KPMG S.A.S.
Calle 90 No. 19C - 74
Bogota D.C. - Colombia

Telephone 57 (1) 6188000
57 (1) 6188100

home.kpmg/co

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Financiera de Desarrollo Territorial S.A. Findeter (the Company), which include the statement of financial position as of December 31, 2022, and the statements of income, other comprehensive income, changes in equity and cash flow for the year then ended, and respective notes thereto, which include main accounting policies and other explanatory information. I further audited the funds and special accounts indicated in paragraph 3) of this report that are managed by the Company.

In my opinion, the accompanying financial statements, prepared based on information taken faithfully from the books, present fairly, in all material respects, the financial position of the Company as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia, applied uniformly with the previous year.

Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Evaluation of the provision for credit risk of the direct commercial loan portfolio according to the Guidelines of the Colombian Financial Superintendence (see note 3.3 and 12 to the financial statements).</th></tr>
<tr><th>Key Audit Matters</th><th>How it was addressed in the audit</th></tr>
<tr><td>The balance of the direct commercial loan portfolio and its provision for credit risk as of December 31, 2022, amount to $2,058,075 million and $25,350 million, respectively.

The Company records the provision for direct commercial loan portfolio according to the requirements of the Colombian Financial Superintendence, which establishes the constitution of minimum provisions in accordance with the expected losses determined according to the credit risk rating methodology defined in the reference model.

I considered as a key audit matter the methodology for the credit risk rating of customers classified in the direct commercial loan portfolio, since it incorporates significant judgmental elements in the key analysis assumptions, including the variables that allow capturing the credit risk. This assigned risk rating is incorporated as a parameter in the reference model for the calculation of provisions for credit risk of the direct commercial loan portfolio.</td><td>My audit procedures to evaluate the assignment of the credit risk rating and the effect on the provision include, but are not limited to, the following:

• Involvement of professionals with experience and expertise in credit risk assessment and information technology to evaluate certain internal controls related to the Company's process for determining the provision for direct commercial loans. This included controls associated with: (1) validation of the credit risk rating methodology and/or models in accordance with regulatory requirements; (2) monitoring of the Credit Risk Rating and the resulting provision values; (3) information technology controls over model inputs to the credit provision determination models and provision calculations; and (4) evaluation of customer financial information to identify if there were significant changes in credit risk.

• Inspection of a sample of files of the direct commercial loan portfolio, to verify that the rating granted to commercial loan portfolio customers complies with the guidelines defined by the Colombian Financial Superintendence for the provisioning system and that it is supported according to the financial, qualitative or economic characteristics of the customer and its subsequent incorporation in the reference model for the calculation of provisions.</td></tr>
</table>

	• Recalculation of the provision as of December 31, 2022, on the total direct commercial loan portfolio, in accordance with current regulatory accounting standards.

Other Matters

The financial statements for the year ended December 31, 2021, are presented exclusively for comparison purposes, and were audited by another public accountant, member of KPMG S.A.S., and in his report dated February 23, 2022, he expressed an unqualified opinion on them.

Other information

Management is responsible for other information. Other information comprises the contents of the "Management and Sustainability Report 2022 and contents C.E. 012 / 2022 SFC," but does not include the financial statements and my corresponding audit report, nor the management report on which I express my opinion in the Other legal and regulatory requirements section, in accordance with the provisions of Article 38 of Act 222 of 1995.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

I also provide those charged with governance with confirmation that I have complied with relevant ethical requirements of independence and that I have disclosed to them all relationships and other matters that might reasonably be considered to bear on my independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine the matters that were of most significance in the audit of the current period's financial statements and, therefore, are the key audit matters. I describe these matters in my auditor's report unless law or regulation prevents public disclosure about the matter or when, in extremely exceptional circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably outweigh the benefits to the public interest of such communication.

Report on other legal and regulatory requirements

1. Based on the results of my audit, in my opinion, during 2022:

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

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

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

d) The Company has complied with the regulations and instructions of the Superintendency of Finance of Colombia related to the adequate Management and provisioning of assets received in payment and the implementation and impact on the statement of financial position and the statement of income and other comprehensive income of the applicable risk Management systems.

e) The provisions of Act 2195 of 2022 have been complied with in relation to the Transparency and Business Ethics Program, through instructions from the Colombian Financial Superintendence related to the Money Laundering and Terrorism Financing Risk Management System - SARLAFT or the applicable Internal Control System, according to Opinion 2022033680-002-000 of April 7, 202,2 issued by this control agency."

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

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

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

2. I have followed up on the responses to the letters of recommendation addressed to Management and there are no matters of material importance outstanding that would affect my opinion.

3. Pursuant to the provisions of section 3.3.3.3.2.6.10 of Chapter III, Title I, Part I of Basic Legal Circular 029 of 2014 of the Colombian Financial Superintendence, below I list the Audit Reports on the financial statements as of December 31, 2022, that are issued independently for the funds and special accounts, managed by the Company:

   a. Unqualified reports

      - 30029 - Cooperation KFW
      - 30032 - Inter-administrative Contract for Technical Assistance and Administration Of Resources for the Department of Risaralda - Secretary Of Health
      - 30004 - Road Co-financing Fund
      - 30027 - Prosperity Fund Program
      - 30021 - Special Account General System of Royalties
      - 30028 - Abu Dhabi Development Fund
      - 30013 - Insfopal Special Account
      - 30018 - Program to Support the Sustainable Development of the Department of the Archipelago of San Andres, Providencia and Santa Catalina
      - 30020 - Compensated Fees Fund
      - 30032 - Contingent Recovery Financing Contract No. 80740- 230-2021
      - 30024 - Inter-administrative Contract Municipality of Rionegro and Somos Rionegro SAS
      - 30024 - Inter-administrative Agreement Popayán
      - 30024 - Inter-administrative Agreement Metropolitan Area of Bucaramanga (AMB)
      - 30025 - Cooperation Agreement - NAMA
      - 30008 - Co-financing Fund for Social Investment (FIS)
      - 30010 - Statement of Account Regional Social Investment Resources (RISR)
      - 30007 - Urban Infrastructure Fund
      - 30024 - Inter-administrative Agreement Department of Cundinamarca, the Regional Railway Company, the Capital District of Bogota and the Urban Development Institute (IDU)
      - 30024 - Inter-administrative Contract Municipality San Sebastian de Mariquita
      - 30026 - Non-Reimbursable Technical Cooperation ATN/FM-15632-Co - GEF-IDB

   b. Unqualified reports with emphasis of matter paragraphs

      - 30031 - Non-Reimbursable Technical Cooperation - NAMA MOVE (In Liquidation)
      - 30022 - Specific Technical Assistance Agreement - U.S. Agency for International Development USAID - (In Liquidation)

- 30030 - Cooperation Agreement - NAMA COAD Solid Waste - (In Liquidation)
- 30024 - Inter-Administrative Agreement Ibagué - (In Liquidation)
- 30032 - Inter-Administrative Contract For Project Structuring No. Dnp- 891-2021 (In Liquidation)

JORGE ANDRES RODRIGUEZ POZO

Digitally signed by JORGE ANDRES RODRIGUEZ POZO
Date: 2023.02.27 16:09:46 -05'00'

Jorge Andres Rodríguez Pozo
Financiera de Desarrollo Territorial S.A. – Findeter
Professional License 108251-T
Member of KPMG S.A.S.

February 27, 2023

KPMG S.A.S.
Calle 90 No. 19C - 74
Bogota D.C. - Colombia

Telephone 57 (1) 6188000
57 (1) 6188100

home.kpmg/co

INDEPENDENT AUDITOR'S SEPARATE REPORT ON COMPLIANCE WITH SECTIONS 1 AND 3 OF ARTICLE 209 OF THE CODE OF COMMERCE

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

Description of the Main Subject Matter
As part of my duties as Independent Auditor and in accordance with articles 1.2.1.2 and 1.2.1.5 of the Unified Regulatory Decree 2420 of 20152420 of 2015, as amended by articles 4 and 5 of Decree 2496 of 2015, respectively, I must report on compliance with sections 1) and 3) of article 209 of the Code of Commerce, as described in detail below, by Financiera Desarrollo Territorial S.A. - Findeter hereinafter "the Company" as of December 31, 2022, in the form of an independent reasonable assurance conclusion that the actions of Management have complied with the provisions of the bylaws and the Shareholders' Meeting and that there are adequate internal control measures, in all material aspects, in accordance with the criteria indicated in the paragraph entitled Criteria of this report:

1) Whether the acts of the Company's Management are consistent with the bylaws and the orders or instructions of the Shareholders' Meeting; and

3) Whether there are adequate measures for internal control, conservation and custody of the Company's assets or those of third parties in its possession.

Management's Responsibility

The Company's Management is responsible for compliance with the bylaws and the decisions of the Shareholders' Meeting and for designing, implementing and maintaining adequate internal control measures that include Risk Management Systems implemented, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Financing of Terrorism Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC), and the measures for conservation and custody of the Company's assets or those of third parties in its possession, in accordance with the requirements of Part 1, Title 1, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence.

Independent Auditor’s Responsibility

My responsibility consists of examining whether the acts of the Company’s Management are in accordance with the bylaws and the orders or instructions of the Shareholders’ Meeting, and whether the measures for internal control, conservation and custody of the Company’s assets or those of third parties in its possession are adequate, and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. I performed my procedures in accordance with the International Standard on Assurance Engagements - ISAE 3000 (Revised) accepted in Colombia issued by the International Auditing and Assurance Standards Board - IAASB and translated into Spanish in 2018. Such standard requires me to plan and perform such procedures as I consider necessary to obtain reasonable assurance about whether the actions of Management are in accordance with the bylaws and the decisions of the Shareholders’ Meeting and about whether there are adequate internal control measures in place, which include Risk Management Systems implemented, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Financing of Terrorism Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC), and the measures for conservation and custody of the Company’s assets or those of third parties in its possession, in accordance with the requirements of Part 1, Title 1, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence, in all material aspects.

The accounting firm to which I belong and which appointed me as the independent auditor of the Company applies International Quality Control Standard No. 1 and, accordingly, maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and applicable legal and regulatory professional standards.

I have complied with the independence and ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants - IESBA, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on my professional judgment, including the assessment of whether the acts of Management do not comply with the bylaws and the decisions of the Shareholders’ Meeting and that the internal control measures including Risk Management Systems implemented, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Terrorism Financing Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SACS), and whether the conservation and custody of the Company’s assets or those of third parties in its possession are not adequately designed and implemented, in accordance with the requirements of Part 1, Title 1, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence.

This reasonable assurance work includes obtaining evidence as of December 31, 2022. The procedures include:

- Obtaining a written representation from Management as to whether the actions of the managers are in accordance with the bylaws and the decisions of the Shareholders' Meeting and as to whether there are adequate internal control measures in place, which include Risk Management Systems implemented, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Financing of Terrorism Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC), and as to whether there are conservation and custody measures of the Company's assets or those of third parties in its possession, in accordance with the requirements of Part 1, Title 1, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence.

- Reading and verifying compliance with the Company's bylaws.

- Obtaining a certificate from Management regarding the Shareholders' Meeting, documented in the minutes.

- Reading the minutes of the Shareholders' Meeting and the bylaws and verifying whether the actions of Management are in compliance.

- Inquiries with Management regarding changes or proposed changes to the Company's bylaws during the period covered and validation of their implementation.

- Assessing whether there are adequate internal control measures, including Risk Management Systems implemented, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Financing of Terrorism Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC) and measures for the conservation and custody of the Company's assets or those of third parties in its possession, in accordance with the requirements of Part 1, Title I, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence, which includes:

- Tests of the design, implementation and effectiveness of the relevant controls of the internal control components over financial reporting, which includes the requirements of External Circular 012 of 2022, included in Chapter I, Title V of Part III of the Basic Legal Circular of the Colombian Financial Superintendence and the elements established by the Company, such as: control environment, risk assessment process by the entity, information systems, control activities and monitoring of controls.

- Evaluating the design, implementation and effectiveness of the relevant controls, manual and automatic, of the key business processes related to the significant accounts of the financial statements.

- Verifying the appropriate compliance with the rules and instructions on the implemented Risk Management Systems, Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Terrorism Financing Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC).

- Issuing letters to management and those charged with governance with my recommendations on internal control deficiencies considered not significant, which were identified during the audit.

- Following up on the matters included in the recommendation letters I issued regarding internal control deficiencies.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that effective controls may be in place as of the date of my examination that will change in future periods because my report is based on selective testing and because the evaluation of internal control is susceptible to becoming inadequate because of changes in conditions or because the degree of compliance with policies and procedures may deteriorate. Furthermore, inherent limitations of internal control include human error, failures due to collusion by two or more persons, or inappropriate over-extension of controls by Management.

Criteria

The criteria considered for the evaluation of the matters mentioned in the section Description of the Main Subject Matter include: a) the bylaws and the minutes of the Shareholders'

Meeting and b) the internal control components implemented by the Company, such as the control environment, risk assessment procedures, its information and communications systems and the monitoring of controls by Management and those charged with governance, which are based on the provisions of Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations stated in this report. I believe that the evidence obtained provides a reasonable basis of assurance to support the conclusion I express below:

In my opinion, the actions of Management are in accordance with the bylaws and the decisions of the Shareholders' Meeting and the internal control measures are adequate, which include implemented Risk Management Systems Market Risk Management System (SARM), Operational Risk Management System (SARO), Credit Risk Management System (SARC), Money Laundering and Terrorism Financing Risk Management System (SARLAFT), Liquidity Risk Management System (SARL) and Financial Consumer Service System (SAC) and the measures for conservation and custody of the Company's assets or those of third parties in its possession, in all material aspects, in accordance with the requirements of Part 1, Title 1, Chapter IV and Part III, Title V, Chapter I of the Basic Legal Circular of the Colombian Financial Superintendence.

JORGE ANDRES RODRIGUEZ POZO

Digitally signed by JORGE ANDRES RODRIGUEZ POZO
Date: 2023.02.27 16:10:58 -05'00'

Jorge Andres Rodríguez Pozo
Financiera de Desarrollo Territorial S.A. – Findeter
Professional License 108251 -T
Member of KPMG S.A.S.

February 27, 2023

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Estado de Situación Financiera
al 31 de diciembre de 2022 y 2021
(Cifras expresadas en miles de pesos)

	Notas		2022	2021
Activos				
Efectivo y equivalentes de efectivo	10	$	1.033.518.547	1.113.487.756
Activos financieros de inversión y derivados	11		534.440.830	488.628.387
Cartera de créditos, neto	12		11.161.477.854	9.573.929.584
Cuentas comerciales por cobrar y otras cuentas por cobrar, neto	13		100.515.111	71.007.001
Propiedades y equipo, neto	14		31.230.151	27.162.095
Activo por derechos de uso, neto	14.1		330.032	750.168
Propiedades de inversión	15		1.067.900	924.955
Activos intangibles, neto	16		2.449.655	2.234.388
Activos por impuestos diferidos, neto	17		283.799.869	135.268.977
Otros activos, netos	18		4.494.386	3.257.334
Total de activos		**$**	**13.153.324.335**	**11.416.650.645**
Patrimonio y pasivos				
Pasivos				
Instrumentos financieros derivados medidos a valor razonable	11		14.795.606	2.505.503
Impuestos a las ganancias corriente,neto	17		117.620.894	44.617.401
Cuentas comerciales por pagar y otras cuentas por pagar	25		28.519.181	18.449.644
Certificados de depósito a término	19		6.780.523.885	6.192.074.338
Títulos de inversión en circulación	20		1.582.021.770	1.575.884.381
Obligaciones financieras	21		3.198.872.502	2.230.638.160
Pasivo por arrendamiento	14.1		337.035	765.717
Beneficios a empleados	22		12.655.067	7.318.985
Garantías financieras	23		31.922.347	39.346.819
Provisiones	24		2.412.153	2.133.068
Total pasivos		**$**	**11.769.680.440**	**10.113.734.016**
Patrimonio de los accionistas				
Capital suscrito y pagado	26		1.154.222.237	1.084.671.848
Reservas	26		103.104.300	95.475.810
Resultados adopción por primera vez	27		39.925.003	52.075.778
Otros resultados integrales	27		202.498	(6.485.686)
Utilidad del ejercicio			86.189.857	77.178.879
Total patrimonio de los accionistas		**$**	**1.383.643.895**	**1.302.916.629**
Total pasivos y patrimonio de los accionistas		**$**	**13.153.324.335**	**11.416.650.645**

Véanse las notas adjuntas que forman parte integral de los estados financieros.

RICARDO BONILLA GONZALEZ
Representante Legal (*)

JORGE ANDRÉS RODRÍGUEZ POZO
Revisor Fiscal
T.P. 108251-T
Miembro de KPMG S.A.S.
(Véase mi informe del 27 de febrero de 2023)

HOLLMAN JAVIER PUERTO BARRERA
Contador (*)
T.P. 31196-T

(*) Los suscritos Representante Legal y Contador público certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros y que los mismos han sido tomados fielmente de los libros auxiliares de contabilidad de Findeter.

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Estado de Resultados
Por los años terminados al 31 de diciembre de 2022 y 2021
(Cifras expresadas en miles de pesos)

	Notas		2022	2021
Ingresos operacionales				
Intereses cartera de créditos	28	$	1.073.462.808	513.874.944
Utilidad por valoración de inversiones a valor razonable, neto	28		100.584.499	16.477.020
Intereses de inversiones a costo amortizado, neto	28		7.507.469	2.734.446
Utilidad por valoracion derivados, neto			314.623.747	243.412.337
Gastos operacionales				
Intereses certificados de depósito a término			(553.162.684)	(206.504.299)
Intereses obligaciones financieras	28		(85.733.249)	(43.399.865)
Intereses titulos de inversión en circulación			(145.348.999)	(111.805.618)
Pérdida por diferencia en cambio, neto			(438.364.529)	(276.178.862)
Margen financiero, neto			**273.569.062**	**138.610.103**
(Deterioro) y Recuperación para activos financieros de crédito, neto	12		(2.410.058)	7.381.826
(Deterioro) y Recuperación para cuentas por cobrar, neto	13		(929.917)	(618.866)
Margen financiero, después de deterioro, neto			**270.229.087**	**145.373.063**
Ingresos y gastos por comisiones y otros servicios				
Ingresos de asistencia técnica	29		67.397.354	84.524.853
Ingresos por comisiones y otros servicios	29		4.948.464	8.067.577
Gastos por comisiones y otros servicios	29		(12.136.884)	(10.741.815)
Ingresos y gastos por comisiones y otros servicios, netos			**60.208.934**	**81.850.615**
Otros ingresos y gastos				
Otros ingresos	30		14.434.675	27.542.639
Otros gastos	31		(209.212.385)	(163.175.166)
Otros gastos, neto			**(194.777.710)**	**(135.632.527)**
Utilidad antes de impuestos a las ganancias			**135.660.311**	**91.591.151**
Gasto por impuestos a las ganancias	17		(49.470.454)	(14.412.272)
Utilidad del ejercicio		**$**	**86.189.857**	**77.178.879**

Véanse las notas adjuntas que forman parte integral de los estados financieros.

RICARDO BONILLA GONZALEZ
Representante Legal (*)

JORGE ANDRÉS RODRÍGUEZ POZO
Revisor Fiscal
T.P. 108251-T
Miembro de KPMG S.A.S.
(Véase mi informe del 27 de febrero de 2023)

HOLLMAN JAVIER PUERTO BARRERA
Contador (*)
T.P. 31196-T

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
ESTADO DE CAMBIOS EN EL PATRIMONIO
Por los años terminados al 31 de diciembre de 2022 y 2021
(Cifras expresadas en miles de pesos)

	Nota		Capital suscrito y pagado	Reservas: Reservas legales	Reservas: Reservas Ocasionales	Resultados Adopción Primera vez	Otros Resultados integrales	Utilidad del Ejercicio	Total Patrimonio
Saldo inicial al 1 de enero de 2021		**$**	**1.077.741.944**	**71.659.014**	**23.116.267**	**52.075.778**	**(9.107.513)**	**7.630.433**	**1.223.115.923**
Capitalizacion de utilidades y Liberación de reservas ocasionales			6.929.904	763.043	(62.514)			(7.630.433)	-
Utilidad del ejercicio			-	-	-			77.178.879	77.178.879
Otros resultados integrales			-	-	-		2.621.827	-	2.621.827
Total cambios en el patrimonio			6.929.904	763.043	(62.514)	-	2.621.827	69.548.446	79.800.706
Saldo al 31 de diciembre de 2021		**$**	**1.084.671.848**	**72.422.057**	**23.053.753**	**52.075.778**	**(6.485.686)**	**77.178.879**	**1.302.916.629**
Saldo inicial al 1 de enero de 2022		**$**	**1.084.671.848**	**72.422.057**	**23.053.753**	**52.075.778**	**(6.485.686)**	**77.178.879**	**1.302.916.629**
Capitalizacion de utilidades y Liberación de reservas ocasionales	26		69.550.389	7.717.888	(89.398)			(77.178.879)	0
Utilidad del ejercicio								86.189.857	86.189.857
Realizacion de partidas Adopcion por Primera vez	27					763.727			763.727
Movimiento Reclasificacion Adopcion por Primera vez (*)						(12.914.502)	12.914.502		-
Otros resultados integrales							(6.226.318)	-	(6.226.318)
Total cambios en el patrimonio			69.550.389	7.717.888	(89.398)	(12.150.775)	6.688.184	9.010.978	80.727.266
Saldo al 31 de diciembre de 2022		**$**	**1.154.222.237**	**80.139.945**	**22.964.355**	**39.925.003**	**202.498**	**86.189.857**	**1.383.643.895**

Véanse las notas adjuntas que forman parte integral de los estados financieros.

* Corresponde a una reclasificacion para efectos de presentación, no afecto registros contables

RICARDO BONILLA GONZALEZ
Representante Legal (*)

HOLLMAN JAVIER PUERTO BARRERA
Contador (*)
T.P. 31196-T

JORGE ANDRÉS RODRÍGUEZ POZO
Revisor Fiscal
T.P. 108251-T
Miembro de KPMG S.A.S.
(Véase mi informe del 27 de febrero de 2023)

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Estado de Otro Resultado Integral
Por los años terminados al 31 de diciembre de 2022 y 2021
(Cifras expresadas en miles de pesos)

	Nota		2022	2021
Utilidad del ejercicio		$	86.189.857	77.178.879
Partidas que no seran reclasificadas a resultados del ejercicio				
Revalorizacion de activos fijos	27		3.922.682	(90)
Partidas que seran reclasificadas a resultados del ejercicio				
Valoración de intrumentos financieros disponibles para la venta	27		(12.681.422)	1.641.164
Reconocimiento de impuesto diferido	17		2.532.421	980.753
Total otro resultado integral del ejercicio, neto de impuestos	**27**		**(6.226.318)**	**2.621.827**
Resultado integral total		**$**	**79.963.539**	**79.800.706**

Véanse las notas adjuntas que forman parte integral de los estados financieros.

