

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. - FINDETER**

**FINANCIAL STATEMENTS**

As of December 31, 2023 and 2022 and  
Statutory Auditor's Report

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. - FINDETER**

**Financial Statements**

Years ended December 31, 2023 and 2022

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**REPORT OF THE STATUTORY AUDITOR**

Dear Sirs/Madams  
Shareholders' Meeting  
FINANCIERA DE DESARROLLO TERRITORIAL S.A. – FINDETER  
Bogota D.C.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

1. We have audited the financial statements of Financiera de Desarrollo Territorial S.A. - Findeter, which comprise the statement of financial position as of December 31, 2023, the statement of income and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory disclosures. We also audited the funds and special accounts indicated in this report that are administered by Findeter.
2. In our opinion, the financial statements referred to above, which have been audited by us and which have been fairly extracted from the accounting records, present fairly, in all material respects, the financial position of Findeter as of December 31, 2023, and the results of its operations, the changes in its equity and its cash flows for the year then ended, in conformity with the Accounting and Financial Reporting Standards accepted in Colombia.

**Basis for the Opinion**

3. We conducted our audit in accordance with International Standards on Auditing accepted in Colombia - ISAs. Our responsibility under these standards is described in more detail in the "Statutory Auditor's Responsibilities for the of Financial Statements" section of this report. We are independent from Financiera de Desarrollo Territorial S.A. - Findeter in accordance with the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code of Ethics and Law 43 of 1990.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit issues**

5. The key audit matters are those that, in our professional judgment, were of most significance in the audit of the current period's financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore do not represent a separate opinion:

<b><i>Evaluation of the provision for credit risk of the rediscount portfolio and direct commercial portfolio according to the instructions of the Financial Superintendency of Colombia.</i></b>	
<b>Key audit matter</b>	<p>Findeter records the provision for the rediscount portfolio and direct commercial portfolio as required by the Financial Superintendency of Colombia. Individual provisions are recorded in accordance with the expected losses determined in the credit risk rating methodology defined in the reference model.</p> <p>We consider as a key audit matter the estimation of the allowance for credit risk of the rediscount portfolio and direct credit commercial portfolio since the methodology for the assignment of the risk rating incorporates significant judgmental elements. This risk rating corresponds to a parameter in the reference models used for the calculation of credit risk provisions.</p> <p>The balance of the rediscount and direct commercial loan portfolio as of December 31, 2023 amounts to COP\$ 8,938,366 million , and COP\$ 3,384,325 million, respectively, while the provision for credit risk for each of these types of loans amounted to COP\$45.937 billion and COP\$44.764 billion.</p>
<b>Related disclosures</b>	See notes 3.7 and 11 to the financial statements.
<b>Audit response</b>	<p>Audit procedures to address the key audit matter included among others:</p> <ul style="list-style-type: none"> <li>• Understanding of the rediscount and direct commercial portfolio process and identification of controls.</li> <li>• Evaluation of the design and implementation and operational effectiveness of the relevant controls associated with the monitoring of the assignment of credit risk ratings and the result of the calculation of the reference models of the rediscount credit portfolio and direct commercial portfolio.</li> <li>• Evaluation of information technology controls of the application that supports the portfolio impairment model calculations.</li> <li>• Verification of the accuracy and completeness of the information used in the model, for which purpose files of the rediscount portfolio and direct commercial portfolio were verified to validate that the assigned rating complies with the guidelines established by the Financial Superintendency of Colombia.</li> <li>• Recalculation of the provision as of December 31, 2023 on the rediscount portfolio and direct commercial portfolio, in accordance with applicable regulations.</li> </ul>

**Other matters**

6. The financial statements as of December 31, 2022 are included for comparative purposes only, were audited by another Statutory Auditor who expressed an unqualified opinion in his report dated February 27, 2023.

**Other information**

7. Management is responsible for other information. The other information comprises the contents of the "Management and Sustainability Report 2023", but does not include the financial statements or our related auditors' report, nor the management report on which we express our opinion in the section on other legal and regulatory requirements, in accordance with the provisions of Article 38 of Law 222 of 1995.
8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated.
10. If, based on the work we have performed, we conclude that there is a material error in this other information, we are required to report this fact. We have nothing to report in this regard.

**Responsibility of Management and Those Charged with Governance for financial statements**

11. Management is responsible for the preparation and correct presentation of the financial statements, their notes, and schedules, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia, as well as instructions issued by the Colombian regulatory entities. Management's responsibility also includes maintaining an effective internal control structure relevant to the presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable; and complying with applicable laws and regulations.
12. In preparing the financial statements, management is also responsible for assessing Findeter's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and for using the going concern basis of accounting, unless management either intends to liquidate the Entity or to cease operations, or there is no more realistic alternative than to proceed in one of these ways.
13. Those responsible for governance are responsible for overseeing the Entity's financial reporting process.

**Responsibility of the Statutory Auditor in the audit of the financial statements**

14. Our objective is 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 our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with International Standards

The Company always detects a material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in the aggregate, they can be reasonably expected to influence the economic decisions made by users based on the financial statements.

15. As part of an audit in accordance with International Standards on Auditing accepted in Colombia, we applied our professional judgment and maintained an attitude of professional skepticism throughout the audit. We also:
  - a. Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, intentional misstatements, or the circumvention of internal control.
  - b. I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
  - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d. 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 the Entity's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Entity to be unable to continue as a going concern.
  - e. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, to achieve a fair presentation.
16. I communicate to those charged with governance of the Entity, among other matters, the planned scope and timing of the audit and its significant findings, as well as any significant deficiencies in internal control, if any, identified during the audit.
17. We also provide those charged with governance with confirmation that we have complied with applicable ethics requirements regarding independence and communicated with them about all relationships and other matters that could reasonably be expected to affect our independence and, where appropriate, related safeguards.
18. Based on the matters communicated to those charged with governance of Findeter, we determined those that have been of most relevance to the financial statements for the current period, and therefore, they were determined as key audit matters. Key audit matters are part of our report, unless, unless statutory or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of doing so.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

19. Findeter's management is also responsible for compliance with certain regulatory aspects in Colombia, related to accounting document management, the preparation of management reports and the timely and adequate payment of contributions to the Integral Social Security System; our responsibility as Statutory Auditors in these matters is to carry out review procedures to issue a concept on the adequacy of compliance.
20. Based on the scope of our audit, we are not aware of any situations indicative of noncompliance with the following obligations of Findeter:
  - a. The accounts are kept in accordance with accounting standards and legal provisions.
  - b. The transactions recorded in the accounting records, correspondence, accounting vouchers and minute books are properly kept and maintained.
  - c. We have complied with the regulations and instructions of the Financial Superintendency of Colombia related to the implementation of the Risk Management Systems applicable to the Entity, such as the Comprehensive Risk Management System (SIAR), the Money Laundering and Terrorism Financing Risk Management System (SARLAFT) and the Financial Consumer Service System (SAC).
  - d. The information contained in the self-assessment statements of contributions to the Integral Social Security System, particularly that related to members and their contribution base income, has been taken from the records and accounting records. As of December 31, 2023, the Entity is not in arrears for contributions to the Comprehensive Social Security System.
  - e. The information contained in the management report is consistent with the financial information for fiscal year 2023 and its content and presentation is in accordance with applicable regulations. The administrators stated in their management report that they did not hinder the free circulation of invoices issued by vendors or suppliers and that they complied with all intellectual property and copyright regulations.
  - f. We have complied with the provisions of Law 2195 of 2022 in relation to the Transparency and Business Ethics Program, through instructions from the Financial Superintendency of Colombia related to the Risk Management System for Money Laundering and Financing of Terrorism - SARLAFT or the applicable Internal Control System.
21. As part of our functions as Statutory Auditor and in compliance with articles 1.2.1.2 of the Sole Regulatory Decree 2420 of 2015, as amended by Article 4 of Decree 2496 of 2015, we must report on compliance with numerals 1 and 3 of Article 209 of the Code of Commerce, in our opinion, during the year 2023, the acts of the Entity's administrators are in accordance with the bylaws and orders or instructions of the Shareholders' Meeting, and there are adequate internal control measures and measures for the conservation and custody of assets or third parties in their possession.
22. Likewise, according to Article 1.2.1.5 of said Decree, for purposes of the application of Article 1.2.1.2, the statutory auditor need not prepare separate reports, but must express an opinion or concept on each of the matters contained therein. The Technical Council of Public Accounting shall issue the necessary technical guidelines for these purposes.

23. Our opinion is based on the audit procedures performed, which were mainly the following:
- a. Obtaining a letter of written statements from management as to whether the actions of the directors were in accordance with the bylaws and the decisions of the Shareholders' Meeting and whether the internal control measures, including the Risk Management systems implemented, such as the Comprehensive Risk Management System (SIAR), the Money Laundering and Terrorist Financing Risk Management System (SARLAFT) and the Financial Consumer Service System (SAC), and the conservation and custody of assets and those of third parties in their possession, are adequate.
  - b. Reading and verification of compliance with the Entity's bylaws.
  - c. Reading the minutes of Shareholders' Meetings, significant meetings of the Board of Directors and other supervisory bodies.
  - d. Understanding and evaluation of the design, implementation, and effectiveness of the relevant controls over internal control components that include financial reporting, as required by External Circular 012 of 2022, included in Chapter I, Title V of Part III of the Basic Legal Circular of the Financial Superintendency of Colombia.
  - e. Understanding and evaluating the design, implementation, and effectiveness of relevant controls over key business processes related to significant financial statement accounts.
  - f. Verification of proper compliance with regulations and instructions on the Comprehensive Risk Management System (SIAR), the Money Laundering and Terrorist Financing Risk Management System (SARLAFT) and the Financial Consumer Service System (SAC).
  - g. Issuance of letters to management and those charged with corporate governance with our recommendations on internal control deficiencies considered not significant, which were identified during the audit work and follow-up on matters included in the recommendation letters issued in prior periods regarding internal control deficiencies. There are no matters of material importance that may affect our opinion.
24. In compliance with the provisions of Decree 2555 of 2010 and numeral 3.3.3.3.2.6.10 of Chapter III, Title I, Part I of the Basic Legal Circular 029 of 2014 of the Superintendency of Finance of Colombia, below we list the audit reports on the financial statements as of December 31, 2023 that are issued independently for the funds and special accounts, managed by the Entity:
- a. Unqualified reports
    - 30007 - Urban Infrastructure Fund
    - 30008 - Cofinancing Fund for Social Investment FIS
    - 30010 - Statement of account of regional social investment resources RISR
    - 30013 - Infopop Special Account
    - 30018 - Program to support the sustainable development of the Archipelago Department of San Andres, Providencia, and Santa Catalina
    - 30020 - Compensated fees fund
    - 30021 - Special account general royalty system



- 30022 - Specific Technical Assistance Agreement - United States Agency for International Development USAID
- 30024 - Interadministrative Agreement Ibagué
- 30024 - Interadministrative contract between the municipality of Rionegro and somos Rionegro S.A.S.
- 30024 - Interadministrative Agreement between the Department of Cundinamarca, the Regional Railway Company, the Capital District of Bogotá, and the Urban Development Institute (IDU).
- 30024 - Interadministrative contract Bucaramanga metropolitan area (AMB)
- 30024 - Interadministrative contract municipality San Sebastian de Mariquita
- 30024 - Interadministrative agreement Popayán
- 30024 - Interadministrative contract Mariquita II
- 30025 - Cooperation agreement - NAMA
- 30026 - Non-reimbursable technical cooperation ATN/FM-15632-Co GEF-IDB
- 30027 - Programa Prosperity Fund
- 30028 - Abu Dhabi Development Fund
- 30029 - KFW Cooperation
- 30032 - ADCO Interadministrative contract for technical assistance and administration of resources to the Department of Risaralda - Health Secretary
- 30032 - ADCO Interadministrative Contract 4321 Municipality of San Jose de Cúcuta
- 30032 - ADCO Interadministrative Contract 4334 Municipality San Jose de Cúcuta

b. Unqualified reports with emphasis of matter paragraphs

- 30030 - Cooperation agreement - NAMA COAD solid waste - (under liquidation)
- 30031 - Non-reimbursable technical cooperation - NAMA MOVE (in liquidation)

SIGNED  
HILBER ALBERTO ALFONSO CASTILLO  
Statutory Auditor  
PROFESSIONAL CARD 29262 - T  
*On behalf of:* Mazars  
Colombia S.A.S.

Bogota D.C., February 16, 2024

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

**Statements of Financial Position**

**As of December 31, 2023 and 2022**

(In thousands of Colombian pesos)

	Note	<u>2,023</u>	<u>2,022</u>
<b>Assets</b>			
Cash and cash equivalents	9	1,431,619,711	1,033,518,547
Financial investment assets and derivatives	10	517,572,801	534,440,830
Loan portfolio and financial leasing transactions, net	11	12,326,019,892	11,161,477,854
Trade accounts receivable and other accounts receivable, net	12	135,908,245	100,515,111
Property and equipment, net	13	32,717,921	31,230,151
Rights-of-use asset, net	14	766,708	330,032
Investment properties	15	1,272,426	1,067,900
Intangible assets, net	16	3,852,421	2,449,655
Current tax assets	17	140,583,203	-
Deferred tax assets, net	17	189,419,041	283,799,869
Other assets, net	18	4,203,743	4,494,386
<b>Total assets</b>		<b><u>14,783,936,112</u></b>	<b><u>13,153,324,335</u></b>
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
Derivative financial instruments measured at fair value	10.3	205,251,985	14,795,606
Current income taxes, net	17	-	117,620,894
Trade accounts payable and other accounts payable	25	35,151,126	28,519,181
Term deposit certificates	19	8,643,321,844	6,780,523,885
Outstanding investment securities	20	1,584,337,225	1,582,021,770
Financial obligations	21	2,717,244,911	3,198,872,502
Lease liabilities	14	785,572	337,035
Employee benefits	22	14,283,085	12,655,067
Financial guarantees	23	21,880,492	31,922,347
Provisions	24	-	2,412,153
<b>Total liabilities</b>		<b><u>13,222,256,240</u></b>	<b><u>11,769,680,440</u></b>
Subscribed and paid-in capital	26.1	1,222,387,592	1,154,222,237
Reserves	26.2	121,128,803	103,104,300
First-time adoption results		39,925,003	39,925,003
Other comprehensive income	26.6	12,301,396	202,498
Profit for the period		165,937,078	86,189,857
<b>Shareholders' equity</b>		<b><u>1,561,679,872</u></b>	<b><u>1,383,643,895</u></b>
<b>Total Equity and Liabilities</b>		<b><u>14,783,936,112</u></b>	<b><u>13,153,324,335</u></b>

See accompanying notes which are an integral part of the financial statements.

SIGNED  
Juan Carlos Muñiz Pacheco  
Legal Representative  
(See attached certificate)

SIGNED  
José Miguel Salcedo Ramírez  
Public Accountant  
PROFESSIONAL CARD  
126408-T  
(See attached certificate)

SIGNED  
Hilber Alberto Alfonso Castillo  
Statutory Auditor  
PROFESSIONAL  
CARD 29262 -T  
On behalf of Mazars  
Colombia S.A.S.  
(See my report of  
February 16, 2024).

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

**Income Statements**

**For the years ended December 31, 2023 and 2022**

(In thousands of Colombian pesos)

	Note	<u>2023</u>	<u>2022</u>
<b>Net ordinary operating income</b>			
Interest on loan portfolio	27	\$ 1,832,125,729	1,073,462,808
Gain on valuation of investments at fair value, net	27	210,814,451	100,584,499
Interest on investments at amortized cost, net	27	13,284,029	7,507,469
(Loss) Gain on valuation of derivatives, net		(693,441,953)	314,623,747
<b>Operating expenses</b>			
Interest on term deposit certificates		(1,067,669,505)	(553,162,684)
Interest on outstanding investment securities		(167,350,930)	(145,348,999)
Interest on financial obligations	27	(168,263,174)	(85,733,249)
Foreign exchange gain, net		506,466,695	(438,364,529)
<b>Financial margin, net</b>		<b>\$ <u>465,965,342</u></b>	<b><u>273,569,062</u></b>
Impairment and recoveries for credit financial assets and accounts receivable, net	11	(28,303,620)	(2,410,058)
Reinstatement (Impairment) of other accounts receivable		501,243	(929,917)
<b>Financial margin, after impairment, net</b>		<b>\$ <u>438,162,965</u></b>	<b><u>270,229,087</u></b>
<b>Income and expenses from commissions and other services</b>			
Technical assistance income	28	64,050,706	67,397,354
Income from commissions and other services	28	4,840,704	4,948,464
Expenses for commissions and other services	28	(15,982,105)	(12,136,884)
<b>Fee and commission income and expenses and other services, net</b>	28	<b>\$ <u>52,909,305</u></b>	<b><u>60,208,934</u></b>
<b>Other income and expense</b>			
Other income	29	22,466,260	14,434,675
Other expenses	30	(257,063,084)	(209,212,385)
<b>Other income and expenses, net</b>		<b>\$ <u>(234,596,824)</u></b>	<b><u>(194,777,710)</u></b>
<b>Income before income taxes</b>		<b>\$ <u>256,475,446</u></b>	<b><u>135,660,311</u></b>
Income tax expense		(90,538,368)	(49,470,454)
<b>Result for the period</b>		<b>\$ <u>165,937,078</u></b>	<b><u>86,189,857</u></b>

See accompanying notes which are an integral part of the financial statements.

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CARD 29262 –T  
On behalf of Mazars  
Colombia S.A.S.  
(See my report of  
February 16, 2024).

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**  
**Statements of Other Comprehensive Result**  
**For the years ended December 31, 2023 and 2022**  
(In thousands of Colombian pesos)

	Note	<u>2023</u>	<u>2022</u>
Profit for the year	\$	165,937,078	86,189,857
<b>Items that will not be reclassified to period income</b>			
Revaluation of fixed assets		2,016,126	3,922,682
<b>Items to be reclassified to profit or loss for the period</b>			
Valuation of available-for-sale financial instruments.	26.6	15,041,242	(12,681,422)
Recognition of deferred income tax	26.6	(4,958,470)	2,532,421
<b>Total other comprehensive income for the year, net of taxes</b>		<b>12,098,898</b>	<b>(6,226,318)</b>
<b>Comprehensive income for the period</b>	<b>\$</b>	<b><u>178,035,976</u></b>	<b><u>79,963,539</u></b>

See accompanying notes which are an integral part of the financial statements.

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**FINANCIERA DE DESARROLLO TERRITORIAL S. A. - FINDETER**

**Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

(In thousands of Colombian pesos)

	Subscribed and paid-in share capital	Reserves  Legal	occasional of	First-time adoption results	Other Comprehensive Results ORI	Profit for the period	Total equity
<b>As of January 1, 2022</b>	\$ 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 Profit for the period Realization of items							
First Time Adoption							
Reclassifications							
Other comprehensive income	-	-	-	-	(6,226,318)	-	(6,226,318)
Total changes in equity	69,550,389	7,717,888	(89,398)	(12,150,775)	6,688,184	9,010,978	80,727,266
As of December 31, 2022	\$ <u>1,154,222,237</u>	<u>80,139,945</u>	<u>22,964,355</u>	<u>39,925,003</u>	<u>202,498</u>	<u>86,189,857</u>	<u>1,383,643,895</u>
<b>Balance as of January 1, 2023</b>	\$ 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	68,165,355	8,618,985	9,405,517	-	-	(86,189,857)	-
Profit for the period	-	-	-	-	-	165,937,078	165,937,078
Other comprehensive income	-	-	-	-	12,098,898	-	12,098,898
Total changes in equity	68,165,355	8,618,985	9,405,517	-	12,098,898	79,747,221	178,035,976
As of December 31, 2023	\$ <u>1,222,387,592</u>	<u>88,758,930</u>	<u>32,369,873</u>	<u>39,925,003</u>	<u>12,301,396</u>	<u>165,937,078</u>	<u>1,561,679,872</u>

See accompanying notes which are an integral part of the financial statements.

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**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
(In thousands of Colombian pesos)

	Notes	<u>2023</u>	<u>2022</u>
<b>Profit for the period</b>		<b>\$ 165,937,078</b>	<b>86,189,857</b>
<b>Adjustments to reconcile net income to net cash used in operating activities:</b>			
Income tax expense for the period	17	90,538,368	49,470,454
Impairment of loan portfolio		24,367,199	11,863,804
Impairment accounts receivable		594,098	332,204
Impairment of other accounts receivable, net	12	(501,243)	933,988
Reimbursement of loan portfolio provisions		(14,638,027)	(18,996,747)
Reimbursement of allowances for accounts receivable		(287,448)	(82,407)
Reimbursement for provision of financial guarantees	23	(10,041,855)	(7,424,472)
Depreciation of property and equipment	13	600,099	523,145
Depreciation for right of use	14	804,599	1,305,063
Amortization of intangible assets	16	1,870,731	1,607,420
Depreciation and amortization of other assets	18	4,652,090	3,500,398
Loss on sale of assets, net		6,700	8,460
Provisions	24	(2,412,153)	279,085
Difference in exchange rate of banks in foreign currency		6,365,128	(12,513,621)
Net gain from valuation of investments		(224,098,480)	(108,091,968)
(Loss) Gain on valuation of derivatives, net		693,441,953	(314,623,747)
Interest on loan portfolio	27	(1,832,125,729)	(1,073,462,808)
Interest expense on deposits and callable funds		1,067,669,505	553,162,684
Interest expense on financial obligations		168,263,174	85,733,249
Interest expense on outstanding investment securities		167,350,930	145,348,999
<b>Changes in operating assets and liabilities:</b>			
Negotiable investments		256,007,751	49,598,103
Derivative financial instruments		(502,985,574)	326,913,850
Loan portfolio and financial leasing transactions, net		657,854,519	(507,034,725)
Accounts receivable		(35,198,541)	(30,609,689)
Net current income taxes		(117,620,895)	(44,617,401)
Deferred tax		39,987,190	(17,459,100)
Outstanding investments		(165,035,474)	(139,211,610)
Employee benefits		1,628,018	5,336,083
First-time Adoption of items		-	763,727
Accounts payable and other liabilities		6,631,945	10,069,535
Income tax paid		(181,686,405)	(60,388,930)
Interest paid		(126,640,904)	(59,262,225)
<b>Net cash (used in) provided by operating activities</b>		<b>\$ <u>141,298,347</u></b>	<b><u>(1,060,839,342)</u></b>
<b>Investment activities</b>			
Additions to property and equipment	13	(78,442)	(687,904)
Additions of other intangible assets		(3,273,497)	(1,811,761)
Increase in investment properties	15	(204,526)	(142,945)
Additions of other assets	18	(4,361,447)	(4,737,450)
<b>Net cash used in investing activities</b>		<b>\$ <u>(7,917,912)</u></b>	<b><u>(7,380,060)</u></b>

*Continues*

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
(In thousands of Colombian pesos)

*Continued*

**Financing activities**

Acquisition of financial obligations			817,937,114
	304,594,534		
Payment of financial obligations	(315,012,572)	(317,890,744)	
Effect of exchange difference on financial obligations	(512,831,822)	441,716,949	
Increase in fundraising	795,128,455	35,286,862	
Capital lease payments	<u>(792,738)</u>	<u>(1,313,610)</u>	
<b>Net cash provided by (used in) financing activities</b>	<b>\$ <u>271,085,857</u></b>	<b><u>975,736,571</u></b>	
<b>Cash and cash equivalents before exchange rate impact</b>	<b>404,466,292</b>	<b>(92,482,831)</b>	
Effect of exchange differences on cash and cash equivalents	(6,365,128)	12,513,621	
<b>Net decrease in cash and cash equivalents</b>	<b>\$ <u>398,101,164</u></b>	<b><u>(79,969,210)</u></b>	
Cash and cash equivalents at beginning of period	9 <u>1,033,518,547</u>	<u>1,113,487,756</u>	
<b>Cash and cash equivalents at the end of the period</b>	<b>9 \$ <u>1,431,619,711</u></b>	<b><u>1,033,518,546</u></b>	
Available Restricted	9 <u>(9,685,666)</u>	<u>(1,515,663)</u>	
<b>Cash and cash equivalents at end of period excluding restricted cash</b>	<b>\$ <u>1,421,934,045</u></b>	<b><u>1,032,002,883</u></b>	

See accompanying notes which are an integral part of the financial statements.

SIGNED  
Juan Carlos Muñoz Pacheco  
Legal Representative  
(See attached certificate)

SIGNED  
José Miguel Salcedo Ramírez  
Public Accountant  
PROFESSIONAL CARD  
126408-T  
(See attached certificate)

SIGNED  
Hilber Alberto Alfonso Castillo  
Statutory Auditor  
PROFESSIONAL  
CARD 29262 -T  
On behalf of Mazars  
Colombia S.A.S.  
(See my report of  
February 16, 2024).

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

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**1. Reporting entity**

Financiera de Desarrollo Territorial S. A., (hereinafter Findeter or the Entity) was incorporated by public deed No. 1570 of May 14, 1990, with operating authorization issued by the Colombian Financial Superintendence by means of Resolution No. 3354 of September 17, 1990. Findeter is a mixed economy corporation incorporated under the laws of the Republic of Colombia with its principal place of business in the city of Bogotá at Calle 103 No. 103, Bogotá, Colombia. 19 - 20, organized as a credit institution, linked to Grupo Bicentenario SAS, subject to the control and surveillance of the Colombian Financial Superintendence. Its main shareholder is Grupo Bicentenario SAS with a 92.55% interest, which has its principal place of business in Bogotá, Colombia. It currently has five regional offices and one zone, for a total of six offices in the country. Its term is indefinite, Findeter has a total of 624 employees in 2023 (606 in 2022).

Findeter's corporate purpose is to promote regional and urban development by financing and advising mainly the municipalities and departments of Colombia with respect to the design, execution and administration of investment projects or programs, in projects such as construction, expansion and replacement of infrastructure in the sectors of drinking water, transportation routes, schools, sports facilities, hospitals and health services, etc. Also the execution of those activities assigned by law or those assigned by the National Government, including the administration of funds and special accounts, derived from inter-administrative contracts signed with government entities for the development of activities associated with technical assistance and administration of resources.

The development of its corporate purpose is defined by Decree 663 of 1993, Findeter acts as a second-tier development bank to grant loans to state entities, territorial entities or individuals engaged in developing construction projects, expansion and replacement of infrastructure and technical assistance to adequately advance these activities in the aforementioned sectors, through entities of the Colombian financial system, which assume the total credit risk with the client and Findeter assumes the credit risk with the financial entity, at interest rates generally below the market, which are financed with resources obtained from multilateral organizations, raising funds from the public through term certificates of deposit, placement of bonds in domestic and international markets and own resources.

Within the framework of supporting the government's economic policies, it was granted powers through Presidential Decrees No. 468 of March 23, 2020 and 581 of April 15, 2020, for the granting of credits under the modality of direct credit to the entities that provide public services on occasion of the Covid-19 pandemic.

During the last two years, the statutory amendments related to the authorized and paid-in capital were made by means of deed No. 0538 of May 23, 2023 and Deed No. 1010 of 2022 of June 17, 2022, respectively.

In compliance with the functions defined by the organic statute of the financial system, Findeter may enter into contracts to manage resources destined to the development of its corporate purpose, in that sense, the list of the resource management contracts signed, which are in force as of December 31, 2023, is detailed below:



**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

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**FUND**

Agreement GEF\_BID  
Agreement USAID  
Agreement ABU DHABI  
Cooperation agreement KFW  
NAMA COOPERATION AGREEMENT KFW  
NAMA MOV Agreement Cooperation GIZ Findeter  
Agreement NAMA COAD  
Managed Agreements- COAD -Department of Cundinamarca - IDU  
Managed Agreements- COAD- Ibagué  
Managed Agreements - COAD- Popayán  
Managed Agreements - COAD- AMB Bucaramanga  
Managed Agreements - COAD - Mariquita  
Managed Agreements- COAD- Mariquita II  
Managed Agreements - COAD - Rionegro  
ROYALTIES Fund  
Administration of Agreements- ADCO-Risaralda  
Managed Agreements- ADCO-Cúcuta Gas Pipeline  
Managed Agreements- ADCO-Cúcuta Imsalud  
Agreement IDB San Andrés  
Prosperity Fund  
Compensated Fees  
Administration Trust INSFOPAL  
Social Investment Fund- FIS  
Cofinancing Fund for Urban Infrastructure - FIU  
Social and Regional Investment Resources- RISR

**2. Basis of preparation and presentation**

**2.1 Statement of Compliance with the Financial Information Accounting Standards Accepted in Colombia**

The financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by the Sole 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, the 938 of 2021 and 1611 of 2022. Group 1 MFRS 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 from 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, the requirements of the Basic Accounting and Financial Circular of the Financial Superintendency of Colombia (SFC) continue to apply.

The financial statements of Financiera de Desarrollo Territorial S.A. FINDETER, for the period ended December 31, 2023, have been prepared in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF) and the applicable provisions issued by the Financial Superintendency of Colombia.

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

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**2.2 Basis of preparation**

Financiera de Desarrollo Territorial S.A. FINDETER, has defined by statute to make a cut-off of its accounts, prepare, and disseminate general purpose financial statements once a year, on December 31. For legal purposes in Colombia, the main financial statements are the individual financial statements, which are expressed in Colombian pesos, as this is the functional and presentation or reporting currency for all purposes. In the case of Findeter, there is no distribution of dividends, as stipulated in Articles 3 of Law 57 of 1989 and Article 30 of Law 1328 of 2009.

**2.3 Business in progress**

Management's evaluation of its financial statements concludes that there is no uncertainty in its operations and that it has the capacity to continue as a going concern for the next 12 months. Therefore, it continues to adopt the going concern basis of accounting in preparing the financial statements.

**2.4 Presentation of Financial Statements**

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

Statement of Financial Position

It is presented showing the different asset and liability accounts arranged according to their liquidity, in the event of sale or demandability, respectively, since it is considered that for a financial institution this form of presentation provides more relevant and reliable information.

Statement of Income for the Year

The statement of income is presented according to the nature of expenses, which is the model most commonly used in financial institutions because it provides more appropriate and relevant information.

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.

Statement of Changes in Stockholders' Equity

The purpose of the statement of changes in equity is to show the changes in the various items comprising equity during a given period. In addition to showing these variations, the statement of changes in equity seeks to explain and analyze each of the variations, their causes, and consequences within the entity's financial structure.

Statement of cash flows

The statement of cash flows reports the generation of cash by category (operating, investing, and financing) during a given period of time. The classification of cash flows according to the aforementioned activities provides information that allows users to evaluate the impact of these activities on the entity's financial position, as well as on the final amount of its cash and cash equivalents.

Under Colombian GAAP, the Entity may report its cash flows from operations using one of the following methods:

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

- Direct method: which consists of presenting separately the main categories of collections and payments in gross terms.
- Indirect method: which begins by presenting the gain or loss on a net basis, which is then corrected for the effects of non-cash transactions, for all types of deferred payment items and accruals that are the cause of collections in the past or in the future, as well as for losses or gains associated with cash flows from operations classified as investing or financing.

