

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

To the Shareholders of
FINANCIERA DE DESARROLLO TERRITORIAL S.A. FINDETER

Introduction

I have reviewed the condensed interim financial statements of Financiera de Desarrollo Territorial S.A. Findeter, which comprise:

- The condensed interim statement of financial position as of June 30, 2023;
- The condensed interim statements of income and other comprehensive income for the six and three-month periods ended June 30, 2023;
- The condensed interim statement of changes in equity for the six-month period ended June 30, 2023;
- The condensed interim statement of cash flows for the six-month period ended June 30, 2023; and
- Notes to the condensed interim financial statements; along with the eXtensible Business Reporting Language (XBRL) information and taxonomy report.

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

Scope of the review

I have performed my review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," included in the Accepted Assurance Standards in Colombia. A review of interim financial information consists of making inquiries, primarily of those responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with International Standards on Auditing accepted in Colombia, and, accordingly, I do not express an audit opinion.

Conclusion

Based on my review, I have not become aware of any matters that would lead me to believe that the condensed interim financial information and the eXtensible Business Reporting Language (XBRL) report have not been prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting contained in the Accepted Accounting and Financial Reporting Standards in Colombia and the instructions of the Financial Superintendence of Colombia.

Ernesto Erazo Cardona
Alternate Independent Auditor
Professional License 108159 - T
Representing:
Mazars Colombia S.A.S.

Bogota D.C., August 14, 2023

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Condensed Interim Statements of Financial Position
as of June 30, 2023, and December 31, 2022
(In thousands of pesos)

Statement of financial position	Note	June 30, 2023	December 31, 2022
Assets			
Cash and cash equivalents	10	\$ 801.658.900	1.033.518.547
Investment financial assets and derivatives	11	555.429.797	534.440.830
Loan portfolio and finance lease operations, net	12	11.171.338.599	11.161.477.854
Accounts receivable and other receivables, net	13	105.829.525	100.515.111
Property and equipment, net	15	30.957.393	31.230.151
Right-of-use assets, net	16	113.030	330.032
Investment properties		1.067.900	1.067.900
Intangible assets, net	17	2.188.520	2.449.655
Current tax assets, net	14	73.692.119	-
Deferred tax assets, net	14	255.447.946	283.799.869
Other assets	18	2.295.888	4.494.386
Total assets		\$ 13.000.019.617	13.153.324.335
Equity and liabilities			
Liabilities			
Derivative financial instruments measured at fair value		\$ 247.678.692	14.795.606
Current income taxes, net		-	117.620.894
Trade and other accounts payable		23.484.121	28.519.181
Certificates of deposit		6.835.875.111	6.780.523.885
Outstanding investment securities		1.620.735.450	1.582.021.770
Financial liabilities		2.746.188.097	3.198.872.502
Lease liabilities	16	110.999	337.035
Employee benefits		16.397.730	12.655.067
Financial guarantees	19	28.096.466	31.922.347
Provisions	20	-	2.412.153
Total liabilities		\$ 11.518.566.666	11.769.680.440
Subscribed and paid-in capital	21	1.222.387.591	1.154.222.237
Reserves		121.128.803	103.104.300
First-time adoption results		39.925.003	39.925.003
Other comprehensive income	22	7.499.029	202.498
Net income		90.512.525	86.189.857
Shareholders' equity		\$ 1.481.452.951	1.383.643.895
Total equity and liabilities		\$ 13.000.019.617	13.153.324.335

Refer to the notes that are an integral part of the condensed interim financial statements.

INGRID CATALINA GIRALDO CARDONA (*)
Legal Representative

JOSE MIGUEL SALCEDO RAMIREZ(*)
Public Accountant
Professional License 126408-T

ERNESTO ERAZO CARDONA
Alternate Independent Auditor
Professional License 108159-T
Representing Mazars Colombia S.A.S.
(See my report of August 14, 2023)

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

FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Condensed Interim Income Statement
(In thousands of pesos)

	Note	For the six-month periods ended		For the three-month periods ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue					
Interest on loan portfolio	23	\$ 873.638.740	405.150.927	443.246.872	228.985.626
Net revenue from investment valuation	24	106.957.853	27.524.223	48.443.004	14.482.840
Net interest on investments at amortized cost	24	8.506.842	1.961.966	3.455.141	1.049.696
Net derivative valuation gain (loss)		(398.481.679)	38.181.864	(272.436.318)	175.179.012
Operating expenses					
Interest on certificates of deposit	25,1	(498.583.198)	(187.887.863)	(248.815.233)	(110.904.001)
Interest on outstanding investment securities		(84.697.276)	(67.453.957)	(42.806.502)	(35.863.238)
Interest on financial obligations	25,2	(85.267.149)	(22.315.810)	(39.764.395)	(12.926.167)
Net exchange difference gain (loss)		320.181.777	(85.833.309)	236.289.028	(201.382.824)
Net financial margin		\$ 242.255.910	109.328.041	127.611.596	58.620.944
Impairment and recoveries for credit financial assets and accounts receivable, net		(1.358.412)	4.826.356	(2.156.709)	(1.178.627)
Impairment of other receivables		(663.843)	(466.050)	272.170	413.621
Net interest margin, after impairment		\$ 240.233.655	113.688.347	125.727.057	57.855.938
Income and expenses from commissions and other services					
Technical assistance income	26	18.555.405	35.782.630	9.510.324	18.812.753
Income from commissions and other services	26	3.612.077	2.576.830	2.516.111	1.244.113
Commission and other services expense		(6.145.357)	(2.787.758)	(3.455.297)	(1.569.632)
Ingresos y gastos por comisiones y otros servicios, netos		\$ 16.022.125	35.571.702	8.571.137	18.487.234
Other income and expenses					
Other income	27	8.814.318	3.946.046	7.093.842	2.613.628
Other expenses	27	(122.351.462)	(98.508.821)	(60.920.937)	(50.356.192)
Other income and expenses, net		\$ (113.537.144)	(94.562.775)	(53.827.095)	(47.742.565)
Earnings before income taxes		\$ 142.718.636	54.697.274	80.471.099	28.600.607
Income tax expense		(52.206.111)	(21.622.905)	(25.786.242)	(14.527.898)
Net income		\$ 90.512.525	33.074.369	54.684.857	14.072.709

Refer to the notes that are an integral part of the condensed interim financial statements.

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FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Condensed Interim Statements of Other Comprehensive Income
(In thousands of pesos)

	For the six-month periods ended		For the three-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income	\$ 90.512.525	33.074.369	54.684.857	14.072.709
Items that will not be reclassified to profit or loss for the period				
Items to be reclassified to profit or loss for the year				
Valuation of available-for-sale financial instruments.	22 10.507.546	(9.989.368)	4.297.434	(3.814.874)
First-time adoption adjustments	-	763.727	-	763.727
Recognition of deferred tax	22 (3.211.015)	3.291.235	(1.449.565)	1.493.419
Total other comprehensive income, net of taxes	7.296.531	(5.934.406)	2.847.869	(1.557.728)
Comprehensive income	\$ 97.809.056	27.139.963	57.532.725	12.514.981

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FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Condensed Interim Statements of Changes in Equity
for the six-month periods ended June 30, 2023 and 2022
(In thousands of pesos)

	Subscribed and paid-in capital	Reservas		First-time adoption results	Other comprehensive income OCI	Retained earnings		Total shareholders' equity
		Legal reserve	Occasional reserves			Retained earnings	Net income	
Balance as of January 1, 2022	\$ 1.084.671.848	72.422.057	23.053.753	52.075.778	(6.485.686)	-	77.178.879	1.302.916.629
Changes in equity:								
Capitalization of earnings	-	-	-	-	-	77.178.879	(77.178.879)	-
Net income							33.074.369	33.074.369
Reclassifications				(12.150.775)	12.150.775			
Other comprehensive income					(5.934.406)			(5.934.406)
Total changes in equity				(12.150.775)	6.216.369	77.178.879	(44.104.509)	27.139.963
Closing balance as of June 30, 2022	\$ 1.084.671.848	72.422.057	23.053.753	39.925.003	(269.317)	77.178.879	33.074.369	1.330.056.592
Balance as of January 1, 2023	\$ 1.154.222.237	80.139.945	22.964.355	39.925.003	202.498	-	86.189.857	1.383.643.895
Changes in equity:								
Capitalization of earnings	21 68.165.354	8.618.986	9.405.517	-	-	(86.189.857)	-	0
Net income							90.512.525	90.512.525
Other comprehensive income					7.296.531			7.296.531
Total changes in equity	68.165.354	8.618.986	9.405.517	-	7.296.531	(86.189.857)	90.512.525	97.809.056
Closing balance as of June 30, 2023	\$ 1.222.387.591	88.758.931	32.369.872	39.925.003	7.499.029	(86.189.857)	176.702.382	1.481.452.951

