</b>	<b>59</b>	<b>23</b>	<b>180</b>

Productive activities chosen by the inmates



## Results of the program:

- 63% of participants of the Libérate program who reported having an active business in prison at the beginning managed to boost their businesses with the knowledge acquired at the end of phase 3.
- 37% of participants of the Libérate program who did not have a business and were not active in prison engaged in productive sectors such as wood, bakery, handicrafts and aluminum.
- 100% of the inmates completed the 3 learning phases successfully.
- At the El Bosque Penitentiary, the Libérate program allowed the development of a new productive activity: personal care and beauty. Today, thanks to the program, the LGBTIQ community provides manicure, pedicure and hairdressing services.

We benefited:

**180**  
**Inmates**

We strengthen

**15**  
ventures

**25**

products created

**530**

Sessions

Program Investment



**COP \$800 Million**



We identify and characterize inmates that develop production projects in the detention centers.



We socialize and register inmates in our training programs focused on personal development and self-knowledge to strengthen their self-esteem.



We support the processes of rehabilitation and re-socialization of the inmates once they are released.



“

*What is not shared is lost, what  
is offered from the heart is multiplied*

”





4

# Supporting Business Ventures

De la mano de Tu Tienda en Casa

Waleker

FinsoAlivio

Inclusive Actions

# De la mano de Tu Tienda en Casa

At the Finsocial Foundation we believe in the ability of Colombian women to lead their own businesses. That is why we have partnered with Tu Tienda en Casa, a company that seeks to promote and encourage business ventures among women leaders in their communities. To do this, they provide the necessary supplies for them to create their own store at home and these become prosperous and profitable businesses: from seed capital, with the support of the loan originator Finsocial, to an initial inventory of products and supplies and a digital trading tablet.

Together with our main partner Finsocial, who with its FinsoTienda line of credit grants seed capital to women entrepreneurs, we support this program that today has 100 women with training focused on their business and financial development. We also support their sales line with the purchase of supplies from the basic family basket for donations by our beneficiaries.



## With this program women receive:



A ready-to-operate store with an initial inventory of more than 100 products and supplies, as well as furniture and a digital operations tablet with the Tu Tienda en Casa application.



Entrepreneurship workshops, training in effective marketing strategies and business advice.



In the medium term, these entrepreneurs will be able to evolve their business and turn it into a point of payment for prepaid cellphone lines with all operators, pay bills, collect public services and money orders.

## Training Approach:

### I am Capable:

Strengthen self-esteem and self-confidence among the women entrepreneurs of the program to make them believe in their strengths and improve their weaknesses.

### Empowered Woman:

Lead women to empower their businesses through the development of their economic and emotional autonomy.

### New Entrepreneur:

Encourage female entrepreneurs to take on this new challenge responsibly and conscientiously give their best in the execution of the project and commit to the results they wish to achieve.





**1.141**

Groceries purchased  
from Finsotenderas



**12**

Training workshops

investment



**\$51.033.827**



**100**

Trained Finsotenderas

Duration of workshops



**1 Hora**

Investment in training

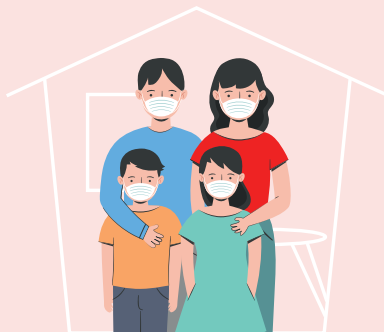


**\$2.400.000**

Total Investment



**COP \$53 Million**



Improve the quality of life of women and their family environment promoting entrepreneurship and leadership.



Motivate and promote the development of emerging businesses of woman entrepreneurs.



Consolidate a national network of leading businesswomen.

# Waleker

In Colombia the artisans and their work represent the country's tradition, culture, beliefs and history. For this reason, they were declared Cultural and Intangible Heritage of Humanity by Unesco, also becoming an art that contributes an exceptional good to the country's economy.

Understanding the importance of crafts and artisans, the Finsocial Foundation, through its strategic partner Finsocial, welcomed the initiative of the "Waleker" group of Wayúu indigenous artisans in order to promote the development of their artisan enterprises by providing them with initial capital for the purchase of raw materials, as well as training in financial and social matters:

- Personal Development
- Management
- Marketing
- Business mindset



We benefited:

**10**  
Families



**17**  
Training  
workshops



Total manufactured products

**50**

Weaved bracelets  
Bags  
Bathing suits  
Espadrilles, among others

Capital value granted to artisans:

**\$2.500.000**

Investment



**COP \$6.5 Million**



We provide financial support to artisans so that they invest in their businesses.



We provide integral support through training in entrepreneurship, communication, personal development and business strategies.



We promote programs to strengthen their self-esteem and cultural identity.



# FinsoAlivio

At the Finsocial Foundation we are aware of the challenges that microentrepreneurs and informal workers face daily in the country, especially those struggling amid the pandemic. In fact, some 6.2 million microentrepreneurs and self-employed businesses are outside the financial circuit, according to DANE.

Based on this problem and given that our mission is filled with a desire to promote microentrepreneurs, we decided to support our strategic partner Finsocial, which, thanks to its partnership with Bancóldex and the National Guarantees Fund, developed FinsoAlivio, a product that allows informal workers to boost their productive activity and acquire resources to keep their businesses afloat amid one of the most devastating crises endured by the sector.