Findeter presents its cash flow statements under the indirect method. Among

the main categories are:

- **Operating Activities**  
These are the activities that constitute the main source of income for Findeter, activities such as collections from portfolio placements, income from investments, income from technical assistance, payments to third parties for fund raising, placement of bonds.
- **Investment Activities**  
These are the disbursements that result in the recognition of an asset in the statement of financial position such as payments, receipts for the acquisition of property, plant and equipment, intangible assets, and other long-term assets.
- **Financing Activities**  
Activities that result in changes in the size and composition of the entity's equity and borrowings such as loans with allies, other financial obligations, and financial leases.

**2.5 Bases 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	Base 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 available-for-sale investments designated at initial recognition 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, lawsuits, and litigation against	• Present value of indexed claims with changes in results.
• Deferred tax	• For the measurement of the deferred tax, the temporary differences multiplied by the future income tax rate known in the tax standard will be taken as a basis. in effect at the time of recognition or period cutoff.

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

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**3. Summary of Significant Accounting Policies**

**3.1 Functional and presentation currency**

The items included in Findeter's individual financial statements are expressed in the currency of the primary economic environment where the entity operates, which is the Colombian peso, which is the functional and presentation currency. All information is presented in thousands of pesos and has been rounded to the nearest unit, except for exchange rates which are presented in pesos and the dollars described.

**3.2 Foreign Currency Transactions**

Transactions in foreign currency are converted into Colombian pesos using the exchange rate published by Banco de la República on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the representative market rate prevailing at the balance sheet date. Exchange differences are recognized in the statement of income. As of December 31, 2023 and 2022, the exchange rates per U.S. dollar were COP\$3,822.05 and COP\$4,810.20, respectively.

**3.3 Net Income per Share**

FINDETER capitalizes its profits because, in accordance with article 3 of Law 57 of 1989 and article 271 of the Organic Statute of the Financial System, once the legal and/or occasional reserves have been calculated, FINDETER will approve the capitalization of the surpluses of each period. It is important to note that Law 1328 of 2009 in its article 30 modified article 271 in the following terms "The Financiera de Desarrollo Territorial S.A. FINDETER will not be subject to forced investments and will not distribute profits in cash".

**3.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits in banks (local and foreign accounts) and interbank transactions with maturities of no more than one month, which are carried out as part of the normal management of cash surpluses. For a financial investment to qualify as a cash equivalent, it must be held to meet short-term payment commitments rather than for investment or similar purposes, be readily convertible to a specified amount of cash and be subject to an insignificant risk of changes in value.

**3.5 Trust operations**

Findeter may enter into trust agreements to manage resources destined to the development of its corporate purpose, in this sense, as of December 31, 2023 Findeter has entered into the following trust and mandate agreements:

**National Guarantee Fund**

Agreement subscribed between Findeter and the Fondo Nacional de Garantías, as a mandate without representation, so that the latter, in exercise of this, manages the monies delivered by the Principal, and with charge to them guarantees the claims of individual credits or real estate microcredits destined exclusively to finance the construction, remodeling or acquisition of housing qualified as of social interest. Within the framework of Law 812 of 2003, "National Development Plan 2002-2006", Chapter II "Description of the main investment programs", whose purpose was to encourage the fulfillment of the National Government's goals in the placement of social interest housing portfolios in Colombia.

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

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This mandate is valid for an additional one hundred and fourteen (114) months, counted from the date of the last credit disbursement made and guaranteed under the agreement. As of December 31, 2023 and 2022, guarantees continue to be provided within the scope of the mandate.

**Fiduciaria la Previsora -Pre-investment**

Irrevocable mercantile trust agreement for administration and payments entered into between Fiduciaria La Previsora S.A. and Findeter, so that the latter may transfer resources so that the trustee may execute contracts for the study and design of infrastructure projects, within the framework of the operations authorized to Findeter, such as providing technical assistance, project structuring, technical and financial consulting services.

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

In the case of the financial vehicles of the National Guarantee Fund and the Pre-investment Fund, Findeter recognizes their financial information in its financial statements by incorporating the balances on an item-by-item basis.

**3.6 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 transactions, loan portfolio and accounts receivable.

**3.6.1 Financial investment assets**

Investments are classified in accordance with Chapter I-1 of the Basic Accounting and Financial Circular of the Financial Superintendency of Colombia as follows: marketable investments, investments to be held to maturity and investments available for sale. Findeter, in the development of its business model guided by the guidelines defined by the Board of Directors, has the purpose of negotiating investments in order to optimize the management and administration of Findeter's financial resources, which are not used temporarily in credit operations.

For investments that are valued at market prices, the entity values them using the information provided by the price supplier "PRECIA S.A.". The provider supplies inputs for the valuation of investments (prices, rates, curves, margins, etc.), and has approved investment valuation methodologies in accordance with the provisions of Decree 2555 of 2010, as well as the instructions provided in the Basic Legal Circular of the Financial Superintendency of Colombia.

The following is the manner in which the different types of investments are classified, valued, and accounted for, in accordance with Chapter I-1 of the Basic Accounting and Financial Circular 100 of 1995, issued by the Financial Superintendency of Colombia, in accordance with the business model defined by the Board of Directors of Findeter:

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

<b>Negotiable</b>		
<b>Characteristics</b>	<b>Valuation</b>	<b>Accounting</b>
	Investments in securities or debt securities are valued based on the price determined by the valuation price vendor.	
	In exceptional cases where there is no determined fair value on the valuation day, such securities are valued exponentially based on the internal rate of return.	These investments are recorded in the respective "Investments at Fair Value through Profit or Loss" accounts of the Consolidated Financial Reporting for Supervisory Purposes.
Portfolio to manage fixed income and variable income investments other than shares with the main purpose of obtaining profits, resulting from variations in the market value of different instruments and in activities of purchase and sale of securities.	This procedure is performed daily.	
	Shares in collective investment funds, private equity funds, among others, and securities issued in the development 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 valuation date, unless they are listed on stock exchanges that mark price in the secondary market, they must be valued in accordance with this price.	The difference between the current fair value and the immediately preceding fair value is recorded as an increase or decrease in the value of the investment and affects the results for the period.
It gives rise to active purchases and sales.		This procedure is performed daily.

<b>To keep until maturity</b>		
<b>Characteristics</b>	<b>Valuation</b>	<b>Accounting</b>
Securities for which the entity has the purpose and the legal, contractual, financial, and operating capacity to maintain them until maturity or redemption, taking into account that the structure of eligible financial instruments for this portfolio implies only payments of principal and interest.	Exponentially from the internal rate of return calculated at the time of purchase, based on a 365-day year.	These investments should be recorded in the respective "Investments at Amortized Cost" accounts.
	This procedure is performed daily.	
	For fixed income to variable rate investments, the Internal Rate of Return is recalculated each time the value of the facial indicator changes.	The difference between the current fair value and the immediately preceding fair value of the respective security should be recorded as an increase or decrease in the value of the investment, affecting the results for the period.
	In the case of securities with prepayment options, the Internal Rate of Return is recalculated each time the future cash flows and payment dates change.	The yields receivable pending collection are recorded as an increase in the value of the investment. Consequently, the collection of such yields must be recorded as a reduction in the value of the investment. This procedure is performed on a daily basis.

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(In thousands of Colombian pesos, except where otherwise indicated )

<b>Available-for-sale - debt securities</b>		
<b>Characteristics</b>	<b>Valuation</b>	<b>Accounting</b>
Securities or securities and, in general, any type of investment, which are not classified as marketable investments or as investments to be held to maturity.	Investments in securities or debt securities are valued based on the price determined by the valuation price vendor.	These investments are recorded in the respective "Investments at Fair Value through Other Comprehensive Income - ORI" accounts.
In accordance with the business model, fixed income investments are managed in this portfolio with the main objective of obtaining contractual flows and making sales when circumstances require it, in order to maintain an optimal combination of profitability, liquidity and hedging that provides a relevant profitability support.	In exceptional cases where there is no determined fair value on the valuation day, such securities are valued exponentially based on the internal rate of return.  This procedure is performed daily.	The difference between the present value of the valuation day and the immediately preceding day (calculated based on the Internal Rate of Return calculated at the time of purchase, on the basis of a 365-day year), should be recorded as an increase in the value of the investment with a credit to the income statement.  The difference between the fair value and the calculated present value is recorded in the respective Unrealized Profit or Loss (ORI) account.

<b>Available-for-sale - equity instruments</b>		
<b>Characteristics</b>	<b>Valuation</b>	<b>Accounting</b>
Securities or securities 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.	is recorded in the respective Unrealized Profit or Loss (ORI) account, with a charge or credit to the investment.

**Impairment or Loss on Issuer Risk Rating**

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

- The rating of the issuer and/or the security in question, if any.
- Objective evidence that an impairment loss has been or may be incurred on 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 the security, if so required based on the evidence.

**Notes to the Financial Statements**

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The amount of the impairment loss is always recognized in income for the period, regardless of whether the respective investment has any amount recorded in Other Comprehensive Income (ORI), except for securities and/or internal or external public debt securities issued or guaranteed by the Nation, those issued by Banco de la República and those issued or guaranteed by the Guarantee Fund for Financial Institutions - FOGAFÍN.

**Securities and/or Securities of unrated issues or issuers**

Securities that do not have an external rating or that are issued by entities that are not rated shall be rated as follows:

<b>Category / Risk</b>	<b>Characteristics</b>	<b>Provisions</b>
A - Normal	Comply with the terms agreed in the security or bond and have an adequate capacity to pay principal and interest.	Not applicable.
B - Acceptable	Corresponds to issues that present uncertainty factors that could affect the ability to continue to adequately service the debt. Likewise, the financial statements and other available information of the issuer present weaknesses that may affect its financial situation.	In the case of securities and/or debt securities, the value at which they are accounted for may not exceed eighty percent (80%) of their nominal value net of amortizations made up to the valuation date.  In the case of securities and/or equity securities, the net value of provisions for credit risk (cost less provision) at which they are recorded may not 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. Likewise, its financial statements and other available information show deficiencies in its financial situation that compromise the recovery of the investment.	In the case of securities and/or debt securities, the value at which they are accounted for may not exceed sixty percent (60%) of their nominal value net of amortizations made up to the valuation date.  In the case of securities and/or equity securities, the net value of provisions for credit risk (cost less provision) at which they are recorded may not exceed sixty percent (60%) of the acquisition cost.
D - Significant	Corresponds to those issues that present noncompliance with the terms agreed in the security, as well as their financial statements and other available information present marked deficiencies in their financial situation.	In the case of securities and/or debt securities, the value at which they are accounted for may not exceed forty percent (40%) of their nominal value net of amortizations made up to the valuation date.



**Notes to the Financial Statements**

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Category / Risk	Characteristics	Provisions
		In the case of securities and/or equity securities, the net value of provisions for credit risk (cost less provision) at which they are recorded may not exceed forty percent (40%) of the acquisition cost.
E - Bad debts	Investments that according to financial statements and other available information of the issuer, the investment is estimated to be uncollectible.	The value of these investments is fully provided for.

**Securities and/or Securities of Issues or Issuers with External Ratings**

Securities or debt securities that have one or more ratings and securities or debt securities that are rated by external rating agencies recognized by the Financial Superintendency of Colombia may not be recorded for an amount that exceeds the following percentages of their nominal value net of amortizations made up to the valuation date:

<u>Long-term classification</u>	<u>Maximum value %</u>	<u>Short-term rating</u>	<u>Maximum value %</u>
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)	5 and 6	Zero (0)

For the purpose of estimating provisions on term deposits, the rating of the respective issuer is used.

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

In the event that the investment or the issuer has ratings from more than one rating agency, the lowest rating is taken into account, if they were issued within the last three (3) months, or the most recent one when there is a lapse of more than such period between one rating and another.

**3.6.2 Derivative Financial Instruments Transactions**

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 quoted commodity, a foreign currency exchange rate, etc.), requires no net initial investment or a lower investment than would be required for other types of contracts relating to the underlying asset, and is settled at a future date.

In the development of its operations, Findeter trades in the market derivative financial instruments for trading purposes such as forward contracts.

All derivatives are initially recorded at fair value. Subsequent changes in fair value are adjusted with a charge or credit to income.

**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

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**3.7 Loan Portfolio**

For the accounting treatment of the loan portfolio, the provisions of the Financial Superintendency of Colombia established in Chapter XXXI of the Basic Accounting and Financial Circular "CBCF," and its annexes are applied.

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

**3.7.1 Portfolio Types**

Findeter's portfolio is classified as follows:

- **Commercial.** These are loans granted to legal entities for the development of organized economic activities. Findeter includes the following types of loans in this modality:
  - **Rediscount Operations:** It originates in the credit operations intermediated by the entities supervised by the Superintendency of Finance, and with the creation of the VIS Social Interest Housing Line, other intermediaries were authorized, such as: Family Compensation Funds, Savings and Credit Cooperatives and Employee Funds.
  - **Direct Credit:** Originated in the operations authorized to the Financiera de Desarrollo Territorial S.A. - Findeter by means of Presidential Decrees Numbers 468 of March 23, 2020 and 581 of April 15, 2020, which refer to: granting direct credits with compensated rate and/or syndicated credits with public international law entities, directed to Municipalities, Districts and Departments. Additionally, with the issuance of Law 2299 of 2023, the finance company was authorized to generate direct credit operations with electricity distribution and marketing companies.
  - **First Floor:** This type of portfolio takes place when Findeter receives as payment the rediscounted portfolio of the credit institution in liquidation and acts as a second floor bank.
- **Housing:** Corresponds to loans granted to employees, regardless of the amount, for the acquisition of new or used housing, or the construction of individual housing, with special rates, according to the collective bargaining agreement. At Findeter this portfolio is classified as follows:
  - **Employee Housing Portfolio:** Corresponds to housing loans granted to Findeter employees in accordance with the benefits agreed upon in the collective bargaining agreement.
  - **Ex-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 has no credit allocation policies for former employees.
- **Consumption:** Corresponds to loans that, regardless of their amount, are granted to employees to finance the acquisition of consumer goods or the payment of services for non-commercial or business purposes, at special rates, according to the collective bargaining agreement. In Findeter this portfolio is divided into:
  - **Employee Consumer Portfolio:** Corresponds to consumer loans granted to Findeter employees in accordance with the benefits agreed upon in the collective bargaining agreement.

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- o **Ex-employee Consumer Portfolio:** Corresponds to consumer loans that were granted to employees of Findeter, which at the end of their relationship with the entity become part of this portfolio scheme. Findeter has no credit granting policies for former employees.

**3.7.2 Credit Risk Management**

Findeter, in accordance with the provisions of Chapter XXXI of External Circular 100 of 1995 issued by the Financial Superintendency of Colombia, implemented Credit Risk Management (CRM), which consists of policies, credit risk management processes, internal methodologies and reference models for estimating or quantifying expected losses, a system of provisions to cover credit risk and internal control processes.

Findeter permanently evaluates the risk incorporated in its credit assets, this analysis depends on the type of portfolio.

- For the rediscount portfolio, this analysis begins before a new intermediary is hired; once hired, periodic follow-up is performed according to the type of intermediary; if it is a credit institution, it is done monthly and for the other intermediaries, it is done quarterly. Each operation is checked prior to approval, with periodic monitoring of operations, including cases where there may be restructurings.
- For the direct credit portfolio, the analysis begins with the knowledge of the client, the risk analysis at the beginning of the loan, and thereafter the debtors of this portfolio are monitored every six months, based on an analysis of the evolution of the main financial figures, their payment capacity, analysis of the guarantees provided by the beneficiary at the time the loan was granted and their payment behavior.
- In the case of the employee portfolio, follow-up is given to the recovery made by payroll deduction and to the labor relationship with the Finance Company, which historically reflects great stability. Once the employment relationship is terminated and the debtor becomes a former employee (consumer and housing), follow-up begins upon termination of the employee's employment and is performed on a monthly basis based on the debtor's payment behavior.

**3.7.3 Credit Risk Rating**

Findeter's portfolios are classified and rated in the following risk categories, taking into account the regulatory provisions of Chapter XXXI of the Basic External Accounting and Financial Circular 100, issued by the Financial Superintendency of Colombia:

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• **Commercial Rediscount Portfolio (according to Annex 3 of Chapter XXXI)**

<b>Category</b>	<b>Description</b>
A1	The quantitative and qualitative analysis reflects a solid, stable, and sufficient financial position to meet its obligations on a permanent and timely basis. 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 on a permanent and timely basis; however, there are potential weaknesses that could compromise the counterparty's financial soundness and therefore its ability to meet its obligations. The deterioration in the economic and financial environment is likely to affect the company's ability to meet its obligations.
A3	The quantitative and qualitative analysis reflects an acceptable financial situation. There are factors that may significantly compromise the financial soundness of the counterparty and therefore its ability to meet its obligations. It is vulnerable to deterioration in the economic and financial environment.
A4	The quantitative and qualitative analysis reflects a high possibility of non-compliance with the counterparty's obligations. It is highly vulnerable to deterioration in the economic and financial environment.
A5	The counterparty defaulted in the payment of the obligation.

• **Direct commercial portfolio, second floor and ex-employee consumer portfolio (according to Annex 1 of Chapter XXXI of External Circular 100 of the Superintendency of Finance of Colombia).**

<b>Category</b>	<b>Commercial portfolio (direct and second floor)</b>	<b>Consumer portfolio (former employees)</b>
AA	Loans rated in this category reflect excellent structuring and diligence. 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 in arrears in their contractual obligations, i.e., between 0 and 29 days in arrears.	The credits rated in this category reflect excellent service. The risk analysis on the debtor reflects an optimal payment capacity and excellent credit behavior that guarantees the collection of the obligation within the agreed terms.

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<b>Category</b>	<b>Commercial portfolio (direct and second floor)</b>	<b>Consumer portfolio (former employees)</b>
A	<p>Credits rated in this category reflect appropriate structuring and attention. 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.</p> <p>Loans already granted that are 30 days or more but less than 60 days in arrears on their contractual obligations, i.e., between 30 and 59 days in arrears.</p>	<p>Credits rated in this category reflect adequate attention. The risk analysis on the debtor reflects an appropriate payment capacity and adequate credit behavior that allows inferring stability in the collection of the obligation under the agreed terms.</p>
BB	<p>Loans rated in this category are acceptably serviced and protected, but there are weaknesses that could potentially affect, temporarily or permanently, the debtor's ability to pay or the project's cash flows in such a way that, if not corrected in a timely manner, they could affect the normal collection of the loan or contract.</p> <p>Loans already granted that are 60 days or more but less than 90 days in arrears on their contractual obligations, i.e., between 60 and 89 days in arrears.</p>	<p>The credits rated in this category reflect acceptable attention. The risk analysis on the debtor shows weaknesses in its payment capacity and credit behavior that may potentially affect, temporarily or permanently, the normal collection of the obligation under the agreed terms.</p>
B	<p>Loans are classified in this category when there are insufficiencies in the debtor's payment capacity or in the project's cash flows, which compromise the normal collection of the obligation under the agreed terms.</p> <p>Loans already granted that are 90 days or more but less than 120 days in arrears on their contractual obligations, i.e., between 90 and 119 days in arrears.</p>	<p>The credits rated in this category reflect deficient attention. The risk analysis on the debtor shows insufficient payment capacity and deficient credit behavior, affecting the normal collection of the obligation within the agreed terms.</p>
CC	<p>This category includes loans or contracts that present serious insufficiencies in the debtor's payment capacity or in the project's cash flows, which significantly compromise the collection of the obligation under the agreed terms.</p>	<p>The loans rated in this category present serious insufficiencies in the debtor's payment capacity and credit behavior, significantly affecting</p>

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Loans already granted that are 120 days or more but less than 150 days in arrears on their contractual obligations, i.e., between 120 and 149 days in arrears.

Noncompliance	The minimum objective conditions for the loan to be classified in this category are the events described in paragraph 1.3.3.1 of the Basic Accounting and Financial Circular.	The minimum objective conditions for the loan to be classified in this category are the events described in paragraph 1.3.3.1 of the Basic Accounting and Financial Circular.
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Notwithstanding Findeter, the entity must grant a higher risk rating to debtors that, regardless of whether they meet the definitions indicated in the previous categories, present a higher risk due to other factors.

- **Housing Portfolio (Employees and former employees) and Employees Consumer Portfolio (According to Annex 2 of Chapter XXXI of External Circular 100 of the Superintendency of Finance of Colombia).**

Category	Risk	Description
A	Normal	Credits rated in this category reflect appropriate structuring and attention. The financial statements of the debtors, as well as other credit information, indicate an adequate payment capacity, in terms of the amount and origin of income with which The debtors are able to meet the required payments.
B	Acceptable	Loans rated in this category are acceptably serviced and protected, but there are weaknesses that could potentially affect, temporarily or permanently, the debtor's ability to pay, in such a way that, if not corrected in a timely manner, they could affect the normal collection of the loan or contract.
C	Deficient with acceptable risk	Loans that present insufficiencies in the counterparty's payment capacity or in the project's cash flows, which compromise the normal collection of the obligation under the agreed terms.
D	Difficult to collect with significant risk	Difficult to collect credit, with SIGNIFICANT risk. Loans that present insufficiencies in the counterparty's payment capacity or in the project's cash flows, which significantly compromise the collection of the obligation under the agreed terms.
E	Irrecoverable	It is that which is considered uncollectible.

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

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**Approval of Qualifications**

Pursuant to the provisions of Chapter XXXI of External Circular 100 of 1995 issued by the Financial Superintendency of Colombia, in order to homologate the risk ratings of the commercial portfolio (rediscount and direct credit) and the consumer portfolio of former employees of the models to the rating that must be reported in the financial statements, Findeter applies the following table:

<b>Report Category</b>				
<b>Grouped Category (FS)</b>	<b>Commercial - Rediscount</b>	<b>Commercial I - Direct</b>	<b>Consumer-Employees</b>	
A	A1	AA	AA	
	A2		A with arrears between 0-30 days	
	A3			
	A4			
B		A	A more than 30 days past due	
		BB	BB	
C		B	B	
		CC	CC	
D		A5	D	D
E			E	E

**Modification and Restructuring Processes**

In order for a loan to be considered for modification (loans that during the last 6 months have not been more than 60 days past due for consumer loans; and 90 days for commercial and housing loans) or restructuring (those changes in the original conditions to allow the debtor to adequately service its obligation in view of the real deterioration of its payment capacity and that are not considered a modification), it must comply with all the requirements established in Chapter XXXI of the Basic Accounting and Financial Circular "CBCF". This process begins with the express request for modification of the financial conditions of the loan. Subsequently, the Portfolio Management performs an analysis of the debtor's payment capacity, which is presented to the Administrative Credit Committee, which decides whether or not to modify the initial conditions of the loan. The classification and accounting records are as determined by the Basic Accounting and Financial Circular.

**Portfolio write-offs**

Obligations that in the opinion of the Administration are considered unrecoverable or of remote recovery and that are one hundred percent (100%) provisioned, after having exhausted all possible means of collection, in accordance with the concepts of Findeter's Legal Department, are subject to write-off.

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

The Board of Directors is the only body competent to approve the write-off of operations, upon recommendation of the Administrative Credit Committee.

**3.7.4 Impairment**

**Individual Impairment**

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In accordance with the provisions of Chapter XXXI of External Circular 100 of 1995 issued by the Financial Superintendency of Colombia, the methodologies for calculating provisions respond to the expected loss philosophy and incorporate parameters of probability of default and loss given default, based on the credit rating determined by Findeter.

By virtue of the foregoing, Findeter, in order to cover credit risk, has a provisioning system which, depending on the type of portfolio, is described in Annexes 1, 2 and 3 of Chapter XXXI of the Basic Accounting and Financial Circular, and is applied as follows:

- For the rediscount portfolio, the instructions given in Annex 3 (Model for entities with rediscount operations) apply. The methodologies implemented for risk classification of the different types of intermediaries are based on:
  - Financial analysis and probability of impairment: Mathematical and statistical evaluation of 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 which we intend to deepen our knowledge of the client and gain a better understanding of its business model and strategy, corporate governance framework, etc.
- For the consumer portfolio associated with former employees, the model shown in Annex 1 (Reference Model for Consumer Portfolio) is used.
- For the Direct Credit portfolio and second floor, the Commercial Portfolio Reference Model, set forth in Annex 1 of Chapter XXXI of the CBCF, is applied.
- For the housing portfolio associated with former employees, the instructions given in Annex 2 (Deterministic model for the calculation of impairment) are applied; for the consumer and housing portfolios associated with employees, the same annex is also applied.

**General Provision**

Pursuant to the provisions of Chapter XXXI of External Circular 100 of 1995 issued by the Financial Superintendency of Colombia, Findeter will constitute a general provision corresponding to one percent (1%) of the gross portfolio balance, on the employee and housing portfolios of former employees.

**3.7.5 Policy for Admission and Collateral Management**

In accordance with the provisions of Chapter XXXI of External Circular 100 issued by the Superintendency of Finance of Colombia, the guarantees backing the transaction are necessary to calculate the expected losses in the event of non-payment and, consequently, to determine the level of provisions.

The collateral analysis should include the following characteristics:

- Suitability: According to legal definition.
- Legality: Duly completed document that provides legal support to facilitate the management of the collection of the obligations granted.
- Value: Established based on technical and objective criteria.
- Possibility of realization: Reasonably adequate opportunity to enforce the guarantees.



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**Rediscount Portfolio**

For the rediscount portfolio, Findeter has policies regarding the guarantees to be provided, which depend on the type of operation, the type of intermediary and the final destination of the funds.

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

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

For the Direct Credit portfolio, the guarantees are those that comply with the provisions of Decree 2555 of 2010, and the Basic Accounting and Financial and Basic Legal Circulars of the Financial Superintendency of Colombia, as well as those defined by the National Government in Decrees 517, 528, 581, 798 and 819 of 2020 for the event of credit operations with Persons Providing Household Public Utilities.

In the case of loans received from an intervened first-tier bank, the guarantees are those that the financial intermediary has demanded from the beneficiary of the loan; at the time the loan is delivered to Findeter, these are assigned in its 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 electric power distributors and traders, pledging of income or revenues and stand-by letters of credit is generally required to cover at least 130% of the annual debt service, including principal and interest, during the term of the loan; compliance with this policy is validated in the follow-up and recovery of this portfolio.
- For public utility service providers, a 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, compliance with this policy is validated in the follow-up and recovery of this portfolio.

**Portfolio Employees and Former Employees**

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

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

**3.8 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 for any other concept.

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These accounts are mainly comprised of the amounts caused by technical assistance provided by Findeter, being its main clients, the Ministries and Territorial Entities.

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

In relation to the periodicity 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 are ultimately authorized to cancel them.

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 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 - Revenue from Revenue from Contracts with Customers, and do not contain a significant financial component, the simplified impairment model will be applied.

**Measurement of Expected Credit Losses**

IFRS 9 - Financial Instruments, establishes the following alternatives for the purpose of always measuring the value adjustment for expected credit losses of its trade receivables, contract assets.

- a. an unbiased weighted probability amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money;
- c. reasonable and supportable information that is available without cost or disproportionate effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

In order to comply with IFRS 9- Financial Instruments, in reference to the simplified impairment model, Findeter evaluated the conditions of the technical assistance contracts signed, the quality of the counterparties, such as (Ministries 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), the institutional backing of these entities and given that there are no indications or statistics that indicate that these entities have presented credit defaults, it was established that expected losses for credit risk should not be contemplated until there is additional relevant information that would allow forecasting future conditions that could lead to a default by the counterparties.

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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.

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

Impairment = Initial Recording Value X (Final Consumer Price Index/Initial Consumer Price Index) - Initial Recording Value.

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

**3.9 Investment properties**

They are defined as those lands or buildings considered in whole or in part, which Findeter has available to obtain rents, asset appreciation or both, instead of their use for its own purposes.

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

- a. Your purchase price, including import costs and non-discountable taxes, after deducting trade discounts.
- b. Any directly attributable cost to bring the asset to the location and conditions necessary for its proper and adequate operation.

Cost recognition ceases when the item is in the location and condition necessary for its operation.

Investment properties in Findeter are 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 which property has been disposed of to be classified as investment property, which is intended for full income generation.

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.

For purposes of measuring the fair value of the investment property, it is determined at level 2 of the hierarchy, The observable inputs were as follows:

- a. Location of the building in a sector of multiple economic activity and very near or close to important roads.
- b. 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.
- c. The quality of the office finishes and internal fittings, the applicable urban standards and land uses.

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- d. The market for similar properties in the sector, the remaining useful life assigned to the property and the fair value calculated corresponds to the commercial value of the property.

**3.10 Property and Equipment**

Property and equipment include assets, in property, which Findeter holds for current or future use and which it expects to use for more than one fiscal year.

They are recorded at acquisition cost, less the related accumulated depreciation and, if applicable, the impairment that occurs when the recoverable amount of the asset is lower than its carrying amount.

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

- a. Your purchase price, including import costs and non-discountable taxes, after deducting trade discounts.
- b. Any directly attributable cost to bring the asset to the location and conditions necessary for its proper and adequate operation.
- c. The initial estimate of the costs of dismantling and removal of the element, as well as the rehabilitation of the site on which it is located.
- d. Borrowing costs related to a qualifying asset, which is an asset that necessarily requires a substantial period of time before it is ready for its intended use or sale, are capitalized and, in all other cases, are recognized in the results for the period.

Depreciation is calculated by applying the straight-line method to the acquisition cost of the assets, less their residual value; in the case of assets measured at revalued cost, these are adjusted by eliminating accumulated depreciation and recording the asset at fair value, it being understood that the land on which buildings and other structures are constructed has an indefinite useful life and, therefore, is not subject to depreciation. Depreciation is charged to income and is calculated based on the following useful lives:

<u>Type of asset</u>	<u>Useful life (years)</u>
Buildings	100
Furniture and fixtures	6
Computer equipment	3
Vehicle	3

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

Upkeep and maintenance expenses for property and equipment are recognized as an expense in the year in which they are incurred and are recorded under "Maintenance expenses".

Findeter subsequently measures its property and equipment assets depending on the type of asset; for furniture and fixtures and computer equipment, it was determined that they will be measured at cost; for land and buildings, they will be measured using the revalued model less impairment losses and calculated depreciation. Once the revalued cost of the properties has been determined, Findeter will depreciate them according to the new estimated useful lives.

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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.

**Fixed asset derecognition**

The carrying amount, including the residual value of property and equipment is derecognized when no further associated future economic benefits are expected, obsolescence is determined or by management disposition, and the gain or loss on derecognition is recognized in profit or loss for the period.

**Impairment of Items of Property and Equipment**

At each accounting close, 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 impairment exists by comparing the asset's carrying amount with its recoverable amount (the higher of its fair value less costs of disposal and its value in use). When the carrying amount exceeds the recoverable amount, the carrying amount is adjusted to its recoverable amount, modifying future depreciation charges in accordance with its remaining useful life.

Similarly, when there are indications that the value of a tangible asset has been recovered, Findeter estimates the recoverable amount of the asset and recognizes it in the income statement for the period, recording the reversal of the impairment loss recorded in prior periods, and adjusts future depreciation charges accordingly. In no case may the reversal of an impairment loss on an asset result in an increase in its carrying amount above that which it would have had if no impairment losses had been recognized in prior years.

**3.11 Leases**

Findeter evaluates at the inception 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 at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent Measurement

The right-of-use asset after the commencement date is 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.

