

MANAGEMENT AND SUSTAINABILITY REPORT 2022
(Consolidated document)

February 2023

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Letter to Shareholders

In accordance with the law and the company's bylaws, we are pleased to present the 2022 management and sustainability report, which includes the most relevant achievements and the outlook for the year 2023.

We are a Development Bank committed to sustainability. We have been on the side of the National Government, the territories and our partners, making available to the market a portfolio of innovative products and services, contributing with our human talent and technical knowledge to the structuring and assessment of projects, enabling initiatives in priority sectors of the economy that seek to achieve the economic recovery of the country under the framework of the Sustainable Development Goals (SDGs).

Our mission achievements are supported by a governance structure that permanently incorporates the best management practices in self-regulation instruments, such as the Corporate Governance Code and the Code of Ethics and Integrity, which allow us to have a close and equitable dialogue with stakeholders, stock market investors and guide us towards an efficient, integral and transparent management in the administration of public resources.

The results obtained are the product of the joint work with the members of the Board of Directors, who contributed to the achievement of the institutional objectives and goals.

Our credibility and trust among our stakeholders through our work as a development bank were ratified by the recognition granted by the Colombian Stock Exchange (BVC), which ranked us in the top 5 issuers with the best levels of adoption of the IR information disclosure standard in 2022.

Our portfolio of products and services has allowed us to continue being the strategic partner of the National Government in the transformation of the territories and in the financing of infrastructure works, seeking a balance between economic, social and sustainable aspects.

Under our integral model that contemplates the financing components (rediscount loans and direct loan) and technical assistance (comprising the planning, structuring and execution phases), this report highlights the main achievements reached during the work carried out in 2022.

Regarding the support provided by Findeter through its financing component, the entity seeks to correct market failures by providing credit resources under very favorable conditions to different users throughout the country. This is how we promote strategic sectors of the country, boosting initiatives that support the integral development of the regions to improve the quality of life of Colombians.

Therefore, during 2022 we provided resources at competitive rates to commercial banks to finance infrastructure projects through loan operations, disbursing COP 3.84 trillion nationwide, of which COP 2.87 trillion corresponded to rediscounts and COP 973,944 million to direct loans. Through these resources we have been able to finance 916 projects in 248 municipalities in 28 departments.

These resources have been used by public and private users for different purposes such as working capital, debt replacement or investment projects related to infrastructure, acquisition of goods and implementation of new technologies, which may be directly or indirectly related to climate change mitigation and adaptation in the 12 sectors of the economy that Findeter can finance.

The road interconnection project, "Road construction and road development to the sea between the departments of Antioquia and the Atlantic Coast" worth COP 114 billion, can be considered one of the most noteworthy in the transportation sector, as it can benefit both companies and citizens in general.

Additionally, Findeter granted a loan for COP 76,508 million to the department of Córdoba to finance activities of the Departmental Development Plan "Now it's Córdoba's turn: Opportunities, Well-being and Security" and the economic reactivation policy for the region.

With respect to the technical assistance component, thanks to our experience in the development of sustainable projects, we have continued to offer comprehensive advice and support in the development and execution of high-impact projects and programs.

From the land use planning phase, we partner with territorial stakeholders to identify strengths and opportunities to build a roadmap with short, medium and long-term strategic projects that drive economic development in the territories. Thus, during 2022, we planned 10 projects for a total value of COP 13,462 million in 21 municipalities and 10 departments, of which 8 were delivered for COP 6,266 million in 11 municipalities and 2 are still in the planning process in 7 municipalities.

The methodology for sustainable and competitive cities comprises four dimensions in which the municipalities should excel: i) environment and climate change, ii) sustainable urban development, iii) economic and social, and iv) taxation and governance.

Within the Sustainable and Competitive Cities program, the Action Plan for Armenia stands out, which proposed a road map for the capital of Quindío to project its development to the year 2040.

Also, the review and adjustment of the Basic Land Management Plan for San Sebastián de Mariquita (Tolima), whose formulation will be delivered in 2023 and, once adopted, will lay the foundations for orderly and sustainable growth.

From the structuring phase, we provide support to the projects, including technical assistance for the definition, procurement and supervision of the pre-feasibility and feasibility stages, thus contributing to their better planning and design, allowing the identification and mitigation of the risks derived from their execution. During 2022, Findeter structured 24 projects for a total value of COP 84,511 million, focused on 38 municipalities and 20 departments.

Regarding the execution phase, we continued with the development of different projects that were being managed since the previous year and that correspond to strategic initiatives with a high social impact.

During 2022, we were able to deliver the following projects to the beneficiary entities:

- Convida: financial sustainability analysis.
- Miraflores: studies and designs of a solar park.
- Ibagué collectors: studies of alternatives, feasibility and detailed engineering designs for the collectors included in Ibagué's Mirolindo Picalaña water sanitation plan.
- San Andres: update of studies for the Public Transportation System (STP).
- Caribbean Regional Train: prefeasibility study for the construction of the cargo and passenger train between the departments of Bolivar, Atlántico and Magdalena.
- Valledupar: studies of alternatives, feasibility and detailed engineering designs for the sewerage master plan of the rural and urban population centers of this municipality.
- Cúcuta: formulation and preparation of the mobility master plan and structuring of the STP.
- Bucaramanga: Metropolitan Area Mobility Master Plan.

We also obtained the feasibility opinions for the Coveñas Hospital and the Tolú Fire Station, in the department of Sucre, from the Ministry of Health and Social Protection and the Ministry of the Interior, respectively.

Also, in 2022 we began the project with the company Enertev, with which we seek to provide consulting services for the integral structuring of the prefeasibility, feasibility and design studies for the solar photovoltaic generation system to be developed in the department of Santander.

Additionally, in December we signed two new contracts with the mayor's office of San José de Cúcuta, Norte de Santander. The first was for the advanced prefeasibility of the gas pipeline project and the second was for the studies and designs for the construction and provisioning of the Imsalud Atalaya E.S.E. (Imsalud Atalaya Health Center).

Findeter also supports the National Government in the execution of its infrastructure programs, working hand in hand with entities such as the Ministry of Housing, City and Territory and the Ministry of Education and Culture, as well as with the Colombian Institute of Family Welfare (ICBF) and the Rural Development Agency (ADR).

At the territorial level, we have continued to work hand in hand with local authorities. By the end of 2022, we had executed 463 projects in 283 municipalities, for an approximate value of COP 2.56 trillion. Also, during this period, we completed 208 projects for COP 1.03 trillion. We are currently executing 255 projects equivalent to COP 1.53 trillion.

At the municipal level, we highlight the joint work as a development bank in accompanying the development of the programs of the Capital District (with its Secretariats of Social Integration; Culture, Recreation and Sports; and Security, Coexistence and Justice).

In this way, we accompanied the projects from their pre-contractual management to their execution for the contracting of studies, designs, works, audits, and technical and social assistance.

We also highlight the results in other lines of business such as housing, water and basic sanitation, infrastructure and special projects.

At the municipal level, we have worked together as a development bank to support the development of the programs of the Capital District (with its Secretariats of Social Integration; Culture, Recreation and Sports; and Security, Coexistence and Justice).

In this way, we provided support to the projects from their pre-contractual management to their execution for the procurement of studies, designs, works, audits, and technical and social assistance.

We also highlight the results in other lines of business such as housing, water and basic sanitation, infrastructure and special projects.

In the housing sector, we would like to emphasize the following: i) the construction of 200 free housing units in Puerto Carreño, Vichada, which were delivered in January 2023, and ii) the completion and delivery of 833 housing improvements in the District of Cartagena, as part of the Cambia Mi Casa program, with a total investment of COP 10,355 million, by the National Government and Corvivienda.

In the Water and Sanitation business line, the construction of the San Andres desalination plant stands out. This project, with an investment of COP 93.85 billion, allows us to capture seawater to supply the existing 25 l/s plant. This will increase the supply of drinking water by 50 l/s, for 65,000 inhabitants. The plant is located in a rural area and benefits the Raizal population.

Achieving the execution of road infrastructure projects was another of the initiatives that we consolidated in 2022, after signing inter-administrative contracts with the National Roads Institute (Invías) for the programs Vías del Samán, Reactivación 2.0 and Vías de la Cigarra, with which we will execute approximately COP 3 trillion that will impact the economic reactivation of the regions, integrating the main consumption areas, generating wellbeing and social development. As a result, we strengthened the Special Projects business line in the technical team.

During 2022, we managed to award contracts for projects amounting to COP 149,056 million, among which we have executed around 25 km of pavement rehabilitation, 112 km of road signaling, 210 km of roads with routine maintenance, the installation of a temporary bridge and the emergency response and user services, in the departments of Risaralda, Valle del Cauca, Caldas and Santander.

We also made progress in the technical structuring and pre-approvals of the necessary loans to award projects worth COP 900 billion for works in the Reactivación 2.0 program, COP 600 billion for Vías del Samán and COP 100 billion in the Vías de la Cigarra program, initiatives that will be awarded in the first quarter of 2023.

We also assisted in the execution of programs developed by the Corporación Autónoma Regional del Río Grande de la Magdalena (Cormagdalena) for the dredging of the navigable channel in the Magdalena River in the sectors of the access channel to the Port of Barranquilla, the Canal del Dique, the sector between Barrancabermeja-Pinillos and the sector between Tamarindo Island and Salamina el Piñón, for COP 2,247 million. We also subscribed Inter-administrative Contract No. 0-286 of 2022 for the execution of the Maintenance program for the dredging of the navigable channel in the Magdalena River for a value of COP 92,487 million.

Furthermore, during 2022, with the favorable technical environmental opinion of the National Environmental Licensing Authority (ANLA), we completed the supervision of the structuring project in the prefeasibility phase of the Caribbean Regional Train, which will become the longest electric train in the country and one of the longest in South America, with a length of 359 km.

We also executed high-impact infrastructure projects throughout the country, among which we highlight the maintenance, structural reinforcement, adaptation and construction of educational infrastructure, with which we reached more than 70 municipalities through the improvement of educational conditions for primary, secondary, higher education and non-formal education students, with an investment of more than COP 100 billion and an impact on more than 160,000 people in the intervened areas.

We highlight large-scale initiatives such as the construction of the Campo Verde Integral Justice Center in the district of Bosa in Bogota, a project completed in 2022 with an investment of COP 71 billion.

These important achievements, obtained thanks to our integral management model, allowed us to achieve very satisfactory results in financial terms, positioning us as a solid and resilient company to face the challenges demanded by the different commitments set forth by the National Government. Thanks to this, we obtained: a ROE of 6.23%; an Ebitda of COP 145,768 million; a net income of COP 86.19 billion, which exceeds Findeter's all-time highs, and revenue of COP 3.67 trillion.

These figures, which reflect our strength in the financial market, are in addition to the strengthening of our funding sources. During 2022, we raised COP 5.8 trillion in certificates of deposit and signed a loan with J.P. Morgan Chase for COP 623.7 billion to finance climate change adaptation and mitigation (Climate Finance), with which we continue to strengthen our commitment to sustainability.

In addition, we were ratified with the Triple AAA risk rating for the long term and F1+ for the short term by Fitch Ratings, which shows the confidence of international financial institutions in our Entity.

In administrative matters, we highlight the following aspects: recertification as a family-responsible company by the Mas Familia Foundation; a work environment index of 87.5 points, which has allowed us to maintain an outstanding level in this measurement and shows the degree of satisfaction and commitment of our employees with the company; an Institutional Performance Index (IDI) of 99.3 developed by the Administrative Department of the Civil Service (DAFP) for the 2021 fiscal year, measured in 2022, and 26.833 hours of training of our human capital that contribute to strengthen their competencies to provide a better service to our partners and users.

With respect to our Integrated Management System, we achieved the renewal of the certifications in the quality standards ISO 9.001:2015, ISO 14.001:2015 and its strengthening by obtaining the certification of the Information Security System (ISMS) in the ISO 27001:2013 standard, which makes us a company with high quality standards and continuous improvement.

By 2023 we intend to continue to be the strategic partner of the National Government, along with the Ministry of Finance and Public Credit, consolidating the portfolio of products and services, for which a relevant strategic direction will be formulated in the first quarter of the year to establish the vision of the future as a development bank for the next four years, in line with the goals set forth in the new National Development Plan 2023-2026.

Our challenge is to continue being an articulator of the country's sustainable development, for which we will strengthen the mission areas that deploy our integrated model, supporting allied territories and users of the public and private sectors, with added value in technical assistance in the processes of planning, structuring, financing and execution of projects with the greatest impact on the quality of life of the communities, generating employment and consolidating the country's economic recovery.

We set ourselves the challenge of extending our rediscount loan coverage to the financial entities of the cooperative world by 2023, and guaranteeing our direct loan offer to all public entities that execute national and territorial government programs in line with the National Development Plan.

With the purpose of reaching organizations of the solidarity economy sector, as well as associations of users of the popular economy, with different alternatives for access to loans and contracting processes, we will continue to strengthen technical assistance from the execution phase, which will allow us to provide these actors with the support they need. This considering that our entity is already making progress in the construction of a tool to make this inclusion a reality.

Findeter will continue positioning itself as a key player in shaping national policy and will continue participating in the different instances that promote measures aimed at achieving the materialization of the National Government's policies.

Finally, we declare that, in strict compliance with the precepts of the regulations in force, the information related to the Financial Statements contained herein follows the criteria of integrity, rights, obligations, valuation, presentation and disclosure, duly verified and obtained from the accounting records of the Company, processed in accordance with the accounting standards and principles established in Colombia. Furthermore, we certify that this document covers all material aspects of the business. With regard to the provisions of item 4 of article 47 of Act 222 of 1995, as amended by article 1 of Act 603 of 2000, we inform that Findeter complies with all the regulations on intellectual property and copyrights contemplated in Colombian law.

Juan Manuel Russy Escobar
Chairman of the Board

Ricardo Bonilla González
CEO

(102-6), (102-7), (102-14), (103-2) Material topic Water and sanitation projects, Projects aimed at benefiting communities in vulnerable situations, Infrastructure projects for education, Product offerings with a territorial approach, Sustainable cities and communities; External Circular 012/2022, Section 7.4.1.2.7 (Sub-paragraphs: (i) Certification issued by the legal representative of the issuer certifying that the information includes all the material aspects of the business and (ii) Report on the results of the evaluation of the internal control systems and the control and disclosure procedures of the financial information) and Section 7.4.1.2.4 Subsection 7.4.1.2.4.1. The material variations in the results of the operation.

Basic Identification of Findeter as Issuer of the National Registry of Securities and Issuers (RNVE)

CE 012/2022 SFC (Section 7.1 Cover page; Items (i) Title, (ii) Basic identification of the issuer, (iii) Description of current securities issues (Subsections: a) Class of security; b) Trading system; c) Stock exchange where securities are listed; d) Amount of the issue; e) Amount placed; and f) Balance pending placement.

- **Company Name**

FINANCIERA DE DESARROLLO TERRITORIAL S.A. – FINDETER
Taxpayer Identification Number (NIT): 800.096.329-1

Findeter was created by Act 57 of 1989, attached to the Ministry of Finance and Public Credit, and transformed into a national limited liability Mixed Economy Company by Decree 4167 of 2011. It is organized as a lending institution and subject to the supervision of the Financial Superintendence of Colombia.

Through Decree Law 2111 of 2019, Sociedad Grupo Bicentenario S.A.S. was established as the parent company of the companies or institutions that make up the Executive Branch of the National Order and that are also subject to the surveillance of the Financial Superintendence of Colombia and engage in activities related to the public financial service, among which Findeter is included. On September 24, 2020, the Nation - Ministry of Finance and Public Credit, in compliance with the provisions of Legislative Decree 492 of 2020, transferred the shares of Findeter owned by them, endorsing them in favor of Grupo Bicentenario S.A.S. Accordingly, Findeter registered Grupo Bicentenario S.A.S. as the owner of the transferred shares in the shareholder's registry book.

- **Seat and registered address**

Bogota, D.C. - Colombia
 Calle 103 No. 19 - 20 Bogota, Colombia
 Postal Code 110111

- **Current securities issuances of Findeter**

As of December 31, 2022, Findeter had outstanding issues of securities as follows:

Table No. 1: Outstanding bond issues

Characteristics	International Bond	Subordinated Bond	Sustainable Bond A5	Sustainable Bond A7
Amount (millions)	946.175	203.680	132.827	267.173
Class	Sr Unsecured	Subordinated	Ordinary	Ordinary
Date of issue	12/08/2014	26/04/2017	18/06/2019	18/06/2019
Maturity date	12/08/2024	26/04/2024	18/06/2024	18/06/2024
Term	10 years	7 years	5 years	7 years
Rate	7.875%	CPI+3.57%	CPI+2.54%	CPI+2.90%
Interest payment	Annual	Quarterly	Quarterly	Quarterly
Format/jurisdiction	144A/ REG S	Colombian	Colombian	Colombian
Repayment	Bullet at maturity	Bullet at maturity	Bullet at maturity	Bullet at maturity
Moneda	COP; pagadero USD	COP	COP	COP

Source: Findeter

Table No. 2: Outstanding issues of Certificates of Deposit (CDs)

Indicator	2021	Interest %	2022	Interest %	Var%
DTF	56,000	1%	-	0%	-100%
Fixed Rate	1,383,986	22%	798,602	12%	-42%

Indicator	2021	Interest %	2022	Interest %	Var%
IBR	3,407,295	54%	4,739,959	69%	39%
CPI	1,449,230	23%	1,377,530	20%	-5%
Total	6,296,511	100%	6,916,091	100%	10%

Source: Findeter

Findeter's Certificate of Deposit issuances are conducted in the primary market in Colombia through platforms authorized by the Colombian Stock Exchange (BVC). These CDs are tradable in the secondary market within the same systems.

Key facts and figures Findeter 2022

(102-7)

In 2022, the economic reactivation process that began the previous year gained strength, as the normalization of productive activities led to notable performances in household consumption and investment in Colombia.

At the same time, external and internal inflationary pressures pushed local prices up, prompting the Colombian Central Bank to gradually increase its monetary policy interest rate. This measure resulted in higher capital costs in the economy.

Amidst this backdrop, Findeter, as a territorial development bank, continued to provide favorable financing alternatives to territories through the offering of rediscount loans and direct lines of credit. Additionally, it continued to support the planning, structuring, and execution of projects.

Below, we present the key figures for 2022:

Figure No. 1: Key figures 2022



The financial information corresponds to the firm's Financial Statements audited by the Independent Auditor.

* Long-term national scale rating.

** International scale issuance rating.

*** 592 regular employees, 1 free appointment and removal, 8 SENA apprentices and 1 university intern.

Source: Findeter, 2022

Significant events and institutional achievements during 2022

(102-10)

- ✓ We disbursed approximately COP 3.84 trillion in 2022, of which COP 2.87 trillion corresponded to rediscount transactions and COP 973.944 billion to direct loans. Both in disbursements and portfolio balances, this is the highest historical figure achieved by Findeter.
- ✓ Our portfolio reached COP 11.03 trillion, of which COP 8.97 trillion belongs to rediscount disbursements and COP 2.06 trillion to direct loan disbursements.
- ✓ We experienced a 125% growth in the implementation of credit lines, going from an average of 4 to 9 per year.
- ✓ We reduced the time for structuring and implementing credit lines with a compensated interest rate from 7 to 3 months, a decrease of 57%.
- ✓ We optimized the management of feasibility reports issued by ministries or sectoral entities for projects subject to financing through credit lines with a compensated interest rate. There was a reduction of 62% in time, going from 170 to 105 business days.
- ✓ We made available to the market 14 credit lines through which COP 1.8 trillion were disbursed.
- ✓ We modified structuring procedures of financial and non-financial products using agile methodologies.
- ✓ We absorbed a 167% increase in operational management demand from financial intermediation with the same workforce.
- ✓ We prepared 20 sector studies published in the virtual library, serving as input for the Product Development area and for the organization's consultation.
- ✓ We aligned Findeter's commercial offerings to support the National Development Plan 2023-2026.
- ✓ We signed a total of 22 Inter-administrative Contracts for the development of Non-Financial Products, with an approximate value of COP 425.134 billion and remuneration for Findeter of COP 32.070 billion. Of these contracts, 6 corresponded to contracts with territorial entities worth COP 36.148 billion, 15 contracts with national-level entities worth COP 388.914 billion, and 1 contract with a private entity worth COP 73 million.
- ✓ 28% of the closed deals in 2022 corresponded to contracts with territorial entities. This result was due to the sales force's activity in the territorial entities, seeking business opportunities for non-financial products and generating a positive balance regarding the business potential in the regions.
- ✓ We signed six Inter-administrative Contracts with new users who had not directly received non-financial products, including Artesanías de Colombia, the National Institute of Legal Medicine and Forensic Sciences, the Municipality of Palmira, the Municipality of Cartago and Enertev.
- ✓ We closed a total of 22 inter-administrative contracts for non-financial products, distributed as follows:
 - **Planning:** one Inter-administrative Contract worth approximately COP 296 million, representing an income of the same value for Findeter.

- **Structuring:** three Inter-administrative Contracts worth approximately COP 505 million, with income of the same value for Findeter.
 - **Execution:** 18 Inter-administrative Contracts worth COP 424.333 billion, with income of COP 31.268 billion for the Entity.
- ✓ We strengthened Findeter's presence in the territories with a strategic product offering for the sustainable development of regions, serving as the financial and technical arm nationwide.
 - ✓ We completed the implementation of the CRM project for the non-financial product portfolio, resulting in increased operational efficiency, improved commercial and user management, and support for enhancing information and data management architecture.
 - ✓ We raised funds through CD issuances totaling COP 5.8 trillion, reaffirming Findeter as a recurring issuer of this instrument in the Colombian securities market. This reflects our strong position within the local debt market, allowing us to promote investor retention and meet the resource needs of our users.
 - ✓ We entered into a credit agreement with J.P. Morgan Chase, guaranteed by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group, for a total amount of COP 623.700 billion. The financing focused on climate change adaptation and mitigation, as well as the health and education sectors. By the end of 2022, the execution of this credit reached 94.6% of the total amount.
 - ✓ We completed the execution of the IDB Loan 3596/OC-CO, financing projects that contributed to the country's urban development, continuity, and improvement in the provision of public and social services across different regions of Colombia. The total amount for this operation was USD 150 million.
 - ✓ We concluded the execution of a consultancy contracted by Findeter, with non-reimbursable international cooperation resources granted by the German Development Bank (KfW), to strengthen our Entity's Environmental and Social Risk Management System (SARAS). This consultancy aimed to identify gaps in compliance with the International Finance Corporation's (IFC) performance standards, enabling the proper management of environmental and social risks in the funded project portfolio. The result of this consultancy was the alignment of the SARAS with all applicable IFC criteria and recommendations for the Territorial Development Bank to promote and incentivize financial institutions in adopting best environmental practices and incorporating Environmental, Social, and Governance (ESG) criteria and SARAS in their operations.
 - ✓ We successfully committed an approximate total amount of GBP 6 million, under the Memorandum of Understanding signed between Findeter and the UK Embassy in 2017, for the implementation of resources from the Prosperity Fund in prioritized projects related to urban and railway development.
 - ✓ We executed 67% of the total resources under the Memorandum of Understanding (MoU) between the Abu Dhabi Fund for Development and the Presidential Agency for International Cooperation (APC-Colombia), equivalent to USD 6.3 million out of the total USD 6.8 million of the cooperation.
 - ✓ We completed and delivered the Child Development Centers (CDI) in Condoto (Chocó), Curillo (Caquetá), Mitú (Vaupés), Tibú (Norte de Santander), Palmira (Valle del Cauca), and Acandí (Chocó) as a result of cooperation with the Abu Dhabi Development Fund.
 - ✓ In December 2022, we completed the structuring of the Caribbean Regional Train in the pre-feasibility phase, the longest electric train in the entire region.

- ✓ We initiated comprehensive structuring at the pre-feasibility and feasibility levels for the project titled “Prevention and Mitigation of Coastal Erosion in the Gulf of Morrosquillo,” benefiting the municipalities of San Onofre, Santiago de Tolú, and Coveñas in Sucre, and San Antero, San Bernardo del Viento, and Moñitos in Córdoba.
- ✓ In the area of comprehensive urban management, we delivered the following projects: the Metropolitan Mobility Master Plan for the Bucaramanga Metropolitan Area; the Mobility Master Plan and structuring of the Strategic Public Transportation System (SETP) for the Cúcuta Metropolitan Area; and the Mobility Master Plan and structuring of the SETP for the Villavicencio Metropolitan Area.
- ✓ We renewed the agreement with the London School of Economics and their Master’s in Public Administration program, a partnership in which final-year students’ Capstone Projects focus on studying and analyzing strategic topics for Findeter’s mission.
- ✓ We estimated the environmental, economic, and social value and impact generated through the various projects managed by Findeter throughout the country using the new Social Return indicator. In this way, we calculated the benefits the Entity generates for every peso invested. We disseminated the methodology and results yielded by this indicator.
- ✓ We participated in the panel discussion on economic perspectives for 2022 as part of the “Reactivating Territories” event organized by Fedemunicipios.
- ✓ We conducted various exercises to review the macroeconomic variables considered in establishing the budget for the year. As a result, some modifications were approved during the Board of Directors session held on June 28, updating the financial metrics of the Strategic Plan.
- ✓ We analyzed Findeter’s alignment as a territorial development bank with the 17 Sustainable Development Goals outlined in the 2030 Agenda. We shared the results of this exercise within the Entity through the Mentors Findeter scheme, with the support of consultancy from the Center for Sustainable Development Goals (CODS) at the University of Los Andes.
- ✓ We created an economic podcast called “Economía en un 2x3” (Economy in 2x3), where the Directorate of Economic Studies and/or experts in the field explain economic and financial aspects of interest to all Colombians.
- ✓ We implemented a monthly collection plan for former employees’ portfolio, allowing strategic management of overdue accounts.
- ✓ We structured and implemented the procedure for accessing Transitory Expansion Operations with the Central Bank. This involved the backing of credit-linked securities/bills.
- ✓ We developed and documented the legal collection procedure for credits of former employees with arrears exceeding 90 days in the Integrated Management System (IMS). This document established the policies to be followed, as well as the standard procedures for handling and treating credits sent for legal collection.
- ✓ We implemented a new debt collection channel through SMS.
- ✓ We strengthened the Credit Risk Management System (SARC) policies regarding the granting, monitoring, and recovery of direct credit to Regional Fund Autonomous Trusts.
- ✓ We obtained a 99% rating in the Digital Security Policy of the Evaluation of the Unified Form for Reporting and Management Progress (FURAG 2021), conducted in 2022 by the Administrative Department of the Civil Service (DAFP). This rating is higher than the 98.6% we achieved in the same assessment in 2020.

- ✓ We updated our Integrated Non-Financial Risk Management System (SARINF) Manual, approved by the Board of Directors, which allows us to strengthen our risk governance in line with international best practices.
- ✓ We achieved validation and approval of our SARAS system by international entities such as the Inter-American Development Bank (IDB), KfW, World Bank, J.P. Morgan, and MIGA.
- ✓ We aligned our SARAS system with over 95% of the IFC¹ standards and strengthened gender and climate change aspects.
- ✓ We achieved positive results in information security and cybersecurity audits conducted by Internal Control, External Audit, and the Financial Superintendence of Colombia - SFC. This is considered a significant achievement given the global situation of cyberattacks and information security breaches resulting from the changes brought about by the pandemic.
- ✓ We maintained the highest credit and market rating of BB+1 with a stable outlook from rating agencies Standard & Poor's and Fitch Ratings. Findeter's rating is closely tied to the nation's rating. On May 2, 2022, BRC S&P reaffirmed the Long-Term National Rating at 'AAA' and the Short-Term National Rating at 'BRC1+'. On October 12, 2022, Fitch Ratings reaffirmed the International Rating at 'BB+' with a stable outlook, the Long-Term National Rating at 'AAA', and the Short-Term National Rating at 'F1+'.
- ✓ We completed the "Direct Loan Phase II" project, which aimed to incorporate all current procedures and formats for granting direct credit to territorial entities into the iBPMS (Intelligence Business Process Management) software. This included the stages of engagement, evaluation and approval, collateralization, and disbursements.
- ✓ We implemented the Robotic Process Automation (RPA) project for calculating the debt capacity of territorial entities. This project aimed to extract information from primary sources, drive digital transformation within the organization, and increase operational efficiency by using robotic automation technologies to eliminate manual and repetitive tasks in key business processes, thereby reducing the risk of human error.
- ✓ We provided preventive recommendations from the implementation of the Integrated Risk Management System (SIAR) regarding the inclusion of policies for addressing the entity's exposure to environmental, social, and governance risks. We established risk management practices and processes, including legal, reputational, and fraud risks, to prevent Findeter from being used as a vehicle for internal and external fraud and the misappropriation of public funds. We ensured that data governance policies enable proper management of all types of risks, particularly operational, information security, cybersecurity, and business continuity risks, thus ensuring greater operational efficiency in Findeter's administration in accordance with External Circular 018 dated September 22, 2021.
- ✓ We generated credibility in the national and international market through Findeter's contracting process, reflected in the high participation in selection processes with the submission of 2,105 proposals. Our legal, technical, and financial evaluation teams assessed 1,908 of these proposals, while the remaining 197 did not go through this process due to the application of the random selection method based on the terms of reference.

¹ IFC: The Performance Standards of the International Finance Corporation (IFC) are one of the most stringent frameworks for preventing, mitigating, and managing environmental and social risks and impacts.

Significant events after the 2022 fiscal year:

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- ✓ On January 13, 2023, we held the General Shareholders' Meeting (Extraordinary) to approve the re-election of the Financial Consumer Ombudsman and authorize the extension of Contract No. 0064 of 2020 signed with Mr. José Federico Ustáriz González and Mr. Luis Humberto Ustáriz González as the principal and alternate Financial Consumer Ombudsman, respectively. Additionally, the resignation of Olga Lucia Acosta Navarro, corresponding to the second principal position, was accepted.
- ✓ On January 24, 2023, we organized a panel discussion with the members of the new Board of Directors of Findeter. The purpose was to gather ideas and perspectives to outline the new strategic horizon for the organization in the next four-year period (2023-2026). During the session, the Latin American development banking context was explored, and key questions were addressed to understand the executives' opinions, perceptions, and expectations regarding the focus areas and priorities that need to be addressed in the coming years.
- ✓ On January 31, 2023, we underwent an audit visit for the Good Practices in Innovation certification conducted by ICONTEC and the Bogota Chamber of Commerce. On this occasion, Findeter achieved a rating of 100/100 in compliance with the implementation guidelines according to the ISO 5801:2018 standard.

Commitment to sustainability

(102-14); **External Circular 012/2022 SFC, Article 7.4.1.3.2. Practices, policies, processes, and indicators related to the environmental and social criteria implemented by the issuer.**

The concept of sustainability refers to the efforts made by a company to sustain its economic activity while considering social and environmental factors, making its management a responsible action towards resources.

At Findeter, sustainability is a policy that aims to contribute to the country's development through the execution of activities, projects, and programs that allow us to provide a comprehensive range of products characterized by their relevance, positive impact, focus on economic growth, social well-being of territories, and respect for human rights and the environment. This is achieved through a relationship with our stakeholders that is honest, transparent, timely, inclusive, and respectful of their needs.

In this sense, Findeter has been at the forefront of these trends, and as a result, various aspects within the organization are interconnected to ensure social responsibility. With the emergence of corporate social consciousness and the subsequent implementation of social responsibility actions, we have developed different tools that position us as a territorial bank in line with national, regional, and international sustainability trends.

Among the objectives of this policy, it is worth highlighting the following:

- Generate a competitive advantage
- Reduce costs
- Improve corporate image
- Strengthen trusted relationships with stakeholders
- Enhance the work environment and employee loyalty
- Access new markets

During 2022, we implemented a roadmap that included the products, goals, and activities through which we began working on economic, social, and environmental materiality. These were defined in

2019 with the support and advice of a consulting firm². We achieved this through the deployment of a responsible action strategy within the organization, based on working groups focused on impact, trusted relationships, a culture of integrity, responsible finance, and the sustainability node.

Awards, recognitions, and certifications

- ✓ We maintained certification in ISO 9001 and ISO 14001 version 2015, as well as ISO/IEC 27001 version 2013, granted by the certification body SGS, following an external audit in November 2022. This reinforces the integration of processes, demonstrates our commitment and culture of continuous improvement, strengthens the credibility and image of the organization, and generates trust among our stakeholders, the National Government, and regulatory entities regarding the application of best practices in information security and cybersecurity.
- ✓ With the financial support of KfW, we promoted the implementation of ESG/SAS in the Colombian financial sector and shared it at the National Forum on the role of development and commercial banking in the promotion of sustainable finance through the management of environmental, social, governance risks and regulations.
- ✓ We were recognized as the first development bank in the country to have an R&D&I Unit accredited by Minciencias as a key actor in the national ecosystem.
- ✓ We successfully renewed, for the second consecutive year, our Innovation Best Practices Seal granted by the CCB and ICONTEC, with an excellent rating of 100 points. This demonstrates the growth and consolidation of our innovation system.
- ✓ The Ministry of Science, Technology, and Innovation rated Findeter's initiatives, such as the Contribution of projects developed by Findeter within its comprehensive management to the Sustainable Development Goals (SDGs) and Automation of the Active Operations process in Findeter's Discount Credit Management, as innovation projects that have shown a return on investment in R&D&I of approximately COP 300 million in tax benefits.
- ✓ We were recertified by Titularizadora Colombiana as AAA rated portfolio managers.
- ✓ We were recognized for respecting human rights through a report conducted by the United Nations (UN), which highlighted the work led by Findeter's Chief Executive Office in implementing a Human Rights Policy "aligned with the Guiding Principles adopted by the senior management of the company." Thanks to this policy, which outlines "the impacts on human rights that have been identified and their relationship with different dimensions (due diligence, environment, transparency, community engagement, labor relations and rights, among others)," the United Nations included the Financial Institution in the report for Colombia titled "*Leading by Example in Latin America: State, State-Owned Enterprises and Human Rights*" (CERALC project), which addresses the issue of state-owned enterprises and human rights in the Latin America and Caribbean region.³
- ✓ We were recertified under efr-10001 ed 5 in Proactive Category B+ for the efr reconciliation model.

² With TREEbute

³ The document was prepared by the Working Group of the Office of the United Nations High Commissioner for Human Rights in Geneva and was officially launched on December 5, 2022. Its publication is scheduled for January 2023.

About this Report

(102-3, 102-50)

This report consolidates the management we carried out in 2022 and highlights the most relevant facts for stakeholders and those related to our sustainability, in our responsible action from economic, social, and environmental perspectives. It also integrates, for the eighth year, the annual report presented to the Board of Directors and the General Shareholders' Meeting, along with the Sustainability Report, and serves as a tool for accountability and disclosure of information to the general public, investors, and other stakeholders.

This report was developed in accordance with the parameters of the Ministry of Finance and Public Credit and the Financial Superintendence of Colombia, and following the guidelines, best practices, and minimum content standards for disclosing information on social, environmental, and corporate governance aspects (ASG), in the field of Sustainability Reports of entities such as the Global Reporting Initiative (GRI), the Colombian Stock Exchange (BVC), the Secretary of Transparency of the Presidency of the Republic, and the Administrative Department of Public Service (DAFP), among others.

Glossary

EC 012/2022 SFC (Section 7.3 Glossary of terms used in the report with their respective definitions by specialty).

AFD: French Development Agency. French entity responsible for financing the public sector and NGOs, research, and training in sustainable development.

ALIDE: Latin American Association of Development Financial Institutions (ALIDE). It is the community of financial institutions that generates banking solutions for the development of Latin America and the Caribbean. Headquartered in Lima, Peru, its main objective is to contribute to the economic and social development of the region through the good financial practices it promotes among its members, such as financing inclusive, responsible, and sustainable projects. It has active members in more than twenty countries in Latin America and the Caribbean and in non-regional countries such as Germany, Canada, India, Spain, Portugal, and Russia.

ESG Criteria: Environmental, Social, and Governance (ESG) criteria refer to factors considered when investing in a company.

ASOBANCARIA: Banking and Financial Institutions Association of Colombia, Asobancaria, is the most representative guild of the Colombian financial sector, a non-profit entity, established on August 31, 1936, of indefinite duration and private law. It is an organization made up of Colombian banking and financial entities, which includes 36 institutions, including state-owned, private, local, and foreign commercial banks.

Climate Change Analysis: Determines the level of impact and preparedness for climate change of a project. (This analysis is encompassed within the SARAS analysis).