RICARDO BONILLA GONZALEZ
Representante Legal (*)

JORGE ANDRÉS RODRÍGUEZ POZO
Revisor Fiscal
T.P. 108251-T
Miembro de KPMG S.A.S.
(Véase mi informe del 27 de febrero de 2023)

HOLLMAN JAVIER PUERTO BARRERA
Contador (*)
T.P. 31196-T

(*) Los suscritos Representante Legal y Contador público certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros y

FINANCIERA DE DESARROLLO TERRITORIAL S.A. FINDETER
Estado de Flujos de Efectivo
Por los años terminados el 31 de diciembre de 2022 y 2021
(Cifras expresadas en miles de pesos)

	Notas		2022	2021
Utilidad del ejercicio	7	$	**86.189.857**	**77.178.879**
Flujos de efectivo de las actividades de operación:				
Ajustes para conciliar la utilidad del ejercicio con el efectivo neto provisto en las actividades de operación:				
Depreciaciones propiedades y equipo	14		523.146	643.926
Depreciaciones por derecho de uso	14,1		1.305.063	1.596.593
Amortizaciones de intangibles	16		1.607.420	1.390.145
Amortizaciones otros activos	18		3.691.374	2.807.880
Deterio (recuperación) de cuentas por cobrar, neto	13		929.917	618.866
Gasto y reintegro por deterioro de cartera de crédito, neto	12		2.410.058	(7.381.826)
Gasto por impuesto a las ganancias del periodo	17		49.470.454	14.412.272
(Reintegro) cargos por litigios, neto	24		-	(3.151.372)
Cargos por otras provisiones, neto	24		-	(1.551.525)
Reintegro por provisión de garantías financieras	23		(7.424.472)	(15.893.008)
Diferencia en cambio de bancos en moneda extranjera			(12.513.621)	(7.244.324)
Utilidad por valoración de inversiones, neto			(108.091.968)	(19.211.466)
Utilidad por valoración derivados, neto			(314.623.747)	(243.412.337)
Intereses cartera de créditos	28		(1.073.462.807)	(513.874.944)
Gastos por intereses			784.244.932	361.709.782
Gasto por beneficios a empleados que no genera salida de efectivo			7.916.589	2.553.748
Cambios en activos y en pasivos operacionales:				
Inversiones negociables			49.598.103	(106.012.012)
Cartera de crédito, neto			(1.226.023.637)	720.837.654
Cuentas por cobrar			(30.438.027)	21.327.040
Propiedad Planta y Equipo			(3.903.297)	-
Revalorizacion de activos fijos	28		3.922.682	(90)
Otros activos			(4.928.426)	(3.641.612)
Instrumentos financieros derivados			326.913.850	187.556.568
Impuestos a las ganancias corriente neto			(62.076.502)	(30.888.247)
Certificados de depósito a término			552.580.522	(569.864.208)
Inversiones en circulacion			-	(16.608)
Obligaciones financieras			433.560.885	312.112.127
Pasivo por arrendamiento			42.645	78.060
Beneficios a empleados			(2.580.506)	(1.870.980)
Provisiones	24		279.085	-
Cuentas por pagar			10.069.535	1.297.782
Realizacion de partidas Adopcion por Primera vez	27		763.727	-
Impuesto pagado de renta			(60.388.930)	(3.176.739)
Pagos intereses por arrendamiento	14,1		(42.645)	(78.060)
Intereses pagados			(707.611.430)	(372.034.168)
Intereses cobrados			709.528.116	250.865.129
Efectivo neto provisto por (usado en) las actividades de operación		$	**(588.562.055)**	**57.682.925**
Flujos de efectivo de las actividades de inversión:				
Adiciones de propiedades y equipo	14		(687.904)	(160.332)
Adiciones de otros activos intangibles	16		(1.822.687)	(1.626.702)
Aumento propiedades de invesion	15		(142.945)	(50.955)
Efectivo neto usado en las actividades de Inversión		$	**(2.653.536)**	**(1.837.989)**
Flujos de efectivo de las actividades de financiación:				
Nuevos préstamos en créditos de bancos y otras obligaciones financieras			817.937.114	127.712.044
Pagos de créditos bancarios y otras obligaciones financieras			(317.890.744)	(256.330.901)
Pagos por capital contratos de arrendamiento	14,1		(1.313.610)	(1.653.440)
Efectivo neto usado en las actividades de Financiación		$	**498.732.760**	**(130.272.297)**
Efectivo y equivalente de efectivo antes del efecto en la tasa de cambio			(92.482.831)	(74.427.361)
Diferencia en cambio sobre el efectivo			12.513.621	7.244.324
Disminución neto de efectivo y equivalente al efectivo	10	$	**(79.969.210)**	**(67.183.037)**
Efectivo y equivalentes de efectivo al comienzo del año	10		1.113.487.756	1.180.670.793
Efectivo y equivalentes de efectivo al final del año	10	$	**1.033.518.546**	**1.113.487.756**
Disponible Restringido	10		(1.515.663)	(10.561.946)
Efectivo y equivalentes de efectivo al final del año sin el disponible restringido		$	**1.032.002.883**	**1.102.925.810**

Véanse las notas adjuntas que forman parte integral de los estados financieros.

RICARDO BONILLA GONZALEZ
Representante Legal (*)

JORGE ANDRÉS RODRÍGUEZ POZO
Revisor Fiscal
T.P. 108251-T
Miembro de KPMG S.A.S.
(Véase mi informe del 27 de febrero de 2023)

HOLLMAN JAVIER PUERTO BARRERA
Contador (*)
T.P. 31196-T

(*) Los suscritos Representante Legal y Contador público certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros intermedios condensadosy que los mismos han sido tomados fielmente de los libros auxiliares de contabilidad de Findeter.

Financiera de Desarrollo Territorial S. A. - Findeter
Notes to the financial statements

As of December 31, 2022 and 2021

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

Note (1) Reporting Entity

Financiera de Desarrollo Territorial S.A., hereinafter Findeter, was incorporated by public deed number one thousand five hundred seventy (1,570), dated May 14, 1990, with operating authorization issued by the Financial Superintendence of Colombia by Resolution No. 3354 of September 17, 1990. Findeter is a mixed economy joint-stock company established under the laws of the Republic of Colombia headquartered in the city of Bogota at Calle 103 No. 19-20, organized as a credit establishment tied to Grupo Bicentenario SAS, subject to the control and oversight of the Financial Superintendence of Colombia. Its main shareholder is Grupo Bicentenario SAS with a 92.55% interest, which has its principal place of business in Bogota, Colombia. It currently has five regional offices and one zone, for a total of six offices in the country. It has an indefinite term of duration. Findeter has a total of 606 employees in 2022 (246 in 2021); the increase in the number of employees is due to the fact that, during January 2022, all the employees who, as of December 31, 2021, had been hired through a contract with the temporary work agency, were hired as permanent employees, in order to generate better job stability for our employees.

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.

During the last two years, the following amendments to the bylaws were made, the first one with deed 1010 of 2022 dated June 17, 2022, amendment to article 7. “Authorized Capital Art. 7. FINDETER’s authorized capital is ONE TRILLION ONE HUNDRED SEVENTY-FIVE BILLION PESOS ($1,175,000,000,000) legal tender, DIVIDED in eleven million one hundred seventy-five thousand shares (11,175,000) with a par value of ONE HUNDRED THOUSAND PESOS ($100,000) LEGAL TENDER each”; the second with deed 27 of 2021, amendment to article 24, “The General Shareholders’ Meeting will elect its respective Chairman in each meeting.”

In accordance with the duties defined for Findeter by the organic statute of the financial system, Findeter may enter into agreements to manage resources destined to the development of its corporate purpose. In this regard, the following is a list of the resource management agreements entered into, which are in force as of December 31, 2022:

Fund
GEF-IDB Agreement
USAID Agreement
ABU DHABI Agreement
COOPERATION KFW Agreement
NAMA COOPERATION KFW Agreement
NAMA COAD MINISTRY OF HOUSING CITY AND TERRITORY Agreement
NAMA MOV COOPERATION GIZ FINDETER Agreement
Managed Agreements - COAD -DPT CUNDINAMARCA - IDU
Managed Agreements - COAD- IBAGUE
Managed Agreements - COAD- POPAYAN
Managed Agreements - COAD- AMB BUCARAMANGA
Managed Agreements - COAD- MARIQUITA
Managed Agreements - COAD- RIONEGRO
ROYALTIES Fund
Agreement Management - ADCO-DNP
Agreement Management - ADCO-RISARALDA

Fondo
Agreement Management - ADCO-MINCIENCIAS
Agreement IDB SAN ANDRES
Fund for Prosperity
Compensated Rates
INSFOPAL Management Trust
Social Investment Fund- FIS
Co-financing Fund for Urban Infrastructure-FIU

Roads Co-financing Fund- FCV
Social and Regional Investment Resources - RISR

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

The financial statements have been prepared in accordance with the Financial Reporting Standards accepted in Colombia (CFRS), established in Act 1314 of 2009, regulated by Unified Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019, 1432 of 2020, 938 of 2021 and 1611 of 2022. The CFRS Group 1 are based on the complete International Financial Reporting Standards (IFRS), issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

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

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

The financial statements of Financiera de Desarrollo Territorial S.A. FINDETER for the period ended December 31, 2022, have been prepared in accordance with the Financial Reporting Standards Accepted in Colombia (CFRS) and the applicable provisions issued by the Colombian Financial Superintendence.

For legal purposes in Colombia, the individual financial statements are the financial statements used to distribute dividends. In the case of Findeter, there is no distribution of dividends, as stipulated in Articles 3 of Act 57 of 1989 and Article 30 of Act 1328 of 2009.

Note (3) Significant accounting policies

a) Basis of Measurement

The individual financial statements have been prepared on the historical cost basis, except for the following significant items included in the statement of financial position.

Item	Basis of Measurement
Derivative financial instruments	Fair value through profit or loss.

Financial instruments classified at fair value	Fair value through profit or loss and, for investments designated on initial recognition as available for sale, at fair value through other comprehensive income.
Investment properties	Fair value through profit or loss.
Property (Land and Buildings)	Revalued cost.
Long-Term Employee Benefits	Present value of defined benefit obligations.
Financial Guarantees	Fair value through profit or loss.
Provisions for lawsuits, claims and litigation against the Company	Present value of indexed claims through profit or loss.

b) Functional and presentation currency

The items included in Findeter's individual financial statements are expressed in Colombian pesos, the currency of the primary economic environment where the entity operates, which is the functional currency and the presentation currency as well. All the information is expressed in thousands of pesos and has been rounded to the nearest whole number; with the exception of the exchange rates presented in pesos and the dollars described in note 3, section d, note 10 and note 21.

c) Presentation of Financial Statements

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

1. Statement of Financial Position

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

2. Income Statement

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

3. **Statement of Other Comprehensive Income**

The statement of other comprehensive income (OCI) recognizes items that, by their measurement, are not specifically treated as income or expense, since these items are unrealized gains or losses for the period, and are recognized in equity.

4. **Statement of Cash Flows**

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

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

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

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

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

5. Statement of Changes in Equity

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

d) Foreign Currency Transactions

Foreign currency transactions are translated into Colombian pesos using the exchange rate published by the Colombian Central Bank on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into functional currency using the exchange rate effective on the cut-off date of the statement of financial position. Exchange differences are recognized through profit or loss. As of December 31, 2022 and 2021, the exchange rates per U.S. dollar were $4,810.20 and $3,981.16, respectively.

e) Cash and Cash Equivalents

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

f) Trust Operations

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

National Guarantees Fund

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

This agency has a term of one hundred fourteen (114) additional months from the date of the latest loan disbursement that has guarantees under the agreement. As of December 31, 2022 and 2021, guarantees continue to be delivered within the object of the agency.

Fiduciaria La Previsora – Pre-investment

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

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

For the financial vehicles of the National Guarantees Fund and the Pre-Investment Fund, Findeter recognizes their financial information in its financial statements by incorporating the balances item by item.

g) Operating Segments

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

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. The result thereof is the support for the preparation of the cost report generated by the accounting department and presented to the accounting and budget management committee composed of the entity's management group.

There are no levels of integration between the segments. Business units carry out separate activities that do not generate inter-segment pricing. The performance of each segment is measured on earnings before income tax.

h) Assets – Financial Instruments

A financial instrument is roughly defined as: a contract between two parties. The contract gives rise to a financial asset for the holder and a liability or equity instrument for the issuer.

Findeter, within its asset structure, has financial assets such as: investments, derivative operations, loan portfolio and accounts receivable.

1. Financial Investment Assets

Investments are classified in accordance with the provisions of Chapter I-1 of the Accounting and Financial Basic Circular issued by the Financial Superintendence of Colombia with respect to: marketable investments, held-to-maturity investments and available-for-sale investments. Findeter, in developing its business model and following the guidelines of the Board of Directors, aims to negotiate investments in order to optimize the management of its financial resources, which are not used temporarily in loan operations.

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

According to Chapter I-1 of the Accounting and Financial Basic Circular 100 of 1995, issued by the Colombian Financial Superintendence, the different types of investments are classified, valued and accounted for in accordance with the business model defined by Findeter's Board of Directors:

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

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

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

Available for sale - Equity instruments		
Characteristics	**Valuation**	**Accounting**
Securities or bonds and, in general, any type of investment, which are not classified as marketable investments or as investments to be held to maturity. Mainly equity securities.	Investments in equity instruments are valued by the equity method.	It is recorded in the respective Unrealized Profit or Loss (OCI) account, with debit or credit to the investment.

1.1 Impairment or Losses due to Issuer Risk Rating

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

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

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

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

1.1.1 Securities of Unrated Issues or Issuers

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

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

Category/ Risk	Characteristics	Provisions
	investment.	In the case of equity securities and/or bonds, the net value of credit risk provisions (cost less provision) for which they are accounted for cannot exceed sixty percent (60%) of the acquisition cost.
D -Significant	Corresponds to issues in default in the terms agreed in the security, and their financial statements and other available information evidence marked deficiencies in their financial situation.	In the case of equity securities and/or bonds, the value for which they are accounted for cannot exceed forty percent (40%) of their nominal value net of amortizations up to the valuation date.
		In the case of equity securities and/or bonds, the net value of credit risk provisions (cost less provision) for which they are accounted for cannot exceed forty percent (40%) of the acquisition cost.
E - Uncollectible	Investments that are estimated uncollectible, according to the financial statements and other information available of the issuer.	The value of these investments is fully provisioned.

1.1.2 Securities of issues or issuers with external ratings

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

Long-term rating	Maximum value %	Short-term rating	Maximum value %

BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 and 6	Zero (0)
DD,EE	Zero (0)		

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

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

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

2. Transactions with derivative financial instruments

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

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

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

3. Loan portfolio

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

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

3.1 Types of portfolio in Findeter:

The Findeter portfolio is classified into the following modalities:

- Commercial. These are loans granted to legal entities for the development of organized economic activities. Findeter includes in this modality the following types of loans:

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

  - Direct Loan: Originates as operations authorized to Financiera de Desarrollo Territorial S.A. - Findeter, through Presidential Decrees Numbers 468 of March 23, 2020, and 581 of April 15, 2020, which refer to:

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

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

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

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

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

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

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

3.2 Credit Risk

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

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

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

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

- For the employee portfolio, recovery through payroll deduction and the employment relationship with the finance company, which historically reflects great stability, is monitored once the employment relationship ends and the employee becomes a former employee (consumer and housing). Monitoring starts from the termination of employment and is conducted monthly based on the debtor's repayment behavior.

3.3 Credit Risk Rating

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

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

CATEGORY	DESCRIPTION
A1	The quantitative and qualitative analysis reflects a solid, stable and sufficient financial situation to meet its obligations permanently and in a timely manner. Financial strength is unlikely to be adversely affected by economic and financial events.

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

- Direct commercial portfolio, first-tier portfolio and former employees consumer portfolio (according to annexes III and V of Chapter II of External Circular 100 of the Colombian Financial Superintendence).

CATEGORY	COMMERCIAL PORTFOLIO (DIRECT AND FIRST-TIER)	CONSUMER PORTFOLIO (FORMER EMPLOYEES)
AA	Credits rated in this category reflect excellent structuring and service. The debtors' financial statements or the project's cash flows, as well as other credit information, indicate an optimal payment capacity, in terms of the amount and origin of the debtors' income to meet the required payments. Loans already granted that are not more than 29 days delinquent in their contractual obligations, i.e., between 0 and 29 days delinquent.	Credits rated in this category reflect excellent service. The debtor's risk analysis reflects an optimal payment capacity and excellent credit behavior that ensures the collection of the obligation under the agreed terms.

A	Credits rated in this category reflect appropriate structuring and care. The debtors' financial statements or the project's cash flows, as well as other credit information indicate an adequate payment capacity, in terms of the amount and origin of the debtors' income to meet the required payments.	Credits rated in this category reflect adequate service. The debtor's risk analysis reflects an appropriate payment capacity and an adequate credit behavior that allows inferring stability in the collection of the obligation under the agreed terms.
BB	Credits rated in this category are accepted and protected in an acceptable manner, but there are weaknesses that can potentially affect, temporarily or permanently, the debtor's payment capacity or the project's cash flows, so, if not timely corrected, it may affect the normal collection of the credit or contract. Loans already granted that are 60 days or more but less than 90 days delinquent in their contractual obligations, i.e., between 60 and 89 days delinquent.	Credits rated in this category reflect acceptable service. The debtor's risk analysis shows weaknesses in their payment capacity and credit behavior that can potentially affect, temporarily or permanently, the normal collection of the obligation under the agreed terms.
B	Credits rated in this category have insufficiencies in the debtor's payment capacity or in the project's cash flows, which compromise the normal collection of the obligation in the agreed terms. Loans already granted that are 90 days or more but less than 120 days delinquent in their contractual obligations, i.e.,	Credits rated in this category reflect poor service. The debtor's risk analysis shows insufficiencies in their payment capacity and credit behavior, affecting the normal collection of the obligation under the agreed terms.

	between 90 and 119 days delinquent.	
CC	Credits or contracts rated in this category present serious insufficiencies in the debtor's payment capacity or in the project's cash flows, which significantly compromises the collection of the obligation under the agreed terms. Loans already granted that are 120 days or more but less than 150 days delinquent in their contractual obligations, i.e., between 120 and 149 days delinquent.	Credits rated in this category have serious insufficiencies in the debtor's payment capacity and credit behavior, significantly affecting the collection of the obligation in the required terms.
NON-COMPLIANCE	The minimum objective conditions for the credit to be rated in this category are the events described in section 1.3.3.1 of the Accounting and Financial Basic Circular.	The minimum objective conditions for the credit to be rated in this category are the events described in section 1.3.3.1 of the Accounting and Financial Basic Circular.

- Employee housing and consumer portfolio (According to Annex I, Chapter II of External Circular 100 of the Colombian Financial Superintendence.)

CATEGORY	RISK	DESCRIPTION
A	NORMAL	Loans rated in this category reflect appropriate structuring and service. The debtors' financial statements, as well as other credit information, indicate an adequate payment capacity, in terms of the amount and origin of the debtor's income to meet the required payments.
B	ACCEPTABLE	Loans rated in this category are accepted and protected in an acceptable manner, but there are weaknesses that can potentially affect, temporarily or permanently, the debtor's payment capacity, so, if

		not timely corrected, it may affect the normal collection of the credit or contract.
C	DEFICIENT WITH ACCEPTABLE RISK	Loans rated in this category present insufficiencies in the debtor's payment capacity, which compromise the normal collection of the obligation in the agreed terms.
D	DIFFICULT COLLECTION WITH SIGNIFICANT RISK	Loans rated in this category have the same characteristics as those DEFICIENT, but to a greater extent, so the probability of collection is highly doubtful.
E	IRRECOVERABLE	Those deemed uncollectible.

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

Rating Standardization

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

REPORTING CATEGORY			
GROUPED CATEGORY (FINANCIAL STATEMENTS)	**COMMERCIAL-REDISCOUNT**	**COMMERCIAL-DIRECT**	**CONSUMER-FORMER EMPLOYEES**
A	A1	AA	AA
	A2		
	A3		0-30 days delinquent
	A4		
B		A	Over 30 days delinquent
		BB	BB
C		B	B
		CC	CC
D	A5	D	D
E		E	E

3.4 Modification and Restructuring Processes

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

3.5 Portfolio Write-offs

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

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

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

3.6 Impairment

Individual Impairment

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

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

- For the Rediscount portfolio, the instructions given in Annex 6 (Individual provisions of the entities authorized to carry out Rediscount operations) will apply. The methodologies implemented for the risk classification of the different types of intermediaries are based on:

  - Financial analysis and probability of impairment: Mathematical and statistical evaluation of the intermediaries' financial statements.
  - Qualitative aspects and on-site visits: The objective of this component is to carry out a qualitative analysis of a series of information sent by the intermediary, with the purpose of deepening customer knowledge and gaining a better understanding of its business model and strategy, corporate governance framework, etc.

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

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

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

3.7 General Provision

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

3.8 Guarantee Management and Handling Policy

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

The analysis of the guarantees must include the following characteristics:

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

- **Rediscount Portfolio**

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

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

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

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

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

- **Direct Loan Portfolio**

Territorial Entities are required to pledge income for a minimum of 130% of the annual debt service, including principal and interest, during the term of the loan.

For public utility service providers, the pledge of income or revenues and standby letters of credit was required to cover at least 130% of the annual debt service, including principal and interest, during the term of the loan; this line is not open for new disbursements; however, the follow-up and recovery of this portfolio validates compliance with this policy.

- **Employee and Former Employee Portfolio**

For housing loans, a first-degree open mortgage is required as guarantee without limit of amount in favor of Findeter.

For consumer loans, a co-signer, vehicle pledge and/or first-degree open mortgage without limit of amount in favor of Findeter may be required.

4. Trade and other accounts receivable

It records amounts receivable such as commissions and fees for services rendered, as well as amounts resulting from the sale of goods and services, leases, advances on contracts and suppliers. It also records cash advances to employees for which rendering and legalization of accounts is expected in a short term, and other amounts receivable accrued under any other cause.

These accounts mainly consist of amounts accrued for technical assistance provided by Findeter. Its main customers are the Ministries and Territorial Entities.

They are initially recognized at the amount of the transaction and subsequently will continue to be measured at their amount less impairment losses.

In relation to the frequency for the recovery of accounts receivable, especially those of technical assistance, these cannot be delimited to a determined period, if we take into account that it depends on the legalization procedures for the services rendered, which are varied depending on the Ministry, territorial entities or institutions, with which the contract is subscribed, who in the last instance are the ones authorized for its cancellation.

For the constitution of these accounts and especially for technical assistance, there are accounting policies and techniques for the calculation and recognition of income, due to the effect of the work performed, in compliance with the provisions of IFRS 15 Revenue from Contracts with Customers.

Impairment of other accounts receivable

Considering that IFRS 9 - “Financial Instruments” contemplates that for trade accounts receivable that are within the scope of IFRS 15 and do not contain a significant financial component, the simplified impairment model will be applied.

Measurement of Expected Credit Losses

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

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

(b) the time value of money; and

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

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

On the other hand, and taking into account the seasonality of the technical assistance accounts receivable recorded by Findeter, originated in the development of the contracted work and its subsequent collection legalization, it was established as a policy to recognize the possible impairment, the loss of purchasing power, Temporary value of money.