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FINANCIERA DE DESARROLLO TERRITORIAL S.A. FINDETER
Condensed Interim Statements of Cash Flows
for the six-month periods ended June 30, 2023 and 2022
(In thousands of pesos)

		June 30, 2023	June 30, 2022
	Notes		
Net income	\$	90.512.525	33.074.369
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation of property and equipment	15	309.960	231.911
Right-of-use depreciation	16	217.002	669.935
Amortization of intangible assets	17	904.604	838.186
Amortization of other assets	18	2.728.567	1.977.380
Impairment (recoverability) for credit financial assets and accounts receivable, net	12	1.358.412	(4.826.356)
Impairment of other accounts receivable, net	13	663.843	466.050
Income tax expense		52.206.111	21.622.905
Reimbursement for provision of financial guarantees	19	(3.825.881)	(1.784.699)
Exchange difference of foreign currency banks		1.176.853	(5.713.565)
Valuation gain on investments, net		(115.464.695)	(29.486.189)
Gain (loss) on valuation of derivatives, net		398.481.679	(38.181.864)
Interest on loan portfolio	23	(873.638.740)	(405.150.927)
Interest expense	25	668.547.623	277.657.630
Employee benefits expense not generating cash outflows		9.286.971	8.145.657
Changes in operating assets and liabilities:			
Marketable investments		104.983.274	(78.770.359)
Loans and receivables and financial leasing operations, net		137.867.613	(443.508.800)
Accounts receivable		(5.978.257)	(24.031.522)
Property, plant and equipment		6.703	-
Other assets		(530.070)	(421.124)
Financial derivatives		(165.598.593)	37.967.438
Current income taxes, net		(36.691.811)	(20.661.994)
Certificates of deposit		56.079.033	194.765.000
Financial obligations		(319.217.281)	84.991.930
Lease liabilities		7.288	28.933
Employee benefits		(5.544.307)	(1.921.741)
Provisions	20	(2.412.153)	167.452
Accounts payable and other liabilities		(5.035.066)	(742.370)
Income tax paid		(181.686.405)	(60.388.930)
Interest paid on lease	16	(7.288)	(28.932)
Interest paid		(627.361.602)	(224.603.950)
Interest collected		724.551.971	236.939.455
Net cash used in operating activities	\$	(93.102.117)	(440.679.091)
Additions to property and equipment	15	(43.904)	591.690
Additions of other intangible assets	17	(643.469)	(198.490)
Net cash (used in) provided by investing activities	\$	(687.373)	393.200
New bank loans and other financial obligations		32.086.429	24.351.882
Payments on bank loans and other financial obligations		(168.753.697)	(146.619.016)
Principal payments in lease agreements	16	(226.036)	(670.035)
Net cash used in financing activities	\$	(136.893.304)	(122.937.169)
Cash and cash equivalents before foreign exchange effect		(230.682.794)	(563.223.062)
Exchange difference on cash		(1.176.853)	5.713.565
Net decrease in cash and cash equivalents	\$	(231.859.647)	(557.509.497)
Cash and cash equivalents at the beginning of the period	10	1.033.518.547	1.113.487.756
Cash and cash equivalents at end of period	10	\$ 801.658.900	\$ 555.978.259
Restricted Cash and cash equivalents	10	(11.447.972)	(6.916.938)
Cash and cash equivalents at the end of the period without restricted cash	\$	790.210.928	549.061.321

Refer to the notes that are an integral part of the condensed interim financial statements.

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

*Condensed Interim Financial Report under Financial Reporting
Standards Accepted in Colombia (CFRS) as of June 30, 2023*

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

1. Reporting Entity

Financiera de Desarrollo Territorial S.A., hereinafter Findeter, was incorporated by public deed number one thousand five hundred seventy (1,570), dated May 14, 1990, with operating authorization issued by the Financial Superintendence of Colombia by Resolution No. 3354 of September 17, 1990. Findeter is a mixed economy joint-stock company established under the laws of the Republic of Colombia headquartered in the city of Bogota at Calle 103 No. 19-20, organized as a credit establishment tied to Grupo Bicentenario SAS, subject to the control and oversight of the Financial Superintendence of Colombia. Its main shareholder, with a 92.55% interest, is Grupo Bicentenario SAS, with registered address in Bogota - Colombia. It currently has five regional offices and one area, for a total of six offices in the country. Its term of duration is indefinite. As of June 30, 2023, Findeter employs a total of 617 permanent employees (609 in June 2022).

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 government entities, territorial entities, or private entities engaged in projects for the construction, expansion and replacement infrastructure and technical assistance to adequately develop these activities for the economic sectors listed above. This is done through Colombian financial system institutions, which assume the total credit risk with the customer. Findeter, on the other hand, assumes the credit risk with the financial institution at interest rates generally below the market rate. These rates are financed with resources obtained from multilateral organizations, public resource mobilization through certificates of deposits, issuance of bonds in national and international markets, and its own resources.

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

The financial management report as of June 30, 2023, was submitted to the Board Meeting held on July 24 this year, according to Minutes No. 416.

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

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia (CFRS), established in Act 1314 of 2009, regulated by Unified

Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 and 1670 of 2021 and 1611 of 2022. The CFRS applicable in 2023 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB). The core standards correspond to those officially translated into Spanish and issued by the IASB up to the second half of 2020.

In accordance with the provisions of IAS 34, the interim financial statements are prepared with the intention of updating the last annual financial statement report, emphasizing the new activities, events and circumstances that occurred during the interim reporting period, without duplicating information previously published in the annual report. These condensed interim financial statements do not include all the information and disclosures required for an annual financial statement; therefore, they must be read together with the annual financial statements as of December 31, 2022.

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

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

3. Significant Accounting Policies

The accounting policies applied in the condensed financial statements of Financiera de Desarrollo Territorial S.A. - FINDETER are the same as those applied in the financial statements as of December 31, 2022.

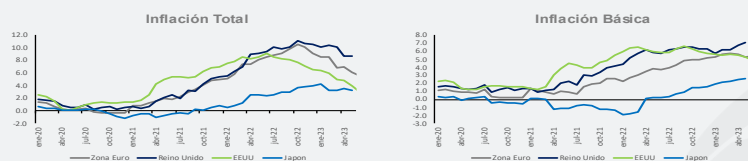
4. Relevant Facts

The financial results and business dynamics as of June 30, 2023, were influenced by the macroeconomic environment conditions described below:

As a consequence, central banks of various countries have continued implementing monetary policy measures to control inflation, a situation that has increased the likelihood of an economic recession. The following are the forecasts and risks in the international context:

Contexto Internacional

La inflación en los países desarrollados continúa con la tendencia bajista. Sin embargo, la inflación subyacente sigue alejada del objetivo de los bancos centrales



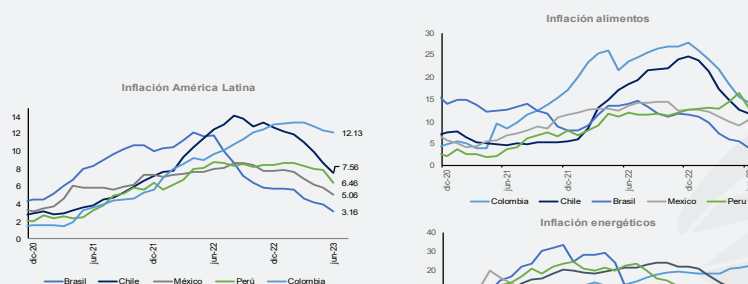
INFLACION ECU		
Componente	Promedio (Ene-May)	Jun-23
Total	0,3	0,2
Alimentos	0,2	0,1
Energía	-1,0	0,6
Total sin alimentos y energía	0,4	0,2
Bienes sin alimentos y energía	0,3	-0,1
servicios sin energía	0,4	0,3

CCOM-FOU01 V18.1 - Jan-2023 Clasificada

Focusing on Latin America, a reduction is projected, particularly for Colombia. Despite the close-to-3% growth in the first quarter of 2023, the annualized growth forecast is estimated to be between 0.8% and 1.5%, with 1.1% as the median according to Fedesarrollo.