Gender Analysis: Determines the level of preparedness regarding gender-related issues of a project. (This analysis is encompassed within the SARAS analysis).

E&S: Environmental and Social Analysis. Determines the socio-environmental risk level of a project, concludes on the E&S favorability of the project and in some cases may recommend commitments to mitigate identified risks. It is applied according to the scope of the SARAS.

BCIE: Central American Bank for Economic Integration. Multilateral development financial institution with an international character.

IDB: Inter-American Development Bank. Multilateral financing and expertise entity for sustainable economic, social, and institutional development in Latin America and the Caribbean. Its objective is

to reduce poverty, fight social inequalities, and promote sustainable economic development in the region.

Water Bonds: Bonds issued by the Ministry of Finance and Public Credit to finance aqueduct and sewerage works in 117 municipalities of the country.

ECB: European Central Bank.

BIA: Business Impact Analysis. Phases of the National Risk and Contingency Plan that allow identifying the processes of each entity and analyzing the level of impact related to business management.

BoE: Bank of England.

BPM: Business Process Management. It is a business management discipline focused on systematizing and facilitating the complex individual processes of the organization, both internally and externally.

BVC: Colombia Stock Exchange.

CAF: Development Bank of Latin America.

Carbon Neutrality: Implies achieving a net result of zero greenhouse gas emissions, i.e., emitting the same amount of gases into the atmosphere as is absorbed through other means. Carbon neutrality, according to the European Parliament, is achieved when the same amount of CO₂ is emitted into the atmosphere as is removed through different channels, leaving a zero balance, also known as a zero-carbon footprint.

Multipurpose Cadaster: It is an information system that records updated data on land, based on formal and informal properties. The multipurpose cadaster is the tool that will allow the administration, management, and governance of rural lands to start from the disposition and real knowledge of the situation of the properties and their holders, occupants, possessors, and owners. In turn, this multipurpose cadaster aims to eliminate legal insecurity, outdated cadaster, and fiscal deficiencies and limitations; the creation of an updated and complete information system; the identification of land tenure; and ensuring the interrelationship between cadaster and registration.

Socio-Environmental Risk Categorization: Classification indicating the level of risk, which can be High (A), Medium (B), or Low (C).

CD: Certificate of Deposit. Investment instrument established through a certificate that allows investing a certain amount of money in a financial institution for a specific period.

Placements: It is a loan of money that a bank grants to its client, with the commitment that the client will repay the loan gradually in the future, through installment payments or in a single payment, with additional interest that compensates the lender for the period in which they did not have that money.

Direct Loan: Loan operation that does not require the participation of financial intermediaries. In accordance with the provisions of the National Government in Decree 581 of 2020, Findeter is authorized to grant direct credit to departments, municipalities, and districts to finance projects and investment activities in sectors and subsectors eligible for Findeter financing.

CCB: Chamber of Commerce of Bogota.

CFEN: Stable Net Funding Coefficient.

CODS: Sustainable Development Goals Center at Universidad de los Andes.

CO₂: Carbon Dioxide.

COP: Currency code for the Colombian peso.

Asset-Liability Mismatch: The difference between assets and liabilities in foreign currency.

DTF: Fixed-Term Deposit. It is the weighted average of the effective interest rates on 90-day term deposits recognized by the financial system to its customers and serves as a reference indicator related to the cost of money over time.

HR: Abbreviation for Human Rights.

Standard Deviation: Deviation of data from a sample with respect to its mean.

APR: Annual Percentage Rate.

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization. Indicates the profitability of the entity before deducting debt-related and tax expenses, reflecting Findeter's ability to generate benefits solely based on its productive activity.

Operational Efficiency: It is the division of Administrative Expenses of an entity by productive assets, understood as the balances of liquidity, investments, and portfolio.

Project Execution: Technical assistance in project supervision, i.e., technical, administrative, financial, accounting, social, environmental, and legal monitoring related to the fulfillment of the purpose of a contract or agreement for the development of one or more projects in the pre-contractual, contractual, and post-contractual stages.

Project Structuring: Technical assistance in project management, i.e., the formulation and structuring of infrastructure projects.

efr: Family-Friendly Companies, is an international movement that seeks to advance and respond to responsibility and respect for the reconciliation of family and work life, aiming to reverse or change the socio-labor model that exists in some countries.

ORE: Operational Risk Event: Incident or situation that occurs in a particular place during a specific period of time.

FARAS: Environmental and Social Risk Analysis Form.

FED: Federal Reserve. It is the banking system model existing in the United States that is responsible for controlling the country's monetary policy and exercising supervisory power over the rest of the banking institutions to achieve stability.

FOME: Emergency Mitigation Fund. It is the main instrument for managing resources to address the emergency and its effects, by grouping new sources of resources to deal with the health, economic, social, and environmental crisis declared due to the COVID-19 crisis.

Ashmore Fund: "Senior Debt Fund for Infrastructure in Colombia" is a Private Equity Fund whose purpose is to build a portfolio of loans and subsequent credits that generate a return in line with the market.

National Guarantee Fund: National Government entity that is part of the country's comprehensive reactivation strategy to facilitate access to credit for independent workers, micro, small, medium, and large companies through financial intermediaries.

FIRAS: Environmental and Social Risk Identification Form.

FOMC: Federal Open Market Committee.

Forward: Contract for a future delivery or settlement.

FURAG: Unique Management Advances Form used to evaluate the IPMM model.

Liquidity Gap: A measure that evaluates the liquidity risk of an entity or company over a specific period of time or intervals.

GMF: Tax on Financial Transactions. It is a national indirect tax applied to financial transactions carried out by users of the system.

GHG: Greenhouse Gases, known as GHGs, are gases that accumulate in the Earth's atmosphere and are capable of absorbing solar infrared radiation, thereby increasing and retaining heat in the atmosphere. In other words, they are the gases present in the atmosphere that contribute to the greenhouse effect.

Carbon Footprint: Defined as the total greenhouse gas emissions caused by an individual, organization, service, or product. It represents the total volume of greenhouse gases (GHGs) produced by human economic and everyday activities.

IBR: Banking Reference Rate. This indicator was developed by the private sector with the support of the Colombian Central Bank and other entities, with the aim of reflecting the liquidity of the Colombian money market. The IBR is a short-term reference interest rate denominated in Colombian pesos, which reflects the price at which banks are willing to offer or mobilize resources in the money market.

ICA: Industry and Trade Tax. This tax is generated by direct or indirect industrial, commercial, or service activities carried out permanently or occasionally.

Inflation: The generalized and sustained increase in prices of goods and services in a country over a sustained period of time.

CPI: Consumer Price Index. It is a measure of the change in the price of goods and services representative of household consumption in the country, known as the basket.

IFC: Performance Standards on Environmental and Social Sustainability. These are a set of standards and procedures developed to prevent, mitigate, and repair the negative social and environmental risks and impacts that private investors could cause with their projects. These standards must be applied throughout the project implementation cycle, from site preparation to abandonment.

IGAC: Agustín Codazzi Colombian Institute.

Core Inflation: Inflation that excludes the variation in food and regulated prices.

PCE Inflation: Measures the changes in prices of goods and services purchased by consumers for personal use, excluding food and energy.

Intermediaries: Entities authorized by law to carry out rediscount operations, obtaining MEV from Findeter to carry out rediscount operations.

Available-for-sale Investments: Securities and/or values that do not qualify as trading investments or investments held to maturity and for which the investor has a serious purpose and the legal, contractual, financial, and operational capacity to hold them for at least one (1) year from the first day they were first classified or reclassified as available-for-sale investments.

Trading Investments: These are investments that have been acquired with the primary purpose of profiting from short-term price fluctuations.

Investments Held to Maturity: These are securities and/or values for which the investor has the serious purpose and the legal, contractual, financial, and operational capacity to hold them until their maturity or redemption date.

Financial Intermediary: Institutions authorized by the Financial Superintendence of Colombia through which FINDETER channels credit resources.

ISE: Economic Monitoring Indicator.

ISO: International Organization for Standardization.

ISOLUCIÓN: Application that documents the Integrated Quality Management System of Findeter.

JP MORGAN: Global leader in financial services that provides solutions to the world's major corporations, governments, and institutions. In Colombia, J.P. Morgan has a local presence through Banco J.P. Morgan Colombia S.A., a credit establishment established in the country since 2006, supervised by the Financial Superintendence of Colombia.

JDBR: Board of Directors of the Colombian Central Bank.

KFW: Kreditanstalt für Wiederaufbau. German government development bank.

Electoral Guarantees Act: A law that prohibits state entities from entering into direct contracting agreements during the four months prior to the presidential election and until the date the President of the Republic is elected.

Libor: London Interbank Offered Rate. It is an interest rate determined by the rates at which banks participating in the London market offer deposits to each other for short-term periods.

Bank Book: It consists of the set of positions resulting from the rediscount portfolio, investments until maturity, and, in general, operations that are not part of the treasury book.

Treasury Book: It is composed of the set of positions that the Entity holds with the aim of benefiting in the short term from price fluctuations and those investments that are sensitive to market fluctuations, that is, tradable investments and available-for-sale investments.

MIGA: Multilateral Investment Guarantee Agency (MIGA), which provides insurance against political risks or guarantees against losses caused by non-commercial risks in order to promote foreign direct investment (FDI) in developing countries. The agency plays a significant role in catalyzing foreign direct investment that supports economic growth, reduces poverty, and improves the living conditions of people in the places where it is most needed.

IPMM: Integrated Planning and Management Model led by the Administrative Department of the Civil Service.

Land Use Planning: A line of work focused on helping municipalities guide their land use planning processes, designing a roadmap with short, medium, and long-term visions.

Restrictive Monetary Policy: It is a type of monetary policy that aims to reduce the money supply in a country or territory. It seeks to decrease the amount of money in circulation in the economy of a country.

Prepayment: It is the early repayment of a loan, consisting of reimbursing all or part of a financing before the agreed period.

NAMA: Nationally Appropriate Mitigation Actions (NAMAs) are policies, regulations, programs, or other types of actions that reduce greenhouse gas emissions from their baseline levels and, at the same time, contribute to achieving the sustainable development goals of the countries implementing them, mainly developing countries.

NDC: Nationally Determined Contributions. Together, these climate measures determine whether the world achieves the long-term goals of the Paris Agreement and whether it reaches the global peak of greenhouse gas emissions as soon as possible and thereafter undertakes rapid reductions in line with the best available science to achieve a balance between anthropogenic emissions by sources and anthropogenic removals by sinks of greenhouse gases in the second half of this century.

NOx: Nitrogen Oxides.

NTC: Colombian Technical Standards. It is the national standardization body of Colombia. Among its tasks, it highlights the creation of technical standards and the certification of quality standards for companies and professional activities. ICONTEC is the representative of the International Organization for Standardization (ISO) in Colombia.

SDGs: The Sustainable Development Goals constitute a universal call to action to end poverty, protect the planet, and improve the lives and prospects of people worldwide. The 17 SDGs and their 169 targets are integrated and indivisible, global in scope and universally applicable, taking into account different realities, capacities, and levels of development of each country, and respecting their national policies and priorities. The SDGs are: 1) No Poverty, 2) Zero Hunger, 3) Good Health and Well-being, 4) Quality Education, 5) Gender Equality, 6) Clean Water and Sanitation, 7) Affordable and Clean Energy, 8) Decent Work and Economic Growth, 9) Industry, Innovation, and Infrastructure, 10) Reduced Inequalities, 11) Sustainable Cities and Communities, 12) Responsible Consumption and Production, 13) Climate Action, 14) Life Below Water, 15) Life on Land, 16) Peace, Justice, and Strong Institutions, and 17) Partnerships for the Goals.

Rediscount Transactions: Resources placed or channeled for the promotion of economic activities in specific sectors through authorized entities called intermediaries.

Treasury Operations: Foreign exchange market operations, operations with fixed or variable income securities and those indexed to a reference rate or index, either in pesos or in another denomination, except for own issuances; money market operations such as short positions, temporary transfers of securities, repurchase agreements or repos, and simultaneous operations; operations with derivatives or structured products; and, in general, any other operation carried out on behalf of Findeter or for its benefit or on behalf of third parties.

Pass-through: transmission effect of one variable onto another.

Bp: basis points.

PBOT: Basic Land Use Planning.

PCE: Personal Consumption Expenditures.

BCP: Business Continuity Plan: a detailed set of actions that describe the procedures, systems, and resources necessary to return to and continue operations in the event of an interruption.

PDET: Territorial Focus Development Program.

PGIRS: Regional Comprehensive Solid Waste Management Plan. This planning tool helps with waste separation, public space cleaning, selective collection, and the inclusion of waste pickers.

GDP: Gross Domestic Product.

Contingency Funding Plan: It is the compilation of policies, procedures, and action plans to respond to severe shocks that affect an entity's ability to fund some or all of its activities on time and at a reasonable cost.

DRP: Disaster Recovery Plan. A document that describes how an organization can quickly resume work after an unplanned incident.

Prosperity Fund (FP): UK Prosperity Fund for Colombia.

DWTP: Drinking Water Treatment Plant.

Rediscount: an operation in which resources are provided to a credit institution or an entity duly authorized by law to intermediate, with the purpose of financing credit operations in exchange for the assignment of sufficient collateral.

REPO: intervention rate or minimum interest rate charged by the Central Bank to financial institutions for the loans it grants them, usually for one day, and also serves as a reference for establishing the maximum interest rate it pays for receiving money that they have as surplus.

ROE: Return on Equity. It relates the net profits obtained in a particular investment operation to the resources needed to obtain it. It is calculated by dividing the net profit of a company by its equity.

SARAS: Environmental and Social Risk Management System. It is a system aimed at helping financial institutions easily and timely identify and evaluate the environmental and social risks incurred by their beneficiaries in the development of their activities.

SARINF: Non-Financial Integrated Risk Management System. It integrates the SARO, SARLAFT, SGSI, Cybersecurity, Personal Data Protection, Business Continuity, Environmental, Supplier, and Fraud and Corruption Prevention systems into a single methodology and framework.

SETP: Strategic Public Transport System.

IMS: Integrated Management System. It is a unique system designed to manage multiple aspects of an organization's operations in accordance with multiple standards, such as those related to quality management, environment, health and safety.

SIRECI: Electronic Rendition System for the Accounts and Reports of the Comptroller General of the Republic.

SIAR: Integrated Non-Financial Risk Management System. It integrates credit, market, operational, liquidity, and country risk systems into a single methodology and framework. It is currently being implemented.

Sisclima: National Climate Change System. This system is made up of state, private, and non-profit entities, as well as policies, regulations, processes, resources, plans, strategies, instruments, and mechanisms to coordinate and articulate actions and measures for greenhouse gas reduction (GHG) and adaptation to climate change.

SITP: Integrated Public Transportation System.

STP: Public Transportation System.

SMMLV: Legal Monthly Minimum Wage. It is the wage that every worker is entitled to receive to cover their normal needs and those of their family, in material, moral, and cultural terms.

SOFR: Secured Overnight Financing Rate. It is an interest rate that measures the cost of money in US dollars over a one-day period and is calculated based on secured credit operations.

Intervention Rate: It is the minimum interest rate that the Central Bank charges financial institutions for the loans it grants them. It is also known as the reference rate or Monetary Policy Rate (MPR).

TER: Increasing Profit Energy Bonds.

Treasury: In the context of SARM, treasury refers to the areas responsible for trading, customer relationships, commercial aspects, risk management identification, measurement and control, compliance, and treasury operation registration.

TOD NAMA: Transit-Oriented Development Sustainable Transport NAMA. Its objective is to transform the urban structure and mobility model in the country's cities.

TPM: Monetary Policy Rate.

TES: Treasury Bonds. Public debt securities issued by the General Treasury of the Nation (in pesos, in Real Value Units (UVR), or in pesos linked to the exchange rate) that are auctioned by the Central Bank.

TRM: Representative Market Exchange Rate. It is the amount of Colombian pesos per US dollar. The TRM is calculated based on the buying and selling of currencies among financial intermediaries that trade in the Colombian foreign exchange market, with same-day settlement when the currency exchange takes place.

UVR: Real Value Unit. It is an accounting unit that reflects the purchasing power of the currency daily based on the variation of the consumer price index (CPI).

UK PACT: Partnering for Accelerated Climate Transitions. It is a flagship program within the International Climate Finance (ICF) portfolio.

URO: Operational Risk Unit. A group designated by the legal representative of the entity, responsible for coordinating the implementation and monitoring of the Operational Risk Management System (SARO).

MEV: Maximum Exposure Value. A global amount assigned to each intermediary for them to carry out rediscount operations in any of the current lines.

VIS: Affordable Housing.

1. ABOUT FINDETER

(102-3), (102-4) y (102-5)

We are the Territorial Development Bank that offers comprehensive solutions to build sustainable territories through the planning, structuring, financing, and technical assistance of infrastructure projects that improve the quality of life of Colombians.

(102-5)

We were created by authorization of Act 57 of 1989 and, under Decree-Law 4167 of 2011, we are constituted as a mixed economy company of national order, of the anonymous type, organized as a credit establishment, with a private law regime, linked to the Ministry of Finance and Public Credit and supervised by the Financial Superintendence of Colombia.

(102-3, 102-4)

We are headquartered in the city of Bogota D.C., and we have a presence to carry out our operations throughout the national territory through five regional offices, one zone, and three satellite offices. We have an organizational structure aligned with our competencies in planning, structuring, execution, and financing of projects. We have certified 30 processes in ISO 9001, ISO 14001, and 27001 standards. Additionally, we promote the application of best practices in corporate governance and social and environmental responsibility.

1.1. Business Strategy - Strategic Direction

(102-2, 102-6, 102-16)

In 2022, our commitment as a Development Bank remained focused on working hand in hand with territorial entities to transform territories through our planning, structuring, financing, and execution of sustainable projects. In partnership with the national government, to support the country's recovery given the circumstances generated by the health emergency, we created new lines of credit focused on key sectors of recovery.

We have been following our Flight Plan 2019-2022 for four years; along this journey, we have grown, evolved, learned, and successfully transformed the lives of many communities with our products, strengthening the roadmap outlined in our strategy.

For the update, monitoring, and control of the strategic framework, we continue to apply the Balanced Scorecard methodology, which includes the definition of objectives, indicators, and corporate projects aimed at fulfilling the strategic guidelines and the organizational mission, which are contained in the Flight Plan.

- **Review and adjustment of the Flight Plan**

In the first half of 2022, meetings were held with Senior Management to assess the results achieved in the Flight Plan. As a result, we defined the adjustment of goals to the economic, social, and political context of the country, allowing us to address the different organizational challenges in development, finance, budget, and business planning. On June 28, we submitted the updated Flight Plan for approval by the Board of Directors.

- **Monitoring**

The Senior Management, committed to the projection of the institution, consistently generated spaces to evaluate results and define actions that enabled effective strategy management in line with the established vision. In the different Board of Directors' sessions, the strategy-focused dashboard was presented, monitoring the main indicators of the corporate strategic map and making decisions to improve results.

- **Communication**

For Findeter, it is important to disseminate the results achieved in the development of the strategy. To this end, we have various communication and participation channels through which it is possible to express expectations and the outcomes of our Flight Plan.

Through social media, website, internal channels, among others, we disseminate the results obtained during the 2022 period with high-value campaigns.

Through communication strategies such as “Café en línea” (Online Coffee), “Ser Findeter” (Being Findeter), and “Mentores” (Mentors), Senior Management informed employees about strategies, processes, projects, and their progress. These spaces also allowed us to address concerns, observations, and suggestions for better management.

- **Components of the Strategic Direction at the end of 2022**

Mission

We are the strategic partner of the national government and territorial entities for the planning, structuring, financing, and execution of sustainable projects that transform territories.

Vision

By 2022, we will be the leading Development Bank with comprehensive services, expanding our coverage nationwide, supported by an efficient and profitable structure that promotes the sustainable development of the country.

The plan has the following **five strategic guidelines**:

- ✓ We are recognized for being excellent in Project Management.
- ✓ We efficiently manage the resources that guarantee our growth as a Development Bank.
- ✓ We have an integrated, relevant, and affordable portfolio of products and services.
- ✓ We have the required technology to generate value for the organization.
- ✓ We are a profitable and transparent institution that creates value for its stakeholders.

- **Value Proposition**

To be recognized for our relevant planning, timely structuring, competitive financing, and effective execution.

- **Corporate Strategic Map**

We have defined a strategic map with five perspectives: development, efficiency, customers, integrated management, and capabilities that define the organization’s strategy, which are grouped into 17 strategic objectives.

The strategic objectives are visualized in the following illustration: each objective has a definition that facilitates understanding within the organization, as well as a set of indicators that allow monitoring their performance.

Figure No. 2: • Corporate Strategic Map – Flight Plan 2019 - 2022



1.2. Integrated Management Model

In partnership with the territories and the National Government, we identify the main strengths and opportunities of the region so that, together, we can build a roadmap for strategic projects in the short, medium, and long term through our integrated management model. We offer planning, structuring, financing, and technical assistance services in the execution of infrastructure projects that are priorities for the sustainable development of the regions, aiming for an efficient and relevant allocation of economic and technical resources nationwide.

For 2022, the goals set by the board for the different components of the integrated management model were as follows:

- Financing: COP 2.66 trillion in disbursements.
- Land use planning: COP 2.863 billion revenue.
- Project structuring: COP 6.277 billion revenue.
- Project execution: COP 72.659 billion revenue.

During 2022, we continued with the management of the Comprehensive Sales strategy, offering our products and services uniformly and jointly to our users. We achieved the subscription of 22 new product contracts in Planning (1), Structuring (3), and Execution (18). Finally, we accomplished 14 disbursements marked as comprehensive sales for project development, coming from previous Planning products as well as project Execution.

We will continue in the process of consolidating our position as a strategic ally and vehicle for the execution of National Government policies, in areas such as Land Use Planning, Structuring and Execution.

Figure No. 3: Integrated Management Model



Source: Findeter 2022

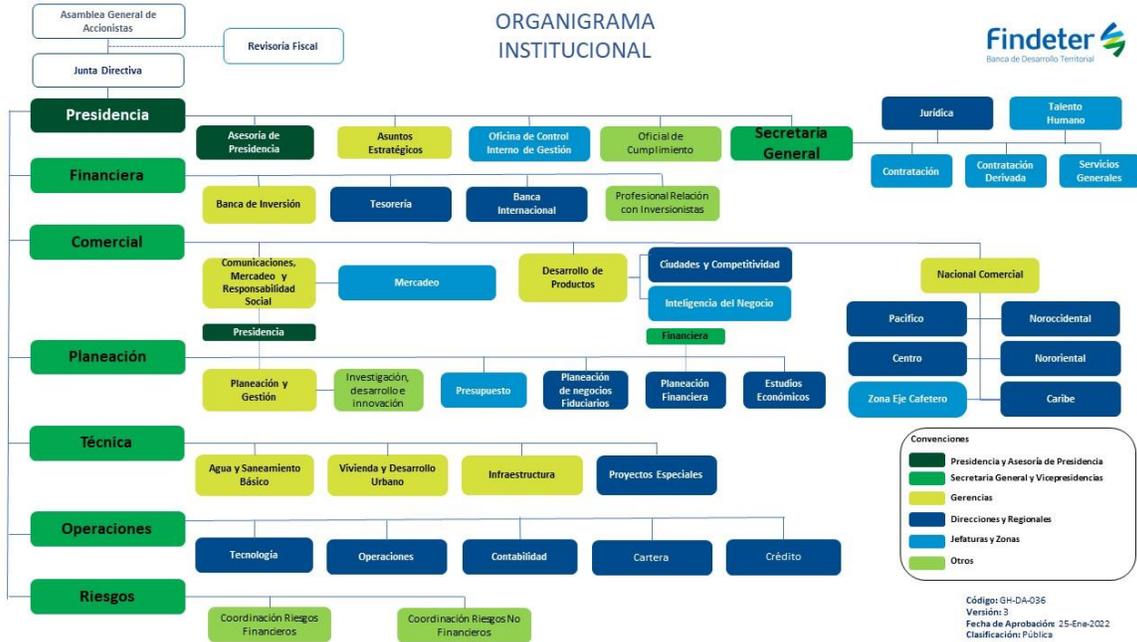
1.3. Organizational Structure (102-18)

In January 2022, we modified the organizational structure, which was approved by the Board of Directors. Here are the most relevant aspects that were adjusted:

- We consolidated the processes for large-scale contractual commitments into a Derived Contracting Chief position to serve our users. The team in this position possesses experience and knowledge and has a certain level of autonomy in decision-making. This adjustment aimed to ensure efficiency and effectiveness in delivering expected products with quality and timeliness.
- Taking into account the size of the budget we manage, we restructured the Budget activity into a less operational and more strategic Budget Chief position. This position has the capacity to support the top management in defining budgetary strategies aimed at optimizing resource utilization, identifying and communicating opportunities and risks to ensure compliance with the financial objectives of the organization. The position also leads the planning, control, and reporting processes of the financial uses and sources of the institution to maintain and increase its sustainability.
- We integrated the Project Management Office (PMO) and the Center for Innovation and Knowledge into the R&D+i Unit, under the Planning and Management Department with a direct line to the Presidency. This integration maximized Findeter's competitive advantages through research, technological development, and innovation. The aim is to create or improve our products, processes, and services to contribute to the transformation of regions into sustainable territories.
- We established the Special Projects Directorate to provide strategic support across different areas for the Technical Vice Presidency. This directorate assists with major national or regional

projects of significant magnitude for Findeter and the National Government, particularly in the transportation sector.

Figure No. 4: Organizational Structure 2022



Source: Findeter 2022

1.4. Our Offices (102-4)

Figure No. 5: Our Offices 2022

Banca de Desarrollo Territorial
Nuestra presencia en las regiones

REGIONAL CARIBE
Atiende los departamentos de Atlántico, Bolívar, Guajira, Magdalena, San Andrés y Providencia.
Of. BARRANQUILLA: Tel: (800) 3854185 + 358 7970, Cel: 320 490 2593, regionalcaribe@findeter.gov.co
Of. CARTAGENA: Tel: (800) 664 7009 / Cel: 3824385 / Cel: 358 7970, Of: 337 518 0138, findeter.cartagenal@findeter.gov.co
Of. SAN ANDRÉS: findeter.sanandres@findeter.gov.co

REGIONAL NOROCCIDENTAL
Atiende los departamentos de Antioquia, Chocó, Córdoba y Sucre.
Of. MEDELLIN: Tel: (800) 504 6570, Cel: 314 338 6930, regionalnoroccidental@findeter.gov.co

REGIONAL NORORIENTAL
Atiende los departamentos de Arauca, Casanare, Guaviare y Santander.
Of. BUCARAMANGA: Tel: (800) 930 2043 / Cel: 652 6969, Cel: 321 978 9851, regionalnororiental@findeter.gov.co
Of. CÚCUTA: Cel: 320 989 4935, findeter.cucuta@findeter.gov.co

REGIONAL PACÍFICO
Atiende los departamentos de Cauca, Nariño y Valle del Cauca.
Of. CALI: Tel: (800) 332 1899 / 332 1800, Cel: 314 582 4481 / 332 819 2460, regionalpacifico@findeter.gov.co

ZONA EJE CAFETERO
Atiende los departamentos de Caldas, Quindío, Risaralda y municipios del norte del Valle del Cauca.
Of. PEREIRA: Tel: (800) 338 8701 / 338 8703, Cel: 320 449 4927, regionalzona@findeter.gov.co

REGIONAL CENTRO
Atiende Bogotá y los departamentos de Amazonas, Boyacá, Cesar, Cundinamarca, Guaviare, Guayana, Meta, Vaupés, Vichada, Huila, Putumayo, Tolima y Cauca.
Of. BOGOTÁ: Tel: (800) 822 0212-484 / 745 0199 ext 2101, Cel: 314 338 4930, regionalcentro@findeter.gov.co
Of. NEIVA: Tel: (800) 871 0093 + 871 7768, Cel: 318 454 1281, regional-neiva@findeter.gov.co

Convenciones:
Regional Caribe
Regional Noroccidental
Regional Centro
Regional Nororiental
Regional Pacífico
Zona Eje Cafetero

Dirección General:
Calle 103 No. 129-00, Bogotá D.C.
Línea nacional gratuita: 01-8000-318422

Correo electrónico:
findeter@findeter.gov.co
www.findeter.gov.co

Comprometidos con Colombia

Source: Findeter 2022

1.5. Product and service portfolio

(102-2), (103-1) Material topic: Water and sanitation projects, projects aimed at benefiting vulnerable communities, infrastructure projects for education, product offerings with a territorial approach, sustainable cities and communities, business lines with social and environmental criteria (102-9 Supply Chain) (102-6).

Figure No. 6: Product and service portfolio 2022



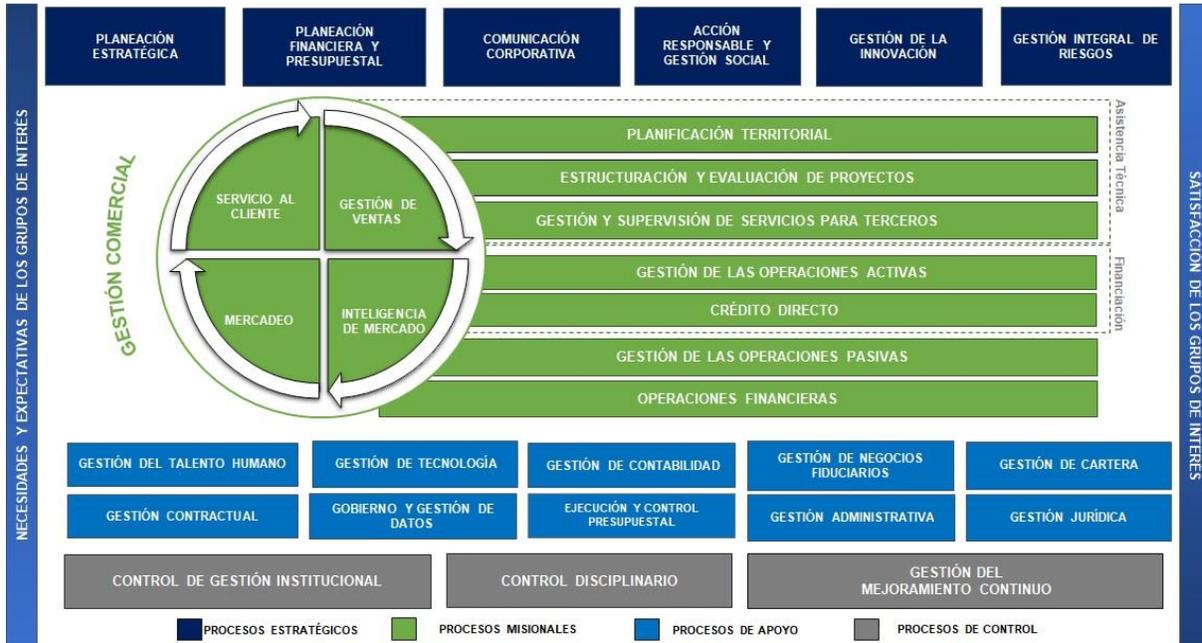
Source: Findeter 2022

1.6. Value Chain (Processes and IMS)

The value chain begins with understanding and identifying the needs and requirements of users and stakeholders, so that through proper interrelation of the Process Map, strategic, mission-critical, support, and control processes achieve results focused on user and stakeholder satisfaction.

During 2022, we intervened in three processes using the business process design methodology under BPM discipline, generating added value and optimizing process components (documentation, indicators, risks, and controls), ensuring sufficient and adequate information for their implementation. Additionally, we managed the proposal to create a new process to coordinate cross-functional activities that comply with internal and external policy implementation, activities related to the implementation and improvement of good practices in corporate governance, ensuring inter-institutional relationships that enable us to be more effective and efficient in our management.

Figure No. 7: Value Chain - Process Map



Source: Findeter 2022

Integrated Management System

(403-2)

The Integrated Management System continued to be the fundamental input for maintaining continuous improvement in the organization's management, internal control, and addressing institutional risks. It consists of the Quality Management System (QMS), Environmental Management System (EMS), Information Security Management System (ISMS), Internal Control System (ICS), SARO, and the model for efr management, among others.

We maintained certification for the Quality Management Systems ISO 9001:2015, ISO 14001:2015, and ISO 27001:2013 by SGS Colombia S.A. through the follow-up audit conducted in November. This demonstrated compliance with the requirements of these standards to the certifying body. The aforementioned reinforces process integration, maintains a culture of continuous improvement, strengthens the organization's credibility and image through its products and services, generates trust among users, the government, regulatory bodies, and the community at large, and provides support in the financial market.

The results in terms of effectiveness, efficiency, and efficacy ensured the achievement of the Integrated Management System's objectives aligned with the corporate strategy. In 2022, these results showed positive performance with an effectiveness rate of 103%, an efficiency rate of 101%, and an efficacy rate of 110%.

Graph No. 1: Integrated Management System Compliance



Source: Findeter 2022

Regarding effectiveness, the outstanding compliance can be attributed to high results in indicators related to liquidity, management of direct credit operations, compliance with the marketing plan, regional disbursement compliance, among others. In terms of efficiency, this result is due, among other factors, to the reduction in paper, water, and energy consumption, portfolio risk value, and foreign exchange risk. As for the effectiveness of the system, good performance is evident in the management of direct credit operations for territorial entities, quality of the credit portfolio, procedural success rate, engagement in social media, reach of Twitter publications, among others.

For 2022, we have identified Non-Conforming Outputs in accordance with the requirements of NTC ISO 9001:2015 for mission-critical processes: Service Management and Supervision for Third Parties (GES), Management of Active Operations (GOA), Management of Passive Operations (GOP), Project Structuring and Evaluation (EEP), and Land Use Planning (PT), and during the last quarter of 2022 for the support process of Fiduciary Business Management, which manages the final link in the value chain of service supervision products through autonomous trusts, all with favorable results in their control and monitoring.

During the third and fourth quarters, there was a change in the acceptance tolerance for non-conforming outputs to <10%. In the previous year, a tolerance of 20% was accepted. In relation to this tolerance, we achieved the following favorable results:

Table No. 3: Non-Conforming Outputs Compliance 2022

Process	Non-conforming outputs	Total operations or process outputs	Compliance %	Goal
Land Use Planning	0	36	100%	<10%
Project Structuring and Assessment	0	12	100%	
Active Operations Management	118	835	85%	
Direct Loan	2	42	98%	
Management of Passive Operations	7	877	98%	
Financial Operations	16	9319	99%	
Management and Supervision of Third-Party Services	268	7137	93%	
Fiduciary Business Management	4	443	99%	

Fuente: Findeter 2022

Non-conforming outputs are identified for each process, treated, and then followed up by the IMS group in the Planning Management, maintaining monthly control over these results.

Regarding Corrective and Improvement Actions (CIA), in 2022, a total of 272 actions were formulated, distributed as follows: 139 corrective actions (51.1%) and 133 improvement actions (48.9%). 47% of the formulated actions originated from the processes of Service Management and Supervision for Third Parties, Integrated Risk Management, and Technology Management. In 2022, there were 93 pending actions (59 corrective actions and 34 improvement actions). The processes successfully closed 261 actions, consisting of 119 corrective actions and 142 improvement actions, of which 177 were formulated in 2022 and the remaining 84 actions in 2021. Actions derived from both internal IMS audits and management accounted for the highest participation, representing 52% of the total actions managed by the system, followed by findings from control entities at 24%, and actions resulting from performance indicators, management review, internal customer surveys, among others, also at 24%.

1.7. Stakeholder Groups
 (102-40), (102-42), (102-43), (102-44), (102-46)

The stakeholder groups of Findeter, established in the latest update of the Corporate Governance Code, are as follows:

Figure No. 8: Findeter Stakeholder Groups



1.8. Responsible Action

(102-11) **SDGs (3, 4, 5, 6, 7, 8, 10 and 11)**; Circular 012 of 2022 SFC Numeral 7.4.1.3.2. Practices, policies, processes, and indicators related to environmental and social criteria implemented by the issuer; Annex 2 (Numeral 5.1. Disclosure of information by Group A Issuers, Sub-numeral 5.1.1. Brief description of the procedures implemented for the identification of material information, in development of the provisions of Article 5.2.4.2.2. of Decree 2555 of 2010 - Guidelines and minimum parameters of information on social and environmental issues, dedicated to practices, policies, processes, and indicators.

The Responsible Action model that we implemented at Findeter defines our way of acting, as through dialogue and collaboration, we understand the needs of the territories, expand our understanding and capacity to offer relevant, differentiated, and impactful projects, always acting with integrity and generating trust.