From the Finsocial Foundation we support our partner's initiative by providing training in:

Financial Education

Entrepreneurship

Personal Development

Business Thinking

Management and investment of resources and legal framework

Basic tools in business management

## Credit benefits:

- 100% digital
- 36-months payment term
- 0.54% interest
- 10-month grace period preferential rates
- \$ 5,000,000 disbursement

## FinsoAlivio Credit Impact :



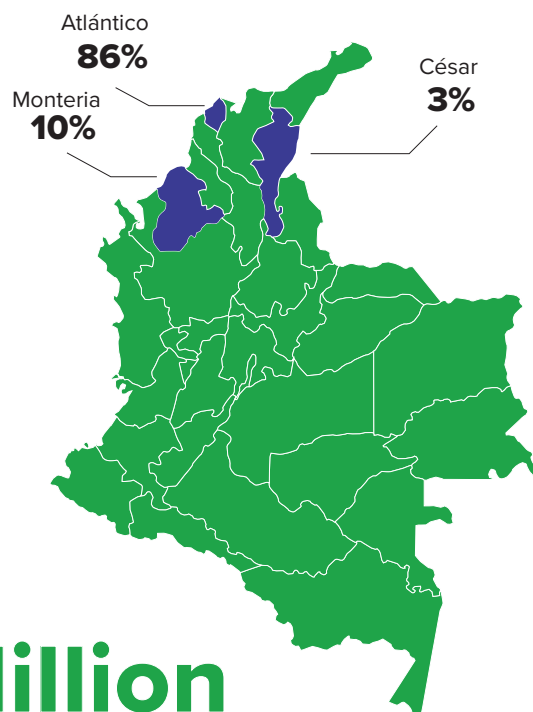
Beneficiaries

# 1.584

Total credits disbursed



# COP \$7.695 Million



# Inclusive Actions

## Solidarity loans to people with disabilities

For the Finsocial Foundation it is a fundamental pillar to bet on the reduction of inequalities and promote the economic growth of the less favored populations. For this reason, with our partner Finsocial, we decided to promote the development of businesses for people with disabilities, providing them with the initial capital and focused on: footwear and leather goods, agriculture, sale of foodstuffs, beauty services, among others.

In this community, we have found resilient entrepreneurs exhibiting the courage and motivation to make their dreams come true and, thereby, we decided to do our bit and help them out.



We impacted:

6

Microenterprises



Investment



**COP \$15 Million**



5

# Supporting Other Organizations

The Finsocial Foundation works for the common good. For this reason, we direct our donations not only to focus groups where we see a need, but we are also opened to listen to those who need support. So, we seek to be multipliers of good causes and support the improvement of our society from different focuses of action.

## During 2020 we supported the following organizations:

Organizations	Annual donation value	Use of resources	Beneficiaries	Activity
ASOHOGAR charity home association	<b>\$22.000.000</b>	Investment for the development of senior citizens	<b>23</b>	Food, housing, birthday celebration, clothing (pajamas, sweatshirts)
Carnaval de Barranquilla Foundation	<b>\$27.000.000</b>	Support for acts related to folklore, culture and general tradition	<b>115.240</b>	Daily museum visits: 15,000 people Live museum (virtual): 10,000 people Live museum (once a week) 240 people
Casa Hogar Andrea Foundation	<b>\$1.500.000</b>	Residential treatment facilities for oncological diseases and others	<b>60</b>	Food and lodging during the time at the facility
FUDECO Foundation for the development of communities	<b>\$240.275.832</b>	Vulnerable communities	<b>4.800</b>	Education and training programs
Jesus es Vida Foundation	<b>\$4.000.000</b>	Maintenance	<b>10</b>	Support for women during and after pregnancy (ultrasound, feeding, kit for babies)
Mamá Margarita Foundation	<b>\$12.400.000</b>	Caring for the homeless	<b>200</b>	Lunch for homeless
Scholas Ocurrentes Colombia Foundation	<b>\$133.960.000</b>	Support in improving the education of communities around the world	<b>16.800</b>	Groceries for vulnerable people and supporting young people
Sendero de Bendiciones Foundation	<b>\$11.725.000</b>	Early childhood feeding support	<b>75</b>	Delivering lunches

Total Beneficiaries:

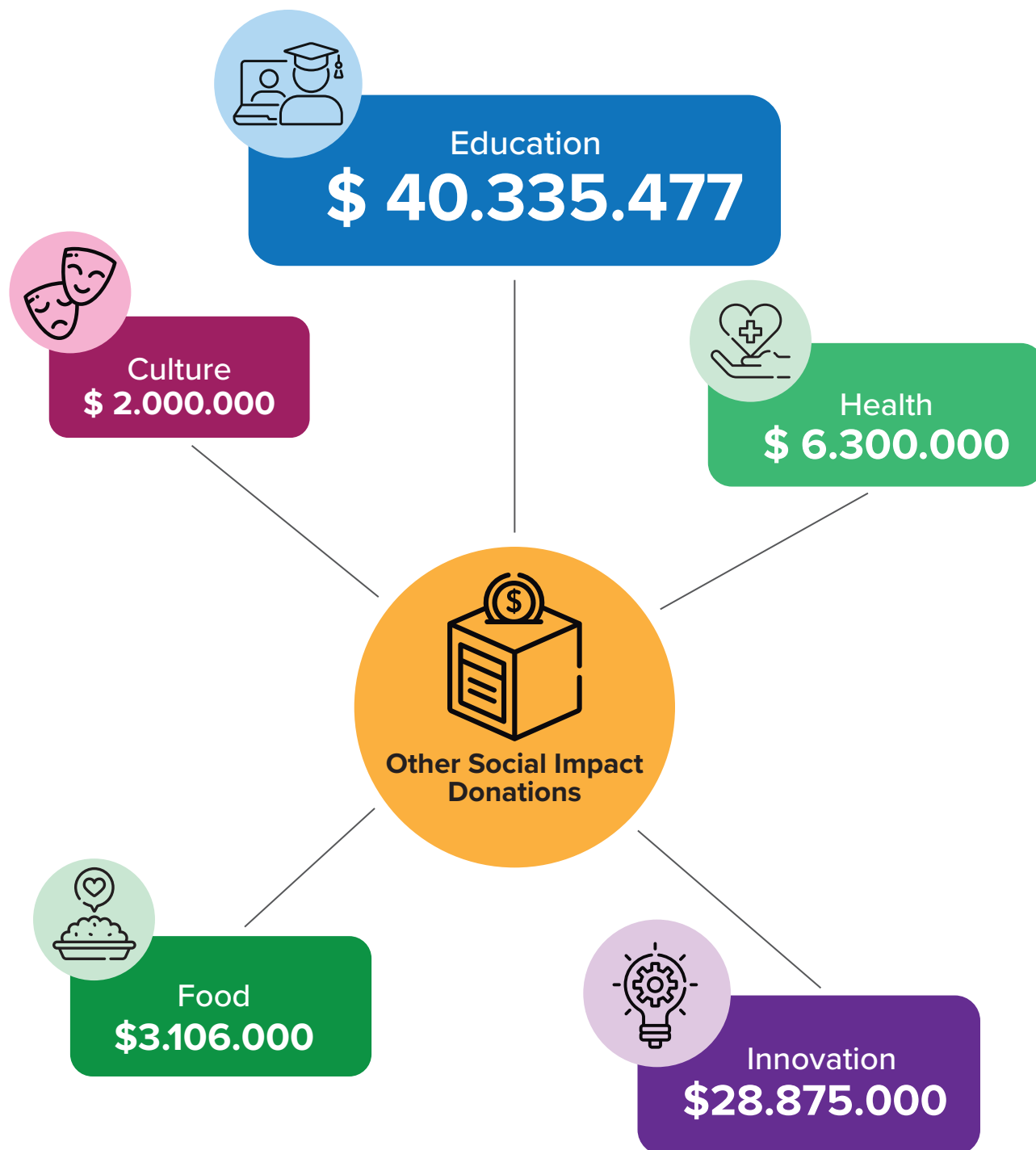
**132.408**



Total Donations:

**COP \$452 Million**





Total 2020 Donations  
**COP \$ 80 Million**



“ Gratitude turns problems  
into blessings  
and the unexpected into gift ”



6

# Value-generating Partnerships

# Value-Generating Partnerships



Finsocial, one of the largest fintech companies in Latin America, is our main strategic partner in programs related to financial education and high social impact campaigns. Thanks to our joint efforts, we have been able to create the following partnerships with organizations:



**Unicef:** This partnership seeks to develop the Schools in Peace strategy to generate opportunities that promote the learning and practice of peace in rural and urban schools affected by several types of violence and armed conflict. This program is carried out in the department of Córdoba.

- More than 12 schools and 17 educational venues have been impacted within the Schools in Peace strategy thanks to the support of Unicef and the partnership with the Finsocial company.
- More than 4,774 students and 92 teachers have been part of the general strategy of schools in peace.



**Caracol Radio:** this partnership enabled us to set out communication strategies during 2020 in order to inform, optimally and effectively, the Foundation's target audience about the campaigns, programs and aid aimed at mitigating the impact of the health crisis.



**Gobernación del Cesar:** through the partnership between the FNG, Bancóldex and Finsocial, we created FinsoalivioCrediCesar, a product designed to provide resources to independent workers and thus keep their productive activity afloat. From the Finsocial Foundation we provide training in financial education, entrepreneurship and financial management to entrepreneurs and microentrepreneurs in the department of Cesar.



**Carnaval SA:** Hand in hand with Finsocial, the Finsocial Foundation carried out activities focused on safeguarding the traditions of our Carnival and promoting good cultural practices, making contributions and participating in different events in the city.



# Value-Generating Partnerships

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Based on the Sustainable Development Goals, the Finsocial Foundation partners with different public and private organizations to promote programs, local and international initiatives that generate value in society. We executed agreements that seek a dignified and inclusive education, social and environmental development and continuous improvement of the quality of life of our beneficiaries. For the purpose of impacting vulnerable communities from different angles and meet the needs of more people.





“

*We love our neighbor  
as much as ourselves*

”



**Finsocial**  
Foundation




# Financial Statements

**STATEMENT OF FINANCIAL POSITION**  
(In Colombian pesos)

	<u>NOTAS</u>	<u>Diciembre 31/2020</u>	<u>Diciembre 31/2019</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	\$ 101.434.821	100.068.279
Accounts receivable	7	339.226.890	-
Other non-financial assets	8	104.301.421	53.500.000
<b>TOTAL CURRENT ASSETS</b>		<u>544.963.132</u>	<u>153.568.279</u>
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	9	97.500.001	87.833.329
<b>TOTAL NON-CURRENT ASSETS</b>		<u>97.500.001</u>	<u>87.833.329</u>
<b>TOTAL ASSETS</b>		<u>\$ 642.463.133</u>	<u>241.401.608</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Commercial accounts payable	10	\$ 34.041.405	-
Other accounts payable	11	57.477.798	613.040
Employee benefits		23.715.526	-
Financial obligations	12	15.894.974	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>131.129.703</u>	<u>613.040</u>
<b>NON-CURRENT LIABILITIES</b>			
Other accounts payable	11	138.579.815	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>138.579.815</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>269.709.518</u>	<u>613.040</u>
<b>EQUITY</b>			
Social contributions	13	100.000.000	100.000.000
Net Income		272.753.615	140.788.568
<b>TOTAL EQUITY</b>		<u>372.753.615</u>	<u>240.788.568</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 642.463.133</u>	<u>241.401.608</u>