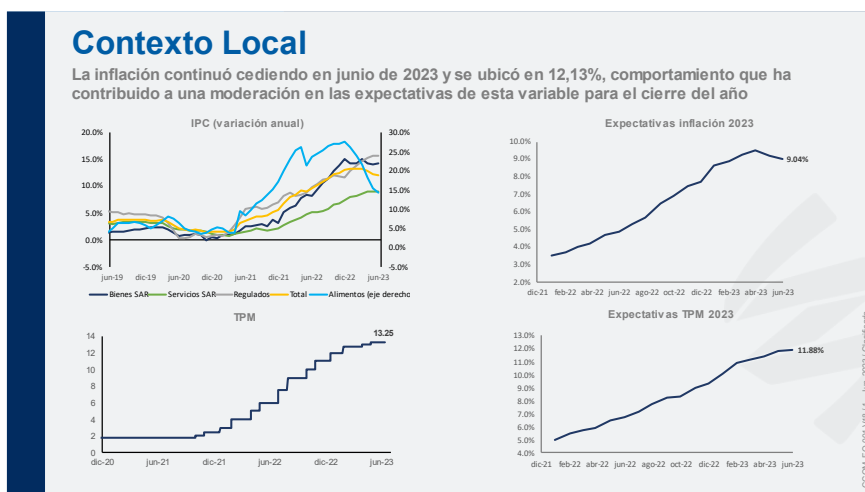
Contexto Internacional – América Latina

Se fortalece la tendencia de disminución de la inflación en América Latina

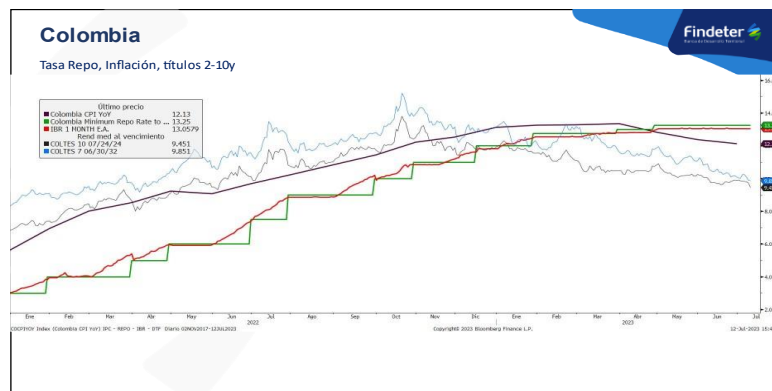


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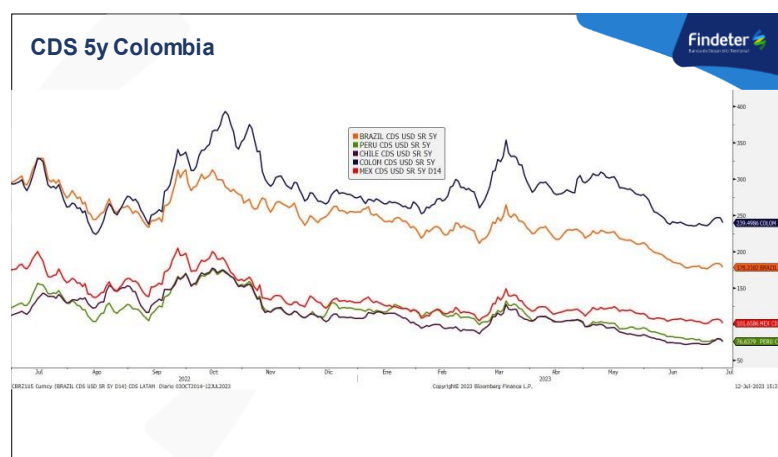
Domestically, economic sanctions on Russia and interest rate hikes in developed economies bring both benefits and disadvantages to the national economy. On one hand, there has been a robust growth in economic activity. According to the Medium-Term Fiscal Framework (MFMP), a GDP growth rate of 6.5% was projected for 2022. However, the figures exceeded expectations, reaching 7.5%. Concurrently, there has been inflationary pressure, particularly in the food component, due to the external factors described above (see chart below) and internal events. This has led the central bank to adopt a recent monetary policy decision of raising the interest rate by 25 basis points, reaching 13.25%.



The increase in the Repo rate has been transmitted to various interest rates in the economy, including IBR (Interbank Rate) and DTF (Financial Leasing Rate), to which Findeter's assets and liabilities are indexed. This situation directly impacts the generation of income and expenses for the Entity. In terms of income, a benefit has been realized as of June 2023. This is because the rates of the portfolio indexed to IBR, which represents 81% of the total portfolio (\$8.8 trillion), have increased by an average of 562 basis points in the last year compared to June 2022. Additionally, in terms of CPI (Consumer Price Index), which represents 13% of the portfolio (\$1.44 trillion), rates have increased by 452 basis points in the same period in 2023, leading to an increase in income due to this effect.



On the other hand, the increase in FED rates implicitly leads to an increase in sovereign credit risk, as evidenced by the rise in Credit Default Swaps (CDS) levels. In 2023, Colombia's CDS levels continue to be the highest among its peers in Latin America, standing 61 basis points above Brazil. This directly impacts the cost of debt, which in turn has direct repercussions on the cost of obtaining funds to finance operations. Findeter has not been immune to this situation, as reflected in the behavior of financial expenses. It can be observed that Colombia's risk premium has surpassed that of comparable economies in the region:



Lastly, the Colombian Central Bank is expected to moderate its monetary normalization process in 2023, and current expectations foresee a decrease in monetary intervention policy levels in the last quarter of 2023.

5. **Going Concern**

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

6. **Judgments and Estimates**

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 amounts of assets and liabilities within the next accounting period.

Judgments and estimates are continually evaluated and are based on Findeter's experience and other factors, including the expectation of future events 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. Financial Asset Impairment

1. Credit Portfolio Provision

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).

Considering that Findeter S.A. engages in operations with various types of intermediaries (Compensation and Welfare Funds, Credit and Savings Cooperatives, Employee Funds, Credit Institutions, and Institutes for Regional Development Promotion), the methodology is tailored to the specific characteristics of each type of intermediary.

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

2. As of June 30, 2023, a critical judgment related to determining the client's risk level was identified, carried out in accordance with the regulations issued by the Financial Superintendence of Colombia in Annex 3 of Chapter II of Basic Accounting Circular 100. This judgment is reviewed by credit analysts.

This judgment's application is focused on the analysis of the direct loan portfolio, where this verification is conducted.

ii. Estimation for Legal Proceedings

An estimate is made and a provision is recorded for legal proceedings to cover possible losses from labor cases, civil and administrative lawsuits, or others, under circumstances that, based on the opinion of Findeter's Legal Department and the Judicial Defense Committee, supported by advice from external legal advisors when warranted, are considered probable and reasonably quantifiable. Due to the nature of claims, cases, or processes, it's not always possible to make an accurate forecast or reasonably quantify a loss amount. As a result, differences between the actual amount of disbursements made and the initially estimated and provisioned amounts are recognized in the period in which they are identified.

iii. Deferred Income Tax

To calculate deferred income tax, the estimation is based on the sale or settlement of assets expressed in foreign currency or the total liquidation and payment of liabilities expressed in foreign currency, whose realization will have tax effects on the exchange rate difference conducted according to the projected dates of each of Findeter's active or passive obligations. To estimate the deferred income tax for the exchange rate difference, the total active and passive portfolio expressed in foreign currency is taken, and the annualized capital to be collected or paid is multiplied by the outstanding exchange rate difference.

iv. Calculation of the Technical Reserve for Water Bonds

For financial guarantees, measuring the reserve associated with the guarantee issued by Findeter to the Intermediaries participating in the debt substitution operation of the "Water Bonds" with the FIDEICOMISO FINDETER CRÉDITOS ET - AGUA is based on analyzing risk factors present in the life of the loans. The following risk factors are focused on, analyzed, and studied:

- Decrease in interest due to probable debt restructuring within the framework of Law 550.