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Findeter measures the lease liability at the present value of the lease payments that have not been paid at that date. In Findeter, for purposes of discounting unpaid lease payments, the incremental rate for lessee loans will be used, which will correspond to the leasing rate for real estate, since it would be the rate that would reflect the operation in the market.

$$PV = \frac{FV}{(1 + i)^n}$$

PV = Present Value

FV = Future Value

i = Periodic effective interest rate

n = Number of periods

With respect to the contractual obligations, it should be noted that the lease payments must be updated with the annual increases established for each of them.

Short-term leases and leases of low-value assets

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

**Recognition as Lessor**

Findeter classifies 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 income from the lease over the life of the lease.

**3.12 Intangible Assets**

Findeter's intangible assets are measured initially and subsequently at cost and will be recognized only if the following is met:

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

Useful life of intangible assets

The following factors are taken into account when evaluating the useful life:

- The expected use of the asset.
- Typical asset life cycles.
- The incidence of technical, technological, and commercial obsolescence.
- The stability of the industry, or sector, and changes in market demand for the product.
- The expected actions of competitors or potential competitors.
- The level of maintenance outlays required to achieve the expected benefits of the asset.
- If the useful life of the software depends on the useful lives of other assets.

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Impairment

At the end of the accounting period, Findeter analyzes whether there are any indications, both external and internal, and for these cases, the accounting policy for property and equipment is followed to determine whether the recognition of any impairment loss applies. Any subsequent impairment losses or reversals are recognized in income for the year.

**3.13 Other assets**

The value of prepaid expenses such as insurance, which the Entity incurs in the development of its activity in order to receive future services, are recognized as other assets. Amortization of prepaid expenses is made during the period in which the services are received, or the expenses are incurred.

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

**3.14 Financial Guarantees**

Findeter issued a financial guarantee in favor of the intermediaries participating in the debt substitution operation that gave rise to the FIDEICOMISO FINDETER CRÉDITOS ET - AGUA, estimating the losses associated with the same based on the financial information published by the General Accounting Office of the Nation, of the municipalities benefiting from the credits, additionally the historical series of allocation of the General System of Participations published by the National Planning Department and historical series of CPI variations were analyzed. Losses are associated with events of default, which arise when one or more municipalities participating in the scheme fail to pay all or part of the debt service to the Trust (due to different risk factors) and consequently Findeter must respond for these 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 CREDITS ET - WATER TRUST is based on the analysis of the risk factors present in the life of the loans. The following risk factors are the focus and object of analysis and study:

- The decrease in interest due to a probable restructuring of the municipality's debts within the framework of Law 550.
- The sensitivity of cash flows to changes in the interest rate on 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 areas of potable 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 credits 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 coverage amount is \$70,000,000, which guarantees the value of the flows that the financial intermediaries will receive during the term of the loans.

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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 the calculation every six months, which is submitted for recognition.

The calculation of the technical reserves of the National Guarantee Fund is based on the estimation of expected losses for the different retro products guaranteed by Findeter. For VIS 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 mandate guarantees loans during the first 7 years and that a claim can be made on a guarantee that is 18 months in arrears at the most.

The expected loss percentage is the result of the estimate made on a historical basis of VIS real estate loans 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 real estate (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 in arrears or being surrendered in lieu of payment.

For VIPA 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 that of VIS.

The technical reserve of the National Guarantee Fund's guarantees is prepared by the Fund's risk team in accordance with the methodology described above, which is submitted at the end of each month for recognition by Findeter.

Financial guarantees are recognized initially and subsequently at fair value.

**3.15 Financial liabilities**

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

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

The amortized cost of a financial liability is the amount at initial recognition, comprising the fair value of the consideration, less costs directly attributable to the purchase, issue or disposal 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 bonds denominated in foreign currency, the transaction costs associated with obtaining such bonds are recognized as a deduction from the liability, recalculating the effective interest rate, based on which the corresponding financial expenses are recognized in the results for the period.



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The financial liabilities that Findeter has recorded do not present reclassifications in their valuation and recognition. The financial statements show the net interest and commission income and expenses derived from interest and commission operations.

For estimates of liquidity and market risks and a description of their management, see Note 9.

**3.16 Employee Benefits**

Findeter grants its employees the following benefits in exchange for the services rendered by them:

**Short-Term Benefits**

Corresponds to the benefits that Findeter expects to pay before the twelve months following the end of the reporting period. In accordance with Colombian labor regulations and Findeter's labor agreements, these benefits correspond to severance payments, interest on severance payments, vacations, vacation premiums, legal and extra-legal bonuses, bonuses, allowances, social security contributions and parafiscal contributions. These benefits are measured at cost and accrued on an accrual basis through profit or loss.

**Other long-term benefits**

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

Long-term employee benefit liabilities are determined based on insurance theory for life contingencies. Accordingly, it is established that the probability of a future life span for a person with given 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 No. 1555 of 2010 are used, and changes in the actuarial liability due to changes in actuarial assumptions are recorded in the statement of income. The results obtained from applying the aforementioned methodology are finally adjusted with the projected credit unit, which gives a higher value to the benefits proportionally to the employee's seniority. These values are calculated on an individual basis, i.e., each employee beneficiary has different conditions that differentiate them (seniority, gender, age, and time to pension, salary) and therefore represent different actuarial liabilities.

The recognition of these benefits is made based on the calculation made by the professionals of the Risk Vice-Presidency, which is updated every six months with the data of the employees linked to each cut-off.

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

**3.17 Taxes**

**Income Tax on Profits**

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

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

**Current tax:**

Current tax includes the expected tax payable or receivable on taxable income or loss for the year and any adjustments related to prior years. It is measured using the tax rates established in the tax statute at the end of the reporting period. Current tax also includes any tax arising from dividends.

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

The Finance 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 realize the assets and settle the liabilities simultaneously.

**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 recoverable 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 basis.

Recognition of taxable temporary differences

Deferred tax liabilities arising from taxable temporary differences are recognized in all cases except that:

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 does not affect the accounting profit or taxable income;

- Correspond to differences associated with investments in subsidiaries, associates, and joint ventures over which the Bank 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 in those cases in which 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;

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- 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 income to offset the differences;

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

Tax planning opportunities are only considered in assessing the recoverability of deferred tax assets if it is intended or probable that they will be adopted.

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 regulations 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.

At the end of the reporting period, the Company reviews the carrying amount of deferred tax assets to reduce the carrying amount to the extent that it is not probable that sufficient future taxable income will be available to offset such deferred tax assets.

The Company's non-monetary assets and liabilities are measured in terms of its functional currency. If taxable profit or loss is calculated 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 charged or credited to income for the period.

Compensation and classification

The Finance Company only offsets deferred income tax assets and liabilities if there is a legal right of set-off against the tax authorities and such 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.

**Industry and Commerce Tax**

In application of Article 86 of Law 2010 of 2019, Findeter recognizes as an expense for the year the total industry and commerce tax incurred in the year, the value susceptible to be imputed as a tax discount is treated as a non-deductible expense in the determination of the income tax for the year. The tax credit applied decreases the value of the current income tax expense for the period.

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**3.18 Provisions and Contingencies Provisions and**

**Contingencies Procedure Allocation of Provisions**

This is done based on the monthly report of each one of Findeter's attorneys-in-fact of the processes assigned to them. The report contains the qualification 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 standards.

Qualification is made in the following manner:

a. The contingency is determined:

- Probable, when the possibility of losing the case, in the opinion of Findeter's Legal Department or the attorney in charge, is higher than 50% and/or there is a condemnatory sentence against Findeter in the first instance or second instance.
- Eventual: When the possibility of loss of the case, in the opinion of Findeter's Legal Department or the attorney in charge, is greater than 5% and less than 50%.
- Remote: When the possibility of loss of the case, in the opinion of Findeter's Legal Department or the attorney in charge, is less than 5%.

b. The provision is qualified according to the procedural stage and status of the process.

- The probability of loss of a process is determined as follows:
  - High: More than 50%,
  - Mid: Between 25% and 50%,
  - Low: Between 10% and 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 rules on which it is based); Strength of the Defense 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 responsible of the office,
- (ii) Position of the Trial Judge,
- (iii) Timely arrival of the requested evidence,
- (iv) Number of instances associated with the process,
- (v) The Level of Jurisprudence (similar procedural history 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 legal contingency or contingent liability.

**3.19 Trade accounts payable and other accounts payable**

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

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

- Significant accounts payable are recorded separately, taking into account the Unified Chart of Accounts issued by the Financial Superintendency of Colombia.
- For the constitution of accounts payable, the 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 must be available.
- 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 is sufficient.
- Accounts payable may be constituted in favor of third parties when they make greater payments than the obligations contracted with Findeter. In these cases, the support must be the report prepared by the area making the application of the payment.
- Invoices and/or equivalent documents recorded by Findeter 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 settling the invoices and/or equivalent documents, and of the respective payment record (Payment Order).
- The Accounting Department will establish accounts payable supported by communication received by the respective areas that request it.

**3.20 Operating income**

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

**3.20.1 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.

**3.20.2 Income and Expenses from Commissions and Other Services**

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 customer contracts and their main features
- Identification of the performance obligations in the aforementioned contracts
- Transaction pricing and the effects of variable considerations
- Allocation of transaction amounts to each performance obligation
- Analysis of the appropriateness of the timing at which income should be recognized at Findeter either at a point in time or over time.

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**Methodology for Revenue Recognition - Inter-Administrative Contracts**

**Technical Assistance and Resource Administration Services  
Water Management**

<b>Fixed Cost Revenues</b>	Fixed costs refer to the recognition of income, due to Findeter's availability of infrastructure and logistics for the provision of the service. The Technical Assistance Program is supported by the preparation of a monthly financial and technical report.
<b>Variable Cost Revenues</b>	
Elaboration of the Terms of Reference  and Evaluation of Calls for Proposals	The basis for recognition of income is the amount awarded and effectively contracted for the execution of works, audits, and consulting services, multiplied by the percentage of remuneration established in each of the Interadministrative Contracts.
Supervision of project execution	The base remuneration income is given by the amount paid to contractors for works and consultancies, multiplied by the remuneration percentage stipulated in each of the Interadministrative Contracts.
Technical Visits	They refer to the activities of work follow-up, progress verification and follow-up committees carried out in the field.
Management related to the follow-up item in charge of the Ministry,  corresponding to two percent (2%)	Refers to the contracting and administrative management of payments to the supervisors who are Findeter's counterpart in the Ministry for the Water program projects.

**Inter-Administrative Contracts Social Infrastructure  
Management**

<b>Fixed Cost Revenues</b>	Fixed costs refer to the recognition of income, due to Findeter's availability of infrastructure and logistics for the provision of the Technical Assistance service and are supported by the preparation of a monthly financial and technical report.
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**Variable Cost Revenues**

Elaboration of the Terms of Reference and Evaluation of the Calls for Proposals

The basis for the recognition of income is the amount awarded and effectively contracted by the autonomous patrimony for the execution of the works, audits, and consulting services, multiplied by the percentage of remuneration established in each of the Interadministrative Contracts.

Monthly Project monitoring visits

They refer to work follow-up activities, progress verification and follow-up committees.

Viabilizations

Corresponds to the number of visits made for the preparation of feasibility certificates.

**Service Contracts Housing and Urban Development Management**

**Fixed Cost Revenues**

They are associated with all the activities related to the management of resources by FINDETER for the fulfillment of the object of the contract, i.e., the availability of the required personnel, the technical and logistical infrastructure for the fulfillment of the obligations.

**Variable Costs**

Monthly Project monitoring visits

These are the activities to be carried out in each visit project and are conditioned to the presentation of a consolidated report of the visits carried out in that period.

Milestone Follow-Up Visits (checklist) by Housing and/or Project, Certificates of Existence and Certificates of Compliance No.

Activities to be carried out for each dwelling in contractually defined periods and is conditioned to the presentation of a consolidated report of the visits and validations of the checklist and certificate of existence of the works.

Final Contract Report

The supervision of all the projects of the contract will be completed, according to what is stipulated in the clause of the execution term for each contract.

The revenue estimation policies established in Findeter are based on the provisions of the International Standard IFRS 15. The recognition of this revenue is based on the development of the performance obligations contracted in each of the agreements and in turn on 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 projects. Likewise, since they are agreements entered into with government entities, there is a high degree of collection and collection of these, which is highly efficient. See Note 28.

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### 3.21 Expenses

Expenses represent an outflow of cash by the entity as consideration for a service received, or a decrease in assets or an increase in liabilities.

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

### Netting of items of the same nature

In compliance with the requirements of the International Financial Reporting Standards, Findeter performs for presentation purposes the netting of assets and liabilities of the same nature, as of December 31, 2023:

Summary Table Neteos BG 2023					
Concept	Balance	Amount to be Netted		Balance Presentation Financial Statements	Supporting standard
		Debit	Credit		
Deferred tax assets (a)	210,821,125	(21,402,082)	-	189,419,043	IAS 12 Paragraphs 71 to 76
Other assets	32,035,096	(27,831,353)	-	4,203,743	NIC 1
Industry and Commerce Tax	6,139,352	-	(6,118)	6,133,234	IAS 12 Paragraphs 71 to 76
Employee benefits - other liabilities (b)	27,831,353	-	(27,831,353)	-	NIC 1
Deferred tax liability (a)	21,402,082	-	(21,402,082)	-	IAS 12 Paragraphs 71 to 76

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

### 3.22 Reclassifications

Findeter reclassified some amounts from previous periods mainly in the concepts that integrate the Statement of Financial Position and Cash Flows for better comparability with the current period, these reclassifications do not impact the profit for the period and the net equity of the Entity.

### 4. Changes in Significant Accounting Policies

Findeter did not apply any changes in its accounting policies during the year covered by this report.

### 5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Entity's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. In this regard, uncertainty about such assumptions and estimates could lead to future results that could require significant adjustments to the carrying amounts of the assets or liabilities affected. Changes in these estimates are recognized prospectively in the period in which the estimate is revised.



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**5.1 Judgments**

Judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including the expectation of the occurrence of future events that are considered reasonable under the circumstances.

**5.2 Estimates and Assumptions**

The resulting accounting estimates will by definition rarely equal the actual results. The amounts recognized as provisions are the best estimates of the expenditures required to settle the present obligation at the end of the reporting period, taking into account the related risks and uncertainties.

The following are the critical accounting judgments and estimates with the most significant effect on the repair of the financial statements:

**5.2.1 Impairment of Financial Assets**

**Allowance for Loan Loss Provisions**

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

- Qualitative analysis of the intermediary.
- Calculation of the value to be provisioned (impairment).
- Adjustment for systemic risk 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.

As of September 31, 2023, 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.

**5.2.2 Estimates for legal proceedings.**

A contingency needs to be classified according to the probability of occurrence of an event. Unless the possibility of any outflow of resources in settlement is remote, the CFO shall disclose, for each class of contingent liability, at the end of the reporting period, a brief description of the nature of the contingent liability.

In accordance with management's assessment and the guidelines established in the Financial Reporting Accounting Standards, provisions have been made to cover possible losses from labor cases, civil and administrative lawsuits, or others, according to the circumstances that, based on the opinion of Findeter's Legal Department and the Legal Defense Committee, supported by the opinions of the legal advisors, may have a material adverse effect on the financial statements.

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external legal expenses, when circumstances warrant, 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 cases to make an accurate forecast or quantify a loss amount in a reasonable manner; therefore, differences between the actual amount of disbursements actually incurred and the amounts initially estimated and provisioned are recognized in the period in which they are identified.

Estimates with respect to contingencies are based on the criteria adopted according to IFRS, which were established according to numeral 7 of Resolution 353 of November 1, 2016 of the National Agency of Legal Defense of the State which establishes:

- a) If the possibility of loss is rated HIGH (more than 50%), the proxy records the value of the adjusted claims as an accounting provision.
- b) If the probability of loss is rated MEDIUM (greater than 25% and less than or equal to 59%), the attorney-in-fact will record the value "0" in the State's Single Litigation Information System and will inform the financial area of the adjusted value of the claims so that it may be recorded as a memorandum account.
- c) If the probability of loss is classified as LOW (between 10% and 25%), the attorney-in-fact will register the value "0" in the State's Single Litigation Information System and will inform the financial area of the adjusted value of the claims so that it may be registered as a memorandum account.
- d) If the probability of loss is rated REMOTE (less than 10%), the attorney-in-fact shall record a value of "0" in the State's Single Litigation Information System. Since the probability is remote, the financial area should not record this information.

**5.2.3 Profit Tax**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax rules and the amount and timing of taxable income and future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual arrangements, differences arising between actual results and assumptions made, or future modifications of such assumptions, may require future adjustments to taxable income and expenses already recorded.

The Entity calculates provisions, based on reasonable estimates, for the possible consequences of inspections carried out by the Colombian tax authorities. The amount of these provisions depends on various factors such as the experience of previous tax audits and on the different interpretations of tax regulations made by the taxable entity and by the responsible tax authority. Such differences in interpretation may arise in a wide variety of matters, depending on the circumstances and conditions existing at the Entity's domicile. Since the Entity considers the likelihood of tax litigation and subsequent disbursements as a result to be remote, no tax-related contingent liabilities have been recognized.

In accordance with IAS 12 Income Taxes, the current tax payable is based on taxable income recorded during the year. Taxable income differs from reported income and in the statement of income and other comprehensive income, due to items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax liability is calculated using the tax rates approved by the tax entity at the end of the reporting period.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in our financial statements and their respective tax bases. Deferred taxes on assets and liabilities are calculated on the basis of the

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statutory tax rates that we believe will be applied to our taxable income during the years in which the temporary differences between the carrying amounts are expected to be recovered.

The carrying amount of a deferred tax asset should be subject to final review at each reporting period and should be reduced to the extent that it is probable that insufficient taxable profit will be available in the future to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting periods, to recover or settle the carrying amount of its assets and liabilities.

**5.2.4 Water Bond Technical Reserve**

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 CREDITS ET - WATER TRUST is based on the analysis of the risk factors present in the life of the loans. The following risk factors are the focus and object of analysis and study:

- The decrease in interest due to a probable restructuring of the municipality's debts within the framework of Law 550.
- The sensitivity of cash flows to changes in the interest rate on 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 areas of potable 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 credits acquired by the municipalities.

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

**5.2.5 Technical Reserve of Fondo Nacional de Garantías.**

The calculation of the technical reserves of the National Guarantee Fund is based on the estimation of expected losses for the different retro products guaranteed by Findeter. For VIS 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 mandate guarantees loans during the first 7 years and that a claim can be made on a guarantee that is 18 months in arrears at the most.

The expected loss percentage is the result of the estimate made on a historical basis of VIS real estate loans 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 real estate (Loan to Value or LTV) and scenarios on the year in which the loss may occur.

**5.2.6 Useful Life of Properties**

The entity determines the estimated useful lives and depreciation charges for property (real estate). The Entity's management periodically reviews the useful lives and the depreciation charge.

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**6. 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 available and sufficient information at the valuation date, by means of price information published by the official price provider endorsed by the Financial Superintendence of Colombia (PRECIA S.A.). In this way, Findeter obtains the prices and curves published by the supplier and applies them in accordance with the methodology corresponding to the instrument to be valued.

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

Fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Findeter can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in 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 evaluation of the input data used to obtain the fair value.

**6.1 Fair value measurements on a recurring basis**

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

For the determination of fair value hierarchy levels, an assessment is made of the methodologies used by the official price provider, with knowledge of the

markets, inputs, and approximations used for the estimation of fair values of recurring bases. On the other hand, and in accordance with the methodologies not objected by the Financial Superintendence of Colombia, the price provider (PRECIA) receives information from all external and internal sources of negotiation, information, and registration.

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

- a) **Market Prices:** methodology applied to assets and liabilities that have sufficiently large markets, in which the volume and number of transactions are generated to establish an exit price for each reference traded. This methodology, equivalent to a level 1 hierarchy, is generally used for investments in sovereign debt securities.
- b) **Margins and reference curves:** methodology applied to assets and liabilities for which market variables such as reference curves and spreads or margins with respect to recent quotations of the asset or liability in question or similar are used. This methodology, equivalent to a level 2 hierarchy, is generally used for investments in debt securities of financial institutions and corporate debt in the local market of low recurrent issuers and with low amounts outstanding.

OTC derivative financial instruments: these instruments are valued using the discounted cash flow approach, in which, based on inputs published by the supplier of prices of domestic, foreign, and implicit interest rate curves and exchange rates, the future cash flows of each contract are projected and discounted based on the underlying in question. The portfolio of these instruments, classified at fair value level 2, is comprised of currency forward contracts.

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In the case of 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 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 effect for the day and applicable for transactions realizable 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 unit for the beginning of the day.

- c) In the case of the investment classified in fair value hierarchy 3, which corresponds to the investment in the Ashmore Colombia Infrastructure Private Equity Fund, the valuation of the participation unit held, is obtained from the value of the Fund at the close 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 close of the previous day (total Units of the Fund, which are generated in each capital call). The result gives the value of the Fund's participation unit that is reported to investors in accordance with the provisions of the Regulations.

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.

Financial assets and liabilities measured at fair value are as follows:

Financial Assets and Liabilities	Fair value December 31, 2023	Hierarchy level			Fair value December 31, 2022	Hierarchy level		
		1	2	3		1	2	3
<b>Negotiable investments</b>								
Debt securities of other financial institutions	156,677,362	-	156,677,362	-	151,590,506	-	151,590,506	-
Government debt securities	175,830,783	175,830,783	-	-	125,824,324	125,824,324	-	-
Private Equity Fund - Ashmore	29,371,399	-	-	29,371,399	43,123,228	-	-	43,123,228
Mutual Funds	20,340,041	-	20,340,041	-	18,990,598	-	18,990,598	-
<b>Available for sale</b>								
Government debt securities	75,850,700	75,850,700	-	-	65,515,154	65,515,154	-	-
FNG Shares	40,663,870	-	-	663,870	35,605,826	-	-	35,605,826
Currency forward	974,569	-	974,569	-	65,489,650	-	65,489,650	-
<b>Total Investments</b>	<b>499,708,724</b>	<b>251,681,483</b>	<b>177,991,972</b>	<b>70,035,269</b>	<b>506,139,286</b>	<b>191,339,478</b>	<b>236,070,754</b>	<b>78,729,054</b>
<b>Liabilities</b>								
Currency forward	205,251,985	-	205,251,985	-	14,795,606	-	14,795,606	-
Financial guarantees	21,880,492	-	-	21,880,492	31,922,347	-	-	31,922,347
<b>Total liabilities</b>	<b>227,132,477</b>	<b>-</b>	<b>205,251,985</b>	<b>21,880,492</b>	<b>46,717,953</b>	<b>-</b>	<b>14,795,606</b>	<b>31,922,347</b>

For purposes of establishing the disclosure values of the Private Equity Fund as a Level 3 Asset, the historical series of the investment position for the last 50 months was established, as well as the Value at Risk for each of the months and reported to the SFC. The results were as follows:

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Year	Month	Position value	Max Var.	Standard deviation
2019	November	52,416,386	7,705,209	702,688,841,875,306
2019	December	61,938,007	9,104,887	5,008,391,742,018,060
2020	January	62,140,980	9,134,724	5,142,829,321,265,240
2020	February	61,945,818	9,106,035	5,013,531,927,348,420
2020	March	61,571,143	9,050,958	4,769,919,615,462,710
2020	April	60,798,252	8,937,343	4,286,554,555,477,410
2020	May	61,006,830	8,968,004	4,414,455,446,465,010
2020	June	49,337,750	7,252,649	148,768,983,874,778
2020	July	55,314,386	8,131,215	1,598,381,937,283,750
2020	August	56,183,549	8,258,982	1,937,770,684,401,320
2020	September	57,898,861	8,511,133	2,703,358,174,357,310
2020	October	57,335,698	8,428,348	2,437,983,157,301,680
2020	November	57,898,661	8,511,103	2,703,261,496,895,830
2020	December	42,085,661	6,186,592	462,877,750,083,687
2021	January	42,085,661	6,186,592	462,877,750,083,687
2021	February	42,886,929	6,304,379	316,479,227,469,464
2021	March	43,436,087	6,385,105	232,168,521,937,069
2021	April	43,845,575	6,445,300	177,783,561,727,510
2021	May	44,448,053	6,533,864	110,942,069,154,353
2021	June	45,130,239	6,634,145	54,195,066,320,065
2021	July	45,390,084	6,672,342	37,869,594,398,812
2021	August	45,886,192	6,745,270	14,804,369,437,603
2021	September	45,226,662	6,648,319	47,796,510,517,444
2021	October	45,268,948	6,654,535	45,117,165,080,624
2021	November	46,070,596	6,772,378	8,942,687,651,871
2021	December	44,478,538	6,538,345	107,976,814,004,902
2022	January	45,071,798	6,625,554	58,268,690,985,135
2022	February	44,983,889	6,612,632	64,674,487,311,025
2022	March	45,857,434	6,741,043	15,850,961,870,253
2022	April	46,594,007	6,849,319	310,617,152,235
2022	May	47,412,820	6,969,685	10,555,742,451,878
2022	June	48,165,733	7,080,363	45,547,832,640,942
2022	July	48,756,112	7,167,148	90,123,063,220,675
2022	August	49,442,322	7,268,021	160,863,458,646,802
2022	September	50,253,048	7,387,198	270,664,918,985,821
2022	October	44,352,250	6,519,781	120,521,953,608,074
2022	November	44,994,773	6,614,232	63,863,219,815,503
2022	December	43,123,227	6,339,114	278,603,452,637,164
2023	January	43,871,658	6,449,134	174,564,939,940,975
2023	February	44,898,343	6,600,056	71,228,656,911,913
2023	March	42,573,454	6,258,298	370,449,573,777,551
2023	April	42,845,164	6,298,239	323,424,544,712,244
2023	May	36,463,744	5,360,170	2,270,365,116,962,260
2023	June	36,973,313	5,435,077	2,050,241,579,989,350
2023	July	37,399,458	5,497,720	1,874,771,819,621,000
2023	August	37,708,531	5,543,154	1,752,418,155,840,390
2023	September	33,836,128	4,973,911	3,583,572,177,209,330
2023	October	29,234,786	4,297,513	6,601,970,134,463,660
2023	November	29,486,100	4,334,457	6,413,488,763,201,580
2023	December	29,371,399	4,317,596	6,499,173,636,653,180
	<b>Average</b>	<b>46,713,901</b>	<b>6,866,943</b>	<b>1,233,801</b>

Standard Deviation

1,246,327,212

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

Based on the above statements, the deviation of the data series is calculated, yielding a value of COP\$1,246,327,212, 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 by stressing it by adding the value of one standard deviation of that data series:

Potential impact on income statement negative hypothesis (loss) =

$$-6,866,943,409 - 1,246,327,212 = -8,113,270,621$$

To measure the Potential Impact on the income statement Positive Assumption, the average of the active position in the series is taken and multiplied by the value of the active rate of the rediscount portfolio for the final month of September 2023, 17.59% EA, giving as the most favorable result a yield of COP\$8,216,975,141.

As of December 31, 2023, Findeter has an investment in the Ashmore Colombia Infrastructure Fund of COP\$29,371,399, which is equivalent to a 12.84% participation and 916,367.03 units over the total of the Fund, generating a decrease of (COP\$13,571,828) compared to December 31, 2022.

<b>Ashmore Private Equity Fund - investment</b>	<b>Balance</b>
December 31, 2023	COP\$ 29,371,399
December 31, 2022	43,123,228
<b>Variation</b>	<b>(COP\$ 13,751,829)</b>

This decrease in the Fund's investment balance is detailed below:

As of December 31, 2023, the Private Equity Fund generated net income from valuation of COP\$188,405.

<b>Private Equity Fund - Ashmore</b>	<b>December 31 of 2023</b>	<b>December 31 of 2022</b>
Valuation income	6,923,243	10,265,553
Valuation expense	6,734,839	1,492,321
<b>Net Valuation</b>	<b>188,404</b>	<b>8,773,232</b>

Therefore, the final balance of the investment as of December 31, 2023 of (COP\$13,751,828), corresponds to the valuation gain of COP\$188,404 and the redemption of capital and yields made by the fund of (COP\$13,940,232).

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:

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Type	Valuation technique	Significant unobservable information	Interrelationship between significant unobservable inputs
and the fair value measurement	Contingent consideration The valuation of the companies that are part of the Ashmore Colombia Infrastructure Fund FCP-I is carried out through the Discounted Cash Flow and Asset Appraisal methodologies.	<p>The main significant unobservable information corresponds to:</p> <ol style="list-style-type: none"> <li>1. Estimated income for the valuation period.</li> <li>2. The pricing and cost structure of companies</li> <li>3. Weighted average cost of capital used to discount future cash flows</li> <li>4. The level of administrative and selling expenses.</li> <li>5. The working capital management policies used in the projection.</li> <li>6. The balance sheet structure used in the projection.</li> <li>7. The dividend policy of each of the companies</li> </ol> <p>The information for the aforementioned points 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 may increase or decrease as follows:</p> <ol style="list-style-type: none"> <li>1. Projected income assumptions are met</li> <li>2. If there is an effective cost and expense control in each company</li> <li>3. Whether working capital requirements increase or decrease</li> <li>4. If the dividend policy is modified substantially</li> <li>5. Whether the discount rate used to discount free cash flows increases or decreases.</li> </ol>

**6.2 Fair value measurement on a non-recurring basis:**

As of September 31, 2023, there are assets or liabilities measured at fair value determined on a non-recurring basis.

The following is a detail of how financial assets and liabilities managed for accounting purposes through maturity were valued and are measured at fair value solely for purposes of this disclosure.



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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, term deposit certificates 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 be received and/or paid during the term of each portfolio are projected individually. For the respective projection, the interest rate of the current cash flow at the cutoff date is used to determine the value of interest that would have to be received and/or paid in the period immediately following the cutoff date of the calculation and the days to maturity of the same are determined.

- **Determination of the discount rate**

The effective asset or liability rate of each of the portfolios is determined, as appropriate, on the cutoff date, according to the facial characteristics of each portfolio and the values accrued on the cutoff date. This rate is Base 365/real.

- **Calculation of duration.**

With the above calculations, the present values and 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.

The following table shows the carrying value and fair value of financial assets and liabilities on a non-recurring basis:

	December 31, 2023		December 31, 2022		Hierarchy Level
	Book value	Fair value	Book value	Fair value	
<b>Assets</b>					
Loan portfolio and finance leases, net	\$ 12,326,019,892	12,308,604,600	11,161,477,854	11,425,405,478	3
Financial investment assets	17,864,078	17,376,539	28,301,544	30,861,520	3
<b>Total, financial assets</b>	<b>12,343,883,970</b>	<b>12,325,981,139</b>	<b>11,189,779,398</b>	<b>11,456,266,998</b>	
<b>Liabilities</b>					
Term Certificates of Deposit	8,643,321,844	8,613,580,951	6,780,523,885	6,969,798,077	3
Outstanding investment securities	1,584,337,225	1,585,119,803	1,582,021,770	1,585,179,200	3
Financial obligations	2,717,244,911	2,608,152,092	3,198,872,502	3,020,423,658	3
<b>Total liabilities</b>	<b>\$ 12,944,903,980</b>	<b>12,806,852,846</b>	<b>11,561,418,157</b>	<b>11,575,400,934</b>	

\* 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.