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

  
**MARIA CLAUDIA GARCIA NAVARRO**  
Legal Representative (\*)

  
**JAIVER FONSECA PEREZ**  
Public Accountant (\*)  
T.P. 255611-T

  
**RONALD VALENCIA VALENCIA**  
Independent Auditor  
T.P. 247684-T

(\*) We, the undersigned Legal Representative and Public Accountant, hereby certify to have previously verified the statements contained in these financial statements and that they have been prepared with information taken faithfully from the Company books.





## INCOME STATEMENT


(In Colombian pesos)

	NOTES	Decembre 31/2020	Decembre 31/2019
	<u>          </u>	<u>                                  </u>	<u>                                  </u>
Revenues	14	\$ 3.234.583.306	419.480.000
Costs and expenses of ordinary activities	15	(2.942.014.773)	(273.063.135)
Gross Margin		<u>292.568.533</u>	<u>146.416.865</u>
Other Expenses			
Other revenues		(25.532.708)	(5.890.216)
		5.717.790	261.919
Operating earnings		<u>272.753.615</u>	<u>140.788.568</u>
Other Comprehensive income			
Net Income		-	-
Excedente y otro resultado integral del ejercicio		<u>\$ 272.753.615</u>	<u>140.788.568</u>

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

  
**MARIA CLAUDIA GARCIA NAVARRO**  
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**STATEMENT OF CHANGES IN EQUITY**  
(In Colombian pesos)

<b>Years ended December 31, 2020 and 2019</b>	<b>Notes</b>	<b>Capital contributions</b>	<b>Net Income</b>	<b>Net equity</b>
<b>Initial balance as of January 1, 2019</b>				
<b>Initial balance as of January 1, 2019</b>		\$ 100.000.000	-	100.000.000
Changes in equity				
Net income	13	-	140.788.568	140.788.568
<b>Balance as of December 31, 2019</b>		<u><b>100.000.000</b></u>	<u><b>140.788.568</b></u>	<u><b>240.788.568</b></u>
Changes in equity				
Transfer of earnings	13	-	(140.788.568)	(140.788.568)
Net income	13	-	272.753.615	272.753.615
<b>Balance as of December 13, 2020</b>		\$ <u><b>100.000.000</b></u>	<u><b>272.753.615</b></u>	<u><b>372.753.615</b></u>

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

  
**MARIA CLAUDIA GARCIA NAVARRO**  
Legal Representative (\*)

  
**JAIVER FONSECA PEREZ**  
Public Accountant (\*)  
T.P. 255611-T

  
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**STATEMENT OF CASH FLOWS**  
 (In Colombian pesos)

<b>Years ended December 31</b>	<b>NOTES</b>	<b>2020</b>	<b>2019</b>
<b>Cash flow of operating activities</b>			
Net Income		\$ 272.753.615	140.788.568
Adjustments to reconcile the net income with the cash (used in) provided by operating activities:			
Depreciation	9 y 15	2.499.999	2.166.671
Changes in assets and liabilities:			
Accounts receivable	7	(339.226.890)	-
Other non-financial assets	8	(50.801.421)	(53.500.000)
Accounts payable	11	195.444.573	613.040
Employee benefits		23.715.526	-
Commercial accounts payable	10	34.041.405	-
Cash used in operating activities		<u>138.426.807</u>	<u>90.068.279</u>
<b>Cash flows from investment activities:</b>			
Additions of property and equipment	9	(12.166.671)	10.000.000
Cash used (provided for) in investment activities		<u>(12.166.671)</u>	<u>10.000.000</u>
<b>Cash flows from financing activities:</b>			
Dividends paid	13	(140.788.568)	-
Financial obligations	12	15.894.974	-
Net cash earned from financing activities		<u>(124.893.594)</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		1.366.542	100.068.279
<b>Cash and cash equivalents initial balance</b>		100.068.279	-
<b>Cash and cash equivalents final balance</b>		<u>\$ 101.434.821</u>	<u>100.068.279</u>

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

  
**MARIA CLAUDIA GARCIA NAVARRO**  
 Representante Legal (\*)

  
**JAVER FONSECA PEREZ**  
 Contador (\*)  
 T.P. 255611-T

  
**RONALD VALENCIA VALENCIA**  
 Revisor fiscal  
 T.P. 247684-T

(\*) We, the undersigned Legal Representative and Public Accountant, hereby certify to have previously verified the statements contained in these financial statements and that they have been prepared with information taken faithfully from the Company books.

# FINSOCIAL FOUNDATION

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## Notes to the financial statements

### As of December 31, 2020 and 2019

(In Colombian pesos, unless otherwise stated)

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#### Note 1. Reporting Entity

FINSOCIAL FOUNDATION, TOGETHER TODAY IS POSSIBLE is a private non-profit company, headquartered in Colombia, located in the Barranquilla at Carrera 53 No 80- 198, Torre Atlántica building; created by means of a private document on December 18, 2018, registered in the Barranquilla Chamber of Commerce on January 14, 2019, under number 52.728 of the respective book, identified with TIN 901.243.975-7.

