FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Findeter's IDR at BB+; Outlook Negative

Thu 18 Sep, 2025 - 1:43 PM ET

Fitch Ratings - Monterrey/Bogota - 18 Sep 2025: Fitch Ratings has affirmed Financiera de Desarrollo Territorial S.A.'s (Findeter) Long- and Short-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at 'BB+' and 'B', respectively. The Rating Outlook is Negative, in line with that of the Colombian sovereign. Fitch has also affirmed Findeter´s National Long- and Short-Term Rating at 'AAA(col)' and 'F1+' respectively, with a Stable Outlook for the Long -Term Rating.

KEY RATING DRIVERS

Government Support Drives Ratings: Findeter's IDRs are driven by its Government Support Rating (GSR), which is equalized to Colombia's Long-Term IDR (BB+/Negative). The ratings reflect Fitch's assessment of the Colombian government's propensity and ability to provide timely support to Findeter if needed. Colombia's sovereign rating reflects its ability to support the development bank, while its propensity to support is reflected in Findeter's state ownership and policy bank role.

The GSR indicates the minimum level to which the entity's Long-Term IDRs could fall if Fitch does not change its view on potential sovereign support. Findeter's National Ratings are at the highest level in the ratings scale, reflecting potential sovereign support if needed. These ratings indicate relative creditworthiness within Colombia.

State Ownership: Fitch's support assessment considers with high importance that Findeter is fully owned by the state through Grupo Bicentenario, a government holding of the Ministry of Finance. Although the Colombian government does not explicitly guarantee all of Findeter's liabilities, Fitch views its ownership as long term and strategic.

Bank's Policy Role: Findeter's ratings reflect its policy role of high importance. The entity is an integral arm of the state, implementing the economic development policies of the

National Development Plan and financing regional and urban infrastructure.

As a development bank, Findeter primarily structures general obligation loans to supervised financial institutions and, direct lines generally backed by promissory notes from infrastructure projects. Consistent with the National Development Plan for 2022-2026, Findeter grants direct loans to special-purpose vehicles structured for investment projects in eligible sectors. This further supports Fitch's view on Findeter's relevant policy role.

Development Role Explains Financial Performance: As of June 2025, past due loans (PDLs) over 30 days totaled 2.5%, surpassing the average of the last four years, reflecting the deterioration of a direct exposure of an electricity sector borrower. By the same date, the operating profit-to-risk-weighted assets (RWA) ratio fell to -0.38%, from 1.8% in December 2024. Operating profit weakened due to a 290% rise in loan impairment charges, largely explained to that single-name exposure. Profitability was further pressured by a sustained narrowing of the net interest margin amid monetary easing and 2024-2025 rate cuts, alongside a negative net result from trading and derivatives.

Strong Capital and Improved Loan-to-Deposit: As of June 2025, the Common Equity Tier 1 (CET1) ratio was 21.2%, above the result of December 2024 (19,75%) and compares favorably with local and international peers. The loans-to-customer deposits ratio improved to 113,2%, below the four-year average of 147.2%, but still exceeds the banking sector average. Following the maturity of two bonds in 2024, term deposit certificates now account for nearly 80% of total funding, with multilaterals as the next largest source.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-- Findeter's GSR and IDRs could be downgraded if the sovereign rating is downgraded;

-- Findeter's GSR, IDRs, and National Scale Ratings could also be downgraded if Fitch perceives a decline in the bank's policy role for the government, such as a shift in its role of transforming the regions by financing different sectors of the economy. However, this scenario is unlikely over the medium term.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- Findeter's GSR and IDRs could be upgraded in the event of a similar action on Colombia's sovereign ratings, without any change in Fitch's view of the government's propensity to provide support to this bank;

-- National Ratings have no upside potential because they are at the highest level in the national rating scale.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The ratings are support-driven. This entity's ratings are linked to those of the Colombian Sovereign.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visithttps://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING			PRIOR
Financiera de Desarrollo Territorial S.A. - Findeter	LT IDR	BB+ Rating Outlook Negative	Affirmed	BB+ Rating Outlook Negative
	ST IDR	B	Affirmed	B

	LC LT IDR	BB+ Rating Outlook Negative	Affirmed	BB+ Rating Outlook Negative
	LC ST IDR	B	Affirmed	B
	Natl LT	AAA(col) Rating Outlook Stable	Affirmed	AAA(col) Rating Outlook Stable
	Natl ST	F1+(col)	Affirmed	F1+(col)
	Government Support	bb+	Affirmed	bb+

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Mariana Gonzalez
Associate Director
Primary Rating Analyst
+52 81 4161 7036
mariana.gonzalez@fitchratings.com
Fitch Mexico S.A. de C.V.
Prol. Alfonso Reyes No. 2612, Edificio Connexity, Piso 8, Col. Del Paseo Residencial, Monterrey 64920

Daniela Gantiva
Associate Director
Secondary Rating Analyst
+57 601 241 3228
daniela.gantiva@fitchratings.com

Claudio Gallina
Senior Director

Committee Chairperson
+55 11 4504 2216
claudio.gallina@fitchratings.com

MEDIA CONTACTS

Maggie Guimaraes
São Paulo
+55 11 4504 2207
maggie.guimaraes@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

National Scale Rating Criteria (pub. 22 Dec 2020)

Metodología de Calificaciones en Escala Nacional (pub. 22 Dec 2020)

Metodología de Calificación de Bancos (pub. 28 Sep 2023)

Bank Rating Criteria (pub. 21 Mar 2025) (including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Financiera de Desarrollo Territorial S.A. - Findeter	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s Regulatory Affairs page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.