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**7. Operating segments**

For management purposes, the Administration supervises the operating results based on the operating segments of business lines; Financial Services and Technical Assistance, for which purpose it established the direct allocation of income, expenses, assets and liabilities, in accordance with the allocation of the cost centers of the areas of Findeter, and the result thereof is the support for the preparation of the cost report generated by the accounting department and submitted to the accounting and budget management committee made up of the Entity's management group.

It should be noted that there are no levels of integration between the segments; the business units carry out separate activities, which do not generate inter-segment pricing. The return generated by each segment is measured on income before income tax.

The following figures correspond to revenues and expenses by segment for the years ended in:

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**STATEMENT OF INCOME BY OPERATING SEGMENT**

	<u>December 31</u> <u>2023</u>	<u>December 31</u> <u>2022</u>	<u>December 31</u> <u>2023</u>	<u>December 31</u> <u>2022</u>	<u>December 31</u> <u>2023</u>	<u>December 31</u> <u>2022</u>
<b>Net ordinary operating income</b>						
Interest on loan portfolio	1,832,125,729	1,073,462,808	-	-	1,832,125,729	1,073,462,808
Net gain from valuation of investments	210,814,451	100,584,499	-	-	210,814,451	100,584,499
Interest on investments at amortized cost, net	13,284,029	7,507,469	-	-	13,284,029	7,507,469
Loss and gain on valuation of derivatives, net	(693,441,953)	314,623,747	-	-	- 693,441,953	314,623,747
<b>Operating expenses</b>						
Financial Expenses	(1,403,283,609)	(784,244,932)	-	-	(1,403,283,609)	(784,244,932)
Foreign exchange gain and loss, net	506,466,695	(438,364,529)	-	-	506,466,695	(438,364,529)
<b>Financial margin, net</b>	<b>465,965,342</b>	<b>273,569,062</b>	-	-	<b>465,965,342</b>	<b>273,569,062</b>
Impairment for loan portfolio, net	(28,303,620)	(2,410,057)	-	-	(28,303,620)	(2,410,057)
Impairment for accounts receivable, net	-	4,071	501,243	(933,988)	501,243	(929,917)
<b>Financial margin, after impairment, net</b>	<b>437,661,722</b>	<b>271,163,076</b>	<b>501,243</b>	<b>(933,988)</b>	<b>438,162,965</b>	<b>270,229,088</b>
<b>Income and expenses from commissions and other services</b>						
Technical assistance income	-	-	64,050,706	67,397,354	64,050,706	67,397,354
Income from commissions and other services	4,840,704	4,948,464	-	-	4,840,704	4,948,464
Expenses for commissions and other services	(15,309,410)	(11,517,830)	(672,695)	(619,054)	(15,982,105)	(12,136,884)
<b>Fee and commission income and expenses and other services, net</b>	<b>(10,468,706)</b>	<b>(6,569,366)</b>	<b>63,378,011</b>	<b>66,778,300</b>	<b>52,909,305</b>	<b>60,208,934</b>
<b>Other income and expense</b>						
Other income	22,466,260	14,434,675	-	-	22,466,260	14,434,675
Other expenses	(173,059,657)	(130,857,452)	(84,003,427)	(78,354,933)	(257,063,084)	(209,212,385)
<b>Other income, net</b>	<b>(150,593,397)</b>	<b>(116,422,777)</b>	<b>(84,003,427)</b>	<b>(78,354,933)</b>	<b>(234,596,824)</b>	<b>(194,777,710)</b>
<b>Income before income taxes</b>	<b>276,599,619</b>	<b>148,170,933</b>	<b>(20,124,173)</b>	<b>(12,510,621)</b>	<b>256,475,446</b>	<b>135,660,312</b>
Income tax expense	(139,579,167)	(54,032,629)	10,155,167	4,562,175	(129,424,000)	(49,470,454)
<b>Profit for the year</b>	<b>137,020,452</b>	<b>94,138,304</b>	<b>(9,969,006)</b>	<b>(7,948,446)</b>	<b>127,051,446</b>	<b>86,189,858</b>
<b>Assets</b>	<b>14,674,284,678</b>	<b>13,110,611,698</b>	<b>70,765,801</b>	<b>42,712,637</b>	<b>14,745,050,479</b>	<b>13,153,324,336</b>
<b>Liabilities</b>	<b>13,166,389,147</b>	<b>11,725,666,556</b>	<b>55,867,093</b>	<b>44,013,884</b>	<b>13,222,256,240</b>	<b>11,769,680,439</b>

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**8. New Accounting Pronouncements**

**Standards and amendments applicable as of January 1, 2023**

**(a) Future requirements**

The following accounting pronouncements are applicable to annual periods beginning after January 1, 2024, and have not been applied in the preparation of these financial statements. The Finance Company intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not in advance.

Amendments to IFRS	Associated decree	Definition	Effective date
Definition of accounting estimates (amendments to IAS 8).	Decree 1611 of 2022	<p>Amendments issued to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus on the definition and clarification of accounting estimates.</p> <p>The amendments clarify the relationship between accounting policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective previously defined in an accounting policy.</p>	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	<p>The modifications include the following:</p> <ul style="list-style-type: none"> <li>• Requires companies to disclose their material accounting policies rather than significant accounting policies;</li> <li>• Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore need not be disclosed;</li> <li>• Clarify that not all accounting policies that relate to material transactions, other events or conditions are themselves material to the financial statements.</li> </ul>	Annual periods beginning on or after January 1, 2024. Early application is permitted.

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<p>Lease concessions related to Covid-19 beyond June 30, 2021. (Amendment to IFRS 16)</p>	<p>Decree 1611 of 2022</p>	<p>Modification issued as an optional practical solution that simplifies the way in which the lessee accounts for rent reductions that are a direct consequence of COVID-19. The practical expedient included in the 2020 amendments only applies to rent reductions related to payments originally due on or before June 30, 2021. In this regard, the application of the practical expedient has been extended by 12 months, allowing tenants to apply it to rent reductions related to payments originally due on or before June 30, 2022.</p>	<p>Annual periods beginning on or after January 1, 2024. Early application is permitted.</p>
<p>Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)</p>	<p>Decree 1611 of 2022</p>	<p>Amendments issued to clarify how companies should account for deferred taxes on certain types of transactions where an asset and a liability are recognized, e.g., leases and retirement obligations.</p> <p>The amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a service retirement obligation.</p>	<p>Annual periods beginning on or after January 1, 2024. Early application is permitted. Its application is retroactive which could constitute a restatement.</p>

Based on the aspects described on the modification, it is not estimated that it will have an impact on the financial statements, since Findeter does not carry out rental concessions related to Covid-19, as well as Deferred Taxes related to Assets and Liabilities arising from a Single Transaction.

With respect to the Definition of Accounting Estimates and Disclosures on Accounting Policies, Findeter updates them as they occur.

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**9. Cash and cash equivalents**

The following is a detail of Cash and Cash Equivalents:

	<b>2023</b>	<b>2022</b>
Cash	30,961	23,297
Local Currency (1)	1,180,501,958	966,524,082
Foreign Currency (2)	479,043	51,840,014
	<b>1,181,011,962</b>	<b>1,018,387,393</b>
Interbank (3)	240,922,083	13,615,491
Available Funds (4)	9,685,666	1,515,663
	250,607,749	15,131,154
	<b>1,431,619,711</b>	<b>1,033,518,547</b>

- (1) Of the COP\$ 1,180,501,958 of cash - local currency, the Treasury Department had resources of COP\$ 1,113,057,328 in savings accounts as of December 31, 2023, which generated an average return of 11.36% E.A. (December 2022 9.89% E.A.). Findeter manages its resources as a single cash unit, destined to meet all its resource needs in compliance with its corporate purpose.

There is no restriction on the availability of these funds; there is a pledge on the resources of Banco de la República as of December 2023 for COP\$62,172,081 (2022 COP\$69,720,571). See Note 32, item 1, Commitments, and contingencies - Counter-guarantees for a detail of the pledges, there are no restrictions on their availability. As of December 31, 2023 there are 13 reconciling items amounting to COP\$32,989, as of December 31, 2022 there was 1 reconciling item totaling COP\$8,264.

- (2) Cash in foreign currency corresponds to deposits in U.S. dollars in interest-bearing accounts that generated an average return at December 31, 2023 and 2022 of 0.08% and 1.03% A.E.; respectively, with a balance at December 31, 2023 of USD 125,336 (2022 USD 10,777,101).

- (3) Interbank funds were classified as cash equivalents for COP\$240,922,083, which have maturities between 1 and 30 days according to policy.

**Information as of December 31 , 2023**

Entity	Rate	Value	Expiration Date	Grade	Qualifying
Corficolombiana	12.05%	240,922,083	02/01/2024	AAA	BRC Ratings- S&P Global S.A.

**Total 240,922,083**

**Information as of December 31 , 2022**

Entity	Rate	Value	Expiration Date	Grade	Qualifying
Corficolombiana	11.14%	13,615,491	02/01/2023	AAA	Standard & Poors and Fitch Ratings Colombia

**Total 13,615,491**

- (4) Corresponds to cash balances at December 31, 2023 and 2022, administered in the National Guarantee Fund for COP\$9,514,818 (2022 COP\$1,360,163) and the Pre-Investment Fund for COP\$170,848 (2022 COP\$155,500).

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

The following table illustrates the bank ratings granted by risk rating firms authorized by the Financial Superintendency of Colombia, of the financial entities where Findeter holds the cash balance, as of December 31, 2023 and 2022, are classified as AAA.

BANK	RISK RATING	2023	2022
Banco de Bogotá S.A.	AAA	\$ 3,714,611	\$ 3,187,603
Banco Popular S.A.	AAA	1,976,848	364,841,053
Bancolombia S.A.	AAA	12,232,169	8,889,030
Banco GNB Sudameris	AAA	246,500	99,908
BBVA Colombia S.A.	AAA	512,753,299	791,712
Banco Santander S.A.	AAA	1,016,461	357,450
Banco Itaú S.A.	AAA	91,594,516	117,859
Banco de Occidente S.A.	AAA	340,088	757,001
Davivienda S.A.	AAA	2,109,511	5,463,790
Banco Caja Social S.A.	AAA	51,507,683	46,887,076
Banco AV Villas S.A.	AAA	122,068	192,027,575
Banco Scotiabank Colpatría S.A.	AAA	929,009	85,043,177
Corficolombiana S.A.	AAA	439,787,114	188,340,277
Central Bank	Country Risk	62,172,081	69,720,571
Banks Foreign currency	BB+	479,043	51,840,014
Petty Cash	No qualification	30,961	23,297
Interbank (1)	AAA	240,922,083	13,615,491
Restricted Cash (2)	AAA	9,685,666	1,515,663
		<b>\$ 1,431,619,711</b>	<b>\$ 1,033,518,547</b>

### 10. Financial investment assets and derivatives

The classification of investments is shown below:

	2023	2022
Marketable investments at fair value	\$ 382,219,584	339,528,656
Held-to-maturity investments (1)	17,864,078	28,301,544
Changes available for sale at ORI	116,514,570	101,120,980
Derivative financial instruments	974,569	65,489,650
	<b>\$ 517,572,801</b>	<b>\$ 534,440,830</b>

(1) Includes the balance of investments derived from the portfolio securitization, held in the Colombian Securitization Company for \$17,864,087 as of December 31, 2023, (\$28,301,544 in 2022).

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**10.1 Marketable Investments at Fair Value**

The balance of marketable investments at fair value is as follows

	<b>2023</b>	<b>2022</b>
Colombian peso debt securities issued or guaranteed by other financial institutions	\$ 156,677,362	\$ 151,590,506
Equity securities (1)	29,371,399	43,123,228
Debt securities in Colombian pesos issued or guaranteed by the Colombian Government	175,830,783	125,824,324
Pre-investment Fund ( 2)	20,340,040	18,990,598
	<b>\$ 382,219,584</b>	<b>\$ 339,528,656</b>

- (1) Through Decree 1070 of April 8, 2010, Findeter was authorized to invest in private equity funds. Subsequently, the Board of Directors of Findeter approved the investment in the Ashmore Private Equity Fund through minute 233 of April 26, 2010. At December 31, 2023, the Fund had a net valuation gain of \$188,404 (2022 gain of \$8,773,231). See Note 27.

The final balance of the investment as of December 31, 2023 of (13,751,828), corresponds to the valuation gain of \$ 188,404 and the redemption of capital and yields made by the Fund of (\$13,940,232).

- (2) Corresponds to the balance of the Collective Investment Fund, which has been constituted in the Pre-investment Fund, in which resources are managed for a specific purpose consisting of technical assistance for infrastructure projects.

**10.2 Available-for-Sale Investments with Changes in the ORI**

The detail of equity investments is as follows:

	<b>2023</b>	<b>2022</b>
Debt securities in Colombian pesos issued or guaranteed by the Colombian government (1)	\$ 75,850,700	65,515,154
National Guarantee Fund FNG	40,663,670	35,605,626
Other	300	300
Investments Impairment	(100)	(100)
<b>Equity with changes in ORI</b>	<b>\$ 116,514,570</b>	<b>\$ 101,120,980</b>

- (1) The increase observed in 2023 compared to 2022 is due to a greater positioning in debt securities issued or guaranteed by the Colombian Government, in line with the income generation objectives of the Fixed Income Structural Asset Portfolio.

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 goal.



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- (2) Findeter has a shareholding in the equity of the Fondo Nacional de Garantías as of December 31, 2023 and 2022, as follows: 1.10% in 2023 (1.10% in 2022), for a total number of shares of 5,264,172 in 2023 (5,264,172 in 2022); with an equity value per share of \$7,724.60 in 2023 (\$6.763,77 in 2022). The restatement of the value of the shares is recorded with changes in the ORI. For this purpose, the equity value was updated with the updated certificate as of November 30, 2023.

**10.3 Derivative financial instruments measured at fair value**

The following table shows the fair values at the end of the period of forward exchange rate contracts in which Findeter is engaged.

	2023		2022	
	Amount	Amount	Amount	Notional value
		Reasonable \$	notional	Reasonable \$
	2021 (USD)		2021 (USD)	
<b>Derivative assets</b>				
Forward contracts:	-	-	-	-
Purchase of foreign currency	258,394	-	322,615,319	-
Rights	-	\$62,608,578	-	1,543,610,499
Obligations	-	(61,634,009)	-	(1,478,120,849)
<b>Total derivative assets</b>	<b>258,394</b>	<b>974,569</b>	<b>322,615,319</b>	<b>65,489,650</b>
<b>Passive derivatives</b>				
Forward contracts:	-	-	-	-
Purchase of foreign currency	574,162,084	-	213,475,157	-
Rights	-	\$2,141,832,071	-	1,018,197,141
Obligations	-	(2,347,084,056)	-	(1,032,992,747)
<b>Total derivative liabilities</b>	<b>574,162,084</b>	<b>(205,251,985)</b>	<b>213,475,157</b>	<b>(14,795,606)</b>
<b>Net position</b>	<b>574,420,478</b>	<b>(204,277,416)</b>	<b>536,090,476</b>	<b>50,694,044</b>

During the year 2023, the hedging strategy was not modified, nor has it been modified, where it is intended to maintain the hedged position 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 derivative financial instruments contracted by Findeter are traded in the OTC market (over the counter) with local counterparties. The fair value of derivative instruments has positive or negative variations as a result of fluctuations in foreign currency exchange rates.

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• **Investment Time Bands**

The following is a detail of investments by maturity:

	<b>2023</b>				
	<b>Up to one month</b>	<b>More than one month and less than three months</b>	<b>More than three months and no more than one year</b>	<b>More than one year</b>	<b>Total</b>
Debt instruments issued or guaranteed by financial institutions	\$3,521,490	29,365,490	92,169,180	31,621,202	156,677,362
FCP equity securities	-	-	-	29,371,399	29,371,399
Colombian peso debt securities issued or guaranteed by the Colombian Government	-	-	6,778,525	169,052,258	175,830,783
Held-to-maturity investments, debt instruments	-	-	-	17,864,078	17,864,078
Mutual Funds	-	-	-	20,340,040	20,340,040
Equity changes in ORI	-	-	-	116,514,570	116,514,570
Forwards Transactions	-	-	974,569	-	974,569
	<b>3,521,490</b>	<b>29,365,490</b>	<b>99,922,274</b>	<b>384,763,547</b>	<b>517,572,801</b>
	<b>2022</b>				
	<b>Up to one month</b>	<b>More than one month and less than three months</b>	<b>More than three months and no more than one year</b>	<b>More than one year</b>	<b>Total</b>
Debt instruments issued or guaranteed by financial institutions	\$4,513,095.00	12,413,315	83,888,685	50,775,411	151,590,506
FCP equity securities	-	-	-	43,123,227	43,123,227
Colombian peso debt securities issued or guaranteed by the Colombian Government	-	8,487,264	13,914,900	103,422,160	125,824,324
Held-to-maturity investments, debt instruments	-	-	-	28,301,544	28,301,544
Mutual Funds	-	-	-	18,990,598	18,990,598
Equity changes in ORI	-	-	-	101,120,981	101,120,981
Forwards Transactions	25,161,253	39,360,567	967,830	-	65,489,650
	<b>29,674,348</b>	<b>60,261,146</b>	<b>98,771,415</b>	<b>345,733,921</b>	<b>534,440,830</b>

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#### • Counterparty Rating Year 2023 Investments.

The following table shows the balances and ratings of the counterparties of the securities comprising the entity's portfolio as of December 2023 and 2022:

Company name	2023	2022	Grade
Foreign Trade Bank	3,096,420	3,920,580	AAA
Banco de Bogotá	23,827,900	35,224,910	AAA
Banco Bilbao Vizcaya Argentaria Colombia S.A.	18,716,015	37,745,474	AAA
Banco Popular	17,309,605	12,834,281	AAA
Banco Davivienda	19,385,039	21,783,180	AAA
Banco Colpatria Red Multibanca S. A	4,613,460	21,236,340	AAA
Banco Comercial AV Villas	4,704,705	941,530	AAA
Banco de Occidente	6,085,005	19,240,936	AAA
Corficolombiana S.A.	13,578,660	23,315,088	AAA
Bancolombia S.A.	32,070,625	32,588,280	AAA
Ministry of Finance and Public Credit	195,833,447	191,339,479	Country Risk
CMR Falabella S.A. Cia. Fin. Cial.	2,033,710	1,884,970	AAA
Fondo de Inversión Colectiva Fiduprevisora	20,340,040	18,990,597	AAA
FCP Fondo Inf Col Ashmore I-S1	29,371,399	43,123,227	No Record
Titularizadora Colombia S.A.	18,308,150	29,151,984	AAA
Enertolima S.A. E.S.P.	100	100	No Record
Fondo Nacional de Garantías S. A	40,663,670	35,605,626	AAA
Ecopetrol	100	100	AAA
Itaú CorpBanca Colombia	0	5,514,148	AAA
Banco CorpBanca	0	0	AAA
Central Bank	55,848,036	0	AAA
RCI Colombia S.A.	1,635,615	0	AAA
Banco Santander de Negocios Colombia S.A.	10151100	0	AAA
<b>Total</b>	<b>517,572,801</b>	<b>534,440,830</b>	

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

There is currently no restriction on Findeter's portfolio; the investments of the National Guarantee Fund and the pre-investment fund are administered and managed in the funds for their ordinary operations.

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**11. Loan Portfolio, net**

The following is a detail of the loan portfolio as of December 31, 2023 and 2022: The portfolio by modality is as follows:

Modality	2023		
	Capital	Interests	Total
Commercial Rediscount	\$ 8,805,407,919	132,958,225	8,938,366,144
Commercial Direct Credit	3,343,372,162	40,952,849	3,384,325,011
Consumption	7,342,161	49,164	7,391,325
Housing	89,706,135	232,642	89,938,777
	<b>12,245,828,377</b>	<b>174,192,880</b>	<b>12,420,021,257</b>
Commercial Provision Rediscount	(45,289,135)	(648,232)	(45,937,367)
Commercial Provision Direct Credit	(44,156,594)	(607,278)	(44,763,872)
Consumption Provision	(212,344)	(24,773)	(237,117)
Housing Provision	(3,008,756)	(54,253)	(3,063,009)
<b>Provision</b>	<b>(92,666,829)</b>	<b>(1,334,536)</b>	<b>(94,001,365)</b>
	<b>\$ 12,153,161,548</b>	<b>172,858,344</b>	<b>12,326,019,892</b>

Modality	2022		
	Capital	Interests	Total
Commercial Rediscount	\$ 8,971,705,330	99,575,604	9,071,280,934
Commercial Direct Credit	2,058,075,152	22,893,602	2,080,968,754
Consumption	6,088,487	22,207	6,110,694
Housing	68,640,525	174,693	68,815,218
	<b>11,104,509,494</b>	<b>122,666,106</b>	<b>11,227,175,600</b>
Commercial Provision Rediscount	(36,935,245)	(393,682)	(37,328,927)
Commercial Provision Direct Credit	(25,350,773)	(324,472)	(25,675,245)
Consumption Provision	(195,286)	(23,044)	(218,330)
Housing Provision	(2,456,762)	(18,482)	(2,475,244)
<b>Provision</b>	<b>(64,938,066)</b>	<b>(759,680)</b>	<b>(65,697,746)</b>
	<b>\$ 11,039,571,428</b>	<b>121,906,426</b>	<b>11,161,477,854</b>

The portfolio by rating is as follows:

	2023			
	Capital	Interest and financial component	Provision	
			Capital	Interest and financial component
<b>Commercial Rediscount</b>				
A - Normal	\$ 8,805,407,919	132,958,225	(45,289,135)	(648,232)
	<b>8,805,407,919</b>	<b>132,958,225</b>	<b>(45,289,135)</b>	<b>(648,232)</b>
<b>Commercial Direct Credit</b>				
A - Normal	\$ 3,290,744,228	39,988,093	(36,299,328)	(438,153)
B - Acceptable	37,284,658	579,675	(661,928)	(10,260)
C-Appreciated	4,126,443	135,748	(320,114)	(10,536)
D - Significant	9,100,000	209,507	(4,758,390)	(108,504)
E - Bad debts	2,116,833	39,826	(2,116,833)	(39,826)
	<b>3,343,372,162</b>	<b>40,952,849</b>	<b>(44,156,593)</b>	<b>(607,279)</b>

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	<b>2023</b>			
	<b>Capital</b>	<b>Interest and financial component</b>	<b>Provision</b>	
			<b>Capital</b>	<b>Interest and financial component</b>
<b>Consumption</b>				-
A - Normal	7,224,893	24,381	(144,298)	(204)
B - Acceptable	50,633	230	(1,411)	(6)
E - Bad debts	<u>66,635</u>	<u>24,554</u>	<u>(66,635)</u>	<u>(24,563)</u>
	<b><u>7,342,161</u></b>	<b><u>49,165</u></b>	<b><u>(212,344)</u></b>	<b><u>(24,773)</u></b>
<b>Housing</b>				
A - Normal	87,094,044	159,381	(1,741,881)	(1,233)
B - Acceptable	197,993	644	(8,316)	(21)
C-Appreciated	266,236	339	(29,286)	(34)
D - Significant	1,175,083	24,140	(246,767)	(4,828)
E - Bad debts	<u>972,779</u>	<u>48,137</u>	<u>(982,506)</u>	<u>(48,137)</u>
	<b><u>89,706,135</u></b>	<b><u>232,641</u></b>	<b><u>(3,008,756)</u></b>	<b><u>(54,253)</u></b>
<b>\$</b>	<b><u>12,245,828,377</u></b>	<b><u>174,192,880</u></b>	<b><u>(92,666,829)</u></b>	<b><u>(1,334,537)</u></b>
	<b>2022</b>			
	<b>Capital</b>	<b>Capital financial component</b>	<b>Provision</b>	
			<b>component</b>	<b>Interest and financial component</b>
<b>Commercial Rediscount</b>				
A - Normal	\$ 8,971,705,330	99,575,604	(36,935,245)	(393,682)
	<b><u>8,971,705,330</u></b>	<b><u>99,575,604</u></b>	<b><u>(36,935,245)</u></b>	<b><u>(393,682)</u></b>
<b>Commercial Direct Credit</b>				
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-Appreciated	4,148,905	98,718	(323,810)	(7,516)
D - Significant	1,259,520	-	(637,947)	-
E - Bad debts	<u>868,980</u>	<u>39,826</u>	<u>(868,980)</u>	<u>(39,826)</u>
	<b><u>2,058,075,152</u></b>	<b><u>22,893,603</u></b>	<b><u>(25,350,774)</u></b>	<b><u>(324,471)</u></b>
<b>Consumption</b>				
A - Normal	5,941,300	20,131	(116,258)	(80)
C-Appreciated	80,109	388	(11,951)	(51)
E - Bad debts	<u>67,078</u>	<u>1,688</u>	<u>(67,078)</u>	<u>(22,912)</u>
	<b><u>6,088,487</u></b>	<b><u>22,207</u></b>	<b><u>(195,287)</u></b>	<b><u>(23,043)</u></b>
<b>Housing</b>				
A - Normal	65,864,665	133,784	(1,317,293)	(895)
B - Acceptable	1,261,888	22,372	(52,999)	(716)
C-Appreciated	273,514	134	(30,087)	(13)
D -Significant	245,597	1,932	(51,575)	(387)
E - Bad debts	<u>994,861</u>	<u>16,470</u>	<u>(1,004,807)</u>	<u>(16,472)</u>
	<b><u>68,640,525</u></b>	<b><u>174,692</u></b>	<b><u>(2,456,761)</u></b>	<b><u>(18,483)</u></b>
<b>\$</b>	<b><u>11,104,509,494</u></b>	<b><u>122,666,106</u></b>	<b><u>(64,938,067)</u></b>	<b><u>(759,679)</u></b>

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

Economic sectors	2023					
	Commercial Rediscount	Commercial Direct Credit	Consumption	Housing	Total	% Part
Education infrastructure	\$ 1,547,290,340	334,657,638	-	-	1,881,947,978	15%
Transportation infrastructure	1,665,977,379	991,633,682	-	-	2,657,611,061	21%
Health infrastructure	1,393,788,048	206,585,440	-	-	1,600,373,488	13%
Urban infrastructure development, construction, and housing	1,058,849,437	752,920,619	-	-	1,811,770,056	15%
Infrastructure for energy development	1,493,822,059	317,647,122	-	-	1,811,469,181	15%
Potable water and basic sanitation infrastructure	1,394,237,555	152,414,542	-	-	1,546,652,097	12%
Infrastructure for sports, recreation, and culture	229,522,825	485,057,534	-	-	714,580,359	6%
Territorial fiscal consolidation	56,846,056	65,367,761	-	-	122,213,817	1%
Tourism infrastructure	28,656,075	56,730,807	-	-	85,386,882	1%
Environmental infrastructure	9,621,804	21,309,866	-	-	30,931,670	0%
ICT infrastructure	53,144,938	-	-	-	53,144,938	0%
Infrastructure Cultural, Creative Industry and Orange Economy	6,609,628	-	-	-	6,609,628	0%
Salaried employees (current and former employees)	-	-	7,391,325	89,938,777	97,330,102	1%
	<b>\$ 8,938,366,144</b>	<b>3,384,325,011</b>	<b>7,391,325</b>	<b>89,938,777</b>	<b>12,420,021,257</b>	<b>100%</b>

Economic sectors	2022					
	Commercial Rediscount	Commercial Direct Credit	Consumption	Housing	Total	% Part
Education infrastructure	\$ 1,687,429,505	214,166,060	-	-	1,901,595,565	17%
Transportation 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 infrastructure development, construction, and housing	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%
Potable 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 (Employees and Former Employees)	-	-	6,110,694	68,815,218	74,925,912	1%
	<b>\$ 9,071,280,934</b>	<b>2,080,968,754</b>	<b>6,110,694</b>	<b>68,815,218</b>	<b>11,227,175,600</b>	<b>100%</b>

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### Portfolio by geographic area

The following is a breakdown of the loan portfolio by geographic area:

		2023		
		Capital	Interests	Total
<b>Commercial Rediscount</b>				
Central Region	\$	3,303,915,642	62,855,056	3,366,770,698
Regional Noroccidental		2,017,709,462	21,299,385	2,039,008,847
Caribe Region		1,619,667,940	27,893,357	1,647,561,297
Pacific Region		745,444,542	7,708,221	753,152,763
Northeastern Zone		586,918,118	7,300,641	594,218,759
Eje Cafetero Zone		391,661,529	4,423,289	396,084,818
South Zone		140,090,686	1,478,277	141,568,963
		<b>8,805,407,919</b>	<b>132,958,226</b>	<b>8,938,366,145</b>
<b>Commercial Direct Credit</b>				
Central Region	\$	698,957,738	9,222,805	708,180,543
Regional Noroccidental		900,356,769	7,231,524	907,588,293
Caribe Region		997,987,162	15,799,163	1,013,786,325
Pacific Region		257,050,678	3,914,493	260,965,171
Northeastern Zone		174,903,085	2,606,850	177,509,935
Eje Cafetero Zone		314,116,731	2,178,015	316,294,746
		<b>3,343,372,163</b>	<b>40,952,850</b>	<b>3,384,325,013</b>
<b>Consumption</b>				
Central region		7,342,161	49,164	7,391,325
		<b>7,342,161</b>	<b>49,164</b>	<b>7,391,325</b>
<b>Housing</b>				
Central region		89,706,134	232,640	89,938,774
		<b>89,706,134</b>	<b>232,640</b>	<b>89,938,774</b>
	\$	<b>12,245,828,377</b>	<b>174,192,880</b>	<b>12,420,021,257</b>
		<b>2022</b>		
		Capital	Interests	Total
<b>Commercial Rediscount</b>				
Central Region	\$	3,044,138,268	35,432,239	3,079,570,507
Regional Noroccidental		2,122,369,387	19,252,503	2,141,621,890
Caribe Region		1,662,750,888	26,111,235	1,688,862,123
Pacific Region		909,137,683	7,720,370	916,858,053
Northeastern Zone		682,753,183	6,580,097	689,333,280
Eje Cafetero Zone		409,955,746	3,375,924	413,331,670
South Zone		140,600,174	1,103,237	141,703,411
		<b>8,971,705,329</b>	<b>99,575,605</b>	<b>9,071,280,934</b>
<b>Commercial Direct Credit</b>				
Central Region	\$	381,506,545	5,632,007	387,138,552
Regional Noroccidental		557,640,762	3,685,245	561,326,007
Caribe Region		626,772,128	8,743,791	635,515,919
Pacific Region		233,145,468	2,881,732	236,027,200
Northeastern Zone		69,091,095	711,437	69,802,532
Eje Cafetero Zone		189,919,153	1,239,389	191,158,542
		<b>2,058,075,151</b>	<b>22,893,601</b>	<b>2,080,968,752</b>
<b>Consumption</b>				
Central region		6,088,487	22,207	6,110,694
		<b>6,088,487</b>	<b>22,207</b>	<b>6,110,694</b>
<b>Housing</b>				
Central region		68,640,527	174,693	68,815,220
		<b>68,640,527</b>	<b>174,693</b>	<b>68,815,220</b>
	\$	<b>11,104,509,494</b>	<b>122,666,106</b>	<b>11,227,175,600</b>

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER****Notes to the Financial Statements**

As of December 31, 2023 and 2022.