Accordingly, the following formula will be applied for the recognition and updating of the impairment calculation for other accounts receivable:

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

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

i) Investment Properties

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

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

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

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

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

Investment properties in Findeter will be subsequently measured at fair value through profit or loss. The fair value of investment property is determined by independent experts using technical appraisals.

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

Findeter performs the measurement of investment properties at each annual closing, a process carried out by an expert firm, which evaluates the requirements of IFRS 13 and determines their fair value. (see note 15)

For purposes of measuring the fair value of the investment property, it is determined as a level 2 input. The observable data were as follows:

1. Location of the building in a sector of multiple economic activity and very close to or near main roads.
2. The recognition, facade and visual conditions of the building where the office is located; the characteristics of the building, in terms of its equipment, infrastructure and provision of services.
3. The quality of the office finishes and the internal adaptations, urban regulations and applicable land uses.
4. The real estate market with similar characteristics in the sector, the remaining useful life assigned to the property and the calculated fair value corresponds to the property's commercial value.

j) Property and equipment

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

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

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

i. Their purchase price including import duties, non-refundable purchase taxes, after deducting trade discounts and rebates.
ii. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

iii. Dismantling costs: The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
iv. Borrowing costs: Costs related to a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized and, in other cases, are recognized through profit or loss, in accordance with the financing costs.

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

Asset type	Useful life (years)
Buildings	100
Furniture and fixtures	6
Computer equipment	3

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

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

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

Findeter revaluates its buildings and land every two years, a process carried out by an expert firm, which evaluates the requirements of IFRS 13 and determines their fair values, according to the variables indicated in note 14 of these notes to the financial statements.

- **Derecognition of fixed assets**

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

- **Impairment of property and equipment items**

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

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

k) Leases

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

Recognition as lessee

Initial Measurement

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

Subsequent Measurement

Right-of-use assets after the commencement date are measured using the cost model, adjusted for any remeasurement of the lease liability, subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, and adjusted for certain remeasurements of the lease liability at least annually.

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

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

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

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

Short-term leases and low-value asset leases

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

Lease Recognition from the Lessor's Perspective

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

l) Intangibles Assets

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

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

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

Useful Life of Intangible Assets

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

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

i. Impairment

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

m) Other assets

It records the value of prepaid expenses incurred by the Entity in the development of its activity in order to receive services in the future. These include:

- Insurance

Amortization of prepaid expenses will be made during the period in which the services are received or the expenses are incurred.

At the end of the amortization period, if there are residual values due to the effect of approximations, these should be adjusted in the last period.

n) Financial Guarantees

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

For financial guarantees, the measurement of the reserve associated with the guarantee issued by Findeter to the Intermediaries participating in the debt substitution operation of the "Water Bonds" with the FINDETER ET LOANS - WATER TRUST is based on the analysis of the risk factors present in the life of the loans. The following risk factors are targeted and are the object of analysis and study:

- The decrease in interest due to a probable restructuring of the municipality’s debts in accordance with Act 550.
- The sensitivity of the flows to changes in the interest rate on loans (consumer price index, CPI).
- The sensitivity of income from changes in the allocation of the budget of the General System of Participation (SGP) in drinking water and basic sanitation issues.
- Negative impact on the scheme as a result of possible legal contingencies tending to disregard the existence or legality of the loans acquired by the municipalities.

The analysis of each of these risk factors determines a level of expected losses based on available information.

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

The calculation of these reserves is carried out by the professionals of Findeter's Risk Vice-Presidency, who, in accordance with the models formulated, update their calculation every half year, which is sent to the Accounting Department for recognition.

The calculation of the technical reserves of the National Guarantee Fund is based on the estimation of expected losses for the different products backed by Findeter. For affordable housing products, an expected loss of 5.71% was estimated for a horizon of 8.5 years. This horizon is the maximum possible time that a loan can be guaranteed, considering that the agency guarantees loans during the first 7 years and that a claim can be made on a guarantee that is a maximum of 18 months delinquent.

The expected loss percentage is the result of the estimate made on a historical basis of loans on affordable housing real estate recovered and sold by banks, as well as the design of estimated loss settlement tables in which losses are estimated for loans with different terms between 5 and 20 years, with different proportions between the loan value and the value of the property (Loan to Value or LTV) and scenarios on the year in which the loss may occur.

For the modeling of the probabilities, transition matrices were used to establish the probability of a loan reaching more than 18 months of delinquency or being handed over as payment.

For VIPA (Priority Affordable Housing for Savers) products, the determination of the technical reserves is also based on the value of the expected loss; for this product the expected loss percentage is 2.3%, determined in a manner similar to affordable housing.

The technical reserve of the guarantees of the National Guarantees Fund is made by the Fund's Risk team in accordance with the methodology described above, which is submitted at the close of each month to be recognized in Findeter's accounting records.

Financial guarantees are recognized initially and subsequently at fair value.

o) Financial Liabilities

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

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

The amortized cost of a financial liability is the amount of its initial recognition, which comprises the fair value of the consideration, less the costs directly attributable to the purchase, issue or disposition of the financial liability, less principal payments, plus or minus the accrual or payment of interest.

Financial liabilities are represented by term certificates of deposit, outstanding investment securities, legal currency bonds and foreign financial obligations, which are determined based on the nominal value of the obligation.

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

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

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

p) Employee benefits

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

I. Short-Term Benefits

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

II. Other Long-Term Benefits

These are all the long-term benefits that Findeter employees have as a result of the collective bargaining agreement, and which consist of: a pension bonus that corresponds to a one-time payment at the time of the employee's retirement and the five-year bonuses, which are paid each time the employee completes 5 years of service with the entity.

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

These benefits are recognized based on the calculation made by the professionals of the Risk Vice-Presidency, which is updated every six months with the data of employees at each cut-off.

They are initially recognized at the present value of the defined benefit obligations and subsequently with the updating of their present value.

q) Taxes

Income Tax

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

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

a. Current Tax

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

The Company periodically evaluates the position taken in its tax returns with respect to situations in which tax laws are subject to interpretation and, if necessary, establishes provisions for amounts it expects to pay to the tax authorities.

The Company only offsets current income tax assets and liabilities if it has a legal claim against the tax authorities and intends to settle the resulting liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

b. Deferred Tax

Deferred tax is recognized using the liability method, determined on the temporary differences between the tax bases and the carrying amounts of assets and liabilities included in the financial statements.

Deferred tax liabilities are the amounts payable in the future for income tax related to taxable temporary differences, while deferred tax assets are the amounts to be recovered for income tax due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. A temporary difference is defined as the difference between the book value of assets and liabilities and their tax base.

Recognition of taxable temporary differences

Deferred tax liabilities arising from taxable temporary differences are recognized in all cases, unless:

- ✓ They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and the date of the transaction affects neither the accounting result nor the taxable tax base;

- ✓ Correspond to differences associated with investments in subsidiaries, associates and joint ventures over which the Company has the ability to control the timing of their reversal and it is not probable that their reversal will occur in the foreseeable future.

Recognition of deductible temporary differences

Deferred tax assets arising from deductible temporary differences are recognized provided that:

- ✓ It is probable that sufficient future taxable profit will be available for offset, except where the differences arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable income;

- ✓ They correspond to temporary differences associated with investments in subsidiaries, associates and joint ventures to the extent that the temporary differences will reverse in the foreseeable future and are expected to generate future positive taxable profits to offset the differences;

Deferred tax assets that do not meet the above conditions are not recognized in the statement of financial position. The Company reconsiders at year-end whether the conditions for recognizing previously unrecognized deferred tax assets are met.

Tax planning opportunities are only considered in the assessment of the recoverability of deferred tax assets if the Company intends to adopt them or it is probable that it will adopt them.

Measurement

Deferred tax assets and liabilities are measured using the tax rates that apply in the years in which the assets are expected to be realized or the liabilities are expected to be settled, based on tax legislation enacted or substantively enacted, and after considering the tax consequences that will follow from the manner in which the Company (the Group) expects to recover the assets or settle the liabilities.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period to reduce the carrying amount to the extent that it is not probable that sufficient future taxable profit will be available to offset the deferred tax assets.

The Company's non-monetary assets and liabilities are measured in terms of their functional currency. If tax losses or gains are measured in a different currency, exchange rate changes give rise to temporary differences and the recognition of a deferred tax liability or asset and the resulting effect is debited or credited to profit or loss for the period.

Offsetting and classification

The Company only offsets deferred income tax assets and liabilities if there is a legal right of set-off against the tax authorities and those assets and liabilities relate to the same tax authority and the same taxpayer, or to different taxpayers that intend to settle or realize the current tax assets and liabilities on a net basis, or realize the assets and settle the liabilities simultaneously, in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are recognized in the statement of financial position as non-current assets or liabilities, regardless of the expected date of realization or settlement.

c. Industry and Trade Tax

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

r) Provisions and Contingencies

Provisions destination procedure

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

The rating is as follows:

a. The contingency is determined:

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

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

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

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

- The probability of loss of a process is determined HIGH: More than 50%, MEDIUM: 25% to 50%, LOW: 10% to 25%. REMOTE: Less than 10%. Taking into account The Strength of the Defense (Reasonableness and/or expectation of the plaintiff with respect to the facts and norms on which it is based); Strength of the Defense's Evidence (Consistency and solidity of the facts with respect to the evidence provided and practiced for the defense of the process); Presence of Procedural and Extra-procedural Risks (related to the following events in the defense of the State: (i) change of office holder, (ii) position of the trial judge, (iii) timely arrival of the evidence requested, (iv) number of instances associated with the process, (v) judicial decongestion measures; and the Level of Jurisprudence (Similar procedural precedents in a process where favorable rulings were obtained). If the probability is less than 50%, the amount of the claims will be recognized as a judicial contingency or contingent liability.

s) Trade accounts payable and other payables

Accounts and notes payable represent the obligations of the entity arising from goods or services received.

They are initially recognized at cost, which is the value of the transaction, and are subsequently measured at the same value of the initial transaction.

- Significant accounts payable must be recorded separately, taking into account the

Single Chart of Accounts issued by the Colombian Financial Superintendence.

- For the constitution of accounts payable there must be an invoice, equivalent document, list of invoices in the event that these correspond to excessive volumes issued by the suppliers of the good and/or service.

- In the case of accounts payable originated in labor relations, they may be constituted without the requirement of the invoice and/or equivalent document, in this case the liquidation support made by the Head of Human Resources of the entity shall be sufficient.

- Accounts payable in favor of third parties may be constituted when they make higher payments of the obligations contracted with FINDETER. In these cases the support must be the report prepared by the area that makes the application of the payment.

- The invoices and/or equivalent documents that FINDETER registers must have a causal relationship with the period in which the service or good is received.

- FINDETER's Accounting Department will be in charge of the liquidation of the invoices and/or equivalent documents, and of the respective registration of accrual (Payment Order).

- The Accounting Department will constitute accounts payable supported in communication received by the respective areas that request it.

t) Revenue

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

- **Portfolio and investment interest income**

Interest income is derived from loans, interbank transactions, marketable investments, held-to-maturity, amortized cost and other similar items, which are generally recognized as they accrue using the effective interest method.

- **Commission and other service income and expenses**

Findeter recognizes its income derived from technical assistance and resource management inter-administrative contracts, in accordance with IFRS 15 and analyzing the following activities:

- Analysis of contracts with customers and their main characteristics.
- Identification of the performance obligations in the aforementioned contracts.
- Determination of transaction prices and the effects caused by variable considerations
- Allocation of transaction amounts to each performance obligation
- Analysis of the appropriateness of the timing at which revenue should be recognized at Findeter either at one point in time or over time.

Revenue Recognition Methodology

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

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

Inter-administrative Contracts - Social Infrastructure Management-

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

SERVICE PROVISION CONTRACTS - HOUSING AND URBAN DEVELOPMENT MANAGEMENT -

Income from Fixed Costs	They are associated with all activities related to FINDETER'S management of resources for the fulfillment of the contract's purpose, i.e., the availability of the required personnel, the technical and logistical infrastructure for the fulfillment of the obligations.
Income from Variable Costs	
I. Monthly Project Monitoring Visits	These are the activities that will be carried out in each visit project and it is conditional on the presentation of a consolidated report of the visits carried out in said period.
II. Milestone Follow-up Visits (checklist) for Housing and/or Project, Certificates of Existence and Certificates of Non-Compliance	Activities that will be carried out for each housing in contractually defined periods and is conditional on the presentation of a consolidated report of the visits and validations of the checklist carried out and certificate of existence of the works.
III. Final Contract Report	The supervision of all the projects of the contract will be carried out after the stipulation of the execution term clause for each contract.

The revenue estimation policies established in Findeter are based on the provisions of the International Standard IFRS 15. The recognition of these revenues is based on the development of the performance obligations contracted in each of the agreements and in turn in the associated projects to be developed, which are only invoiced when the contractually agreed conditions have been fully complied with. There is a high degree of compliance by Findeter in the execution of each of these agreements. In addition, since these are agreements entered into with government entities, there is a high degree of collection and recovery, which is highly efficient. See note 28.

u) Expenses

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

Expenses should be recognized on an accrual and measurement basis to systematically reflect Findeter's position.

v) Net of items of the same nature

In accordance with the requirements of the International Financial Reporting Standards and for presentation purposes, Findeter carries out the netting on assets and liabilities of the same nature. The netting carried out as of December 31, 2022, is detailed below:

Netting Summary BG 2022					
Item	**Balance**	**Amount Netted Debit**	**Amount Netted Credit**	**Balance Presentation Financial Statements**	**Supporting Standard**
Deferred tax assets (1)	326,574,521	(42,774,652)	-	283,799,869	Netted as provided in IAS 12 paragraphs 71 to 76
Investment financial assets and derivatives (2)	730,970,308	(196,529,478)	-	534,440,830	Netted for presentation purposes in accordance with IAS 1
Deferred tax assets	480	(480)	-	0	Netted as provided in IAS 12 paragraphs 71 to 76
Other assets (3)	21,687,944	(17,193,556)	-	4,494,388	Netted for presentation purposes in accordance with IAS 1
Industry and trade tax	4,765,212	-	(480)	4,764,732	Netted as provided in IAS 12 paragraphs 71 to 76
Employee benefits - other liabilities (3)	17,193,557	-	(17,193,557)	0	Netted for presentation purposes in accordance with IAS 1
Certificates of deposit (2)	6,977,053,363	-	(196,529,478)	6,780,523,885	Netted for presentation purposes in accordance with IAS 1
Deferred Tax Liabilities (1)	42,774,652	-	(42,774,652)	0	Netted as provided in IAS 12 paragraphs 71 to 76

(1) The position on deferred tax assets and liabilities is netted, leaving the balance in net deferred assets.

(2) This netting corresponds to asset and liability items, effective as of December 31, 2022, derived from repurchase operations carried out by Findeter, on liabilities - certificates of deposit, obligations that are settled only until their maturity date. Consequently, an active position is generated for the same value due to the effect of the repurchase. This operation is carried out by the entity as part of its investment strategy.

(3) The values that include this netting correspond to the disclosure in the financial statements of employee benefits according to the provisions of IAS 19 (Employee Benefits), which, in the case of Findeter, are derived from the collective bargaining agreement, where workers have loans with rates below Findeter's opportunity cost, which becomes a benefit for employees; the balance of the other assets item reported in the financial statement corresponds to insurance policies that are amortized over a period of one year.

Note (4) New Accounting Pronouncements

Standards and amendments applicable as of January 1, 2021

(a) Future Requirements

The following accounting pronouncements issued are applicable for annual periods beginning after January 1, 2023, and have not been applied in the preparation of these financial statements. The Company intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not in advance.

Amendments to IFRS	Related Decree	Effective date
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Reference to the Conceptual Framework (Amendments to IFRS 3)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Onerous Contracts - Costs of Fulfilling a Contract (Amendments to IAS 37)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023, to contracts existing at the date of application. Earlier application is permitted. The effect of the application will not restate comparative information.
Property, Plant and Equipment - Proceeds Before Intended Use (Amendments to IAS 16)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Earlier application is permitted. The effect of the application will not restate comparative information.
Annual Improvements to IFRS Standards 2018-2020	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Extension of the Temporary Exemption from Applying IFRS 9 - Financial Instruments (Amendments to IFRS 4)	Decree 938 of 2021	Annual periods beginning on or after January 1, 2023.

Definition of Accounting Estimates (Amendments to IAS 8)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Earlier application is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which the company applies the amendments.
Disclosures about Accounting Policies (Amendments to IAS 1)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	Decree 1611 of 2022	Annual periods beginning on or after January 1, 2024. Earlier application is permitted. Its application is retroactive which could constitute a restatement.

Note (5) Changes in Significant Accounting Policies

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

Note (6) Judgments and Estimates

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

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

Findeter also makes certain judgments other than those involving estimates in the process of applying accounting policies. The judgments that have the most significant effects on the amounts recognized in the financial statements and estimates that may cause an adjustment to the carrying amounts of assets and liabilities in the following year include the following:

i. Impairment of Financial Assets:

a) Loan portfolio provisioning

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

- Qualitative analysis of the intermediary.
- Calculation of the value to be provisioned (impairment).

- Systemic risk adjustment of the value to be provisioned (impairment).

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

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

b) As of December 31, 2022, the critical judgment was identified, related to the determination of the customer's risk level, carried out in accordance with the regulations issued by the Financial Superintendency of Colombia in Annex 3 of Chapter II of Basic Accounting Circular 100, which is reviewed by credit analysts.
   The application of this judgment is oriented to the analysis of the direct credit portfolio, where this verification is performed.
   The application of this judgment is aimed at the analysis of the direct loan portfolio, where this verification is performed.

ii. Legal proceedings provisioning

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

iii. Deferred income tax

For purposes of calculating the deferred tax, the estimate is based on the disposal or payment of assets denominated in foreign currency or settlement and total payment of liabilities denominated in foreign currency, the materialization of which will have tax effects on the exchange difference that is made according to the projected dates of each of the active or passive obligations that FINDETER has. For the purpose of estimating the deferred tax for the exchange difference caused, the total of the active and passive portfolio expressed in foreign currency is taken, estimating in an annualized manner the capital to be collected or paid, as the case may be, and this weighting is multiplied by the difference in exchange that is pending realization.

iv. Calculation of the technical reserve for water bonds

For the financial guarantees, the measurement of the reserve associated to the guarantee issued by Findeter to the Intermediaries that participate in the debt substitution operation of the “Water Bonds” with the FINDETER ET LOANS - WATER TRUST is based on the analysis of the risk factors present in the life of the loans. The following risk factors are targeted and are the object of analysis and study:

- The decrease in interest due to a probable restructuring of the municipality's debts within the framework of Act 550.
- The sensitivity of cash flows to changes in the interest rate of loans, consumer price index CPI.
- The sensitivity of revenues due to changes in the allocation of the budget of the General System of Participation (SGP) in the topics of drinking water and basic sanitation.
- Negative impact on the scheme as a result of possible legal contingencies tending to disregard the existence or legality of the loans acquired by the municipalities.

The analysis of each of these risk factors determines a level of expected losses based on available information.

v. Calculation of the technical reserve of the National Guarantees Fund.

The calculation of the technical reserves of the National Guarantees Fund is based on the estimation of expected losses for the different products backed by Findeter. For affordable housing products, an expected loss of 5.71% was estimated for a horizon of 8.5 years. This horizon is the maximum possible time that a loan can be guaranteed, considering that the agency guarantees loans during the first 7 years and that a claim can be made on a guarantee that is a maximum of 18 months delinquent.

The expected loss percentage is the result of the estimate made on a historical basis of loans on affordable housing real estate recovered and sold by banks, as well as the design of estimated loss settlement tables in which losses are estimated for loans with different terms between 5 and 20 years, with different proportions between the loan value and the value of the property (Loan to Value or LTV) and scenarios on the year in which the loss may occur.

Note (7) Operating Segments

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

Thousands of pesos Reporting segment	Financial Services		Technical assistance		For the periods ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net revenue						
Interest on loan portfolio	1,073,462,808	513,874,944	-	-	1,073,462,808	513,874,944
Net revenue from valuation of investments	100,584,499	16,477,020	-	-	100,584,499	16,477,020
Net interest on investments at amortized cost	7,507,469	2,734,446	-	-	7,507,469	2,734,446
Net loss and gain from valuation of derivatives	314,623,747	243,412,337	-	-	314,623,747	243,412,337
Operating expenses						
Financial expenses	(784,244,932)	(361,709,782)	-	-	(784,244,932)	(361,709,782)
Net exchange difference profit and loss	(438,364,529)	(276,178,862)	-	-	(438,364,529)	(276,178,862)
Net financial margin	**273,569,062**	**138,610,103**	**-**	**-**	**273,569,062**	**138,610,103**
Net loan portfolio impairment	(2,410,058)	7,381,826	-	-	(2,410,058)	7,381,826
Net accounts receivable impairment	4,071	(618,866)	(933,988)	-	(929,917)	(618,866)
Net financial margin after impairment	**271,163,075**	**145,373,063**	**(933,988)**	**-**	**270,229,087**	**145,373,063**
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	67,397,354	84,524,853	67,397,354	84,524,853
Revenue for commissions and other services	4,948,464	8,067,577	-	-	4,948,464	8,067,577
Expenses for commissions and other services	(11,517,830)	(10,509,100)	(619,054)	(232,715)	(12,136,884)	(10,741,815)
Net revenue and expenses for commissions and other services	**(6,569,366)**	**(2,441,523)**	**66,778,300**	**84,292,138**	**60,208,934**	**81,850,615**
Other revenue and expenses						
Other revenue	14,434,675	27,542,639	-	-	14,434,675	27,542,639
Other expenses	(130,857,452)	(103,073,066)	(78,354,933)	(60,102,100)	(209,212,385)	(163,175,166)
Net other expenses	**(116,422,777)**	**(75,530,427)**	**(78,354,933)**	**(60,102,100)**	**(194,777,710)**	**(135,632,527)**
Earnings before income tax	**148,170,932**	**67,401,113**	**(12,510,621)**	**24,190,038**	**135,660,311**	**91,591,151**
Income tax expense	(54,032,629)	(10,605,863)	4,562,175	(3,806,409)	(49,470,454)	(14,412,272)
Net Income	**94,138,303**	**56,795,250**	**(7,948,446)**	**20,383,629**	**86,189,857**	77,178,879

	FINANCIAL SERVICES		TECHNICAL ASSISTANCE		TOTAL	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets	13,110,611,698	11,332,683,524	42,712,637	83,967,121	13,153,324,335	11,416,650,645
Liabilities	11,725,666,556	10,079,391,344	44,013,884	34,342,672	11,769,680,440	10,113,734,016

See note 3 item g

Note (8) Fair value estimate

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

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

The fair value hierarchy has the following levels:

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

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

i. **Recurring fair value measurements**

Recurring fair value measurements are those required by the Financial Reporting Standards accepted in Colombia (CFRS) 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:

a) 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.

b) 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.

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

c) 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.