- Sensitivity of cash flows to changes in interest rates, Consumer Price Index (IPC).
- Sensitivity of income to changes in the allocation of the General System of Participation (SGP) budget for water supply and sanitation.
- Negative impact on the scheme due to possible legal contingencies aiming to challenge the existence or legality of loans acquired by 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 for the National Guarantees Fund

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

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

7. Operating Segments

Findeter has defined two business line operating segments for the provision of services: Financial Services and Technical Assistance. For this purpose, it has aligned the direct allocation of revenues, expenses, assets, and liabilities with the allocation of the cost centers in the Findeter areas. For the reporting period, the same segments as in the last annual financial statements as of December 31, 2022, are defined. The following figures relate to income and expenses for the three and six-month periods ended June 30, 2023 and 2022:

Thousands of pesos
Reported Segment

	<u>FINANCIAL SERVICES</u>		<u>TECHNICAL ASSISTANCE</u>		<u>TOTAL</u>	
	For the six-month periods ended					
	<u>30-Jun-23</u>	<u>30-Jun-22</u>	<u>30-Jun-23</u>	<u>30-Jun-22</u>	<u>30-Jun-23</u>	<u>30-Jun-22</u>
Net revenue						
Interest on loan portfolio	873,638,740	405,150,927	-	-	873,638,740	405,150,927
Net revenue from investment valuation	106,957,853	27,524,223	-	-	106,957,853	27,524,223
Net investment interest at amortized cost	8,506,842	1,961,966	-	-	8,506,842	1,961,966
Net derivative valuation gain or loss	(398,481,679)	38,181,864	-	-	(398,481,679)	38,181,864
Operating expenses						
Financial expenses	(668,547,623)	(277,657,629)	-	-	(668,547,623)	(277,657,629)
Net exchange difference gain and loss	320,181,777	(85,833,309)	-	-	320,181,777	(85,833,309)
Net financial margin	242,255,911	109,328,041	-	-	242,255,911	109,328,042
Net loan portfolio impairment	(1,358,412)	4,826,356	-	-	(1,358,412)	4,826,356
Net accounts receivable impairment	-	-	(663,843)	(466,050)	(663,843)	(466,050)
Net financial margin after impairment	240,897,499	114,154,397	(663,843)	(466,050)	240,233,656	113,688,348
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	18,555,405	35,782,630	18,555,405	35,782,630
Commissions and other services revenue	3,612,077	2,576,830	-	-	3,612,077	2,576,830
Commissions and other services expenses	(5,855,088)	(2,577,869)	(290,270)	(209,889)	(6,145,357)	(2,787,758)
Net revenue and expenses from commissions and other services	(2,243,011)	(1,039)	18,265,135	35,572,741	16,022,124	35,571,702
Other revenue and expenses						
Other revenue	8,814,318	3,946,046	-	-	8,814,318	3,946,046
Other expenses	(81,728,636)	(60,404,551)	(40,622,826)	(38,104,269)	(122,351,462)	(98,508,821)
Net other revenue	(72,914,318)	(56,458,505)	(40,622,826)	(38,104,269)	(113,537,144)	(94,562,775)
Earnings before income tax	165,740,169	57,694,853	(23,021,534)	(2,997,579)	142,718,636	54,697,275
Income tax expense	(60,627,329)	(22,807,907)	8,421,218	1,185,002	(52,206,111)	(21,622,905)
Net income	105,112,840	34,886,946	(14,600,316)	(1,812,577)	90,512,525	33,074,370
	<u>FINANCIAL SERVICES</u>		<u>TECHNICAL ASSISTANCE</u>		<u>TOTAL</u>	
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Assets	12,955,326,628	13,110,611,698	44,692,989	42,712,637	13,000,019,617	13,153,324,336
Liabilities	11,470,860,717	11,725,666,556	47,705,949	44,013,884	11,518,566,666	11,769,680,440

Thousands of pesos

Reported Segment

	<u>FINANCIAL SERVICES</u>		<u>TECHNICAL ASSISTANCE</u>			<u>TOTAL</u>
	For the three-month periods ended					
	<u>30-Jun-23</u>	<u>30-Jun-22</u>	<u>30-Jun-23</u>	<u>30-Jun-22</u>	<u>30-Jun-23</u>	<u>30-Jun-22</u>
Net revenue						
Interest on loan portfolio	443,246,872	228,985,626	-	-	443,246,872	228,985,626
Net revenue from investment valuation	48,443,005	14,482,840	-	-	48,443,005	14,482,840
Net investment interest at amortized cost	3,455,141	1,049,695	-	-	3,455,141	1,049,695
Net derivative valuation gain or loss	(272,436,318)	175,179,012	-	-	(272,436,318)	175,179,012
Operating expenses						
Financial expenses	(331,386,130)	(159,693,407)	-	-	(331,386,130)	(159,693,407)
Net exchange difference gain and loss	236,289,028	(201,382,824)	-	-	236,289,028	(201,382,824)
Net financial margin	127,611,598	58,620,943	-	-	127,611,599	58,620,944
Net loan impairment portfolio	(2,156,709)	(1,178,627)	-	-	(2,156,709)	(1,178,627)
Net accounts receivable impairment	-	-	272,170	413,621	272,170	413,621
Net financial margin after impairment	125,454,889	57,442,316	272,170	413,621	125,727,060	57,855,937
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	9,510,324	18,812,753	9,510,324	18,812,753
Commissions and other services revenue	2,516,111	1,244,113	-	-	2,516,111	1,244,113
Commissions and other services expenses	(3,339,983)	(1,451,896)	(115,315)	(117,736)	(3,455,298)	(1,569,632)
Net revenue and expenses from commissions and other services	(823,872)	(207,784)	9,395,009	18,695,018	8,571,137	18,487,234
Other revenue and expenses						
Other revenue	7,093,842	2,613,628	-	-	7,093,842	2,613,628
Other expenses	(42,548,609)	(31,867,631)	(18,372,328)	(18,488,561)	(60,920,937)	(50,356,192)
Net other revenue	(35,454,768)	(29,254,003)	(18,372,328)	(18,488,561)	(53,827,095)	(47,742,565)
Earnings before income tax	89,176,249	27,980,529	(8,705,148)	620,077	80,471,102	28,600,607
Income tax expense	(28,575,729)	(14,212,925)	2,789,487	(314,973)	(25,786,242)	(14,527,897)
Net income	60,600,520	13,767,605	(5,915,662)	305,104	54,684,859	14,072,710

8. Seasonality or cyclical nature of the period transactions

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

9. Fair Value Estimate

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

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

The fair value hierarchy has the following levels:

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

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

i. Recurring fair Value Measurements

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

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

On the other hand, and in accordance with the methodologies not objected by the Financial Superintendence of Colombia, the pricing entity (PRECIA) receives the information from all external and internal sources of negotiation, information and registration.

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

- Market Price: Methodology applied to assets and liabilities that have sufficiently wide markets, in which the volume and number of transactions are generated to establish an output price for each negotiated reference. This methodology, equivalent to a level 1 input, is generally used for investments in sovereign bonds.

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

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

For the case of collective investment funds, the valuation of the current participation unit for the day and applicable for transactions carried out on this date will be determined by the pre-closing value of the Collective Investment Fund divided by the total number of units at the start of the day. It should be noted that the value of the unit of the Collective Investment Fund will determine the number of units corresponding to the investors. The value of the unit for each type of participation in the Collective Investment Fund, valid for the day and applicable for transactions carried out on this date, will be determined by the pre-closing value of each type of participation in the Collective Investment Fund divided by the number of units of the type of participation at the start of the day.

- 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 do not have a market and are measured according to the variation in equity of the entity where the investment is held. According to the recognition and measurement instructions of the Financial Superintendency of Colombia, Chapter I-1 of the Basic Accounting and Financial Circular 100, which are classified in hierarchy level 3.