The design and implementation of this model aim to transmit sustainability best practices of the entity to stakeholders and contribute to our positioning as the leading territorial development bank through the implementation of three pillars: social management for planning, structuring, and executing projects that we provide technical assistance for; work cells and sustainability hub that articulate the culture of integrity, responsible finance, impact, and trusted relationships; and finally, flagship program with initiatives for a great country and transformative projects.

Regarding the pillar of social management, during 2022, our actions focused on strengthening social fabric through informative and participatory creation strategies, promoting community ownership and sustainability to enhance the benefits and minimize the impacts caused by projects.

This management is materialized through social management guidelines that are part of the contracts of each project, involving two specific moments: firstly, during the pre-contractual process where we include the social component and define the scope that the social management plan of each project should have, and secondly, during the contractual execution, we support suppliers in implementing their management plans and monitor community engagement.

In 2022, we implemented social management and support in the supervision of 523 projects in various stages, including pre-contractual, ongoing execution, completion, and liquidation. These projects consisted of 1 planning project, 38 structuring projects, and 484 execution projects. We also worked on the pre-contractual processes for consulting, construction, and supervision and closed the year with a review of the social component and the presentation of guidelines for social and reputational management. It is worth noting that as part of the supervision support, we continued the social traffic light exercise, through which it was possible to classify risk and generate alerts for all projects.

Regarding the pillar of work cells and sustainability hub, our responsible action in 2022 focused on the following approaches: firstly, we continued to generate the necessary inputs to ensure that our actions are aimed at developing sustainability across Findeter; secondly, we developed and implemented a sustainability strategy aimed at internal management and external engagement with stakeholder groups; and finally, we implemented specific actions to lead, promote, implement, and strengthen environmental, social, and governance (ESG) dimensions through four working groups: culture of integrity, responsible finance, impact, and trusted relationships.

The best practices and lessons learned from managing these four groups allowed us to present and initiate a new working space under the sustainability hub scheme with the following objectives:

Identify best practices in ESG aspects.

- Promote a culture based on loyalty, honesty, and transparency within the organization and among our stakeholder groups.
- Integrate environmental, social, and economic criteria into decision-making and the offering of products for territorial development.
- Understand the risks, needs, and opportunities of the territory to maximize positive impacts on communities and ecosystems in our country.
- Build a trustworthy and close relationship with our stakeholder groups that allows us to fulfill our purpose.

The sustainability hub served as a platform to mobilize the Responsible Action policy from the inside out, emphasizing the strengthening of sustainability capabilities as the first step, followed by identifying and replicating best practices in the field. Some sample activities included ODS consultancy, gratitude actions, sustainable Halloween initiatives, investor relations, and identification of environmental best practices, among others. For the year 2023, we anticipate significant challenges and further developments in this area.

1.9. Materiality

(102-44), (102-46), (102-47); (SDGs 3, 4, 6, 7, 9, 11, 13 and 17); Circular 012 of 2022 - Annex 2 (Section 5.1. Disclosure of information by Issuers Group A, Subsection 5.1.1. Procedures implemented for the identification of material information (Guidelines and minimum parameters of information on social and environmental issues, dedicated to practices, policies, processes, and indicators), as per Article 5.2.4.2.2. of Decree 2555 of 2010).

Since 2015, Findeter has been adopting international best practices in its integrated management and sustainability reports, such as those established by the Global Reporting Initiative (GRI).

According to the definition provided by this organization, material topics are *“those matters that may reasonably be important because they demonstrate the economic, social, and environmental effects of the organization or significantly influence the decisions of stakeholders”*.

Accordingly, between 2019 and 2022, we carried out a review process of the broad materiality matrix from 2018, which identified the priority issues on which the Entity would focus its interventions, considering the interests and expectations of stakeholders linked to the aspects of greatest impact, such as Development Banking and its Responsible Action strategy. The exercise allowed us to identify topics that could be incorporated into the priorities of the Bank, and in turn, aligned with the Corporate Strategic Plan.

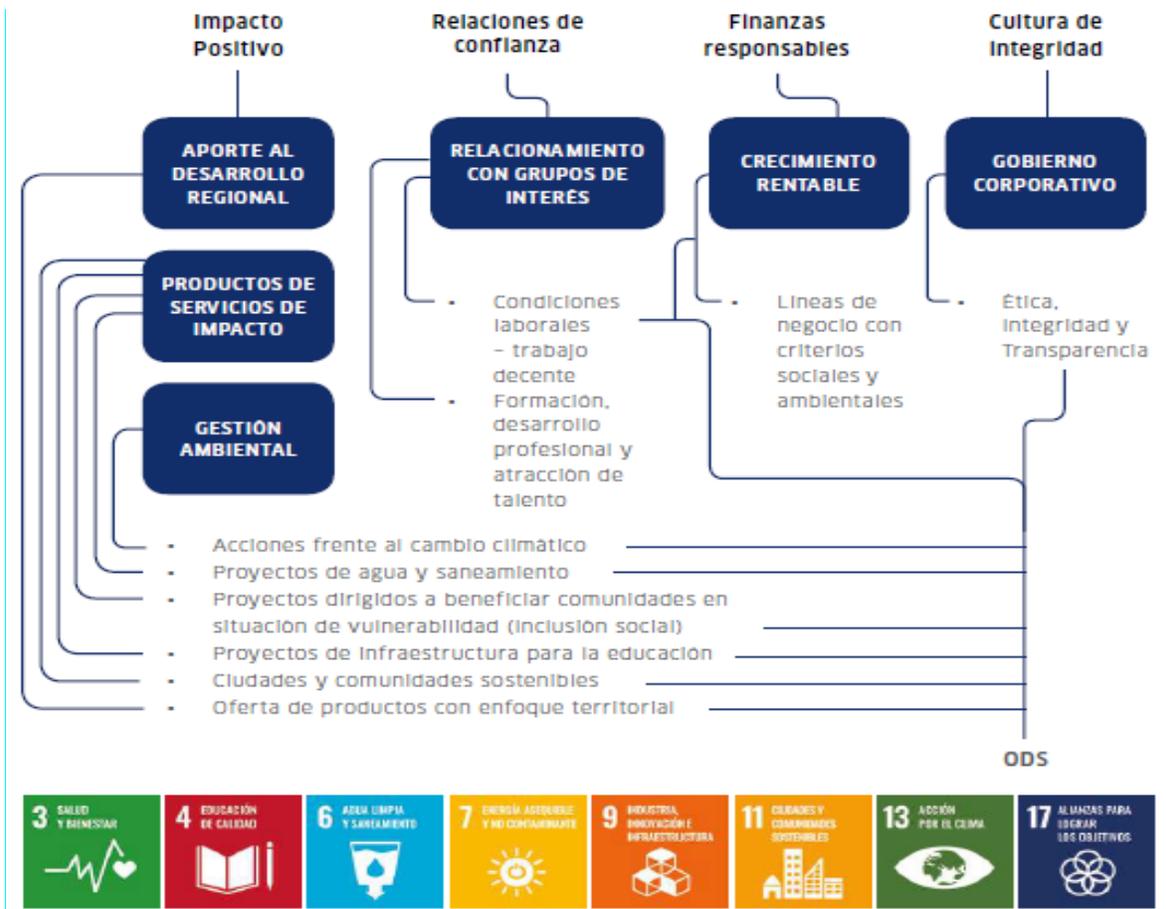
For Findeter, material topics of interest to business sustainability are all those initiatives and processes that guide the internal and external management of the entity to become a strategic ally of the National Government and the regions, implementing projects that generate well-being through relevant planning, timely structuring, competitive financing, and effective execution.

Taking the above into account, and as part of the design of the Responsible Action strategy, the review of materiality was conducted using global sustainability frameworks, internal documents, and feedback provided by Senior Management. This highlighted the importance of expanding aspects such as innovation in products, change and risk management, sustainable finance, projects supported by robust social management, stakeholder engagement, corporate governance, and climate strategy, among others, in the development of mission-driven management.

The result of this validation exercise confirmed and prioritized the following material aspects aligned with the Entity’s Responsible Action in the coming years and in alignment with the SDGs:

Figure No. 9: Aspects of Materiality





1.10. Corporate Governance

1.10.1. Composition and Governance Bodies

(102-5;102-44, 102-46, 102-47)

In accordance with Article 6 of Decree Law 4167 of 2011, the legal regime of Financiera de Desarrollo Territorial S.A., Findeter, is of private law and, in any case, it will be subject to the specific regime of mixed economy companies not assimilated to state industrial and commercial enterprises, regardless of the public capital participation in its assets.

Next, we describe the different governance bodies of Findeter, as well as their composition:

1.10.2. General Shareholders' Meeting

External Circular 012 Section 7.4.1.2.2. Information on the participation in the issuer's capital and other material topics related to its ownership structure.

The shareholding structure of the Entity as of December 31, 2022, is as follows:

Table No. 4: Shareholding structure

Shareholder	%
Grupo Bicentenario	92.5477
Departments	7.2035

lfinorte	0.2487
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Source: Findeter 2022

1.10.3. Board of Directors

Circular 012 of 2022 - Sustainability practices and responsible investment of the issuer (Section 7.4.1.3.1. Corporate Governance Analysis; Subsection 7.4.1.3.1.1. Description of the issuer's management structure, Subsections (i) Remuneration and incentive schemes for members of the Board of Directors, (ii) Composition and functioning of the Board of Directors, and (vi) Quorum and attendance of Board of Directors meetings).

The Board of Directors of the Company, in accordance with the provisions of Decree 4167 of 2011, the Bylaws, and its Corporate Governance Code, is composed of 5 principal members and 5 alternates, who must be elected by the General Shareholders' Meeting for a period of 2 years. At least 3 of them must be independent, as indicated in the second paragraph of Article 34 of the Bylaws. Board of Directors appointments can be made personally or to a specific position.

Circular 012 of 2022 - Section 7.4.1.3.1., Subsection 7.4.1.3.1.1., Item (ii).

As of December 31, 2022, the composition of the Board of Directors, chaired by the Secretary General of the Ministry of Finance and Public Credit, was as follows:

Table No. 5: Board of Directors Composition

Board of Directors	
Principal	Alternate
Juan Manuel Russy Escobar Secretary General Ministry of Finance and Public Credit	Néstor Mario Urrea Duque Director General of Fiscal Support Ministry of Finance and Public Credit
Olga Lucia Acosta Navarro Independent Member	Luis Fernando Velasco Chaves Independent Member
Elsa Margarita Noguera de la Espriella Governor Department of Atlantico	Jesús Galdino Cedeño Governor of Department of Amazonas
Jorge Armando Rodríguez Alarcón Independent Member	Arturo José García Durán Independent Member
Mauricio Olivera González Independent Member	Martha Catalina Velasco Campuzano Minister of Housing, City and Territory

Source: Findeter 2022

In September 2022, during an Extraordinary General Meeting, the appointment of Board members was carried out. Changes were made to the first, second, fourth, and fifth principal and alternate positions, while no changes were made to the third principal and alternate positions. The appointments as Board members were authorized by the Financial Superintendence of Colombia on the following dates:

- ✓ Juan Manuel Russy Escobar, Secretary General of the Ministry of Finance and Public Credit, first principal position, took office on October 14, 2022.
- ✓ Olga Lucia Acosta Navarro, independent member, second principal position, took office on August 24, 2022.
- ✓ Jorge Armando Rodríguez Alarcón, independent member, third principal position, took office on October 13, 2022.
- ✓ Mauricio Olivera González, independent member, fifth principal position, took office on October 18, 2022.

- ✓ Néstor Mario Urrea Duque, Director General of Fiscal Support at the Ministry of Finance and Public Credit, first alternate position, took office on October 13, 2022.
- ✓ Luis Fernando Velasco Chaves, independent member, second alternate position, took office on October 18, 2022.
- ✓ Arturo José García Durán, independent member, fourth alternate position, took office on October 13, 2022.
- ✓ Martha Catalina Velasco Campuzano, Minister of Housing, City, and Territory, fifth alternate position, took office on October 13, 2022.

Additionally, during the fiscal year, four conflicts of interest were reported by the Board members who served until September 2022, and three conflicts of interest were reported in an extraordinary session in October by the new Board members.

Participation of Board members in other Boards:

- ✓ Juan Manuel Russy Escobar: Serves as a Board member as a delegate of the Ministry of Finance and Public Credit to the National Savings Fund (FNA), Banco Agrario, and Grupo Bicentenario.
- ✓ Olga Lucia Acosta Navarro: Participates as a member of the Social Council of the Grupo Social Foundation.
- ✓ Néstor Mario Urrea Duque: Serves as a Board member as a delegate of the Ministry of Finance and Public Credit to Positiva Compañía de Seguros S.A.
- ✓ Arturo José García Alarcón: Participates as a Board member of Econometría Consultores and Ismocol S.A.
- ✓ Martha Catalina Velasco Campuzano: Participates as a Board member of the National Savings Fund (FNA).

In 2022, there were a total of 12 regular sessions and 4 extraordinary sessions of the Board of Directors.

Circular 012 of 2022 (Section 7.4.1.3.1., Subsection 7.4.1.3.1.1., Item (vi))

Table No. 6: Attendance at Board of Directors sessions in 2022

Principal Member	Ordinary	Extraordinary
Adriana Mazuera Child Director General of State Participations Minister of Finance and Public Credit	9	3
Santiago Cortés León Independent Member	7	2
Andrea Catalina Lasso Ruales Independent Member	1	1
Elsa Margarita Noguera de la Espriella Governor Department of Atlantico	8	3
César Negret Mosquera Independent Member	9	3
Juan Gonzalo Zapata Giraldo Independent Member	9	3
Alternate Members		
Ana María Palau Alvargonzález Presidential Advisor for the Regions	7	2
Leónidas Lara Anaya Secretary General Ministry of Housing, City and Territory	3	1
Tatiana Buelvas Ramos Secretary General Ministry of Housing, City and Territory	1	0
Jesús Galdino Cedeño Governor Department of Amazonas	5	1
Juan Francisco Espinosa Palacios Independent Member	9	3
Víctor Manuel Muñoz Rodríguez Independent Member	7	1

Source: Findeter 2022

During the session on March 30, 2022, the General Shareholders' Meeting appointed Andrea Catalina Lasso as an independent member in the second principal position, replacing Santiago Cortés León.

Mr. Leónidas Lara Anaya tendered his resignation from the position of Secretary General of the Ministry of Housing, City, and Territory, which was accepted through Decree 570 of 2022. He served as the second alternate member. In his place, Ms. Tatiana Buelvas Ramos was appointed as the new Secretary General of the Ministry, and her resignation was also accepted via Decree 1291 of 2022. The mentioned appointments were made based on the positions held.

Mr. Víctor Muñoz Rodríguez resigned as an independent member in the fifth alternate position, which was accepted during the Assembly session on September 28, 2022. Additionally, Ms. Ana María Palau Alvargonzález had her resignation accepted from her position as Presidential Advisor for the Regions through Decree 1344 of 2022.

The following information pertains to the attendance of the members of the Board of Directors appointed during the Extraordinary General Shareholders' Meeting held on September 28, 2022. They commenced their roles in October, with the exception of the Governor of Amazonas:

Table No. 7: Attendance at the Board of Directors meetings after the month of October 2022.

Principal Members	Ordinary	Extraordinary
Juan Manuel Russy Escobar Secretary General Ministry of Finance and Public Credit	3	1
Olga Lucia Acosta Navarro Independent Member	2	0
Jorge Armando Rodríguez Alarcón Independent Member	3	1
Mauricio Olivera González Independent Member	3	1
Alternate Members		
Néstor Mario Urrea Duque Director General of Fiscal Support Ministry of Finance and Public Credit	3	1
Luis Fernando Velasco Chaves Independent Member	3	1
Jesús Galdino Cedeño Governor of Amazonas	3	1
Arturo José García Durán Independent Member	3	1
Martha Catalina Velasco Campuzano Minister of Housing, City and Territory	3	1

Sustainability practices and responsible investment by the issuer

Circular 012 of 2022 (Section 7.4.1.3.1., Subsection 7.4.1.3.1.1., Items (i), (ii), and (vi).

- **Remuneration schemes and incentives provided to board members and senior management, along with the governance structure that determines them.**

The remuneration of the Board of Directors members is established in Resolution No. 0443 of February 17, 2022, issued by the Ministry of Finance and Public Credit, and amounts to 112,6024 Tax Value Units (UVT) per Board of Directors and supporting committee session of this collegiate body.

The senior management of Findeter is hired under the comprehensive salary modality, and their remuneration is determined according to the salary scale established for each position. They are eligible for a Strategic Variable Bonus only upon achieving performance results and strategic objectives in compliance with an approved methodology for this purpose.

- **Composition and operation of the board of directors and its supporting bodies. Independence status of each board member, along with their term of office. Additionally: a) Description of the main functions performed by the board of directors, and b) The website where the updated version of the internal regulations of the board of directors is available.**

In accordance with Article 4 of Decree 4167 of 2011, the Findeter Board of Directors is elected by the General Shareholders' Meeting for a period of 2 years and is composed of 5 principal members and 5 alternates, chosen by the General Shareholders' Meeting of Findeter, of which 3 have the status of independent members. The functions performed by this collegiate body are indicated in Article 41 of the Bylaws, as well as in Annex 2 of the Entity's Corporate Governance Code. According to the

second paragraph of Article 34 of the Bylaws of Findeter, the appointment of Board of Directors members may be made personally or to a specific position. Consequently, as of the end of the fiscal year, the Board of Directors had the following independent members appointed by the General Shareholders' Meeting in an extraordinary session on September 28, 2022: second principal and alternate, third principal and alternate, and fifth principal, appointed for a period of two (2) years, 2022-2024.

a) Main functions performed by the Board of Directors

For the fulfillment of its functions, the Board of Directors has the advice and support of the following committees: Audit Committee, Asset and Liability Management (ALM) Committee, Corporate Governance Committee, and the Credit Committee, which serve as filters and reinforce the objective analysis of the decisions that fall within the purview of the Board of Directors. These committees provide periodic reports to the Board on the progress of their activities.

The following are additional functions of the Board of Directors, in addition to those indicated in Article 41 of the Bylaws:

- a. Make every effort for the adequate development of the corporate purpose.
- b. Ensure strict compliance with legal and statutory provisions.
- c. Formulate the Entity's general policy, administrative development plan, and the plans and programs that, in accordance with the Organic Law of the National Development Plan, and if applicable, the Organic Law of the Budget, must be proposed for incorporation into sectoral plans and, through these, into the National Development Plan.
- d. Ensure the proper performance of the functions entrusted to the Independent Auditors.
- e. Safeguard and protect the commercial and industrial confidentiality of the Entity.
- f. Refrain from misusing privileged information.
- g. Treat all shareholders equitably and respect their right to inspection.
- h. Abstain from participating, directly or indirectly, in personal or third-party interests that involve competition with the company or in acts that involve conflicts of interest.
- i. Strictly comply with the formal requirements and rules related to the conduct of the General Shareholders' Meeting and the participation of shareholders, with the aim of promoting good relations with them.
- j. Approve the annual budget submitted for consideration by the CEO of Findeter.
- k. Comply with and enforce the decisions of the General Shareholders' Meeting.
- l. Establish the amounts to which the CEO must adhere when authorized to enter into contracts.
- m. Call the General Shareholders' Meeting to its ordinary meetings when the legal representative fails to do so in a timely manner, and to extraordinary meetings when deemed necessary.
- n. Analyze the results of the self-assessment of its performance and the evaluation of the CEO.
- o. Conduct specialized audits on specific matters when deemed necessary.
- p. Present to the General Shareholders' Meeting or associates, at the close of the fiscal year, a

report on the work carried out by the Audit Committee.

- q. Review the Annual Corporate Governance Report prepared by the Corporate Governance Committee.
- r. Approve and define the Related Party Transaction Policy.
- s. Approve and define the Information Disclosure Policy.
- t. Review the reports periodically presented by the Board of Directors members, Legal Representatives, members of Senior Management, and other Administrators of the company regarding their direct or indirect relationships with each other or with other entities, suppliers, clients, or any other stakeholder that may give rise to conflicts of interest or influence on their opinion or vote, thus creating a map of related parties of the administrators.
- u. Annually evaluate the effectiveness of its work as a collegiate body and that of its committees, as well as the reasonableness of its internal rules, proposing, if necessary, any modifications to its organization and functioning that it deems pertinent.
- v. Perform any other functions that are inherent and not assigned to another corporate body, given the legal nature of Findeter.

In relation to functions concerning the Internal Control System (ICS), the following are established:

- a. Actively participate in the strategic planning of the Entity and its monitoring, determining the needs for strategic redirection when required.
- b. Define and approve the general strategies and policies related to the ICS, based on the recommendations of the Audit Committee.
- c. Establish formal evaluation mechanisms for management and, if deemed necessary, establish remuneration and compensation systems linked to the fulfillment of long-term objectives and risk levels.
- d. Define clear lines of responsibility and accountability throughout the organization.
- e. Analyze the existing risk management process and take necessary measures to strengthen it in areas that require it, including establishing crisis protocols that include contingency plans.
- f. Take necessary measures to ensure the independence of the internal auditor and monitor its compliance.
- g. Be aware of the relevant reports regarding the ICS presented by different control or supervisory bodies and give necessary orders for the adoption of recommendations and corrective actions.
- h. Request and study, in advance, all relevant information required to make responsible decisions and seek expert advice when necessary.
- i. Request clarifications and raise objections that are deemed pertinent regarding matters under consideration.
- j. Approve sufficient resources for the ICS to fulfill its objectives.
- k. Carry out regular monitoring through periodic reports presented by the Audit Committee on risk management in the Entity and measures taken to control or mitigate the most relevant risks, at least every six (6) months, or more frequently if necessary.

- l. Evaluate relevant recommendations on the ICS proposed by the Audit Committee and other internal and external control bodies, adopt pertinent measures, and monitor their compliance.
- m. Evaluate the financial statements, including their notes, before they are presented to the Shareholders' Assembly, taking into account the reports and recommendations presented by the Audit Committee.
- n. Present, at the end of each fiscal year, a report on the results of the evaluation of the ICS and its actions in this regard to the General Shareholders' Assembly.
- o. Regarding the Market Risk Management System (SARM), which allows Findeter to effectively identify, measure, manage, and control such risks, it is the responsibility of the Board of Directors to determine the set of policies, procedures, measurement methodologies, and special internal monitoring and control mechanisms that enable timely decision-making for adequate market risk mitigation. Additionally, when applicable, the SARM must allow for determining the appropriate capital amount that corresponds to the assumed risk levels.
- p. The procedures adopted must consider that the Board of Directors is responsible for making the following decisions regarding proper market risk management:
 - q. Approve the Entity's policies on market risk management, which should reflect the general level of tolerance or exposure to such risks. This policy must be consistent with the corporate strategy and strategic objectives, and coherent with the financial and operational structure. These policies must be in writing.
 - r. Approve the procedures designed by the Entity's management for market risk management.
 - s. Designate, within the organizational structure of the Entity, the position and area responsible for market risk management, indicating their responsibilities and assigned attributions.
 - t. Ensure the allocation of physical, human, and technological resources for the proper development of the SARM.
 - u. Demand periodic reports from management on levels of exposure to market risks, their implications, and relevant activities for their mitigation and/or proper management.
 - v. Adopt special procedures for the control of the SARM.

b) Website where the updated version of the internal regulations of the Board of Directors is available.

The Board of Directors has its regulations, which are part of Annex 2 of the Corporate Governance Code, available on the Entity's website at the following link:

<https://www.findeter.gov.co/system/files/internas/PES-DA-008-CODIGO-DE-BUEN-GOBIERNO-V6-FINAL.pdf>

1.10.4. Training for Board Members

New members of the Board of Directors received training from the Entity's executives on individual and group sessions on the following dates: July 21 and 26, September 15, October 25 and 26, and November 21, 23, 25, and 28, 2022, on topics related to the Entity.

1.10.5. Board Committees

To fulfill the duties of the Board of Directors, this collegiate body, according to the Corporate Governance Code, has the advice and support of the following committees:

Audit Committee

The purpose of this committee is to support the Board of Directors in making decisions related to the control and improvement of the Internal Control System. It is also responsible for defining the structure and supervision of Findeter's Internal Control Systems. It acts in accordance with the provisions of External Circular 029 of 2014 issued by the Financial Superintendence of Colombia.

The committee is composed of four (4) members of the Board of Directors and meets at least every two (2) months or more frequently when the results of the evaluations of the Internal Control System require it or when deficiencies are detected that require urgent evaluation and corrective measures, or when significant changes occur in the Entity's policies or regulations governing its operations.

Functions of the Audit Committee:

- a) Propose to the Board of Directors, for approval, the necessary structure, procedures, and methodologies for the operation of the Internal Control System (ICS).
- b) Present to the Board of Directors proposals related to the responsibilities, powers, and limits assigned to different positions and areas regarding the administration of the ICS, including risk management.
- c) Evaluate the structure of the Entity's internal control to determine if the designed procedures reasonably protect the assets of the Entity, as well as those of third parties it manages or safeguards, and if there are controls to verify that transactions are properly authorized and recorded.
- d) Report to the Board of Directors on the non-compliance of administrators with the obligation to provide the information required by control bodies for the performance of their functions.
- e) Ensure that the preparation, presentation, and disclosure of financial information comply with the applicable standards, verifying the existence of necessary controls.
- f) Study the financial statements and prepare the corresponding report for submission to the Board of Directors, based on the evaluation not only of the corresponding projects, including their notes, but also of opinions, observations from control entities, results of evaluations carried out by competent committees, and other related documents.
- g) Propose to the Board of Directors programs and controls to prevent, detect, and appropriately respond to fraud and misconduct risks, understanding fraud as an intentional act committed to obtain illicit gain, and misconduct as the violation of laws, regulations, or internal policies, and evaluate the effectiveness of such programs and controls.
- h) Supervise the functions and activities of the internal audit to determine its independence and objectivity in relation to the activities it audits, identify any limitations that hinder its proper performance, and verify if the scope of its work meets the Entity's control needs.
- i) Monitor risk exposure levels, their implications for the Entity, and the measures taken for control or mitigation, at least every six (6) months or more frequently if necessary, and submit a report to the Board of Directors on the most important aspects of the management performed.
- j) Evaluate internal control reports prepared by internal auditors, the Comptroller General's Office,

the Financial Superintendence of Colombia, regulatory comptroller, or other bodies, verifying that management has addressed their suggestions, recommendations, and implemented action plans.

- k) Monitor compliance with the instructions given by the Board of Directors or equivalent body regarding the ICS.
- l) Request any reports deemed necessary for the proper performance of its functions.
- m) Analyze the functioning of information systems, their reliability, and integrity for decision-making.
- n) Present to the highest governing body, through the Board of Directors, the candidates for the position of statutory auditor, without prejudice to the shareholders' right to present other candidates at the respective meeting. In this regard, the function of the Committee will be to collect and analyze the information provided by each candidate and submit the results of the study to the highest governing body for consideration.
- o) Prepare the report that the Board of Directors must submit to the highest governing body regarding the functioning of the Internal Control System (ICS), which should include, among other aspects:
 - The general policies established for the implementation of the Entity's ICS.
 - The process used to review the effectiveness of the ICS, with explicit mention of aspects related to risk management.
 - The most relevant activities carried out by the Audit Committee.
 - Material deficiencies detected, recommendations made, and measures adopted, including, among other topics, those that could affect the financial statements and management report.
 - Observations made by supervisory bodies and imposed sanctions, when applicable.
 - Present an evaluation of the work carried out by internal audit, including, among other aspects, the scope of the work performed, the independence of the function, and the allocated resources.
- p) Approve the Entity's Annual Audit Plan presented by the Chief of Internal Control or the person acting in their capacity, make suggestions, and monitor recommendations resulting from the plan's execution in accordance with the provisions of the audit statute, based on the prioritization of critical issues according to management's risk management.
- q) Approve the Internal Audit Statute and the Auditor's Code of Ethics, as well as verify compliance with them.
- r) Serve as a body to resolve differences that arise during the exercise of internal audit.
- s) Identify and resolve conflicts of interest that affect the independence of the audit.
- t) Present a semi-annual report on its management throughout that period.
- u) Any other responsibilities assigned to it by the Board of Directors in its internal regulations.

In an Extraordinary Session on October 18, 2022 (Minutes 405), Juan Manuel Russey Escobar, Jorge Armando Rodríguez Alarcón, and Olga Lucia Acosta Navarro (who had not yet taken office before

the Financial Superintendence of Colombia at that time) were appointed by the Board of Directors as members of the Audit Committee. Elsa Margarita Noguera de la Espriella continued to participate in this Committee. These appointments were made to replace Adriana Mazuera Child, Cesar Negret Mosquera, and Juan Gonzalo Zapata.

During 2022, non-face-to-face (or mixed) meetings were held. The committee met seven (7) times during the period as follows: January 18, February 21, April 19, June 21, August 23, September 20 (extraordinary), chaired by Juan Gonzalo Zapata as an independent member, and sessions on November 22 and 24, 2022, chaired by Jorge Armando Rodríguez as an independent member, and the corresponding minutes were taken.

Table No. 8: Attendance at Audit Committee sessions in 2022

Principal	Ordinary Sessions	Extraordinary Sessions
Adriana Mazuera Child Director General of State Participations Ministry of Finance and Public Credit	5	1
Juan Gonzalo Zapata Giraldo Independent Member	5	1
César Negret Mosquera Independent Member	5	1
Elsa Margarita Noguera de la Espriella Governor of Department of Atlántico	4	1

Source: Findeter 2022

Table No. 9: Attendance at Audit Committee sessions after October 2022

Principal	Ordinary Sessions	Extraordinary Sessions
Juan Manuel Russy Escobar Secretary General Ministry of Finance and Public Credit	1	0
Elsa Margarita Noguera de la Espriella Governor of Department of Atlántico	1	0
Jorge Armando Rodríguez Alarcón Independent Member	1	0
Olga Lucia Acosta Navarro Independent Member	0	0

Source: Findeter 2022

The management of the Audit Committee was carried out through the continuous and active supervision of the functions and activities developed, in order to establish adequate independence in

relation to the audited activities, allowing the means to comply with the approved audit plan for the year.

The Committee receives information on the Management of the Office of Internal Management Control, progress of the Internal Control System (ICS), results of the audit conducted by the Comptroller General's Office, information on Financial Management, Compliance Officer's Report, follow-ups to the Improvement Plan of the Comptroller General's Office, Risk Assessment Report, and implemented improvement actions.

Furthermore, the Committee was informed about the observations and improvement opportunities communicated to the process owners and top management, as well as the implemented or ongoing action plans resulting from the evaluations.

Also, the committee was informed about the validation of different Risk Systems, Internal Control Systems, and the Accounting Internal Control System, where recommendations were provided for their sustainability and improvement.

Corporate Governance Committee

This committee is a supporting body for the management of corporate governance at Findeter. Its purpose is to recommend to the Board of Directors systems for the adoption, monitoring, and strengthening of best practices in the organization.

It is composed of four (4) members of the Board of Directors, and it must meet three times a year, as well as exceptionally when called.

Functions of the Corporate Governance Committee:

- a) Propose to the Board of Directors adjustments and reforms for the proper execution of the Corporate Governance Code when deemed necessary.
- b) Study proposals for amendments to the Statutes and the Corporate Governance Code that are related to the corporate governance of the company and present modifications, updates, and derogations of the provisions related to Corporate Governance.
- c) Organize the annual self-assessment process of the Board of Directors' members according to commonly accepted self-evaluation methodologies.
- d) Review the results of the annual self-assessment of the Board's performance and make suggestions for its better functioning, taking advantage of the available resources and technology.
- e) Prepare, for the consideration of the Board of Directors, a preliminary evaluation of the performance of Findeter's president.
- f) Review the Annual Corporate Governance Report presented by the president to the Board of Directors in a way that reflects compliance with the Corporate Governance policies adopted by the Entity, as well as the changes implemented at the end of the fiscal year.
- g) Receive information about the annual report prepared by the area responsible for investor relations in the Financial Vice Presidency, regarding the activities carried out to comply with the best practices of information disclosure to the Entity's investors.
- h) Ensure compliance with the induction process for new members of the Board of Directors and promote training and updating of members on topics related to the competencies of the Board of

Directors.

- i) Analyze cases of conflicts of interest related to the Chief Executive Office and present a report to the Board of Directors for their resolution.
- j) Monitor the progress of Findeter’s Strategic Planning and make recommendations for goal setting and indicators prior to the presentation to the Board of Directors.
- k) Recommend to the Board of Directors the approval of modifications to the staffing structure, organizational structure, and salary scales for positions in different categories.
- l) Present to the Board of Directors, through the committee’s president, an annual report of the Corporate Governance Committee, indicating the number of regular and extraordinary meetings held and the recommendations and decisions adopted in them.
- m) Present a semi-annual report on its management throughout that period.

In an Extraordinary session on October 18, 2022 (Minutes 405), the Board of Directors appointed Martha Catalina Velasco, Arturo García, Mauricio Olivera, and Olga Lucia Acosta Navarro (the latter had not yet taken office before the Financial Superintendence of Colombia) as members of the Audit Committee, replacing Adriana Mazuera Child, Juan Gonzalo Zapata Giraldo, Juan Francisco Espinosa Palacios, and Víctor Muñoz Rodríguez.

Non-presential meetings were held; the committee held four regular sessions on February 15, June 13, September 21, and December 20.

Table No. 10: Attendance at Corporate Governance Committee 2022

Principal	Ordinary Sessions	Extraordinary Sessions
Adriana Mazuera Child Director General of State Participations of the Ministry of Finance and Public Credit	3	0
Juan Gonzalo Zapata Giraldo Independent Member	3	0
Juan Francisco Espinosa Palacios Independent Member	3	0
Víctor Manuel Muñoz Rodríguez Independent Member	3	0

Source: Findeter 2022

Table No. 11: Attendance at Corporate Governance Committee after October 2022

Principal	Ordinary Sessions	Extraordinary Sessions
Mauricio Olivera González Independent Member	1	0
Arturo José García Duran Independent Member	1	0
Olga Lucia Acosta Navarro Independent Member	0	0
Martha Catalina Velasco Campuzano Independent Member	1	0

The main topics discussed by this committee were as follows:

Table No. 12: Topics discussed by Corporate Governance Committee 2022.

Session	Topic
February 15	<ul style="list-style-type: none"> ➤ Self-evaluation results Board of Directors and CEO's evaluation 2021 ➤ PVE model results 2021 ➤ Proposed amendment of article 7 of the bylaws, authorized capital. ➤ Annual Corporate Governance and Investor Relations Report that will be part of the 2021 Management and Sustainability Report. ➤ Proposed topics 2022 Corporate Governance Work Plan ➤ Training topics for 2022 Board members
June 13	<ul style="list-style-type: none"> ➤ Work Follow-up 2022 Corporate Governance: <ol style="list-style-type: none"> a) Property Code, Decree 1510 of 2021. b) Update of the Anti-Fraud and Anti-Corruption policy, Act 2195 of 2022. c) Strengthening and review of policies and best practices in the Corporate Governance Code. d) efr model. e) Innovation and knowledge transfer program. f) Responsible action progress report Findeter
September 21	<ul style="list-style-type: none"> ➤ Work Follow-up 2022 Corporate Governance: <ol style="list-style-type: none"> a) A. Progress of the 2019-2022 Strategic Plan. b) B. Self-assessment Board of Directors, CEO and Support Committees c) C. Innovaton Program d) D. Results of new indicators of the Colombian Stock Exchange - BVC, for the renewal of the IR seal and CESA diagnosis.
December 20	<ul style="list-style-type: none"> ➤ Governance Committee functions. ➤ Self-evaluation results of the Board of Directors and CEO as of September 2022. ➤ Construction of Strategic Plan 2023-2026. ➤ Transparency index results 2022. ➤ Property Code Decree 1510 of 2021. ➤ Proposal of ordinary meetings 2022. ➤ Bicentennial Guidelines.

Source: Findeter 2022

ALCO Asset-Liability Committee

This committee is responsible for approving and monitoring the investment strategy of the investment portfolio, as well as reviewing the asset and liability structure based on the policies established by the Board of Directors. The ALCO Asset-Liability Committee is composed of five members of the Board of Directors and meets regularly once a month, and extraordinarily when necessary.