FINSOCIAL FOUNDATION aims to improve the quality of life of early childhood, adolescents, women, entrepreneurs, public sector teachers, pensioners, inmates, people with disabilities and the community in a vulnerable condition, providing comprehensive tools to train people responsible for their finances and empower their economic and social development with self-sustainable productive projects for society.

Based on the pillars aligned with the Sustainable Development Goals promoted by the United Nations, the main objective of Finsocial Foundation is: To teach, encourage, cultivate, promote and encourage the development and exercise of the fundamental values that should inspire the Colombian society to contribute to the change and improvement of our society.

Promote and execute projects that impact communities benefiting boys, girls, young people, adolescents, people with disabilities, rural communities, women heads of households, microentrepreneurs, entrepreneurs, senior adults, among other social groups in a vulnerable condition.

Develop activities related to research, awareness, organization, promotion, advice, training, consulting, training and management of social intervention projects, for human, socioeconomic, business, labor, academic, cultural, environmental development and the promotion of Human Rights.

To promote the reduction of social, cultural, scientific and ecological inequality that afflicts the Colombian society.



Notes to the financial statements  
As of December 31, 2020 and 2019  
(In Colombian pesos, unless otherwise stated)

## Note 2.

### Basis of preparation of the financial statements

#### **a. Regulatory Technical Framework**

The financial statements have been prepared in accordance with the financial reporting standards accepted in Colombia (CFRS), established in Act 1314 of 2009, for preparers of financial information pertaining to Group 2, regulated by the Unified Regulatory Decree 2420 of 2015, as amended by the decrees: 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019 and 1432 of 2020. The CFRS in 2020 are based on the International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities in Colombia - IFRS for SMEs issued by the International Accounting Standards Board - IASB; the basic standard corresponds to that translated into Spanish and issued on December 31, 2018 by the IASB.

#### **b. Bases of measurement**

The financial statements have been prepared under the historical cost basis.

#### **c. Going concern**

Finsocial Foundation will prepare its financial statements on the basis that it is in operation and will continue its operating activities within the foreseeable future. If there is a need to liquidate or severely cut the scale of the company's operations, these statements must be prepared on a different basis and, if this is the case, information on the basis of their preparation will be reported.

#### **d. Functional and presentation currency**

The items included in the Company's financial statements are expressed in the currency of the main economic environment in which the Company operates (Colombian pesos). The financial statements are presented in "Colombian pesos", which is the functional currency and the presentation currency of the Company. All information is presented in Colombian pesos and rounded to the nearest unit.

#### **e. Use of estimates and judgments**

The preparation of the financial statements in accordance with the accounting and financial reporting standards accepted in Colombia requires management to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities and contingent liabilities as of the reporting date, as well as income and expenses for the year. Actual results could differ from these estimates.

The relevant estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is reviewed and in any future period affected.

## Note 3.

### Management and impacts of the COVID-19 pandemic

The appearance of the Coronavirus COVID-19 in China and its global expansion to a large number of countries, caused the viral outbreak to have been classified as a global pandemic by the World Health Organization since last March 11, 2020. The pandemic has affected and continues to adversely affect the world economy and economic activity and conditions in the country where the Finsocial Foundation operates, leading many of them into economic recession.

Faced with this Pandemic situation, FINSOCIAL FOUNDATION has focused its attention on guaranteeing the continuity of its corporate purpose, and even since the pandemic broke out, and in view of the devastating economic effects that were looming as a result of the confinement, we decided to double our efforts to support the most vulnerable communities, creating the EL HEROE ERES TU program supplying 16,800 groceries to the most vulnerable populations in the departments of Atlántico, Cesar, Chocó, La Guajira, Magdalena and Sucre, more than 100,100 biosecurity implements and 2,500 school supplies kits for children with lowest income level that are receiving their lectures.

In order to mitigate the impact associated with COVID-19, various European and international organizations have made declarations to allow greater flexibility with regard to the implementation of accounting and conservatism frameworks.

FINSOCIAL FOUNDATION did not obtain negative results, capital or liquidity impacts in taxable year 2020.

## **Note 4.**

### **Significant Accounting Policies**

The accounting policies and the bases established below have been applied consistently in the preparation of these comparative financial statements, prepared in accordance with the accounting and financial reporting standards accepted in Colombia for small and medium-sized enterprises (CFRS), unless otherwise indicated.

#### **1. Foreign currency transactions**

Foreign currency transactions are converted to the functional currency (Colombian peso) at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted to the functional currency at the exchange rate of said date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are converted to the functional currency at the exchange rate on the date on which the fair value was determined.

#### **2. Basic financial instruments**

Financial assets and liabilities are recognized only when there is a contractual right to receive cash in the future.

##### **Initial measurement**

A financial asset or a financial liability will be recognized only when it becomes a part of the contractual clauses of the instrument.

When recognizing a financial asset or a financial liability, the Company measures it at the transaction price, including the incremental costs of the transaction.

**Notes to the financial statements**  
**As of December 31, 2020 and 2019**  
(In Colombian pesos, unless otherwise stated)

Financial instruments are measured in the initial recognition. The costs of the transaction do not include premiums or discounts, financing costs or internal administration costs.