(In thousands of Colombian pesos, except where otherwise indicated )

**Portfolio per monetary unit**

The detail of the loan portfolio by currency is as follows

<b>2023</b>			
<b>Modalities</b>	<b>Legal currency</b>	<b>UVR</b>	<b>Total</b>
Commercial Rediscount	\$ 8,871,317,226	67,048,918	8,938,366,144
Commercial Direct Credit	3,384,325,011	-	3,384,325,011
Consumption	7,391,325	-	7,391,325
Housing	89,938,777	-	89,938,777
	<b>\$ 12,352,972,339</b>	<b>67,048,918</b>	<b>12,420,021,257</b>

<b>2022</b>			
<b>Modalities</b>	<b>Legal currency</b>	<b>UVR</b>	<b>Total</b>
Commercial Rediscount	\$ 9,068,245,828	3,035,106	9,071,280,934
Commercial Direct Credit	2,080,968,754	-	2,080,968,754
Consumption	6,110,694	-	6,110,694
Housing	68,815,218	-	68,815,218
	<b>\$ 11,224,140,494</b>	<b>3,035,106</b>	<b>11,227,175,600</b>



**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

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**Portfolio by maturity period**

The following is a detail of the loan portfolio by maturity period:

Modality	2023					
	0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Total
Commercial Rediscount	\$ 455,190,340	985,537,326	1,445,471,387	4,369,346,839	1,682,820,252	8,938,366,144
Commercial Direct	4,819,463	70,002,359	14,211,880	3,295,291,309	0	3,384,325,011
Credit						
Consumption	174,228	1,760,178	2,134,007	3,322,921	0	7,391,334
Housing	977,585	23,887	62,475	7,632,688	81,242,142	89,938,777
	<b>\$ 461,161,616</b>	<b>1,057,323,750</b>	<b>1,461,879,749</b>	<b>7,675,593,757</b>	<b>1,764,062,394</b>	<b>12,420,021,266</b>

Modality	2022					
	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	81,808,891	46,051,684	101,429,422	1,845,715,751	5,963,006	2,080,968,754
Credit						
Consumption	141,072	1,110,441	2,433,136	2,447,269	0	6,131,918
Housing	833,891	34,107	33,596	4,732,637	63,180,988	68,815,219
	<b>\$ 454,908,540</b>	<b>1,614,069,753</b>	<b>1,741,722,580</b>	<b>6,338,549,114</b>	<b>1,077,946,837</b>	<b>11,227,196,824</b>

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(In thousands of Colombian pesos, except where otherwise indicated )

**Restructured loan portfolio**

The following is a detail of the restructured loan portfolio:

	<b>2023</b>			
	<b>Capital</b>	<b>Interests</b>	<b>Provision</b>	
			<b>Capital</b>	<b>Interests</b>
<b>Commercial Direct Credit</b>				
Law 1116	46,667	3,268	(46,667)	(3,268)
Ordinary	825,791	36,081	(801,390)	(35,840)
	<b>872,458</b>	<b>39,349</b>	<b>(848,057)</b>	<b>(39,108)</b>
<b>Consumption</b>				
Ordinary	21,029	21,091	(21,029)	(21,091)
	<b>21,029</b>	<b>21,091</b>	<b>(21,029)</b>	<b>(21,091)</b>
<b>Housing</b>				
Ordinary	1,082,984	38,206	(681,824)	(35,803)
	<b>1,082,984</b>	<b>38,206</b>	<b>(681,824)</b>	<b>(35,803)</b>
Law 1116	46,667	3,268	(46,667)	(3,268)
Ordinary	1,929,804	95,378	(1,504,243)	(92,734)
<b>\$</b>	<b>1,976,471</b>	<b>98,646</b>	<b>(1,550,910)</b>	<b>(96,002)</b>
	<b>2022</b>			
	<b>Capital</b>	<b>Interests</b>	<b>Provision</b>	
			<b>Capital</b>	<b>Interests</b>
<b>Commercial Direct Credit</b>				
Law 1116	58,333	3,268	(58,333)	(3,268)
Ordinary	944,968	35,876	(815,473)	(35,802)
	<b>1,003,301</b>	<b>39,144</b>	<b>(873,806)</b>	<b>(39,070)</b>
<b>Consumption</b>				
Ordinary	97,254	19,597	(32,515)	(19,527)
	<b>97,254</b>	<b>19,597</b>	<b>(32,515)</b>	<b>(19,527)</b>
<b>Housing</b>				
Ordinary	1,291,308	9,978	(645,782)	(8,304)
	<b>1,291,308</b>	<b>9,978</b>	<b>(645,782)</b>	<b>(8,304)</b>
Law 1116	58,333	3,268	(58,333)	(3,268)
Ordinary	2,333,530	65,451	(1,493,770)	(63,633)
<b>\$</b>	<b>2,391,863</b>	<b>68,719</b>	<b>(1,552,103)</b>	<b>(66,901)</b>

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

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Portfolio restructurings, agreements, and concordats by risk rating

The following is a detail of the restructured loan portfolio by rating:

Risk category	2023				
	No. Credits	Capital	Interests	Provision	
				Capital	Interests
<b>Commercial Direct Credit</b>					
C - Appreciable	1	29,728	289	(5,327)	(49)
E - Bad debts	2	842,730	39,060	(842,730)	(39,059)
	<b>3</b>	<b>872,458</b>	<b>39,349</b>	<b>(848,057)</b>	<b>(39,108)</b>
<b>Consumption</b>					
E - Bad debts	3	21,029	21,091	(21,029)	(21,091)
	<b>3</b>	<b>21,029</b>	<b>21,091</b>	<b>(21,029)</b>	<b>(21,091)</b>
<b>Housing</b>					
C - Appreciable	1	248,915	155	(27,381)	(15)
D -Significant.	1	234,959	2,829	(49,341)	(566)
E - Bad debts	4	599,110	35,222	(605,102)	(35,222)
	<b>6</b>	<b>1,082,984</b>	<b>38,206</b>	<b>(681,824)</b>	<b>(35,803)</b>
	<b>12</b>	<b>1,976,471</b>	<b>98,646</b>	<b>(1,550,910)</b>	<b>(96,002)</b>
Risk category	2022				
	No. Credits	Capital	Interests	Provision	
				Capital	Interests
<b>Commercial Direct Credit</b>					
C - Appreciable	1	148,905	85	(19,410)	(10)
E - Bad debts	2	854,397	39,060	(854,397)	(39,060)
	<b>3</b>	<b>1,003,302</b>	<b>39,145</b>	<b>(873,807)</b>	<b>(39,070)</b>
<b>Consumption</b>					
C - Appreciable	2	76,225	79	(11,486)	(10)
E - Bad debts	3	21,029	19,518	(21,029)	(19,517)
	<b>5</b>	<b>97,254</b>	<b>19,597</b>	<b>(32,515)</b>	<b>(19,527)</b>
<b>Housing</b>					
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 - Bad debts	3	554,619	7,905	(560,165)	(7,905)
	<b>6</b>	<b>1,291,307</b>	<b>9,979</b>	<b>(645,782)</b>	<b>(8,304)</b>
	<b>14</b>	<b>2,391,863</b>	<b>68,721</b>	<b>(1,552,104)</b>	<b>(66,901)</b>

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

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**Restructured loans, agreements, and concordats by economic sector**

Economic sectors	2023					
	Commercial Rediscount	Commercial Direct Credit	Consumption	Housing	Total	% Part.
Potable water and basic sanitation infrastructure	\$ -	30,017	-	-	30,017	1%
Infrastructure for Energy Development	-	881,790	-	-	881,790	42%
Salaried Employees (Employees and Former Employees)	-	-	42,120	1,121,190	1,163,310	56%
	<b>\$ -</b>	<b>911,807</b>	<b>42,120</b>	<b>1,121,190</b>	<b>2,075,117</b>	<b>100%</b>

Economic sectors	2022					
	Commercial Rediscount	Commercial Direct Credit	Consumption	Housing	Total	% Part.
Potable 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 (Employees and Former Employees)	-	-	116,850	1,301,286	1,418,136	58%
	<b>-</b>	<b>1,042,447</b>	<b>116,850</b>	<b>1,301,286</b>	<b>2,460,583</b>	<b>100%</b>

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**• Restructured loans. agreements and concordats by geographic area**

The following is a detail of the restructured loan portfolio by geographic area:

	<b>2023</b>			
	<u>Capital</u>	<u>Interests</u>	<u>Provision</u>	
			<u>Capital</u>	<u>Interests</u>
<b>Commercial Direct Credit</b>				
Central Region	842,730	39,060	(842,730)	(39,060)
Caribe Region	29,728	289	(5,327)	(49)
	<u>872,458</u>	<u>39,349</u>	<u>(848,057)</u>	<u>(39,109)</u>
<b>Consumption</b>				
Central region	21,029	21,091	(21,029)	(21,091)
<b>Housing</b>				
Central region	1,082,984	38,206	(681,824)	(35,803)
<b>\$</b>	<u><b>1,976,471</b></u>	<u><b>98,646</b></u>	<u><b>(1,550,910)</b></u>	<u><b>(96,003)</b></u>
	<b>2022</b>			
	<u>Capital</u>	<u>Interests</u>	<u>Provision</u>	
			<u>Capital</u>	<u>Interests</u>
<b>Commercial Direct Credit</b>				
Central Region	854,397	39,060	(854,397)	(39,060)
Caribe Region	148,905	85	(19,410)	(10)
	<u>1,003,302</u>	<u>39,145</u>	<u>(873,807)</u>	<u>(39,070)</u>
<b>Consumption</b>				
Central region	97,254	19,597	(32,515)	(19,527)
<b>Housing</b>				
Central region	1,291,307	9,979	(645,782)	(8,304)
<b>\$</b>	<u><b>2,391,863</b></u>	<u><b>68,721</b></u>	<u><b>(1,552,104)</b></u>	<u><b>(66,901)</b></u>

**Impairment for loan portfolio**

The following is a detail of the impairment of the loan portfolio:

<b>Capital</b>	<b>Balance as of December 31 2022</b>	<b>Recoveries</b>	<b>Charges</b>	<b>Balance as of December 31, 2023</b>
Commercial	\$ 62,286,018	(6,977,026)	34,134,802	89,443,795
Consumption	195,286	(168,912)	79,677	106,051
Housing	2,456,762	(175,088)	867,538	3,149,211
	<u>64,938,066</u>	<u>(7,321,026)</u>	<u>35,082,018</u>	<u>92,699,057</u>
<b>Interests</b>	<b>Balance as of December 31, 2022</b>	<b>Recoveries</b>	<b>Charges</b>	<b>Balance as of December 31, 2023</b>
Commercial	\$ 718,154	(303,092)	842,385	1,257,445
Consumption	23,044	(233)	457	23,269
Housing	18,482	(2,141)	5,253	21,594
	<u>759,680</u>	<u>(305,466)</u>	<u>848,095</u>	<u>1,302,308</u>
	<u>65,697,746</u>	<u>(7,626,493)</u>	<u>35,930,112</u>	<u>94,001,365</u>
		<b>Net Impairment</b>	<u><b>(28,303,620)</b></u>	
<b>Capital</b>	<b>Balance as of December 31, 2021</b>	<b>Recoveries</b>	<b>Charges</b>	<b>Balance as of December 31, 2022</b>

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Commercial	\$	60,890,355	(14,750,911)	16,146,574	62,286,018
Consumption		166,941	(53,214)	81,559	195,286
Housing		1,968,941	(216,132)	703,953	2,456,762
		<b>63,026,237</b>	<b>(15,020,257)</b>	<b>16,932,086</b>	<b>64,938,066</b>
<b>Interests</b>		<b>Balance as of December 31, 2021</b>	<b>Recoveries</b>	<b>Charges</b>	<b>Balance as of December 31, 2022</b>
Commercial	\$	221,048	(59,953)	557,058	718,154
Consumption		20,129	(1,002)	3,918	23,044
Housing		20,274	(6,264)	4,472	18,482
		<b>261,451</b>	<b>(67,219)</b>	<b>565,448</b>	<b>759,680</b>
		<b>63,287,688</b>	<b>(15,087,476)</b>	<b>17,497,534</b>	<b>65,697,746</b>
			<b>Net Impairment</b>	<b>(2,410,058)</b>	

The increase in portfolio impairment reflected as of December 31, 2023 of \$18,432,578 is mainly due to the variation in the net portfolio during the year of \$1,118,999,600, and consequently the increase in provisions.

**12. Trade Accounts Receivable and Other Accounts Receivable, net.**

The following is a detail of other accounts receivable:

		2023	2022
Fiduciary Business	\$	204	1,539
Accounts receivable Compensated rate (1)		70,354,496	62,825,325
Commissions and fees (agreements) (2)		62,796,705	37,779,697
Leases		151,724	1,402
Advances to personnel		148,069	137,190
Accounts Receivable (taxes Funds)		278,991	403,937
Portfolio (commissions) (3)		-	56,920
Various Other		3,839,864	1,472,151
Subtotal	\$	<b>137,570,053</b>	<b>102,678,161</b>
Allowance for other accounts receivable (4)		(1,661,808)	(2,163,050)
	\$	<b>135,908,245</b>	<b>100,515,111</b>

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

- (1) Corresponds to the balance of interest receivable derived from compensated rate agreements (Ministry of Finance, Ministry of Education, departments, among others), which are intended to cover the differential between the intermediation rate under these lines and the Findeter billboard rate. In compliance with Decrees: 3210 of August 29, 2008 of the Ministry of Education and Decree No. 3210 of August 29, 2008 of the Ministry of Education and Decree No. 3210 of August 29, 2008 of the Ministry of Education. 925 dated March 18, 2009 from the Ministry of Finance, the variation of the balance between December 2023 and 2022 for \$7,529,171 is mainly due to the balance receivable from the Ministry of Finance which for 2023 is \$65,628,897 while for 2022 it was \$58,633,759.
- (2) Corresponds to accounts receivable for technical assistance services provided by Findeter under the agreements signed. That as of December 31, 2023 and 2022, it has recorded the

**Notes to the Financial Statements**

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(In thousands of Colombian pesos, except where otherwise indicated )

The following balances by program and date of issue ranges, the increase in accounts receivable for commissions and fees of (\$25,017,008), is due to the increase in the accrual of income from the different contracts signed by Findeter for the development of technical assistance services, mainly in the Infrastructure Management, which had an increase in income of 43%.

<b>2023</b>					
<b>Management</b>	<b>1 to 3 months</b>	<b>more than 3 to 6 months</b>	<b>6 months up to 1 year</b>	<b>more than 1 year</b>	<b>Total</b>
<b>Waters</b>	6,040,143	778,385	1,088,323	2,800,720	10,707,571
<b>Housing</b>	6,997,651	462,081	653,578	11,691	8,125,001
<b>Infrastructure</b>	21,933,228	1,973,010	2,162,634	603,376	26,672,248
<b>Transportation and Mobility</b>	6,009,108	1,100,836	475,662	-	7,585,606
<b>Other</b>	7,428,676	-	406,871	1,870,732	9,706,279
	<b>\$ 48,408,806</b>	<b>\$ 4,314,312</b>	<b>\$ 4,787,068</b>	<b>\$ 5,286,519</b>	<b>\$ 62,796,705</b>

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

(3) Corresponds to accounts receivable from commitment fees on approved and undisbursed loans.

(4) The movement in the impairment of other accounts receivable is detailed below:

	<b>2021</b>	<b>Charges</b>	<b>Recoveries</b>	<b>Adjustments</b>	<b>2022</b>	<b>Recoveries</b>	<b>2023</b>
<b>Other</b>	(74,612)	-	4,072	7,621	(62,919)	-	(62,919)
<b>Technical assistance</b>	(1,166,143)	(933,988)	-	-	(2,100,131)	501,243	(1,598,888)
	<b>(1,240,755)</b>	<b>(933,988)</b>	<b>4,072</b>	<b>7,621</b>	<b>(2,163,050)</b>	<b>501,243</b>	<b>(1,661,807)</b>
<b>Net Impairment</b>					<b><u>(922,295)</u></b>		<b><u>501,243</u></b>

The decrease in the impairment of accounts receivable is due to the collection management and subsequent collection of several invoices that were outstanding for more than one year. Therefore, the indexation decreases which generated a recovery of \$ 501,243 as of December 31, 2023.

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**13. Property and equipment, net**

The following is a detail of property and equipment:

	<u>2023</u>	<u>2022</u>
Land	\$ 8,600,144	7,992,600
Buildings and constructions	23,630,747	22,518,678
Furniture, fixtures, and office equipment	3,358,504	3,625,490
Computer equipment	1,434,963	1,497,490
Vehicles	859	859
<b>Net assets</b>	<b><u>37,025,217</u></b>	<b><u>35,635,117</u></b>
Accumulated depreciation	<u>(4,307,296)</u>	<u>(4,404,966)</u>
<b>Total assets</b>	<b><u><u>\$32,717,921</u></u></b>	<b><u><u>31,230,151</u></u></b>

The following is the movement in the cost of property and equipment:

	<u>2022</u>	<u>Purchases</u>	<u>Write-offs</u>	<u>Revaluation (1)</u>	<u>2023</u>
Land	\$ 7,992,600	-	-	607,544	8,600,144
Buildings and constructions	22,518,678	-	-	1,112,069	23,630,747
Furniture, fixtures, and office equipment	3,625,490	2,687	(269,673)	-	3,358,504
Computer equipment	1,497,490	75,755	(138,282)	-	1,434,963
Vehicles	859	-	-	-	859
	<b><u>\$ 35,635,117</u></b>	<b><u>78,442</u></b>	<b><u>(407,955)</u></b>	<b><u>1,719,613</u></b>	<b><u>37,025,217</u></b>

	<u>2021</u>	<u>Purchases</u>	<u>Write-offs</u>	<u>Revaluation (1)</u>	<u>2022</u>
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
	<b><u>\$ 32,744,043</u></b>	<b><u>687,904</u></b>	<b><u>(1,196,739)</u></b>	<b><u>3,399,909</u></b>	<b><u>35,635,117</u></b>

(1) As of December 31, 2023, revalued cost adjustments were made for land and buildings, which generated a variation of \$1,719,613, recognized in accordance with the technical appraisals performed, with a report date of December 31, 2023.

As of December 31, 2023 and 2022, there are no items of property and equipment out of use, nor reclassified as available for sale, likewise there are no restrictions on use, nor pledges on the assets of the entity, at the same period there is no evidence of impairment of these.

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:

1. Location of the building in a sector of multiple economic activity and very near or close to important roads.
2. 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.



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3. The quality of the office finishes and internal fittings, the applicable urban standards and land uses.
4. The market for similar properties in the sector, the remaining useful life assigned to the property and the fair value calculated corresponds to the commercial value of the property.

The following is the movement in accumulated depreciation of property and equipment:

	Buildings	Vehicles	Computer equipment	Furniture and fixtures	Total
<b>Balances as of December 31, 2021</b>	<b>261,423</b>	-	<b>1,465,085</b>	<b>3,855,440</b>	<b>5,581,948</b>
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)
<b>Balances as of December 31, 2022</b>	<b>-</b>	<b>119</b>	<b>973,934</b>	<b>3,430,913</b>	<b>4,404,964</b>
Depreciation 2023	296,513	286	239,680	63,618	600,099
Accumulated depreciation write-offs and revaluations	(296,513)	-	(138,120)	(263,134)	(697,767)
<b>Balances as of December 31, 2023</b>	<b>\$ -</b>	<b>405</b>	<b>1,075,494</b>	<b>3,231,397</b>	<b>\$ 4,307,296</b>

**14. Right-of-use assets and lease liabilities**

Below is the recognition made in Findeter's financial statements as of December 2023 and 2022, derived from the application of IFRS 16:

	2023	2022
<b>Movement in right-of-use assets</b>		
Right-of-use assets -Buildings	6,345,004	5,460,076
Adjustment for recalculation of use rights	1,241,275	884,927
Straight-line depreciation right of use	(6,819,571)	(6,014,971)
<b>Balance Right of use</b>	<b>766,708</b>	<b>330,032</b>
<b>Movement in lease liabilities</b>		
Lease liabilities	6,341,863	5,456,935
Adjustment recalculation Liabilities Leases	1,241,275	884,927
Capital Liability Payments	(6,797,566)	(6,004,827)
<b>Balance Lease liability</b>	<b>785,572</b>	<b>337,035</b>

**15. Investment properties**

The following is the detail of investment properties as of December 31, 2023 and 2022. Investment properties correspond to the concept of buildings which are measured at fair value.

The investment property corresponds to the office owned in the city of Neiva, which is leased and generating income. As of December 31, 2023 and 2022, there are no restrictions on the same.

The following is the movement in the fair value of investment properties:

	2023	2022
<b>Opening balance</b>	<b>\$ 1,067,900</b>	<b>924,955</b>
Changes in fair value measurement (1)	204,526	142,945
<b>Closing balance</b>	<b>\$ 1,272,426</b>	<b>1,067,900</b>

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- (1) The investment property was adjusted to fair value, according to the last appraisal received at the end of fiscal year 2023.

The following is a detail of the figures included in the results for the period (see note 29):

	<u>2023</u>	<u>2022</u>
Income derived from rental income from investment properties	<u>\$ 76,586</u>	<u>64,807</u>

During 2023, no maintenance or repair expenses were incurred on investment property.

- During the aforementioned periods, there were no contractual obligations for the acquisition of investment properties.
- Findeter, in order to determine the fair value of its investment properties, hires the firm that performs the valuation in accordance with the requirements of IFRS 13.
- There are no restrictions on the realization of investment properties.

For purposes of measuring the fair value of the investment property, it is determined at level 2 of the hierarchy, The observable inputs were as follows:

- Location of the building in a sector of multiple economic activity and very near or close to important roads.
- 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.
- The quality of the office finishes and internal fittings, the applicable urban standards and land uses.
- The market for similar properties in the sector, the remaining useful life assigned to the property and the fair value calculated corresponds to the commercial value of the property.

**16. Intangible Assets**

**Changes in intangible assets, net**

The following is the movement in the cost of intangible assets:

	<u>2023</u>	<u>2022</u>
<b>Opening balance</b>	\$ 2,449,655	2,234,388
Additions	3,273,497	1,822,687
Amortization	<u>(1,870,731)</u>	<u>(1,607,420)</u>
<b>Closing balance</b>	<b>\$ 3,852,421</b>	<b>2,449,655</b>

Intangible assets consist of software licenses acquired for the use of Findeter, which show no signs of impairment and are amortized over a period of 24 months, as defined in the accounting procedures manual.

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**17. Current Income Taxes and Deferred Tax Assets, Net**

**17.1 Components of income tax expense**

Income tax expense for the years ended December 31, 2023 and 2022 comprises the following:

	<b>2023</b>	<b>2022</b>
Income tax for the current period	\$ -	180,521,379
Income tax surcharge	-	16,317,127
Adjustment to current tax for prior periods	(975,022)	(2,140,185)
Occasional income tax	2,091,035	770,604
Taxation Rate Depurated - TTD	-	-
<b>Subtotal current tax</b>	<b>1,116,013</b>	<b>195,468,925</b>
Net deferred taxes for the period	89,422,355	(145,998,471)
<b>Total deferred taxes</b>	<b>89,422,355</b>	<b>(145,998,471)</b>
<b>Total income tax</b>	<b>\$ 90,538,368</b>	<b>49,470,454</b>

As of December 31, the Entity determined the provision for income tax and supplementary taxes under the ordinary income tax system. The income tax rate according to the rate indicated in article 240 of the tax statute is 35% and a surtax of 5 additional points of the general income rate during the taxable year 2023, being the total rate 40% if they have a taxable income equal to or greater than 120,000 Tax Value Unit (UVT) equivalent to \$5,089,440,000. For the year 2022 the surtax was 3 additional points, being a rate of 38% if they have a taxable income equal or higher than 120,000 (UVT) equivalent to \$4,560,480,000.

**17.2 Tax to be added.**

As mentioned in Note 1 and considering that by document registered in the Chamber of Commerce on November 13, 2020 under number 02635088 of Book IX, the situation of direct control and business group was established by Grupo Bicentenario S.A.S. as parent company, being Findeter subordinate to it, therefore, for the purpose of estimating the Tax Rate Depurated -TTD- it must consider the provisions of paragraph 6, numeral 2 of Article 240 of the Tax Statute.

**17.3 Tax liabilities**

The balance of taxes payable at the end of December 31, 2023 and 2022 is comprised of:

	<b>2023</b>	<b>2022</b>
Withholding tax payable	\$ 8,372,088	7,802,322
Industry and commerce	-	-
Sales tax payable	3,568,705	1,381,739
Industry and Commerce Tax	6,139,352	4,765,212
Industry and Commerce Tax withheld	43,801	39,895
<b>Income tax</b>	<b>2,091,035</b>	<b>117,620,894</b>
Other	8,299	949,154
<b>Current tax liabilities</b>	<b>\$ 20,223,280</b>	<b>132,559,216</b>

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, 2023 and 2022.

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER****Notes to the Financial Statements**

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	Periods ended December 31	
	2023	2022
<b>Income before income tax</b>	<b>\$ 256,475,446</b>	<b>135,423,108</b>
Theoretical income tax	89,766,406	51,460,781
Non-deductible expenses	5,845,816	11,580,754
Untaxed income	(851,159)	-
Difference in rates	180,370	(12,523,265)
Symmetry movement temporary differences	(639,996)	2,478,507
Remediation of deferred taxes	-	10,616,655
Tax credit	-	(9,845,103)
Prior period adjustment	(975,022)	-
Windfall profits	(2,788,047)	(4,297,875)
<b>Income tax expense for the period</b>	<b>\$ 90,538,368</b>	<b>49,470,454</b>

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**17.4 Deferred tax by type of temporary difference**

Differences between the tax bases of assets and liabilities for IFRS purposes and the tax bases of the same assets and liabilities for tax purposes give rise to temporary differences that generate deferred taxes, calculated, and recorded as of December 31, 2023 and 2022, based on the tax rates in effect for the years in which such temporary differences will reverse. The movement in the deferred tax generated between the accounting and tax bases as of December 31, 2023 and 2022 is shown below:

	2022	Effect on results	Effect on ORI	Reclassifications	2023
<b>Deferred tax asset</b>					
Technical reserve FNG	7,339,933	(2,831,077)	-	-	4,508,856
Other accounts receivable	-	639,555	-	-	639,555
Provision for other assets	190,262	53,924	-	-	244,186
Property and equipment-Other assets	51,843	(140,085)	-	144,804	56,562
Intangible assets-Deferred charges	870,917	123,346	-	-	994,263
Loss on derivatives	5,918,242	76,182,551	-	-	82,100,793
Employee benefits	689,772	122,045	-	-	811,817
Provisions for other expenses	3,832,888	(683,572)	-	-	3,149,316
Unrealized exchange difference	298,961,441	(225,938,339)	-	-	73,023,102
Lease liability IFRS 16	134,813	179,416	-	-	314,229
Investments in marketable debt securities	8,584,409	(2,890,004)	(3,494,119)	-	2,200,286
Tax Loss	-	42,778,160	-	-	42,778,160
	<b>326,574,520</b>	<b>(112,404,080)</b>	<b>(3,494,119)</b>	<b>144,804</b>	<b>210,821,125</b>
<b>Deferred tax liability</b>					
Investments in marketable debt securities	8,702,966	3,400,096	-	-	12,103,062
Investments in equity securities-Shares	1,392,715	-	758,707	-	2,151,422
Property and equipment-Other assets	-	(130,401)	-	144,804	14,403
Profit in derivatives	26,195,860	(25,806,032)	-	-	389,828
Cost of property and equipment	6,351,097	(620,057)	705,644	-	6,436,684
Leases IFRS 16	132,013	174,670	-	-	306,683
	<b>42,774,651</b>	<b>(22,981,724)</b>	<b>1,464,351</b>	<b>144,804</b>	<b>21,402,082</b>
	<b>283,799,869</b>	<b>(89,422,356)</b>	<b>(4,958,470)</b>		<b>189,419,043</b>

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	2021	Effect on results	Effect on ORI	Balance as of December 2022
<b>Deferred tax asset</b>				
Technical reserve FNG	8,628,442	(1,288,509)	-	7,339,933
Provision for other assets	143,449	46,813	-	190,262
Property and equipment-Other assets	195,067	(143,224)	-	51,843
Intangible assets-Deferred charges	670,141	200,776	-	870,917
Loss on derivatives	952,091	4,966,151	-	5,918,242
Employee benefits	867,943	(178,171)	-	689,772
Provisions for other expenses	5,142,945	(1,310,057)	-	3,832,888
Unrealized exchange difference	153,587,638	145,373,803	-	298,961,441
Lease liability IFRS 16	290,973	(156,159)	-	134,814
Investments in marketable debt securities	-	4,342,851	4,241,557	8,584,408
	<b>170,478,689</b>	<b>151,854,274</b>	<b>4,241,557</b>	<b>326,574,520</b>
<b>Deferred tax liability</b>				
Investments in marketable debt securities	78,929	(78,929)	-	-
Investments in equity securities-Shares	984,111	-	408,603	1,392,714
Profit in derivatives	23,633,695	2,562,165	-	26,195,860
Cost of property and equipment	5,400,940	(350,374)	1,300,532	6,351,098
Leases IFRS 16	285,064	(153,051)	-	132,013
Ashmore Private Equity Fund	4,826,973	3,875,993	-	8,702,966
	<b>35,209,712</b>	<b>5,855,804</b>	<b>1,709,135</b>	<b>42,774,652</b>
	<b>135,268,977</b>	<b>145,998,470</b>	<b>2,532,422</b>	<b>283,799,869</b>

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**17.5 Effect of current and deferred income taxes on each component of other comprehensive income in shareholders' equity**

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

	December 31, 2023			December 31, 2022		
	Amount before tax	Deferred tax	Net	Amount before tax	Deferred tax	Net
Revaluation of land	2,016,126	-	2,016,126	2,777,582	(45,933)	2,731,649
Revaluation of buildings	-	(705,644)	(705,644)	1,145,100	(1,254,600)	(109,500)
Investments in equity instruments and shares	5,058,044	(758,707)	4,299,338	(556,352)	(408,603)	(964,955)
Investments in debt securities	9,983,199	(3,494,119)	6,489,079	(12,118,733)	4,241,557	(7,877,176)
Other ORI items	-	-	-	757,390	0	757,390
	<b>17,057,369</b>	<b>(4,958,470)</b>	<b>12,098,899</b>	<b>(7,995,013)</b>	<b>2,532,421</b>	<b>(5,462,592)</b>

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

- For the year 2023, in accordance with the Law for Equality and Social Justice 2277 of 2022, 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, 5 additional points are applied.
- For the year 2022, in accordance with the Social Investment Law 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.
- As from the year 2023, the for equality and social justice, adds paragraph 6 of article 240 of the E.T., which creates the Tax Rate Depurated -TTD-, which is a minimum rate of taxation for income tax payers, which will be calculated from the depurated financial profit and may not be less than fifteen percent (15%), on the depurated Financial Profit.
- The Company may take as 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 for the income tax expense and complementary taxes; likewise, 50% of the tax on financial movements (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-producing activity.
- With Law 2277 of 2022, for the year 2023, 50% of the industry and commerce tax will not be applicable as a tax discount. In the year 2022 the industry and commerce tax could be treated as a tax discount in the income tax in the taxable year in which it is effectively filed and paid before filing the income tax return for the taxable year, and to the extent that it has a causal relationship with its economic activity.
- Tax discounts continue with the VAT paid on the importation, formation, construction, or acquisition of real productive fixed assets including the services necessary for their construction and start-up.
- Law 2077 of 2022 continues to leave the term of finality for income tax returns of taxpayers who determine or offset tax losses or who are subject to the transfer pricing regime, will be five (5) years from the filing of the income tax return.
- The term of finality of the declarations is three (3) years.
- With Law 2277 of 2022, for the year 2023 taxpayers who increase their net income tax for the taxable year in relation to the net income tax of the immediately preceding year by at least 35%, the income tax return will become final within 6 months from the date of filing, and if the increase is at least 25% and less than 35%, the income tax return will become final within the following 12 months.
- The excess of presumptive income over ordinary income may be offset against ordinary income obtained within the five years following the year of its occurrence.