Functions of the ALCO Asset-Liability Committee:

- a) Submit, in coordination with the Risk Committee and ALCO, for consideration by Findeter's Board of Directors, the risk-return relationship expected for investment in the Investment Portfolio to propose goals for the following year.
- b) Propose to the Board of Directors the income budget for the Investment Portfolio for the following year, in accordance with the provisions of the entity's general budget.
- c) Approve a theoretical benchmark portfolio against which the Investment Portfolio will be monitored and evaluated.
- d) Approve the Strategic Asset Allocation based on investment policies and portfolio objectives.
- e) Determine the maximum duration of the investment portfolio and define the maximum allowable deviations in the strategic asset allocation.
- f) Establish policies associated with the maximum loss limits (stop loss) of the investment portfolio.
- g) Provide input on investment recommendations made by the Treasury Department.
- h) Approve new asset classes, operations, businesses, and investment opportunities.
- i) Approve investment purchase and sale transactions that exceed the established daily trading limit, expressed in legal monthly minimum wages (smlmv) or US dollars, as applicable.
- j) Monitor investment performance in terms of the risk-return relationship.
- k) Receive reports from the Risk Committee and ALCO and review and recommend their approval to the Board of Directors where applicable.
- l) Review the composition of the portfolio and funding by currency and rate quarterly, as well as duration and term GAP, providing recommendations for management.
- m) Present a semi-annual report on its management throughout that period.

Table No. 13: Attendance at ALCO 2022.

Principal	Ordinary Sessions	Extraordinary Sessions
Adriana Mazuera Child Director General of State Participations of the Ministry of Finance and Public Credit	9	0
Santiago Cortés León Independent Member	7	0
Juan Francisco Espinos Palacios Independent Member	9	0

Source: Findeter 2022

In the Extraordinary Session held on October 18, 2022 (Minutes 405), the following individuals were appointed by the Board of Directors as members of the ALCO Committee: Juan Manuel Russy Escobar, Arturo José García Durán, Mauricio Olivera, Luis Fernando Velasco Chaves, and Néstor Urrea Duque. These appointments were made to replace Adriana Mazuera Child, Juan Francisco Espinosa Palacios, and Santiago Cortés León.

Table No. 14: Attendance at ALCO after October 2022.

Principal	Ordinary Sessions	Extraordinary Sessions
Juan Manuel Russy Escobar Secretary General Ministry of Finance and Public Credit	2	0
Arturo José García Durán Independent Member	2	0
Mauricio Olivera González Independent Member	2	0
Néstor Urrea Duque Independent Member	2	0
Luis Fernando Velasco Chaves Independent Member	1	0

Source: Findeter 2022

During 2022, the committee held monthly sessions, totaling 11 ordinary sessions. No issues arose that required holding extraordinary sessions. Adriana Mazuera Child chaired the sessions from January to September 2022, while Mauricio Olivera chaired the sessions in October and November, during which the following topics were discussed:

Table No. 15: Topics discussed by the ALCO in 2022:

Sessions ALCO 2022	Topics
January 19	Economic report; 4Q21 ALCO follow-up; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring; Investment committee and ALCO minutes report.
February 15	Economic report; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring.
March 24	Economic report; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring; Propositions and miscellaneous.
April 21	Economic report; ALCO report and P&L of own portfolio; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring.
May 26	Economic report; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring; Propositions and miscellaneous.
June 24	Economic report; ALCO report and P&L of own portfolio; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring.
July 21	Economic report; ALCO follow-up for 2Q22; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring.
August 25	Economic report; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring; Investment committee and ALCO minutes report.

Sessions ALCO 2022	Topics
September 22	Economic report; Macroeconomic projections for budget preliminary draft; Portfolio results and cost report; Liquidity and funding; Risk controls and monitoring; Propositions and miscellaneous.
November 01	Functions of the investment committee and ALCO; Economic report and market analysis; Treasury management structure; Own investment portfolio model; Investment portfolio results; Macroeconomic variables for the 2023 budget project; Approval of the 2023 own portfolio income budget.
November 23	Economic report and market analysis; Investment portfolio results; Scope of approval for the 2023 own portfolio income budget; Assets and liabilities management; 2023 funding plan; Risk controls and monitoring; 2023 budget project.

Credit Committee

The Credit Committee aims to monitor and recommend the guidelines and general conditions of credit lines to the Board of Directors. It is composed of five members of the Board of Directors.

Functions of the Credit Committee:

- a) Recommend to the Board of Directors for approval the policies, guidelines, and general conditions of rediscount and direct credit operations.
- b) Recommend to the Board of Directors for approval any modifications to the policies, guidelines, and general conditions of rediscount and direct credit operations.
- c) Review and recommend to the Board of Directors any matters that, according to the policies, fall within the competence of this committee.
- d) Receive reports associated with credit management and control.
- e) Review and validate the implementation of applicable regulations and norms for Findeter in accordance with regulatory entities.
- f) Review reports from regulatory entities related to matters within its competence.

In an Extraordinary Session held on October 18, 2022 (Minutes 405), the following individuals were appointed by the Board of Directors as members of the Credit Committee: Juan Manuel Russy Escobar, Martha Catalina Velasco, Jorge Armando Rodríguez Alarcón, Néstor Urrea Duque, and Luis Fernando Velasco Chaves. These appointments were made in replacement of César Negret Mosquera, Ana María Palau Alvargonzález, and Víctor Muñoz Rodríguez.

In 2022, the committee held three meetings, both in-person and virtual (ordinary sessions), chaired by César Negret Mosquera (2) and Néstor Mario Urrea Duque (1).

Table No. 16: Topics discussed by the Credit Committee 2022

Session	Topic
April 07	➤ Incorporation of the methodology for granting direct loans to the Trust Fund - Regional Fund, article 131 of Act 2159 of 2021, and Decree 108 of 2022.
	➤ Incorporation of the policy for granting direct loans with or without offset rate to the Trust Fund - Regional Fund, article 131 of Act 2159 of 2021, and Decree 108 of 2022.
June 22	<ul style="list-style-type: none"> ➤ Incorporation of the methodology for granting direct loans to the trust funds established in Decree 958 of 2022. ➤ Incorporation of the policy for granting direct loans with or without offsetting interest to the trust funds established in Decree 958 of 2022. The members of the Committee request that the decision regarding these two points be made by the Board of Directors.
December 01	<ul style="list-style-type: none"> ➤ Election of the chairman of the Credit Committee. ➤ Extension of the deadline for submitting promissory notes to 10 days for financial intermediaries with AAA credit rating. ➤ Addition of a third subsector called “Fiscal and Financial Sanitation Programs for State Social Enterprises” within the Fiscal and Financial Sanitation and Institutional Strengthening sector, based on the authorization established in Article 30 of Act 2155 of 2021. ➤ Incorporation of operations with a total credit term of less than one (1) year, or as established for special lines, as a special type of quotation. ➤ Removal of the requirement related to the certificate that the intermediary must present stating that the modification complies with the parameters of External Circular 026 of 2017 of the Financial Superintendence of Colombia.

Source: Findeter

Table No. 17: Attendance at Credit Committee 2022

Principal	Ordinary Sessions	Extraordinary Sessions
César Negret Mosquera Independent Member	2	
Ana María Palau Alvargonzález Presidential Advisor for the Regions	2	
Víctor Manuel Muñoz Rodríguez Independent Member	2	

Source: Findeter 2022

Table No. 18: Attendance at Credit Committee after October 2022

Principal or Alternate	Ordinary Sessions	Extraordinary Sessions

Juan Manuel Russy Escobar Secretary General Ministry of Finance and Public Credit	1	
Martha Catalina Velasco Campuzano Minister of Housing, City and Territory	1	
Néstor Mario Urrea Duque Director General of Fiscal Support Ministry of Finance and Public Credit	1	
Luis Fernando Velasco Chaves Independent Member	1	

Source: Findeter 2022

1.10.6. Management Team

(102-23); Circular 012 of 2022 - Sustainability Practices and Responsible Investment of the issuer Section 7.4.1.3.1. Corporate Governance Analysis; Subsection 7.4.1.3.1.1. Description of the issuer's management structure, (iii) Composition and functioning of the issuer's senior management, (iv) Professional profiles and experience of the directors and senior management of the issuer, and (v) Independence criteria adopted by the issuer for the appointment of directors and members of support committees.

- **Composition of the senior management**

Table No. 19: Management Team as of December 31, 2022

Ricardo Bonilla González CEO	
Liliana María Zapata Bustamante Secretary General	Laura Mercedes Peña Rodríguez Chief Planning Officer
Richard Orlando Martínez Hurtado Chief Financial Officer	Leonardo Fabio Ramos Lozada Chief Risk Officer
María Amparo Arango Valencia Chief Commercial Officer	Ingrid Catalina Giraldo Cardona Chief Operating Officer
Juan José Oyuela Soler Chief Technical Officer	

Source: Findeter 2022

- **Senior management performance**

The senior management at Findeter is composed of the CEO, who serves as the legal representative of the organization to external parties and authorities, ensuring results through the development of annual strategies aimed at fulfilling the mission and vision.

The president oversees the Secretary General, who is responsible for leading administrative management strategies, human resources management, legal management, and contract management. Additionally, there are six chief officers: Commercial, Financial, Risk, Operating, Planning, and Technical. They are in charge of leading the planning, execution, evaluation, control, and monitoring of the programs under their responsibility.

Ricardo Bonilla González, CEO

Duties:

1. Present an annual report on corporate governance and strategic planning of the company to the board of directors, including plans and programs for their fulfillment, and monitor their execution.
2. Implement strategies and policies approved by the board of directors related to internal control, corporate governance, and risk management, ensuring compliance.
3. Execute decisions made by the General Shareholders' Meeting and the board of directors.
4. Appoint and dismiss employees of the company, as well as direct and control the organization's personnel in accordance with applicable regulations.
5. Oversee and direct Findeter's contracting processes, selecting and signing necessary contracts and agreements for the fulfillment of the company's objectives and operations.
6. Submit plans and programs that Findeter needs to develop for consideration by the board of directors.
7. Propose the annual budget of Findeter to the board of directors.
8. Call ordinary or extraordinary General Shareholders' Meetings as stipulated in the bylaws.
9. Present general and periodic reports, different from special reports requested, to the board of directors regarding the overall performance of the organization and the execution of Findeter's programs.
10. Present an end-of-year balance sheet, along with a precise report on the company's situation and a detailed income statement, to the ordinary sessions of the General Shareholders' Meeting.
11. Authorize, through his signature, public or private documents required for the company's activities or in its interest.
12. Represent Findeter's shares and investments in any company, association, or fund directly related to its social purpose.
13. Appoint legal representatives to represent Findeter in judicial and extrajudicial matters.
14. Promote revenue collection, authorize expenses, and overall manage Findeter's operations in accordance with legal provisions and resolutions issued by the General Shareholders' Meeting and the board of directors within their respective jurisdictions.
15. Ensure proper use of funds and the maintenance and utilization of Findeter's assets.
16. Authorize disbursement of funds corresponding to credits approved by the board of directors or credit committees established for this purpose.
17. Ensure timely compliance with legal requirements related to the functioning and activities of the company, as well as the bylaws and decisions of the General Shareholders' Meeting and the board of directors.
18. Carry out functions delegated by the board of directors.
19. Delegate, in accordance with the law, the exercise of his functions.
20. Authorize business trips for the company's employees.
21. Fulfill other duties determined by law, the bylaws, or related to the organization and functioning of Findeter.

Liliana María Zapata Bustamante, Secretary General

Duties:

1. Advise the CEO in adopting management policies for the areas under their responsibility.
2. Prepare the meetings of the General Shareholders' Meeting and the board of directors, draft the corresponding minutes, and communicate decisions as necessary.
3. Serve as the secretary for the General Shareholders' Meeting and the board of directors of the organization.
4. Authenticate acts issued in the course of the organization's activities by endorsing them with their signature, and certify the authenticity of copies issued as proof of these acts.
5. Ensure the custody of minutes and documents approved by the General Shareholders' Meeting and the board of directors, as well as documentary evidence of ownership of the organization's fixed assets.
6. Direct and coordinate the preparation of drafts for acts, contracts, agreements, communications, and other documents that need to be signed by the board of directors or the president of the organization and present them for signature.

7. Coordinate the response to requests from regulatory and oversight entities.
8. Manage the necessary procedures to promptly process requests made by judicial authorities, the public prosecutor's office, public administration, or individuals regarding legal matters within the purview of the organization.
9. Manage the procurement process for goods and services of the organization, ensuring its smooth operation.
10. Monitor compliance with the annual procurement plan.
11. Ensure proper management of correspondence, filing, and documentation center processes.
12. Provide legal support to all departments of Findeter.
13. Develop policies and programs related to administration, social welfare, selection, registration and control, training, incentives, occupational health, and human resource management development.
14. Coordinate the handling of relations with the labor union.
15. Sign reports, certifications, and periodic communications required by individuals, legal entities, public or private organizations, within the functions of the General Secretariat.
16. Handle the procedures for taking office before the Financial Superintendence of Colombia when necessary.
17. Ensure that the workers under their supervision fully comply with the provisions established by different governing bodies and legal norms.
18. Ensure compliance with the objectives of the department in accordance with the plans and policies set by the organization.
19. Present the various requested reports.
20. Ensure compliance with the objectives, procedures, and methodologies inherent to the integrated management system.
21. Coordinate the implementation of policies and plans related to the acquisition, storage, custody, distribution, and inventory of items, equipment, and other goods necessary for the proper functioning of the organization.
22. Ensure the dissemination and training of legal regulations as they arise.
23. Plan, direct, and evaluate the activities of the departments under their supervision.
24. Lead the development of the annual action plan and budget for the General Secretariat.
25. Carry out other duties and responsibilities inherent to the nature of the position assigned by the immediate supervisor.

Richard Orlando Martínez Hurtado, Chief Financial Officer

Duties:

1. Guide, direct, and evaluate activities aimed at advising the board of directors, the CEO, and other administrative governing bodies in designing, developing, implementing, controlling, and adjusting financial policies, strategies, and procedures within the legal framework to enable the organization to achieve its objectives.
2. Propose, develop, and monitor Findeter's financial policies in accordance with relevant regulations and considering aspects that minimize financial risk.
3. Direct, propose, control, and evaluate policies and strategies related to financial analysis, accounting, taxes, and national and international treasury operations.
4. Provide economic and financial advisory services required by the organization to achieve its short-term, medium-term, and long-term objectives.
5. Oversee, evaluate, and control the preparation of reports related to financial and accounting aspects required by government agencies or regulatory entities.
6. Lead the design and coordinate the execution and monitoring of the funding plan for the financial institution, ensuring a continuous flow of resources to competitively finance the organization's operations.
7. Coordinate and conduct negotiations for securities issuances, credit procurement, and other types of internal and external financing.
8. Plan and oversee the execution of operations necessary for short-term, medium-term, and long-term resource mobilization, including domestic credit, external credit, issuances, and more.
9. Participate in negotiations of fiduciary contracts for the institution.
10. Design and oversee strategies adopted for the development of investment operations,

- derivatives, and other financial transactions conducted by Findeter.
11. Formulate and monitor compliance with policies, norms, and procedures for investment management.
 12. Plan and review Findeter's cash flows, taking into account the financial and economic environment of the business.
 13. Coordinate and conduct negotiations with multilateral and bilateral banking institutions, agencies, and financial entities to obtain competitive resources and agreements that generate added value for the organization.
 14. Ensure the projection of debt service with simulations considering changing conditions and payment terms.
 15. Direct the determination and implementation of hedging mechanisms to mitigate foreign exchange risk and other financial risks.
 16. Coordinate the formulation, execution, monitoring, and improvement of the financial strategic plan and its integration with other business strategic plans.
 17. Research, design, and implement the development of financial products that enable fund acquisition in the markets and generate income for Findeter.
 18. Direct and control the institutional policy related to accounting activities.
 19. Approve, with their signature, negotiations exceeding approved trading limits conducted on behalf of Findeter by the treasury department.
 20. Observe, implement, and develop the approved code of conduct and ethics for treasury operations in the processes under their responsibility.
 21. Provide guidance on continuous control mechanisms to facilitate the implementation of measures preventing the organization from being used in money laundering activities.

María Amparo Arango Valencia, Chief Commercial Officer

Duties:

1. Define policies, strategies, and action plans aimed at achieving the disbursement goals set by the institution.
2. Establish product marketing and research guidelines to enhance and refine the results of the commercial management.
3. Advise the CEO in designing institutional policies and strategies that ensure the achievement of corporate objectives.
4. Lead the execution of commercial plans, ensuring the fulfillment of the set targets.
5. Promote the institution's products in the market, enhancing customer relationships.
6. Design relationship guidelines based on customer type (financial intermediaries and beneficiaries).
7. Establish and promote strategic alliances with public and private entities, both national and international, to maximize resource placement for the institution.
8. Propose strategic guidelines and directives to drive, design, and develop new products for the organization.
9. Formulate and implement the annual training and development plan for the Chief Commercial Officer's office.
10. Propose and implement policies, strategies, and activities aimed at improving customer service.
11. Advise the process of negotiating resources with international banking institutions, identifying suitable funding sources.
12. Actively participate in defining and structuring the organization's financing plan.
13. Establish policies and strategies that support the technical and financial structuring process for clients' investment projects.
14. Foster and coordinate the continuous improvement and alignment of the organization's management systems.
15. Lead changes in regulations, processes, and products within the Chief Commercial Officer's office.
16. Coordinate and monitor the performance of the organization's regional offices through strict adherence to the defined business model.
17. Plan, direct, and control the goals of the departments under their responsibility.
18. Coordinate the formulation, structuring, and implementation of the marketing plan.

19. Assist the president of the organization in any matter related to business operations, inter-institutional relations, customer inquiries and/or requests, and regulatory entities.
20. Sign and send reports, certifications, and communications related to the functions of the Chief Commercial Office.
21. Promote and implement planning tools for cities and competitiveness that support the institutional strengthening at the local and regional levels.
22. Ensure compliance with objectives, procedures, and methodologies inherent to the integrated management system.

Laura Mercedes Peña Rodríguez, Chief Planning Officer

Duties:

1. Lead the strategic planning processes of the organization to define objectives, performance goals, indicators, and responsible parties.
2. Establish guidelines, methodologies, policies, and best practices within the processes and ensure their implementation within the organization.
3. Approve the reports from the Chief Planning Officer's Office to present to the board of directors and be accountable to the CEO and board of directors for the performance of the process under their responsibility.
4. Promote the comprehensive development of employees by identifying competency gaps that require training plans to improve their performance and professional growth as added value.
5. Design and submit proposals for policies, rules, schemes, structures, and modifications required for the budget management of the organization to the appropriate bodies for consideration.
6. Generate reports, diagnostics, projections, and budgetary results of the organization.
7. Support senior management in defining budgetary strategies.
8. Plan, organize, direct, and evaluate the preparation of department budgets to ensure alignment with the organization's strategic plan.
9. Present the corporate budget project to the competent bodies for their respective approval.
10. Lead the definition of action plans necessary to guide different areas of the company in tracking the established strategic plan and achieving various objectives.
11. Provide financial analysis leadership to different areas of the organization in managing their processes and developing new organizational projects.
12. Participate in the negotiation of fiduciary contracts for the institution.
13. Lead the monitoring of the strategic plan and action plans of the organization.
14. Design and manage economic, social, and environmental research to identify business opportunities, new lines of work, or allies that complement Findeter's management.
15. Lead the development, implementation, and maintenance of the integrated management system of the organization to achieve continuous improvement.
16. Perform other duties assigned by the immediate supervisor related to the role's mission.
17. Ensure compliance with objectives, procedures, and methodologies inherent to the integrated management system.
18. Perform other duties assigned by the CEO of Findeter.

Juan José Oyuela Soler, Chief Technical Officer

Duties:

1. Lead, plan, and execute programs, plans, or projects assigned to Findeter by the nation or derived from agreements or conventions that the financial institution signs with other institutions, as determined by Findeter or assigned by the CEO.
2. Define and execute strategies and actions for the implementation of assigned programs, plans, or projects.
3. Manage human, physical, technological, financial, and other resources required for the execution of programs, plans, or projects designated as special and assigned to the office.
4. Coordinate actions and maintain ongoing communication with entities related to the programs, plans, or projects under the responsibility of the office.
5. Coordinate interinstitutional actions for the functioning of the office.
6. Allocate and execute resources assigned to programs, plans, or projects designated as special under the responsibility of the office.

7. Monitor the execution of assigned programs, plans, or projects.
8. Ensure compliance with objectives, procedures, and methodologies inherent to the integrated management system.

Leonardo Fabio Ramos Lozada, Chief Risk Officer

Duties

1. Define policies, instruments, methodologies, and procedures aimed at effectively managing risks within the institution, in accordance with the guidelines, stages, and minimum elements provided in each of the regulations governing risk systems.
2. Establish and monitor the risk profile of the institution for each risk system and report it to the corresponding bodies, in accordance with each regulation.
3. Submit policies, instruments, methodologies, and procedures for approval by the board of directors through the presentation of manuals that regulate each risk system.
4. Analyze proposals from business areas in terms of risks related to new activities or products.
5. Evaluate limits for business lines, operations, and employees, and present any observations or recommendations to the risk and gap committee or the board of directors, as deemed appropriate.
6. Object to the execution of operations that do not comply with the established risk policies and/or limits set by the financial institution.
7. Monitor the minimum capital level of the financial institution when required by legal regulations.
8. Monitor the relationship between business lines, operations, and the technical equity level of the financial institution when required by legal regulations.
9. Define mechanisms to ensure that reports submitted to supervisory and regulatory entities comply with the content, quality of information, generation, transmission, and validation requirements established in the respective regulations.
10. Define limits for exposure to liquidity risk based on time horizons, nature of products and markets, funding periods, maturity dates, issuer, counterparty, economic sector, and currency type (legal and foreign), among others. Present any observations or recommendations to the risk and gap committee or the board of directors, as deemed appropriate.
11. Approve the SARAS of financial intermediaries (IFs) according to the criteria and methodologies approved by the board of directors.
12. Regularly report the following aspects to the legal representative:
13. Semi-annually, the evolution of non-financial risks (NFRs), implemented controls, and monitoring related to NFRs, in accordance with the regulations governing such systems.
14. Annually, the evolution and performance of the SARAS.
15. The overall market risk exposure of the institution, as well as specific exposures for each business line. Risk exposure reports should include sensitivity analysis and stress testing under extreme conditions.
16. Deviations from established market risk exposure limits.
17. Communicate any objected operations, considering the provisions of the SARM.

Ingrid Catalina Giraldo Cardona, Chief Operating Officer

Duties:

1. Plan, direct, and evaluate strategies, programs, projects, processes, and budgets associated with the operation of the areas under their responsibility, in order to ensure that the institution has a highly competitive operation in the financial sector.
2. Lead the alignment of the Technology Strategic Plan (PETI) and the action plans of the departments under their responsibility with the institution's strategic plan and monitor their performance.
3. Ensure timely recording, compliance, and control of the financial institution's operations under their responsibility, in accordance with the directives of the Board of Directors and applicable regulations.

4. Ensure the provision of technological services required for the institution's operation, ensuring compliance with the security and cybersecurity policies approved by the Board of Directors.
5. Contribute to the definition, establishment, and execution of strategic plans approved by the Board of Directors.
6. Manage aspects of the processes under their responsibility required by government agencies or regulatory bodies.
7. Authorize the opening, closure, and modifications of bank accounts in the country or abroad, in accordance with established norms and procedures.
8. Supervise the execution of contracts within their areas, as well as the allocated budget.
9. Provide guidelines for the presentation of financial information in accordance with applicable regulations.
10. Analyze proposals for process optimization and monitor their implementation based on approved improvements.
11. Monitor the business continuity plan.
12. Define strategies and actions aimed at ensuring business continuity.
13. Plan and direct strategies and processes related to the areas under their responsibility, as well as supervise that employees under their supervision fully comply with the provisions established by different governing bodies and legal regulations.
14. Approve and present reports generated by the relevant departments aimed at being accountable to the Presidency for the conducted management.
15. Act as the legal representative of the institution in required proceedings.
16. Ensure compliance with the objectives, procedures, and methodologies of the Integrated Management System within the areas under their responsibility.
17. Perform other duties assigned by the CEO of Findeter.
18. Be familiar with and apply the Codes of Ethics and Integrity, Corporate Governance, and the values and principles of the financial institution in all their actions.
19. Apply the principles of the Internal Control System (ICS): Self-control, Self-management, and Self-regulation.
20. Stay updated on the Integrated Management System (IMS) and apply the updates continuously to their tasks and responsibilities.

- **Professional profiles and experience of the issuer's directors and senior management.**

Profiles of the Board Members

Juan Manuel Russy Escobar, Secretary General of the Ministry of Finance and Public Credit (First Line Principal)

Profession: Bachelor of Laws from Universidad Javeriana, with postgraduate studies in Labor Law from the same university and in High Management from Universidad de los Andes.

Experience: A significant part of his professional life has been dedicated to public service, serving as Secretary General of National Public Entities, Deputy Secretary of Legal Affairs of the Bogota Mayor's Office, Legal Secretary, Secretary General, and General Manager of Decentralized Entities in the Government of Cundinamarca, and Auditor General of the Institute of Social Security. He worked independently for 14 years and from his office provided consulting and advisory services to public entities at the municipal, district, and national levels, including the Ministry of Culture, National Parks, District Institute of Recreation and Sports (IDRD), Bogota Philharmonic Orchestra, Popular Housing Fund, Secretary of Mobility, Secretary of Habitat, District Education Secretary, Urban Development Institute (IDU), among others. He has served as member of the Board of Directors of entities such as Compañía de Seguros de Vida Aurora, Cóndor S.A. Compañía de Seguros de Vida Aurora S.A. He is member of the Board of Directors in his capacity as delegate of the Ministry of Finance and Public Credit before the Fondo Nacional del Ahorro (FNA), Banco Agrario and Grupo Bicentenario.

Olga Lucia Acosta Navarro, Independent Member (Second Line Principal)

Profession: Economist from Universidad Cooperativa Indesco with a Master's degree in Socio-Economics of Development from the University of Paris I (Panthéon Sorbonne) and a specialization in Economic Policy and Regulation from the University of Paris I (Panthéon Sorbonne).

Experience: Currently, she is the officer in charge of the CEPAL Office in Bogota. Throughout her professional career, she has held positions such as Editor of Social Trends and Associate Researcher at Fedesarrollo, Advisor to the Fiscal Policy Council (CONFIS) of the Ministry of Finance and Public Credit, and as Head of the Currency and Banking Section and the Financial Accounts Section in the Department of Economic Studies at the Colombian Central Bank. She has also worked as an economist in the Department of Economic Research and as Head of the Economic Studies Unit. She is a member of the Social Council of the Grupo Social Foundation.

Elsa Margarita Noguera De La Espriella, Governor Department of Atlantico (Third Line Principal)

Profession: Economist from Pontificia Universidad Javeriana, with an MBA and a specialization in Finance, both from Universidad del Norte.

Experience: She is the current Governor of the Department of Atlantico for the period 2020-2023. Throughout her professional life, she has served as Minister of Housing, City, and Territory (2016-2017), Mayor of Barranquilla for the period 2012-2015, Advisor to the Mayor of Barranquilla (2010), Secretary of Finance of the Mayor's Office of Barranquilla (2008-2010), Deputy Secretary in the Department of Finance of Atlantico (2006-2007), and Director of the Barranquilla Office - Fiduprevisora 2007, among others. She has also been a member of the Board of Directors of the National Savings Fund and the Military and Police Housing Promotion Fund.

Jorge Armando Rodríguez Alarcón, independent Member (Fourth Line Principal)

Profession: Economist from Universidad Nacional de Colombia, with a Master's degree in Economics from the same university and the University of Cambridge, and a Ph.D. in Public Policy from the University of Pittsburgh.

Experience: He has served as Dean of the Faculty of Economics at the Universidad Nacional de Colombia, as well as Director of the Center for Development Research (CID) and Director of the Master's program in Economics at the same university. He is currently an Associate Professor there. He has also worked as Director of the General Directorate of Fiscal Support at the Ministry of Finance and Public Credit, and as Head of the Fiscal Studies Office at the National Tax and Customs Authority (DIAN). He has been a researcher at Fedesarrollo and a university professional at the Office of the Comptroller General of the Republic.

Mauricio Olivera González, Independent Member (Fifth Line Principal)

Profession: Economist from Universidad de los Andes, with Master's degrees in Economics from George Washington University and the University of Maryland, and Ph.D. candidate at George Washington University.

Experience: He has served as the Administrative and Financial Vice President of Universidad de los Andes, CEO of Colpensiones, Director General of Econometría Consultores, General Manager of Famisanar, Deputy Minister of Employment and Pensions at the Ministry of Labor, researcher at Fedesarrollo, advisor to the Inter-American Development Bank (IDB), and Division Chief at the National Planning Department.

Néstor Mario Urrea Duque, Director General of Fiscal Support at the Ministry of Finance and Public Credit (First Line Alternate)

Profession: Economist from Universidad Nacional de Colombia, with a Master's degree in Economics from the same university.

Experience: He has worked as a specialized professional in the Financial Analysis Directorate of the Office of the Comptroller General of the Republic, advisor in the Macroeconomic Policy Directorate, Division Chief of Territorial Finances at the National Planning Department, and as Deputy Director of Territorial Fiscal Support at the Ministry of Finance and Public Credit.

Other Boards: He is a member of the Board of Directors as a delegate of the Ministry of Finance and Public Credit for Positiva Compañía de Seguros S.A.

Luis Fernando Velasco Chaves, Independent Member (Second Line Alternate)

Profession: Bachelor of Laws from Universidad del Cauca, with a Master's degree in Government and Public Administration from Universidad Internacional de Menéndez.

Experience: He is the Presidential Advisor for the Regions at the Administrative Department of the Presidency of the Republic. He was elected Senator for the national constituency for the constitutional periods 2006-2010, 2010-2014, 2014-2018, and 2018-2022. He served as a House Representative for the electoral constituency of Cauca for the constitutional periods 1998-2002 and 2002-2006. He has also worked as the Manager of the Corporation for the Development of Microenterprises, National Technical Director for Disaster Response at the Ministry of the Interior and Justice, Mayor of Popayán for the period 1992-1994, and Secretary of the Departmental Government of Cauca.

Jesús Galdino Cedeño, Governor of the Department of Amazonas (Third Line Alternate)

Profession: Doctor of Medicine from Universidad del Tolima.

Experience: He currently serves as the Governor of Amazonas. His professional experience has mainly been in the healthcare sector, primarily as an independent physician.

Arturo José García Durán, Independent Member (Fourth Line Alternate)

Profession: Economist from Universidad de los Andes, with a Master's degree in Economics from the same university and a Master of Science in Economics from the London School of Economics.

Experience: He has worked as Project Manager at Econometría Consultores, Lecturer at Universidad de los Andes, Executive Director of Fundación Paz, Advisor to the Development and Peace Program of Magdalena Medio, Deputy Director and Head of the Business Unit and Deputy Director of the National Planning Department. He has also been Deputy Director of Planning at SENA and a professional at the Urban Development Financial Fund of the Central Mortgage Bank.

Participation in Boards of Directors: He is a Board member of Econometría Consultores and Ismocol S.A.

Martha Catalina Velasco Campuzano, Minister of Housing, City, and Territory (Second Line Alternate)

Profession: Economist from Universidad de Los Andes, with a specialization in Urban Law from Pontificia Universidad Javeriana, and in Public Policies and Urban Management; with a Master's degree in Public Policy from the University of Michigan and a Ph.D. in Political Studies from Universidad Externado de Colombia.

Experience: She is currently the Minister of Housing, City, and Territory. She has a well-established career in the public sector, where she has served as the Deputy Secretary of Education of the Bogota District, Director of the Administrative Department of District Planning, District Secretary of Habitat, and Vice President of Public Services and Regulation at Empresa de Energía de Bogota, ESP. Additionally, she has worked as a consultant in urban management and public policies.

Participation in other Boards: She is a Board Member of the National Savings Fund.

Senior Management Profiles

Ricardo Bonilla González, CEO:

Economist from Universidad Jorge Tadeo Lozano, specialist in Latin American and Andean Multinational Companies from Escuela Empresarial Andina, and Ph.D. candidate in Economics from the University of Rennes.

Mr. Bonilla has been the Secretary of Finance of the Bogota Mayor's Office, member of several Boards of Directors, Director of the Center for Development Research (CID) at Universidad Nacional de Colombia, Director of the Department of Economics at Universidad Nacional de Colombia, and Academic Director of the Alternative Mission for Employment and Income (MAEI) at Escuela Nacional Sindical.

He has worked as a consultant for Universidad Nacional de Colombia and as a professor at Pontificia Universidad Javeriana, Universidad Nacional de Colombia, and Universidad Externado de Colombia. He has over 32 years of professional experience, as well as other research-related experiences, writings, and publications.

Participation in administrative or supervisory agencies:

Secretary of Finance.

Acting Mayor of Bogota.

Principal member of the board of directors of Empresa de Energía de Bogota EEB.

Director of the Center for Development Research (CID) at Universidad Nacional de Colombia.

Director of the Economic Department of Fedemetal.

Director of the Department of Economic Theory and Policy at Universidad Nacional de Colombia.

Liliana María Zapata Bustamante, Secretary General:

Bachelor of Laws from Universidad Autónoma Latinoamericana de Medellín, with a specialization in Tax Management and a Master's degree in Intellectual Property and Law of New Technologies. An expert in legal, contractual, and public procurement matters, with experience in positions such as Manager of the FIA Consortium, Deputy Minister of Preschool, Basic and Middle Education at the Ministry of Education, Secretary General of the Ministry of Education, in the Administrative Department of Science, Technology, and Innovation, in the National Civil Service Commission, Delegated District Overseer for Contracting in the Capital District, and anticorruption prosecutor, among others.

Her knowledge of legal matters related to public administration has allowed her to support important modernization processes in different entities. She has over 27 years of professional experience.

Participation in administrative or supervisory agencies:

FIA Consortium - Manager

Ministry of National Education - Secretary General and Deputy Minister

Colciencias - Secretary General and Acting Deputy Director

National Civil Service Commission - Secretary General

District Oversight - Delegated District Overseer

Attorney General's Office - Delegated Anticorruption Prosecutor

Board Member of FNA

Board Member of FFIE

Board Member of Colegio Mayor de Cundinamarca
Board Member of ITSA University
Board Member of Universidad del Atlántico

Ingrid Catalina Giraldo Cardona, Chief Operating Officer:

Master's in Administration and Bachelor's in Government and International Relations, with a specialization in Management and candidate for a specialization in Financial Administration from Universidad de los Andes.

She has extensive experience in private entities such as Washington Mutual Bank (now JP Morgan Chase) in the United States and public entities including the Office of the Comptroller General, the Civil Aviation Authority, and the Office of the Auditor General, where she served as Director of Fiscal Control. She is currently COO at Findeter.

Leonardo Fabio Ramos Lozada, Chief Risk Officer:

Economist and business administrator with extensive experience in the creation and development of strategies and action plans to prevent and mitigate the realization of corporate risks.

He has been in charge of risk and operations areas in companies such as the Colombian Stock Exchange, Crear Valores, Fiduagraria, Proyectar Valores, and Casa de Bolsa, where he has led teams to manage risk rigorously and effectively. He has 17 years and 7 months of professional experience.

Participation in administrative or supervisory agencies:

Colombian Stock Exchange - Risk and Operations Director of
Crearvalores - Risk Manager
Fiduagraria - Risk and Control Office Manager
Casa De Bolsa S-C.B - Chief Operating Officer
Proyectar Valores - Portfolio Risk Manager

Richard Orlando Martínez Hurtado, Chief Financial Officer:

Financial and business administrator from Politécnico Grancolombiano with extensive experience in the development of investment strategies in the real and financial sectors.

His performance in companies such as Corredores Asociados and the Pension and Severance Fund of Porvenir has allowed him to acquire expertise in market analysis, financial risk analysis, and effective portfolio management. He has 21 years and 6 months of professional experience.

Participation in administrative or supervisory agencies:

Corredores Asociados S.A.- Director
CI HOSA LTDA - Operations Manager

María Amparo Arango Valencia, Chief Commercial Officer:

Industrial engineer with extensive knowledge in sales strategies that she has successfully led in companies in the real sector.

Her long professional career at Fiduciaria de Occidente, Fiduprevisora, Pedro Gómez y Cía., and Porvenir has allowed her to lead sales teams focused on achieving results and excellence in providing commercial advice. She has 21 years and 6 months of professional experience.

Participation in administrative or supervisory agencies:

Fiduciaria De Occidente - Sales VP
Fiduprevisora - Sales VP
Pedro Gómez y CIA - Sales VP
Porvenir - National Manager of Voluntary Pensions.