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

Assets	Fair value	Hierarchy level			Fair value	Hierarchy level		
	June 30, 2023	1	2	3	December 31, 2022	1	2	3
Marketable Investments								
Debt securities other financial entities	176,118,382	-	176,118,382	-	151,590,506	-	51,590,506	-
Government debt securities	193,529,848	193,529,848	-	-	125,824,324	125,824,324	-	-
Private Equity Fund- Ashmore	36,973,314	-	-	36,973,314	43,123,228	-	-	43,123,228
Collective investment funds	19,409,142	-	19,409,142	-	18,990,598	-	18,990,598	-
Available for sale								
Government debt securities	69,055,524	69,055,524	-	-	65,515,154	65,515,154	-	-

FNG shares	37,938,957	-	-	37,938,957	35,605,826	-	-	35,605,826
Currency forward	1,129,808	-	1,129,808	-	65,489,650	-	65,489,650	-
Total investments	534,154,975	262,585,372	196,657,332	74,912,271	506,139,286	191,339,478	236,070,754	78,729,054
Liabilities								
Currency forward	247,678,692	-	247,678,692	-	14,795,606	-	14,795,606	-
Financial guarantees	28,096,466	-	-	28,096,466	31,922,347	-	-	31,922,347
Total liabilities	275,775,158	-	247,678,692	28,096,466	46,717,953	-	14,795,606	31,922,347

To establish the disclosure values of the Private Capital Fund as Level 3 Assets, the historical series of the investment position of the last 44 months was determined, as well as the Value at risk for each of the months and reported to the SFC. The results were as follows:

Year	Month	Position value	Max. var.	Standard deviation
2019	November	52,416,386	7,705,209	313,762,099,233,465
2019	December	61,938,007	9,104,887	3,840,906,102,688,400
2020	January	62,140,980	9,134,724	3,958,747,074,624,090
2020	February	61,945,818	9,106,035	3,845,407,654,803,820
2020	March	61,571,143	9,050,958	3,632,431,557,794,200
2020	April	60,798,252	8,937,343	3,212,263,829,268,520
2020	May	61,006,830	8,968,004	3,323,109,838,119,820
2020	June	49,337,750	7,252,649	11,574,566,988,967
2020	July	55,314,386	8,131,215	972,493,090,361,911
2020	August	56,183,549	8,258,982	1,240,812,544,390,860
2020	September	57,898,861	8,511,133	1,866,143,285,727,970
2020	October	57,335,698	8,428,348	1,646,816,700,771,460
2020	November	57,898,661	8,511,103	1,866,062,961,761,540
2020	December	42,085,661	6,186,592	918,668,306,672,565
2021	January	42,085,661	6,186,592	918,668,306,672,565
2021	February	42,886,929	6,304,379	706,752,158,874,734
2021	March	43,436,087	6,385,105	577,538,217,770,293
2021	April	43,845,575	6,445,300	489,670,417,348,307
2021	May	44,448,053	6,533,864	373,565,853,028,930
2021	June	45,130,239	6,634,145	261,038,226,921,814
2021	July	45,390,084	6,672,342	223,465,881,408,718
2021	August	45,886,192	6,745,270	159,835,139,735,831
2021	September	45,226,662	6,648,319	246,755,391,045,899
2021	October	45,268,948	6,654,535	240,618,385,485,858
2021	November	46,070,596	6,772,378	138,895,189,107,453
2021	December	44,478,538	6,538,345	368,107,848,178,915
2022	January	45,071,798	6,625,554	269,890,380,657,600
2022	February	44,983,889	6,612,632	283,484,319,701,344
2022	March	45,857,434	6,741,043	163,233,184,298,963
2022	April	46,594,007	6,849,319	87,465,103,897,248
2022	May	47,412,820	6,969,685	30,757,976,408,498
2022	June	48,165,733	7,080,363	4,186,255,884,052
2022	July	48,756,112	7,167,148	487,719,455,805
2022	August	49,442,322	7,268,021	15,118,474,765,782
2022	September	50,253,048	7,387,198	58,628,875,618,492

2022	October	44,352,250	6,519,781	390,979,309,316,368
2022	November	44,994,773	6,614,232	281,783,033,325,911
2022	December	43,123,227	6,339,114	649,554,859,979,707
2023	January	43,871,658	6,449,134	484,319,062,420,804
2023	February	44,898,343	6,600,056	297,033,325,521,297
2023	March	42,573,454	6,258,298	786,354,563,413,179
2023	April	42,845,164	6,298,239	717,112,465,860,079
2023	May	36,463,744	5,360,170	3,185,845,680,153,600
2023	June	36,973,313	5,435,077	2,924,055,988,986,090
	Average	48,605,878	7,145,064	977,271

Standard deviation	1,034,120
Average deviation	977,271
Check	56,849

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

Based on the above statements, the deviation of the data series is calculated, yielding a value of \$977,271, which means that the average means 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, the potential impact on the income statement is calculated under a less favorable hypothesis, which is the average value of the VAR of the data series, stressing it by adding the value of a standard deviation of that data series:

Potential impact on negative hypothesis results (Loss) =

$$\$-8,179,184 - \$977,271 = \$-9,156,455$$

To measure the potential impact on the Positive Hypothesis Account, the average of the active position in the series is taken and multiplied by the value of the active rate of the on-loan portfolio for the final month of the calculation June 2023 17.87% effective annual rate, producing as the most favorable result a yield of \$8,685.870.

As of June 30, 2023, Findeter has an investment in the Ashmore Colombia Infrastructure Fund of \$36,973,313, which is equivalent to a 12.84% participation and 916,367 units of the Fund's total.

Ashmore Private Equity Fund - investment	Balance
June 30, 2023	\$ 36,973,313
December 31, 2022	\$ 43,123,228
Variation	\$ (6,149,915)

As of June 30, 2023, the private equity fund generated a net valuation gain of \$2,655,744.

Ashmore Private Equity Fund	June 30, 2023	December 31, 2022
Valuation income	\$ 4,612,037	\$10,265,553
Valuation expense	1,956,293	1,492,321
Net valuation	\$ 2,655,744	\$ 8,773,232

The variation between the valuation and the final balance of the investment as of June 30, 2023 corresponds to the redemption of capital made by the Fund, amounting to \$3,494,171. The valuation of the Fund is reported by an independent third party in accordance with the provisions of the Fund's regulations. The valuation variables are presented in the following table:

Type	Valuation technique	Significant unobservable information	Interrelation between significant unobservable information and 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.	<p>The main unobservable significant information corresponds to:</p> <ol style="list-style-type: none"> 1. Estimated income for the valuation period. 2. The pricing and cost structure of companies 3. The weighted average cost of capital used to discount future flows 4. The level of administrative and sales expenses. 5. The working capital management policies used in the projection. 6. The balance structure used in the projection. 7. The dividend policy of each of the companies. <p>The information of the points mentioned above comes from the business plans generated within each company, which in turn are built based on historical performance, specific growth objectives according to market information and business strategies.</p>	<p>The estimated unit value can increase or decrease if:</p> <ol style="list-style-type: none"> 1. The projected income assumptions are met 2. If there is an effective control of costs and expenses in each company 3. If the working capital requirements increase or decrease 4. If the dividend policy is substantially modified. 5. If the discount rate used to discount free cash flows increases or decreases.

Financial assets and financial liabilities measured at fair value did not present value hierarchy transfers as of June 30, 2021, compared to December 31, 2020.

ii. Non-recurring fair value measurements:

As of June 30, 2023, there are assets or liabilities measured at fair value determined on non-recurring bases.

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

In accordance with the methodologies described below, 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 outstanding investment securities, 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:

	<u>June 30, 2023</u>		<u>December 31, 2022</u>		<u>Hierarchy level</u>
	Carrying value	Fair value	Carrying value	Fair value	
Assets					
Net loan portfolio and finance lease transactions	\$ 11,171,338,599	11,264,959,554	11,161,477,854	11,425,405,478	3
Investment financial assets *	<u>21,274,822</u>	<u>24,226,959</u>	<u>28,301,544</u>	<u>30,861,520</u>	3

Total financial assets		11,192,613,421	11,289,186,513	11,189,779,398	11,456,266,998
Liabilities					
Certificates of deposit		6,835,875,111	7,070,642,404	6,780,523,885	6,969,798,077
Outstanding investment securities		1,620,735,450	1,618,914,726	1,582,021,770	1,585,179,200
Financial obligations		2,746,188,097	2,583,754,199	3,198,872,502	3,020,423,658
Total liabilities	\$	11,202,798,658	11,273,311,329	11,561,418,157	11,575,400,935

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

10. Cash and Cash Equivalents

The following detail corresponds to the bank ratings of the financial institutions where Findeter holds the balance of cash and cash equivalents as of June 30, 2023, and December 31, 2022.