The surcharge is subject to a 100% advance payment.



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- 3% per year of the ordinary net income, the amount of the sum of certain non-income income, special deductions, exempt income, and tax discounts is limited to 3% per year.
- Payments for memberships to social clubs, labor expenses of housing support personnel or other activities unrelated to the income-producing activity, personal expenses of members, participants, shareholders, clients and/or their relatives, all of which will be considered income in kind for their beneficiaries, are not deductible. Article 147 of the E.T. states that companies may offset tax losses against ordinary net income obtained in the following twelve (12) taxable periods, without prejudice to the presumptive income of the year, for this reason, a deferred tax asset was recognized for the right to reduce the tax of the following periods in which such losses are offset.
- The occasional gain tax is levied at a rate of 15%.
- The minimum rate is the Deductible Tax Rate (TTD), which shall not be less than fifteen percent (15%) and shall be the result of dividing the Deductible Tax (ID) over the Deductible Profit (UD), as follows:

$$TTD = ID/UD$$

The adjusted tax (ID) and adjusted profit (UD) will be calculated as follows:  $ID = INR +$

$DTC - IRP$

ID: Tax refunded.

INR: Net income tax.

DTC: Tax discounts or tax credits for application of treaties to avoid double taxation and the one established in article 254 of the Tax Statute.

IRP: Income tax on passive income from foreign controlled entities. It will be calculated by multiplying the net passive income by the general rate of article 240 of the Tax Statute (net passive income x general rate).

$$UD = UC + DPARL - INCRNGO - VIMPP - VNGO - RE - C$$

UD: Refined utility.

UC: Accounting or financial income before taxes.

DPARL: Permanent differences established by law that increase net income.  $INCRNGO ( * )$

Income that does not constitute income or occasional gain that affects accounting or financial profit.

VIMPP: Value of equity method income for the respective taxable year.

VNGO: Net value of occasional gain income affecting accounting or financial income. RE: Income exempted by application of treaties to avoid double taxation - CAN, income received by the Colombian holding companies regime -CHC and the exempted income referred to in paragraphs a) and b) of numeral 4 and numeral 7 of article 235-2 of the Tax Statute.

C: Offset of tax losses or excess of presumptive income taken in the taxable year that did not affect the accounting profit for the period.

When the Deductible Tax Rate (TTD) is lower than fifteen percent (15%), the value of the tax to be added (IA) must be determined in order to reach the fifteen percent (15%) rate.

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#### 17.6 Uncertainties in tax positions:

As from January 1, 2020 and by means of Decree 2270 of 2019, the interpretation IFRIC 23- Uncertainty regarding income tax treatments was adopted for purposes of Group I local financial statements, which clarifies when the recognition and measurement criteria of IAS 12 - Income Tax apply, in the event that there is uncertainty regarding positions adopted for income tax purposes, which may not be accepted by the tax authority in the event of a review.

As of December 31, 2023 and 2022, the Entity has no tax uncertainties that would generate a provision for such concept, taking into account that the income and supplementary tax process is regulated under the current tax framework. Consequently, there are no risks that could imply an additional tax liability.

#### 17.7 Realization of deferred tax assets

In future periods, it is expected to continue to generate taxable income against which the amounts recognized as deferred tax assets can be recovered. The estimate of future fiscal results is based primarily on the projection of the entity's ongoing operations, whose positive trend is expected to continue.

The estimates of these financial projections are the basis for the recovery of deferred tax assets on FNG's Technical Reserve, realization of the exchange difference resulting from the payment of foreign currency obligations and the realization of investments in securities and derivatives.

#### 18. Other Assets, Net

The following is the detail of other assets:

	Insurance	Other assets	Total
<b>December 31, 2021</b>	<b>3,255,232</b>	<b>2,102</b>	3,257,334
Additions 2022	4,737,450	-	4,737,450
Amortization 2022	(3,500,398)	-	(3,500,398)
<b>December 31, 2022</b>	<b>4,492,284</b>	<b>2,102</b>	<b>4,494,386</b>
Additions 2023	4,361,447	-	4,361,447
Amortization 2023	(4,652,090)	-	(4,652,090)
<b>December 31, 2023</b>	<b>4,201,641</b>	<b>2,102</b>	<b>4,203,743</b>

- (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, 2023 amounted to \$4,201,643, among which are the civil liability and bank global management policies.

The total expense for other assets amounts to \$5,350,694, see note 30, of which 4,652,089 corresponds to amortization and \$698,605 corresponds to payments charged directly to expense due to the nature of the item.

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**Notes to the Financial Statements**

As of December 31, 2023 and 2022.

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**19. Term Certificates of Deposit**

The following is a detail of long-term deposits and due from customers:

Modality	2023			2022			Effective Rate
	Capital	Interest	Total	Capital	Interest	Total	
Issued less than 6 months	253,540,000	2,267,255	<b>255,807,255</b>	231,099,000	2,092,727	233,191,727	16.48%
Issued equal to 6 months and less than 12 months	1,578,470,000	25,671,996	<b>1,604,141,996</b>	2,059,956,000	22,033,805	2,081,989,805	16.35%
Issued equal to 12 months and less than 18 months	3,180,878,000	50,476,921	<b>3,231,354,921</b>	2,037,467,000	18,830,523	2,056,297,523	15.46%
Issued equal to or greater than 18 months	3,494,877,000	57,140,672	<b>3,552,017,672</b>	2,391,539,000	17,505,830	2,409,044,830	13.29%
<b>Total</b>	<b>8,507,765,000</b>	<b>135,556,844</b>	<b>8,643,321,844</b>	<b>6,720,061,000</b>	<b>60,462,885</b>	<b>6,780,523,885</b>	

In accordance with the provisions of Resolutions 1318 of June 25, 2020 and Resolutions 1357 of July 2, 2020 of the Ministry of Finance and Public Credit, the issuance of CDTs was established as a product of the resources of the Emergency Mitigation Fund - FOME, destined to attend the disbursements of direct credit established. The following is a detail of the securities included in the total balance of the above table:

CDT's MINHACIENDA - FOME				
	Amount	Rate	F. Issuance	F. maturity
Ministry of Finance-FOME	28,367,000	0.5% P.V.	29/12/2020	29/12/2030
<b>TOTAL</b>	<b>28,367,000</b>			

The following is a detail of the maturities of deposits and due dates:

YEAR	2023	2022
2023	6,678,834,325	6,175,226,160
2024	1,935,977,521	505,051,308
2025	0	71,878,251
After 2025	28,509,998	28,368,166
	<b>8,643,321,844</b>	<b>6,780,523,885</b>

The following is a detail of deposits and due from customers by sector:

	2023	Interest	2022	Interest
Deposits and callables				
Private	7,640,139,311	88.39%	5,796,540,689	85.49%
Public	683,823,983	7.91%	746,575,817	11.01%
Mixed	319,358,550	3.69%	237,407,379	3.50%
<b>TOTAL</b>	<b>8,643,321,844</b>	<b>100%</b>	<b>6,780,523,885</b>	<b>100%</b>

Deposits and demand deposits are traded in the secondary market.

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#### 20. Outstanding investment securities

The following is a detail of the investment securities outstanding:

	2023	2022
International Bonds	973,432,063	970,596,217
Urban Development Bonds	27,511	26,981
Subordinated Bonds	208,938,524	209,093,976
Ordinary Sustainable Bonds	401,939,127	402,304,596
	<b>1,584,337,225</b>	<b>1,582,021,770</b>

- International Bonds:

2023							
Year Issuance	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2014	Ordinary bonds abroad	Single series (fixed rate)	944,444,113	28,987,951	7.875%	12/08/2014	12/08/2024
2022							
Year Issuance	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2014	Ordinary bonds abroad	Single series (fixed rate)	941,608,266	28,987,951	7.88%	12/08/2014	12/08/2024

The bonds were issued in 2014, which will pay interest in arrears and the principal will be paid at the maturity of the securities; these bonds are unsecured. This transaction was raised in U.S. dollars and converted into pesos at the exchange rate of the day of issuance; therefore, these securities are denominated in pesos and payable in the same currency.

At the time of issuance of the bonds, transaction costs associated with the issuance were generated, for a total amount of \$21,760,429, which are amortized via effective rate during the life of the bond, gradually adjusting the balance of the liability, until reaching the total amount of the issue of \$946,975,000, of the total value of the initial costs, a balance of \$1,730,887 is pending amortization as of December 31, 2023, and \$4,566,734 as of December 31, 2022.

It is important to point out that, as of December 31, 2023, Findeter is in compliance with all the covenants established in the issuance prospectus.

- Urban Development Bonds:

2023					
Type of issue	Date of Issue	Expiration Date	Capital	Interest (*)	
Urban Development Bonds	Liabilities inherited from the now-defunct Banco Central Hipotecario	The securities are renewable until the bondholder is found to begin the redemption process.	4,199	23,313	

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2022					
Type of issue	Date of Issue	Expiration Date	Capital	Interest	
Urban Development Bonds	Liabilities inherited from the now-defunct Banco Central Hipotecario	The securities are renewable until the bondholder is found to begin the redemption process.	4,199	22,782	

(\*) Interest on these bonds is recognized according to the reference rate determined by Findeter's money desk, as of December 31, 2023, the reference rate used is 11.9219% effective annual rate.

- Subordinated Bonds:

2023							
Year Issued	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2017	Subordinated Bonds	Series A (Tied to the CPI) Subseries A7	203,680,000	5,258,524	IPC + 3.57%	26/04/2017	26/04/2024

2022							
Year Issued	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2017	Subordinated Bonds	Series A (Tied to the CPI) Subseries A7	203,680,000	5,413,976	IPC + 3.57%	26/04/2017	26/04/2024

The Subordinated Bonds are rated AA+.

- Sustainable Bonds:

2023							
Year Issued	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A5	132,827,000	631,582	IPC + 2.54%	18/06/2019	18/06/2024
2019	Sustainable Bonds	Series A (Tied to CPI) Subseries A7	267,173,000	1,307,545	IPC + 2.90%	18/06/2019	18/06/2026

2022							
Year Issued	Type of issue	Series	Capital	Interest	Interest rate	Date of Issue	Expiration Date
2019	Sustainable Bonds	Series A (Tied to the 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

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The following is the detail by sector of the subordinated and sustainable bonds as of December 31, 2023:

	<b>2023</b>	<b>Participation percentage</b>	<b>2022</b>	<b>Participation percentage</b>
Private	501,408,374	82.08%	584,350,256	95.58%
Public	109,469,277	17.92%	27,048,316	4.42%
<b>Total</b>	<b>610,877,651</b>	<b>100%</b>	<b>611,398,572</b>	<b>100%</b>

All outstanding investment securities - Bonds have a maturity date after December 31, 2023.

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**21. Financial obligations**

The following is a detail of the financial obligations:

Entity	2023					
	Capital	Interest	Fee	Total	Interest rate	Expiration Date
Inter-American Development Bank-IDB 2314	133,771,750	794,549	-	134,566,299	1.46%	05-Aug-30
Inter-American Development Bank-IDB 2768	200,657,625	167,662	-	200,825,287	1.80%	Dec 21, 37
Inter-American Development Bank-IDB 3392	305,760,942	2,366,187	-	308,127,129	1.71%	15-Jul-35
Inter-American Development Bank-IDB 3596	504,626,626	11,986,853	-	516,613,479	4.65%	15-Jul-41
Inter-American Development Bank-IDB 3842	242,976,169	639,127	1,164,025	244,779,321	5.92%	Dec 23, 44
Agence Française de Développement - AFD101801K	243,770,349	1,675,109	-	245,445,458	5.89%	20-Nov-27
KFW Bankengruppe-KFW 26770	50,960,667	17,801	-	50,978,468	4.25%	29-Dec-24
KFW Bankengruppe-KFW 28318 (2)	239,628,011	1,702,746	-	241,330,757	5.44%	15-May-33
KFW Bankengruppe-KFW 28708	63,202,371	3,160	-	63,205,531	1.80%	Dec 30, 2013
KFW Bankengruppe-KFW 30037 (1)	192,566,261	320,705	425,714	193,312,680	1.59%	15-May-36
JPMorgan	495,549,754	22,510,747	-	518,060,501	14.69%	12-sep-25
	<b>\$ 2,673,470,525</b>	<b>\$ 42,184,647</b>	<b>\$ 1,589,739</b>	<b>\$2,717,244,911</b>		

Entity	2022					
	Capital	Interest	Fee	Total	Interest rate	Expiration Date
Inter-American Development Bank-IDB 1967	\$ 20,042,500	15,711	-	20,058,211	1.24%	Dec 9, 2013
Inter-American Development Bank-IDB 2314	192,408,000	1,182,099	-	193,590,099	1.51%	5-Aug-30
Inter-American Development Bank-IDB 2768	270,573,750	233,642	-	270,807,392	1.85%	Dec 21, 37
Inter-American Development Bank-IDB 3392	416,879,831	3,331,178	-	420,211,009	1.76%	15-Jul-35
Inter-American Development Bank-IDB 3596	670,375,336	10,425,447	12,974	680,813,757	1.98%	15-Jul-41
Inter-American Development Bank-IDB 3842	26,415,568	44,812	154,163	26,614,543	5.16%	Dec 23, 44
Agence Française de Développement - AFD101801K	383,493,195	3,343,354	-	386,836,549	2.56%	20-Nov-27
KFW Bankengruppe-KFW 26770	128,272,000	44,807	-	128,316,807	4.25%	29-Dec-24
B. Centroamericano I. Economic-CIBE 2142	54,114,750	353,577	-	54,468,327	2.43%	25-Nov-23
KFW Bankengruppe-KFW 28318	299,110,160	1,792,487	14,749	300,917,396	4.79%	15-May-33
KFW Bankengruppe-KFW 28708	76,778,468	3,839	-	76,782,307	1.80%	Dec 30, 2013
KFW Bankengruppe-KFW 30037 (1)	-	-	128,717	12,8717	1.59%	15-May-36
JPMorgan (2)	616,060,259	23,267,129	-	639,327,388	12.44%	12-sep-25
	<b>\$ 3,154,523,817</b>	<b>\$ 44,038,082</b>	<b>\$ 310,603</b>	<b>\$ 3,198,872,502</b>		

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As of December 31, 2023, and as of the date of this report, the rate that replaced Libor in asset and liability transactions is the SORF, which has different calculation methodologies. At present, the obligations are caused by the SORF rate according to the methodology provided by each Multilateral Bank.

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 certain contractual conditions, among which are those indicated below:

#### Financial Conditions AFD

- Its Solvency Ratio (CAR) must remain above the level prescribed by Colombian regulations applicable to the banking sector;
- Its Non-Performing Loan (NPL) ratio must remain below 5% AFD.

#### Financial Conditions KFW

- Risk-weighted capital adequacy ratio (RCR) (Not to be less than 11%)
- Ratio of open credit exposure (may not exceed 10%)
- Deposit to Loan Ratio (Not to exceed 140%)
- Leverage ratio (may not be lower than 5%)

#### Financial Conditions KFW ENERGIA

- Adequate risk-weighted capital ratio (CAR) (Not less than 11%)
- Ratio of open credit exposure (Not less than 10%)
- Liquidity Ratio (Not less than 100%)

The covenants were fully complied with as of December 31, 2023 and 2022, according to each contract.

## 22. Employee Benefits

In accordance with Colombian labor legislation and based on the labor agreements and collective bargaining agreements signed between Findeter and its employees, where short-term benefits were established, such as: salaries, vacations, legal and extralegal bonuses and severance payments and interest on severance payments under the labor regime Law 50 of 1990; and long-term benefits, such as: extralegal seniority bonuses and retirement benefits, such as: retirement bonuses and bonuses for five-year periods, which are payable only once at the time of the employee's retirement.

Derived from employee benefit plans, such as retirement bonuses and five-year bonuses, Findeter is exposed to a series of risks (interest rate and operational), which it seeks to minimize through the application of risk management policies and procedures, which are detailed below.

The following is a detail of the employee benefit liability balances as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Short-term benefits	\$12,186,424	10,684,290
Long-term benefits	2,096,661	1,970,777



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**\$14,283,085      12,655,067**

• **Short-Term Benefits**

The detail of the short-term benefits is as follows:

	<b>2023</b>	<b>2022</b>
Payroll Due	\$14,320	50,111
Severances	2,317,957	1,910,936
Legal premium	216,948	197,093
Extra-legal premium	3,790,091	3,267,495
Vacations	5,553,513	5,036,789
Interest on severance payments	293,595	221,866
	<b>\$12,186,424</b>	<b>10,684,290</b>

• **Other Long-Term Benefits:**

The detail of the long-term benefits is:

	<b>2023</b>	<b>2022</b>
Five-year bonuses	\$1,058,596	945,320
Pension bonus	1,038,066	1,025,457
	<b>\$2,096,662</b>	<b>1,970,777</b>

• **Five-Year Seniority Benefit:**

In accordance with the provisions of Findeter's collective bargaining agreement, employees are entitled to an extra-legal benefit for five-year bonuses, which will be paid in the period in which the time worked is completed and will correspond to the following table:

Seniority	Days of salary applied to 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 cash flows:

<b>RATE</b>	<b>2023</b>	<b>2022</b>
Discount rate	17.10%	15.63%
Inflation rate (affects salaries)	3%	3%
Employee turnover rate (first 5 years)	6.76%	6.92%

• **Actuarial assumptions Pension Bonus**

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Findeter uses for the valuation calculations of its employee benefits, actuarial mathematical formulation to measure life contingencies. in this way, based on a public table of annual deaths, the probability of survival for a person with certain characteristics of a population is established. The tables built for this purpose for Colombia are the life tables published by the Superintendence of Finance through resolution number 1555 of 2010. For 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 permanence in the entity (or turnover) were calculated based on Findeter's history of withdrawals since 2010.

- **Other assumptions affecting the model:**

**Pension Age:** The number of years that a person has left to reach the pension is calculated assuming that, if he is a man, he will retire at age 62 and if he is a woman, at age 57.

- **Sensitivity analysis of bonuses**

The sensitivity analysis of the post-employment benefit liability for the different financial and actuarial variables is as follows: the discount rate applied is affected by +/- 1%, keeping all other variables constant:

<b>Benefit</b>	<b>Present value unchanged</b>	<b>+1% discount rate</b>	<b>-1% discount rate</b>
Five-year periods	\$ 1,058,596	1,023,011	1,097,610
Pension	\$ 1,038,066	1,007,833	1,071,350

### 23. Financial Guarantees

The following is the movement of financial guarantees:

	<b>2021</b>	<b>Recoveries</b>	<b>2022</b>	<b>Recoveries</b>	<b>2023</b>
Technical reserve FNG	24,652,691	(3,681,453)	20,971,238	(8,088,792)	12,882,446
Reserve Water Bonds	14,694,128	(3,743,019)	10,951,109	(1,953,063)	8,998,046
	<b>39,346,819</b>	<b>(7,424,472)</b>	<b>31,922,347</b>	<b>(10,041,855)</b>	<b>21,880,492</b>

Financial guarantees presented a decrease of \$10,041,855, 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 Guaranty Fund, on loans granted for low-income housing, showed a decrease of \$8,088,792, according to the application of the model for calculating reserves on guarantees granted established in the Fund.
- The recording 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 of \$1,953,063, according to the analysis of the possible loss rate, adjusting the risk curve of the bonds.

The guarantee granted expires in July 2028.

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#### 24. Provisions

The following is the movement in provisions for legal proceedings, fines, penalties, and indemnities:

<b>Balance as of December 31, 2021</b>	=	<b><u>2,133,068</u></b>
New provisions	—	<u>279,085</u>
<b>Balance as of December 31, 2022</b>	=	<b><u>2,412,153</u></b>
Recoveries Litigation (1)	=	<u>2,412,153</u>
<b>Balance as of December 31, 2023</b>		<b><u>-</u></b>

(1) At the end of the period there are 166 lawsuits against Findeter of which, according to the instance and in view of the provisions policy, there are no lawsuits provisioned that can be classified as probable according to IAS 37. During 2023, the provision for the process provisioned in 2022 was recovered in the amount of \$2,412,153.

#### 25. Trade accounts payable and other accounts payable

The following is a detail of accounts payable and other liabilities:

	<b>2023</b>	<b>2022</b>
Suppliers and services (1)	\$6,028,410	4,578,776
Fees payable	2,336,571	1,823,710
Accounts payable Pre-investment ( 2)	4,935,002	5,495,147
Anticipated Revenues	26,919	26,918
Other accounts payable	3,806,314	2,698,573
Industry and commerce tax payable (3)	6,133,164	4,764,732
Withholding tax payable	8,316,041	7,749,586
Income tax payable	3,568,705	1,381,739
	<b><u>\$35,151,126</u></b>	<b><u>28,519,181</u></b>

- (1) The increase in suppliers and services corresponds mainly to the civil liability policies that were pending payment and the 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 accounts receivable.

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## 26. Shareholders' equity

### 26.1 Issued Capital

The authorized, issued, and outstanding common shares of Findeter have a par value of one hundred thousand pesos (\$100,000) each, and are represented as follows:

	<b>2023</b>	<b>2022</b>
Number of shares subscribed and paid	12,223,852	11,542,212
Subscribed and paid-in capital	\$ 1,222,385,200	1,154,221,200
Remaining capitalization	2,392	1,037
<b>Issued Capital</b>	<b>\$ 1,222,387,592</b>	<b>1,154,222,237</b>

Changes in subscribed and paid-in shares are detailed below:

	<b>Opening balance</b>	<b>Capitalization</b>	<b>Closing balance</b>
Number of shares	11,542,212	681,640	12,223,852

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. The legal process took effect in June 2023; likewise, at the General Shareholders' Meeting held on March 30, 2022, the project for the application of surpluses was approved, where the capitalization of \$69,550,390 was ordered. Findeter has not issued any preferred shares.

Findeter is a national corporation, constituted 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, "will not be subject to forced investments and will not distribute profits in cash among its partners".

### 26.2 Reserves

The composition of the reserves is as follows:

	<b>2023</b>	<b>2022</b>
Legal	\$88,758,931	80,139,945
Statutory and occasional - Other	32,369,872	22,964,355
	<b>\$121,128,803</b>	<b>103,104,300</b>

### 26.3 Legal Reserve

In accordance with legal provisions, every credit institution must constitute a legal reserve, appropriating ten point zero percent (10.0%) of the net profits of each fiscal 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, when its purpose is 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 Findeter has undistributed profits.

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#### 26.4 Statutory and Occasional Reserves

It records the amounts that, by express mandate of the general shareholders' meeting, have been appropriated from the net profits of previous years obtained by Findeter, in order to comply with legal or statutory provisions or for specific purposes. At the General Shareholders' Meeting of Findeter held on March 30, 2023, according to minutes No. 064, it was ordered:

1. 2022) Capitalization of the Occasional Reserves used in the year 2022.	594,483
2. 2) Creation of the Occasional Reserve - Fund for Financial Inclusion	10,000,000
3. 2022) Capitalization of the 2022 Surpluses	67,570,871
4. 4) Reassignment of Occasional Reserves Compounded Rate Education	(2,192,068)
5. 5) Reallocation of Occasional Reserves Compensated Rate Adjustment Line Fiscal Sanitation	(5,103,235)
6. Reallocation of Occasional Preinvestment Reserves	(14,000,000)
7. 7) Occasional Reserve Allocation Transforming Regions Fund	21,295,303

For the year 2022, at the General Shareholders' Meeting of Findeter, held on March 30, 2022, according to Minute No. 064, the constitution of occasional reserves was not ordered.

"Losses shall be covered by the reserves that have been especially set aside for that purpose and, in the absence of such reserves, by the legal reserve. Reserves intended to absorb certain losses may not be used to cover other losses, unless so decided by the general meeting. "If the legal reserve is insufficient to cover the capital deficit, the corporate profits of the following fiscal years shall be used for this purpose". (Article 456 C.S.T.).

The reserves for compensated rates are resources assigned by Findeter's General Shareholders' Meeting to cover the deficit in the granting of credit lines with soft rates that benefit the development of territorial entities in Colombia. These reserves are cancelled annually by capitalization, in the same proportion as the amount recorded in the expense account of the rates compensated in the same period.

#### 26.5 Occasional Reserves Available

<b>Transfers made from:</b>	<b>2023</b>	<b>2022</b>
Pre-investment technical assistance	\$14,594,483	44,905
Compensated tax on fiscal reorganization	5,103,235	44,493
Tax education compensated rate	2,192,068	-
<b>Resources available by:</b>		
earnings prior years 2003	34,116	34,117
Technical assistance	634,936	634,936
Promotion of education projects	-	2,192,068
Incentive of efficient and effective projects line compensated rate	-	5,103,234
Pre-investment earnings 2019	405,518	15,000,000
Financial Inclusion Fund	10,000,000	-
Fund transforming regions	21,295,303	-
<b>Total available resources committed</b>	<b>32,369,873</b>	<b>22,964,355</b>
<b>Occasional Reserves Available</b>	<b>32,369,873</b>	<b>22,964,355</b>

## FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

### Notes to the Financial Statements

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#### 26.6 Other Comprehensive Income and First-time Adoption Results

As of December 31, 2023 and December 31, 2022, \$52,326,399 and \$40,127,501, presenting a variation of \$12,098,898, generated by the effect of the valuation of investments classified as available for sale with changes in ORI for \$15,041,242, the effect of the application of deferred tax charged to equity for (\$4,958,470), in addition to the effect of the revaluation of real estate assets (buildings and land) for \$2,016,126.

#### 27. Operating Income and Expenses

The following are the operating income and expenses:

<b>Interest on loan portfolio</b>	<b>2023</b>	<b>2022</b>
Regular resources rediscount	\$1,438,264,029	920,005,049
Direct credit	392,228,638	152,128,126
Direct loan defaults	46,267	10,975
Employees housing	845,654	697,185
Former employees housing	514,485	465,766
Consumption	226,656	155,707
	<b>\$1,832,125,729</b>	<b>1,073,462,808</b>

Interest on the loan portfolio at Findeter increased by \$758,662,921, mainly due to the variation in the balance of the commercial portfolio by \$1,118,999,600.

	<b>2023</b>	<b>2022</b>
<b>Gain from valuation of investments at fair value, net (*)</b>		
Demand deposits	\$ 150,593,493	\$ 77,514,829
Profit from valuation of marketable investments	98,573,733	57,534,347
Profit from Private Equity Funds	9,683,785	10,399,706
Gain on sale of investments	424,522	26,890
Dividends	1,529,556	179
Valuation Loss Marketable Investments	(43,140,003)	(42,998,972)
Loss Private Equity Funds	(6,734,839)	(1,492,321)
Loss on sale of investments	(115,796)	(400,159)
	<b>\$210,814,451</b>	<b>\$100,584,499</b>

(\*) The increase in the profit from valuation of investments was due to the high valuation of public debt securities, equity instruments and other portfolio securities, with interest rates that exceeded 15.471%.)

	<b>2023</b>	<b>2022</b>
<b>Net Investment Valuation Amortized Cost</b>		
Profit from valuation of investments at cost	\$ 13,284,029	7,508,059
Loss on valuation of investments at cost	-	(590)
	<b>\$13,284,029</b>	<b>\$7,507,469</b>

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<b>Interest expense on financial obligations</b>	<b>2023</b>	<b>2022</b>
Interest IDB 1967/OC-CO	\$138,262	372,374
Interest IDB 2314	2,108,507	2,803,998
Interest IDB 2768	4,023,883	4,843,256
Intereses BID 3392	5,469,068	7,461,360
Interest IDB 3596	25,172,705	14,741,553
Interest IDB 3842	6,001,543	44,812
Interest AFD 1018 01 K	17,669,733	16,588,282
KFW 26770	3,948,284	6,862,688
BCIE 2142	1,828,085	3,218,239
KFW 28318	13,415,516	4,273,978
KFW 28708	1,136,099	1,255,580
KFW 30037	611,337	-
JP Morgan	86,740,152	23,267,129
	<b>\$ 168,263,174</b>	<b>\$ 85,733,249</b>

**28. Commissions, Fees and Other Services Income and Expenses**

	<b>2023</b>	<b>2022</b>
<b>Income from commissions and other services</b>		
Income Technical assistance (1)	64,050,706	67,397,353
Income water bonds	1,891,590	2,659,876
FNG Commission	458,281	373,277
Portfolio commissions (2)	2,485,558	1,906,704
Insfopal	5,275	8,608
	<b>\$ 68,891,410</b>	<b>\$ 72,345,818</b>

	<b>2023</b>	<b>2022</b>
<b>Commissions and other expenses (3)</b>		
Debt service and trust business	\$ 2,722,248	\$ 1,212,862
Banking services	66,330	83,617
Others (IDB - FNG Counter-guarantee )	13,193,527	10,840,405
	<b>15,982,105</b>	<b>12,136,884</b>
	<b>\$ 52,909,305</b>	<b>\$ 60,208,934</b>

(1) The following is the breakdown of technical assistance income as of December 31:

	<b>2023</b>	<b>2022</b>
Housing - Land development	\$ 10,124,531	\$ 20,989,337
Water - Environment	12,584,467	10,078,441
Infrastructure	32,505,256	32,083,748
Transportation and Mobility	9,022,329	-
Consulting	568,162	2,000,142
Investment banking	(754,039)	2,245,685
	<b>\$ 64,050,706</b>	<b>\$ 67,397,353</b>

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Revenues from technical assistance showed a decrease of (\$3,346,646), as a result of the lower accrual values of the following contracts: housing management (\$10,864,805), investment banking management (\$2,999,725), the increase in income from infrastructure management (\$421,508), water management (\$2,506,026), the new Transportation and mobility management (\$9,022,329) and others (\$568,162).

- (2) Income from portfolio commissions presented an increase of (\$578,854), which corresponds to the collection of availability commissions framed in the borrowing contracts, which are settled on the balance of the loans approved and not disbursed.
- (3) The expense for loan commitment commissions increased by \$3,845,221, derived from multilateral bank loans in 2023, such as IDB loans -2314- 2768-3392-3596,3842, as well as KFW loans 28318 and 30037.