Laura Mercedes Peña Rodríguez, Chief Planning Officer:

Business administrator with experience in designing and implementing strategic plans for institutional strengthening, development, and innovation.

Her performance in companies such as Fiduprevisora and Tampa Cargo, combined with her knowledge of financial management, has allowed her to design action plans for different business areas and define strategies focused on achieving results. She has 15 years and 5 months of professional experience.

Participation in administrative or supervisory agencies:

Fiduprevisora - Planning Manager.

Juan José Oyuela Soler, Chief Technical Officer:

Civil engineer and specialist in the design and construction of roads and airplanes, with extensive experience in the contractual management of high-impact national infrastructure projects, from structuring to selection process, execution, and subsequent liquidation, especially in road projects (national bridges, secondary roads, and tertiary highways) and airports (airport buildings, runways, and platforms).

He has been the Director of Infrastructure at the Civil Aeronautics Authority; Deputy Director of the National Road Network, Contracting Director, Deputy Director of the Tertiary Road Network, and Advisor to the General Director, all at Invías; Advisor to the Deputy Minister of Infrastructure at the Ministry of Transportation; and Support Engineering auditor for the Delegated Auditor of Mines and Energy at the Office of the Comptroller General of the Republic. He has 12 years and 9 months of professional experience.

Participation in administrative or supervisory agencies:

Civil Aeronautics Authority - Director of Airport Infrastructure

Invias - Advisor to the General Director

Ministry of Transportation - Advisor to the Deputy Minister of Infrastructure

• **Independence criteria adopted by the issuer for the appointment of directors and members of support committees**

Board members who have the status of independent, in the acceptance document of their role as members, make a dual declaration of independence: the new member declares independence to the Entity, its shareholders, and senior management, a practice stipulated in the Entity's Corporate Governance Code.

2. CULTURE AND INTEGRITY

2.1. Corporate Governance, Ethics, Integrity, and Transparency

(103-1), 103-2, (103-3) Material topic: ethics, integrity, and transparency, (102-16), (205-2);

Circular 012 of 2022 - Sustainability practices and responsible investment by the issuer (Section 7.4.1.3.1. Corporate Governance Analysis; Subsection 7.4.1.3.1.1. Description of the issuer's management structure, Sub-items (viii) Mechanisms implemented by the issuer for the management, identification, and administration of conflicts of interest, and (xii) Governance structure adopted by the issuer to ensure fair treatment of investors and promote their participation.

Findeter, in line with the principles defined in the Code of Corporate Governance and the Code of Ethics and Integrity, implemented a training plan with the aim of updating and strengthening knowledge in the following topics:

- Conflict of interest
- Ethics and integrity
- Fight against corruption
- Disqualification and incompatibilities

- Public integrity

To achieve this, in 2022, we carried out various quarterly activities aimed at reinforcing technical aspects of the mentioned topics, as follows:

- During the first quarter, we conducted two conferences on Conflict of Interest and the Code of Ethics and Integrity for 585 Findeter employees.
- Throughout the year, we designed several strategies to reinforce the topic of conflict of interest, such as the “Knowledge Rally - Decision Making,” a playful and interactive course on Conflict of Interest and the Code of Ethics and Integrity. We also provided knowledge reinforcement on the Code of Ethics and Integrity to continue working on consolidating a culture of trust among the stakeholders of the Entity. Additionally, we conducted the activity “The World of Values” through the Findeter Learn platform, which aimed to reinforce previous learning on the topic using a didactic and challenging methodology. Each activity reached an average of 540 employees.

It is important to note that we make permanent efforts to keep employees updated on this topic, using various methodologies, not only to comply with the regulations but also because we believe in the importance of experiencing these values as part of the Entity’s culture.

We also conducted seven major induction sessions where the mentioned topic was addressed. In these sessions, we introduced the Code of Ethics and Integrity to new employees, and a total of 366 individuals signed their adherence to it in 2022.

(103-1)

Ethics, Integrity, and Transparency are the pillars of our organizational culture and guide the behavior of employees in their daily performance, permeating all processes regardless of the position held. The Code of Ethics and Integrity, which embodies the ethical principles and commitments framed in transparency, trust, credibility, respect, among others, becomes the guide for actions towards users and stakeholders, allowing us to identify and address potential conflicts of interest to which we may be exposed.

To be consistent with the above, we constantly promote the training of our employees, a fundamental aspect for their development, the enhancement of knowledge and skills, and the optimization of their competencies in relation to the roles and responsibilities they fulfill. In doing so, we aim to protect the Entity with competent and empowered employees, who possess ingrained ethical concepts that enable them to make the best decisions. Therefore, throughout the year, we offer various training sessions using different methodologies to capture attention and promote understanding of these topics.

(103-2)

To expand knowledge about the Code of Ethics and Integrity, we provided training that updates, promotes, and expands the employees’ understanding of this subject through talks, courses, educational games, and other available tools to disseminate information, ensuring its renewal and continuous promotion so that all employees have sufficient tools to uphold the ethics and integrity of Findeter.

Training, being a strategic element for the Entity’s human capital, must comply with a series of policies and operational conditions, in which professional development must be a priority. There is a shared responsibility to comply with the policies implemented by Findeter, and it is the duty of all employees to actively participate in training sessions without exception. All of this is supported by the budget and procurement plan executable with the Annual Training Plan. The goal is to transform employees into information multipliers.

(103-3)

During 2022, specifically in the months of March, June, September, and December, several training sessions were conducted on the Code of Ethics and Integrity, using various modalities. This allowed us to keep the information up to date. Employees had the opportunity to participate in talks with professionals and experts in integrity-related topics, as well as to test their knowledge associated with Findeter's culture through educational games. They also attended knowledge reinforcement sessions on ethics and integrity aimed at building trust with stakeholders. These efforts demonstrate our commitment to disseminating and promoting the principles and values that govern the Entity to generate confidence and security for the country.

- **Mechanisms implemented for handling, identifying and managing conflicts of interest.**

We have a Code of Ethics and Integrity that establishes the minimum ethical principles, values, and guidelines that all directors and employees of the Entity must comply with concerning various stakeholders and the country in general. This document is published on Findeter's website at the following website:

<https://www.Findeter.gov.co/system/files/internas/Codigo%20Etica%20e%20Integridad%20V2-2020.pdf>

It is the duty of administrators, directors, and employees to ensure that they identify any conflicts of interest related to the topics addressed in the performance of their functions. The Code of Ethics and Integrity contains a specific section that develops this topic, including its classification and the instances for studying and resolving conflicts of interest. Conflicts of interest arise when administrators, directors, and employees, in the exercise of their functions, have to choose between Findeter's interests and their personal interests or those of a third party. To address this, the Entity has implemented internalization of concepts through training to reinforce the understanding of conflict of interest and the competent areas responsible for resolving them. These components are further developed in the Code of Ethics and Integrity, and such matters are reported to Findeter's Corporate Governance Committee.

- **Governance structure adopted to ensure fair treatment of investors and promote their participation**

Through compliance with IR standards, the Entity has managed to create, administer, and manage optimal communication channels with investors, providing relevant, timely, and comprehensive information that facilitates the behavior of the financial market and decision-making within it. Among the actions taken to meet the IR requirements of the Colombian Stock Exchange, the quarterly events for presenting results to investors stand out. During these events, Findeter reports its quarterly results from financial, commercial, and technical perspectives to the market, and also addresses any questions that investors may have regarding our management. In 2022, the online events were conducted in English through a live web platform (Zoom), allowing interested stakeholders to connect freely. The events took place on the following dates: July 12, October 13, and December 13. Each presentation was attended by investors and other stakeholders interested in understanding the Entity's performance.

Through Findeter's website in the Investor Relations section (available in Spanish and English), the Entity expressly discloses and informs about its ESG factors, identifying each of these elements requested within the BVC's IR program. This demonstrates the relevance and commitment of the Financial Institution to complying with the highest standards in these aspects. This information can be found at the following web address: <https://www.Findeter.gov.co/investor-relations/esg-information>. Additionally, Findeter manages and updates its Investor Relations website (available in

Spanish and English) in a timely manner, facilitating access to financial and corporate information for our local and international investors, thereby increasing traffic and consultation on these portals. The link to the website is as follows: <https://www.Findeter.gov.co/investor-relations>.

The Entity also provides an exclusive email and phone extension for investors to communicate any questions or concerns they may have about the Entity, their investments, or any relevant matters. In order to respond promptly to their information needs, Findeter has an Investor Relations Officer who is bilingual and available to provide timely, clear, and transparent answers to any inquiries or information needs.

As a result of the efforts made during the year, we ranked among the IR bond issuers disclosed by the Colombian Stock Exchange and the diagnostic carried out, in partnership with CESA, of the corporate governance system, information disclosure, and investor relations of IR bond issuers. In this regard, we achieved the following result: Top 5 issuers with the highest levels of adoption of the disclosure standard in 2022, which demonstrates the Entity's commitment to continuous improvement and the promotion of best practices in information disclosure with all its stakeholders.

- **Anti-Fraud and Anti-Corruption Policy**
(103-1)

The relevance of the Anti-Fraud and Anti-Corruption Policy lies in the transparency and trust generated among stakeholders and the general population regarding the actions of the Entity's employees, preserving its image and reputation.

Through risk identification, measurement, and control methodologies, the risk profile is established by assessing the probability of occurrence and impact in case of risk materialization.

- (103-2)

At Findeter, we have an Anti-Fraud and Anti-Corruption Policy that outlines mechanisms to prevent the misuse of privileged or confidential information. We have channels for reporting through email, phone lines, and the website, as well as a procedure that establishes the treatment of fraud and corruption events.

Additionally, the Code of Ethics and Integrity includes principles and commitments that govern the actions of executives and employees towards different stakeholders. It includes conflict of interest policies with their respective instances to determine the existence or absence of impediments, policies for handling gifts and invitations, donations, and the prohibition of participation in and financing of political campaigns.

- (103-3)

We have an integrated risk system that includes risks related to fraud and corruption and their respective controls to manage the potential materialization of these risks.

It is important to note that no event or alleged event of fraud or corruption involving senior management or employees of the Entity was identified.

- **Fraud and Corruption Prevention**

At Findeter, we have developed an Anti-Fraud and Anti-Corruption Policy with the aim of establishing a comprehensive system to manage the risks of fraud and corruption, fostering a culture of prevention, detection, and timely response to fraudulent risks and behaviors to protect the interests and responsibility towards our employees, suppliers, users, and other stakeholders. The policy defines a zero tolerance approach to fraud and corruption and includes reporting mechanisms that

allow any third party to bring any potential fraudulent conduct by our employees to the attention of management.

The policy is developed within the following regulatory framework:

Anti-Corruption Statute - Act 1474 of 2011.

Guide for the construction of the Anti-Corruption and Citizen Service Plan issued by the Administrative Department of Public Function (DAFP).

External Circular 029 of 2014 from the Financial Superintendence of Colombia.

During the year, the Anti-Fraud and Anti-Corruption Program underwent an update called the Anti-Fraud and Anti-Corruption Policy, and the Financial Institution's risk profile was assessed, identifying new risks related to the new work-from-home modality. However, the consolidated residual risk profile remained at a moderate level. Additionally, an evaluation of the elements comprising the policy was conducted, yielding a considered optimal result.

Finally, it is important to highlight that no event or alleged event of fraud or corruption involving senior management or employees of the Entity was identified.

- **Unfair competition**

Findeter, in the development of its corporate purpose, is subject to competition rules, in accordance with Article 98, Section 2 of Decree Law 663 of 1993 (Organic Statute of the Financial System).

As a supervised entity by the Financial Superintendence of Colombia, it is committed to avoiding acts of unfair competition and conducts its credit activities in accordance with the rules and practices of good commercial faith, fulfilling obligations such as publishing the fees charged for the services and products offered.

Regarding the financing operations we carry out, it is important to indicate that, in the rediscount modality, the intermediaries are credit institutions. Therefore, acts of unfair competition cannot be configured with them, especially when there is equal access to rediscount lines.

As for the direct credit operations that we exceptionally carry out, they are directed towards territorial entities with special credit conditions, aimed at financing investment projects. This expands the range of options for recipients of these operations to obtain resources under conditions similar to those offered by private banks.

Furthermore, when analyzing this aspect compared to other participants in the financial activity, who are also entities with a special regime like Findeter, it is evident that practices of unfair competition cannot be configured, as each of these entities operates according to its corporate purpose within a different segment, and they have been equally approved by the law, such as Finagro and Bancóldex, among others, so they would not be considered competitors.

Based on the above, in the exercise of its authorized activities, Findeter has not engaged in acts that could constitute unfair competition, such as diversion of clientele, acts of disruption, acts of confusion, acts of deception, acts of discredit, acts of comparison, acts of imitation, exploitation of another's reputation, violation of secrets, inducement to breach contracts, and violation of regulations.

2.2. Self-assessment of the Board of Directors' performance

(102-16, 102-23, 102-28) **SDG16; Circular 012 of 2022 - Sustainability practices and responsible investment by the issuer (Section 7.4.1.3.1. Analysis of Corporate Governance; Subsection 7.4.1.3.1.1. Structure of the issuer's management, Item (vii) Evaluation processes of the board of directors, its support organs, and senior management.**

In accordance with good Corporate Governance practices, the Board of Directors conducted a self-assessment of its performance during 2022. The evaluation was rated on a scale of 1 (never) to 5 (always), and all six eligible members participated in this process. The Corporate Governance Committee reviewed and endorsed the self-assessment framework and the questionnaire, which consisted of 15 individual questions, 24 group questions, and 28 questions for support committees (7 for each committee).

The average result was 4.71, lower than the 2021 score of 4.80. It is worth noting that the Structure component obtained a higher score than in 2021, while the components of Dynamics and Operation, Role in Governance, and Financial Information Processes, Internal Audit, and Controls obtained lower scores.

The results can be observed in the following table:

Table No. 20 Self-assessment Results of the Board of Directors' Performance in 2022

Component	Results 2021	Results 2022
Dynamics and operation	4.87	4.71
Structure	4.65	4.78
Financial reporting processes, auditing and internal controls	4.78	4.94
Role in Governance	4.83	4.65
Total	4.80	4.71

Source: Findeter calculations

- **Evaluation processes of the board of directors, its support bodies, and senior management**

The evaluation process of the board of directors was conducted following Deloitte's best practices for corporate governance, in addition to incorporating inputs from the "Manual for Board Members of 2016" provided by the Ministry of Finance and Public Credit.

This process has two main purposes:

- ✓ Formalize a self-assessment process of the board of directors' performance, committees, and the evaluation of Findeter's president's management.
- ✓ Obtain information, both individually and collectively, regarding the contribution of the board of directors and Findeter's president to sustainability and value generation.

The 360° performance evaluation is the methodology used to measure the organizational and leadership competencies of the entity's employees. This process is measured through assessments by peers, supervisors, subordinates, and self-assessment. This process is carried out annually.

Senior management is evaluated by the president of the entity, their peers, and colleagues in the process. They also perform self-assessment to compare their perception of performance with that of the group of evaluators. The purpose of this evaluation is to provide feedback on their work, leadership style, generate self-awareness, and identify strengths and gaps that represent opportunities for improvement in terms of productivity and team development.

The overall average obtained from the last performance evaluation conducted in 2021 for senior management was 93.82%, indicating a high level of behavioral development among the leaders that contribute to the entity's competencies. The results of the Execution and Monitoring and Teamwork competencies stand out. However, it is worth noting that the evaluation for the year 2022 will be conducted in the first quarter of 2023.

2.3. Evaluation of the CEO's management

(102-16, 102-23)

The questionnaire used has been in effect and approved since 2019 due to its relevance and acceptance. The result of the questionnaire was 4.61, lower than the 2021 score of 4.80, and the consolidated result, taking into account the strategic indicators table, was 5.74, resulting in a total compliance of 114.8%.

As a Corporate Governance practice, the company's Board of Directors also conducted an evaluation of Findeter's CEO's management during 2022. The evaluation was carried out considering a questionnaire of 11 questions and a strategic indicators dashboard in line with the Flight Plan for 2022, with a weight of 50% each.

The following table shows the consolidated result with each of its components:

Table No. 21: Result of the CEO's Management Evaluation for the year 2022

Item	Maximum score	Score obtained	Weighted score
Battery of 11 questions	2,50 (50%)	2,31	92.4%
Indicator Dashboard	2,50 (50%)	3,44	137.6%
Rating	Rating out of 5	5,74	114,8%

Source: Findeter calculations

Regarding the indicator dashboard, we had an over-achievement in this component, which corresponds to the second item that is part of the evaluation score. This 137.6% is explained by the compliance of the income before taxes with 159%, disbursements compliance with 112% and ROE before taxes of 156%, a fact that highlights our commitment to support the economic reactivation process of the country and the regions, through the granting of loans under favorable conditions.

2.4. Human Rights in the organization

(103-1); (103-2) Material topic: Working conditions, decent work, respect for human rights; Diversity and Equal Opportunities, (406-1), (SDGs 5, 8, 11 and 16)

(103-1)

At Findeter, we recognize and assume responsibility for respecting and promoting human rights, protecting and ensuring their effectiveness, and establishing measures to prevent violations and address the adverse impacts caused by our products and services.

Due to the importance of this issue, we have a human rights declaration and a policy of responsible action and sustainability that defines its importance, objectives, principles, and guidelines.

In 2022, we continued to provide guidance for respecting human rights through the procedures, activities, and operations we carry out with our stakeholders and society in general.

(103-2)

Taking into account the guidelines defined in the human rights policy and declaration and maintaining our commitment to respect them within the organization, various activities were carried out in 2022 to highlight their importance:

- ✓ Diversity Week was held from June 28th to July 1st, under the theme: “Diversity unites us, respect inspires us, and inclusion makes it possible.” It had two main purposes: to raise awareness about the importance of diversity in the organization and to launch the Equity program, which was implemented in the second half of the year. The activities, both in-person and virtual, included a talk on sexual harassment, an expert panel, a diversity fair, and a film forum. A total of 592 people participated, and during the diversity fair, each Vice Presidency shared the meaning of a word related to the theme and their experience at Findeter through a creative and teamwork-based mechanism.
- ✓ DEI School (Diversity, Equity, and Inclusion): The training program was launched using a conference-panel methodology. Six sessions were held between September and November, with an average attendance of 214 participants in virtual mode. The program concluded with an in-person session featuring a theater performance that reflected the topics covered in previous sessions. The themes addressed were: A Flag Called Respect, A World Without Labels, In Your Shoes, Men Too, A Matter of Attitude, The Human Layer, and the theater play: *Más humanos*.
- ✓ From November 25th to December 10th, Findeter joined the UN campaign on Gender Equality and Human Rights activism. The purpose was to raise awareness among employees about violence against women and girls. Frequent reflection messages were used to create awareness about these issues.

In line with Findeter’s mission to contribute to the country’s sustainable development through activities, projects, and programs that offer comprehensive products characterized by their relevance, positive impact, and focus on economic growth, social well-being in the territories, and respect for human rights and the environment, we are committed to the guiding principle of respecting human rights within the organization. This is reflected in our objective and non-discriminatory selection processes, based on knowledge and experience relevant to the positions to be filled. Furthermore, recognizing the importance of continuous learning for all, the DEI (Diversity, Equity, and Inclusion) program was initiated, which includes various phases starting with the conceptualization of terminology and its appropriation.

(103-3)

In 2023, with the program’s maturity, knowledge assessments will be conducted, and the identified gaps in the areas with lower ratings in the evaluation will be addressed in the human talent management policy.

• **Working conditions, decent work:**

(103-1)

Being the Territorial Development Bank required us to place special emphasis on measuring the organizational culture to identify gaps and set priorities for improvement. One of the strategic objectives of the corporate strategy is to have a competent human team aligned with corporate values and entity goals. Consistently, we work to strengthen continuous improvement and maintain certification in the efr 1000-1 (Family-Friendly Company) management model, which responds to corporate social responsibility in people management. This model allows us to group the entire range of benefits for employees and their families under quality standards, promoting a balance between work, personal, and family life to ensure sustainability within the organization.

(103-2)

The efr management model meets the internal expectations and needs of employees, allowing for the reconciliation of different aspects of people's lives, both professional and personal and family, without losing sight of productivity, results, and competitiveness. It effectively identifies measures for work-life balance. The reconciliation and its management aim to foster a new culture of work based on a "win-win" model within the organization. Employees, employers, and society benefit from new forms of work that provide equal opportunities without discrimination based on gender, race, social status, religion, region, or other conditions. This model is developed based on five dimensions: Quality in Employment, Temporal and Spatial Flexibility, Support for Families, Professional Development and Competence, and Equal Opportunities. These dimensions encompass 62 measures available to all employees through the efr catalog of measures.

- **Diversity and equal opportunities:**

(103-1)

Findeter is committed to sustainability in the projects it finances, the community, and its employees. We promote human rights, diversity, equity, health and safety, fair working conditions, professional development, respect for the environment, and other variables. Through our management model as a family-friendly company, we foster good labor practices.

Diversity and equal opportunities are our pillars of sustainability and social responsibility. They ensure the representation of different employees and guarantee that everyone has equal opportunities to contribute and influence each process they belong to. Additionally, they improve the work environment, focusing on respect and flexibility, aiming to have teams with greater creativity, innovation, and diversity in decision-making.

In terms of human resources, we have objective selection processes without any discrimination, based on knowledge and experience relevant to the position.

(103-2)

Similarly, for promotion and/or internal career advancements, we conduct inclusive internal calls, ensuring equal opportunities and encouraging employee involvement in the processes, thus strengthening the internal culture of the Entity.

At Findeter, attracting, selecting, and retaining personnel focuses on favoring and supporting integration and equal opportunities based on gender and diverse groups. We have established the roles and responsibilities of each employee, allowing us to continuously monitor workloads to maintain equity in the organization's actions.

This, combined with our vision to contribute to the country's development, sustainability, and community impact, enables us to retain key personnel for achieving institutional goals.

Through the implementation of the efr 1000-1 (family-friendly company) reconciliation model, which aligns with corporate social responsibility in people management, we can group the entire range of benefits for employees and their families under quality standards. This promotes a balance between work, personal, and family life for sustainable operations within the organization.

(103-3)

Findeter's human talent management policy aims to have the right people, promote their development and quality of life, provide suitable spaces and resources for different roles and responsibilities. This policy is periodically reviewed to adjust aspects that continue to promote diversity and equal opportunities within Findeter.

The selection process is designed to ensure equitable evaluation of candidates, as reflected in the efr Management Model: Equal Opportunities Dimension. We identify personnel needs and inquire about employees' interests through well-being activities, which are frequently measured and monitored through employee satisfaction surveys, internal and external customer satisfaction

surveys, use and adoption of efr measures, and other measurements that provide valuable information to keep employees identified and committed to Findeter's policies.

2.5. Findeter's Ethnic Differential Focus Strategy

The social management implemented in projects planned, structured, and technically assisted by Findeter aims to enhance the interaction with communities, strengthen social fabric, and encourage citizen participation. This contributes to fostering a sense of belonging and empowerment in both ethnic and non-ethnic communities.

While these guidelines do not exclude any population group, when it comes to projects with ethnic beneficiaries, social management is developed with a differential focus. This is reflected in methodological proposals, recommendations regarding community and institutional relationships, and dialogue and prior consultation processes as required.

The differential focus recognizes the diversity of the population and their relationship with the territory, necessitating proposals that reflect designs and participation methodologies that consider the worldview of different communities, their ways of inhabiting the territory, and the customs and uses of sacred places, among other aspects.

2.5.1. Responsible/Sustainability Action Policy

(102-11); (102-14) SDGs (3, 4, 5, 6, 7, 8, 10 and 11); External Circular 012/2022 SFC Section 7.4.1.3.2. Practices, policies, processes, and indicators regarding environmental and social criteria implemented by the issuer

As part of our Responsible Action - Sustainability Policy, we seek to contribute to the country's sustainable development by executing activities, projects, and programs that provide a comprehensive range of products characterized by their relevance and positive impact. We focus on economic growth, social welfare, and respect for the environment while adopting measures of corporate social responsibility, environmental management, respect for human rights, gender equality, social inclusion, and sustainable procurement. We engage with stakeholders in an integral, transparent, timely, inclusive, and respectful manner, considering their specific needs.

Our vision of being the "leading development bank that transforms regions into sustainable territories" guides our operations and relationships with users, encompassing not only economic and technical aspects but also the Environmental, Social, and Governance (ESG) components. We consider all the necessary factors to promote sustainable processes comprehensively, as follows:

Environmental: preserving a viable environment, maintaining sufficient natural capital, and considering factors such as resources, climate change, biodiversity, and environmental impact.

Social: promoting human rights, diversity, equity, health and safety, as well as fair working conditions, professional development, and solidarity at both the community and individual levels.

Economic: developing and maintaining sufficient economic income, investment profitability, and reducing losses, preventing risks, and ensuring customer satisfaction above all.

At Findeter, we aim to be a company that promotes territorial and environmental development for the generation of inclusion and equality, creating opportunities in line with communities and territories, within the framework of national and international regulations to comply with the United Nations' Guiding Principles on Business and Human Rights. This commitment is materialized in our Responsible Action Policy.

In this regard, each of our business lines includes a social component that is developed through Social and Reputational Management Guidelines. These guidelines are constructed and defined for each project and/or program, allowing us to determine their relevance, enhance interaction with communities, strengthen social fabric, and encourage citizen participation. This contributes to generating a sense of belonging and empowerment within the communities resulting from our intervention.

It is important to highlight that our guidelines encompass the reputational approach as a cross-cutting strategy. It allows us to measure the outcome of our intervention and management based on the described and required activities for the executing teams contracted for this purpose. In other words, the development of the components and activities described in our social and reputational management guidelines serves as the basis for meeting the indicators established for the project and/or program, which are analyzed, studied, and evaluated from a reputational perspective.

Material Topics

(SDGs 10, 11, 12, and 13)

Projects aimed at benefiting vulnerable communities (social inclusion)

103-1 (Explanation and Boundary)

Regarding projects assisted technically by Findeter, which are aimed at benefiting vulnerable communities, the social management implemented by the Responsible Action department has identified three main spaces for community participation:

1. We support the implementation of social management plans (PGS), highlighting the role of sustainability committees, which identify the community's most urgent needs and then align them with the project's scope and duration to take appropriate actions.
2. We have a positive impact on territories by generating local employment opportunities. We receive resumes from interested individuals in the area to participate in the project, conduct selection evaluations based on the specified terms of reference in the contract, and ultimately hire personnel.
3. We attend to the community and other interested actors through citizen service points (PAC), where we receive questions, complaints, claims, and/or requests (PQRS) related to the projects. These issues are resolved within the legally stipulated time or the processing time for citizens to approach the competent authority.

103-2 (Management Approach)

The social management of each project involves engaging with community and institutional actors from a human rights perspective. We have an institutional policy that emphasizes Findeter's commitment to developing socially responsible strategies to manage, adopt, and promote the implementation of best practices. We aim to raise awareness, foster co-responsibility among stakeholders, and act transparently in our areas of influence.

Additionally, through the corresponding social management guidelines for each project, Findeter provides contractors and supervisory entities with a social component as a guiding document. This ensures that we cover the processes of engaging with the territory and its population, communication and outreach strategies, promotion of employment by hiring personnel from the areas of influence, and all activities related to monitoring and evaluating the social impact generated by and with the projects.

103-3 (Evaluation)

In 2022, the Responsible Action department implemented a new monitoring and evaluation strategy for social management in projects. We have worked with two virtual tools: social traffic light indicators and social figures reports for each technical assistance contract. Additionally, we have the valuable input from our social managers who conduct fieldwork to monitor social progress and support social teams on-site.

Projects aimed at benefiting indigenous peoples (social inclusion)

103-1 (Explanation and Boundary)

The social management implemented in planning, structuring, and execution projects assisted by Findeter aims to enhance interaction with communities, strengthen social fabric, and encourage

citizen participation. This contributes to generating a sense of belonging and empowerment for both ethnic and non-ethnic communities.

It is important to note that while these guidelines do not exclude any population group, when it comes to projects benefiting ethnic populations, social management is developed from a differential perspective. This is reflected in the methodological proposals, recommendations for community and institutional relationships, and the processes of dialogue and prior consultation, as applicable.

The differential approach recognizes that the population and its relationship with the territory are diverse. Therefore, differential proposals are required to reflect designs and participation methodologies that consider the worldview of indigenous peoples, their ways of inhabiting the territory, and the customs and traditions associated with sacred places, among other factors.

103-2 (Management Approach)

In 2022, we provided technical assistance for 16 new contracts totaling COP 12,478,290,872. These contracts targeted ethnic communities, with nine of them exclusively benefiting indigenous communities. The contractual objectives mainly focused on strengthening organizational structures and productive projects.

These new projects primarily involved inter-administrative contracts with the Ministry of the Interior and the Prosperity Fund of the British Embassy. Additionally, there are ongoing projects from previous years with users such as the National Planning Department (DNP), the Agency for Territorial Renewal (ART), the Inter-American Development Bank (IDB), and the reconstruction program carried out on the islands of Providencia and Santa Catalina after Hurricane IOTA.

Through social management, with the development and implementation of territorial analysis components, we aim to ensure that communities participate from the beginning of the project's structuring process. This generates a sense of ownership and ensures the relevance of these studies or works in regional and population development.

103-2 (Management Approach)

The social management plans for each project include a monitoring and evaluation component. This component outlines various activities and products aimed at providing support in this area, ensuring that each contract has planning exercises and verification of compliance from the beginning to satisfactory completion.

These activities follow a basic guide followed by contracted social teams and supervisory entities regarding analysis processes, monitoring, and the management of expected and unexpected results. We also emphasize the work of social managers from the Responsible Action department in consolidating good practices and lessons learned, essential inputs that allow us to rectify and improve our documentary processes and on-site support.

3. POSITIVE IMPACT

3.1. Positive Impacts (Comprehensive Management)

3.1.1. Land Use Planning

(103-1) (103-2) (103-3) Offering products with a territorial approach, Sustainable Cities and Communities; Promoting environmentally responsible practices in financed projects; Business lines with social and environmental criteria; Environmental training and capacity building; Actions against climate change;305-4 (SDGs 7, 11, 12, 13, 14 and 15); Circular 012 of 2022 - Section 7.4.1.1.1. Description of the issuer's business objective. Subsections: (ii) Income-generating activities, products, or services; (iii) Competitive commercial conditions, such as participation in the national and international market, demand conditions, among others, and (iv) Development of new products or services, their improvements, demand conditions, and competitive conditions. Section 7.4.1.3.2. Practices, policies, processes, and indicators related to the environmental and social criteria implemented by the issuer.

(103-1)

Findeter offers Land Planning instruments to help municipalities in Colombian territory build sustainable, competitive, and organized territories.

Findeter's planning products aim to provide tools for orderly, sustainable, and competitive growth and leave administrative capacity in the territorial administration for proper territory management. These instruments are important because they constitute the initial phase upon which a territory can be envisioned, promoting the efficient use of resources and harmonious growth among urban, environmental, social, economic, and fiscal aspects, with governance mechanisms that include everyone.

In terms of territorial management tools, we have the Sustainable and Competitive Cities (CSC) and Emblematic Cities (CE) programs. From there, we assist territories in prioritizing strategic investments and creating roadmaps with short, medium, and long-term actions to achieve sustainable development. This tool, which is built with all territorial actors, allows for a territorial vision that goes beyond a government's term, with projects that can be managed by the community, the public sector, the private sector, among others.

Additionally, we have other land use planning instruments such as: i) Multipurpose Cadaster, ii) Land Use Planning, iii) Cultural and Heritage Tourism Plan.

- i) **Land Use Planning:** Having an updated and contextually appropriate land use planning is an agreement among the population on how they want to live over time, aiming to address common needs and reduce social and territorial inequalities. **Multipurpose Cadaster:** It is an information system that records updated data on land, based on formal and informal properties. The obtained information contains specifications regarding rights, responsibilities, restrictions, geometric descriptions, values, and other data, registering interests in properties in terms of occupation, value, use, and urbanization. The information generated from its implementation should serve as a fundamental input in the formulation and implementation of various public policies, contributing to greater legal security, efficiency of the real estate market, development, and land use planning. Its data is integrated with the public registry of real estate property, it is digital and interoperable with other territorial information systems, and provides instruments for better allocation of public resources and fiscal strengthening of territories.
- ii) An appropriate i) Land Use Planning promotes local development through strategically considered projects while ensuring disaster risk mitigation and the conservation of natural and cultural heritage.
- iii) **Cultural and heritage-focused tourism action plans** are a roadmap to create an enabling environment in which initiatives from all subsectors of the cultural and creative economy converge, strengthening entrepreneurship, new production chains, economic reactivation, cultural employment, recovery, conservation and re-signification of the built cultural heritage, restoration of historic city centers or old industrial environments in decline, environmental conservation, knowledge transfer, sense of belonging, social inclusion and citizen access to cultural and creative offerings.
- iv) **Integrated Solid Waste Management Plans:** a roadmap for decision-making that municipalities and districts are responsible for developing, implementing, and keeping up to date, in accordance with current national regulations. This instrument is translated into programs and projects, as established in Resolution 754 of 2014, which must be incorporated and integrated with planning in terms of economic development, social welfare, public works, and territorial organization.

This planning instrument is mandatory for municipalities and must adopt the legal framework's concepts, conditions, and methodologies for the formulation, implementation, monitoring, control, and updating of the Comprehensive Solid Waste Management Plans (PGIRS, in Spanish). The purpose of this is to address the environmental problems generated by inadequate municipal solid waste management and contribute to climate change mitigation. The waste sector is one of the largest contributors to national emissions and plays a crucial role in

mitigating the impact of climate change through the programs and projects outlined in the roadmap.

Therefore, in light of the issues arising from the daily disposal of solid waste in the country's 117 sanitary landfills and 98 open dumps (IDEAM, 2020), the national government formulated the National Circular Economy Strategy in 2019, supported by the document Conpes 3874 National Policy for Comprehensive Solid Waste Management in 2016, which proposes a transition towards a circular economy. Subsequently, through document Conpes 3934 in 2018, additional strategic actions and specific measures were established to promote the circular economy. Conpes 3934 specifically states that the long-term national circular economy strategy would be defined by 2019.

In response to Conpes 3934, the National Development Plan 2018-2022, in its "Sustainability Pact," proposes the implementation of the national circular economy strategy to increase waste recycling, water reuse, and energy efficiency. Finally, in 2019, the Ministry of Environment and the Ministry of Commerce presented the National Circular Economy Strategy: Closing Material Cycles, Technological Innovation, Collaboration, and New Business Models. Moreover, based on the foundations of the current government's National Development Plan, it is established that communities from different sub-regions have identified, through Binding Regional Dialogues, the need to promote the transition towards the use of clean and renewable energy, develop production processes with lower environmental impact, foster the circular economy, conserve water sources, and ensure proper solid waste management.

Local-level planning programs are focused on providing territorial entities with a planning tool for the short, medium, and long term. This tool allows for the prioritization of relevant sustainability actions for the country's territories due to their contribution to Colombia's development. Similarly, it aims to coordinate national policies in land use planning, housing, water, education, mobility, environment, public management, competitiveness, and income generation, among others. To this end, Sustainable and Competitive City Programs (CSC) and Emblematic Cities (CE) have been developed to adapt to the different needs and realities of the territories.

Furthermore, other strategies have been designed to assist municipalities in the process of reviewing and adjusting their land use planning schemes (POT) so that they can effectively comply with the legal and regulatory framework, ensuring technical quality in line with territorial realities.

Additionally, support is provided to municipalities to update their multipurpose cadaster and strengthen their institutional capacities for proper and continuous cadaster management. The information generated through its implementation should serve as a fundamental input in the formulation and implementation of various public policies, contributing to greater legal certainty, efficiency in the real estate market, and territorial development and planning. The data is integrated with the public registry of immovable property, is digital and interoperable with other territorial information systems, and provides instruments for better allocation of public resources and fiscal strengthening of the territories.

At the regional level, the focus is on designing and implementing territorial complementarity programs/strategies, local economic development, and urban-rural planning. The aim is to establish a dialogue with territorial actors (public sector, academia, productive sector, and civil society) to leverage ambitious processes in the medium and long term for the development and well-being of inhabitants, with a vision that encompasses rural and urban areas and city-regions.

In this context, territorial development visions were delivered for three (3) defined urban axes in 2019: Metropolitan Axis of the Sea (Barranquilla-Cartagena): 21 municipalities, Montería - Sincelejo Axis: 21 municipalities, and Municipalities along the Magdalena River: 11 municipalities in 4 departments.