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

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

Assets	Fair value	Hierarchy level			Fair value	Hierarchy level		
	December 31, 2022	1	2	3	December 31, 2021	1	2	3
Marketable investments								
Debt securities other financial entities	151,590,506	-	151,590,506	-	86,876,451	-	86,876,451	-
Government debt securities	125,824,324	125,824,324	-	-	210,217,823	210,217,823	-	-

Private Equity Fund- Ashmore	43,123,228	-	-	43,123,228	44,478,538	-	-	44,478,538
Collective investment funds	18,990,598	-	18,990,598	-	19,235,338	-	19,235,338	-
Available for sale								
Government debt securities	65,515,154	65,515,154	-	-				
FNG Shares	35,605,826	-	-	35,605,826	36,162,178	-	-	36,162,178
Currency forward	65,489,650	-	65,489,650	-	62,193,935	-	62,193,935	-
Total investments	**506,139,286**	**191,339,478**	**236,070,754**	**78,729,054**	**459,164,263**	**210,217,823**	**168,305,724**	**80,640,716**
Liabilities								
Currency forward	14,795,606	-	14,795,606	-	2,505,503	-	2,505,503	-
Financial Guarantees	31,922,347	-	-	31,922,347	39,346,819	-	-	39,346,819
Total liabilities	**46,717,953**	**-**	**14,795,606**	**31,922,347**	**41,852,322**	**-**	**2,505,503**	**39,346,819**

In order to establish the disclosure values of the Private Equity Fund as a Level 3 Asset, we proceeded to establish the historical series of the investment position for the last 38 months, as well as the Value at Risk for each of the months and reported to the Colombian Financial Superintendence. Giving the following results:

(FIGURES EXPRESSED IN THOUSANDS OF PESOS)

Year	Month	Value Position	Var max	Standard Deviation
2019	November	52,416,386	7,705,209	152,019,730,466,329
2019	December	61,938,007	9,104,887	3,202,579,902,495,240
2020	January	62,140,980	9,134,724	3,310,261,495,693,070
2020	February	61,945,818	9,106,035	3,206,690,524,308,850
2020	March	61,571,143	9,050,958	3,012,467,953,497,640
2020	April	60,798,252	8,937,343	2,630,985,578,759,670
2020	May	61,006,830	8,968,004	2,731,391,682,412,250
2020	June	49,337,750	7,252,649	3,926,585,702,317
2020	July	55,314,386	8,131,215	665,697,716,560,762
2020	August	56,183,549	8,258,982	890,513,106,682,658
2020	September	57,898,861	8,511,133	1,429,987,660,485,960
2020	October	57,335,698	8,428,348	1,238,848,972,802,640
2020	November	57,898,661	8,511,103	1,429,917,347,080,530
2020	December	42,085,661	6,186,592	1,274,007,700,957,510
2021	January	42,085,661	6,186,592	1,274,007,700,957,510
2021	February	42,886,929	6,304,379	1,021,985,864,343,100
2021	March	43,436,087	6,385,105	865,285,041,843,569
2021	April	43,845,575	6,445,300	756,921,193,732,255
2021	May	44,448,053	6,533,864	610,660,935,886,660
2021	June	45,130,239	6,634,145	463,987,989,147,037
2021	July	45,390,084	6,672,342	413,409,670,077,794
2021	August	45,886,192	6,745,270	324,947,320,339,705
2021	September	45,226,662	6,648,319	444,878,902,590,085
2021	October	45,268,948	6,654,535	436,625,339,225,228

2021	November	46,070,596	6,772,378	294,777,420,420,565
2021	December	44,478,538	6,538,345	603,677,029,517,653
2022	January	45,071,798	6,625,554	475,765,251,956,511
2022	February	44,983,889	6,612,632	493,759,311,032,132
2022	March	45,857,434	6,741,043	329,784,773,110,139
2022	April	46,594,007	6,849,319	217,149,135,029,278
2022	May	47,412,820	6,969,685	119,458,131,699,867
2022	June	48,165,733	7,080,363	55,200,994,038,898
2022	July	48,756,112	7,167,148	21,952,353,005,970
2022	August	49,442,322	7,268,021	2,236,384,670,180
2022	Septiembre	50,253,048	7,387,198	5,167,649,822,712
2022	Octubre	44,352,250	6,519,781	632,869,602,522,534
2022	Noviembre	44,994,773	6,614,232	491,513,212,170,921
2022	Diciembre	43,123,227	6,339,114	952,961,167,410,521
	Average	49,764,025	7,315,312	951,604
		Standard Deviation	993,061	

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

Based on the above statements, the average deviation of the data series is calculated, yielding a value of $993,061, which means that the averages have an average gap of that value, which is also taken to stress the possible loss to that extent.

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

Potential impact on income statement under negative (Loss) scenario =

-7,315,312 - 993,061 = -8,308,373

To measure the potential impact on the Positive Hypothesis Income Statement, the average of the active position in the series is taken and multiplied by the value of the active rediscount portfolio rate for the final month of the September 2022 calculation, 16.24% APR, giving as the most favorable result a yield of $8,081,678.

As of December 31, 2022, Findeter has an investment in the Ashmore Colombia Infrastructure Fund of $43,123,228, which is equivalent to an interest of 12.84% and 1,035,492 units out of the total of the Fund. Generating a decrease of ($1,355,310) compared to December 31, 2021.

Ashmore Private Equity Fund - investment	Balance

December 31, 2022	$ 43,123,228
December 31, 2021	44,478,538
Variation	**($ 1,355,310)**

This decrease in the fund's investment balance is detailed as follows:

As of December 31, 2022, the private equity fund, generated a net profit by valuation of $8,773,232.

Ashmore Private Equity Fund	**December 31, 2022**	**December 31, 2021**
Valuation Income	10,265,553	5,646,010
Valuation Expense	1,492,321	119,967
Net Valuation	**8,773,232**	**5,526,043**

Therefore, the final balance of the investment as of December 31, 2022, for ($1,355,310), corresponds to the profit in the valuation for $8,773,232 and the redemption of capital and yields made by the fund for ($10,128,542).

The valuation of the Fund is reported by an independent third party in accordance with 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**

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

ii. **Non-recurring fair value measurements:** As of December 31, 2022, there are assets or liabilities measured at fair value determined on a non-recurring basis.

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

In accordance with the methodologies described below, which are used to restate assets and liabilities on a non-recurring basis, the calculation is made solely for disclosure purposes and classified in Fair Value Hierarchies 2 and 3.

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

To determine the fair value of the loan portfolio, investment financial assets at amortized cost, financial obligations, certificates of deposit and investment securities outstanding, the following methodologies and the necessary inputs for their calculation were determined:

- **Flow projection**

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

- **Determining the Discount Rate**

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

- **Calculating Duration.**

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

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

	December 31, 2022		December 31, 2021		Hierarchy Level
	Carrying value	Fair value	Carrying value	Fair value	
Assets					

Loan portfolio and financial leasing operations, net	$ 11,161,477,854	11,425,405,479	9,573,929,584	9,889,510,172	3
Financial investment assets *	28,301,544	30,861,520	29,464,124	30,501,262	3
Total financial assets	**11,189,779,398**	**11,456,266,999**	**9,603,393,708**	**9,920,011,434**	
Liabilities					
Certificates of Deposit	6,780,523,885	6,969,798,077	6,192,074,338	6,345,222,290	3
Investment securities outstanding	1,582,021,770	1,585,179,200	1,575,884,381	1,638,822,106	3
Financial obligations	3,198,872,502	3,020,423,658	2,230,638,160	2,217,974,494	3
Total liabilities	**$ 11,561,418,157**	**11,575,400,934**	**9,998,596,879**	**10,202,018,890**	

*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.

Note (9) Risk Management

Risk Management Process

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

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

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

Board of Directors

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

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

Committees associated with risk management

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

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

Main duties:

- Establish risk management procedures and mechanisms.
- Advise the Board of Directors on the definition of exposure limits.
- Recommend strategies for balance sheet structure regarding terms, amounts, currencies, types of instruments and hedging mechanisms.
- Evaluate the assets and liabilities portfolio.
- Ensure compliance with the decisions of the Board of Directors.
- Design and approve the risk management strategy and lead its execution.
- Recommend to the Board of Directors the maximum exposure value for rediscount, investment and hedging operations.
- Evaluate the portfolio, define the risk category of the intermediaries.

ii. SARC Committee

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

Main duties:

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

RISK MANAGEMENT SYSTEMS

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

I. Sistema Credit Risk Management System (SARC)

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

Operations exposed to credit risk

Portfolio - Rediscount:

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

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

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

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

Portfolio - Direct Loans

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

Direct Loans to Territorial Entities: They originate in direct loan operations and/or syndicated loans with public international law entities for districts, municipalities and/or departments by virtue of Decree 468 of March 23, 2020.

Direct Loans to Residential Public Service Providers supervised by the Superintendence of Residential Public Services: They originate from direct loan operations granted to residential public service providers, by virtue of decrees 581 of April 2020 and 798 and 819 of June 2020. This line was in effect until December 31, 2020, and the portfolio with this type of entities is currently under recovery process.

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

During 2022, Findeter permanently monitored the behavior of the different indicators of each intermediary, adjusting the exposure level and the provision level as indicated in the analyses;

however, and in general terms, intermediaries during 20202 did not show any impairment in their most relevant indicators, due to the signs of economic recovery in the country during 2022.

The main figures regarding credit risk exposure are detailed below.

Total loan portfolio exposure:

	2022		2021	
	Exposure	Share	Exposure	Share
REDISCOUNT	$ 8,971,705,330	80.79%	$ 8,295,449,117	86.33%
DIRECT LOAN	2,057,206,172	18.53%	1,251,480,355	13.02%
FIRST-TIER	868,980	0.01%	868,980	0.01%
EMPLOYEE	53,312,414	0.48%	39,937,208	0.42%
FORMER EMPLOYEE	21,416,597	0.19%	21,021,906	0.22%
	$ 11,104,509,493	**100.00%**	**$ 9,608,757,565**	**100.00%**

Total gross portfolio interest exposure:

	2022		2021	
	Exposure	Share	Exposure	Share
REDISCOUNT	$ 99,575,604	81.18%	$ 24,438,236	85.88%
DIRECT LOAN	22,853,777	18.63%	3,846,147	13.52%
FIRST-TIER	36,096	0.03%	36,096	0.13%
EMPLOYEE	58,802	0.05%	36,868	0.13%
FORMER EMPLOYEE	138,100	0.11%	98,629	0.35%
	$ 122,662,378	**100.00%**	**$ 28,455,977**	**100.00%**

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

Rediscount portfolio exposure:

	December 31, 2022		December 31, 2021	
	Exposure	Share	Exposure	Share
SUPERVISED	$ 8,971,055,690	99.99%	$ 8,288,617,608	99.92%
NOT SUPERVISED	$ 649,640	0.01%	6,831,509	0.08%
	$ 8,971,705,330	**100%**	**$ 8,295,449,117**	**100%**

Total rediscount portfolio interest exposure:

	December 31, 2022		December 31, 2021	
	Exposure	Share	Exposure	Share
SUPERVISED	$ 99,574,102	100.00%	$ 24,383,555	99.78%
NOT SUPERVISED	$ 1,502	0.00%	54,681	0.22%
	$ 99,575,604	**100%**	**$ 24,438,236**	**100%**

Distribution of the rediscount loan portfolio by type of entity.

Rediscount portfolio principal exposure:

	December 31, 2022		December 31, 2021	
	Exposure	Share	Exposure	Share
BANKS	$ 8,528,556,454	95.06%	$ 8,086,791,743	97.50%
SPECIAL OFFICIAL INSTITUTION - IOE	370,996,541	4.14%	113,614,856	1.37%
DEVELOPMENT INSTITUTES - INFIS	57,914,984	0.65%	76,696,556	0.92%
FINANCIAL COOPERATIVES	7,182,210	0.08%	9,325,277	0.11%
FINANCING COMPANIES	6,405,501	0.07%	7,848,039	0.09%
OTHERS	649,640	0.01%	1,172,646	0.01%
	$ 8,971,705,330	**100.00%**	**$ 8,295,449,117**	**100.00%**

Total rediscount portfolio interest exposure:

	December 31, 2022		December 31, 2021	
	Exposure	Share	Exposure	Share
BANKS	$ 88,681,567	89.06%	$ 22,969,600	93.99%
SPECIAL OFFICIAL INSTITUTION - IOE	$ 9,999,792	10.04%	868,303	3.56%
DEVELOPMENT INSTITUTES - INFIS	$ 837,537	0.84%	528,410	2.16%
FINANCIAL COOPERATIVES	$ 35,745	0.04%	44,821	0.18%
FINANCING COMPANIES	$ 19,460	0.02%	24,268	0.10%
OTHERS	$ 1,502	0.00%	2,834	0.01%
	$ 99,575,604	**100.00%**	**$ 24,438,236**	**100.00%**

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

The following tables describe the exposure of the direct loan portfolio distributed among Territorial Entities and Residential Public Service Providers.

Capital exposure of direct loan portfolio:

	2022		2021	
	Exposure	Share	Exposure	Share
TERRITORIAL ENTITIES	$ 1,924,229,889	93.54%	$ 975,679,480	77.96%
Residential Public Service Providers	132,976,283	6.46%	275,800,875	22.04%
	$ 2,057,206,172	**100.00%**	**$ 1,251,480,355**	**100.00%**

Direct loan portfolio interest exposure:

	2022		2021	
	Exposure	Share	Exposure	Share
TERRITORIAL ENTITIES	$ 22,853,682	100.00%	$ 3,846,147	100.00%
Residential Public Service Providers (1)	$ 95	0.00%		
	$ 22,853,777	**100.00%**	**$ 3,846,147**	**100.00%**

1- The $95 of interest reflected for Residential Public Service Providers in 2022 corresponds to default interest on two loans that belong to this portfolio.

Distribution of the total portfolio by risk rating:

Total loan portfolio exposure:

	2022		2021	
CATEGORY	Exposure	Share	Exposure	Share
Category A "Normal Risk"	$ 11,073,000,602	99.72%	$ 9,584,286,939	99.75%
Category B "Acceptable Risk "	23,570,328	0.21%	22,055,286	0.23%
Category C "Appreciable Risk"	4502528,749	0.04%	388,814	0.00%
Category D "Significant Risk "	1,505,117	0.01%	378,796	0.00%
Category E "Irrecoverable"	1,930,917	0.02%	1,647,731	0.02%
Total Gross Portfolio	**$ 11,104,509,493**	**100.00%**	**$ 9,608,757,565**	**100.00%**

Total loan portfolio interest exposure:

CATEGORY	2022 Exposure	2022 Share	2021 Exposure	2021 Share
Category A “Normal Risk”	$ 122,019,369	99.48%	$ 28,307,808	99.48%
Category B “Acceptable Risk “	487,503	0.40%	90,598	0.32%
Category C “Appreciable Risk”	99,228	0.08%	225	0.00%
Category D “Significant Risk “	1,932	0.00%	6,029	0.02%
Category E “Irrecoverable”	54,346	0.04%	51,316	0.18%
Total Gross Portfolio	**$ 122,662,378**	**100.00%**	**$ 28,455,976**	**100.00%**

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

II. Market Risk Management System

The relevant qualitative aspects of Market Risk are described below:

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

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

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

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

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

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

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

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

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

Associated Procedures for the Measurement and Control of Market Risk

Treasury book positions exposed to rate risk:

Asset positions (rights)	**2022**	**2021**
Investments (excluding private equity funds, collective investment funds and shares) (1)	342,929,985	297,094,274
Asset positions in foreign currency (rights)		
Forward rights	2,561,806,324	2,136,200,394
Liability positions (obligations)		
Forward obligations	2,510,898,929	2,076,415,050

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

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

		2022	**2021**
Loans in dollars and euros	$	-	$ 109,499,819
Dollar and euro purchase forward		2,561,806,324	2,136,200,394
Available in dollars and euros		51,840,013	54,611,212

Other assets and accounts receivable in dollars		-	253,616
	$	**$2,613,646,337**	**$2,251,415,041**

		2022	2021
Multilateral bank debt	$	$3,154,523,816	$2,220,526,342
Other liabilities and accounts payable		44,352,930	10,122,384
		$3,198,876,746	**$2,230,648,726**
Absolute difference		585,230,409	20,766,315
Foreign exchange VaR		7,609,730	356,327

* (See note 27, impact analysis of the Exchange Rate)

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

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

	2022	2021
Shares	35,191,992	30,344,313
CIFs & PEFs	62,097,428	60,493,985

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

Month	2022	2021
Interest rate	12,427,724	14,442,287
Exchange rate	4,657,736	356,327
Share price	5,173,222	3,908,690
Collective investment funds	9,128,322	9,363,300
Value at risk	**31,387,006**	**28,070,604**
Technical equity	1,145,340,637	1,214,08,431
Overall VaR	**2.74%**	**2.31%**

The lower interest rate risk stands out, which for the closing of 2022 presented a lower value, explained by the terms of the hedges and the liquidation of positions in the investment portfolio in accordance with FINDETER's strategies, as well as a decrease in collective investment funds.

Value at risk vs. Overall Limit:

The overall value at risk of the banking and treasury book as of December 31, 2022, was 2.74% below the limit of 8% established by the Board of Directors. Compared to 2.31% at the end of 2021, with a slight increase due to the increase in the exchange rate and share price component.

Foreign exchange value at risk vs Limit:

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

VaR in foreign currency at December 31, 2022 was 0.3% below the 2% limit established by the Board of Directors, compared to 0.2% at the end of 2021, with a slight increase generated by the mismatch of asset and liability positions exposed to this risk and the increase in the PT.

Market Risk Sensitivity:

The market risk sensitivity analysis in the face of a movement of +100PB in the interest rates of the securities comprising the investment portfolio the interest rate module presents an upward movement from $12,427,724,290.41 to $13,671,102,004.18, which represents an increase of 4. 03% over the total VaR of the entity while maintaining an important margin over the limit approved by the Board of Directors of 8%, it is important to clarify that the stress is performed only on this module, since it is the one that contributes the most to the total calculation of the value at risk.

Foreign exchange risk exposure:

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

As part of its strategy to reduce its foreign exchange risk, Findeter carried out operations with derivative financial instruments that as of December 31, 2022, amounted to USD 520,204,291.

Additionally, Findeter monitors its foreign currency positions by keeping in check the foreign currency value at risk, which has been maintained at tolerable levels with respect to the limit defined by the Board of Directors.

The following table shows the value of the forwards constituted by the entity and the entity's share as of 2022:

2022

Entity	USD transactions by entity	Share
BANCOLOMBIA	76,591,515	14%
BANCO DE BOGOTÁ	54,100,000	10%
BANCO DE OCCIDENTE	84,180,088	16%
ITAU CORPBANCA COLOMBIA	26,250,000	5%
CORFICOLOMBIANA	42,877,619	8%
SCOTIABANK COLPATRIA	92,370,000	17%
DAVIVIENDA S.A. RED BANCAFE	63,000,000	12%
BANCO POPULAR	32,000,000	6%
BANCO BBVA	63,800,000	12%
	535,169,222	

2021

ENTITY	USD transactions by entity	Share
BANCOLOMBIA	99,850,000	19%
BANCO DE BOGOTÁ	65,300,000	12%
BANCO DE OCCIDENTE	124,743,724	23%
ITAU CORPBANCA COLOMBIA	102,245,000	19%
CORFICOLOMBIANA	29,000,000	5%
SCOTIABANK COLPATRIA	25,200,000	5%
DAVIVIENDA S.A. RED BANCAFE	58,224,689	11%
BANCO POPULAR	29,325,000	5%
	533,888,413	

Overall foreign exchange positions with as of December 31, 2022 and 2021, presented values of USD 4,374,445 and USD -89,447 respectively, located within the allowed limits of 20% and (5%) with respect to technical equity as of October 2022, in accordance with the provisions of External Regulatory Circular DODM 285 of the Colombian Central Bank:

OVERALL FOREIGN EXCHANGE POSITION - VALUE IN DOLLARS (USD)

RIGHTS	2022	2021
Banks	10,777,101	13,717,412
Forward	520,204,291	518,923,482

USD loans	0	27,504,501
Accounts receivable	0	63,704
	530,981,392	**560,209,099**

OBLIGATIONS	**VALOR USD**	**VALOR USD**
	526,606,947	**560,298,546**
Overall Foreign Exchange Position (USD)	4,374,445	-89,447

LIMITS ESTABLISHED

		USD thousands	**USD thousands**
Technical Equity October USD		**242,709**	**302,48**
	20%	48,542	249,26
	-5%	(12,135)	(60,56)

III. Liquidity Risk Management System (SARL)

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

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

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

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

Adverse variation in interest rates.

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

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

Associated Procedures Measurement and Control of Liquidity Risk

Policies

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

Liquidity Risk Indicators:

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

Concentration Policies:

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

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

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

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

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

	2022		2021	
Month	**7 DAYS LRI**	**30 DAYS LRI**	**7 DAYS LRI**	**30 DAYS LRI**
January	1,006,066,548	812,590,393	791,756,780	685,196,094

February	694,490,985	666,442,923	560,604,581	356,912,138
March	792,352,946	631,136,184	836,521,892	365,805,556
April	799,215,267	703,654,450	1,000,806,076	824,231,039
May	598,578,077	561,472,439	866,156,824	790,112,780
June	640,884,250	564,612,713	887,975,472	598,329,320
July	1,048,301,107	754,330,477	899,378,609	885,552,821
August	907,760,938	755,310,617	879,284,101	841,732,956
September	1,308,323,093	1,007,363,611	685,100,346	540,513,431
October	1,218,135,218	932,771,471	590,682,334	513,256,398
November	1,400,340,875	1,327,533,538	667,782,591	570,056,607
December	1,187,204,069	872,713,037	1,082,896,944	1,038,136,134

Figures in thousands of COP

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

The liquidity risk indicator (LRI) will be determined as follows:

LRI = NAM - RLN where:

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

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

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

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

Liquidity risk indicator for different bands as of December 31, 2022:

Band		1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	Cash	$ 1,007,173	$ 1,007,173	$ 660,029	$ 488,224	$ 91,907	-$ 897,623
	Portfolio	$ 212,563	$ 212,563	$ 212,563	$ 212,563	$ 212,563	ND
Requirement		-$ 32,549	-$ 347,144	-$ 171,805	-$ 396,317	-$ 1,202,093	-$ 3,091,298
LRI		$ 1,187,187	$ 872,592	$ 700,787	$ 304,470	-$ 897,623	-$ 3,988,921
Relative LRI		3747%	351.4%	507.9%	176.8%		

Liquidity risk indicator for different bands as of December 31, 2021:

Band		1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	Cash	900,365	900,365	853,414	369,252	318,703	(442,193)
	Portfolio	184,722	184,722	184,722	184,722	184,722	ND
Requirement		(2,191)	(46,951)	(484,162)	(50,549)	(945,618)	(1,052,118)
LRI		1,082,897	1,038,136	553,974	503,425	(442,193)	(1,494,311)
Relative LRI		49535%	2311.1%	214.4%	1095.9%		

Figures in millions of COP

Liquidity risk sensitivity

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

2022

Banda	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	$ 1,219,736	$ 1,219,736	$ 812,369	$ 574,480	$ 108,634	-$ 1,301,414
Requirement	-$ 41,226	-$ 407,367	-$ 237,890	-$ 465,845	-$ 1,410,048	-$ 3,503,613
LRI	$ 1,178,510	$ 812,369	$ 574,480	$ 108,634	-$ 1,301,414	-$ 4,805,027
Relative LRI	2959%	299.4%	341.5%	123.3%		

Figures in millions of COP

Liquidity risk indicator stressing income by 25% for different bands, as of December 31, 2022.