The financial asset or financial liability that constitutes a financing transaction is measured at fair value, valued at a market interest rate for similar instruments through profit or loss. This measurement can be related to the sale of services. Implicit financing transactions as are also understood as financing transactions.

### **Subsequent measurement**

At the end of each reporting period, the financial instruments will be measured as follows, without deducting the transaction costs that may be incurred in the sale or other type of disposal:

Debt instruments are measured at amortized cost using the effective interest method.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash that is expected to be paid or received.

Debt instruments that constitute a financing transaction are measured at the present value of future payments discounted at market interest rates for similar instruments.

Financial instruments are evaluated for impairment or their uncollectibility and recognized and disclosed in the financial statements.

### **Impairment of the value of financial instruments measured at cost or amortized cost**

#### **Recognition**

At the end of the reporting period, the Company evaluates whether there is impairment of the financial assets measured at cost or amortized cost; on which, if applicable, the impairment loss in the income statement is recognized in the same period.

The Company will disclose information that allows users of the financial statements to evaluate the significance of the financial instruments in their financial situation and performance.

### **Financial asset write-off**

A financial asset is written off when:

- The contractual rights on the cash flows of the asset expire;
  - All the risks and advantages inherent to the ownership of the financial asset are transferred;
- The risks and benefits inherent to the ownership of the asset are substantially retained, but control of the asset has been transferred. In this case, the Company will deregister the asset, and will recognize separately any rights and obligations retained or created in the transfer.

### **Financial liability write-off**

A financial liability is written off when:

- The obligation specified in the contract has been paid, canceled or expired, and
- Financial instruments are exchanged with substantially different conditions.

-The Company recognizes through profit or loss any difference between the carrying amount of the financial liability and the consideration paid, including any asset transferred that is different from the cash or liabilities assumed.

The most significant basic financial instruments that the Company maintains, and their measurement are:

### **Cash and cash equivalents**

This item is comprised of the following categories: petty cash and Banks that do not present any type of restriction of use in the normal course of the Company's short-term operations, and that are subject to insignificant risk of changes in their fair value; otherwise, the balances that are not available for use will be disclosed.

### **Accounts receivable**

Within the accounts receivable category, there is the corporate purpose of the FINSOCIAL FOUNDATION, which corresponds to the provision of management support services to the Secretary of the Interior in the implementation of strategies that strengthen the processes of reconciliation, reintegration and resocialization, inmates within the prisons of the department of Atlántico.

Accounts receivable will be measured initially at the transaction price including transaction costs or fair value. If the agreement constitutes a financing transaction, the Company will measure the financial asset at the present value of future payments discounted at a market interest rate for a simulated debt instrument (implicit interest).

At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine if there is any objective evidence that they will not be recoverable. If so, an impairment loss is recognized immediately in profit or loss.

### **Impairment of the value of financial instruments measured at amortized cost**

At the end of each reporting period, the Company evaluates whether there is objective evidence of impairment of financial assets measured at cost or amortized cost. When there is objective evidence of impairment, the Company immediately recognizes an impairment loss in value through profit or loss.

### **Accounts payable and other payables**

The Company will recognize an account and document payable when it becomes a party to the contract, and as a consequence, it has a legal obligation to pay it.

FINSOCIAL FOUNDATION will initially measure an account and document payable at the transaction price including the cost of the transaction and will measure the accounts and documents payable at the end of each period at amortized cost using the effective interest method, when these long-term term.

Accounts and documents payable are measured at the end of each reporting period at the undiscounted amount of cash or other consideration that is expected to be paid, as long as it does not constitute a financing transaction.



**Notes to the financial statements**  
**As of December 31, 2020 and 2019**  
(In Colombian pesos, unless otherwise stated)

## **Revenues**

Significant revenues of the company are represented by donations in cash and in kind; Income is recognized on cash donations that must be made through bank transactions, established through agreements with different companies that support and promote the Company's purpose.

## **3. Other non-financial assets**

Advances to employees and suppliers and prepaid expenses consisting mainly of insurance and taxes, in addition to other advance payments that the Company may have, are recognized as other non-financial assets.

The value of the prepayment will be recognized at cost and amortization is calculated using the straight-line method, depending on the policies or contractual terms through profit or loss.

The account for prepayments or prepaid expenses is included in current assets, since the asset is expected to be realized within twelve months from the date on which it is reported.

## **4. Property and Equipment**

FINSOCIAL FOUNDATION will record as property and equipment the tangible assets that are maintained for use in the provision of services, and that are also expected to be used for more than one accounting period. The Company will recognize an asset as an element of property, plant and equipment if it is likely that the entity will obtain future economic benefits and that the cost of said asset can be measured reliably.

### **Recognition and measurement**

Property and equipment elements are initially measured at cost less accumulated depreciation and accumulated impairment periods, as appropriate. The cost includes expenses that are directly attributable to the acquisition of the asset and the process of making the asset fit for its intended use.

### **Subsequent measurement**

FINSOCIAL FOUNDATION will measure property, plant and equipment subsequent to its recognition at cost less accumulated depreciation and the accumulated loss due to the impairment that element has suffered. If the Company has property and equipment that contains major components that reflect different consumption patterns in its future economic benefits, the initial cost of the property distributed for each of the elements must be recognized separately.

FINSOCIAL FOUNDATION will derecognize an asset of property, plant and equipment that is in disposal or is not expected to obtain future economic benefits due to the disposal or use of the asset.