Similarly, there is the Territory of Opportunities Program, whose main objective is to build long-term development objectives with communities and coordinate the efforts of organizations in the territory to achieve these community objectives. In this regard, planning exercises were carried out in private organizational environments during 2020 and part of 2021, with an emphasis on the positive impact on specific stakeholders. This was the case for three municipalities: Villanueva, Tauramena, and Tierralta.

Furthermore, at the sectoral level, strategies are implemented that address the Creative and Cultural Industries, a sector conceived as a key driver of autonomous and comprehensive development in the territories. It recognizes the importance of identity and culture in the planning of economic development initiatives and sustainable infrastructure projects. This product is called the Cultural and Heritage Tourism Plan.

This plan aims to develop a roadmap based on the existing vocation, initiatives, and/or cultural and heritage assets in a territory, defining the necessary strategies for the creation or activation of tourism that results in improved competitiveness.

In its methodological design, the Cultural and Heritage Tourism Plan comprises three general phases:

- Preparation.
- Sectorial diagnosis.
- Roadmap.

(103-2)

To manage these issues, during the year 2022, promotional campaigns and dissemination of Multipurpose Cadaster products, Land Use Planning (POT), Sustainable and Competitive Cities, and Emblematic Cities were updated. Also, a campaign for cultural and heritage tourism plans was developed. For each of these campaigns, after identifying the target audience, promotional information was sent to them, and follow-up was conducted through the sales force. In the case of specific interests, commercial meetings were arranged.

Strategic alliances were also formed with the IGAC, the highest cadastral authority in the country and the exceptional cadastral manager, to support the implementation of multipurpose cadaster through mechanisms such as the establishment of an autonomous heritage for the administration of resources allocated by CONPES 4071 OF 2022 and respective technical assistance.

Additionally, during the year 2022, a business pipeline was developed, identifying territories interested in acquiring the products offered in planning topics.

Thanks to these efforts, in the second semester of 2022, the Emblematic Cities project for the city of Cartago, Valle del Cauca, was signed, and the contract for Mariquita was extended for its second phase, which is the formulation of its Basic Land Use Planning. As mentioned earlier, these projects contain roadmaps to address climate change, have a territorial approach, and aim to create sustainable territories and communities.

On another note, within the PGIRS product, the market study process, product analysis, and its structuring were carried out within Findeter in order to offer it to municipalities. Additionally, within this product, the municipalities where sanitary landfills are located and their area of influence with neighboring municipalities, populated centers, and rural areas have been mapped.

In this regard, once the product is structured within the Entity, it will be managed through the sales force to ensure that information is available to municipalities that need to update or formulate this planning instrument.

(103-3)

As for the instruments applied in relation to citizen participation in the formulation phase of the Mariquita PBOT, workshops were conducted with the community, including a Children's Workshop, aiming to learn about how they "dreamed of their municipality," identify their expectations regarding

their surroundings, as well as the main territorial issues perceived by them. Development of PGIRS. Once the planning instrument is formulated, programs and projects are adopted and implemented. Additionally, the legal framework establishes monitoring and control through the following figures:

- Municipal Council
- Citizenship
- Office of Internal Control
- Environmental Authority
- Superintendence of Public Utilities
- Public Management Organizations

Resolution 754 of 2014 establishes a monitoring model for the PGIRS, which consists of building indicators for the different programs that are being developed to track progress and compliance with what is established within the PGIRS.

It should be noted that, at the pre-contractual and contractual execution level, the monitoring of these types of projects is carried out jointly with the municipality or according to the supervisory figure proposed for technical, legal, and economic supervision of the document being developed.

Furthermore, to monitor these projects, there is a software called MIOBRA in which each project leader must carry out the corresponding monitoring (schedule, progress reports, and evidence). Based on this initial information, a report is generated that allows verification of the actual project progress against the budgeted progress and generates alerts and corrective actions if necessary.

According to the process to which the Directorate of Cities and Competitiveness belongs, there is a management indicator that measures the effectiveness of land use planning instruments. This indicator is measured based on the number of contracts initiated compared to the number of planned contracts. Similarly, there is an efficiency indicator that allows monitoring the performance time of the schedule for each project. This indicator is measured by comparing the actual execution progress with the planned progress of the projects. It measures how efficiently the project has progressed compared to the baseline schedule.

Finally, there is an annual target established to measure the income generated by the area by projecting the projects intended to be developed during the year. This is done with the aim of continuing to support territories in their land use planning processes and in the establishment of roadmaps that help mitigate and adapt to climate change and achieve sustainable territories.

Key results 2022:

[\(103-2\)](#) [\(103-3\)](#)

In 2022, for the municipality of Armenia, Quindío, we delivered an Action Plan corresponding to the Sustainable and Competitive Cities program, which defined a territorial vision, strategic lines, programs, and projects for territorial sustainability.

Additionally, in the action plan for Armenia, baseline studies were conducted, including an inventory of Greenhouse Gas Emissions, aimed at mitigating the issues generated by the municipality, an evaluation study of vulnerability and natural risks, with a focus on flood and landslides, and finally, an urban footprint study that establishes the growth Armenia has experienced throughout its history, thus allowing for the sustainable growth of the municipality until 2040.

Currently, the diagnostic phase of the Action Plan for the Emblematic City of Cartago, Valle del Cauca, is being carried out, where the main strengths, challenges, and urgent issues have been identified, serving as input for the formulation of the action plan to be implemented in 2023.

On the other hand, the formulation phase of the Basic Land Use Planning for Mariquita is underway to establish a 12-year roadmap.

It is worth noting that since 2012, when the CSC program began, until the end of 2022, 18 action plans have been delivered, benefiting 24 cities: Barranquilla, Bucaramanga, Manizales, Montería, Pasto, Pereira, Valledupar, Santa Marta, Villavicencio, Cartagena, Ibagué, Neiva, Popayán, Rionegro, Riohacha, Armenia, and at the supramunicipal level, the cities of Sincelejo-Corozal, and Cúcuta Supramunicipal (Cúcuta, Los Patios, El Zulia, Puerto Santander, San Cayetano, and Villa del Rosario).

In 2022, we delivered the exercises for Emblematic Cities - Basic Nucleus for the municipalities of Arboletes and Florencia. In addition, since the program's inception in 2013 until the end of 2022, 19 CE (Emblematic Cities) action plans have been delivered, benefiting 29 cities: Galapa, San Gil, Quibdó, Tumaco, Buenaventura, Sabana Centro (11 municipalities: Gachancipá, Chía, Cajicá, Cogua, Cota, Nemocón, Sopó, Tabio, Tenjo, Tocancipá, and Zipaquirá), Magangué, La Dorada, Aracataca, Barrancabermeja, Santa Cruz de Lorica, La Calera, Chinchiná, Villanueva, Anapoima, Villa de Leyva, Florencia, and Arboletes.

During 2021, the Territory of Opportunities program continued to be implemented in the municipalities of Villanueva and Tauramena in Casanare, where Geopark S.A. Colombia operates. Geopark contracted Findeter in 2019 to develop a tactical route for economic diversification in these municipalities. After a 15-month suspension due to the economic and social emergency the world experienced, the program resumed in August 2021, initiating the final validation phase of the proposed strategy and its projects. With this, it is expected that these communities will have a roadmap for the long-term sustainability and economic development of these territories.

Moreover, Findeter has been working on the creation of new products aligned with the new environmental, social, and cadastral needs established by the National Government.

Integrated Urban Management

(103-1; 103-2; y 103-3) [Promotion of Environmentally Responsible Practices in Financed Projects; Business Lines with Social and Environmental Criteria; Actions against Climate Change; Territorial Focus Product Offering; Sustainable Cities and Communities; External Circular 012/2022 SFC Section 7.4.1.3.2.](#)

(103-1)

As strategic partners of the National Government and the regions, we have identified the need to advance, promote, and execute actions that mitigate the consequences of climate change in the development of our products as a fundamental factor to take action, especially in support of the Nationally Determined Contributions (NDC) that Colombia has presented to the international community. Furthermore, in the structuring of the projects we have developed in recent years, we have found the opportunity to validate the best structuring conditions of initiatives in line with the social groups they serve and the surrounding environmental context, thus achieving sustainable and lasting actions with the involvement of stakeholders and beneficiaries.

Therefore, both in the formulation of master plans for mobility, public space, or parking, and in the structuring of transportation systems and Smart City solutions, participatory construction has been essential to generate the best project ownership by cities, both from the administrations and the communities themselves. It should also be noted that these are projects that seek environmental sustainability, favoring climate change mitigation and resilient management.

We accompany the territories in the development of technical solutions oriented towards sustainability and intelligent management as strategic partners. Currently, there are still significant gaps in technical and administrative robustness in the institutional framework of territorial entities. Therefore, through our sectoral products (mobility and urban development), we support processes, share knowledge, and provide technical support in the formulation and structuring of initiatives that enable the implementation of local development plans for our users.

At Findeter, we propose solutions for municipalities in urban planning and mobility issues. One of the main objectives of these planning strategies is to promote sustainable cities and communities.

Therefore, the core of our products offers solutions that promote sustainable mobility, the use of information to generate efficiencies in planning, and the improvement of social, environmental, and economic conditions through comprehensive urban initiatives.

(103-2)

In mobility plans, we carry out formulation exercises that aim for sustainable and safe mobility in metropolitan areas, districts, and municipalities throughout the country, seeking to mitigate externalities such as congestion, pollution, and accidents.

In the formulation of mobility plans, following the premises of Resolution No. 20203040015885 of 2020 from the Ministry of Transportation, formulation exercises are carried out to achieve sustainable and safe mobility in metropolitan areas, districts, and municipalities throughout the country. Similarly, in the structuring of public transportation systems, actions such as reducing oversupply, efficiency in route layouts, and the incorporation of clean technologies with zero or low emissions in vehicle fleets (electric or gas vehicles) bring significant benefits in terms of air quality and greenhouse gas (GHG) emissions reduction.

Through different business lines, we consider both the social and environmental components for projects. For the former, we develop participation and awareness processes with the community and other direct and indirect stakeholders. Similarly, for the latter, we establish objectives that aim to promote environmental sustainability. This can be validated in the processes carried out, such as the structuring of transportation systems in San Andrés and Providencia, the structuring of transportation systems and formulation of mobility plans in Villavicencio and Cúcuta, and the formulation of the mobility plan for the Bucaramanga metropolitan area, all completed in 2022. These exercises highlight the use of participatory construction scenarios within their respective social management plans. Additionally, these studies have considered the incorporation of fleets with clean technologies, allowing for environmental benefits in terms of particulate matter and GHG emissions reduction.

(103-3)

In all the projects developed, methodologies are created or recommended for evaluating and monitoring environmental practices from each of their objectives. Thus, in the case of mobility plans, management proposals are generated for adoption and implementation, with strategic indicators to measure the achievement of established goals regarding the execution of actions and projects, resource mobilization, and the consolidation of the proposed governance framework.

[103-1 \(Explanation and Boundary\)](#); [103-2 \(Management Approach\)](#); [103-3 \(Evaluation\)](#) – Business Lines with social and environmental criteria.

During 2022, we continued working on different urban development and management projects in the territory, as follows:

- ✓ In December 2022, we completed the supervision of the Update of the Master Plan Formulation for Mobility and the Technical, Legal, Financial, and Social Structuring of the Strategic Public Transportation System (SETP) of Villavicencio. This project was supported by resources from the Prosperity Fund and the municipality. From the results obtained from the consultancy, working sessions have been held with the Ministry of Transportation and the National Planning Department (DNP) to obtain national co-financing for the implementation stage of the SETP. It is worth noting that this system will be 100% electric, with an inclusive and gender-equitable focus, in addition to aiming to mitigate GHG emissions.
- ✓ In April 2022, the project for the update of the Metropolitan Mobility Master Plan for the Bucaramanga Metropolitan Area was completed, generating the formulation of the Master Plan at the metropolitan level, as well as for the municipalities of Bucaramanga and Floridablanca. The mobility roadmap for the next 15 years was delivered, including a robust diagnosis of the current situation, a four-stage transport model, draft administrative acts for the adoption of the plans,

financial analysis and identification of funding sources, and the governance and management scheme for the plan.

- ✓ In December 2022, we completed the consulting contract for the formulation and development of the Mobility Master Plan and Structuring of the Public Transportation System for the Metropolitan Area of Cúcuta (AMC), obtaining customer satisfaction. We will also assist the client in seeking the signing of the co-financing agreement based on the structuring of the Public Transportation System of the Metropolitan Area of Cúcuta. The final project was the formulation of the Sustainable and Safe Mobility Plan, which includes the roadmap for metropolitan mobility: goals, deadlines, costs, the road plan for all modes, 6 programs, 54 projects, and 2 flagship projects: Mobility Observatory and Transit-Oriented Development (DOT project). Additionally, this structuring of the SETP of the Metropolitan Area of Cúcuta includes a detailed implementation plan for the technical, legal, social, environmental, and financial components.
- ✓ In July 2022, the project for the update of the technical, environmental, legal, and financial feasibility studies for the Public Transportation System of San Andrés and Providencia was completed, obtaining customer satisfaction from the National Planning Department as the contracting entity. This project aims to improve transportation services on the islands by increasing frequency and coverage, with a 100% electric fleet. This project requires an investment of approximately COP 144 billion, which is expected to be co-financed by the Nation (70%) and the Department (30%).

Regarding our products with a territorial focus, through close coordination between our technical team, sales force, and consultants, we create spaces for discussion and feedback in the monitoring and implementation of our products. We involve key stakeholders in the territories and decision-makers to ensure that our deliverables align with the requirements and needs of the territories. This way, we foster dialogue and feedback in the construction process, including the generation of terms of reference, product receipt (through consultations with technical monitoring committees in contracts with our users), and result sharing.

As part of our product structuring, we have developed tools such as implementation plans and management plans, which provide reference points for monitoring the next steps after our technical assistance exercises. For example, based on the priorities set within the implementation plans for the Cúcuta and Villavicencio systems, we have identified the opportunity to continue supporting the territorial entities in activities aimed at seeking co-financing from the national government in 2023.

3.1.2. Project Formulation, Structuring and Validation

(103-1; 103-2; y 103-3) [Promotion of environmentally responsible practices in the projects to be financed; Lines of business with social and environmental criteria; Actions against climate change; External Circular 012 / 2022, Section 7.4.1.1.1.1. Description of the issuer's business purpose, Item \(ii\) Activities, products or services that generate income.](#)

(103-1)

During the 2022 fiscal year, progress was made in the comprehensive structuring of high-impact projects in the sectors of basic sanitation (water and sewage), environment, modernization of the electric power grid and promotion of renewable energy sources, housing, public space and basic social facilities for community development (with emphasis on health and education).

As part of the structuring of each project, guidelines were provided with different components for the construction of a social management plan whose purpose was to generate, during the structuring, a strengthening and/or reconstruction of the social fabric around the projects, reviewing their relevance. The social management guidelines seek that, through the interrelation of the population with local and regional administrations, consultants and territorial entities, within a context of participatory

structuring, the projects empower the regions and generate sustainability, in addition to enhancing the benefits and minimizing the expected negative impacts of the project and/or program in the future. Special emphasis is given to the territorial reading component where the consultant characterizes the territory and its population. The positive and negative impacts of the project are analyzed hand in hand with the population, generating from this stage a sense of belonging. In this way, social management frames a series of activities and processes that ensure the conservation of the communities from the social, economic, cultural and environmental points of view, this contemplated within the clear policies of corporate sustainability that Findeter has determined and that is an integral part of its mission and vision.

An important example is the Coastal Erosion Prevention and Mitigation Project in the Gulf of Morrosquillo, in which a Social and Reputational Management Plan has been implemented in order to generate relationships and assertive communication channels that provide an environment that allows the subsequent execution of the project framed in the understanding and acceptance of the project by the community of direct influence. The plan seeks to make the benefits of the project visible, mitigate possible negative effects in social terms, and support the construction of the social fabric. To this end, the four components that were initially established have been developed: Documentary Review; Territorial Reading; Communication, Dissemination and Social Accompaniment; Monitoring and Evaluation for compliance with the principles of the PGSR, communication, participation, transparency and co-responsibility.

Similarly, in the Puerto Waffe project in Turbo, multiple workshops were held with the community, gathering their proposals and concerns for the development of the project, foreseeing their incorporation in order to promote the appropriation and adequate use of the project.

Finally, within the comprehensive structuring process, we accompany the entities in the identification and management of financing sources, depending on the established scope, so that the structured projects can be materialized, offering transversal technical assistance to the territories in the sense of making up for their institutional weaknesses that prevent them from carrying out the procedures for the presentation and fulfillment of the requirements that allow them to access the corresponding financing sources.

The key indicator for projects with environmental and social impact is their progress. Compliance with the execution schedule and the generation of components and products that meet the expectations of our users is the best way to evaluate and follow up on the initiatives that are structured. Thus, in line with the social management guidelines, the consultants who carry out the structuring of each project are required to include in the schedule and work plan the planning of the activities required to comply with the social management.

Furthermore, in the initial feasibility stage, performance indicators are identified for each project to account for its social and environmental impact, as appropriate. These are defined according to the sector and particularity of each project to be structured.

Project structuring Pre-investment Fund

[\(103-2\) Material topic: Promotion of environmentally responsible practices in the projects to be financed and actions to address climate change.](#)

The pre-investment fund was created in 2012 as a development instrument, so its action is aimed at promoting and supporting pre-investment projects (studies and designs). It is basically oriented to financing: a) structuring of pre-feasibility and feasibility studies for physical infrastructure projects; b) execution of technical, economic, financial, environmental, regulatory and legal studies; and c) consulting services for the future development and execution of infrastructure projects through contracts, through which public-private partnerships, concessions, construction, operation, and transfer contracts, operation and maintenance contracts, and other similar mechanisms are

instrumented in Colombia. This financing fund mainly relies on the resources provided by Findeter and eventually by the territorial entities or other participants interested in being part of the mechanism.

Social Responsibility Subaccount - Studies and Designs Development

In 2020, resources from the social responsibility sub-account amounting to COP 500 million were allocated to carry out studies and designs for the recovery of public space and navigability in Puerto Waffe, located in the district of Turbo.

In 2021, resources from the social responsibility sub-account totaling COP 345 million were allocated for financial, legal, and technical structuring in the pre-feasibility phases of energy projects identified within the PDET municipalities, prioritized by the Territorial Renewal Agency.

In 2022, the phase of studies and designs development, as well as financial, legal, and technical structuring of the projects, continued.

- **Strategic Pre-Investment Subaccount**

By the end of 2022, the Pre-Investment Fund has two projects in the liquidation process and two projects in the development stage. All ongoing projects are being executed with contributions made by the clients of each project, which means that the resources initially allocated by Findeter for the establishment of the strategic pre-investment sub-account (COP 10 billion) have not been utilized yet. For the development of these studies, Findeter receives the resources contributed by municipalities or decentralized state-owned companies to manage them through a trust operator.

Table No 22: Projects Managed through the Pre-Investment Fund

Project Scope	Location	Value (Mill COP)	Status
Structuring of studies and designs for the recovery of public space and navigability of the Puerto Waffe Canal in the District of Turbo, Antioquia.	Turbo - Antioquia	3,447	In progress
Detailed engineering studies and designs for the road section of Calle 60 that will connect Carrera 13 with Avenida Ambala in the Municipality of Ibagué.	Ibagué - Tolima	285	In liquidation
Technical studies, designs, permits, and licenses for the construction of the Mario Gaitán Yanguas III Level Hospital in the Municipality of Soacha.	Soacha - Cundinamarca	2,545	In liquidation
Detailed studies and designs for the new physical facility of the Santa Sofia de Caldas University Departmental Hospital.	Manizales - Caldas	3,966	In progress
Total		10,243	

Source: Findeter 2022

Technical Assistance in Project Structuring

From the Investment Banking Management, we oversee the comprehensive structuring of various projects and programs at the national level, including:

Execution of financial, legal, and technical structuring of infrastructure projects identified within the Regional Transformation Action Plans (PATR), as part of the implementation of the Territorially Focused Development Programs (PDET). An amount of COP 8.325 billion has been allocated for these projects, benefiting 19 municipalities, which represents 11.17% of the PDET municipalities. The objective in these territories is the construction of 56 infrastructure projects in the sectors of education, health, and energy, aiming to achieve stability and transformation.

Supervision of the financial and legal structuring of projects resulting from international cooperation between the Embassy of the United Kingdom and Findeter, through the Prosperity Fund. This includes:

- Development of the inter-administrative agreement No. 0027-2020 signed with the Municipality of Ibagué. Under this agreement, in 2022, detailed engineering designs were delivered for 19,820 meters of collectors and interceptors for the Miro lindo-Picaleña hydrosanitary sanitation plan. This optimization of sanitation and reduction of pollutant discharge into water sources translates into health benefits for the residents of Ibagué, eliminating the proliferation of respiratory and gastrointestinal diseases in the city.
- Master plan for sewage systems in populated areas of the Municipality of Valledupar. Detailed engineering designs were developed for 70,230 meters of domestic wastewater collection and evacuation networks. Additionally, optimization was carried out for sections that did not meet hydraulic normative parameters, including the design of Wastewater Pumping Stations (EBAR) and Wastewater Treatment Plants (PTAR). This intervention took place in rural areas with indigenous and Afro-descendant communities. The project aims to improve the living conditions of the inhabitants in the affected area through savings in healthcare services, resulting from the reduction of morbidity and mortality associated with diseases.
- Technical, legal, and financial supervision of consultancy and oversight contracts for the “Feasibility Studies of the Freight and Passenger Train between Bogota and Zipaquirá” project, worth COP 15.828 billion.

In 2022, with a favorable environmental technical concept from the National Environmental Licensing Authority (ANLA), we completed the supervision of the structuring project in the pre-feasibility phase for the Regional Caribbean Train. This train will become the country’s longest electric train and one of the longest in South America, with a length of 359 km. The passenger line will be electric, while the cargo line will be hybrid (electric-diesel). It will connect 25 municipalities in the departments of Atlántico, Bolívar, and Magdalena, including their capitals. The project was financed with resources from the General System of Royalties, and Findeter was designated as the executing entity by the OCAD Caribbean Region.

Comprehensive structuring at the pre-feasibility and feasibility levels of the Coastal Erosion Prevention and Mitigation Project in the Gulf of Morrosquillo, encompassing the departments of Córdoba and Sucre. The project aims to restore the coastline in 10 sectors of the gulf and prevent further erosion towards the populated areas, which has been exacerbated by rising sea levels due to global warming. As of December 31, 2022, the pre-feasibility phase has been completed according to the established schedule.

Continued studies and designs for the Río Molino River Boardwalk in Popayán, worth COP 696 million, as well as structuring for the optimization of water supply systems, potable water treatment, and sewage systems. This includes the optimization and expansion of aqueduct networks and leakage control in the municipality of Coveñas, Sucre.

Structuring of healthcare projects, such as technical and administrative assistance for the Health Department of Risaralda in overseeing the studies and designs of the High Complexity Regional Hospital of the Coffee Axis (Caldas, Quindío, Risaralda, and Chocó), valued at COP 696 million. Other projects include the comprehensive technical, legal, financial, and social structuring at the pre-feasibility and feasibility stages, as well as support for the construction, fixed equipment, and provisioning of the Hospital del Golfo de Morrosquillo in Coveñas, Sucre, which received approval

from the Ministry of Health and Social Protection. Additionally, consultancy was provided to Convida EPS for institutional reorganization projection within the entity, which concluded on May 11, 2022, with the final project presentation to the Government of Cundinamarca. Furthermore, technical viability was obtained from the Ministry of Health for the new physical facility of the Santa Sofia de Caldas University Departmental Hospital on April 21, 2022. Lastly, the structuring of the construction and provisioning of a fire station in Santiago de Tolú, Sucre, is nearing completion, with the project receiving a favorable technical concept from the National Fire Department of Colombia and the Ministry of the Interior, providing viability to the project.

By the end of 2022, three inter-administrative contracts were signed for the structuring of the following projects:

- ✓ Comprehensive structuring at the pre-feasibility, feasibility, detailed study, and support levels for a 19.9 MW photovoltaic solar generation system without storage, connected to the electrical grid, in the municipality of Zapatoca, Santander department. This was done under inter-administrative contract No. 0122, signed on November 27, 2022.
- ✓ Technical, social, land, environmental, financial, and legal structuring at an advanced pre-feasibility level for the “Cúcuta Gas Connection Pipeline to the National Natural Gas Transportation System” project, under inter-administrative contract No. 4321, signed on December 23, 2022.
- ✓ Comprehensive technical, legal, and financial structuring at the pre-feasibility, feasibility, and support stages for the construction and provisioning of the Imsalud E.S.E. Hospital in Cúcuta, Norte de Santander. This project is covered by inter-administrative contract No. 4334, signed on December 27, 2022.

3.1.3. Financing

(FS 6), (FS 7), (FS 8), (201-1), (103-2) Material topic: [Actions against climate change; promotion of environmentally responsible practices in the projects to be financed](#) (SDG 8 and 10); **Circular 012 of 2022 - Section 7.4.1.1.1.1. Description of the issuer’s business purpose. (ii) The activities, products or services that generate income and (iii) The competitive business conditions, such as: participation in the national and international market, demand conditions, among others and (iv) The development of new products or services, their improvements, demand conditions and competitive conditions.**

In 2022, we disbursed a total of COP 3.84 trillion, out of which COP 2.87 trillion were for rediscounting and COP 973.944 billion for direct credit. Of the total disbursed amount, COP 2.13 trillion were allocated to private beneficiaries and/or projects, COP 224.335 billion to public beneficiaries and/or projects, and COP 1.49 trillion to beneficiaries and/or projects of territorial entities, represented by 916 projects across the country.

Graph No. 2: Disbursements 2010 – 2022

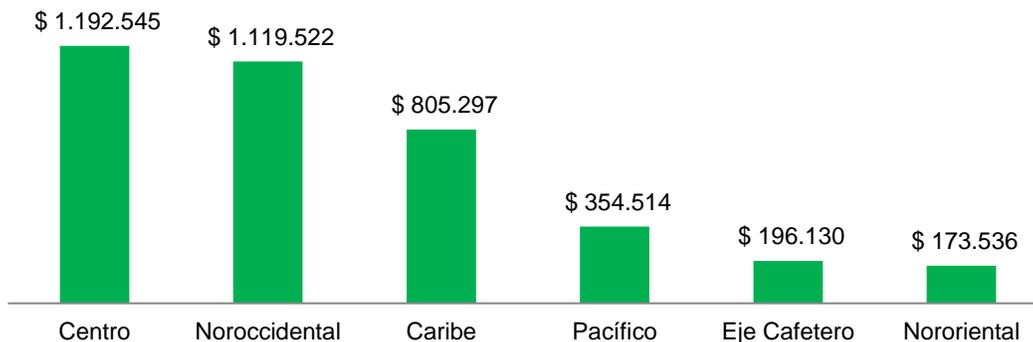


Figures in trillions of Pesos
Source: Findeter 2022

- **Disbursements by Region/Zone**

The COP 3.84 trillion disbursed in 2022 reached all regions of the country, contributing to the sustainable development of Colombia's departments and municipalities.

Graph No. 3: Disbursements 2022 by Region Findeter

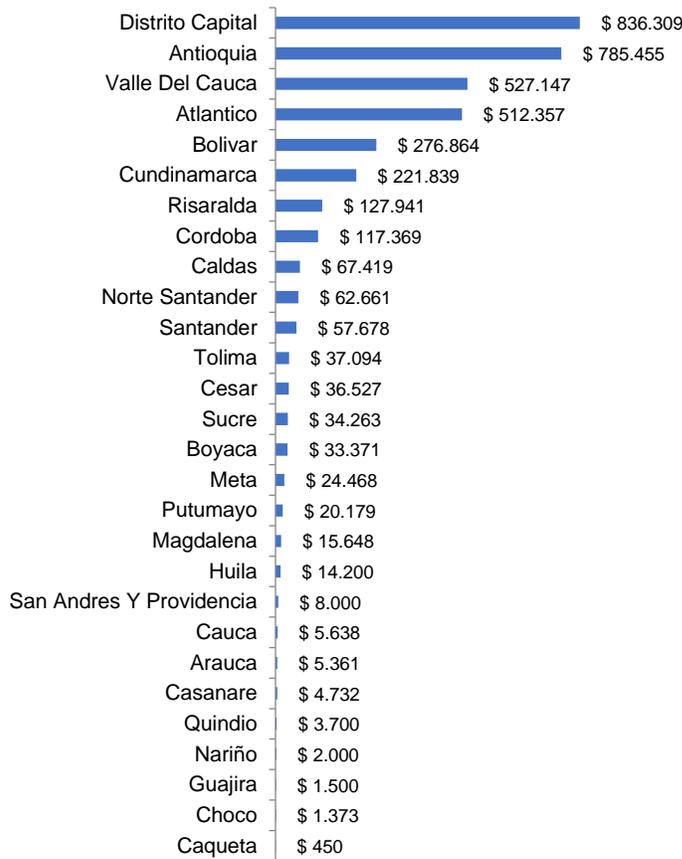


Source: Findeter – Values in millions of pesos

- **Disbursements by Department**

In 2022, direct credit disbursements impacted 186 municipalities and 17 departments, while rediscount disbursements impacted 96 municipalities and 28 departments. More than half of the disbursements were concentrated in the Capital District and the departments of Antioquia and Valle del Cauca. We have been driving, supporting, and financing sustainable projects throughout the Colombian territory to remain the leading development bank and strategic ally for all regions.

Graph No. 4: Disbursements by Department

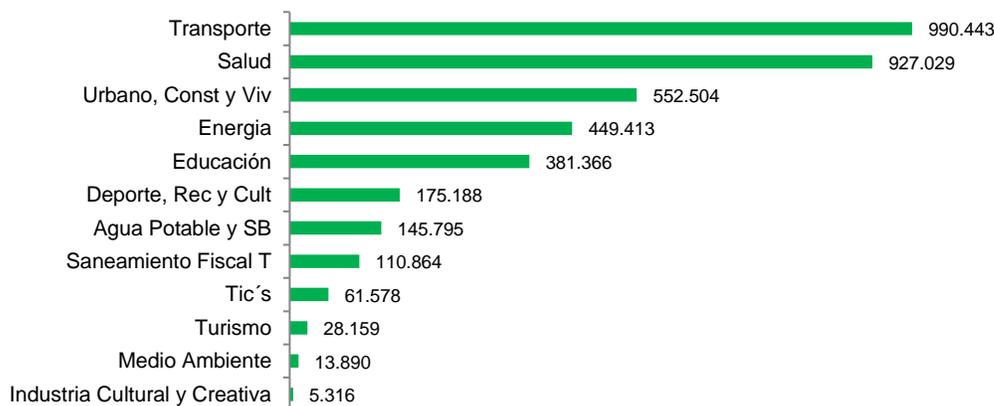


Source: Findeter – Values in millions of pesos

- **Disbursements by sector**

We boost the strategic sectors of the country by financing projects that support the comprehensive development of regions to improve the quality of life for Colombians. The financing in 2022 was allocated to 12 sectors, with transportation, health, urban development, energy development, and education having the highest participation.

Graph No. 5: Disbursements by sector



Source: Findeter – Values in millions of pesos

- **Disbursements by Intermediary**

During 2022, our most important intermediaries were: Davivienda with 405 transactions, followed by Banco de Bogota with 82 transactions, Financiera de Desarrollo Nacional (FDN) with six transactions, and Scotiabank with 22 transactions.

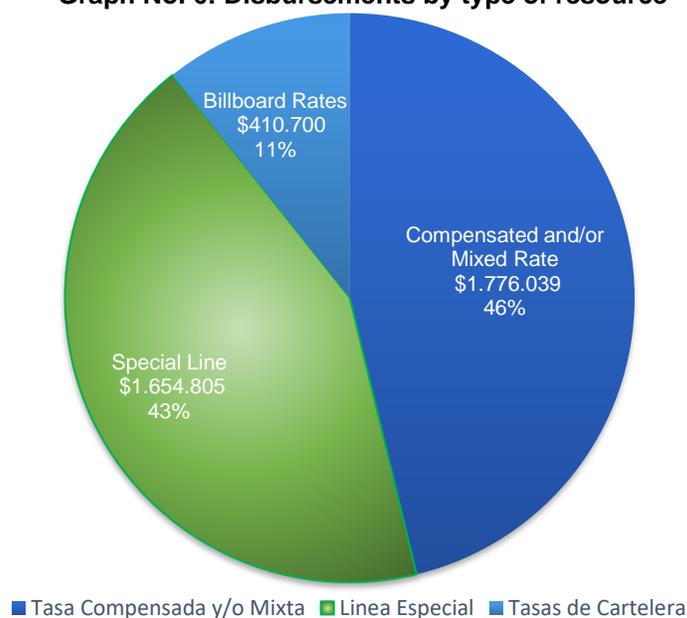
Table No. 23: Disbursements by Intermediary

Intermediary	Amount	% Share
Davivienda	1,174,117	30.6%
Findeter	973,944	25.4%
Bogota	321,668	8.4%
FDN	300,000	7.8%
Scotiabank	228,582	6.0%
Bancolombia	182,650	4.8%
Sudameris	149,630	3.9%
Itaú	94,588	2.5%
Santander	83,440	2.2%
Other	332,925	8.7%
Total	3,841,544	100.0%

Source: Findeter – Values in millions of pesos

- **Disbursements by type of resource**

Graph No. 6: Disbursements by type of resource



Source: Findeter – Values in millions of pesos

The above graph shows the share of the resource lines so far in 2022; it highlights the disbursements with compensated rates and mixed rates, which reach 46% for a total of COP 1.77 trillion.

- **Execution of Compensated Rates**

Thanks to the various initiatives of the National Government, Territorial Entities, and Findeter, we were able to boost strategic sectors for infrastructure in the regions in 2022 through loans with compensated interest rates. The disbursements for these loans are as follows:

Table No. 24: Execution of Compensated Rates

Compensated Rates	Amount	%Share
Reactivation Commitment Colombia Tranche 2	795,911	45%
Health Liquidity Tranche 8	299,912	17%
Reactivation Colombia Mixed	240,248	14%
Reactivation Commitment Colombia Tranche 2 Refinancing	178,033	10%
Health Liquidity Tranche 7 Eps e Ips	172,725	10%
Reactivation Colombia Tranche 2 Water and BS Dec.1300 T2	44,880	3%
Sustainable Infrastructure Mixed	37,000	2%
Reactivation Water and Waste KFW Mixed	4,742	0%
Reactivation Colombia Tranche 1 Mixed Sustainable Infrastructure	2,587	0%
Total	1,776,039	100%

Source: Findeter – Values in millions of pesos

The direct credit line with Reactivation Commitment Colombia Tranche II and its retanking have been of great importance for financing urban infrastructure projects with social impact, such as:

- Valle del Cauca Department: COP 128.388 billion loan for priority health projects, such as the construction of an oncology unit; education with the technological equipment of 1,179 educational institutions; improvement of the road network in the department; housing for vulnerable populations; and the construction and adaptation of sports facilities, among others. Antioquia Department: COP 109 billion loan to finance the construction of the Guillermo Gaviria tunnel.
- Bolívar Department: COP 95 billion loan for the intervention of 14 educational institutions, including the construction of new educational institutions, improvement and remodeling of existing infrastructure, as well as the provision of mobile and technological classrooms, including the acquisition of other necessary elements for the education sector.