BANK	RISK RATING	JUNE 30, 2023	DECEMBER 31, 2022
Banco de Bogotá S,A,	AAA	\$ 3,510,528	\$ 3,187,603
Banco Popular S,A,	AAA	22,128,207	364,841,053
Bancolombia S,A,	AAA	7,273,862	8,889,030
Banco GNB Sudameris	AA+	193,465	99,908
BBVA Colombia S,A,	AAA	467,756,158	791,712
Banco Santander S,A,	AAA	376,217	357,450
Banco Itaú S,A,	AAA	92,861,677	117,859
Banco de occidente S,A,	AAA	524,946	757,001
Davivienda S,A,	AAA	1,973,643	5,463,790
Banco Caja Social S,A,	AAA	154,263	46,887,076
Banco AV Villas S,A,	AAA	163,911	192,027,575
Banco Scotiabank Colpatría S,A,	AAA	320,890	85,043,177
Corficolombiana	AAA	21,596,955	188,340,277
Banco de la República	Country risk	80,706,621	69,720,571
Banks Foreign Currency	BBB	33,822,866	51,840,014
Petty cash	No rating	27,360	23,297
Interbank (1)	AAA	56,819,359	13,615,491
Restricted cash (2)	AAA	11,447,972	1,515,663
		\$ 801,658,900	\$ 1,033,518,547

There is no restriction on their availability, except for the pledge on the resources of Banco de la República for \$80,706,621. See Note 28 paragraph 1, Commitments and contingencies - Counter-guarantees for a detail of the pledges; however, there is no restriction on their use.

- (1) (1) As of June 30, 2023, and December 31, 2022, interbank funds were classified as cash equivalents for \$56,819,359 and \$13,615,491, respectively, which mature between 1 and 30 days according to policy.

Information as of June 30, 2023

Entity	Rate	Amount	Maturity	Rating	Agency
Corficolombiana	12.02 %	\$ 56,819,359	4/07/2023	AAA	Standard and Poors y Fitch Ratings Colombia
Total		\$ 56,819,359			

Information as of December 31, 2022

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

- (2) Corresponds to cash balances as of June 30, 2023, and December 31, 2022, recorded in the Agency Agreement with the National Guarantees Fund for \$11,286,135 and \$1,360,163, and the Pre-Investment Fund for \$161,837 and \$155,500, respectively, for a total of \$11,447,972 and \$1,515,663.

The cash and cash equivalents of these Funds are restricted, due to the fact that they have exclusive allocations for their purpose, as is the case of the Agency Agreement with the National Guarantees Fund, which must cover the claims of social interest housing loans, and the Pre-investment Fund has an order to meet the needs of technical studies of pre-feasibility of infrastructure requirements of territorial entities.

11. Investment Financial Assets and Derivatives

The following table shows the balances and ratings of the counterparties of the securities comprising Findeter's portfolio as of June 30, 2023 and December 31, 2022:

Issuer	June 30, 2023	December 31, 2022	Rating
Banco de Comercio Exterior	7,106,340	3,920,580	AAA
Banco de Bogotá	38,811,165	35,224,910	AAA
Banco Bilbao Vizcaya Argentaria Colombia S,A,	24,115,530	37,745,474	AAA
Banco Popular	19,788,228	12,834,281	AAA
Banco Davivienda	6,639,615	21,783,180	AAA
Banco Colpatría Red Multibanca S, A	4,518,030	21,236,340	AAA
Banco Comercial AV Villas	4,670,675	941,530	AAA
Banco de Occidente	11,097,516	19,240,936	AAA
Corficolombiana S,A,	17,342,680	23,315,088	AAA
Bancolombia S,A,	28,796,945	32,588,280	AAA
Ministry of Finance and Public Credit	262,585,373	191,339,479	AAA
CMR Falabella S,A, Cia, Fin, Cial,	1,988,760	1,884,970	AAA
Collective Investment Fund Fiduprevisora	19,411,890	18,990,597	AAA
FCP Fondo Inf Col Ashmore I-S1	36,973,313	43,123,227	AAA
Titularizadora Colombia S,A,	21,914,466	29,151,984	AAA
Enertolima S,A, E,S,P,	100	100	AAA
Fondo Nacional de Garantías S, A	37,938,757	35,605,626	AAA
Ecopetrol S,A,	100	100	AAA
Itaú CorpBanca Colombia	-	5,514,148	AAA
RCI Colombia S,A,	1,611,014	-	AAA
Banco Santander de Negocios Colombia S,A,	10,119,300	-	AAA

\$ 555,429,797 \$ 534,440,830

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

Findeter's investment portfolio is classified as follows:

	June 30, 2023	December 31, 2022
Marketable investments	426,030,686	\$ 339,528,656
Held-to-maturity investments	21,274,822	28,301,544
Available-for-sale investments	106,994,481	101,120,980
Derivative instruments	1,129,808	65,489,650
	555,429,797	534,440,830

There is currently no restriction on Findeter's portfolio. The investments of the National Guarantees Fund and the Preinvestment Fund are administered and managed in the funds for their ordinary operations.

12. Net Loan Portfolio and Finance Lease Transactions

The financial assets account for loan portfolio in the balance sheet is classified by commercial, housing and consumer portfolio, considering that this is the classification adopted by the Financial Superintendence in the Unified Financial Information Catalog "CUIF". Findeter presents the portfolio balances according to the categories under the following classification:

	June 30, 2023	December 31, 2022
Ordinary loans	\$8,705,883,748	8,972,574,310
Direct loans	2,332,964,271	2,057,206,172
Housing portfolio (employees and former employees)	71,946,538	68,640,525
Loans to employees (consumer)	6,692,589	5,375,323
Loans to former employees (consumer)	1,006,660	713,164
Accounts receivable interest	122,309,364	122,666,108
	11,240,803,170	11,227,175,602
Impairment	69,464,571	65,697,748
	\$11,171,338,599	11,161,477,854

13. Net trade accounts receivable and other receivables

Accounts receivable as of June 30, 2023, and December 31, 2022 were \$105,829,525 and \$100,515,111, for an increase of \$5,314,414, derived from the variation of the account receivable for compensated rate interest subscribed with the Ministry of Finance and Public Credit, Social Protection, Education, among others in \$2,976,508. 976,508. On the other hand, there was an increase in accounts receivable for technical assistance services of \$1,475,874 and the variation of other accounts for \$862,032.

The following is a table showing the movement in the impairment of accounts receivable:

	December 31, 2021	Charge s	Recoveries	June 30, 2022	December 31, 2022	Charge s	June 30, 2023
Other	\$ 70,724	-	-	70,724	\$ 62,919	-	62,919
Technical assistance	2,045,813	879,671	(413,621)	2,511,863	2,100,131	663,843	2,763,974
	\$ 2,116,537	879,671	(413,621)	2,582,587	2,163,050	663,843	2,826,893
Net impairment				(466,050)			(663,843)

14. Income Tax

Income tax expense is recognized based on management's best estimate of both current income tax and deferred income tax. Findeter S.A.'s effective tax rate in respect of continuing operations for the three-month period ended June 30, 2023 was 33.26% (Three-month period June 30, 2022 was 50.80%).

The effective tax rate increase of 17.57 percentage points is primarily generated by the following factors:

For the quarter ended June 30, 2023, the Finance Company generated an effect due to exchange difference realized on the occasion of the variation of the Exchange Rate on debt operations in foreign currency, compared to that settled as of December 31, 2022, whose variation was 164.12 per dollar (4810.20 - 4646.08), behavior different from that generated in the same period for the quarter ended June 30, 2022, whose effect due to rate differential was \$11,477.

For the quarter ended June 30, 2023, the Finance Company generated a reimbursement of expense for adjustment of previous periods, in the amount of \$ 756 million, as a result of a higher provisioned value of income versus the effectively paid in the tax return filed for the 2022 tax year, different to the year 2022, whose adjustment for the same concept was \$2,140 million.

The Company for the quarter of the taxable year 2023, generated a greater deductible expense for the concept of industry and trade tax not subject to deferred tax, since with the entry into force of Law 2277 of 2022, this tax is no longer considered a tax discount and now must be taken as deductible from income tax in the year 2023.