Banda	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	$ 1,219,736	$ 1,219,736	$ 752,026	$ 447,919	-$ 87,594	-$ 1,706,014
Requirement	-$ 49,920	-$ 467,711	-$ 304,107	-$ 535,513	-$ 1,618,420	-$ 3,916,755
LRI	$ 1,169,816	$ 752,026	$ 447,919	-$ 87,594	-$ 1,706,014	-$ 5,622,769
Relative LRI	2443%	260.8%	247.3%	83.6%		

Figures in millions of COP

Liquidity risk indicator stressing income by 50% for different bands, as of December 31, 2022.

2021

Band	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	1,085,088	1,085,088	1,038,136	511,647	453,11	(626,950)
Requirement	(2,191)	(46,951)	(526,89)	(58,136)	(1,080,461)	(1,309,485)
LRI	1,082,897	1,038,136	511,647	453,11	(626,950)	(1,936,435)
LRI Relative	49535%	2311.1%	197.2%	880.1%		

Figures in millions of COP

Liquidity risk indicator stressing revenues by 25% for different bands, as of December 31, 2021.

Banda	1 to 7 days	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days
Available	1,085,088	1,085,088	1,038,136	469,312	364,615	(850,715)
Requirement	(2,191)	(46,951)	(568,824)	(104,696)	(1,215,331)	(1,566,903)
LRI	1,082,897	1,038,136	469,312	364,615	(850,715)	(2,417,618)
Available	49535%	2311.1%	182.5%	448.3%		

Figures in millions of COP

Liquidity risk indicator stressing revenues by 50% for different bands, as of December 31, 2021.

IV. Operational Risk Management System (SARO)

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

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

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

Regarding the record of 2022 events, the Company presented operational risk losses corresponding to $1,788, which were accounted for in fines and penalties, litigations, indemnities and claims. Likewise, a recovery associated with this loss is recorded in the account of recoveries other than insurance - operational risk in the amount of $1,788.

These losses have the respective event record, as well as the corresponding action plans for their attention.

According to the results of the latest monitoring as of December 31, 2022, FINDETER'S residual risk profile is mainly MODERATE, which results from the application of the methodologies defined in the manual for risk management and controls associated with the processes that the Company has defined for its operation.

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

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

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

FINDETER, as an entity supervised by the Financial Superintendence of Colombia, in compliance with the applicable regulatory framework and aware of the need to generate a control infrastructure against the risks of Money Laundering and Financing of Terrorism - ML/FT, has implemented the SARLAFT, which contemplates the organizational infrastructure, policies, methodologies, procedures, and the adoption of controls that allow the mitigation of the risks generated through the risk factors associated with money laundering and financing of terrorism.

Following the guidelines of the Financial Superintendence of Colombia, the implementation of the SARLAFT 4.0 was completed. Within this update, the ML/FT risk matrix, the associated controls, the system components, warning signals and the supporting documentation: Manual, procedures, formats and instructions were reviewed.

Regarding the situation generated by the pandemic, this did not represent modifications in the control mechanisms of the ML/FT risks; thus, the consolidated residual risk of the Company remained at a moderate level and the evaluation of the elements that compose the System showed that its status is considered optimal.

Finally, periodic reports were submitted to the Board of Directors on the management performed and the regulatory reports were sent to the Financial Information and Analysis Unit (UIAF), highlighting that no operation was detected that could be classified as suspicious and merited reporting to the aforementioned entity.

VI. Legal Risk

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

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

Note (10) Cash and Cash Equivalents

Below is the detail of Cash and Cash Equivalents:

	2022	2021
Cash	23,297	23,640
Domestic currency (1)	966,524,082	857,544,692
Foreign currency (2)	51,840,014	54,611,212
Subtotal Cash	**1,018,387,393**	**912,179,544**

Interbank (3)	13,615,491	190,746,266
Available funds (4)	1,515,663	10,561,946
Subtotal Cash Equi.	15,131,154	201,308,212
	1,033,518,547	**1,113,487,756**

1) Of the $966,524,082 of cash - Domestic Currency, the Treasury Department made available resources of $894,515,100 in savings accounts that, as of December 31, 2022, generated an average return of 9.89% APR (December 2021, 2.07% APR). Findeter manages its resources as a single cash unit, intended to meet all its need for resources in accordance with its corporate purpose.

   There is no restriction on their availability, as of December 2022 there is a pledge on the resources of the Colombian Central Bank for $69,720,571 (2021 $40,402,716). See Note 31, item 1, Commitments and contingencies – Counter-guarantees, the detail of the pledges, there are no restrictions on their availability. As of December 31, 2022 there is 1 reconciling item for a total value of $8,264, as of December 31, 2021 there were 2 reconciling items for a total value of $19,685.

2) Cash in foreign currency corresponds to deposits in U.S. dollars in interest-bearing accounts that generated an average return as of December 31, 2022, and 2021, of 1.03% and 1.42% APR, respectively, with a balance as of December 31, 2022, of USD 10,777,101 (2021 USD 13,717,412).

3) Interbank funds of $13,615,491 were classified as cash equivalents, which have maturities between 1 and 30 days according to policy.

Information as of December 31, 2022

Entity	Rate	Value	Maturity	Rating	Rating Agency
Corficolombiana	11.14%	13,615,491	2/01/2023	AAA	Standard and Poors and Fitch Ratings Colombia
	Total	**13,615,491**			

Information as of December 31, 2021

Entity	Rate	Value	Maturity	Rating	Rating Agency
Corficolombiana	2.91%	60,712,628	3/01/2022	AAA	Standard and Poors and Fitch Ratings Colombia

Jp Morgan	3.11%	130,033,638	3/01/2022	AAA	Standard and Poors and Fitch Ratings Colombia
	Total	**190.746.266**			

4) Corresponds to cash balances as of December 31, 2022 and 2021, administered in the National Guarantees Fund for $1,360,163 (2021 $10,459,811) and the Pre-investment Fund for $155,500 (2021 $102,135).

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

The following table illustrates the Bank ratings by the risk rating firms authorized by the Financial Superintendence of Colombia of the financial entities where Findeter has the cash balance. As of December 31, 2022 and 2021, they are rated as AAA and AA.

BANK	RISK RATING	DECEMBER 31, 2022	DECEMBER 31, 2021
Banco de Bogotá S.A.	AAA	$ 3,187,603	1,395,730
Banco Popular S.A.	AAA	364,841,053	144,744,003
Bancolombia S.A.	AAA	8,889,030	8,008,197
Banco GNB Sudameris	AA+	99,908	210,754,308
BBVA Colombia S.A.	AAA	791,712	142,849,825
Banco Santander S.A.	AAA	357,450	40,416,633
Banco Itaú S.A.	AAA	117,859	167,646,461
Banco de occidente S.A.	AAA	757,001	97,294,546
Davivienda S.A.	AAA	5,463,790	4,032,273
Banco Caja Social S.A.	AAA	46,887,076	0
Banco Av Villas S.A.	AAA	192,027,575	0
Banco Scotiabank Colpatria S.A.	AAA	85,043,177	0
Corficolombiana	AAA	188,340,277	0
Central Bank	Country Risk	69,720,571	40,402,716
Banks Foreign currency	BBB	51,840,014	54,611,212
Petty Cash	No Rating	23,297	23,640
Interbank (1)	AAA	13,615,491	190,746,266
Restricted Cash (2)	AAA	1,515,663	10,561,946
		$ 1,033,518,547	**1,113,487,756**

Note (11) Investment Financial Assets and Derivatives

The investment classification is indicated below:

	2022	2021
Marketable investments at fair value	$ 339,528,656	283,057,706
Investments to maturity (1)	28,301,544	29,464,124
Available for sale through OCI	101,120,980	113,912,622
Derivatives	65,489,650	62,193,935
	$ 534,440,830	**$ 488,628,387**

(1) Corresponds to the balance of investments derived from the portfolio securitization, held in the Colombian Securitization Company for $28,301,544 as of December 31, 2022 ($29,464,124 in 2021).

11.1 Marketable investments at fair value

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

	2022	2021
Debt securities in Colombian pesos issued or guaranteed by other financial institutions	$151,590,506	86,876,451
Equity securities (1)	43,123,228	44,478,538
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government	125,824,324	132,467,379
Pre-investment Fund - (2)	18,990,598	19,235,338
	$339,528,656	**283,057,706**

(1) Through Decree 1070 of April 08, 2010, Findeter was authorized to invest in private equity funds. Subsequently, the Findeter Board of Directors approved the investment in the Ashmore Private Equity Fund through Minutes 233 of 26 April 2010. As of December 31, 2022, the fund presented a net income of $8,773,232 (2021 net income of $5,516,646). See Note 27.

The final balance of the investment as of December 31, 2022 for ($1,355,310), corresponds to the valuation gain of $8,773,232 and the redemption of capital and yields made by the fund for ($10,128,542).

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

11.2 Available for sale through OCI:

The detail of equity investments is:

	2022	2021
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government (1)	$ 65,515,154	77,750,444
National Guarantees Fund - NGF (2)	35,605,626	36,161,978
Others	300	300
Impairment of investments	(100)	(100)
Equity through OCI	**$ 101,120,980**	**113,912,622**

(1) The decrease in 2022 compared to 2021, is due to the objective of generating income through the formation of a Structural Portfolio of Fixed Income assets, with a medium risk profile, consistent with the investment horizon and cost of the Financial Institution's resources.

Within its structure, and framed within the guidelines defined by Findeter's Board of Directors, the Own Portfolio has an upper limit of $500,000.

The objective and purpose of having these investments available for sale is to generate income through the purchase and sale of financial assets, seeking to maximize profitability by obtaining cash flows, both of which are essential to achieve this.

(2) Findeter has a shareholding interest in the National Guarantees Fund as of December 31, 2022 and 2021, as follows: 1.10% in 2022 (1.10% in 2021), for a total of 5,264,172 shares in 2022 (5,264,172 in 2021); with an equity value per share of $6,763.77 in 2022 ($6,869.45 in 2021). The restatement of the value of the shares is recorded with changes in the OCI. For this purpose, the equity value was restated using the certificate updated to November 30, 2022.

11.3 Derivatives measured at fair value

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

	2022		2021	
	Notional amount	Fair Value $	Notional amount	Fair Value $
Derivative assets	**USD**		**USD**	
Forward contracts:				
Purchase of foreign currency	322,615,319		430,874,800	
Rights		$ 1,543,610,499		$ 1,785,203,781
Obligations		(1,478,120,849)		(1,723,009,846)
Total derivative assets	322,615,319	65,489,650	430,874,800	62,193,935
Derivative liabilities				
Forward contracts:				
Purchase of foreign currency	213,475,157		88,050,000	
Rights		$ 1,018,197,141		$ 350,997,274
Obligations		(1,032,992,747)		(353,502,776)
Total derivative liabilities	213,475,157	(14,795,606)	88,050,000	(2,505,502)
Net position	**536,090,476**	**50,694,043**	**518,924,800**	**59,688,433**

During 2022, the hedging strategy was not modified, nor has it been modified, where it is intended to maintain the position hedged as close to 100% as possible. The changes are due to exchange rate movements where the aggregate of the settlement of individual derivatives during the year could generate the change in the position.

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

- **Investment Time Bands**

Below is the breakdown of investments according to their maturity:

		2022				
		Up to one month	More than one month and not more than three months	More than three months and not more than one year	More than one year	Total
Debt instruments issued or guaranteed by financial institutions	$					

	Up to one month	More than one month and not more than three months	More than three months and not more than one year	More than one year	Total
	$ 4,513,095	12,413,315	83,888,685	50,775,411	151,590,506
Equity securities FCP	-	-	-	43,123,227	43,123,227
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government	-	8,487,264	13,914,900	103,422,160	125,824,324
Investments to maturity, debt instruments	-	-	-	28,301,544	28,301,544
Collective investment funds	-	-	-	18,990,598	18,990,598
Equity through OCI	-	-	-	101,120,981	101,120,981
Forward transactions	25,161,253	39,360,567	967,830	-	65,489,650
$	**29,674,348**	**60,261,146**	**98,771,415**	**345,733,921**	**534,440,830**

	2021				
	Up to one month	**More than one month and not more than three months**	**More than three months and not more than one year**	**More than one year**	**Total**
Debt instruments issued or guaranteed by financial institutions	$ 2,035,240	11,138,360	9,915,050	63,787,801	86,876,451
Equity securities FCP	-	-	-	44,478,538	44,478,538
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government	-	-	4,840,600	127,626,779	132,467,379
Investments to maturity, debt instruments	-	-	-	29,464,124	29,464,124
Collective investment funds	-	-	-	19,235,338	19,235,338
Equity through OCI	-	-	-	113,912,622	113,912,622
Forward transactions	19,895,862	30,011,709	12,286,364	-	62,193,935
$	**21,931,102**	**41,150,069**	**27,042,014**	**398,505,202**	**488,628,387**

- **Investment counterparty rating for the year 2022.**

  The table below shows the balances and ratings of counterparties of securities that make up the entity’s portfolio as of December 2022 and December 2021:

Name	2022	2021	Rating
Banco De Comercio Exterior	3,920,580	3,032,910	AAA
Banco De Bogotá	35,224,910	27,759,194	AAA
Banco Bilbao Vizcaya Argentaria Colombia S.A.	37,745,474	0	AAA
Banco Popular	12,834,281	9,912,611	AAA
Banco Davivienda	21,783,180	22,624,661	AAA

Banco Colpatria Red Multibanca S. A	21,236,340	7,257,426	AAA
Banco Comercial Av Villas	941,530	0	AAA
Banco De Occidente	19,240,936	29,276,786	AAA
Corficolombiana S.A.	23,315,088	13,817,232	AAA
Bancolombia S.A.	32,588,280	11,709,460	AAA
Ministry of Finance and Public Credit	191,339,479	139,399,153	COUNTRY RISK
CMR Falabella S.A. Cia. Fin. Cial.	1,884,970	0	AAA
Collective Investment Fund Fiduprevisora	18,990,597	19,235,337	AAA
FCP Fondo Inf Col Ashmore I-S1	43,123,227	44,478,538	NOT REGISTERED
Titularizadora Colombia S.A.	29,151,984	31,033,985	AAA
Enertolima S.A. E.S.P.	100	100	NOT REGISTERED
Fondo Nacional De garantías S. A	35,605,626	36,161,978	AAA
Ecopetrol	100	100	AAA
Itaú CorpBanca Colombia	5,514,148	12,195,196	AAA
Banco CorpBanca	0	9,915,050	AAA
Colombian Central Bank	0	70,818,670	AAA
Total	**534,440,830**	**488,628,387**	

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

Currently, there is no restriction on Findeter's portfolio; the investments of the National Guarantees Fund and the Pre-investment Fund are administered and managed in the funds for their ordinary operations.

Note (12) Loan Portfolio, Net

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

Below is the detail of the loan portfolio as of December 31, 2022 and 2021:

The portfolio by modality is as follows:

		2022		
Modality		**Principal**	**Interest and Other Payables**	**Total**
Commercial Rediscount	$	8,971,705,330	99,575,604	9,071,280,934
Commercial Direct Loan		2,058,075,152	22,893,602	2,080,968,754
Consumer		6,088,487	22,207	6,110,694
Housing		68,640,525	174,693	68,815,218
		11,104,509,494	**122,666,106**	**11,227,175,600**
Commercial Provision Rediscount		(36,935,245)	(393,682)	(37,328,927)

Commercial Provision Direct Loan		(25,350,773)	(324,472)	(25,675,245)
Consumer Provision		(195,286)	(23,044)	(218,330)
Housing Provision		(2,456,762)	(18,482)	(2,475,244)
Provision		**(64,938,066)**	**(759,680)**	**(65,697,746)**
	$	**11,039,571,428**	**121,906,426**	**11,161,477,854**

		2021		
Modality		**Principal**	**Interest and Other Payables**	**Total**
Commercial Rediscount	$	8,295,449,117	24,438,236	8,319,887,353
Commercial Direct Loan		1,252,349,335	3,882,243	1,256,231,578
Consumer		4,580,689	16,399	4,597,088
Housing		56,378,425	119,098	56,497,523
		9,608,757,566	**28,455,976**	**9,637,213,542**
Commercial Provision Rediscount		(45,999,965)	(142,239)	(46,142,204)
Commercial Provision Direct Loan		(14,890,390)	(78,794)	(14,969,184)
Consumer Provision		(166,940)	(2,349)	(169,289)
Housing Provision		(1,968,941)	(15,507)	(1,984,449)
Provision		**(63,026,236)**	**(238,889)**	**(63,265,126)**
	$	**9,545,731,330**	**28,217,087**	**9,573,948,416**

The portfolio by rating is as follows:

		Portfolio by rating			
		2022			
				Provision	
		Principal	**Interest and financial component**	**Principal**	**Interest and financial component**
Commercial Rediscount					
A - Normal	$	8,971,705,330	99,575,604	(36,935,245)	(414,906)
		8,971,705,330	**99,575,604**	**(36,935,245)**	**(414,906)**
Commercial Direct Loan					
A - Normal	$	2,029,489,307	22,289,928	(22,627,034)	(244,268)
B - Acceptable		22,308,440	465,131	(893,003)	(32,861)
C - Appreciable		4,148,905	98,718	(323,810)	(7,516)
D - Significant		1,259,520	-	(637,947)	-
E - Uncollectible		868,980	39,826	(868,980)	(39,826)
		2,058,075,152	**22,893,603**	**(25,350,774)**	**(324,471)**
Consumer					
A - Normal		5,941,300	20,131	(116,258)	(80)
C - Appreciable		80,109	388	(11,951)	(52)
E - Uncollectible		67,078	1,688	(67,078)	(1,688)
		6,088,487	**22,207**	**(195,287)**	**(1,820)**
Housing					

A - Normal		65,864,665	133,784	(1,317,293)	(895)
B - Acceptable		1,261,888	22,372	(52,999)	(716)
C - Appreciable		273,514	134	(30,087)	(13)
D - Significant		245,597	1,932	(51,575)	(386)
E - Uncollectible		994,861	16,470	(1,004,806)	(16,473)
		68,640,525	**174,692**	(2,456,760)	(18,483)
	$	**11,104,509,494**	**122,666,106**	**(64,938,066)**	**(759,680)**

		Portfolio by rating			
		2021			
				Provision	
		Principal	**Interest and financial component**	**Principal**	**Interest and financial component**
Commercial Rediscount					
A - Normal	$	8,295,449,117	24,438,236	(45,999,965)	(142,239)
		8,295,449,117	**24,438,236**	**(45,999,965)**	**(142,239)**
Commercial Direct Loan					
A - Normal	$	1,229,981,682	3,759,717	(13,618,303)	(41,169)
B - Acceptable		21,498,672	86,430	(403,108)	(1,530)
E - Uncollectible		868,980	36,096	(868,980)	(36,096)
		1,252,349,334	**3,882,243**	**(14,890,391)**	**(78,795)**
Consumer					
A - Normal		4,407,994	13,758	(86,848)	(68)
B - Acceptable		6,175	5	(537)	-
C - Appreciable		99,442	83	(22,189)	(19)
D - Significant		33,364	1,001	(23,653)	(710)
E - Uncollectible		33,714	1,552	(33,714)	(1,552)
		4,580,689	**16,399**	**(166,941)**	**(2,349)**
Housing					-
A - Normal		54,448,145	96,098	(1,088,963)	(686)
B - Acceptable		550,438	4,163	(23,118)	(133)
C - Appreciable		289,372	141	(31,831)	(14)
D - Significant		345,433	5,028	(72,539)	(1,005)
E - Uncollectible		745,038	13,668	(752,488)	(13,668)
		56,378,426	**119,098**	**(1,968,939)**	**(15,506)**
	$	**9,608,757,566**	**28,455,976**	**(63,026,236)**	**(238,889)**

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

Economic sector	2022					
	Commercial Rediscount	Commercial Direct Loan	Consumer	Housing	Total	% Share
Education infrastructure	1,687,429,505	214,166,060	-	-	1,901,595,565	17%
Transport infrastructure	1,892,880,896	674,868,237	-	-	2,567,749,133	23%
Health infrastructure	1,746,432,681	68,193,563	-	-	1,814,626,244	16%
Urban, construction and housing infrastructure development	1,173,820,337	588,318,141	-	-	1,762,138,478	16%
Infrastructure for energy development	1,125,411,930	103,364,114	-	-	1,228,776,044	11%
Drinking water and basic sanitation infrastructure	940,489,298	137,280,151	-	-	1,077,769,449	10%
Infrastructure for sports, recreation and culture	259,944,677	241,584,309	-	-	501,528,986	4%
Territorial fiscal consolidation	113,862,512	17,153,044	-	-	131,015,556	1%
Tourism infrastructure	34,186,821	18,879,857	-	-	53,066,678	0%
Environmental infrastructure	20,940,367	17,084,327	-	-	38,024,694	0%
ICT infrastructure	66,316,788	76,951	-	-	66,393,739	1%
Infrastructure Cultural, Creative Industry and Orange Economy	9,565,122	-	-	-	9,565,122	0%
Salaried (Employees and Former Employees)	-	-	6,110,694	68,815,218	74,925,912	1%
	9,071,280,934	**2,080,968,754**	**6,110,694**	**68,815,218**	**11,227,175,600**	**100 %**

Economic sector	2021					
	Commercial Rediscount	Commercial Direct Loan	Consumer	Housing	Total	% Share
Education infrastructure	1,635,553,094	80,451,251	-	-	1,716,004,345	18%
Transport infrastructure	1,632,378,129	332,557,833	-	-	1,964,935,962	20%
Health infrastructure	1,362,693,921	4,147,257	-	-	1,366,841,178	14%
Urban, construction and housing infrastructure development	1,136,580,860	373,786,358	-	-	1,510,367,218	16%
Infrastructure for energy development	1,072,412,420	155,102,473	-	-	1,227,514,893	13%
Drinking water and basic sanitation infrastructure	1,033,914,067	167,221,671	-	-	1,201,135,738	12%
Infrastructure for sports, recreation and culture	296,478,325	122,660,722	-	-	419,139,047	4%
Territorial fiscal consolidation	14,655,243	12,054,833	-	-	26,710,076	0%

Tourism infrastructure		32,627,315	-	-	-	32,627,315	0%
Environmental infrastructure		38,027,733	8,172,227	-	-	46,199,960	0%
ICT infrastructure		54,526,894	76,953	-	-	54,603,847	1%
Infrastructure Cultural, Creative Industry and Orange Economy		10,039,352	-	-	-	10,039,352	0%
Salaried (Employees and Former Employees)		-	-	4,597,088	56,497,523	61,094,611	1%
	$	**8,319,887,353**	**1,256,231,578**	**4,597,088**	**56,497,523**	**9,637,213,542**	**100 %**