Through the credit lines with compensated rates, we disbursed COP 1.78 trillion. The Reactivation Commitment Colombia Tranche II credit line and its refinancing account for 55% of the total disbursements with compensated and mixed rates. The disbursements by sector were as follows:

- Transportation: 37%
- Urban infrastructure: 21%
- Education: 13%
- Sports, recreation, and culture: 12%
- Health: 6%
- Others: 10% (Drinking water, Energy, Tourism, Environment, and Fiscal leveling)

The other compensated rates had the following performance by sector:

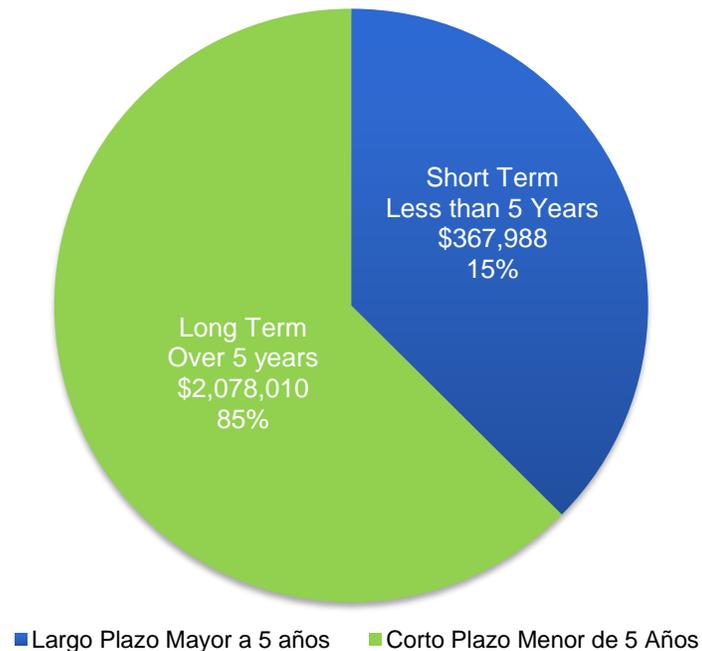
Table No. 25: Compensated Rate Lines by Sector

Sector	Reactivation Commitment Tranche 2	Health liquidity Tranche 8	Reactivation Colombia Mixed	Reactivation Colombia Tranche 2 Refinancing	Health liquidity Tranche 7, Eps - IPS	Water and BS Dec, 1300 - T,2	Sustainable Inf, Mixed	Reactivation on water and waste KFW Mixed	Reactivation Colombia Tranche 1 Sustainable Inf, Mixed	Total	% Share
Health	62,374	299,912			172,725					535,010	30%
Transportation	284,697		73,440	78,900					2,587	439,623	25%
Education	97,391		166,808	27,081			37,000			328,280	18%
Urb, Const and Hous	209,225									209,225	12%
Sports, Rec and Cult	81,400			36,900						118,300	7%
Drinking Water and BS	8,334			30,153		44,880		4,742		88,109	5%
Energy	25,200									25,200	1%
Tourism	18,740									18,740	1%
Environment	8,550									8,550	0%
Fiscal Leveling T				5,000						5,000	0%
Total	795,911	299,912	240,248	178,033	172,725	44,880	37,000	4,742	2,587	1,776,039	100%
% Part,	45%	17%	14%	10%	10%	3%	2%	0%	0%	100%	

Source: Findeter – Values in millions of pesos

- **Disbursements by Term Granted**

Graph No. 7: Disbursements per Term

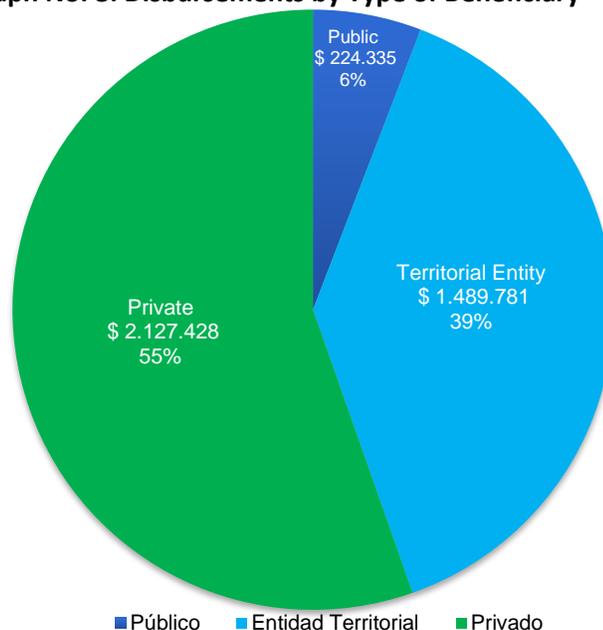


Source: Findeter – Values in millions of pesos

We continue strengthening our position as a strategic partner of the regions with long-term disbursements; as shown in Graph No. 8, 57% of loan operations correspond to disbursements with terms of more than six years.

- **Disbursements by Type of Beneficiary**

Graph No. 8: Disbursements by Type of Beneficiary



Source: Findeter – Values in millions of pesos

Regarding disbursements by type of beneficiary, the majority, that is, 55% equivalent to COP 2.13 trillion, was allocated to private users. For beneficiaries and/or public users (including territorial entities), the disbursements amounted to COP 1.71 trillion, representing 45% of the total disbursements in 2022.

Particularly worth mentioning are the following projects:

- Bogota, the capital district, to finance projects included in the District Development Plan 2020-2024, a new social and environmental contract for 21st century Bogota - Construction of Patio La Reforma, amounting to COP 200 billion.
- Department of Antioquia, to finance activities of 1 project under the Development Plan called “UNIDOS 2020-2023,” aimed at economic reactivation and job creation, in order to overcome the effects of the crisis, totaling COP 109 billion.
- Department of Bolívar, to finance activities of the project under the departmental development plan called “Bolívar Primero,” aimed at economic reactivation and job creation, in order to overcome the effects of the crisis, totaling COP 95 billion.
- Department of Atlántico, to finance thirty (30) activities and/or projects under the development plan “Atlántico Para La Gente,” aimed at economic reactivation and job creation, in order to overcome the effects of the crisis, totaling COP 81.722 billion.

- **Disbursements in PDET Municipalities (Territorially Focused Development Programs).**

We disbursed resources in 13 out of the 170 municipalities prioritized by the National Government within the post-conflict framework, reaching areas of interest for the National Government.

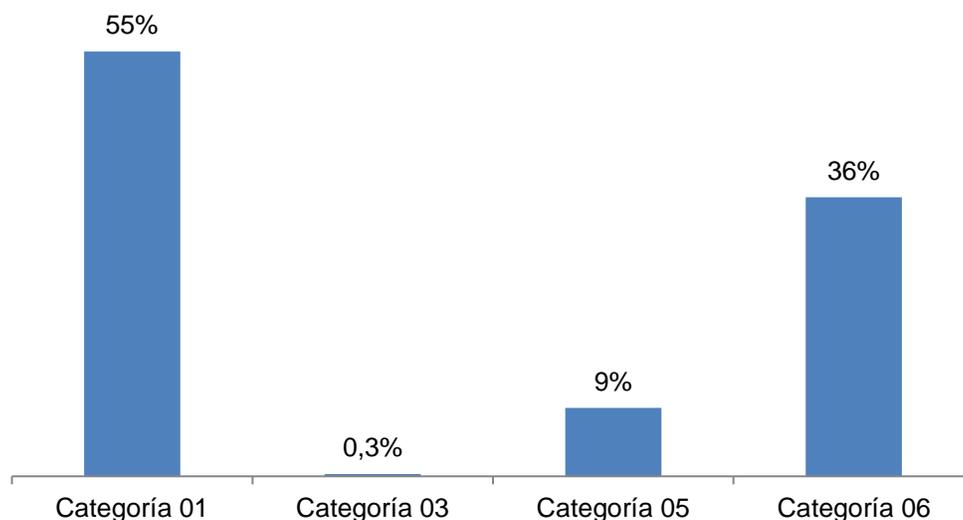
The percentage of disbursements in PDET municipalities, based on the total disbursement, is 2.76%.

Table No. 26: Share of disbursements in PDET municipalities

Department	PDET municipality	Private	Public	Total
Antioquia	Caucasia	4,473		4,473
Arauca	Arauquita	570		570
Arauca	Tame	150		150
Bolívar	Cantagallo	2,550		2,550
Caquetá	Cartagena Del Chaira	250		250
Caquetá	Florencia - Caquetá	200		200
Cauca	Santander De Quilichao	1,500		1,500
Cesar	Valledupar	14,957	7,323	22,280
Choco	Istmina	562		562
Córdoba	Montelíbano	100		100
Magdalena	Santa Marta	12,148		79512,148
Putumayo	Puerto Asís	15,000	5,179	20,179
Valle Del Cauca	Buenaventura	79	2,587	2,666
Total		52,539	15,089	67,628

Source: Findeter – Values in millions of pesos

Graph No. 9: Share of disbursements according to PDET municipality category



Source: Findeter

With this effort, we contribute to post-conflict and social issues, allowing us to find business opportunities that involve development and improvements for all regions, especially those in need of greater social support.

- **Structuring and implementation of credit lines**

Circular 012 of 2022 – Section 7.4.1.1.1., Item (iv)

As strategic partners of the National Government, especially territorial entities, we have designed and implemented seven financing programs tailored to the needs of the territory. These programs have benefited various sectors with disbursements of over COP 3.8 trillion, which have been primarily allocated to the economic recovery of the country and to support the fulfillment of departmental, district, and municipal development plans.

- ✓ **Lines created in 2022**

Circular 012 of 2022 – Section 7.4.1.1.1.; Item (iv)

Table No. 27: Lines created in 2022

Lines	Type of loan	Type of line	Amount (million \$)
Reactivation Colombia Program	Rediscount	T.C.	1,275,000
Special Quotations	Rediscount	L.E.	1,200,000
Reactivation Water and Waste Program KfW	Rediscount	T.C.	631,000
Addition of resources health commitment	Rediscount	T.C.	300,000
Special Quotations	Rediscount	L.E.	300,000
Health Commitment	Rediscount	T.C.	172,725
Commitment Multipurpose Cadaster	Direct	T.C.	87,415

Source: Findeter – Values in millions of pesos

Additionally, we had lines of credit created in previous years available to our users, with a balance of over COP 1.5 trillion.

Table No. 28: Lines created in previous years

Lines	Type of loan	Type of line	Balance 2022 (million \$)
Compensated Rate - Reactivation Commitment Colombia Tranche 2	Direct	T.C.	735,687
Billboard - Pesos	Rediscount	L.E.	399,292
Compensated Rate - Reactivation Colombia Mixed	Rediscount	T.C.	166,808
Compensated Rate - Reactivation Commitment Colombia Tranche 2 Refunding	Direct	T.C.	137,741
Compensated Rate - Reactivation Colombia Tranche 2 Water and BS Dec.1300/2014	Rediscount	T.C.	44,880
Compensated Rate - Sustainable Infrastructure Mixed	Rediscount	T.C.	37,000
Special Line - KfW Pesos for Sustainable Energy	Rediscount	L.E.	24,500

Source: Findeter – Values in millions of pesos

These resources have been utilized by beneficiaries, including public entities at the national, territorial, and district levels, as well as their decentralized entities, and private entities. They have been used for working capital, debt substitution, or investment projects related to infrastructure construction, acquisition of assets, and implementation of new technologies, among others, in the 12 sectors of the economy financed by Findeter.

Below, we describe the financing programs structured and implemented in 2022, except for special contributions, which are a strategy to provide financial conditions below Findeter's advertised rates, mainly based on the term.

✓ **Lines of credit structured in 2022**

1. Rediscount line with compensated interest rate for financing sustainable development infrastructure.

In January 2022, we identified a demand for resources for infrastructure investments totaling over COP 2.3 trillion from both the public and private sectors.

Table No. 29: Estimated resource demand by sector for 2022

Sector	Total (million \$)
Education	1,688,756
Energy	340,762
Drinking water and basic sanitation	18,000
Transportation	86,856
Health	57,300
Urban	10,000
Sports, recreation and culture	2,700
Tourism	455
Total	2,304,829

Source: Findeter

Table No. 30: Estimated resource demand by beneficiary for 2022

Type	Total (million \$)
Private	2,067,059
Public	237,770
Total	2,304,829

Source: Findeter

The state's objective of achieving a dynamic, inclusive, and sustainable economy that directly impacts economic recovery to achieve the country's development and progress of communities in a post-pandemic scenario entails, on one hand, providing liquidity to companies to ensure their operational solvency and the continuity of their services⁴. On the other hand, it involves making investments, which, in the case of projects financed with compensatory rates, are of great importance for regional and national infrastructure.

Considering the high demand for resources to fulfill this state objective and based on the budget availability established in the technical annex of Decree 1793 of 2021, which liquidates the General Budget of the Nation for the fiscal year 2022, we have allocated additional funds to the credit line to meet the demand in the energy, transportation, urban development, construction and housing, health and education, environment and sustainable development, information technology - ICT, and sports, recreation, and culture sectors.

⁴ This was aimed to be covered with some credit lines formulated by Findeter in 2020 and 2021.

The addition was for COP 600 billion, in order to continue supporting the different productive sectors of the country in the pursuit of regional progress, infrastructure updating and improvement, according to the identified needs. We have also defined that the approvals for rediscount operations can be granted until December 31, 2024.

In general terms, the benefits obtained with the relaunch of the credit line are:

- Facilitates compliance with government policies in priority sectors such as health, education, energy and transportation, urban development, construction and housing, sustainable environment, information and communication technologies, recreation, sports, and culture. Beneficiaries find in this financing line a strategic ally to achieve their objectives, which also stimulates the economy in the regions, creating employment and mobilizing resources in goods and services.
- Extends the validity period for granting credits, taking into account that the execution of funded projects extends beyond the year 2022, and enables the injection of greater resources in the future for the improvement of the country's infrastructure.
- Contributes to the Green Growth policy contained in CONPES 3934 of 2018, as it allows financing projects that incorporate environmental criteria or "green projects."
- Contributes to the achievement of goals established in the National Development Plan (PND) 2018-2022. The National Government has established the equity, entrepreneurship, and legality pact as government priorities, and within the cross-cutting pacts, we find those related to infrastructure, competitiveness, and efficiency in different sectors of the national economy as investment policies for development.

Table No. 31: Financial Terms and Conditions Addition to the Rediscount Credit Line with Compensated Interest Rate for Sustainable Development Infrastructure Financing.

Item	Description
Amount of line	Up to COP 600 billion for a final amount of COP 4,147.5 trillion.
Term	Up to 12 years with up to 2 years of grace period on principal.
Rediscount rate	Up to IBR - 2.80% Monthly Rate
Use	Investment Expenses: The resources from this credit line will be allocated to finance all investments related to the study and design, construction, rehabilitation, maintenance, improvement, expansion, supervision, equipment, and goods required for the operation development of the eligible sectors, acquisition, provision, operation, and maintenance in all sectors financed by Findeter.
Beneficiaries	Territorial Entities, public entities, and decentralized entities at the national and territorial levels, as well as private legal entities.
Validity	Until December 31, 2024.

Source: Findeter

2. Direct Credit Line with Compensated Rate Multipurpose Cadaster Commitment

As of 2018, only 5.68% of the national territory had updated cadastral information, 28.3% had no information, and the remaining 66% was outdated. In this context, the National Committee of Economic and Social Policy (CONPES) defined an action plan for the implementation of a multi-purpose cadaster in Colombia. The guidelines of this policy plan, approved in March 2019, suggested a series of actions to achieve, among other goals, that **by 2022, 60% of the national territory would have updated cadastral information**, and by 2025, the entire national territory would have updated information.

In addition to the overall objective of having an updated and interoperable multi-purpose cadaster with other information systems, CONPES 3958 defines five specific objectives of the policy. These can be summarized as follows:

- (i) Create a governance model for the cadaster implementation;
- (ii) Provide timely inputs for a cost-effective cadaster survey;
- (iii) Integrate cadastral information into the design of public policy;
- (iv) Ensure the necessary resources for proper cadaster management and continuous information updates; and finally,
- (v) Establish a roadmap for the implementation of the multi-purpose cadaster throughout the country.

To achieve these five policy objectives, the document defines 28 actions, including cadaster updating. In this CONPES, Findeter's role was explicitly stated as a provider of resources that allow territorial entities to invest in cadaster management and fulfill their responsibility to keep it updated. Specifically, the policy considers the joint efforts of interested parties to resort to *“credit lines with compensated interest rates that the national government can provide through Findeter.”*

As of January 2022, the policy monitoring system reported a progress of 73% on the actions defined for 2021. Regarding the overall goal of the policy with a deadline of 2025, the reported progress was 57.4%. Among the referred actions, there is the delegation of the inspection and supervision function to the Agustín Codazzi Geographic Institute (IGAC), and the withdrawal of its cadaster management functions. This function will be performed by the 20 cadaster managers who are currently authorized.

Regarding the specific goal of cadastral updating, the IGAC reported that in 2020, the percentage of national territory with up-to-date information increased from 5.62% in 2018 to 16% by the end of 2020¹. While there has been considerable progress in this regard, over 80% of the territory is still awaiting updates. It is worth noting that the policy set a target of 60% by the end of 2022 and 100% by 2025 for updating.

The breakdown of cadastral updating progress by municipalities reveals that around 13% of them have updated rural areas, 12% have updated urban areas, and only 9% have both areas updated.

The analyzed data indicated that while the policy had made progress, it is still far from achieving its goals. Both the overall goal of the policy and the specific goal of cadastral updating comprise various dimensions, and the availability of financial resources is crucial to meeting these goals.

Findeter is part of the financing sources proposed by CONPES for territorial entities to manage their cadaster and fulfill their responsibility for its updating. Specifically, Findeter's role is outlined in point 5.5 of the policy definition, through the provision of *“credit resources (...) which should be considered as investment expenses.” This includes credit lines with compensated interest rates that the national government can provide through Findeter.*

Also, within the Policy Action Plan, *“financing schemes are defined to ensure the collection of cadaster information with a multi-purpose approach over time.” This action is part of the overall objective of “ensuring the necessary resources to carry out cadaster management, guaranteeing that the information remains updated.”* The goal of cadastral updating is still far from being achieved, and budgetary constraints have had an impact on the limited progress of such updating.

While various constraints may have hindered territorial entities from adopting the policy and taking responsibility for updating, the availability of resources is one of them. The emergency associated with COVID-19 reduced the revenue collection of territorial entities for 2020 and 2021 and forced them, in some cases, to reallocate their budget to implement fiscal and health measures against the pandemic, which extended until 2022. In that year, when the worst of the emergency was considered over, territorial entities gradually resumed their medium and long-term agendas, including the cadaster update, which remains a pending issue. As evidence of this, we have received intentions

from departmental and municipal administrations to take out loans for updating and cadaster management totaling over COP 70 billion.

Given the greater budgetary constraints of territorial entities and the pending goals of updating and cadaster management, our duty is to fully fulfill the role assigned to us by the national government in this matter. Given the decline in current income for territorial entities, the best way to secure resources through this credit line is to join efforts to provide these loans under the most favorable conditions possible.

In this sense, we see the opportunity to contribute to the multi-purpose cadaster public policy led, among others, by the Presidency of the Republic, the National Planning Department, and the Agustín Codazzi Colombian Institute, through the structuring of a direct credit line with compensated interest to finance technical and administrative operations aimed at the proper formation, updating, conservation, and dissemination of cadastral information, as well as the procedures of the multi-purpose cadaster approach that may be adopted.

Table No. 32: Financial terms and conditions direct credit line with compensated rate multipurpose cadaster commitment

Item	Description
Amount of line	Up to COP 87,414,519,906 million
Term	Up to 3 years with up to 2 years grace period on principal
Rediscount rate	IBR + 1% monthly rate
Use	Investment
Beneficiaries	Departments, districts and municipalities
Validity	Until all resources are spent

Source: Findeter

3. Financial terms and conditions for the Rediscount Credit Line with Compensated Rate - Health Liquidity Commitment

Our efforts in the healthcare sector has been ongoing to address the financial difficulties that directly impact the proper and timely provision of services in this sector. Among these difficulties are those faced by the Subsidized Regime, due to the existence of liabilities borne by Territorial Entities for providing services to the uninsured poor population not included in the Health Benefits Plan, and the Contributory Regime, due to the liabilities that Health Promoting Entities (EPS) have with Health Service Providers (IPS) for services covered and not covered by the Health Benefits Plan, as well as the liquidation of different EPS, which has resulted in non-payment for services in various regions of the country.

While significant resources have been allocated to address the healthcare sector, the COVID-19 pandemic posed an additional challenge to those already identified by the national government through its National Development Plan. This included the strengthening of the system in preparation for the National Vaccination Plan, aiming to achieve the following:

1. Budget availability to strengthen logistics systems for vaccine administration.
2. Co-responsibility between territorial entities, healthcare providers, and the national government in terms of providing suitable vaccination points, supplying medical supplies, and ensuring trained personnel within the defined timelines of the NVP, which requires liquidity and capital in the system.

3. Availability of low-cost resources in the financial system to support public health interventions from both the public and private sectors.

In order to strengthen the provision of healthcare services within adequate quality and timeliness standards during and after the health emergency, EPS and IPS need to have the possibility of obtaining financial resources from the financial system for various purposes such as investment, working capital, and debt substitution. This will enable them to strengthen their financial capacity and make the necessary investments to continue carrying out their respective activities for the proper provision of healthcare services to the Colombian population.

In this regard, the national government issued Decree 1884 on December 30, 2021, authorizing us to create a rediscount credit line in local currency with a compensated interest rate. This credit line is intended to provide resources for working capital, debt substitution, and investment to healthcare IPS and EPS, both public and private. It will allow them to continue providing healthcare services and mitigate the effects of the COVID-19 pandemic.

The amount of this credit line (COP 172,725 million) was established based on an available balance (COP 17,600 million) from the allocation to Findeter for “subsidy contributions for rediscount operations for investment projects, sole paragraph number 3, article 270 of the Organic Statute of the Financial System” (technical annex of Decree 1805 of December 31, 2020, which liquidates the General Budget of the Nation for the fiscal year 2021).

We launched this credit line in February 2022.

Table No. 33: Financial Terms and Conditions for the Rediscount Credit Line with Compensated Rate - Health Liquidity Commitment

Amount of line	Up to COP 172.725 billion
Term	Up to 5 years with up to 1 year grace period on principal
Rediscount rate	IBR + 0% monthly rate
Use	Working capital, debt substitution, and investment
Beneficiaries	Health Promoting Companies - EPS
	Service Provider Institutions - IPS
Amount of line	Until December 31, 2022

Source: Findeter

4. Addition of resources to the rediscount credit line with compensated rate - Health Liquidity Commitment

Anticipating the demand for resources by EPS and IPS - which as of February 2022 exceeded COP 519,000 million - we carried out the necessary procedures to allocate the necessary resources for the interest rate compensation of the Health Liquidity Commitment credit line within the liquidation of the General Budget of the Nation for the fiscal year 2022, thus achieving an addition of resources to it.

Providing resources to public, private, and mixed EPS and IPS allows them to expand and modernize their basic infrastructure according to the standards defined by the Ministry of Health and Social Protection and achieve greater coverage in the provision of health services to Colombians.

Thanks to the financial benefits of interest rate and term provided by this credit line, which, in addition to the use of working capital and investment, allows debt substitution, EPS and IPS were able to centralize payments, better manage their debt, restructure existing liabilities, reduce expenses related to commission payments, and obtain lower interest rates than in the original loans.

The technical annex of Decree 1793 of December 21, 2021, allocated resources amounting to COP 313,562 million to subsidize rediscount operations that allowed the addition of resources to the credit line.

Table No. 34: Financial terms and conditions for addition of resources to the rediscount credit line with compensated rate - Health Liquidity Commitment

Amount added	Up to COP 300 billion
Final total amount	Up to COP 472.725 billion
Term	Up to 5 years with up to 1 year grace period on principal
Rediscount rate	Up to IBR + 0% monthly rate
Use	Working capital, debt substitution, and investment
Beneficiaries	Health Promoting Entities - EPS
	Health Service Providers - IPS
Validity	Until resources are spent or December 31, 2023.

Source: Findeter

5. Credit line with compensated rate for financing programs and projects in the drinking water and basic sanitation sector

Chapter 4 Title 7 Part 6 Book 2 of Decree 1068 of 2015 compiles Decree 1300 of 2014, which established the offset rate for Findeter’s rediscount operations aimed at financing all investments related to the Water and Basic Sanitation sector, as well as any new plans, programs, or policies implemented by the national government in this sector, and for the substitution of debt contracted by category 6 municipalities with the Trust Fund of Grupo Financiero de Infraestructura Ltda.

For this credit line, the national government has extended the deadline for rediscount operations until July 31, 2022. The credit line amount was set at COP 850,000 million with repayment terms of up to ten years and a grace period of up to two years on principal.

Thanks to the financial benefits of the rate and term offered by this line, as well as the dynamism it generates in the sector—contributing to improving the sanitary conditions and economic development of the regions—the line has been well received throughout the national territory. Through this line, we have financed 66 projects in 14 departments, reaching 44 municipalities.

As of April 2022, the line had no available resources to finance more projects in the sector. However, through Decree 1793 of 2021 “On the Liquidation of the General Budget of the Nation for the fiscal year 2022, detailing appropriations and classifying and defining expenses,” Findeter was allocated resources that allowed us to make an addition to the credit line worth COP 300,000 million. In this way, we continue to support the financing of projects that increase the coverage, quality, and continuity of drinking water and basic sanitation services, while maintaining favorable economic conditions for all beneficiaries. This serves as an ideal mechanism to contribute to urban development, economic growth, poverty reduction, environmentally sustainable development, sector productivity, and social equity. Considering the time required for project evaluation, rediscount operations approvals can be granted until December 31, 2026.

As of March 2022, the Ministry of Housing, City, and Territory had identified financing needs for the sector amounting to COP 10 trillion for projects in the viability process, and COP 631,000 million for projects with technical viability but without financial closure.

At Findeter, we have identified an additional demand for credit resources for investments in this sector amounting to over COP 432,046 million from both the public and private sectors.

However, the allocated resources for the structuring of the offset rate are not sufficient to meet investment needs. Therefore, we have used our own funding resources to increase the coverage capacity of this line and thus improve the quality of life for the communities benefiting from these projects, mitigating water and basic sanitation issues and preventing public health problems.

Table No. 35: Financial terms and conditions for credit line with compensated rate for financing programs and projects in the drinking water and basic sanitation sector

Amount of line	Up to COP 631 billion
Total Term	Up to 10 years with up to 2 years grace period on principal.
Rediscount Rate	From IBR + 0.30% monthly rate.
	From IBR + 0.49% quarterly rate
	From CPI + 1.02% APR
Beneficiaries	Territorial entities, public entities and decentralized entities of the national and territorial order, as well as private law entities.
Use	Investment.
Sector	Drinking water and basic sanitation.
Intermediation Margin	Up to 400 basis points over Findeter's rediscount rate.
Validity	Until March 31, 2026, or until the resources are spent, whichever occurs first.

Source: Findeter

Material Topics:

[Water and sanitation projects; Infrastructure projects for education; Promotion of environmentally responsible practices in the financed projects; Business lines with social and environmental criteria; Offering products with a territorial focus.](#)

(103-1)

During 2022, we financed 33 water and basic sanitation projects for COP 145.795 billion. These projects impact 11 departments and 27 municipalities. We conducted 62 operations with 19 beneficiaries.

Through the Commitment Reactivation direct credit line, tramo II, and the retanking (territorial entities), we disbursed COP 973.944 billion, impacting 186 municipalities and financing 205 projects through 86 operations.

In the education sector, we financed 29 projects for COP 381,366 million in 10 departments, impacting 14 municipalities through 40 operations with 26 beneficiaries.

In the energy development sector, we financed 51 projects worth COP 449,413 million in 16 departments and 23 municipalities, through 56 operations with 45 beneficiaries. Notable projects include the construction of hydroelectric power plants.

In the environment sector, we financed 5 projects in 4 departments and 5 municipalities for COP 13,890 million in 7 operations with 5 beneficiaries.

We also highlight the management carried out by the Central regional office, which achieved disbursements of COP 1.19 trillion, and the Northwest regional office, which disbursed COP 1.12 trillion. This work allows us to continue being the leading development bank and strategic ally for all regions.

We promote strategic sectors of the country by financing projects that support the comprehensive development of regions to improve the quality of life for Colombians. The transportation, health, urban development, energy development, and education sectors had the highest participation in 2022.

(103-2)

All of the above was achieved thanks to our commercial strength, consisting of six regional offices and 27 account managers. We created seven credit lines focused on 12 sectors, with the support of financial intermediaries and direct loan placements.

(103-3)

In addition to weekly and daily follow-ups with the entire sales force to monitor the fulfillment of monthly, cumulative, and annual targets and incentivize them to achieve the expected results.

- **Findeter's Market Participation**

External Circular 012 Section 7.4.1.1.1., Item (iii).

Within the Colombian financial market, we are part of the group of specialized institutions that focus on promoting projects aimed at mitigating various market failures in strategic sectors for the country's development.

Among them, there are specialized entities in sectors such as agriculture; industry; non-traditional exports; and national and regional infrastructure, among others.

The focus of each sector seeks to address specific market failures⁵ in aspects such as business growth, infrastructure lag, financing for long-term projects, low financial inclusion, among others.

As a development bank and an entity attached to the Ministry of Finance and Public Credit, we have played an important role in becoming a strategic ally of the National Government for the implementation of public policies and the promotion of economic growth. Our mission is to provide financial and non-financial (technical) services to priority sectors for the country's development, improving regional competitiveness and strengthening other public and private actors.

For further information regarding Findeter's competitive commercial conditions due to its participation in the credit market, as well as its impact on meeting the demand for resources to finance large-scale projects, please refer to the document "A Note on Development Banking in Latin America," published on the website; it also demonstrates the positioning of the Entity in the national and international market: <https://repositorio.findeter.gov.co/handle/123456789/9995>

- **Non-Financial Products 2022**

The National Roads Institute - INVIAS created the "Roads for Territory Connection, Sustainable Growth, and Territory Reactivation" program, and at Findeter, we identified the opportunity to accompany the territorial entities that established autonomous assets for the execution of road projects financed with future resources transferred by INVIAS. With this initiative, we managed to minimize project delivery times, ensure transparency in its various stages, and not affect the municipalities' debt capacity.

3.1.3.1. Operations Management (Rediscount and Direct Loan)

External Circular 012/2022 SFC (7.4.1.1.1., Item (iii)); External Circular 012/2022 SFC Section 7.4.1.3.2. Practices, policies, processes, and indicators related to the environmental and social criteria implemented by the issuer.

⁵ Ocampo, JA.A., & Arias, P. (2018). Colombias's System of National Development Banks.

During the year 2022, we carried out the following activities related to the management of operations, both rediscount and direct loan:

Rediscount

EC 012/2022 SFC (7.4.1.1.1., Item (iii))

- **Disbursements**

During the reference period, 840 requests were disbursed for a total amount of COP 2,867,599 million. The distribution according to the type of operation, credit, leasing, and credit leasing is shown in Table No. 7.

Table No 36: Rediscount loan disbursements in 2022

Type of Operation	Number of operations disbursed	Total Disbursed (million \$)
Loan	789	2,754,152
Lease	39	108,186
CrediLeasing	12	5,261
TOTAL	840	2,867,599

Source: Findeter

- **Update of the Regulations for Rediscount Operations**

We updated the regulations for rediscount operations with the approval of the Board of Directors in its December session; the main changes were: i) We extended the deadline for the delivery of original promissory notes to AAA credit-rated financial intermediaries, ii) We added the subsector of Fiscal and Financial Sanitation Programs of State Social Enterprises to the Fiscal and Financial Sanitation and Institutional Strengthening sector, iii) We included operations with a total term of less than one (1) year as a special quotation type, and iv) We removed a requirement for restructuring processes as it is regulated by External Circular 026 of 2017 from the Financial Superintendence of Colombia.

- **Management of Environmental and Social Risk Systems - SARAS**

External Circular 012/2022 SFC Section 7.4.1.3.2.

We carried out the following activities related to environmental and social issues: i) Analysis and evaluation of environmental and social risks and issuance of the respective technical opinion, following the policies and guidelines established in the SARAS instruments for 32 projects, ii) Preparation of 109 environmental and social risk assessments with their respective communication of results for credit operations in the JP Morgan/MIGA-funded line in the health, education, and climate finance sectors, iii) 62 hours of support provided to the International Banking Department, and iv) Monitoring compliance with commitments established for 249 evaluated projects.

- **Response to inquiries from potential rediscount beneficiaries**

During the analyzed period, we managed and responded to 47 analysis requests to determine if potential rediscount beneficiaries could access the resources of the current lines.

- **Technical Secretary of the Administrative Credit Committee**

During 2022, 65 sessions of the Administrative Credit Committee were held; the minutes capturing the decisions of the collegiate body addressed, among others, the following topics: i) Rediscount operations with special conditions, ii) approval of direct credit operations, iii) Approval of portfolio restructuring, iv) Approval of billboard rates, v) Modification or update of annexes to the regulations for rediscount and direct credit operations, and vi) Approval and/or modification of financing programs.

- **Parameterization of financing programs and update of billboard rates**

We managed the update and parameterization in the Financieret banking core of the approved variations of billboard rates on eight occasions, as well as the parameterization of new financing programs on five occasions.

- **Automation in the Financieret application process**

We standardized objections in rediscount operations through the participation of different areas within the institution.

Direct Loan

EC 012/2022 SFC (7.4.1.1.1., Item (iii)).

During 2022, we carried out the following activities related to direct loan operations:

- **Management of loan applications and disbursements to Territorial Entities**

We received and processed 44 applications from territorial entities for a total of COP 871,219 million from the direct credit line with offset rate *“Reactivation Commitment Colombia Tranche II”* (see table).

Table No. 37: Direct Loan Applications Territorial Entities

Type of Entity	Number	Amount requested (million \$)
Departmental	7	245,255
District	5	208,500
Municipal	32	417,464
Total	44	871,219

Source: Findeter

Within this same financing program, we approved 20 operations for territorial entities totaling COP 590,086 million (see Table No. 2). Additionally, 26 territorial entities withdrew their applications, mostly those categorized as budgetary level six (see Table No. 3).

Table No. 38: Approved Direct Loans for Territorial Entities

Category	Approved	Value Approved (million \$)
1	4	144,750
2	2	75,500
3	3	52,975
4	2	16,500
5	2	21,000
6	4	22,559
ESP	3	256,801
Total	20	590,086

Source: Findeter

Table No. 39: Withdrawn Approvals for Direct Loans to Territorial Entities

Categorization of approvals by TE category		
Category	Approved that were withdrawn	Value withdrawn (million \$)
1	3	121,681
4	4	42,300
5	2	9,980
6	16	95,611
ESP	1	100,000
Total	26	369,572

Source: Findeter

We entered into 21 loan agreements with territorial entities totaling COP 645.043 billion (see Table No. 4). Additionally, due to deadline extensions or changes in guarantees requested by our clients, we prepared 37 amendments to the signed contracts.

Table No. 40: Signed Loan Agreements for Direct Loans to Territorial Entities

Category	Amount per Category	Value per Category (million \$)
1	3	133,026
2	4	160,500
3	2	31,975
4	1	9,000
5	2	20,097
6	6	33,643
ESP	3	256,801
Total	21	645,043

Source: Findeter

We processed 86 disbursement requests for territorial entities totaling COP 973.944 billion (see Table No. 5).

Table No. 41: Disbursements Processed per Semester

Semester	No. of operations	Amount disbursed (million \$)
First Semester	32	317,668
Second Semester	54	656,276
Total	86	973,944

Source: Findeter

- **Monitoring of Direct Loan Portfolio**

In accordance with Circular 100 of 1995 from the Financial Superintendence of Colombia, we carry out portfolio monitoring for active direct credit operations as follows: for the first semester, 140 public utility service providers and 36 territorial entities were monitored, and for the second semester, 136 public utility service providers and 43 territorial entities were monitored, making a total of 355 follow-ups (see Table No. 6).

Table No. 42: Follow-ups conducted per semester

Semester	Public Utility	T.E.	Total
First Semester	140	36	176
Second Semester	136	43	179
Total	276	79	355

Source: Findeter

- **Update to the Regulations for Direct Loan Operations**

In accordance with Article 131 of Act 2155 of 2021 and Decree 108 of 2022, we have regulated operations with Autonomous Trusts - Regional Fund, thereby expanding our portfolio to include a new credit subject.

Following current regulations, during the second semester, we developed the financial model for the analysis of Autonomous Trusts and incorporated formats and adjustments to the procedures.

- **Compliance with Third-Party Requirements and Supervisory Entities**

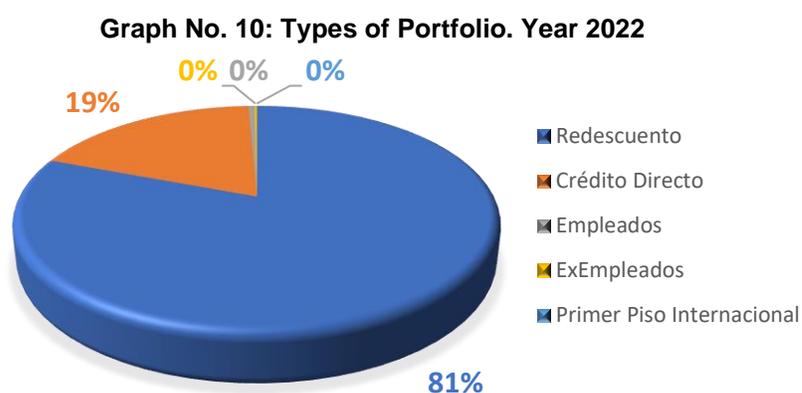
In June, the Financial Superintendence of Colombia notified us that, as a result of the information review conducted over the previous 14 months and the effectiveness of the action plans implemented to address the recommendations, we complied with the guidelines established in risk management systems, as well as the technical and regulatory components of the process.