The Company will recognize the gain or loss from the derecognition of property, plant and equipment assets in the result of the corresponding accounting period and are recognized net. Periodic inspections and the costs of replacing part of an element of property and equipment will be recognized in books as a replacement of property and equipment, if they meet the conditions of recognition.

## **Depreciation**

The Company will recognize the depreciation of an asset of property and equipment when said asset is available for use, i.e., when it is in the place and in a context necessary to operate in the manner foreseen by management.

Depreciation is calculated on the depreciable amount, which corresponds to the cost of an asset, or another amount that is substituted for the cost, less its residual value. Depreciation is recognized through profit or loss based on the straight-line depreciation method.

The estimated useful lives for the current and comparative periods are as follows:

- Vehicle, between 5 and 7 years.

If there is any indication that there has been a significant change in the useful life of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

## **5. Taxes**

### **Income taxes**

ESAL Non-Profit Entities are legally constituted legal entities whose contributions, profits or surpluses are not reimbursed, nor distributed in any way, directly or indirectly, neither during their existence, nor at the time of their dissolution and liquidation, since that pursue a social or community purpose. The revenues or contributions obtained in a Non-Profit Entity are reinvested in the improvement of its processes or in activities that strengthen the realization of its corporate purpose, their main source of income is the money received from natural persons, legal entities or entities public on behalf of the State, through donations.

ESALs have the possibility of requesting their qualification as taxpayers of the special RTE tax regime, provided that they are legally constituted, and their corporate purpose corresponds to one of the meritorious activities mentioned in article 359 of the Tax Statute, which seek to contribute to the comprehensive development of society or a community by supporting weak sectors or vulnerable populations, such as mothers who are heads of families, children, research, education, among others.

Associations, foundations, and corporations that are Non-Profit Entities and that are qualified or belong to the Special Tax Regime, have as their main benefit a rate of 20% of the Income and Complementary Tax on the net or surplus profit, and will have the exempt status, when it is directly or indirectly intended for programs that develop the corporate purpose and meritorious activity of the entity, in the year following that in which it was obtained.

Donations made to the ESALs belonging to the Special Tax Regime, as well as to the entities indicated in articles 22 and 23 of the ET, give rise to discounts in the income tax declaration; These are equivalent to 25% of the donated value in the respective taxable year.

**Notes to the financial statements**  
**As of December 31, 2020 and 2019**  
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## **6. Employee benefits**

Short-term employee benefits are recognized as an expense when the related service is provided.

The Company does not have long-term employee benefits.

## **7. Social fund**

The Foundation's social fund is made up of the initial contributions of the founders.

## **8. Revenue recognition**

FINSOCIAL FOUNDATION will recognize income from ordinary activities, provided that it is probable that future economic benefits will flow to the Company, and that ordinary income can be measured reliably.

Income from the Company's ordinary activities will be measured at the fair value of the consideration received or to be received, considering any amount for rebates and discounts.

## **9. Financial revenues and costs**

The Company's financial revenues and costs include interest revenues from financial obligations and other banking expenses. Interest revenues are recognized using the effective interest method.

## **10. Recognition of costs and expenses**

The Company recognizes its costs and expenses to the extent that the economic events occur, in such a way that they are recorded systematically in the corresponding accounting period (accrual), independent of the flow of monetary or financial resources (cash).

An expense is recognized immediately, when a disbursement does not generate future economic benefits or when it does not meet the necessary requirements for its registration as an asset.

## Note 5. Determining Fair Values

The fair value hierarchy has the following levels: Level 1 entries are quoted prices (without adjustments) in active markets for assets or liabilities identical to those that the company can access on the measurement date.

Level 2 entries are inputs different from the quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 entries are unobservable entries for the asset or liability.

As of the date that this Financial Statements were issued, the company does not have assets and liabilities that can be classified in the previous levels.

## Note 6. Cash And Cash Equivalents

Cash and cash equivalents as of December 31, 2020 and 2019, include the following components:

ITEM		2020	2019
SAVINGS ACCOUNT	\$	101.354.661	100.068.279
PETTY CASH		80.160	-
<b>TOTAL</b>	<b>\$</b>	<b>101.434.821</b>	<b>100.068.279</b>

As of December 31, 2020 and 2019, these balances do not have any restriction that limits their use or availability.

## Note 7. Accounts Receivable

The balance is represented by the following item as of December 31, 2020:

ITEM		2020	2019
MANAGEMENT PROJECT	\$	339.226.890	-
<b>TOTAL</b>	<b>\$</b>	<b>339.226.890</b>	<b>-</b>

Corresponds to the provision of management support services to the Secretary of the Interior in the implementation of reconciliation projects for inmates.



Notes to the financial statements  
 As of December 31, 2020 and 2019  
 (In Colombian pesos, unless otherwise stated)

## Note 8.

### Other NON-FINANCIAL ASSETS:

The balances are represented by the following items as of December 31, 2020 and 2019:

ITEM	2020	2019
PREPAYMENTS AND ADVANCES	\$ 70.176.344	53.500.000
LOANS TO WORKERS	250.000	-
VAT WITHHOLDING	19.159.665	-
INDUSTRY AND TRADE TAX	6.722.690	-
OTHER DEBTORS	7.992.722	-
<b>TOTAL</b>	<b>\$ 104.301.421</b>	<b>53.500.000</b>