Portfolio by geographical area

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

		2022		
		Principal	**Interest**	**Total**
Commercial Rediscount				
Center region	$	3,044,138,268	35,432,239	3,079,570,507
Northwest Region		2,122,369,387	19,252,503	2,141,621,890
Caribbean region		1,662,750,888	26,111,235	1,688,862,123
Pacific region		909,137,683	7,720,370	916,858,053
Northeast area		682,753,183	6,580,097	689,333,280
Coffee growing axis area		409,955,746	3,375,924	413,331,670
South area		140,600,174	1,103,237	141,703,411
		8,971,705,329	**99,575,605**	**9,071,280,934**
Commercial Direct Loan				
Center region	$	381,506,545	5,632,007	387,138,552
Northwest Region		557,640,762	3,685,245	561,326,007
Caribbean region		626,772,128	8,743,791	635,515,919
Pacific region		233,145,468	2,881,732	236,027,200
Northeast area		69,091,095	711,437	69,802,532
Coffee growing axis area		189,919,153	1,239,389	191,158,542
South area		-	-	-
		2,058,075,151	**22,893,601**	**2,080,968,752**
Consumer				
Center region		6,088,487	22,207	6,110,694
		6,088,487	**22,207**	**6,110,694**
Housing				
Center region		68,640,527	174,693	68,815,220
		68,640,527	**174,693**	**68,815,220**
	$	**11,104,509,494**	**122,666,106**	**11,227,175,600**

		2021		
		Principal	Interest	Total
Commercial Rediscount				
Center region	$	2,718,493,250	8,870,117	2,727,363,367
Northwest Region		1,811,386,793	5,798,033	1,817,184,826
Caribbean region		1,439,756,181	4,968,869	1,444,725,050
Pacific region		999,898,634	2,160,802	1,002,059,436
Northeast area		724,277,985	1,627,222	725,905,207
Coffee growing axis area		453,451,306	763,605	454,214,911
South area		148,184,967	249,588	148,434,555
		8,295,449,116	**24,438,236**	**8,319,887,352**
Commercial Direct Loan				
Center region	$	230,699,572	1,146,390	231,845,962
Northwest Region		303,034,864	113,626	303,148,490
Caribbean region		460,196,383	1,766,868	461,963,251
Pacific region		115,177,407	421,952	115,599,359
Northeast area		74,183,588	209,653	74,393,241
Coffee growing axis area		69,057,519	223,754	69,281,273
South area		-	-	-
		1,252,349,333	**3,882,243**	**1,256,231,576**
Consumer				
Center region		4,580,689	16,399	4,597,088
		4,580,689	**16,399**	**4,597,088**
Housing				
Center region		56,378,428	119,098	56,497,526
		56,378,428	**119,098**	**56,497,526**
	$	**9,608,757,566**	**28,455,976**	**9,637,213,542**

- **Portfolio by monetary unit**

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

		2022			
Modality		**Domestic currency**	**Foreign currency**	**UVR**	**Total**
Commercial Rediscount	$	9,068,245,828	-	3,035,106	9,071,280,934
Commercial Direct Loan		2,080,968,754	-	-	2,080,968,754
Consumer		6,110,694	-	-	6,110,694
Housing		68,815,218	-	-	68,815,218
	$	**11,224,140,494**	**-**	**3,035,106**	**11,227,175,600**

2021

Modality		Domestic currency	Foreign currency	UVR	Total
Commercial Rediscount	$	8,206,516,969	109,753,436	3,616,948	8,319,887,353
Commercial Direct Loan		1,256,231,578	-	-	1,256,231,578
Consumer		4,597,088	-	-	4,597,088
Housing		56,497,523	-	-	56,497,523
	$	**9,523,843,158**	**109,753,436**	**3,616,948**	**9,637,213,542**

- **Portfolio by maturity period**

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

		2022					
Modality		**0 to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 to 10 years**	**More than 10 years**	**Total**
Commercial Rediscount	$	372,124,686	1,566,873,521	1,637,826,426	4,485,653,457	1,008,802,843	9,071,280,933
Commercial Direct Loan		81,808,891	46,051,684	101,429,422	1,845,715,751	5,963,006	2,080,968,754
Consumer		141,072	1,110,441	2,433,136	2,426,045	-	6,110,694
Housing		833,891	34,107	33,596	4,732,637	63,180,988	68,815,219
	$	**454,908,540**	**1,614,069,753**	**1,741,722,580**	**6,338,527,890**	**1,077,946,837**	**11,227,175,600**

		2021					
Modality		**0 to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 to 10 years**	**More than 10 years**	**Total**
Commercial Rediscount	$	156,251,007	1,249,153,554	1,582,276,203	4,368,445,553	963,761,039	8,319,887,356
Commercial Direct Loan		78,338	275,737,886	101,439,091	878,976,262	-	1,256,231,577
Consumer		102,626	1,091,173	1,711,112	1,678,340	13,836	4,597,087
Housing		1,092,200	-	53,281	5,417,696	49,934,345	56,497,522
	$	**157,524,171**	**1,525,982,613**	**1,685,479,687**	**5,254,517,851**	**1,013,709,220**	**9,637,213,542**

- **Restructured loans portfolio**

Below is the breakdown of the restructured loans portfolio:

Restructured / Modified Loans Portfolio

		2022			
				Provision	
Commercial Direct Loan		**Principal**	**Interest**	**Principal**	**Interest**
Act 1116	$	58,333	3,268	58,333	3,268
Ordinary		944,968	35,876	815,473	35,802
		1,003,301	**39,144**	**873,806**	**39,070**
Consumer					
Ordinary		97,254	19,597	32,515	19,527
		97,254	**19,597**	**32,515**	**19,527**
Housing					
Ordinary		1,291,308	9,978	645,782	8,304
		1,291,308	**9,978**	**645,782**	**8,304**
Act 1116		58,333	3,268	58,333	3,268
Ordinary		2,333,530	65,451	1,493,770	63,633
	$	**2,391,863**	**68,719**	**1,552,103**	**66,901**

2021

				Provision	
		Principal	**Interest**	**Principal**	**Interest**
Commercial Direct Loan					
Act 1116	$	58,333	3,268	58,333	3,268
Ordinary		796,063	35,792	796,063	35,792
		854,396	**39,060**	**854,396**	**39,060**
Housing					
Ordinary		21,029	17,302	21,029	17,302
		21,029	**17,302**	**21,029**	**17,302**
Housing					
Ordinary		898,614	10,139	652,694	10,127
		898,614	**10,139**	**652,694**	**10,127**
Act 1116		58,333	3,268	58,333	3,268
Ordinary		1,715,706	63,232	1,469,786	63,221
	$	**1,774,039**	**66,500**	**1,528,119**	**66,489**

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

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

2022

				Provision	
Risk category	**No, of loans**	**Principal**	**Interest**	**Principal**	**Interest**
Commercial Direct Loan					

C - Appreciable	1	148,905	85	19,410	10
E - Uncollectible	2	854,397	39,060	854,397	39,060
	3	**1,003,302**	**39,145**	**873,807**	**39,070**
Consumer					
C - Appreciable	2	76,225	79	11,486	10
E - Uncollectible	3	21,029	19,518	21,029	19,517
	5	**97,254**	**19,597**	**32,515**	**19,527**
Housing					
A - Normal	1	221,984	10	4,440	-
C - Appreciable	1	269,107	132	29,602	13
D - Significant	1	245,597	1,932	51,575	386
E - Uncollectible	3	554,619	7,905	560,165	7,905
	6	**1,291,307**	**9,979**	**645,782**	**8,304**
	14	**2,391,863**	**68,721**	**1,552,104**	**66,901**

2021

Risk category	No, of loans	Principal	Interest	Provision Principal	Provision Interest
Commercial Direct Loan					
E - Uncollectible	2	854,397	39,060	854,397	39,060
	2	**854,397**	**39,060**	**854,397**	**39,060**
Consumer					
E - Uncollectible	3	21,029	17,302	21,029	17,302
	3	**21,029**	**17,302**	**21,029**	**17,302**
Housing					
A - Normal	2	257,481	11	5,150	-
E - Uncollectible	4	641,133	10,127	647,545	10,127
	6	**898,614**	**10,138**	**652,695**	**10,127**
	11	**1,774,040**	**66,500**	**1,528,121**	**66,489**

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

2022

Economic sectors	Commercial Rediscount	Commercial Direct Loan	Consumer	Housing	Total	% Share
Drinking water and basic sanitation infrastructure	-	148,990	-	-	148,990	6%
Health infrastructure	-	831,855	-	-	831,855	34%
ICT infrastructure	-	61,602	-	-	61,602	3%
Salaried (Employees and Former Employees)	-	-	116,850	1,301,286	1,418,136	58%
	-	**1,042,447**	**116,850**	**1,301,286**	**2,460,583**	**100%**

2021

Economic sectors	Commercial Rediscount	Commercial Direct Loan	Consumer	Housing	Total	% Share
Health infrastructure	-	831,855	-	-	831,855	45%
ICT infrastructure	-	61,602	-	-	61,602	3%
Salaried (Employees and Former Employees)	-	-	38,330	908,753	947,083	51%

-	893,457	38,330	908,753	1,840,540	100%

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

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

2022

				Provision	
		Principal	**Interest**	**Principal**	**Interest**
Commercial Direct Loan					
Center region		854,397	39,060	854,397	39,060
Caribbean region		148,905	85	19,410	10
		1,003,302	39,145	873,807	39,070
Consumer					
Center region		97,254	19,597	32,515	19,527
		97,254	19,597	32,515	19,527
Housing					
Center region		1,291,307	9,979	645,782	8,304
		1,291,307	9,979	645,782	8,304
	$	**2,391,863**	**68,721**	**1,552,104**	**66,901**
		-	-	-	-

2021

				Provision	
		Principal	**Interest**	**Principal**	**Interest**
Commercial Direct Loan					
Center region		854,397	39,060	854,397	39,060
		854,397	39,060	854,397	39,060
Consumer					
Center region		21,029	17,302	21,029	17,302
		21,029	17,302	21,029	17,302
Housing					
Center region		898,614	10,138	652,695	10,127
		898,614	10,138	652,695	10,127
	$	**1,774,040**	**66,500**	**1,528,121**	**66,489**

With respect to the evolution of LIBOR, the expectation for 2022 is entirely upward, as a result of the increase in inflation in the United States, which is currently above 7%, a situation that will force the Federal Reserve to promote a contractionary monetary policy in order to control the increase in prices. According to economic analysts, the increase in the benchmark rate in said country could be higher than 100 basis points for said period.

- **Impairment for loan portfolio**

Below is the breakdown of the loan portfolio provision:

Principal		Balance as of December 31, 2021	Recoveries	Charges	Balance as of December 31, 2022
Commercial	$	60,890,355	14,750,911	16,146,574	62,286,018
Consumer		166,941	53,214	81,559	195,286
Housing		1,968,941	216,132	703,953	2,456,762
		63,026,237	**15,020,257**	**16,932,086**	**64,938,066**

Interest		Balance as of December 31, 2021	Recoveries	Charges	Balance as of December 31, 2022
Commercial	$	221,048	59,953	557,058	718,154
Consumer		20,129	1,002	3,918	23,044
Housing		20,274	6,264	4,472	18,482
		261,451	**67,219**	**565,448**	**759,680**
		63,287,688	**15,087,476**	**17,497,534**	**65,697,746**
			Net Impairment	**(2,410,058)**	

Principal		Balance as of December 31, 2021	Recoveries	Charges	Balance as of December 31, 2022
Commercial	$	68,503,190	18,724,444	11,111,609	60,890,355
Consumer		98,902	30,836	98,875	166,941
Housing		1,827,789	297,125	438,277	1,968,941
		70,429,881	**19,052,405**	**11,648,761**	**63,026,237**

Interest		Balance as of December 31, 2021	Recoveries	Charges	Balance as of December 31, 2022
Commercial	$	204,984	98,004	114,068	221,048
Consumer		15,209	3,826	5,016	16,399
Housing		15,710	4,200	8,764	20,274
		235,903	**106,030**	**1 7,848**	**257,721**

70,665,784	**19,158,435**	**11,776,609**	**63,283,958**
	Net Impairment	**7,381,826**	

The increase in portfolio impairment reflected as of December 31, 2022 of $9,795,613 is mainly due to the variation in the net portfolio during the year of $1,587,548,270, and consequently the increase in provisions.

Note (13) Net Accounts Receivable and Other Receivables

Below is the breakdown of other accounts receivable:

	2022	2021
Trust transactions	$ 1,539	2,775
Accounts receivable compensated rate (1)	62,825,325	22,103,791
Commissions and fees (2)	37,779,697	48,184,636
Leases	1,402	8,234
Advances to staff	137,190	111,213
Accounts receivable (Tax Funds)	403,937	204,069
Portfolio commissions (3)	56,920	114,634
Accounts receivable pre-investment	-	43,649
Others	1,472,151	1,474,755
Subtotal	$ 102,678,161	72,247,756
Provision of other accounts receivable (4)	(2,163,050)	(1,240,755)
	$ 100,515,111	**71,007,001**

Trade accounts receivable and other receivables are classified as current, with the exception of accounts receivable from agreements for which maturity is detailed.

(1) Corresponds to the balance of interest receivable from the compensated rate agreements (Ministry of Finance, Ministry of Education and the departments, among others), which are intended to cover the difference between the intermediation rate under these lines and the Findeter board. Pursuant to Decree 3210 of August 29, 2008, of the Ministry of Education and Decree No. 925 of March 18, 2009, of the Ministry of Finance, the variation of the balance between December 2022 and 2021 for $40,721,534, is mainly due to the balance receivable from the Ministry of Finance which for 2022 is $58,633,759 to 2021 $18,140,615.

(2) Corresponds to accounts receivable for technical assistance services provided by Findeter under the agreements signed. As of December 31, 2022 and 2021, it registers the following balances by program and date of issue ranges, the decrease in accounts receivable for commissions and fees of ($10,404,939) is due to the decrease in the accrual of income from

the different contracts signed by Findeter for the development of technical assistance services such as (CT SAIPRO 2021 providence, National Infrastructure Agency, among others).

Accounts Receivable Balance December 2022					
Management	1 to 3 months	more than 3 to 6 months	6 months to one year	more than 1 year	Total
Water	2,752,127	1,086,682	1,333,316	2,396,118	7,568,243
Housing	6,037,330	31,347	2,181,866	-	8,250,543
Infrastructure	5,882,594	1,371,849	2,907,180	1,227,532	11,389,155
Others	5,466,267	1,016,434	1,202,285	2,886,770	10,571,756
	$ 20,138,318	**3,506,312**	**7,624,647**	**6,510,420**	**37,779,697**

Accounts Receivable Balance December 2021					
Management	1 to 3 months	more than 3 to 6 months	6 months to one year	more than 1 year	Total
Water	$ 3,878,245	1,616,313	3,319,595	4,287,280	13,101,433
Housing	8,696,162	-	-	583,692	9,279,854
Infrastructure	8,972,795	1,860,784	2,101,631	665,005	13,600,215
Others	7,105,016	707,346	616,348	3,774,424	12,203,134
	$ 28,652,218	**4,184,443**	**6,037,574**	**9,310,401**	**48,184,636**

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

(4) Below is the movement of the impairment of other accounts receivable:

	Balance December 2020	Charges	Recoveries	Balance December 2021	Charges	Recoveries	Adjustments and reclassifications	Balance December 2022
Others	(45,711)	28,991	90	(74,612)	-	4,072	7,621	(62,919)
Technical assistance	(576,178)	869,931	279,966	(1,166,143)	933,988	-	-	(2,100,131)
	(621,889)	**898,922**	**280,056**	**(1,240,755)**	**933,988**	**4,072**	**7,621**	**(2,163,050)**

Net impairment	**(618,866)**	**(922,295)**

- The increase in the impairment of accounts receivable is due to the increase in the consumer price index (CPI), which is the indexing factor for its recognition.

Note (14) Net property and equipment

Below is the detail of property and equipment:

	2019	2018
Land (revalued)	$ 7,992,600	6,847,500
Buildings and constructions (revalued)	22,518,678	20,263,869
Furniture, fixtures and office equipment	3,625,490	4,116,053
Computer equipment	1,497,490	1,516,621
Vehicles	859	-
Net assets	**35,635,117**	**32,744,043**
Accumulated depreciation	(4,404,966)	(5,581,948)
Total assets	**$31,230,151**	**27,162,095**

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

	2021	Purchases	Write -offs	Revalued Cost Adjustment (1)	2022
Land	$ 6,847,500			1,145,100	7,992,600
Buildings and constructions	20,263,869			2,254,809	22,518,678
Furniture, fixtures and office equipment	4,116,053	63,227	553,790	-	3,625,490
Computer equipment	1,516,621	623,818	642,949	-	1,497,490

Vehicles	-	859	-	-	859
	$ 32,744,043	**687,904**	**1,196,739**	**3,399,909**	**35,635,117**

	2020	**Purchases**	**Revalued Cost Adjustment**	**2021**
Land	$ 6,847,500	-	-	6,847,500
Buildings and constructions	20,263,959	-	(90)	20,263,869
Furniture, fixtures and office equipment	4,008,381	107,672	-	4,116,053
Computer equipment	1,463,961	52,660	-	1,516,621
	$ 32,583,801	**160,332**	**(90)**	**32,744,043**

(1) As of December 31, 2022, the revalued cost adjustments for land and buildings were applied, which generated a variation of ($3,399,909), recognized according to the technical appraisals as of December 31, 2022.

As of December 31, 2022 and 2021, there are no items of property and equipment out of use or reclassified as available for sale. Also, there are no restrictions of use or pledges on the assets of the entity, and there is no evidence of impairment of these assets at the same period.

For purposes of measuring the fair value of buildings and land, it is determined at a level 2 hierarchy. The observable inputs were as follows:

5. Location of the building in a sector of multiple economic activity and in close proximity to major roads.
6. The conditions of recognition, facade and visualization of the building where the office is located. The characteristics of the building, in terms of its equipment, infrastructure and provision of services.
7. The quality of the finishes of the office and of the internal fittings, the applicable urban standards and land uses.
8. The market for properties with similar characteristics in the sector, the remaining useful life assigned to the property, and the fair value

calculated to correspond to the commercial value of the property.

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

	Buildings	Vehicles	Computer equipment	Furniture and fixtures	Total
Balance as of December 31, 2020	$ -	-	1,109,268	3,828,754	$ 4,938,022
Depreciation 2021	261,423	-	40,918	341,585	643,926
Adjustment or reclassification			314,899	(314,899)	-
Balance as of December 31, 2021	**261,423**	**-**	**1,465,085**	**3,855,440**	**5,581,948**
Depreciation 2022	261,350	119	151,798	109,878	523,145
Accumulated depreciation write-offs and revaluations	(522,773)	-	(642,949)	(534,405)	(1,700,127)
Balance as of December 31, 2022	**$ -**	**119**	**973,934**	**3,430,913**	**$ 4,404,966**

14.1 Right-of-use assets and lease liabilities

Below is the recognition made in Findeter's financial statements as of December 2022 and 2021, derived from the application of IFRS 16:

Movement in right-of-use assets	**2022**	**2021**
Right-of-use assets -Buildings	5,460,076	5,027,082
Right-of-use recalculation adjustment	884,927	432,994
Straight-line depreciation right of use	(6,014,971)	(4,709,908)
Right-of-use balance	**330,032**	**750,168**

Movement in Lease Liabilities	**2022**	**2021**
Lease liabilities	5,456,934	5,027,082
Adjustment recalculation of Lease Liabilities	884,928	429,852
Principal Payments Liability	(6,004,827)	(4,691,217)
Balance of Lease Liabilities	**337,035**	**765,717**

Depreciation expense for right of use	1,305,063	1,596,593
Interest payment during each Term	42,645	78,060
Principal Payments	1,313,610	1,653,440

Note (15) Investment Properties

The following is the detail of investment properties as of December 31, 2022 and 2021. Investment properties correspond to the item of buildings, which are measured at fair value.

Investment property corresponds to the office owned in the city of Neiva which is leased generating income. As of December 31, 2022 and 2021, there are no restrictions on them.

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

		2022	2021
Opening balance	$	924,955	874,000
Changes in fair value measurement (1)		142,945	50,955
Closing balance	**$**	**1,067,900**	**924,955**

(1) The investment property was adjusted to fair value, in accordance with the last appraisal received at 2022 year-end.

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

		2022	2021
Revenue from investment properties	$	64,807	56,772

During the 2022 fiscal year, no maintenance or repair expenses were incurred on investment property.

- During these periods, there were no contractual obligations for acquiring investment properties.
- To determine the fair value of its investment properties, Findeter uses a firm that performs the appraisal in accordance with IFRS 13 requirements.
- There are no restrictions on the realization of investment properties.

For purposes of measuring the fair value of the investment property, it is determined as a level 2 input. The observable data were as follows:

1. Location of the building in a sector of multiple economic activity and very close to or near main roads.
2. The recognition, facade and visual conditions of the building where the office is located; the characteristics of the building, in terms of its equipment, infrastructure and provision of services.
3. The quality of the office finishes and the internal adaptations, urban regulations and applicable land uses.
4. The real estate market with similar characteristics in the sector, the remaining useful life assigned to the property and the calculated fair value corresponds to the property's commercial value.

Note (16) Intangible Assets

Movement of Net Intangible Assets

Below is the movement of the cost of intangible assets:

	2020	Acquisition/ Additions	Amortization through expenses	2021	Acquisition/ Additions	Amortization through expenses	2022
Computer programs and applications	1,997,831	1,626,702	1,390,145	2,234,388	1,822,687	1,607,420	2,449,655
Total	**1,997,831**	**1,626,702**	**1,390,145**	**2,234,388**	**1,822,687**	**1,607,420**	**2,449,655**

Intangible assets consist of software licenses acquired by Findeter, which do not show signs of impairment and are amortized over a 24-month period, as defined in the accounting procedure manual.

Note (17) Net current income taxes and deferred income tax assets

a. Income tax expense components:

Income tax expense for the years ended December 31, 2022 and 2021, includes the following:

	December 31, 2022	December 31, 2021
Income tax for the current period	180,521,379	72,465,266
Income tax surtax	16,317,126	7,371,996
Adjustment to current tax for prior periods	(2,140,185)	(9,838,117)
Tax on occasional income	770,604	-
Subtotal current tax	**195,468,924**	**69,999,145**
Net deferred taxes for the period	(145,998,470)	(60,318,469)
Adjustment of deferred tax for prior periods	0	4,731,596
Subtotal deferred tax	**(145,998,470)**	**(55,586,873)**
Total income tax	**49,470,454**	**14,412,272**

b. Tax rate reconciliation in accordance with tax provisions and the effective rate:

The current tax provisions applicable to the Company stipulate that in Colombia:

- For 2022, in accordance with the Social Investment Act 2155 of 2021, the income tax rate is 35% and for financial institutions that obtain in the period a taxable income equal to or greater than 120,000 UVT, 3 additional points are applied.

- For 2021, according to the 2010 Growth Act of 2019 the income tax rate is 31% and for financial institutions that obtain in the period a taxable income equal or higher than 120,000 UVT, 3 additional points are applied.

- As of 2021, the Economic Growth Act reduces the presumptive income to 0% of the net worth of the last day of the immediately preceding taxable year.