Findeter S. A.'s effective tax rate for continuing operations for the six months ended June 30, 2023 was 37.27% for the six months ended June 30, 2022 (six months ended June 30, 2022, 39.53%).

The decrease in the effective rate of (2.26) percentage points is mainly generated by the following factors:

For the half year ended June 30, 2023, the Company generated an expense refund due to adjustments from previous periods. This occurred because an excess provision was recorded in the Financial Statements compared to the value actually declared in the 2022 income tax return, in comparison with what happened in the same period of 2022 in relation to the provision made in 2021.

15. Net Property and Equipment

The following is the movement in property and equipment:

	Net book balance as of December 31, 2022	Additions 2023	Withdrawals 2023	Depreciation write-offs as of June 2023	Depreciation as of June 2023	Net book balance as of June 30, 2023
Land (revalued)	\$ 7,992,600	-	-	-	-	\$ 7,992,600
Buildings and constructions (revalued)	22,518,678	-	-	-	(150,168)	22,368,510
Furniture, fixtures, and office equipment	194,576	2,687	(269,673)	263,134	(42,038)	148,686
Vehicles	740	-	-	-	(143)	597
Computer equipment	523,557	41,217	(138,282)	138,282	(117,774)	447,000
	\$ 31,230,151	43,904	(407,955)	401,416	(310,123)	\$ 30,957,393

	Asset value as of December 31, 2021	Additions	Withdrawals	Depreciation write-offs	Depreciation	Net Assets as of June 30, 2022
Land (revalued)	\$ 6,847,500	-	-	-	-	\$ 6,847,500
Buildings and constructions (revalued)	20,002,446	-	-	-	(130,711)	19,871,735
Furniture, fixtures, and office equipment	260,613	-	(333,662)	329,043	(58,321)	197,673
Computer equipment	51,536	591,690	(119,776)	119,776	(42,879)	600,347
	\$ 27,162,095	591,690	(453,438)	448,819	(231,911)	\$ 27,517,255

16. Net rights-of-use asset and lease liabilities

Below is the movement of Findeter's right-of-use assets and the lease liability as of June 30, 2023, and December 31, 2022, derived from the application of IFRS 16:

	June 30, 2023	December 31, 2022
Movement in right-of-use assets		
Right-of-use assets -Buildings	\$ 6,345,004	\$ 5,460,076
Right-of-use recalculation adjustment	-	884,928
Straight-line depreciation right of use	(6,231,974)	(6,014,972)
Right-of-use balance	\$ 113,030	\$ 330,032
Movement in Lease Liabilities	June 30, 2023	December 31, 2022
Lease liabilities	\$ 6,341,863	\$ 5,456,935
Adjustment recalculation of Lease Liabilities	-	884,928
Principal Payments Liability	(6,230,864)	(6,004,828)
Balance of Lease Liabilities	\$ 110,999	\$ 337,035

17. Net intangible assets

Below is the movement of the cost of intangible assets as of June 30, 2023 and 2022:

	December 31, 2022	Acquisition/ Additions	Amortization charged to expense	Balance as of June 30, 2023
Computer software and applications	\$ 2,449,655	643,469	(904,604)	\$ 2,188,520
Net intangible assets	\$ 2,449,655	643,469	(904,604)	\$ 2,188,520

	December 31, 2021	Acquisition/ Additions	Amortization charged to expense	Balance as of June 30, 2022
Computer software and applications	\$ 2,234,388	198,490	(838,186)	\$ 1,594,692
Net intangible assets	\$ 2,234,388	198,490	(838,186)	\$ 1,594,692

18. Net other assets

The following is the detail of other assets as of June 30, 2023 and 2022:

	December 31, 2022	Acquisition/ Additions	Amortization	June 30, 2023
Insurance	\$ 4,492,286	215,002	(2,413,500)	\$ 2,293,788
Other	\$ 2,100	-	-	\$ 2,100
Net other assets	\$ 4,494,386	215,002	(2,413,500)	\$ 2,295,888

	December 31, 2021	Acquisition/ Additions	Amortization charged to expense	Balance as of June 30, 2023
Insurance	\$ 3,255,234	269,870	(1,826,126)	\$ 1,698,978
Other	\$ 2,100	-	-	\$ 2,100
Net other assets	\$ 3,257,334	269,870	(1,826,126)	\$ 1,701,078

The total expense for other assets as of June 30, 2023 amounts to \$2,728,567, of which \$2,413,500 corresponds to amortization and \$315,067 corresponds to payments charged directly to expense due to the nature of the item.

19. Financial Guarantees

Below is the movement of financial guarantees:

	<u>Balance as of December 31, 2022</u>	<u>Recoveries</u>	<u>Balance as of June 30, 2023</u>
Technical Reserve FNG	20,971,238	(3,411,985)	17,559,253
Water Bonds Reserve	10,951,109	(413,896)	10,537,213
Balance as of June 30, 2023	<u>31,922,347</u>	<u>(3,825,881)</u>	<u>28,096,466</u>

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

The coverage of the technical estimate of the National Guarantees Fund, on the loans granted called low-income housing, decreased by \$3,825,891, in accordance with the application of the model for calculating reserves on the guarantees granted established in the Fund.

20. Provisions

The following is the movement of provisions:

	<u>Legal proceedings, fines, penalties and compensation</u>
Balance as of December 31, 2021	\$2,133,068
Charges	279,085
Balance as of December 31, 2022	2,412,153
Charges	141,675
Recoveries	(2,553,828)
Balance as of June 30, 2023	<u>-</u>

There are no provisions for legal proceedings as of June 30, 2023, at the end of the period there are 159 proceedings against Findeter (104 administrative, 4 civil and 51 labor), of which according to the instance and the provisions policy, none is provisioned, since its qualification according to IAS 37 does not warrant provision.

As of June 30, 2023, there are no fines, penalties and compensation payable.

21. Shareholders' Equity

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Number of subscribed and paid-in shares	12,223,852	11,542,212
Subscribed and paid-in capital	\$ 1,222,385,200	\$ 1,154,221,200
Dividends declared	2,391	1,037
	<u>\$ 1,222,387,591</u>	<u>\$ 1,154,222,237</u>

During the General Shareholders' Meeting held on March 30, 2023, the surplus application project was approved, where the capitalization of \$78,165,354 was ordered. In June 2023, the securities corresponding to the approved capitalization were issued and delivered. Findeter has no preferred shares issued.

Findeter is a national corporation, incorporated with exclusive participation of public entities and according to Article 30 of Law 1328 of July 15, 2009, which amends Article 271 of the Organic Statute of the Financial System, "shall not be subject to forced investments and shall not distribute profits in cash among its partners".

22. Other Comprehensive Income - OCI

As of June 30, 2023 and December 31, 2022, \$7,499,029 and \$202,498, presenting a variation of \$7,296,531, generated by the effect of the valuation of investments classified as available for sale with changes in OCI for \$10,507,546, the effect of the application of deferred tax charged to equity for (\$3,211,015).

23. Portfolio Income

As of June 30, 2023 and 2022, the balances of income derived from the loan portfolio were \$873,638,740 and \$405,150,927 respectively, presenting a variation of \$468,487,813, which is originated by the increase in the average placement rate by 699 basic points, going from 10.88% in 2022 to 17.87% in 2023, applicable to the commercial loan billboard rates.

24. Gains on valuation of investments and interest on investments at fair value and amortized cost, net

As of June 30, 2023 and 2022, the balance of the valuation of investments was \$115,464,695 and \$29,486,189 respectively, presenting an increase in profit in the amount of \$85,978,506, generated mainly by the valuation of the portfolio of debt instruments, especially those indexed to: Reference Banking Indicator, Real Value Unit and Consumer Price Index; with average rates of 18.48%.

25. Interest on operating expenses

25-1 Interest on certificate of deposit

As of June 30, 2023 and 2022, the balance of interest on certificates of deposit was \$498,583,198 and \$187,887,863 respectively, which present an increase in the amount of \$310,695,335, mainly generated by the increase in interest rates from 8.61% in 2022 to 17.28% in 2023.