## Note 9.

### Property and Equipment:

COST	CONSTRUCTION AND BUILDINGS	VEHICLE
Balance as of January 1, 2019	\$ 90.000.000	-
Additions	-	-
<b>Balance as of December 31, 2019</b>	<b>90.000.000</b>	<b>-</b>
<u>2020</u>	-	100.000.000
Additions	(90.000.000)	-
Sale of FA	-	-
<b>Balance as of December 31, 2020</b>	<b>\$ -</b>	<b>100.000.000</b>
<u>ACCUMULATED DEPRECIATION</u>	CONSTRUCTION AND BUILDINGS	VEHICLE
Balance as of January 1, 2019	\$ -	-
Depreciation	2.166.671	-
<b>Balance as of December 31, 2019</b>	<b>2.166.671</b>	<b>-</b>
<u>2020</u>	-	2.499.999
Depreciation	(2.166.671)	-
Sale of FA	-	-
<b>Balance as of December 31, 2020</b>	<b>\$ -</b>	<b>2.499.999</b>
<b>Net balance as of December 31, 2019</b>	<b>\$ 87.833.329</b>	<b>-</b>
<b>Net balance as of December 31, 2020</b>	<b>\$ -</b>	<b>97.500.001</b>

The Company, as of the date of these financial statements has no ownership restrictions on these assets. As of December 31, 2020 and 2019, property and equipment do not reflect impairment losses.

## Note 10. Accounts Payable

The following is the breakdown of accounts payable:

ITEM	2020	2019
SUPPLIERS	\$ 34.041.405	-
<b>TOTAL</b>	<b>\$ 34.041.405</b>	<b>-</b>

They are represented by the outstanding balances payable in activities of the corporate purpose, which are proceeding to acquire goods and services of the projects that are carried out.

## Note 11. Other Accounts Payable

ITEM	2020	2019
WITHHOLDINGS PAYABLE	\$ 32.891.914	613.040
VAT PAYABLE	1.998.860	-
DISTRICT TAX	8.631.000	-
INSURANCES	1.789.353	-
FOUNDERS LOANS	150.746.486	-
<b>TOTAL</b>	<b>\$ 196.057.613</b>	<b>613.040</b>
Current	57.477.798	613.040
Non-current	138.579.815	

The following is the breakdown of the maturities of the other long-term accounts payable December 31, 2020:

YEARS	VALUE
2022	\$ 138.579.815
2023 ONWARD	-
	<b>\$ 138.579.815</b>

## Note 12. Financial Obligations:

The following is the breakdown of financial obligations as of December 13, 2020 and 2019:

ITEM	2020	2019
BANCOLOMBIA	\$ 15.894.974	-
<b>TOTAL</b>	<b>\$ 15.894.974</b>	<b>-</b>

Corresponds to the credit card balance as of December 31, 2020, used as a means of payment for activities of the corporate purpose.

Notes to the financial statements  
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## Note 13. Equity

### Social contributions:

The equity of FINSOCIAL FOUNDATION is made up of the social fund that corresponds to the initial contributions of the founders.

FINSOCIAL FOUNDATION is a taxpayer of income tax with a special regime at the rate of 20% because its main corporate purpose and resources are allocated to the different activities described by Act 1819 of December 2016 and Decree 2150 of December 2017 for the entities of the Special Tax Regime; However, considering that the surpluses are used to the development of its corporate purpose, these would have the quality of exempt previous compliance with the legal requirements established for this type of institutions and in accordance with the provisions of the General Chamber in relation to the benefit net or surplus.

## Note 14. Revenues

The following is the breakdown of revenues for the years ended:

ITEM	2020	2019
DONATIONS IN CASH	\$ 1.486.908.204	419.480.000
DONATIONS IN KIND	46.493.286	-
BIOSAFETY KIT PROJECT	339.144.000	-
MANAGEMENT PROJECT	672.268.908	-
TRAINING PROJECT	630.500.000	-
OTHER DONATIONS	48.268.908	-
OTHER PROJECTS	11.000.000	-
<b>TOTAL</b>	<b>\$ 3.234.583.306</b>	<b>419.480.000</b>

## Note 15.

### Administration costs and expenses:

The following is the breakdown of the costs and administration expenses for the years ended in:

ITEM	2020	2019
PERSONNEL, MANAGEMENT EMPLOYEES	\$ 106.112.793	-
PERSONNEL, OTHER EMPLOYEES	48.967.225	-
TRAINING	5.459.052	4.600.000
PROJECTS	2.146.730.315	182.914.239
TRAVEL EXPENSES	4.477.856	516.472
DEPRECIATION	2.499.999	2.166.671
LEGAL EXPENSES	94.979.225	-
PROFESSIONAL FEES	412.843.462	64.244.000
TAXES	20.659.033	9.044.943
MAINTENANCES AND ADAPTATIONS	5.871.769	459.331
INSURANCES	3.584.372	-
SERVICES	89.829.673	9.117.479
<b>TOTAL</b>	<b>\$ 2.942.014.773</b>	<b>273.063.135</b>

The project category corresponds to the development of the campaigns carried out by the FINSOCIAL FOUNDATION based on social aid, among which are: blood campaigns, Christmas country volunteering, business adjustments for entrepreneurs, street children program, education campaigns and among others social activities.

## Note 16.

### Events occurred after the reporting period:

No subsequent events were known that have an impact on the financial statements of FINSOCIAL FOUNDATION. between January 1 and January 31, 2021.

## Note 17.

### Approval of financial statements:

The financial statements and the accompanying notes thereto were approved by the Legal Representative to be presented to founders for approval, which may approve or amend them.





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