- With the Social Investment Act, the audit benefit is extended for the years 2022 and 2023 for taxpayers that increase their net income tax of the taxable year in relation to the net income tax of the immediately preceding year by at least 35% and 25%, with which the income tax return will become final within 6 or 12 months following the date of filing, respectively.

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

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

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

- Occasional earnings are taxed at a 10% rate.

In accordance with paragraph 81 (c) of IAS 12, the following is a reconciliation between the Company's total income tax expense calculated at current tax rates and the tax expense (income) actually recorded in the results of operations for the periods ended December 31, 2022 and 2021.

	Periods ended	
	December 31, 2022	**December 31, 2021**
Income before income tax	**135,660,311**	**91,591,151**
Notional tax expense: at the rate of 38% (2022) - 34% (2021)	51,550,918	31,140,991
Plus or (minus) taxes that increase (decrease) the theoretical tax:		
Non-deductible expenses	11,490,617	5,314,889
Untaxed income	0	0
Adjustment of current tax of previous periods	(2,140,185)	(5,106,521)
Occasional gains	770,604	0

Other items	(4,251)	(97,232)
Tax deduction	(9,845,103)	(3,712,034)
Effect on deferred taxes due to change in tax rates	(2,352,146)	(13,127,821)
Total income tax expense for the period	**49,470,454**	**14,412,272**

Deferred tax by type of temporary difference:

The differences between the bases of assets and liabilities under CFRS and their tax bases give rise to temporary differences that generate deferred taxes calculated and recorded for the years ended December 31, 2022 and 2021:

	Balance as of December 31, 2021	Effect on income	Effect on OCI	Balance as of December 31, 2022
Deferred tax asset				
Technical Reserve FNG	8,628,442	(1,288,509)	0	7,339,933
General portfolio provision	0	0	0	0
Provision for other assets	143,449	46,813	0	190,262
Property and equipment-Other assets	195,067	(143,224)	0	51,843
Intangible assets-Deferred charges	670,141	200,776	0	870,917
Loss on derivatives	952,091	4,966,151	0	5,918,242
Employee benefits	867,943	(178,171)	0	689,772
Provision for other expenses	5,142,945	(1,310,057)	0	3,832,888
Unrealized foreign exchange difference	153,587,638	145,373,803	0	298,961,441
Lease liability IFRS 16	290,973	(156,159)	0	134,814
Investments in marketable debt securities	0	4,241,557	4,241,557	8,584,408
	170,478,689	**151,854,274**	**4,241,557**	**326,574,520**
Deferred tax liabilities				
Investments in marketable debt securities	78,929	(78,929)	0	0
Investments in equity securities - Shares	984,111	0	408,603	1,392,714

Gain on derivatives	23,633,695	2,562,165	0	26,195,860
Cost of property and equipment	5,400,940	(350,374)	1,300,532	6,351,099
Leases IFRS 16	285,064	(153,051)	0	132,013
Ashmore private equity fund	4,826,973	3,875,993	0	8,702,966
	35,209,712	**5,855,804**	**1,709,136**	**42,774,652**
	135,268,977	**145,998,470**	**2,532,422**	**283,799,869**

	Balance as of December 2020	Effect on income	Effect on OCI	Balance as of December 2022
Deferred tax asset				
Technical reserve FNG	8,281,259	347,183	0	8,628,442
Provision for other assets	86,655	56,794	0	143,449
Property and equipment - Other assets	119,657	75,410	0	195,067
Intangible assets - Deferred charges	601,668	68,473	0	670,141
Loss on derivatives	19,633,668	(18,681,577)	0	952,091
Provision for employee benefits	713,902	154,041	0	867,943
Provisions for other expenses	8,290,689	(3,147,744)	0	5,142,945
Unrealized foreign exchange difference	44,986,138	108,601,500	0	153,587,638
Unrealized loss on private equity funds	3,879,013	(3,879,013)	0	0
Industry and trade tax	623,556	(623,556)	0	0
Lease liability	676,989	(386,016)	0	290,973
	87,893,194	**82,585,495**	**0**	**170,478,689**

Deferred tax liabilities				
Investments in marketable debt securities	2,094,870	(563,093)	(1,452,848)	78,929
Investments in equity securities - Shares	402,325	0	581,786	984,111
Gain on derivatives	0	23,633,695	0	23,633,695
Cost of property and equipment	6,043,147	(532,516)	(109,691)	5,400,940
Leases IFRS 16	651,501	(366,437)	0	285,064
Ashmore private equity fund	0	4,826,973	0	4,826,973
	9,191,843	**26,998,622**	**(980,753)**	**35,209,712**
	78,701,351	**55,586,873**	**980,753**	**135,268,977**

c. Effect of current and deferred taxes on each component of other comprehensive income in equity

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

	December 31, 2022			December 31, 2021		
	Amount before tax	Deferred tax	Net	Amount before tax	Deferred tax	Net
Revaluation of Fixed Assets	(3,922,682)	1,300,532	(2,622,150)	0	109,692	109,692
Valuation of financial instruments for sale	12,681,423	(3,832,954)	8,848,469	1,641,074	871,061	2,512,135
	8,758,741	**(2,532,422)**	**6,226,319**	**1,641,074**	**980,753**	**2,621,827**

d. Tax Positions Uncertainties

As of January 1, 2020, and by Decree 2270 of 2019, the interpretation of IFRIC 23 - Uncertainty over Income Tax Treatments was adopted for purposes of the local financial statements Group I, which clarifies when to apply the criteria of recognition and measurement of IAS 12 - Income Tax in case of uncertainty over positions adopted to determine income tax that may not be accepted by the tax authority in the event of an inspection.

As of December 31, 2022 and 2021, the Company has no tax uncertainties that generate a provision for said item, taking into account that the income tax process is regulated under the current tax framework. Therefore, there are no risks of an additional tax obligation.

e. Realization of Deferred Tax Assets

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

The estimates of these financial projections are the basis for the recovery of deferred tax assets on the National Guarantees Fund technical reserve, realization of the exchange difference resulting from the payment of foreign currency obligations and the realization of investments in securities and derivatives.

f. Tax Reform for Equality and Social Justice

By means of Act 2277 of December 13, 2022, a tax reform was adopted, such provision introduces some modifications in income tax matters, which are presented below:

The general income tax rate is maintained at 35% for national companies and their assimilated companies, permanent establishments of foreign entities and foreign legal entities with or without residence in the country obliged to file the annual income and complementary tax return.

For financial institutions, insurance entities, reinsurance companies, stock exchange commission agent companies, agricultural commission agent companies, agricultural, agro-industrial or other commodities goods and products stock exchanges and stock market infrastructure providers, a surtax of 5 additional points of the general income tax rate is established during the taxable periods 2023 to 2027, being the total rate 40% if they have a taxable income equal or higher than 120,000 UVT ($5,089,440,000 year 2023). The surtax will be subject to an advance payment of 100%.

A minimum tax for residents in Colombia is established as from fiscal year 2023, and an additional tax is set in case the adjusted income tax is lower than 15% of the accounting profit before taxes with certain adjustments. Thus, taxpayers must: (i) Determine the adjusted tax of the Colombian taxpayer, or the adjusted tax of the group in case it is part of a corporate group; (ii) Determine the adjusted profit of the Colombian taxpayer or of the group in case it is part of a corporate group; and, (iii) Determine the adjusted tax rate of the Colombian taxpayer or of the group in case it is part of a corporate group. If the effective tax rate (tax deducted / deducted profit) is lower than 15%, the tax to be added of the taxpayer or of the group in case it is part of a corporate group must be calculated.

ZESE Economic and Social Zones are exempted from this rule during the period that their income rate is zero (0%), taxpayers whose adjusted profit is equal or less than zero, those who are governed by the provisions of Art 32 of the E.T. (Concessions), industrial and commercial companies of the state or mixed economy companies that exercise monopolies of luck, chance and liquors; hotels and theme parks provided that they are not required to submit country by country report.

The amount of the sum of some income not constituting income, special deductions, exempt income and tax discounts is limited to 3% per year of the ordinary net income.

Article 158-1 is repealed, eliminating the possibility of deducting costs and expenses associated with investments in CTeI, i.e. these investments will only be eligible for a tax discount. The possibility of taking 30% of the investments in Science, Technology and Innovation (CTeI) that have the approval of the National Council of Tax Benefits (CNBT) as a tax discount is maintained; the previous regulation established a discount of 25%.

The possibility of taking 50% of the ICA effectively paid before filing the tax return as a tax discount is eliminated. The 100% accrued and paid prior to the filing of the income tax return will be deductible.

100% of the taxes, rates and contributions effectively paid in the taxable year, which have a causal relationship with the generation of income (except income tax), will continue to be deductible; 50% of the tax on financial movements (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-generating activity.

Payments for memberships to social clubs, labor expenses of support personnel in housing or other activities unrelated to the income producing activity, personal expenses of partners, participants, shareholders, clients and/or their relatives, all of which will be considered as income in kind for their beneficiaries, will not be deductible.

It is established that the non-deductible amounts for sentences arising from administrative, judicial or arbitration proceedings, correspond to the amounts that have a punitive, sanctioning or indemnification of damages nature (Number 3 of Article 105 of the E.T.).

The occasional profit tax rate is established at 15%.

A withholding tax rate of 10% is established for dividends received by domestic companies that do not constitute income or occasional profit (formerly 7.5%), which will be transferable to the resident individual or the foreign investor. The exceptions established in the current regulations are maintained. Dividends and participations received by permanent establishments of national foreign companies that do not constitute income or occasional profit will be taxed at the special rate of 20%.

It was provided that the tax on taxed dividends will be determined: (i) by applying the income rate corresponding to the year in which they are declared (35%) and (ii) on the remainder, the rate corresponding to the non-taxed dividend will be applied, depending on the beneficiary (if it is a resident individual or an unliquidated succession of a resident deceased person, the table of article 241 of the E.T. will be applied).

Dividends declared against profits of 2016 and prior years will keep the treatment in force at that time; and those corresponding to profits obtained as from 2017 that are declared as from 2023, will be governed by the rates set forth in Act 2277 of December 2022.

g. Current tax Assets and Liabilities

Current tax assets and liabilities as of December 31, 2022 and 2021, consist of:

	December 31, 2020	December 31, 2019
Income tax surcharge prepayment	17,488,937	4,173,380
Withholdings and self-withholdings	62,499,278	31,046,481
Income tax liability	(197,609,109)	(79,837,262)
Net current tax assets (liabilities)	(117,620,894)	(44,617,401)

Note (18) Net Other Assets

Below is the detail of other assets:

	Insurance	Other Assets	Total
December 31, 2020	**2,424,552**	**2,101**	2,426,653
Additions 2021	3,638,561	-	3,638,561
amortization 2021	(2,807,880)	-	(2,807,880)
December 31, 2021	**3,255,233**	**2,101**	**3,257,334**
Additions 2022	4,737,450	-	4,737,450
amortization 2022	(3,500,398)	-	(3,500,398)
December 31, 2022	**4,492,285**	**2,101**	**4,494,386**

(1) Correspond to insurance policies paid and which are being amortized during their coverage period, generally 12 months of coverage classified as current, which as of December 31, 2022 amounted to $4,492,285, among which are the civil liability and bank global management policies.

The total expense for other assets amounts to $3,691,374, see note 30, of which $3,500,398 corresponds to amortization and $190,976 corresponds to payments charged directly to expense due to the nature of the item.

Note (19) Certificates of Deposits

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

	2022			2021			
Deposits and receivables	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**APR**
Issued less than 6 months	231,099,000	2,092,727	233,191,727	259,722,000	738,876	260,460,876	16.48%
Issued 6 months and less than 12 months	2,059,956,000	22,033,805	2,081,989,805	238,369,000	936,013	239,305,013	16.35%
Issued 12 months and less than 18 months	2,037,467,000	18,830,523	2,056,297,523	1,574,028,000	6,507,035	1,580,535,035	15.46%
Issued equal to or greater than 18 months	2,391,539,000	17,505,830	2,409,044,830	4,094,862,000	16,911,415	4,111,773,415	13.29%
Total	**6,720,061,000**	**60,462,885**	**6,780,523,885**	**6,166,981,000**	**25,093,338**	**6,192,074,338**	

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

Certificates of Deposit Ministry of Finance - FOME				
Name	**Amount**	**Rate**	**Issue Date**	**Maturity**
MINISTRY OF FINANCE - FOME	395,470,000	0.0% P.D.	29/07/2020	29/11/2023
MINISTRY OF FINANCE - FOME	28,367,000	0.5% P.D.	29/12/2020	29/12/2030
TOTAL	**423,837,000**			

According to the model for calculating the value of money on financial liabilities, captured at a 0% rate, Findeter calculated and recognized these instruments for the value of $25,641,652 of the cost of money and an income for the same value, for an effect of $0 through profit or loss.

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

YEAR	2022	YEAR	2021
2023	6,175,226,160	2022	4,111,100,183
2024	505,051,308	2023	1,594,482,881
2025	71,878,251	2024	387,296,587
After 2025	28,368,166	After 2024	99,194,687
	6,780,523,885		**6,192,074,338**

Below is the detail of deposits and receivables by sector:

	2022	Share	2021	Share
Deposits and receivables				
Private	5,796,540,689	85,49%	5,233,589,572	84,52%
Public	746,575,817	11,01%	810,301,478	13,09%
Mixed	237,407,379	3,50%	148,183,288	2,39%
TOTAL	**6,780,523,885**	**100%**	**6,192,074,338**	**100%**

Deposits and receivables are traded in the secondary market. As of December 31, 2022, there were balances due to the netting of repurchase transactions of Certificates of Deposit Certificates in favor of Findeter S.A. amounting to $196,529,478.

Note (20) Outstanding Investment Securities

Below is the detail of the outstanding investment securities:

	2022	2021
International Bonds	970,596,217	967,975,634
Urban Development Bonds	26,981	26,710
Subordinated Bonds	209,093,976	206,645,902
Ordinary Sustainable Bonds	402,304,596	401,236,135
	1,582,021,770	**1,575,884,381**

International Bonds:

2022

Year issued	Type of issue	Series	Principal	Interest	Interest rate	Issue date	Maturity
2014	Foreign ordinary bonds	Single series (fixed rate)	941,608,266	28,987,951	7.88%	12/08/2014	12/08/2024

2021

Year issued	Type of issue	Series	Principal	Interest	Interest rate	Issue date	Maturity
2014	Foreign ordinary bonds	Single series (fixed rate)	938,987,683	28,987,951	7.88%	12/08/2014	12/08/2024

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

At the time of issuance of the bonds, transactional costs associated with the issuance amounted to $21,760,429, which are amortized at effective rate during the life of the bond, gradually adjusting the balance of the liability until reaching the total amount of the issuance of $946,975,000, of the total value of the initial costs, a balance of $4,566,734 is pending amortization as of December 31, 2022, and $7,187,317 as of December 31, 2021.

As of December 31, 2022, Findeter has been fulfilling all the arrangements set out in the issuance prospectus.

- Urban Development Bonds:

2022				
Type of issue	**Issue date**	**Maturity**	**Principal**	**Interest (*)**
Urban Development Bonds	Liability taken over from former Banco Central Hipotecario	The securities are extendable until the holder of the bond is found to start the redemption process.	4,199	22,392

2021				
Type of issue	**Issue date**	**Maturity**	**Principal**	**Interest**
Urban Development Bonds	Liability taken over from former Banco Central Hipotecario	The securities are extendable until the holder of the bond is found to start the redemption process.	4,199	22,512

(*) Interest on these bonds is recognized according to the reference rate determined by Findeter's money desk, as of December 31, 2022, the reference rate used is 15.8551% effective annual rate.

- Subordinated Bonds:

2022							
Year issued	**Type of issue**	**Series**	**Principal**	**Interest**	**Interes t rate**	**Issue date**	**Maturity**
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A5	132,827,000	752,736	IPC + 2.54%	18/06/2019	18/06/2024
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A7	267,173,000	1,551,860	IPC + 2.90%	18/06/2019	18/06/2026

2021							
Year issued	Type of issue	Series	Principal	Interest	Interes t rate	Issue date	Maturity
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A5	132,827,000	398,156	IPC + 2,54%	18/06/2019	18/06/2024
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A7	267,173,000	837,979	IPC + 2,90%	18/06/2019	18/06/2026

Subordinated Bonds have an AA+ rating.

- Sustainable Bonds:

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

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

Below is the breakdown by sector of subordinated and sustainable bonds as of December 31, 2022:

	2022	Share	2021	Share
Private	584,350,256	95.58%	580,580,553	95.51%
Public	27,048,316	4.42%	27,301,484	4.49%
Total	**611,398,572**	**100%**	**607,882,037**	**100%**

All the principals of the investment securities outstanding - Bonds, have a maturity date after December 31, 2022.

Note (21) Financial Obligations

Below is the breakdown of financial obligations:

	2022				
Entity	**Principal**	**Interest**	**Commissions**	**APR**	**Expiry**
Inter-American Development Bank-IDB 1967	$ 20,042,500	15,711	-	1.24%	9-Dec-23
Inter-American Development Bank-IDB 2314	192,408,000	1,182,099	-	1.51%	5-Aug-30
Inter-American Development Bank-IDB 2768	270,573,750	233,642	-	1.85%	21-Dec-37
Inter-American Development Bank-IDB 3392	416,879,831	3,331,178	-	1.76%	15-Jul-35
Inter-American Development Bank-IDB 3596	670,375,336	10,425,447	12,974	1.98%	15-Jul-41
Inter-American Development Bank-IDB 3842 (1)	26,415,568	44,812	154,163	5.16%	23-Dec-44
French Development Agency-AFD101801K	383,493,195	3,343,354	-	2.56%	20-Nov-27
KFW Bankengruppe-KFW 26770	128,272,000	44,807	-	4.25%	29-Dec-24
Central American Bank for Economic Integration - CABEI 2142	54,114,750	353,577	-	2.43%	25-Nov-23
KFW Bankengruppe-KFW 28318 (1)	299,110,160	1,792,487	14,749	4.79%	15-May-33
KFW Bankengruppe-KFW 28708	76,778,468	3,839	-	1.80%	30-Dec-33
French Development Agency-AFD101801K	-	-	128,717	1.59%	15-May-36
JPMORGAN (3)	616,060,259	23,267,129	-	12.44%	12-Sep-25
	$ 3,154,523,817	**$ 44,038,082**	**$ 310,603**		
		Total	**$ 3,198,872,502**		

	2021				
Entity	**Principal**	**Interest**	**Commissions**	**APR**	**Expiry**
Inter-American Development Bank-IDB 1967	$ 33,176,333	26,007	-	1.24%	9-Dec-23
Inter-American Development Bank-IDB 2314	179,152,200	1,100,657	-	1.51%	5-Aug-30
Inter-American Development Bank-IDB 2768	238,869,600	206,265	-	1.85%	21-Dec-37
Inter-American Development Bank-IDB 3392	371,571,218	2,969,129	-	1.76%	15-Jul-35

Inter-American Development Bank-IDB 3596	466,530,979	3,694,876	432,131	1.98%	15-Jul-41
Inter-American Development Bank-IDB 3842	-	-	130,887	5.16%	23-Dec-44
French Development Agency-AFD101801K	380,877,578	1,137,279	-	2.56%	20-Nov-27
KFW Bankengruppe-KFW 26770	159,246,400	55,627	-	4.25%	29-Dec-24
Central American Bank for Economic Integration - CABEI 2142	94,552,550	226,026	-	2.43%	25-Nov-23
KFW Bankengruppe-KFW 28318	229,071,687	-	23,025	0.00%	15-May-33
KFW Bankengruppe-KFW 28708	67,477,800	3,374	-	1.80%	30-Dec-33
KFW Bankengruppe-KFW 30037	-	-	106,532	1.59%	15-May-36
	$ 2,220,526,345	**9,419,240**	**692,575**		
		Total	**$ 2,230,638,160**		

(1) On December 20, 2022, USD 5,491,573.67 was received as disbursement corresponding to the IDB 3842 loan agreement, as an advance payment.

(2) For these loans, since no disbursements have been received, only the payment of commitment fees on the approved resources that have not yet been disbursed is recognized.

(3) On September 2nd , a credit agreement was signed with JPMORGAN CHASE BANK, N.A., for the amount of 623,700 million Colombian pesos, which was disbursed on September 12, 2022 with interest rate IBR O/N + margin of 2.15%, with a term of three (3) years + one (1) year grace period.

With respect to the evolution of LIBOR, the expectation for 2022 is completely bullish, as a result of the increase in inflation in the United States, which is currently above 7%, a situation that will force the Federal Reserve to promote a contractionary monetary policy in order to control the increase in prices. According to economic analysts, the increase in the reference rate in said country could be higher than 100 basis points for said period.

As of December 31, 2022, and as of the date of this report, the rate that replaces Libor in asset and liability operations is the SORF, which has different calculation methodologies. At present, IDB obligations 3842 and 3596, are caused with the SORF rate according to the methodology given by each Multilateral Bank, in relation to the other loan agreements associated to the Libor rate, the Libor rate being published by Banco de la República will continue to be used, until the date on which it is bilaterally agreed with them.

The increase in the accrual of credits is due to the variation of the exchange rate.

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

CABEI Financial Conditions

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

AFD Financial Conditions

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

KFW Financial Conditions

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

KFW ENERGY Financial Conditions

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

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

Note (22) Employee Benefits

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

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

Below is the breakdown of the balances of employee benefit provisions as of December 31, 2022 and 2021:

	2022	2021
Short-term benefits	$ 10,684,290	4,934,714
Long-term benefits	1,970,777	2,384,271
	$ 12,655,067	**7,318,985**

- **Short-term benefits**

Breakdown of short-term benefits:

	2022	2021
Payroll payable	$ 50,111	497
Severance	1,910,936	321,109
Legal bonus	197,093	182,262
Extralegal bonus	3,267,495	1,627,892

Vacation leave	5,036,789	2,767,204
Severance int.	221,866	35,750
	$ 10,684,290	**4,934,714**

- **Other long-term benefits:**

Breakdown of long-term benefits:

	2022	**2021**
Five-year bonus	$ 945,320	908,338
Pension bonus	1,025,457	1,475,933
	$ 1,970,777	**2,384,271**

- **Five-year seniority benefit:**

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

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

- **Financial assumptions:**

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

RATE	2020	2019

Discount rate	15.63%	5.74%
Inflation rate (affects wages)	3%	3%
Employee turnover rate (first 5 years)	6.92%	6.90%

- **Actuarial assumptions pension bonus**

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

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

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

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

- **Sensitivity analysis bonuses**

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

Benefit	Present value unchanged	+1% discount rate	-1% discount rate
Five years	$ 945,320	913,193	979,943
Pension	$ 1,025,457	994,337	1,059,390

Note (23) Financial Guarantees

Below is the movement of financial guarantees:

	Balance as of December 31, 2020	Recoveries	Balance as of December 31, 2021	Recoveries	Balance as of December 31, 2022
National Guarantees Fund	27,604,197	2,951,506	24,652,691	3,681,453	20,971,238
Reserve Water Bonds	27,635,630	12,941,502	14,694,128	3,743,019	10,951,109
Balance as of December 31	**55,239,827**	**15,893,008**	**39,346,819**	**7,424,472**	**31,922,347**

Financial guarantees presented a decrease of $7,424,472, since the exact date for the payment of claims on these guarantees is not known, the variation corresponds to the following movements:

- The coverage of the technical estimate of the National Guarantees Fund on loans granted called affordable housing decreased by $3,681,453, in accordance with the application of the model for calculating reserves on the guarantees granted established in the Fund.