25-2 Interest on financial obligations

As of June 30, 2023 and 2022, the balance of interest on financial obligations was \$85,267,149 and \$22,315,810, suffering a variation of \$62,951,339, generated mainly by the increase in interest on new loans (JP Morgan bank, for \$623,700,000, IDB credit 3842 and 3596 for \$655,977,437); not existing for this cut-off in the previous year.

26. Revenues from technical assistance, commissions and other services

As of June 30, 2023 and 2022, income recognized for technical assistance, commissions and other services, presented a variation of (\$16,191,978), going from \$38,359,460 to \$22,167,482, which is detailed below according to the service rendered:

TECHNICAL ASSISTANCE (1)	As of June 30, 2023	As of June 30, 2022
Territorial Development	4,854,918	10,751,759
Environment	4,953,527	4,925,189
Infrastructure	8,789,718	17,349,697
Transportation Mobility	682,295	-
Consulting	28,986	921,931
Investment Banking	(754,039)	1,834,054
	18,555,405	35,782,630

COMMISSIONS AND OTHER SERVICES	As of June 30, 2023	As of June 30, 2022
Guarantees Water bonds	1,019,173	1,398,283
Commissions National Guarantees Fund	123,570	218,989
Commissions Availability	2,464,801	954,507
Commissions Infopal	4,533	5,051
	3,612,077	2,576,830
	22,167,482	38,359,460

- 1- The decrease of (\$17,227,225) in technical assistance revenues, from (\$35,782,630 in 2022 to \$18,555,405 in 2023), mainly as a result of the lower revenues generated by the territorial development management in (\$5,896. 841) from the San Andres y Providencia contract, the (\$892,945) from consulting contracts with territorial entities, from the infrastructure management for (\$8,559,979) from contracts (Civil Aviation, Ministry of Technologies, Ministry of Culture, Ministry of Sports, among others).

27. Other income and other expenses

As of June 30, 2023 and 2022, other income recorded a balance of \$8,814,318 and \$3,946,046, respectively, presenting an increase of \$4,868,272, generated mainly by the recovery of the technical reserve of the guarantee of the Agency with the National Guarantee Fund for \$2,998,666, in addition to the recovery of the interest rate benefit on credit for \$1,908,882.

The other expenses presented an increase of \$23,842,641, mainly generated by the variation of the following items: personnel expenses (plant and temporary) for \$14,317,572, industry and trade taxes and tax on financial movements for \$12,902,984, as well as the decrease in the expense of fees and other expenses for (\$3,377,915).

The increase in personnel expenses is due to the salary increase of 16% in 2023, as well as a higher expense for industry and commerce tax due to the increase in the tax base.

28. Commitments and contingencies

Commitments and contingencies correspond to:

	June 30, 2023	December 31, 2022
IDB loan pledge (1)	80,706,621	69,720,571
Due to litigations (claims) (2)	31,781,479	96,538,507
Approved and undisbursed loans (3)	987,911,892	1,290,965,590
Interest on suspended loans (4)	1,249,306	1,038,004
	<u>\$1,101,649,298</u>	<u>1,458,262,672</u>

(1) IDB loan pledge

Findeter signed Loan Agreements with the IDB 1967 of 2008, 2314 of 2010, 2768 of 2012, 3392 of 2015, 3596 of 2016 and 3842 of 2019, which established counter-guarantees in favor of the Nation, and in which the revenues received by Findeter for the rediscount portfolio collection were pledged and paid directly in Deposit Account No. 65812166 of the Colombian Central Bank. Such revenues must cover 120% of the value of the semi-annual service of the debt of the Loan Agreement.

CUD account balance	Amount to cover COP	Coverage
June 30, 2023	June 30, 2022	120%
\$ 80,706,621	\$ 57,997,041	139%

(2) Corresponds to the claims of the legal processes filed against Findeter, which as of June 30, 2023, add up to 159 processes, including labor and administrative processes qualified with medium and low risk, revealed with the value of the plaintiffs' indexed claims, which effectively supports the possible contingency.

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

The following table shows the value of the approved loans to the different financial institutions that have not been disbursed by Findeter:

Banking Entity	June 30, 2023	December 31, 2022
Bancolombia S.A.	\$ -	\$ 142,000,000
Direct loans approved	987,911,892	1,148,965,590
	<u>\$ 987,911,892</u>	<u>\$ 1,290,965,590</u>

(4) Suspended interest:

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 June 30, 2023, there are 16 (16 in 2022) loans generating this interest, of which 10 are housing loans (9 in 2022), 6 consumer loans (7 in 2022).

As part of the analysis of the implications of Decree 492 of 2020 issued by the Ministry of Finance and Public Credit, in which instructions were given to Findeter to contribute capital in the amount of \$100,000,000 to the National Guarantees Fund, in order to strengthen the process of granting loan guarantees, Findeter has been engaged in an understanding process for the recognition of this operation. To this end, a request was extended to the Ministry of Finance and Public Credit to determine the course of action when making this disbursement. As of June 30, 2023, no response has been received.

29. Related Party Transactions

Related Party Transactions:

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

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

Findeter has undertaken the following transactions with related parties:

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

	June 30, 2023	June 30, 2022
Board Member Fees	\$ 417,283	400,546
Key Management Personnel Remuneration	1,769,180	1,718,643
	\$2,186,463	2,119,189

2. As of June 30, 2023 and 2022, Findeter records loan portfolio balances with key Findeter personnel, as detailed below:

	June 30, 2023	June 30, 2022
Loan portfolio	5,019,319	4,548,770

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

3. In compliance with the provisions of IAS 24 Related Party Disclosures, paragraph 25 Government-Related Entities, Findeter discloses the information stated in paragraph 26, considering that the Colombian Government exercises joint control or significant influence over

each of the companies that make up the Bicentenario Group through its participation in the board of directors.

Therefore, as of June 30, 2023, and 2022, the transactions recorded by Findeter in its financial statements with entities of the Bicentenario Group are detailed, identifying their nature:

BALANCE AS OF JUNE 30, 2023							
ITEM	BANCO AGRARIO	NATIONAL DEVELOPMENT FINANCIAL INSTITUTION	NATIONAL SAVINGS FUND	NATIONAL GUARANTEES FUND	POSITIVA	FIDUCIARIA LA PREVISORA	TOTAL TRANSACTIONS
BANKS	-	-	-	11,286,135	-	161,837	11,447,972
INVESTMENTS	-	-	-	140,825,723	-	19,409,142	160,234,865
PORTFOLIO	19,803,206	256,184,356	-	-	-	-	275,987,562
ACCOUNTS RECEIVABLE	466,800	7,611,625	-	1,014,581	-	-	9,093,006
ACCOUNTS PAYABLE	3,196	-	223,897	18,767,292	-	7,015,786	26,010,172
INCOME	1,365,509	25,024,101	-	21,885,464	-	-	48,275,074
EXPENSES	-	-	-	7,836,014	668,143	27,248	8,531,405

BALANCE AS OF JUNE 30, 2022							
ITEM	BANCO AGRARIO	NATIONAL DEVELOPMENT FINANCIAL INSTITUTION	NATIONAL SAVINGS FUND	NATIONAL GUARANTEES FUND	POSITIVA	FIDUCIARIA LA PREVISORA	TOTAL TRANSACTIONS
BANKS	-	-	-	5,535,481	-	1,381,457	6,916,938
INVESTMENTS	-	-	-	133,347,218	-	16,965,440	150,312,658
PORTFOLIO	27,780,911	397,329,464	-	-	-	-	425,110,376
ACCOUNTS RECEIVABLE	381,629	7,116,919	-	621,935	-	-	8,120,482
ACCOUNTS PAYABLE	-	-	192,892	24,782,089	-	4,843,904	29,818,885
INCOME	979,328	14,663,124	-	9,904,030	-	-	25,546,482
EXPENSES	-	-	-	10,018,334	550,537	51,365	10,620,236

30. Events After the Reporting Period

Between June 30, 2023 and August 11, 2023, date of the report of the Statutory Auditor MAZARS COLOMBIA S.A.S., there are no events that impact the condensed interim financial statements that should be disclosed, or that may affect the financial position, the prospects of Findeter or that may cast doubt on its continuity.

31. Approval of Financial Statements

The condensed interim information and accompanying notes were approved by Management on August 14, 2023. The financial results were presented to the Board of Directors and the Legal Representative, in accordance with Minutes No. 416, dated July 24, 2023.