### 29. Other Income

The following is a detail of other income:

	<b>2023</b>	<b>2022</b>
Leases	\$189,187	\$64,807
Recoveries Provision for accounts payable	1,253,317	1,507,644
Income benefit interest rate interest rate employee portfolio (1)	7,716,496	4,057,258
Recoveries Reserves (2)	10,041,855	7,424,472
Reimbursement of disability (3)	-	143,429
Recovery of litigation	2,412,153	-
Other recoveries	853,252	1,237,065
	<b>\$22,466,260</b>	<b>\$14,434,675</b>

- (1) Income from interest rate benefit on portfolio corresponds to the recognition of the interest rate differential granted to employees for conventional benefits, and which is recognized in accordance with the requirements of IAS 19, employee benefits, which presented an increase of \$3,659,238, due to the increase in the disbursement of the loan portfolio to employees.
- (2) The recoveries of the technical reserves of the National Guarantee Fund and the ET Bonds water credits, presented an increase of (\$2,617,383), generated mainly by the analysis of the possible loss ratio of the ET water credits adjusting the loss curve.
- (3) During the 2023 fiscal year, the procedure for the collection of disability benefits reimbursed by the health insurance companies was modified and recorded as an account receivable, which means that neither the income nor the expense of the entity is affected.



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### 30. Other Expenses

The following is a detail of other expenses:

	<u>2023</u>	<u>2022</u>
Property tax, registration and annotation, VAT and GMF	\$30,255,567	20,671,425
Industry and commerce tax (1)	32,375,920	19,453,348
Legal Expenses	305,089	4,344
Fees (2)	10,169,243	12,158,208
Sanctions, claims, and litigation	19,731	1,788
Leases (3)	9,266,592	7,875,071
Contributions and affiliations	7,283,837	6,201,523
Insurance (4)	5,350,694	3,691,374
Maintenance and repairs	5,131,111	5,422,194
Electrical installations	42,851	40,425
Depreciation	600,098	523,146
Depreciation Right of use	804,599	1,305,063
Amortizations	1,870,731	1,607,420
Cleaning and security services	1,267,200	1,052,397
Temporary services (5)	-	982,283
Advertising and publicity	281,476	646,399
Utilities	1,016,131	885,699
Travel Expenses	3,046,203	3,848,241
Transportation	747,680	792,080
Supplies and stationery	124,387	136,172
Promotion and outreach	834,464	1,120,873
Utility expense to programs	889,547	594,483
Other minor	1,304,187	2,519,755
Employee benefits (5)	136,458,324	111,072,854
Employee benefits - portfolio rate	5,726,309	4,057,258
Loss on claims	1,891,113	2,548,562
	<u><b>\$257,063,084</b></u>	<u><b>209,212,385</b></u>

- (1) Industry and commerce tax of **\$12,922,572** (mainly due to the increase in the taxable income base in 2023).
- (2) Professional fees and consulting fees in **(\$1,988,965)** (variation in professional and consulting fees).
- (3) Leases by **\$1,391,520** (Increase in leases in computer equipment and in premises and offices by 2023)
- (4) Insurance by **\$1,659,321** (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 **\$24,403,188**, (salary increase of 16% in 2023, in addition to the benefit and conventional effect of the new incorporations of plant personnel).

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**31. Commitments and contingencies**

Contingent accounts include:

	<b>2023</b>	<b>2022</b>
Pledging IDB loans (1)	\$62,172,081	69,720,571
Due to litigation (claims) ( 2)	21,807,158	96,538,507
Approved and undisbursed loans (3)	1,122,304,460	1,290,965,590
Interest on suspended loans (4)	1,315,212	1,038,004
	<b>\$ 1,207,598,911</b>	<b>\$ 1,458,262,672</b>

(1) Pledging IDB loans

Findeter subscribed the Loan Agreements with the IDB, credit 2314 of 2010, 2768 of 2012, 3392 of 2015, 3596 of 2016 and 3842 of 2019, on which counter-guarantee agreements were constituted in favor of the Nation, pledging the income received by FINDETER from the collection of the rediscount portfolio paid directly to the Deposit Account No. 65812166. of Banco de la República, such income must cover 120% of the value of the semiannual debt service of the Loan Agreement.

<b>CUD account balance Dec 31, 2013</b>	<b>Value to be covered COP Dec 31, 2013</b>	<b>120% coverage</b>
62,172,081	50,919,799	122.10%

<b>CUD account balance Dec 31, 2012</b>	<b>Value to be covered COP Dec 31, 2012</b>	<b>120% coverage</b>
69,720,571	57,949,501	120.31%

- (2) Corresponds to the claims of the legal proceedings filed against Findeter, which as of September 165, 31 total 2023 proceedings, among which there are labor and administrative proceedings, 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:

<b>Bank Entity</b>	<b>2023</b>	<b>2022</b>
Bancolombia S.A.	-	142,000,000
Direct Credit	1,122,304,460	1,148,965,590
	<b>\$1,122,304,460</b>	<b>1,290,965,590</b>

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#### (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 December 31, 2023, there are 19 (18 in 2022) loans generating this interest, of which 10 are for housing (9 in 2022), 6 for consumer loans (7 in 2022) and 3 for commercial loans (2 in 2022).

Findeter within the analysis of the implications of Decree 492 of 2020 issued by the Ministry of Finance and Public Credit, by means of which instructions are given to Findeter to make capital contributions in the amount of \$100,000,000 for the National Guarantee Fund, in order to strengthen the process of granting credit guarantees, the process of understanding continues, for which a request was extended to the Ministry of Finance and Public Credit in order to determine the recognition that we must make at the time of making this disbursement. As of December 31, 2023, management has not received a response from the Ministry of Finance and Public Credit.

In accordance with Decree 1962 of 2023, which homogenizes the provisions that regulate the governance and regimes of public financial services entities, in its Title II, Article 10, Financiera de Desarrollo Territorial S.A. will act as shareholder of Empresa Promotora de Desarrollo Territorial S.A., with a number of shares of 5,068,623. - Findeter will act as shareholder of Empresa Promotora de Desarrollo Territorial S.A., with a number of shares of 5,068,623.

As of the date of this report, we are awaiting the regulatory decree to comply with the instructions set forth in decree 1962 of 2023.

### 32. 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 as collateral, unused receivables, written-off assets, unused receivables, fully depreciated property and equipment, tax value of assets, goods and securities received in custody and as eligible collateral, resources received in administration directly or through separate autonomous patrimonies, etc. The balances recorded are as follows:

	<u>2023</u>	<u>2022</u>
<b>Debtors:</b>		
Securities delivered in custody	12,275,199,777	11,147,632,719
Written-off assets	2,792,761	2,792,761
Unused credits	462,375,598	1,137,866,107
Other assets	-	201,330,737
Tax cost of fixed assets	37,729,184	29,254,328
Tax depreciation fixed assets	(24,869,953)	(24,128,847)
Fiscal cost software program	21,138,251	17,864,753
Amortization of software programs	(14,800,071)	(13,237,706)
Negotiable investments in debt securities	-	239,189,067
Held-to-maturity investments	-	224,828,273
Settlement of profit sharing agreements	819,829	819,829
	<u>\$ 12,760,385,376</u>	<u>\$12,964,212,021</u>

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	<u>2023</u>	<u>2022</u>
<b>Creditors:</b>		
Assets and securities received in custody	4,641,550	4,641,550
Goods and securities received as collateral	13,733,707,050	11,959,198,869
Return on investments	50,900,158	30,085,588
Home loan qualification	89,882,256	68,815,218
Consumer credit rating	7,360,449	6,110,695
Qualifying eligible collateral portfolio	12,322,687,426	11,152,245,957
Resources received in administration	2,933,280,640	1,557,338,937
other memorandum accounts	61,077,847	59,124,784
	<u>\$ 29,203,537,376</u>	<u>\$ 24,837,561,598</u>

- (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.

Within the framework of the administration, Findeter complied with the General Comptroller's Office with the report of Unfinished works in accordance with the stipulated in the regulatory requirements, and on which contract CA 0013-2015 was reported: *"To 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 currently underway, 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.

### 33. Related parties

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

They are considered related parties:

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- 1) An economic affiliate is a person or entity that is related to some entity through transactions such as transfers of resources, services, or obligations, whether or not a price is charged.
- 2) Shareholders who individually own more than 10% of the capital stock of Findeter (Grupo Bicentenario).
- 3) Key management personnel: Are those persons who have authority and responsibility for planning, directing, and controlling the activities of the entity directly or indirectly, including any director or administrator (executive or non-executive) of Findeter, including the President, Vice Presidents, 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 any such transactions will be carried out at fair values, taking into account market conditions and rates.

At present, Findeter does not have any operations with the major shareholder Grupo Bicentenario S.A.S.

Between Findeter and its 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

	<b>2023</b>	<b>2022</b>
Board of Directors' fees	\$1,103,083	969,699

2. As of December 31, 2023 and 2022, Findeter records loan portfolio balances and remuneration with key Findeter personnel, as detailed below:

	<b>2023</b>	<b>2022</b>
Loan Portfolio	\$4,795,265	5,704,487
Key Management Personnel Compensation	12,207,127	11,962,242

All transactions and disbursements were made under the conditions described in the collective bargaining agreement.

3. In compliance with the provisions of IAS 24 Related Parties, paragraph 25 Government Related Entities, Findeter discloses what is indicated in paragraph 26, considering that the Colombian Government has joint control or significant influence in each of the companies that make up the Bicentennial Group, through its participation in the boards of directors.

For the above mentioned, as of September 31, 2023 and 2022, the transactions that Findeter records in its financial statements with the entities of the Bicentennial Group are detailed, identifying their type:

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BALANCES AS OF DECEMBER 31, 2023							
Concept/Entity	Banco Agrario	Financiera de Desarrollo Nacional	Fondo Nacional del Ahorro	Fondo Nacional de Garantías	Positiva	Fiduciaria La Previsora	Total
Banks	-	-	-	9,514,818	-	170,848	9,685,666
Investments	-	-	-	151,813,518	-	20,340,040	172,153,558
Portfolio	16,688,753	236,041,302	-	-	-	-	252,730,056
Accounts Receivable	199,741	7,069,778	-	1,318,328	-	-	8,587,847
Accounts Payable	-	-	-	1,563,659	-	503,559	2,067,218
Income	2,436,537	43,395,274	-	44,281,144	-	528,584	3,850,991
Expenses	-	-	-	19,116,955	1,353,669	50,654	20,521,278

BALANCES AS OF DECEMBER 31, 2023							
Concept/Entity	Banco Agrario	Development Finance National	Fondo Nacional del Ahorro	Fondo Nacional de Garantías	Positiva	Fiduciaria La Previsora	Total
Banks	-	-	-	1,360,163	-	155,500	1,515,663
Investments	-	-	-	139,216,710	-	18,990,597	158,207,307
Portfolio	23,557,912	370,996,541	-	-	-	-	394,554,453
Accounts Receivable	484,627	9,999,792	-	25,032	-	1,059,049	11,568,500
Accounts Payable	-	-	-	503,419	-	508,912	1,012,331
Income	2,287,486	37,447,374	-	25,467,249	2,611	4,590,917	69,795,637
Expenses	-	-	-	21,051,745	1,138,894	75,370	22,266,009

### 34. Risk management

#### 34.1 Risk Management Process

Findeter, in the ordinary course of its business, is exposed to different financial and non-financial risks, risk management is considered as one of the main axes of management and as a strategic process.

As a fundamental premise, risk management is transversal to Findeter, and its management starts from the Board of Directors and Senior Management.

The Entity, as defined in Chapter XXXI of the Basic External Accounting and Financial Circular 100 of 1995, establishes the Comprehensive Risk Management System (SIAR), through which the different risks are managed, in accordance with the risk appetite and profile defined by internal and external regulations, in this sense, The SIAR manages the Credit, Market, Liquidity, Operational, Information Security and Cybersecurity, Environmental and Social, Personal Data Protection, Fraud and Corruption and Business Continuity risks, as well as the risks of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction through SARLAFT.

Each of these risks has models, methodologies, policies and limits and Risk Appetite Framework defined in line with the provisions of the Financial Superintendency of Colombia. All these components are approved by the Financiera's Board of Directors and are focused on strategic decision making.

For the year 2023 the SIAR did not present any problems in its management and remained within its Risk Appetite Framework - RAF, which is monitored by management and the Board of Directors.

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#### Board of Directors

The Board of Directors of the Finance Company is responsible for adopting, among others, the following decisions related to the adequate organization of the comprehensive risk management system:

- Approve the entity's business plan and verify compliance with it.
- Approve and verify compliance with the RAF, SIAR policies, general exposure and concentration limits, risk governance structure, strategies to manage: (i) risks, (ii) capital, (iii) liquidity and (iv) conflicts of interest and their disclosure; as well as their updates. To this end, it must verify that they are in line with the risk profile and appetite, the business plan, the nature, size, complexity, and diversity of the activities carried out by the entity, and the economic environments and markets in which it operates.
- Approve: (i) the guidelines of the internal reports submitted to it in connection with comprehensive risk management and (ii) the liquidity contingency plan; as well as its updates.
- Approve the measures to be implemented and follow up on their application and effectiveness, when there are: (i) increases in the exposure to risks that result in exceeding the thresholds and/or regulatory and/or internal limits defined by the entity or non-compliance with the RAF, (ii) weaknesses in the SIAR for comprehensive risk management in accordance with the economies and market in which the entity operates, its level of capital and liquidity, the regulatory framework, the business plan and the entity's risk profile and appetite, and (iii) corrective and improvement actions, once the previous instances in the governance structure have been overcome.
- To know the results of the stress tests and approve the measures or plans to be implemented to mitigate risks based on their results.
- Monitor, at least once a year, the effectiveness and suitability of the SIAR for adequate risk management and its consistency with the business plan and with the economies and markets in which the entity operates, as well as approve improvement actions.
- Prior approval of the reclassification of a position in the cash book or in the banking book, as a result of an identified hedging strategy. The reclassification will only be effective 30 business days after its adoption. The foregoing does not imply or permit the reclassification of investments for valuation and accounting purposes, the rules for which are set forth in the Chapter on valuation of investments of the Basic Accounting and Financial Circular (CBCF). In any case, the coverage strategies to be implemented must comply with the criteria defined in Chapter XVIII of the CBCF.
- Approve the policies associated with the credit cycle, as well as the regulations for the different credit operations (rediscount, direct credit, employees, and former employees).
- Receive and evaluate the reports submitted by the Information Security and Cybersecurity Unit in accordance with the terms established in section 3.2.3 of Chapter V, Title IV, Part I of the Basic Legal Circular (C.E.). 029 OF 2014
- Any other duties assigned by the applicable internal and/or external regulations.

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In relation to resources:

- Appoint the members of the risk committee, approve its rules of procedure, and define its functions.
- Approve, at least once a year, the training policy for the personnel that is part of the governance structure for the comprehensive risk management of the entity, as well as the guidelines on ethics or conduct and internal control related to the SIAR.

**Committees associated with risk management**

**i. Risk and ALM Committee**

General Objective: Support the Board of Directors and the presidency of the entity in the definition, monitoring, control, implementation of policies and procedures for integrated risk management.

Main Functions:

- To monitor the entity's risk profile and appetite, as well as to evaluate its consistency with the business plan, capital, and liquidity levels, and to report to the BoD on the main results and issue the corresponding recommendations, when necessary.
- Advise the BoD on operations, events, or activities, including entering new markets.
- Review the SIAR policies at least once a year and propose the corresponding adjustments to the Board of Directors for their respective approval.
- Evaluate the adequacy of the business continuity plan and contingency plans.
- Report to the Board of Directors its analysis of the results of the monthly reports received from the Risk Vice-Presidency and the Compliance Officer.
- Provide advice and support to the Compliance Officer.
- Evaluate and advocate for actions to be taken to deal with the main information security and cybersecurity risks and incidents that occur in the organization.

**ii. Credit Risk Management Committee**

General Objective: The purpose of this Committee is to analyze, validate and maintain interdisciplinary control of all issues related to credit risk management. The Credit Risk Management Committee shall be held at least once a month.

Main Functions:

- Follow up on early warning indicators.
- Define the entities to be audited according to quantitative and qualitative analyses.
- Analyze the level of provisions.
- Analyze the periodic reconciliations between the portfolio registered by FINDETER and that registered by the Intermediaries.
- Analyze portfolio concentration.



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- Make recommendations to the Risk Committee.
- Analyze the variations of the proposed Maximum Exposure Values.
- Define the qualitative points to be evaluated for each intermediary.
- Analyze the results of audits of rediscount operations and evaluate the pertinent actions in applicable cases.
- Others as deemed necessary by the Vice President, Risk and/or the Risk and ALM Committee.

**34.1.1 Integrated Risk Management System - SIAR**

In compliance with the provisions of External Circular 018 of 2021, Findeter implements Chapter XXXI Integrated Risk Management System SIAR. The following is a detailed description of each one of the system's component processes:

**34.1.2 Credit Risk Management**

The following is a description of the relevant qualitative aspects of credit risk, such as, for example, in which operations it occurs, types of approved policies, procedures, generality of measurement methodologies, etc.

**Transactions on which there is exposure to credit risk Portfolio -**

**Rediscount:**

It originates in the credit operations intermediated by the credit institutions supervised by the Superintendency of Finance and in operations originated by the Regional Development Institutes - hereinafter INFIS. Likewise, with the creation of the Social Interest Housing Line (VIS), other intermediaries were authorized, such as: Family Compensation Funds supervised by the Superintendence of Family Subsidies, Savings and Credit Cooperatives and Employee Funds supervised by the Superintendence of Solidarity Economy.

It is important to clarify that the portfolio associated with Employee Funds and Family Compensation Funds is a portfolio that is exclusively in recovery, and therefore no new transactions were recorded with these entities.

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

- Financial analysis and probability of impairment: Mathematical and statistical evaluation of intermediaries' financial statements.
- Qualitative aspects and on-site audits: The objective of this component is to perform a qualitative analysis of a series of information sent by the intermediary, with the purpose of deepening the client's knowledge of its business model and strategy, corporate governance framework, among others.

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

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#### Portfolio - Direct Credit

Findeter, by virtue of the authorizations given by the National Government, places direct credit to potential clients in order to support the territories:

**Direct Credit to Territorial Entities:** It originates from direct credit operations and/or syndicated credits with public international law entities directed to districts, municipalities and/or the departments by virtue of Decree 468 of March 23, 2020.

**Direct Credit to Public Utilities Providers supervised by the Superintendence of Home Utilities:** It originates from direct credit operations that were granted to public utility service providers, by virtue of decrees 581 of April 2020, 798 and 819, both of June 2020. This line was in effect until December 31, 2020, and the portfolio with this type of entities is currently in the process of recovery.

**Direct Credit to Electric Power Distributors and Retailers:** Through the issuance of Law 2299 of 2023, Article 5°, Findeter is authorized to grant Direct Credit to Electric Power Distribution and Commercialization Companies of official, mixed and/or private nature, which have applied the regulatory tariff option established by the Energy and Gas Regulation Commission - CREG.

**Direct Credit PA- Regional Funds** Through the issuance of Law 2279 of 2022, Findeter is authorized to grant Direct Credits to Regional Fund Autonomous Patrimonies that are constituted and whose purpose is the development and execution of investment projects and/or activities, contemplated within the lines of the respective development plans of the Territorial Entities or that by initiative of the entities of the national order are presented and declared of strategic importance by the Territorial Entities and/or by the National Government. At the end of December 2023, no transactions have been generated with this type of debtors.

**PA Direct Credit - Development of Infrastructure Investment Projects:** Through the issuance of Law 2294 of 2023, Findeter is authorized to grant Direct Credits to Autonomous Patrimonies that it establishes for the development of infrastructure investment projects in its eligible sectors. At the end of December 2023, no transactions have been generated with this type of debtors.

The credit risk management of this direct credit product complies with all the guidelines established in Chapter XXXI of the Basic Accounting and Financial Circular 100 of 1995 issued by the Financial Superintendency of Colombia. For each of the granting, follow-up and recovery stages, the different policies, methodologies, models, procedures, among others, necessary to maintain risk levels in accordance with those defined by management and the Board of Directors, are applied.

During 2023, Findeter permanently monitored the behavior of the different indicators of each of the intermediaries, adjusting the level of exposure and the level of provisions as indicated by the analyses, in accordance with the economic scenario observed in the country's economy during the year.

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The main credit risk exposure figures are detailed below. Total loan portfolio capital exposure:

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Rediscount	8,805,407,919	71.91%	8,971,705,330	80.79%
Direct credit	3,342,514,849	27.30%	2,057,206,172	18.53%
Second floor:	857,313	0.01%	868,980	0.01%
Employees	70,180,257	0.57%	53,312,414	0.48%
Former employees	26,868,039	0.22%	21,416,597	0.19%
	<b><u>\$ 12,245,828,377</u></b>	<b>100.00%</b>	<b><u>\$ 11,104,509,493</u></b>	<b>100.00%</b>

Exposure of total gross portfolio interest

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Rediscount	132,958,225	76.37%	99,575,604	81.18%
Direct credit	40,913,023	23.50%	22,853,777	18.63%
Second floor:	36,096	0.02%	36,096	0.03%
Employees	46,073	0.03%	58,802	0.05%
Former employees	148,336	0.09%	138,100	0.11%
	<b><u>\$ 174,101,753</u></b>	<b>100.00%</b>	<b><u>\$ 122,662,378</u></b>	<b>100.00%</b>

The following table describes the rediscount portfolio exposure distributed between those supervised by the Financial Superintendency of Colombia and those not supervised by it.

Exposure of the rediscount portfolio:

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Supervised	8,805,157,223	99.997%	8,971,055,690	99.99%
Not supervised	250,696	0.00%	649,640	0.01%
	<b><u>\$ 8,805,407,919</u></b>	<b>100%</b>	<b><u>\$ 8,971,705,330</u></b>	<b>100%</b>

Exposure of total interest on rediscount portfolio

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Supervised	132,957,646	100.00%	99,574,102	100.00%
Not supervised	579	0.00%	1,502	0.00%
	<b><u>\$ 132,958,225</u></b>	<b>100%</b>	<b><u>\$ 99,575,604</u></b>	<b>100%</b>

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Distribution of the rediscount loan portfolio by type of entity. Capital exposure

on the rediscount portfolio:

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Banks	8,409,946,071	95.51%	8,528,556,454	95.06%
Special Official Institution - IOE	236,041,302	2.68%	370,996,541	4.14%
Financing companies	88,922,271	1.01%	6,405,501	0.07%
Development institutes - INFIS	44,192,656	0.50%	57,914,984	0.65%
Financial cooperatives	26,054,922	0.30%	7,182,210	0.08%
Other	250,696	0.00%	649,640	0.01%
	<b><u>\$ 8,805,407,919</u></b>	<b>100.00%</b>	<b><u>\$ 8,971,705,330</u></b>	<b>100.00%</b>

Total interest exposure rediscount portfolio

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Banks	124,594,504	93.71%	88,681,567	89.06%
Special Official Institution - IOE	7,069,778	5.32%	9,999,792	10.04%
Financing companies	479,716	0.36%	19,460	0.02%
Development institutes - INFIS	611,786	0.46%	837,537	0.84%
Financial cooperatives	201,861	0.15%	35,745	0.04%
Other	579	0.00%	1,502	0.00%
	<b><u>\$ 132,958,225</u></b>	<b>100.00%</b>	<b><u>\$ 99,575,604</u></b>	<b>100.00%</b>

Within the classification of "others" we have compensation funds, savings and credit cooperatives and employee funds.

The following tables describe the direct credit portfolio exposure distributed among Territorial Entities and Public Utilities Providers - PPSPD.

Capital exposure of direct credit portfolio:

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Territorial Entities	3,057,716,755	91.48%	1,924,229,889	93.54%
PPSPD (*)	284,798,094	8.52%	132,976,283	6.46%
	<b><u>\$ 3,342,514,849</u></b>	<b>100.00%</b>	<b><u>\$ 2,057,206,172</u></b>	<b>100.00%</b>

\*(PPSPD) Persons Providers of Domiciliary Public Services Interest exposure

of direct credit portfolio:

	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Territorial Entities	36,334,706	88.81%	22,853,682	100.00%
PPSPD (1)	4,578,317	11.19%	95	0.00%
	<b><u>\$ 40,913,023</u></b>	<b>100.00%</b>	<b><u>\$ 22,853,777</u></b>	<b>100.00%</b>

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Distribution of total portfolio by risk rating:

Exposure of total loan portfolio

CATEGORY	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Category A "Normal Risk"	12,190,471,084	99.55%	11,073,000,60 <sup>2</sup>	99.72%
Category B "Acceptable Risk".	37,533,284	0.31%	23,570,328	0.21%
Category C "Appreciable Risk".	4392678,848	0.04%	4502528,749	0.04%
Category D "Significant Risk".	10,275,083	0.08%	1,505,117	0.01%
Category E "Irrecoverable".	3,156,247	0.03%	1,930,917	0.02%
T	<b>\$ 12,245,828,377</b>	<b>100.00%</b>	<b>\$ 11,104,509,493</b>	<b>100.00%</b>

Exposure of total loan portfolio interest

CATEGORY	2023		2022	
	Exhibition	Interest	Exhibition	Interest
Category A "Normal Risk"	\$ 173,099,011	99.42%	\$ 122,019,369	99.48%
Category B "Acceptable Risk".	580,482	0.33%	487,503	0.40%
Category C "Appreciable Risk".	135,874	0.08%	99,228	0.08%
Category D "Significant Risk".	232,595	0.13%	1,932	0.00%
Category E "Irrecoverable".	53,791	0.03%	54,346	0.04%
Total Gross Portfolio	<b>\$ 174,101,753</b>	<b>100.00%</b>	<b>\$ 122,662,378</b>	<b>100.00%</b>

The portfolio in category E belongs to second floor and former employees; this portfolio is provisioned at 100%.

#### 34.1.2.1 Market Risk Management

The following is a description of the relevant qualitative aspects of Market Risk:

Market risk is the potential loss from changes in market risk factors that affect the valuation or expected results of assets, liabilities, or contingent liability transactions, such as interest rates, exchange rates, price indexes, among others.

Market risk arises from adverse variations in the relevant financial market variables. Thus, 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 Colombian Financial Superintendence to measure its exposure to these risks:

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

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

Equity Risk. Arises from holding open positions (buying or selling) in stocks, indices, or equity-based instruments. This creates exposure to the change in the market price of stocks linked to indexes or index-based instruments. Findeter is exposed to this risk because it has a stake in the National Guarantee Fund.

Risk Collective Investment Funds. Arises from holding positions in private equity funds, mutual funds, stock funds and investment funds. Under this scheme, there is exposure to changes in the valuation of the units of participation in such instruments.

The purpose of Market Risk Management (MRM) is to identify, measure, control and monitor the market risk to which the entity is exposed in the development of its authorized operations, including treasury operations, taking into account its structure and size.

In relation to the risk of variations in the exchange rate of the peso against other currencies to which FINDETER may be exposed, the Board of Directors adopted the policy of maintaining the global exchange position hedged in a percentage higher than 95%. Additionally, the VaR of foreign currency 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 Measurement and control of market risk

Treasury book positions exposed to rate risk:

<b>Active Positions (rights)</b>	<b>2023</b>	<b>2022</b>
Investments (excluding private equity funds, mutual funds, and equities) (1)	427,194,743	342,929,985
<b>Foreign currency asset positions (rights)</b>		
Forwards rights	2,204,138,224	2,561,806,324
<b>liability positions (obligations)</b>		
Forward obligations	2,259,187,229	2,510,898,929

iii. Other sensitivities determined by the Financial Superintendency are applied to the funds and shares.

Active and passive positions that determine the exchange rate risk:

	<b>2023</b>	<b>2022</b>
Loans in dollars and euros	-	-
Forward purchase of dollars and euros	2,204,138,225	2,561,806,324
Available in dollars and euros	479,043	51,840,013
	<b>\$2,204,617,268</b>	<b>\$2,613,646,337</b>

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	<u>2023</u>	<u>2022</u>
Multilateral bank debt	\$2,673,470,525	\$3,154,523,816
Other liabilities and accounts payable	43,774,386	44,352,930
	<b>\$2,717,244,911</b>	<b>\$3,198,876,746</b>
Difference in absolute value	512,627,643	585,230,409
VaR Exchange Rate	18,391,824	7,609,730

VaR is calculated by applying the standard model and, in accordance with the instructions of the Financial Superintendency of Colombia in the Basic Accounting and Financial Circular, it is reported daily, which implies that the values used to estimate market risk are prior to the accounting close, and therefore differences may occur with those reflected in the balance sheet.

Positions exposed to equity risk and positions in mutual funds and private equity funds:

	<u>2023</u>	<u>2022</u>
<b>Shares</b>	40,663,870	35,191,992
<b>CIFs and CPFs</b>	49,711,440	62,097,428

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

<b>Month</b>	<u>2023</u>	<u>2022</u>
<b>Interest rate</b>	45,360,028	12,427,724
Exchange Rate	6,803,112	4,657,736
Share price	5,864,300	5,173,222
Mutual Funds	7,298,823	9,128,322
Value at risk	<b>65,326,264</b>	<b>31,387,006</b>
Technical assets	1,341,929,290	1,145,340,637
VaR GLOBAL	<b>4.87%</b>	<b>2.74%</b>

The higher interest rate risk stands out, explained by the increase in the amount and term of hedges in accordance with FINDETER's strategies, as well as a decrease in collective investment funds.

#### Value at Risk vs:

The overall value at risk of the banking and treasury book at December 31, 2023 was 4.87% below the limit of 8% established by the Board of Directors, compared to 2.74% at the end of 2022 due to the increase in the interest rate and exchange rate module.

#### Value at Risk Foreign Currency vs Limit:

Within the market risk monitoring policies, FINDETER assumes as foreign currency VaR the sum of calculations corresponding to 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 liabilities in foreign currency must not exceed the 2% limit.

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The VaR in foreign currency at December 31, 2023 was 0.8% below the 2% limit established by the Board of Directors, compared to 0.3% at the end of 2022, an increase generated by the mismatch of asset and liability positions exposed to this risk and the increase in the PT.

#### Market Risk Sensitivity:

The sensitivity analysis of the market risk in the event of a movement of +100PB in the interest rates of the securities comprising the investment portfolio, the interest rate module shows an upward movement from \$33,771,316,419 to \$39,864,714,067, which represents an 18.04% increase, 04% 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.