- The registration of the guarantee on the water bonds, which covers the possible loss of the loans granted by the financial intermediaries to the creditor territorial entities, generated a recovery for $3,743,019, according to the analysis of the possible loss ratio, adjusting the bond risk curve.

  The guarantee granted expires in July 2028.

Note (24) Provisions

Below is the movement of provisions:

	Legal processes, fines, penalties and compensations
Balance as of December 31,2020	**$ 6,835,965**
Recoveries Litigation	(3,151,372)
Other recoveries	(1,551,525)
Balance as of December 31,2021	**2,133,068**
New provisions (1)	279,085
Balance as of December 31,2022	**2,412,153**

Provisions for legal proceedings correspond to: 1 labor process; for which it is not possible to determine a disbursement schedule due to the instance, at the close of the period there are 151 processes against Findeter of which according to the instance and against the provisions policy 1 process is provisioned, for a total of $2,412,153, qualified according to IAS 37 as probable, which presented an increase in relation to the balance recorded as of December 31, 2022, for $279,085, generated by the recalculation of the claims of legal processes.

Note (25) Accounts Payable and Other Payables

Below is the detail of accounts payable and other liabilities:

	2022	2021
Suppliers and services (1)	$ 4,578,776	1,344,823
Fees payable	1,823,710	38,663
Accounts payable provision	-	1,507,804
Leases	-	195,675
Accounts payable Pre-investment (2)	5,495,147	5,070,640
Prepaid revenues	26,918	26,918
Other payables	2,698,573	1,611,417
Industry and trade tax payable (3)	4,764,732	1,583,453
Withholding tax payable	7,749,586	3,432,769
Sales tax payable	1,381,739	3,637,482
	$ 28,519,181	**18,449,644**

(1) The increase in the suppliers and services item corresponds mainly to services invoiced to Findeter that were not paid at the end of the fiscal year.
(2) Pre-investment accounts payable correspond to the balances of the counterparts delivered to the Fund by the entities that are developing projects managed in said fund.
(3) The increase in the balance at the end of the period of these accounts, Industry and commerce taxes payable, was mainly due to the increase in interest income on the portfolio (see note 27).

Note (26) Shareholders' Equity

Issued Capital

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

		2022	2021
Number of subscribed and paid-in shares		11,542,212	10,846,707
Subscribed and paid-in capital	$	1,154,221,200	1,084,670,700
Remaining capitalization		1,037	1147,60718
Capital Issued	**$**	**1,154,222,237**	**1,084,671,848**

	SHARES		
	Initial balance	**Capitalization**	**Final balance**
Number of shares	10,846,707	695,505	11,542,212

During the General Shareholders' Meeting held on March 30, 2022, the surplus application project was approved, where the capitalization in the amount of $69,550,389 was ordered. The legal proceeding took effect in July 2022; also, at the General Shareholders' Meeting held on March 25, 2021, the surplus application project was approved, where the capitalization of $6,929,904 was ordered. Findeter has no preferred shares issued.

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

Reserves

The composition of the reserves is as follows:

	2022	2021
Legal	$80,139,945	72,422,057
According to bylaws and occasional		
Other	22,964,355	23,053,753
Total	**$103,104,300**	**95,475,810**

1- Legal Reserve

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

2- According to Bylaws and Occasional Reserves

Registers the values that by express order of the general shareholders’ meeting have been appropriated from Findeter’s net income in previous years, in order to comply with legal, statutory or specific purposes. At the General Shareholders' Meeting of Findeter, held on March 30, 2022, according to minute # 064, the constitution of occasional reserves was not ordered. For the year 2021, at the General Shareholders' Meeting of Findeter, held on March 23, 2021, according to minute # 062, the constitution of occasional reserves was not ordered.

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

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

2.1 - Occasional Reserves Available

Payments from:	**2022**	**2021**
Pre-investment technical assistance	$44,905	-
Fiscal consolidation compensated rate	44,493	62,514
Resources available for:		
Profits prior to 2003	34,117	34,117
Technical assistance	634,936	679,841
Promotion of education projects	2,192,068	2,192,068
Incentive of efficient and effective projects compensated rate line	5,103,234	5,147,727
Pre-investment earnings 2019	15,000,000	15,000,000
Total committed available resources	22,964,355	23,053,753
Occasional reserves balance	**22,964,355**	**23,053,753**

Note (27) Other comprehensive income and first-time adoption results

As of December 31, 2022 and December 31, 2021, ($40,127,501) and ($45,590,093), presenting a variation of $5,462,592, generated by the effect of the valuation of investments classified as available for sale with changes in OCI for ($12,681,422), the effect of the application of deferred tax charged to equity for $2,532,421, in addition to the effect of the revaluation of real estate assets (buildings and land) for $3,922,682. Also, the application of items affecting the first-time adoption of $763,727; mainly due to the effect of the realization of employee benefits, amortization of intangibles, among others, recognized in the adoption of the International Financial Reporting Standards.

On the other hand, the effects of items that have affected the results of first-time adoption were reclassified for $12,914,502, comprising the reclassification of investments available for sale (shares), amortization of deferred charges, employee benefits, among others.

Note (28) Revenue and Operating Expenses

Revenue and operating expenses are detailed below:

Interest on loan portfolio (*)	**2022**	**2021**
Ordinary resources	$ 368,876,247	167,362,877
Reactiva Colombia	108,913,553	32,602,907
Ordinary rediscount affordable housing	567,431	191,482
Compensated rate program	592,575,374	310,083,484
REX Dollar Line 2016	1,075,046	2,434,977
Special countercyclical policy line	105,264	174,461
Rediscount USD IDB 2314	20,251	77,739
Direct loan moratoriums	10,975	1,780
Employees housing	697,186	493,725
Former employees housing	465,767	371,857
Consumption	155,714	79,655
	$1,073,462,808	**513,874,944**

(*) Interest on the loan portfolio at Findeter presented an increase of $559,587,863, generated mainly by the variation in the balance of the commercial portfolio by $1,587,548,270, in addition to the increase in the interest rates of the billboard by an average of 881 basis points.

	2022	**2021**
Net gain from valuation of investments at fair value *		
Demand deposits	$ 77,514,829	16,544,266
Profit from valuation of marketable investments	57,534,347	38,991,819

Profit from private equity funds	10,399,706	5,646,010
Profit on sale of investments	26,890	152,015
Dividends	179	7
Loss Valuation of Marketable Investments	(42,998,972)	(43,251,547)
Loss Private Equity Funds	(1,492,321)	(129,363)
Loss on sale of investments	(400,159)	(1,476,187)
	$ 100,584,499	**16,477,020**

(*) The increase in the profit from valuation of investments was due to the high valuation of public debt securities, equity instruments and other securities in the portfolio, with interest rates that exceeded 13%.

		2022	2021
Net Investment Valuation Amortized Cost			
Gains investment valuation at cost		7,508,059	2,734,446
Loss investment valuation at cost		(590)	-
	$	**7,507,469**	**2,734,446**

Financial obligations interest expense		**2022**	**2021**
Interest IDB 1967/OC-CO	$	372,374	526,924
Interest IDB 2314		2,803,998	2,722,856
Interest IDB 2768		4,843,256	4,367,561
Interest IDB 3392		7,461,360	6,424,003
Interest IDB 3596		14,741,553	6,642,920
Interest IDB 3842		44,812	-
Interest AFD 1018 01 K		16,588,282	10,516,603
KFW 26770		6,862,688	8,232,158
BCIE 2142		3,218,239	2,752,270
KFW 28318		4,273,978	520
KFW 28708		1,255,580	1,214,050
JP MORGAN		23,267,129	
	$	**85,733,249**	**43,399,865**

Note (29) Revenue and expenses from commissions, fees and other services

		2022	2021
Revenue from commissions and other services			
Water bond revenue	$	2,659,877	3,460,513
Technical assistance revenue (1)		67,397,353	84,524,853
National Guarantees Fund com		373,276	490,617
Portfolio commissions (2)		1,906,704	4,105,730
Insfopal		8,608	10,717
		$ 72,345,818	**92,592,430**

Commissions and other expenses (3)	**2022**	**2021**
Debt service and fiduciary business	($1,212,862)	(706,313)
Bank services	(83,617)	(86,279)
Others (IDB - National Guarantees Fund counter-guarantee)	(10,840,405)	(9,949,223)
	(12,136,884)	**(10,741,815)**
	$ 60,208,934	**81,850,615**

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

TECHNICAL ASSISTANCE	**2022**	**2021**
Housing	20,989,337	33,734,824
Water	10,078,441	12,363,911
Infrastructure	32,083,748	30,873,365
Consulting	2,000,142	1,836,241
Investment Banking	2,245,686	5,716,512
	67,397,354	**84,524,853**

(*) Revenues from technical assistance showed a decrease of ($17,127,499), as a result of lower accruals for the following contracts: housing management ($12,745,488), investment banking management ($3,470,825), water management ($2,285,470), the increase in income from infrastructure management ($1,210,383) and others for $163,901.

(2) Revenue from portfolio commissions presented a decrease of ($2,199,026), which corresponds to the collection of availability commissions framed in the borrowing contracts, which are liquidated on the balance of the loans approved and not disbursed, which for December 2022 has a balance of $142,000,000 and for December 31, 2021 $161,472,975.

(3) The expense for loan commitment fees increased by $891,182, due to multilateral bank loans in 2022, such as IDB loans 1967-2314-2768- 3392-3596,3842, as well as KFW loans 28318 and 28708.

Note (30) Other Revenues

Below is the detail of other revenues:

	2022	2021
Leases	$ 64,807	56,772
Recoveries Provision accounts payable	1,507,804	1,043,351
Revenue benefit interest rate employees portfolio (1)	4,057,258	3,785,111
Recoveries reserves (2)	7,424,472	15,893,008
Disability reinstatement	143,429	103,983
Litigation recovery	-	3,151,372
Other recoveries	1,237,065	3,509,042
	$14,434,835	**27,542,639**

(1) Income from interest rate benefit of portfolio corresponds to the recognition of the interest rate differential granted to employees for conventional benefit, and which is recognized in accordance with the requirements of IAS 19, employee benefit, which presented an increase of $272,147, due to the increase in the disbursement of the loan portfolio to employees.
(2) The recoveries of the technical reserves of the National Guarantees Fund and the ET Bonds water credits, presented a decrease of ($8,468,536), generated mainly by the analysis of the possible loss ratio of the ET water credits, adjusting the loss curve.

Note (31) Other Expenses

Below is the detail of other expenses:

		2022	2021
Property, registration and notes tax, VAT, Tax on Movement of Funds	$	20,671,425	17,539,934
Industry and trade tax (1)		19,453,348	7,424,067
Legal expenses		4,344	-
Fees (2)		12,158,208	9,266,061
Penalties, lawsuits and litigation		1,788	1,672,796
Leases (3)		7,875,071	7,437,950
Contributions and affiliations		6,201,523	5,433,204
Insurance (4)		3,691,374	2,896,283
Maintenance and repairs		5,422,194	4,663,701
Electrical installations		40,425	372,405
Depreciation		523,146	643,926
Right of use depreciation		1,305,063	1,596,593
Amortizations		1,607,420	1,390,145
Cleaning and security services		1,052,397	950,601
Temporary services (5)		982,283	37,910,768
Advertising (6)		646,399	254,809
Public relations		-	214
Public services		885,699	762,609
Travel expenses (7)		3,848,241	2,247,228
Transport (7)		792,080	251,219
Supplies and stationery		136,172	28,952
Promotion and dissemination		1,120,873	667,638
Spending profits on programs		594,483	89,398
Other minor		2,519,755	868,643
Employee benefits (5)		111,072,854	52,375,187

Employee benefits- portfolio rate	4,057,258	3,785,111
Claim losses	2,548,562	2,645,724
	$ 209,212,385	**163,175,166**

1. Industry and trade tax of $12,029,281 (mainly due to the increase in the district tax rate from 2.96 x 1000 ((11.04 x 1000) in 2021 to (14 x 1000) in 2022).
2. Professional fees and consulting services by $2,892,147 (Increase in the contracting of professional services in legal and professional consulting services and consulting services).
3. Leases by $437,121 (Increase in leases of computer equipment and technical files for the year 2022).
4. Insurance by $795,091 (Increase in the amortization of liability insurance with respect to the previous year).
5. Expenses for employee benefits and temporary services, presented a net increase of $22,041,329, (Salary increase for 2022 of 10.07%, in addition to the benefit and conventional effect of the new incorporations of plant personnel).
6. Advertising $391,590 (Due to the contracting of content strategies with El Tiempo, RCN, Caracol, to disseminate and communicate positive aspects, report progress in the reconstruction of Providencia and other places).
7. Travel and transportation expenses $2,141,874 (Increase due to the higher travel demand of both workers and contractors, due to field work this year).

Note (32) Commitments and Contingencies

Contingent accounts include:

	2022	2021
IDB loan pledge (1)	$69,720,571	40,402,716
Due to litigation (claims) (2)	96,538,507	81,222,944
Approved and undisbursed loans (3)	1,290,965,590	1,735,618,600
Interest on suspended loans (4)	1,038,04	1,163,594
	$1,458,262,672	**1,858,407,854**

(1) Pledge IDB loans

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 31-Dec-22	**Value to be covered COP 31-Dec-22**	**Coverage 120%**
69,720,570,784	57,949,501,429	120.31%

CUD account balance 31-Dec-21	**Value to be covered COP 31-Dec-21**	**Cubrimiento 120%**
40,402,716	33,126,012	121.97%

(2) Corresponds to the claims of the legal processes filed against Findeter, which as of December 31, 2022 total 151 processes, among which there are labor and administrative processes, and whose loss assessment is considered medium and low risk, which is revealed with the value of the indexed claims of the plaintiffs, which really supports the possible contingency.

(3) Commitments arising from approved undisbursed loans are the result of contracts with customers, in such sense, it is determined that unused outstanding loan balances do not necessarily represent future cash requirements because such quotas may expire and not be used in whole or in part, but are recognized in the contingent accounts as possible capital requirements.

The following list shows the value of the loans approved to the different financial entities and which have not been disbursed by Findeter:

Banking entity	**2022**	**2021**
Bancolombia S.A.	142,000,000	161,472,975
Direct loan	1,148,965,590	1,574,145,625

	$1,290,965,590	**1,735,618,600**

(4) Suspended Interest

They correspond to interest on loans granted to former employees of the entity, as well as a second floor loan, which have not met the debt service on the obligations acquired. As of December 31, 2022, there are 18 (25 in 2021) loans generating this interest, of which 9 are housing loans (15 in 2021), 7 consumer loans (9 in 2021) and 2 commercial loans (1 in 2021).

- As part of the analysis of the implications of Decree 492 of 2020 issued by the Ministry of Finance and Public Credit, through which instructions were given to Findeter to make capital contributions worth $100,000,000 for the National Guarantees Fund in order to strengthen the process of granting loan guarantees, Findeter continues executing the understanding process, for which it requested the Ministry of Finance and Public Credit to determine the recognition required when making this disbursement. As of December 31, 2022, we have not received any response.

Note (33) Memorandum accounts

Memorandum accounts allow the recording of transactions and other situations that do not correspond in all cases to asset or liability accounts, but whose information is important for management, this disclosure is included in compliance with the requirements established in Resolution 193 of 2020, issued by the General Accounting Office of the Nation. These accounts include, among others: goods and securities delivered in custody and in guarantee, unused credits in favor, written-off assets, unused credits in favor, fully depreciated property and equipment, tax value of assets, goods and securities received in custody and in admissible guarantee, resources received in Administration directly or through separate autonomous patrimonies, etc. Which register the following balances:

	2022	2021
Debtors:		
Securities delivered in custody	$ 11,147,632,719	9,653,236,104
Written-off assets	2,792,761	2,792,761
Unused receivables	1,137,866,107	1,139,021,048

Other assets	201,330,737	193,611,235
Tax cost of fixed assets	29,254,328	30,183,968
Tax depreciation fixed assets	-24,128,847	-25,589,540
Tax cost of software program	17,864,753	16,042,066
Amortization of software programs	-13,237,706	-11,892,891
Marketable investments in debt securities	239,189,067	203,359,093
Held-to-Maturity Investments	224,828,273	158,991,376
Settlement of agreements Profits	819,829	828,489
	$ 12,964,212,021	11,360,583,709
Creditors:		
Goods and securities received in custody	$ 4,641,550	4,676,350
Goods and securities received as collateral	11,959,198,869	10,119,404,095
Yield on investments	30,085,588	10,542,337
Housing loan rating	68,815,218	56,497,523
Consumer credit rating	6,110,695	4,597,088
Portfolio qualification Gtía, Admissible	11,152,245,957	9,576,118,931
Funds received in administration (1)	1,557,338,937	868,685,440
Other memorandum accounts	59,124,785	55,381,764
	$ 24,837,561,599	20,695,903,528

(1) Findeter records in this memorandum account, the balance of the assets recorded at the end of the period, the financial statements of the financial vehicles created by Findeter in accordance with the provisions of the inter-administrative technical assistance agreements signed by the entity.

In management, Findeter complied with the General Comptroller of the Republic with the report of the Unfinished works in accordance with the stipulated in the regulatory requirements, and on which the contract CA 0013-2015 was reported: *"Join efforts between the parties to build the new headquarters of the Museum of Modern Art of Barranquilla (MAMBQ), which is part of the Caribbean Cultural Park, based on the construction plans, technical specifications and budget previously approved by FINDETER."*

However, it is important to point out that the obligations of Financiera de Desarrollo Territorial S.A. Findeter, derived from the interadministrative contract signed with the Ministry of Culture and the agreements with the Corporation, were fully complied with by our entity; it is important to point out that it has been stated both to the Office of the Comptroller General of the Republic and in the different judicial instances that the missing works for the completion of the project correspond to the Corporation with a contribution in works; The legal proceedings (a declaratory action for noncompliance with the agreement and an executive action, both against the Corporation) were initiated by Findeter and are in progress, seeking compliance with the Corporation's obligations; as for the popular action brought by the Procuraduría General de la Nación, in which different entities are involved, such as Findeter, the Corporation and the District of Barranquilla, Findeter has stated that it has complied with its obligations and indicated that the lack of completion of the works corresponds to the contribution in works in charge of the Corporation; in accordance with the foregoing, we consider that the aforementioned legal actions will not result in a decision that determines a default by Findeter and an economic condemnation.

Note (34) Related Parties

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

The following are considered related parties:

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

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

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

Transactions with related parties:

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

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

Findeter has the following transactions with related parties:

1. For purposes of the activities of the Board of Directors, fees were paid to its members for attendance to meetings of the Board of Directors and Committees, and remuneration to key personnel of Findeter, in the amount of:

	2022	2021
Board Member Remunerations	$ 969,699	948,087

2. As of December 31, 2022 and 2021, Findeter records balances of the loan portfolio and key management personnel remuneration, as detailed below:

		2022	2021
Loan portfolio	$	5,704,487	4,296,902
Key management personnel remuneration		10,759,873	10,759,873

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

Note (35) Adequate Capital Management

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

The minimum solvency ratios that must be complied with in accordance with Chapter XIII - 16, Decree 2555 of 2010 as amended by Decree 1771 of 2012, Decree 1648 of 2014, Decree 1477 of 2018 and Decree 1421 of 2019, are as follows:

- Total Solvency Ratio, defined as the value of the Technical Equity divided by the value of the assets weighted by credit risk level and market and operational risks, this ratio cannot be less than nine percent (9%).

- Basic Solvency Ratio, defined as the value of the Ordinary Basic Equity Net of Deductions divided by the value of the Assets Weighted by Credit Risk Level and of the market and operational risks, this ratio cannot be less than four point five percent (4.5%).

- Additional Basic Solvency Ratio: It is defined as the sum of the value of the Ordinary Basic Equity and the Additional Basic Equity divided by the value of the assets weighted by credit risk level and market and operational risks, this ratio cannot be less than six percent (6%).

- Leverage Ratio: It is defined as the sum of the value of the Ordinary Basic Equity and the Additional Basic Equity divided by the leverage value, this ratio cannot be less than 3%.

Compliance with these solvency ratios is verified monthly in accordance with the provisions of the Financial Superintendency of Colombia, since the implementation of the new regulatory framework Findeter has presented a positive impact with respect to the minimum solvency ratios required by the regulator.

The classification of assets weighted by credit risk level, in each category is made by applying the percentages determined by the Financial Superintendency of Colombia according to the credit risk analysis, to each of the balance sheet items in accordance with the Single Catalog of Financial Information CUIF. Additionally, market and operational risks are included as part of the assets weighted by risk level for the calculation of the solvency margin.

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

The following is the detail of the composition of the solvency margin and other equity requirements for Findeter:

Item	2022	2021
Ordinary Basic Equity Net of Deductions (PBO)	1,031,995,694.62	1,103,380,918.67
Additional Basic Equity (PBA)	-	-
Additional Stockholders' Equity (AP)	102,580,158.48	122,812,435.07
Technical Equity	1,134,575,853.10	1,226,193,353.74
Total Assets Weighted by Level of Credit Risk	3,230,885,411.50	2,944,036,709.85
Total Market Risk	348,744,513.01	311,895,606.88
Total Operational Risk	1,147,803,709.52	695,447,399.25
Leverage Value	14,982,214,813.45	13,637,448,746.74
Leverage Ratio	6.89	8.09
Basic Solvency Ratio	21.83	27.92
Combined Cushion	17.33	23.42
Additional Basic Solvency Ratio Additional Basic Solvency Ratio	21.83	27.92
Total Solvency Ratio	24.00	31.03

Note (36) Legal Controls

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

Technical Equity and Solvency Margin: Chapter XIII-16 of the Colombian Financial Superintendence provides the criteria and parameters that recipient entities must observe to comply with the solvency ratios and other equity requirements established in Title 1, Book 1, Part 2 of Decree 2555 of 2010. This in order to maintain adequate levels of good quality capital to absorb unexpected losses arising from the materialization of the risks to which they are exposed, thus preserving public confidence in the financial system and its stability.

Nota (37) Going concern

After preparing and analyzing the comparative financial statements for the year ended December 31, 2022 and 2021, Management has concluded that there is no uncertainty in its operations, and it has the capacity to continue as a going concern for the next 12 months.

Note (38) Approval of Financial Statements

The financial statements and notes thereto were approved by the Board of Directors and the legal representative, in accordance with Minutes No. 409 of February 27, 2023, to be submitted for approval of the General Shareholders' Meeting, which may approve or modify them.

Note (39) Subsequent Events

Between December 31, 2022 and February 27, 2023, the date of approval of the financial statements, there are no events impacting the financial statements that should be disclosed, or that could affect the financial position, the prospects of Findeter or cast doubt on the continuity of Findeter.