#### Exposure to foreign exchange risk:

In compliance with the provisions of the External Regulatory Circular DODM 285 of Banco de la República, in the sense of hedging the Entity's exchange exposure and with the provisions of the External Circular 041 of the Financial Superintendence of Colombia regarding the transmission of the Global Exchange Position, FINDETER has been hedging 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, 2023 amounted to USD 574,162,085 and EUR 14,964,931. Additionally, Findeter monitors its foreign currency positions through the follow-up of the value at risk in foreign currency, 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 created by entity and the participation by entity for the year 2023:

2023		
ENTITY	Transactions per entity USD	Interest
BBVA Bank	71,080,000	12%
Bancolombia	21,400,000	4%
Banco de Bogotá	44,150,000	7%
Banco de Occidente	106,207,104	18%
Itaú CorpBanca Colombia	26,201,000	4%
Corficolombiana	10,000,000	2%
Scotiabank Colpatria	99,093,321	17%
Davivienda S.A. Red Bancafé	162,195,590	28%
Banco Popular	48,800,000	8%
	589,127,015	



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<b>2022</b>		
<b>ENTITY</b>	<b>Transactions per entity USD</b>	<b>Interest</b>
Bancolombia	76,591,515	14%
Banco de Bogotá	54,100,000	10%
Banco de Occidente	84,180,088	16%
Itaú CorpBanca Colombia	26,250,000	5%
Corficolombiana	42,877,619	8%
Scotiabank Colpatría	92,370,000	17%
Davivienda s.a. Red Bancafé	63,000,000	12%
Banco Popular	32,000,000	6%
BBVA Bank	63,800,000	12%
	<b>535,169,222</b>	

The global exchange positions as of December 31, 2023 and 2022 presented values of USD -918,437 and USD 4,374,445 respectively, being located within the permitted limits of 20% and (5%) with respect to the technical equity as of October 2023, in accordance with the provisions of the External Regulatory Circular DODM 285 of Banco de la República:

#### CALCULATION OF GLOBAL EXCHANGE POSITION - VALUE IN DOLLARS (USD)

RIGHTS	2023	2022
Banks	125,337	10,777,101
Forward	574,162,084	520,204,291
USD Credits	0	0
Accounts receivable	0	0
	<b>574,287,421</b>	<b>530,981,392</b>
OBLIGATIONS	USD VALUE	USD VALUE
	<b>575,215,858</b>	<b>526,606,947</b>
<b>Global Exchange Position (USD)</b>	-928,437	4,374,445

#### ESTABLISHED LIMITS

	Thousands of USD	Thousands of USD
<b>October Technical Assets in USD</b>	<b>315,684</b>	<b>242,709</b>
20%	63,137	48,542
-5%	(15,784)	(12,135)

#### 34.1.2.2 Liquidity risk management. GRL

Liquidity risk is the contingency that Findeter may face if it incurs excessive losses that lead it to sell part or all of its assets and to carry out other operations that allow it to achieve the liquidity necessary to meet its obligations.

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Liquidity risk arises from adverse variations in relevant financial market variables. The main liquidity risks to which the Entity is exposed can be classified according to the different risk factors to which its portfolios are exposed. In this way we have:

- Inadequate management of assets and liabilities: This refers to poor management of resources, either because of the quality or composition of the assets, or because of the way in which its activity is leveraged.
- Term and rate mismatch: This is the risk that arises when the maturities or interest rates of the assets do not match those of the liabilities.
- Volatility of funds raised: Variability in the stability of the resources captured at term. Estimating volatility makes it possible to construct different liquidity scenarios, evaluate funding rates versus the market and define tolerance limits.
- Concentration of catchments: Liquidity risk materializes when the concentration of deposits is accompanied by a concentration of maturities.

**Variables outside the entity that may lead to a systemic crisis:**

Adverse change in interest rates.

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

The GRL must allow the Entity to measure and quantify the minimum level of liquid assets, in legal and foreign currency, that it must maintain to prevent the materialization of liquidity risk, i.e., to have the capacity to pay in a timely and compliant manner the obligations it has in a normal scenario, such as in a crisis scenario. FINDETER uses the standard methodology suggested by the Colombian Financial Superintendency to measure its exposure to liquidity risk.

Associated procedures Liquidity risk measurement and control

**Policies**

With respect to liquidity risk, Findeter has established policies regarding the concentration of its obligations and the measurement and monitoring of its indicators:

**Liquidity risk index:**

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 to be maintained by the entity with respect to:

Credit disbursements: If disbursements made during the month reach the amount budgeted in the financial plan, additional disbursements must be approved by the Risk and ALM Committee.

The Risk and ALM Committee will establish the maturity concentration limit for fund raising operations.

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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 IRL at 7 or 30 days is negative, in order to prevent and act against such event, the Liquidity Contingency Plan is established.

7-day and 30-day IRL liquidity risk indicator:

Month	2023		2022	
	IRL 7 DAYS	IRL 30 DAYS	IRL 7 DAYS	IRL 30 DAYS
January	1,345,110,654.30	1,187,451,727.70	1,006,066,548	812,590,393
February	1,428,692,731.50	1,097,647,031.40	694,490,985	666,442,923
March	1,124,202,616.50	803,557,428.60	792,352,946	631,136,184
April	889,752,748.60	749,263,560.40	799,215,267	703,654,450
May	1,254,398,173.10	1,064,185,688.30	598,578,077	561,472,439
June	1,020,086,250.10	925,868,145.50	640,884,250	564,612,713
July	1,200,194,982.90	963,947,656.00	1,048,301,107	754,330,477
August	1,282,260,925.10	1,311,877,053.60	907,760,938	755,310,617
September	789,382,352.50	630,871,426.60	1,308,323,093	1,007,363,611
October	1,790,643,306.90	1,570,200,243.50	1,218,135,218	932,771,471
November	1,797,335,169.20	1,665,359,992.60	1,400,340,875	1,327,533,538
December	1,434,011,876.00	1,309,236,601.40	1,187,204,069	872,713,037

The internal model for calculating liquidity risk is based on the standard model of the Colombian Financial Superintendency, extended to other time bands. Considering the nature of FINDETER's operations, it is important to see the cash flow projection for terms longer than 30 days.

The Liquidity Risk Indicator (IRL) will be determined as follows:

$IRL = ALM - RLN$  where:

ALM: Liquid assets adjusted for market liquidity, foreign exchange risk and reserve requirements.

RLN: Estimated Net Liquidity Requirement for the time band.

The composition of the ALM and RLN is made in accordance with the provisions of Chapter VI, Annex 1 of the Basic Accounting and Financial Circular of the Superintendency of Finance.

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

The results of the internal liquidity risk model can be seen below. It is important to bear in mind that the available and investment values that make up the liquid assets cannot have any type of restriction and that the market liquidity haircut required by the regulations (Basic Accounting and Financial Circular) is applied to them. Consequently, assets recognized as restricted are not part of the calculation.

## FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

### Notes to the Financial Statements

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Liquidity risk indicator for different bands as of December 31, 2023:

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	Cash	\$ 1,180,908	\$ 1,180,908	\$ 1,041,969	\$ 769,462	\$ 522,585	-\$ 208,268
	Portfolio	\$ 267,268	\$ 267,268	\$ 267,268	\$ 267,268	\$ 267,268	ND
Requirement		-\$ 14,164	-\$ 138,939	-\$ 272,507	-\$ 246,878	-\$ 998,120	-\$ 3,319,607
IRL		\$ 1,434,012	\$ 1,309,237	\$ 1,036,730	\$ 789,852	-\$ 208,268	-\$ 3,527,875
IRL Relative		10224%	1042.3%	480.4%	419.9%		

Liquidity risk indicator 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	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
IRL		\$ 1,187,187	\$ 872,592	\$ 700,787	\$ 304,470	-\$ 897,623	-\$ 3,988,921
IRL Relative		3747%	351.4%	507.9%	176.8%		

### Sensitivity to liquidity risk

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

2023

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 IRL	\$ 1,448,176	\$ 1,448,176	\$ 1,309,237	\$ 960,461	\$ 637,157	-\$ 575,253
Requirement	-\$ 14,164	-\$ 138,939	-\$ 348,776	-\$ 323,304	-\$ 1,212,410	-\$ 3,718,551
IRL Relative	\$ 1,434,012	\$ 1,309,237	\$ 960,461	\$ 637,157	-\$ 575,253	-\$ 4,293,805
	10224%	1042.3%	375.4%	297.1%		

### Amounts in millions of pesos

Liquidity risk indicator stressing income by 25% for different bands, as of December 31, 2023.

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 IRL	\$ 1,448,176	\$ 1,448,176	\$ 1,309,237	\$ 884,038	\$ 484,155	-\$ 942,975
Requirement	-\$ 14,164	-\$ 138,939	-\$ 425,198	-\$ 399,883	-\$ 1,427,130	-\$ 4,118,295
IRL Relative	\$ 1,434,012	\$ 1,309,237	\$ 884,038	\$ 484,155	-\$ 942,975	-\$ 5,061,269
	10224%	1042.3%	307.9%	221.1%		

### Amounts in millions of pesos

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Liquidity risk indicator stressing income by 50% for different bands, as of December 31, 2023.

#### 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	Cash	\$ 1,219,736	\$ 1,219,736	\$ 812,369	\$ 574,480	\$ 108,634	-\$ 1,301,414
	Portfolio						
Requirement		-\$ 41,226	-\$ 407,367	-\$ 237,890	-\$ 465,845	-\$ 1,410,048	-\$ 3,503,613
IRL		\$ 1,178,510	\$ 812,369	\$ 574,480	\$ 108,634	-\$ 1,301,414	-\$ 4,805,027
IRL Relative		2959%	299.4%	341.5%	123.3%		

#### Amounts in millions of pesos

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	Cash	\$ 1,219,736	\$ 1,219,736	\$ 752,026	\$ 447,919	-\$ 87,594	-\$ 1,706,014
	Portfolio						
Requirement		-\$ 49,920	-\$ 467,711	-\$ 304,107	-\$ 535,513	-\$ 1,618,420	-\$ 3,916,755
IRL		\$ 1,169,816	\$ 752,026	\$ 447,919	-\$ 87,594	-\$ 1,706,014	-\$ 5,622,769
IRL Relative		2443%	260.8%	247.3%	83.6%		

(Amounts in Millions of pesos)

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

It is important to highlight that during 2023 and 2022 there were no adverse situations with respect to Findeter's liquidity, showing the excellent management by the administration and allowing to comply with all contractual obligations derived from the ordinary course of business.

#### 34.1.2.3 Integrated Management of Non-Financial Risks.

FINDETER has implemented the management of non-financial risks which includes Operational, SARLAFT, ISMS, Cybersecurity, Personal Data Protection, Business Continuity, Environmental, Suppliers, Fraud and Corruption Prevention risks; through the development of each of its stages and elements, providing relevant information for decision making regarding risk management associated with the operation of the Entity and led by the Risk Vice-Presidency.

Risks are identified from the processes, assessed, and controlled in order to obtain the residual risk. The risk profile for the Entity is obtained from the consolidation of the residual risk. Each of the stages of non-financial risk management has its respective policies and methodologies that contribute to its management, these are contained in the SIAR Manual, which has been duly approved by the Board of Directors, and is known to both the Audit Committee and the Risk Committee.

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This management has the necessary procedures to develop integral risk management, which are contained in the Integrated Management System. It also has a register of operational risk events and security incidents, a tool that allows the company to

**Notes to the Financial Statements**

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fundamental in risk management that favors the strengthening of processes by identifying their failures and correcting them, thus generating greater control and operational efficiency by reducing errors, thus creating a favorable framework for the development of the operation, as well as its different products and operational lines.

Regarding the recording of events for 2023, the Finance Company presented losses due to operational risk corresponding to two loss events totaling Ps. 19,730,735, which were recorded in the account of fines and penalties, litigation, indemnities, and claims. Likewise, a recovery associated with these two loss events was recorded in the account of recoveries other than insurance - operating risk in the amount of \$19,730,735, so that at the end of 2023 these loss events were recovered and reconciled to zero. In addition, these two loss events have their respective event records, as well as the corresponding action plans for their attention.

According to the results of the last monitoring carried out as of December 31, 2023, FINDETER's residual risk profile is MODERATE, which is derived from the application of the methodologies defined in the manual for risk management and controls associated with the processes that FINDETER has defined for its operation.

The Business Continuity Plan - BCP, which includes the Emergency Attention Plan and the Technological Disaster Recovery Plan - DRP, is part of the operational risk. The main objective of these plans is to respond to situations of operational interruption, so that critical processes continue to operate until they return to normal. To this end, the Finance Company has defined its critical processes through the business impact analysis, which are subjected annually to different types of tests, some at the Alternate Operations Center (CAO) and others at the desk, in order to ensure their operation in this type of situation.

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

**34.1.2.4 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 Terrorist Financing - ML/FT, has implemented the SARLAFT 4.0, which contemplates the organizational infrastructure, policies, methodologies, procedures, and the adoption of controls that allow the mitigation of risks generated through the risk factors associated with money laundering and terrorist financing.

During the year 2023, through risk identification, analysis, and control methodologies, we will monitor the factors that generate ML/FT risks: Customers, Products, Distribution Channels and Jurisdictions, as well as the measurement of the impacts associated with their materialization: Reputational, Legal, Operational and Contagion, obtaining that the consolidated residual risk of the Finance Company remained at a moderate level. In addition, the annual training program for the Financiera's employees was completed.

In compliance with the guidelines of the Colombian Financial Superintendence to keep the SARLAFT manual up to date, it was subject to adjustments in aspects related to the applicable legal framework,

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policies related to customer knowledge and segmentation methodology.

An evaluation of the elements that make up the system was carried out, obtaining an optimum result, thus seeking to adequately protect the Entity against these risks.

Periodic reports were submitted to the Board of Directors on the management performed and the regulatory reports were transmitted to the Financial Information and Analysis Unit - UIAF, highlighting that no unusual or suspicious operation was detected to be reported to the aforementioned entity.

Finally, the Internal Control Office and the Statutory Auditor's Office conducted audits of the SARLAFT, with satisfactory results.

#### **Anti-Fraud and Anti-Corruption Policy**

Findeter has the "Anti-Fraud and Anti-Corruption Policy", which aims to establish a comprehensive system to manage the risks of fraud and corruption, generating a culture of prevention, detection and timely response to risks and fraudulent conduct to protect its interests and accountability to its employees, suppliers, customers, and other stakeholders.

The Policy defines "zero" tolerance for fraud and corruption and has reporting mechanisms through which any third party can inform the Administration of any fraudulent conduct on the part of its employees, During the year 2023, the "Anti-Fraud and Anti-Corruption Policy" was revised with respect to the risk map, which is published on the entity's website. As part of the monitoring, the Financiera's risk profile was measured, resulting in a moderate residual risk profile.

Finally, it is important to highlight that there was no evidence of any event or alleged event of fraud or corruption involving Senior Management or employees of the Entity.

#### **34.2 Legal risk**

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

Findeter, in accordance with the instructions given by the control entity, valued the claims of the lawsuits against it based on the analysis and concepts of the attorneys in charge and constituted the necessary provisions to cover the probabilities of loss. Note 23 to the financial statements details the proceedings against Findeter, other than those classified as remote probability.

#### **35. Adequate Capital Management**

Findeter's objectives regarding the management of its capital adequacy are oriented to: a) comply with the capital requirements established by the Colombian government for financial entities, and b) comply with the capital requirements established by the Colombian government for financial entities.

b) to maintain an adequate equity structure that allows it to generate value for its shareholders.



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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 market and operational risks, this ratio cannot be less than four point five percent (4.5%),
- Additional Basic Solvency Ratio, 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%.

Since the implementation of the new regulatory framework, Findeter has had 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 in accordance with 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.

In order to manage capital from an economic point of view and to generate value for its shareholders, management keeps a detailed follow-up of the profitability levels for each of its lines of business and of the capital needs in accordance with the growth expectations of each of the lines. Likewise, the management of economic capital implies the analysis of the effects that the credit, market, liquidity, and operating risks to which Findeter is subject in the development of its operations may have on it.

The following is the detail of the composition of the solvency margin and other equity requirements for Findeter:

CONCEPT	2023	2022
Ordinary Basic Equity Net of Deductions (PBO)	1,295,935,560.48	1,031,995,694.62
Additional Basic Assets (ABE)	-	-
Additional Equity (AP)	82,431,545.79	102,580,158.48
Technical assets	1,378,367,106.28	1,134,575,853.10
Total Assets Weighted by Level of Credit Risk	3,612,296,622.63	3,230,885,411.50
Total Market Risk	725,847,382.09	348,744,513.01
Total Operational Risk	1,361,513,641.20	1,147,803,709.52
Leverage Value	15,976,492,707.12	14,982,214,813.45

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CONCEPT	2023	2022
Leverage Ratio	8.11	6.89
Basic Solvency Ratio	22.74	21.83
Combination Mattress	18.24	17.33
Additional Basic Solvency Ratio	22.74	21.83
Total Solvency Ratio	24.18	24.00

### 36. Corporate Governance

FINDETER has a Good Governance Code that establishes the set of values, policies, mechanisms and instruments, processes, and best practices, through which the Entity's corporate governance actions are framed and regulated, and the risks are managed and administered under a control system that ensures transparency, efficiency, publicity and especially, seeks the trust of the stakeholders, the market, and the citizens in general, in the sustainable management developed by FINDETER. This document incorporates the best practices adopted by the entity, the regulations of the Assembly, Board of Directors, management team, internal control system, support committees of the Board of Directors, Statutory Auditor and Consumer Ombudsman, among others, as well as different management policies of Findeter.

### 37. Relevant facts

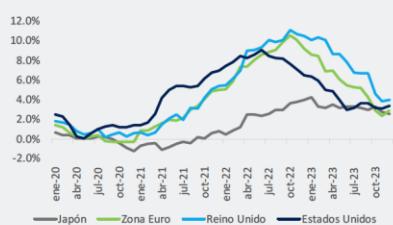
The financial results and business dynamics as of September 31, 2023 were influenced by the macroeconomic environment conditions described below:

The central banks of several countries have moderated monetary policy measures in order to control inflation; however, the probability of an economic recession has decreased, the following are the forecasts and risks in the international context:

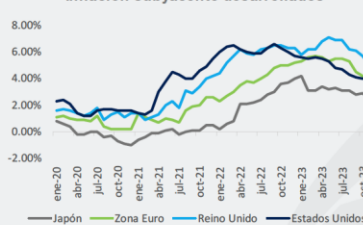
### Contexto Internacional

A pesar de la tendencia decreciente de la inflación, continua la incertidumbre sobre el comportamiento de los precios en 2024

Inflación total desarrollados



Inflación subyacente desarrollados



Expectativas de inflación (Bancos Centrales)

	2024 est.	2025 est.
Japón	1,9%	1,9%
Zona Euro	2,7%	2,1%
Reino Unido	3,1%	2,4%
Estados Unidos	2,5%	2,2%

Fuente: Bloomberg elaborado por Findeter.

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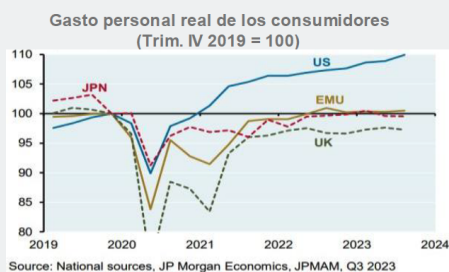
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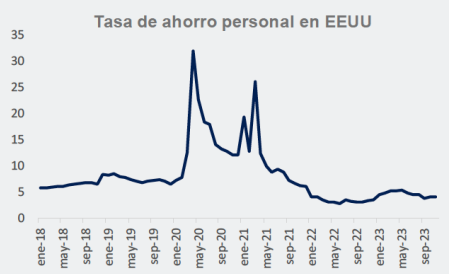
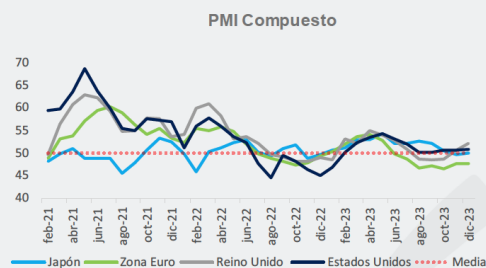
(In thousands of Colombian pesos, except where otherwise indicated )

### Contexto Internacional

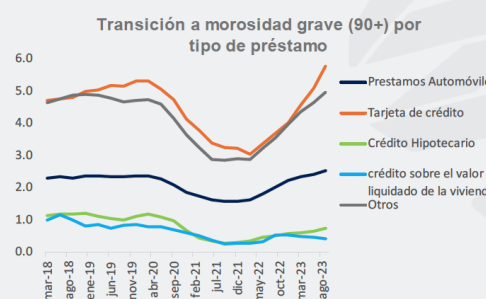
Los consumidores se enfrentan a una inflación persistente, altos costos de endeudamiento y bajos niveles de ahorro



Source: National sources, JP Morgan Economics, JPMAM, Q3 2023



Fuente: Bloomberg elaborado por Findeter.



Focusing on Latin America, a reduction is estimated and particularly for Colombia, despite growth close to 3% in the first quarter of 2023, the annualized growth forecast is estimated between 1.1% and 1.3% with 1.2% as median according to Fedesarrollo.

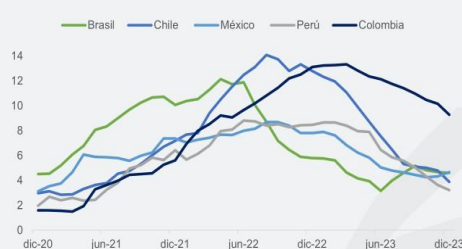
### Contexto Internacional – América latina

Se espera repunte de crecimiento en 2024 y 2025 para las principales economías de la región; riesgos geopolíticos y climáticos podrían afectar proyecciones

Perspectivas de crecimiento - Principales Economías

País	2023e	2024p	2025p
Brasil	3,1	1,5	2,2
Chile	-0,4	1,8	2,3
Colombia	1,2	1,8	3
México	3,6	2,6	2,1
Perú	-0,4	2,5	2,3
<b>Promedio</b>	<b>1,4</b>	<b>2,0</b>	<b>2,4</b>

Inflación - Principales Economías



Variables de Política Monetaria

País	Inflación diciembre 2023	Expectativa inflación diciembre 2024	TPM cierre 2023	Expectativa TPM cierre 2024
Brasil	4,62	3,9	11,25	9
Chile	3,9	3,0	8,25	4,75
Colombia	9,28	5,5	13	8,25
México	4,66	4,0	11,25	9,25
Perú	3,24	2,7	6,5	4,5

Fuente: Banco Mundial, encuestas de expectativas de analistas económicos; elaborado por Findeter.

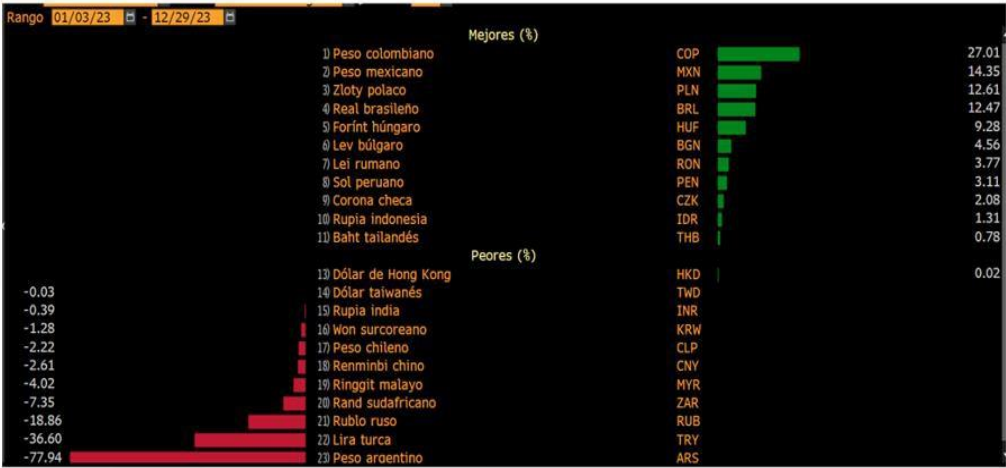
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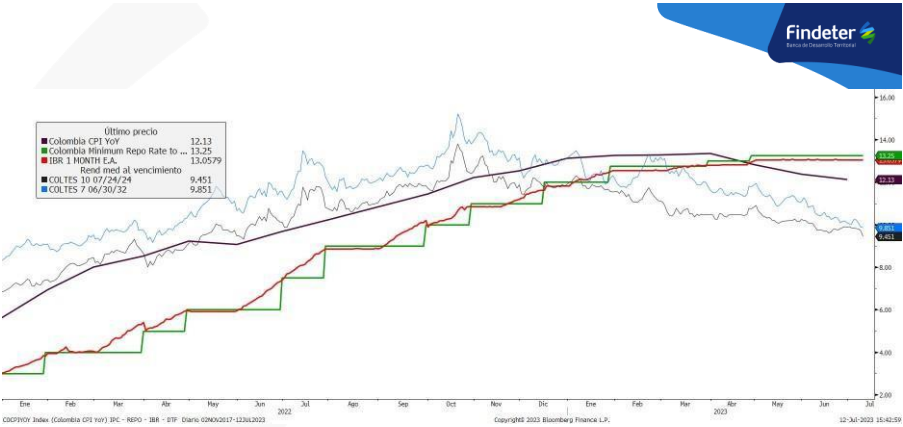
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The following shows the appreciation and/or depreciation of currencies at international level, where the Colombian peso appreciated the most during the year, going from \$4,810.2 to \$3,822.05, that is to say, it has appreciated \$988.15, which corresponds to 25.85% in 2023.



The increase in the Repo rate has been transmitted to the different rates of the economy, among them IBR and DTF on which Findeter's assets and liabilities are indexed, this situation translates into a direct impact on the Entity's income and expenses. In terms of income, a benefit has been generated at the end of December 2023, since the rates of the portfolio indexed in IBR, which represents 80% of the total portfolio (\$9.79 trillion) have increased significantly with respect to December 2022, and in IPC, which represents 14% of the portfolio (\$1.69 trillion), behaving in the same way, leading to an increase in expenses due to this effect, in proportion to the funding in these references.



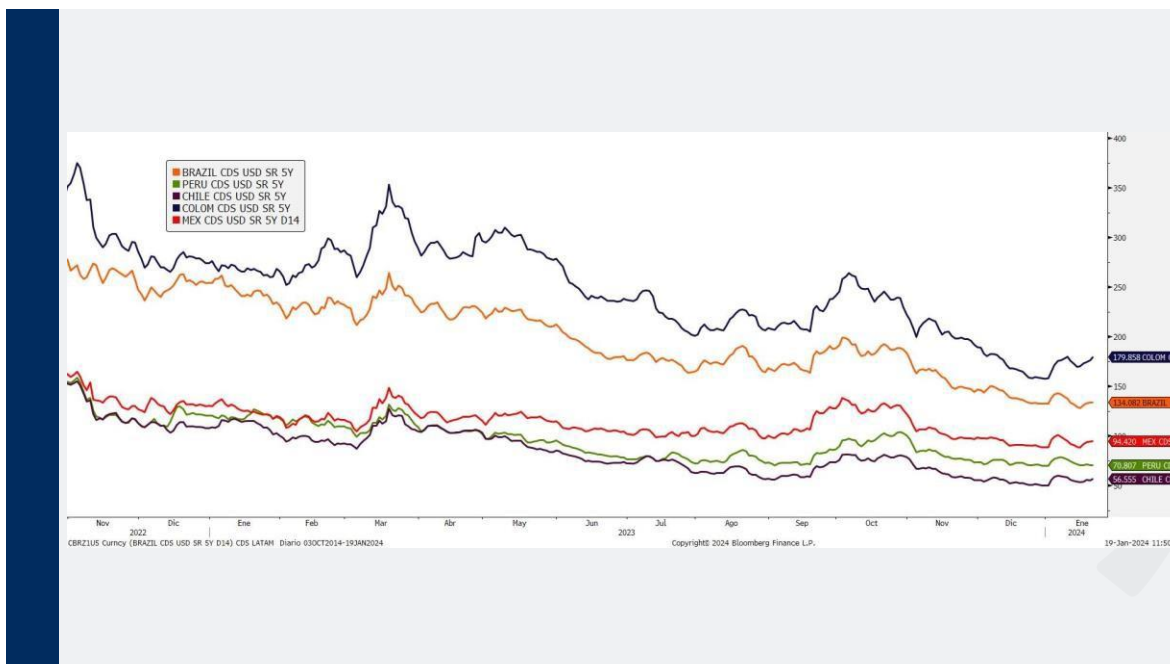
On the other hand, the levels of FED rates are strongly correlated with sovereign credit risk as observed in the increase in the levels of Credit Default Swaps, which for Colombia in the year 2023 continues to be the highest of its peers in Latin America and is 45 bps higher than its peers in Latin America.

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This has a direct impact on the cost of the debt, with direct repercussions on the cost of obtaining the resources needed to pay for the operations, a situation to which Findeter has not been oblivious, as can be seen in the behavior of financial expenses. It can be observed that the risk premium for Colombia exceeded those of comparable economies in the region:



At its December meeting, Banco de la República began the cycle of decreasing monetary intervention policy levels with a 25 bp cut in the monetary policy rate, establishing it at 13% E.A.

**38. Legal Controls Global**

**Exchange Position**

Corresponds to the difference between all on-balance sheet and off-balance sheet realized or contingent claims and liabilities denominated in foreign currencies. Findeter complies with the provisions issued by the Board of Directors of the Central Bank and the regulations issued by the Financial Superintendency of Colombia.

**Technical Equity and Solvency Margin**

Chapter XIII-16 of the SFC, establishes the criteria and parameters that the entities to which it applies must observe in order to comply with the solvency margins and other equity requirements established in Title 1 of Book 1 of Part 2 of Decree 2555 of 2010. The purpose of the foregoing is to ensure that they maintain adequate levels of good quality capital to enable them to absorb unexpected losses arising from the materialization of the risks to which they are exposed, and thus preserve public confidence in the financial system and its stability.

## **FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER**

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#### **39. Subsequent Events**

Between December 31, 2023 and February 16, 2024, the date of approval for publication of the financial statements, there are no events impacting the financial statements that should be disclosed, or that could affect the financial position or prospects of Findeter or that could call into question its continuity.

#### **40. Comptroller's Report**

The Office of the Comptroller General of the Republic, in exercise of its fiscal control functions and powers established in Article 267 of the Constitution and the law, audits the activities of Financiera de Desarrollo Territorial S.A. - Findeter. The audit covers the information contained in the Entity's financial statements and accounting records and includes the verification of the financial, administrative, and economic operations in accordance with the applicable legal, statutory, and procedural standards, as well as the structure of the internal accounting control system and the decisions adopted. The 2023 financial statements are currently being audited and the corresponding report is in the process of being issued.

#### **41. Approval of Financial Statements**

The financial statements and accompanying notes were approved by the Board of Directors and the Legal Representative, according to the minutes No. 409 of February 16, 2024, to be submitted to the General Shareholders' Meeting on March 19, 2024 for approval.

**FINANCIERA DE DESARROLLO TERRITORIAL S. A. - FINDETER**

**Certification of the Financial Statements**

February 16, 2024

The undersigned Legal Representative and Public Accountant, under whose responsibility the financial statements were prepared, certify:

That for the issuance of the statements of financial position as of December 31, 2023 and 2022, and statements of comprehensive income, changes in equity, and cash flows, for the one-year periods ended on those dates, and that in accordance with the regulations they are made available to Shareholders and third parties, and the statements contained therein have been previously verified and the figures have been faithfully taken from the books.

SIGNED  
Juan Carlos Muñiz Pacheco  
Legal Representative

SIGNED  
José Miguel Salcedo Ramírez  
Public Accountant  
PROFESSIONAL  
CARD 126408-T