During this period, we handled 29 requests related to direct credit operations for territorial entities and rediscount operations.

- **Findeter Portfolio**

The most significant item in the Entity's assets is the loan portfolio. Rediscount loans account for 80.79% of the gross portfolio, direct credit loans account for 18.53%, and first-tier loans (received from CFC International - liquidated) account for 0.01% of the Company's total loans, which amounted to COP 11.10 trillion in 2022. The commercial loan portfolio closed at COP 11.03 trillion in 2022.

The delinquency rate of the commercial portfolio in relation to the total loan portfolio of the entity is 0.02%, and the rediscount portfolio had no delinquencies at the end of 2022. The following graph shows the distribution of the loan portfolio by type at the end of the year.



Source: Findeter 2022

Findeter's gross commercial portfolio increased by 15.51% in the last year. By the end of December 2022, it amounted to COP 11.03 trillion, representing a growth of COP 1.48 trillion. This result reverses the decline of the previous year and returns to the growth trend observed in recent years. This behavior is due to a greater dynamism in the placement of rediscount loans and direct credit, as well as prepayments below the historical average, largely influenced by the behavior of interest rates.

- **Rediscount Portfolio**

Regarding the rediscount portfolio, 95.06% of it is placed through 15 banks, while the remaining portion is distributed among other types of financial intermediaries.

Table No. 43: Rediscount Portfolio Balance by Type of Financial Intermediary. Year 2022

N°	Type of Intermediary	Portfolio balance (million \$)	% Share	No. Financial Institutions
1	Banks	\$ 8,528,556	95.06%	15
2	Special Official Institutions	\$ 370,997	4.14%	1
3	Infis	\$ 57,915	0.65%	3
4	Financing Companies	\$ 7,182	0.08%	1

N°	Type of Intermediary	Portfolio balance (million \$)	% Share	No. Financial Institutions
5	Financial Cooperatives	\$ 6,406	0.07%	1
6	Savings and Credit Cooperatives	\$ 371	0.00%	3
7	Compensation Funds	\$ 167	0.00%	3
8	Employee Funds	\$ 112	0.00%	1
	Total	\$ 8,971,705	100%	28

Source: Findeter 2022. – Values in millions of pesos

This portfolio of loans showed a 9.60% increase in balance during 2022.

- **Rediscount Portfolio by Economic Sector**

The transportation, healthcare, education, urban development, energy development, and water supply and sanitation sectors account for 94.45% of the total rediscount portfolio.

Table No. 44: Rediscount Portfolio by Sector, Year 2022

Sector	Portfolio balance (million \$)	% Share
Transportation Infrastructure	\$ 1,872,179	21%
Healthcare Infrastructure	\$ 1,733,112	19%
Education Infrastructure	\$ 1,666,681	19%
Urban Infrastructure Development, Construction and Housing	\$ 1,161,514	13%
Energy Infrastructure Development	\$ 1,116,000	12%
Drinking Water and Basic Sanitation Infrastructure	\$ 924,399	10%
Infrastructure for Sports, Recreation and Culture	\$ 258,039	3%
Territorial fiscal leveling	\$ 110,122	1%
ICT Infrastructure	\$ 65,819	1%
Tourism Infrastructure	\$ 33,812	0%
Environmental Infrastructure	\$ 20,533	0%
Infrastructure, Cultural, Creative and Orange Economy Industry	\$ 9,495	0%
Total	\$ 8,971,705	100%

Source: Findeter 2022. – Values in millions of pesos

- **Direct Loan Portfolio**

Between December 31, 2021, and December 31, 2022, we achieved a 61.27% growth in the direct credit portfolio with disbursements totaling COP 0.97 trillion.

We were able to maintain adequate quality in this direct credit portfolio through personalized collection strategies, ongoing communication with borrowers, and effective collection channels, resulting in a delinquency rate of 0.07% for loans granted by the institution.

As of December 31, 2022, the direct credit portfolio amounted to COP 2.06 trillion, spread across 329 loan operations, distributed as follows:

Table No. 45: Direct Loans Balances, Year 2022

Direct Loan Portfolio	Balance 2022		Loans	
	(million \$)	% Share	No.	% Share
Public Utilities	\$ 132.976	6%	177	54%
Territorial Entities	\$ 1.924.230	94%	152	46%
Total	\$ 2.057.206	100%	329	100%

Source: Findeter 2022. – Values in millions of pesos

- **Direct Loan Portfolio by Economic Sector**

The transportation, urban development, sports, recreation and culture development, education, and water supply and sanitation sectors account for 89.25% of the total direct credit portfolio.

Table No. 46: Direct Loan Portfolio by Sector, Year 2022

Sector	Portfolio Balance (million \$)	% Share
Transportation infrastructure	\$ 667,870	32%
Urban infrastructure development, construction and housing	\$ 580,545	28%
Infrastructure for sports, recreation and culture	\$ 240,869	12%
Education infrastructure	\$ 210,572	10%
Drinking water and basic sanitation infrastructure	\$ 136,116	7%
Energy development infrastructure	\$ 103,173	5%
Healthcare infrastructure	\$ 65,672	3%
Tourism infrastructure	\$ 18,740	1%
Territorial fiscal sanitation	\$ 17,000	1%
Environmental infrastructure	\$ 16,649	1%
Total	\$ 2,057,206	100%

Source: Findeter 2022. – Values in millions of pesos

Direct Loan Portfolio by Nature of the Beneficiary

The direct credit portfolio is allocated 96.31% to public beneficiaries and the remaining 3.59% to private beneficiaries.

Table No. 47: Direct Loan Portfolio by Nature of the Beneficiary

Sector	Portfolio Balance	% Share
Private	\$ 73,826	4%
Public	\$ 1,984,249	96%
Total	\$ 2,058,075	100%

Source: Findeter 2022. – Values in millions of pesos

3.1.4. Execution of Technical Assistance

(103-2) Material topic: Water and sanitation projects, projects aimed at benefiting vulnerable communities, and infrastructure projects for education. (SDG-4; SDG-6; SDG-10; SDG-11; SDG-12; SDG-13); Circular 012 of 2022 - Item 7.4.1.1.1. Description of the issuer's business objective. (ii) Activities, products, or income-generating services and Item (iv) The development of new products or services, their improvements, demand conditions, and competitive conditions. Item 7.4.1.3.2. Practices, policies, processes, and indicators related to environmental and social criteria implemented by the issuer.

As part of the execution component, which is part of the comprehensive model, we provide technical assistance services to national, regional, and local government entities to fulfill the objectives defined in their respective programs and development plans. Being a partner of the national government has allowed us to strengthen ourselves as the top executor and contribute to closing the gaps of social inequality, expanding the coverage of public services, addressing the needs of regions, and improving the quality of life for millions of Colombians.

In the Housing and Urban Development field, we continue to be part of public policy for housing development with the Housing for Savers Program (VIPA) and the Free Housing Program. In addition, with the Urban Improvement Program. In the 2022 fiscal year, we completed the execution of 19 projects.

Furthermore, as part of technical assistance, we participated in the reconstruction of Providencia Island by building shelter-type housing. As of December 31, 2022, according to the reports submitted by the supervisory bodies and contract supervisors, the physical progress of the contract corresponds to 99.22%.

Regarding Social Infrastructure, we closed 16 new contracts with national and local entities, which allowed us to execute 306 projects totaling COP 898.000 billion in the 2022 fiscal year. Additionally, during the year 2022, we completed 128 projects totaling COP 503.000 billion.

In terms of Water and Sanitation, we completed 30 projects in different municipalities throughout the country in the areas of water supply, sanitation, desalination plants, landfill machinery, dredging, irrigation districts, and administrative headquarters for the Prosecutor's Office, totaling COP 414.433 billion.

Lastly, in relation to the management of special projects, a line of action created by the Board of Directors in January 2022, we executed Infrastructure Road projects.

Below, we present the technical management of the Entity under the technical assistance services:

- **Housing and Urban Development**

Thanks to the evaluation and supervision work of housing projects included in programs led by the national government, we have contributed to a larger number of Colombians accessing improved living conditions throughout most of the national territory.

The experience we have gained since 2002 in evaluating urban social interest housing plans has allowed us to be part of the public policy for the development of priority interest housing. It has also positioned us as the tool and strategic partner of the national government in achieving set goals, thereby promoting better living conditions in Colombian households.

We have participated in the evaluation of public properties presented by territorial entities for the Free Housing Phase I, Phase II, and VIPA programs, as well as in the evaluation of calls for private project selection and builders, and in project monitoring.

Despite the health emergency caused by the COVID-19 pandemic, during the years 2020 and 2021, we were able to maintain adequate project management for projects under supervision. We conducted official communications with builders and virtual working sessions with the Ministry of Housing, Cities, and Territories to define biosafety measures and protocols for remote information handling, in order to resume their execution and ensure the proper fulfillment of the contracts.

For the year 2022, we can indicate that we have continued project management and successfully caught up with projects that were lagging behind in execution due to the effects generated by the pandemic.

○ **Housing for Savers Program (VIPA) and Free Housing Program (PVG) Phase II:**

- In 2022, we issued 1,668 existence certificates for 10 projects totaling COP 256.012 billion. This includes 2 projects from the Phase II Free Housing Program (271 homes) and 6 VIPA projects (1,330 homes).
- Additionally, we conducted construction supervision for 7 projects, worth COP 201.135 billion, encompassing a total of 4,561 homes: 2 Phase II Free Housing Program projects with 323 homes and 8 VIPA projects with 4,161 homes.
- We have conducted monitoring activities for 35 selected projects under the private scheme, totaling 6,399 homes. To date, we have issued 6,241 existence certificates, and 158 homes from the PVGII program are pending certification.
- We have managed the supervision of 21 selected projects totaling 7,083 homes under the VIPA program.

○ **Completed Projects PVG Phase II and VIPA**

We certified 100% completion of six projects totaling COP 108.212 billion, with a total of 2,135 homes from the VIPA program.

Projects Executed under the PVG2 Program:



Urbanization Circunvalar en el Piñal
Quibdo - Choco
PVG2 Program

○ **Urban Improvement Program**

This program was formulated by the national government in response to the needs of vulnerable Colombians to carry out housing improvement works and reduce the qualitative deficit by improving sanitary conditions, public services, and the structural quality of beneficiary households' homes.

As part of this initiative, we support the project initiation management for the housing improvement projects contracted through the open calls by Fiduciaria Bogota for this program. In this way, we have provided supervision services to the selected projects' oversight, in two phases: categorization and diagnosis, and execution of improvement works.

Currently, we are supervising the oversight of 31 construction contracts, which we managed in 2022 through inter-administrative cooperation agreements with different municipalities in the country. Out of these contracts, 13,426 housing improvement slots are allocated for execution.

As of December 31, 2022, we had executed the following contracts as part of oversight supervision:

- 7 contracts managed for the execution of 13,426 housing improvements and 1,837 diagnoses.
- 4,847 certified improvements in 31 contracts being executed nationwide.
- We were executing 2 contracts that only encompass Phase I development (categorization and diagnosis), with resources from the General Royalties System, and to date, there are 277 effective diagnoses reported to the user.

We carried out activities in the different stages of program development:

In the stage of household registration and application, we have made available a web platform to the territorial entities where they can advance the registration and application process for program beneficiaries based on the requirements established by the Ministry of Housing, Cities, and Territories, and the form designed by said entity. As of December 31, 2022, we had **35,207** registered households in the system, with a result of **21,403** households qualified to continue with the subsidy allocation and improvement works execution process.

Table No. 48: Household Application Status

Department	Municipality	Households Registered	Households Submitted	Pending Evaluation	Under Evaluation	Not Qualified	Qualified by Fonvivienda
Antioquia	Rionegro I	1,087	1,087	0	0	573	514
Arauca	Arauca I	385	385	0	0	191	194
Atlántico	Soledad I	1,475	1,475	0	0	395	1,080
Bolívar	Cartagena I	1,576	1,576	0	0	539	1,037
Bolívar	Cartagena II	1,093	1,090	0	0	24	1,066
Boyacá	Tunja I	562	562	0	0	286	276
Cesar	Valledupar I	771	771	0	0	377	394
Huila	Neiva I	2,244	2,244	0	0	1,310	934
La Guajira	Riohacha I	286	286	0	0	89	197
Magdalena	Santa Marta I	583	583	0	0	257	326
Nariño	Pasto I	1,952	1,791	0	0	592	1,199
Tolima	Ibagué I	2,553	2,553	0	0	1,077	1,476
Tolima	Ibagué II	2,341	1,600	0	0	658	942
Valle del Cauca	Cali	1,459	1,105	0	0	613	492
Valle del Cauca	Buenaventura I	276	276	0	0	55	221
Córdoba	Ayapel	923	792	0	0	117	675
Total		19,566	18,176	0	0	7,153	11,023
IMPROVEMENTS II							
Antioquia	Itagüí	637	617	0	0	182	435
Antioquia	Bello	831	791	0	0	338	453
Antioquia	La Estrella	671	657	0	0	223	434
Atlántico	Barranquilla	656	642	0	0	191	451
Cauca	Popayán	586	578	0	0	202	376
Cundinamarca	Chía	737	728	0	0	278	450
Cundinamarca	Cajicá	640	638	0	0	285	353
Cundinamarca	Fusagasugá	497	490	0	0	108	382
Santander	Bucaramanga	543	529	0	0	162	367
Sucre	Sincelejo	534	518	0	0	179	339
Valle del Cauca	Tuluá	336	335	0	0	44	291
Meta	Villavicencio	497	480	0	0	187	293

Department	Municipality	Households Registered	Households Submitted	Pending Evaluation	Under Evaluation	Not Qualified	Qualified by Fonvivienda
Putumayo	Mocoa	569	556	1	0	262	293
Atlántico	Soledad II	552	552	0	0	202	350
Nariño (*)	Pasto II	417	384	0	0	50	334
Antioquia	Rionegro II	923	848	0	1	402	445
Quindío	Armenia Q I	468	465	2	0	89	374
Total		10,094	9,808	3	1	3,384	6,420
ROYALTIES							
Huila	Neiva III	1,378	1,121	0	0	51	1,070
Atlántico	Soledad III	1,865	1,620	72	9	305	1,234
Arauca	Arauca III	390	240	0	1	18	221
Magdalena	Santa Marta III	468	392	0	0	7	385
Boyacá	Tunja III	312	284	0	0	96	188
Cesar	Valledupar III	494	461	0	0	84	377
La Guajira	Riohacha III	368	316	0	0	53	263
Valle del Cauca	Buenaventura III	272	264	1	1	40	222
Total		5,547	4,698	73	11	654	3,960
Total		35,207	32,682	76	12	11,191	21,403

Source: Findeter 2022

○ **Pre-contractual stage:**

We prepared the document for Preliminary Studies and Terms of Reference, which was approved by the *Casa Digna Trust*, for the following calls for proposals that were published in the 2022 fiscal year, for the contracting of project supervision services for housing improvement works. Below, we provide details of the awarded calls:

Table No. 49: Awarded Calls for Proposals

No.	Inspection Contract	Construction Contract	Department	Municipality	Scope No. Diagnoses	Scope No. Improvements
1	2021-I-027 Valledupar	2021-O-026 Valledupar	Cesar	Valledupar	287	103
2	2021-I-031 Villavicencio	2021-O-030 Villavicencio	Meta	Villavicencio	221	221

No.	Inspection Contract	Construction Contract	Department	Municipality	Scope No. Diagnoses	Scope No. Improvements
3	2021-I-033 Pasto	2021-O-032 Pasto	Nariño	Pasto	226	220
4	2021-I-035 Rionegro	2021-O-034 Rionegro	Antioquia	Rionegro	296	296
5	2022-I-002 Chía	2022-O-001 Chía	Cundinamarca	Chía	252	252
6	2021-I-013- Arauca-Santa Marta- Riohacha- Neiva	2022-C-003 Santa Marta	Magdalena	Santa Marta	275	0
7	2022-I-007 Popayán	2022-O-010 Popayán	Cauca	Popayán	220	220
8	2022-I-005 Cajicá	2022-O-004 Cajicá	Cundinamarca	Cajicá	252	252
9	2022-I-009 Mocoa	2022-O-011 Mocoa	Putumayo	Mocoa	222	222
10	2022-I-013 Soledad	2022-C-012 Soledad	Atlántico	Soledad	919	0
11	2021-I-029 Fusagasugá	2022-O-014 Fusagasugá	Cundinamarca	Fusagasugá	252	252
12	2022-I-016 Armenia	2022-O-015 Armenia	Quindío	Armenia	222	222
13	Pending	2022-C-017 Tunja	Boyacá	Tunja	173	0
14		2022-C-018 Buenaventura	Valle del Cauca	Buenaventura	173	0

Source: Findeter 2022

o **Supervision of inspection**

In the following table, we provide details of the status of the construction and project supervision contracts as of December 31, 2022, and during the 2022 fiscal year:

Table No. 50: Project Status - Cumulative

No.	Project Status	Department	Municipality	Contract	No. Certificates	No. Diagnoses	Final Goal Contract	% Progress
1	Settled	Arauca	Arauca	Arauca	178	0	178	100.0%
2	Settled	Huila	Neiva	Neiva G1	442	0	442	100.0%
3	Settled			Neiva G2	414	0	414	100.0%
4	Settled	Nariño	Pasto	Pasto G1	275	0	275	100.0%
5	Settled			Pasto G2	286	0	286	100.0%

No.	Project Status	Department	Municipality	Contract	No. Certificates	No. Diagnoses	Final Goal Contract	% Progress
6	Settled	Tolima	Ibagué	Ibagué G1 (inspection 1)	444	0	444	100.0%
7	Settled			Ibagué G2 (inspection 1)	443	0	443	100.0%
8	Settled	Cesar	Valledupar	Valledupar	314	0	314	100.0%
9	Settled	Antioquia	Rionegro	Rionegro	341	0	341	100.0%
10	Settled	La Guajira	Riohacha	Riohacha	171	0	171	100.0%
11	Settled	Valle del Cauca	Cali	Cali	358	0	359	100%
12	Settled	Atlántico	Soledad	Soledad G1	445	0	445	100.0%
13	Settled			Soledad G2	445	0	445	100.0%
14	Settled	Magdalena	Santa Marta	Santa Marta	274	0	274	100.0%
15	In Liquidation	Bolívar	Cartagena	Cartagena G1	431	0	431	100%
16	In Liquidation			Cartagena G2	442	0	442	100%
17	Settled	Boyacá	Tunja	Tunja	169	0	169	100.0%
18	In Liquidation	Valle del Cauca	Buenaventura	Buenaventura	174	0	174	100%
19	Settled	Córdoba	Ayapel	Ayapel	532	0	532	100.0%
20	Settled	Santander	Bucaramanga	Bucaramanga	242	0	242	100.0%
21	In Liquidation	Antioquia	Itagüí	Itagüí	321	0	321	100.0%
22	In Liquidation	Bolívar	Cartagena	Cartagena G3	413	0	413	100.0%
23	In Liquidation			Cartagena G4	420	0	420	100.0%
24	Settled	Arauca	Arauca	Arauca (Consulting)	0	183	183	100.0%
25	In Liquidation	Huila	Neiva	Neiva (Consultoría)	0	919	919	100.0%
26	In Liquidation	La Guajira	Riohacha	Riohacha (Consulting)	0	183	183	100.0%
27	In Liquidation	Antioquia	La Estrella	La Estrella	328	0	328	100.0%
28	In Liquidation	Valle del Cauca	Tuluá	Tuluá	242	0	242	100.0%
29	Settled	Sucre	Sincelejo	Sincelejo	244	0	244	100.0%
30	In Liquidation	Atlántico	Barranquilla	Barranquilla	327	0	327	100.0%
31	Completed	Antioquia	Bello	Bello	302	0	325	100.0%
32	In Liquidation	Atlántico	Soledad	Soledad II	327	0	327	100.0%

No.	Project Status	Department	Municipality	Contract	No. Certificates	No. Diagnoses	Final Goal Contract	% Progress
33	In Progress	Tolima	Ibagué	Ibagué G1 (inspection 2)	61	0	378	16.14%
34	In Progress			Ibagué G2 (inspection 2)	17	0	378	4.50%
35	Liquidado	Magdalena	Santa Marta	Santa Marta (Consulting)	0	275	275	100.0%
36	In Liquidation	Cesar	Valledupar	Valledupar	103	0	103	100.0%
37	In Progress	Meta	Villavicencio	Villavicencio	51	0	221	23.1%
38	In Liquidation	Nariño	Pasto	Pasto II	220	0	220	100.0%
39	In Progress	Antioquia	Rionegro	Rionegro II	98	0	296	33.11%
40	In Progress	Cundinamarca	Chía	Chía	99	0	252	39.29%
41	In Progress	Cundinamarca	Cajicá	Cajicá	0	0	252	0.0%
42	In Progress	Cauca	Popayán	Popayán	95	0	220	42.79%
43	In Progress	Putumayo	Mocoa	Mocoa	66	0	222	29.7%
44	In Progress	Atlántico	Soledad	Soledad Royalties G1	0	150	460	32.61%
45	In Progress			Soledad Royalties G2	0	127	459	27.67%
46	In Progress	Cundinamarca	Fusagasugá	Fusagasugá	0	0	252	0.0%
47	In Progress	Quindío	Armenia	Armenia	0	0	222	0.0%
Total General					10.554	1.837	15.263	

Source: Findeter 2022

Table No. 51: Project Status – 2022

No.	Project Status	Department	Municipality	Contract	No. Certificates	No. Diagnoses	Final Goal Contract	% Progress
1	In Liquidation	Bolívar	Cartagena	Cartagena G1	289	0	431	100%
2	In Liquidation			Cartagena G2	202	0	442	100%
3	In Liquidation	Valle del Cauca	Buenaventura	Buenaventura	108	0	174	100%
4	Settled	Santander	Bucaramanga	Bucaramanga	237	0	242	100%
5	In Liquidation	Antioquia	Itagüí	Itagüí	321	0	321	100%
6	In Liquidation	Bolívar	Cartagena	Cartagena G3	413	0	413	100%
7	In Liquidation			Cartagena G4	420	0	420	100%
8	Settled	Arauca	Arauca	Arauca (Consulting)	0	183	183	100%
9	In Liquidation	Huila	Neiva	Neiva (Consulting)	0	894	919	100%

No.	Project Status	Department	Municipality	Contract	No. Certificates	No. Diagnoses	Final Goal Contract	% Progress
10	In Liquidation	La Guajira	Riohacha	Riohacha (Consulting)	0	148	183	100%
11	In Liquidation	Antioquia	La Estrella	La Estrella	328	0	328	100%
12	In Liquidation	Valle del Cauca	Tuluá	Tuluá	242	0	242	100%
13	Settled	Sucre	Sincelejo	Sincelejo	244	0	244	100%
14	In Liquidation	Atlántico	Barranquilla	Barranquilla	327	0	327	100%
15	Completed	Antioquia	Bello	Bello	302	0	325	100%
16	In Liquidation	Atlántico	Soledad	Soledad II	327	0	327	100%
17	In Progress	Tolima	Ibagué	Ibagué G1 (inspection 2)	61	0	378	16%
18	In Progress			Ibagué G2 (inspection 2)	17	0	378	5%
19	Settled	Magdalena	Santa Marta	Santa Marta (Consulting)	0	275	275	100%
20	In Liquidation	Cesar	Valledupar	Valledupar	103	0	103	100%
21	In Progress	Meta	Villavicencio	Villavicencio	51	0	221	23%
22	In Liquidation	Nariño	Pasto	Pasto II	220	0	220	100%
23	In Progress	Antioquia	Rionegro	Rionegro II	98	0	296	33%
24	In Progress	Cundinamarca	Chía	Chía	99	0	252	39%
25	In Progress	Cundinamarca	Cajicá	Cajicá	0	0	252	0%
26	In Progress	Cauca	Popayán	Popayán	95	0	220	43%
27	In Progress	Putumayo	Mocoa	Mocoa	66	0	222	30%
28	In Progress	Atlántico	Soledad	Soledad Royalties G1	0	150	460	33%
29	In Progress			Soledad Royalties G2	0	127	459	28%
30	In Progress	Cundinamarca	Fusagasugá	Fusagasugá	0	0	252	0%
31	In Progress	Quindío	Armenia	Armenia	0	0	222	0%
Total General					4.570	1.777	9.731	

Source: Findeter 2022

○ **Project Completion:**

During 2022, we successfully completed the execution of 19 projects, as detailed below:

Table No. 52: Project Completion Status –2022

No.	Project Status	Contract name	Department	Municipality	No. Certificates
1	In Liquidation	2019-O-038-Buenaventura	Valle del Cauca	Buenaventura	174
2	In Liquidation	2019-O-023-Cartagena Group 1	Bolívar	Cartagena	431
3	In Liquidation	2019-O-023-Cartagena Group 2	Bolívar	Cartagena	442
4	In Liquidation	2019-O-023-Cartagena Group 3	Bolívar	Cartagena	413
5	In Liquidation	2019-O-023-Cartagena Group 4	Bolívar	Cartagena	420

No.	Project Status	Contract name	Department	Municipality	No. Certificates
6	In Liquidation	2021-O-005 -Neiva	Huila	Neiva	919 diagnoses
7	In Liquidation	2021-O-009-Itagui	Antioquia	Itagüí	321
8	Settled	2021-O-011-Bucaramanga	Santander	Bucaramanga	242
9	Settled	2021-O-001-Arauca	Arauca	Arauca	183 diagnoses
10	Settled	2021-O-007-Riohacha	La Guajira	Riohacha	183 diagnoses
11	In Liquidation	2021-O-014 -La Estrella	Antioquia	La Estrella	328
12	In Liquidation	2021-O-016-Tuluá	Valle del Cauca	Tuluá	242
13	Settled	2021-O-018-Sincelejo	Sucre	Sincelejo	244
14	In Liquidation	2021-O-020-Barranquilla	Atlántico	Barranquilla	327
15	In Liquidation	2021-O-022-Soledad	Atlántico	Soledad	327
16	Completed	2021-O-024-Bello	Antioquia	Bello	302
17	In Liquidation	2021-O-026-Valledupar	Cesar	Valledupar	103
18	In Liquidation	2021-O-032-Pasto	Nariño	Pasto	220
19	In Liquidation	2022-C-003 -Santa Marta	Magdalena	Santa Marta	275 diagnoses
Total					4.536

Source: Findeter 2022

o **Technical Assistance for the Reconstruction of Providencia:**

During November 2020, as a result of the natural disaster caused by the passage of Hurricane Iota in the San Andrés and Providencia Archipelago, inter-institutional efforts were made to ensure the reconstruction not only of houses but also of the affected infrastructure, both in the department and on the island of Providencia, which suffered the most from the natural phenomenon.

On January 27, 2021, we signed Contract No. 9677-SAIPRO-127-2021 with the National Disaster Risk Management Fund for the Provision of Technical Assistance and Resource Management Services. The objective of this contract is to *“Provide technical assistance and resource management services to the National Disaster Risk Management Fund for the development of projects related to the rehabilitation and construction of houses in the San Andrés, Providencia, and Santa Catalina archipelago department, within the framework of the departmental disaster declared by Decree No. 1472 of 2020.”*

In accordance with the contract and the latest version of the Damage and Needs Assessment (EDAN), the number of houses to be rebuilt and rehabilitated was determined by the estimated budget for the total execution of the project, which is a finite amount.

As of December 31, 2022, according to the reports submitted by the oversight entities and the supervisors of the oversight contracts, the physical progress of the contract corresponds to 99.22%, distributed as follows:

- 1. Reconstruction (1,065 Interventions):** corresponds to Shelter Type Houses (T2 and T4) and Lot-Adjusted Houses (RP and T5).

As a result of a participatory process with the community and in accordance with the terrain conditions, households chose from the following typologies:

a) Shelter Type Houses (T2 and T4) - 330 Interventions

The scope for this type of intervention includes pile-type foundations with ballasts, the steel elements that make up the structure (columns, beams, intermediate floors, and roofs) are coated with galvanized materials, thus preventing corrosion processes. In addition, the connections of the metal structure elements are made using structural bolts. These houses are designed to withstand winds of up to 250 km/h, and their area corresponds to 114.04 m² (T2) and 87.45 m² (T4).

During the execution of the contract, the Housing and Urban Development Management has been responsible for supervising the reconstruction of Shelter Type Houses T2-T4, which as of December 31, 2022, shows the following progress:

Table No. 53: Shelter Type Houses Execution

Shelter Type Houses				
N°	Contractor	Assigned Houses	Completed Houses	% Progress
1	Context - Studies and Designs	330	330	100%
2	Context - Implantations	330	330	100%
3	Consortium (Delegated Administration)	330	311	98%

Source: Findeter 2022

FID 2265



FID 4785



b) Lot-Adjusted Houses (T5 and RP) - 735 Interventions

VAL - T5: Houses that were part of the shelter-type housing program but couldn't accommodate the designed typologies due to lot size limitations.

VAL - RP: Houses that were part of the shelter-type housing program but had a well-preserved slab and/or foundation. This category also includes houses with a functioning water tank whose owner did not authorize its demolition.

For the intervention of these houses, a Diagnostics and Agreement stage was carried out, in which the technical proposal for reconstruction was determined in consultation with the household, and an agreement and commitment document was signed with the household. The scope of this type of intervention includes soil analysis, design and consultation with the family, creation of a safe zone within the houses, hurricane-resistant anchors that connect the structural systems of the house (roof, walls, and foundation), and marine-grade plywood or masonry, ensuring resistance to external factors.

FID 3019 B



FID 4237



2. Repairs (766 Interventions):

The purpose of the repairs is to adapt the houses that were not completely affected in their structure by Hurricane IOTA, in order to create habitable conditions for the families. In these interventions, the supervising entity approves the diagnosis and scope of the intervention carried out by the contractor. The scope for this type of intervention includes roof construction, wall rehabilitation, structural reinforcement, replacement of exterior doors and windows, rehabilitation of internal water and sanitation networks, electrical systems, interior and exterior painting, all in accordance with the diagnosis.

During the execution of the contract, the Infrastructure Management has been responsible for supervising the reconstruction of the VAL-type houses (T5 and RP) and the repairs, which as of December 31, 2022, show the following progress:

Table No. 54: Progress of VAL-Type Houses and Repairs

Reconstruction Housing VAL-Type (T5 and RP) / Repairs				
N°	Detail	Assigned Houses	Completed Houses	% Progress
1	Repairs	766	766	100%
2	Reconstruction Housing VAL-Type (T5 and RP)	735	725	98.63%

Source: Findeter 2022

FID 2574

FID 4449



As of December 31, 2022, as part of the reconstruction efforts in Providencia and Santa Catalina, 1,532 houses were delivered to the families affected by Hurricane Iota in 2020.

Material Topics (SDGs 10, 11, 12, and 13)

Projects aimed at benefiting vulnerable communities (social inclusion); Promotion of environmentally responsible practices in the projects to be financed; and Business lines with social and environmental criteria.

103-1 (Explanation and Boundary)

The projects carried out by Findeter in the area of Housing and Urban Development focus primarily on reducing the high quantitative and qualitative deficits in housing needs in the most vulnerable sectors of Colombian society. The lack of resources for housing acquisition is a multidimensional problem that impacts the country's economy and the generation of opportunities for people with limited means. That is why Findeter has been involved in implementing the housing policy promoted by the National Government to generate new and improved housing. Additionally, we are aware that by aiming for the development of new or better-quality housing, we are significantly promoting social mobility, allowing more families to overcome poverty and inequality gaps in many regions of the country.

103-2 (Management Approach)

Through the Housing and Urban Development business line, Findeter is the strategic ally of the National Government and local or regional administrations in formulating programs and projects that promote the generation of new housing projects or housing improvements that meet the required quality standards set by national regulations. We aim to create spaces that dignify households in vulnerable situations and serve as a catalyst for accessing complementary services that benefit the community. At Findeter, we support the execution of housing projects by monitoring and controlling those selected from the program formulation stage, ensuring that the final product delivered to the beneficiaries meets their expectations.

103-3 (Evaluation)

To measure its impact, we review the progress in the execution of works for each of the projects supervised in the programs under our responsibility on a monthly basis. We compare the progress against the contractors' initial schedule. In cases where deviations were identified, we held working meetings to support the management of issues that were delaying the projects, and in some cases, we collaborated with the users to address those issues.

- **Social Infrastructure**

We provide technical assistance services to national, regional, and local entities to help them achieve their goals. Additionally, we involve the community in designing infrastructure solutions through a turnkey contracting scheme that aims to minimize risks associated with contract modifications. We

promote interinstitutional coordination to optimize land use, manage public services and permits, and utilize unconventional construction systems.

During the 2022 fiscal year, the Infrastructure Management executed 306 infrastructure projects in over 200 municipalities throughout the country, with an approximate investment of COP 898 billion. These projects were carried out under contracts and inter-administrative agreements with national, regional, and local entities. By the end of that fiscal year, out of the 306 projects, 178 were in various stages of execution (studies and designs, construction, suspended, or in a suspensive stage), and 128 had been completed. Of the completed projects, 29 had associated derivative contracts that were already settled.

Other highlights of Findeter's performance in 2022 regarding social infrastructure development include:

Consolidation of 16 new contracts with national and local entities such as Mintic, Mintrabajo, Aeronáutica Civil, ICBF, SENA, Medicina Legal, ANI, Artesanías de Colombia, INVIAS, Municipality of Palmira, Secretaría de Ambiente, and Secretaría de Seguridad, Convivencia y Justicia de Bogota, for the execution of projects nationwide in the areas of educational, administrative, transportation, security, and justice infrastructure. It is important to note the strengthening of relationships with users such as different ministries, ICBF, SENA, Aerocivil, ANI, and Bogota's secretariats, with whom we have been developing projects in previous fiscal years, as well as the establishment of new relationships with entities such as Artesanías de Colombia and the Municipality of Palmira, resulting in consolidated business opportunities for new projects in 2023.

Regarding the execution of projects related to the administration and maintenance of the railway corridors from Facatativá-Bogota-Zipaquirá and La Dorada-Chiriguaná, we finalized a new inter-administrative contract at the end of the year for the management and maintenance of these two corridors for the years 2023 and 2024.

Furthermore, based on the results of the nationwide projects executed under the inter-administrative contract with Mindeporte for the construction of sports facilities in various municipalities across the country, we processed an additional allocation of resources to include new projects of the same nature. This demonstrates the strengthening of the contractual relationship between both entities, making us the strategic partner of the National Government.

- **Execution of Technical Assistance in Social Infrastructure in 2022**

We executed 306 projects through the infrastructure team, with a value of COP 898 billion. Through these projects, we have continuously supported state and territorial entities in addressing the most pressing needs of the affected population.

- **Completed Projects of Technical Assistance in Social Infrastructure in 2022**

We completed 128 projects worth COP 503 billion.

- **Flagship projects of social infrastructure:**

- I. CIJ+CAE Campo Verde – Bogota.**

Value: COP 71.463 billion.

Status: Completed and received to satisfaction.

Impact: Delivery of justice infrastructure with an intervention of 12,625m² of built area, including a Comprehensive Justice Center and Specialized Care Center that includes, among other areas, an AUD (Alternative Dispute Resolution), URI (Integrated Reception Unit), CTP 3 (Temporary Holding

Center), CAE (Specialized Attention Center). The infrastructure is estimated to impact over 2.5 million people.

II. MTRAB-465 - Improvement Works – Riohacha.

Value: COP 1.305 billion.

Status: Completed and received to satisfaction.

Impact: This project corresponds to the construction of the headquarters of the Ministry of Labor in La Guajira, located in Riohacha, benefiting 880,560 people in the department. The project delivers 1,031.47 m² of space where 28 Ministry officials will work.

III. MIB-762 - Comprehensive Neighborhood Improvement – Neiva.

Value: COP 7.961 billion.

Status: Completed and received to satisfaction.

Impact: This project will benefit over 2,195 households in the municipality of Neiva, specifically in the neighborhoods of Aeropuerto, José Eustasio Rivera, Las Delicias, Reinaldo Matiz, and Rojas Trujillo. It involved the rehabilitation of 414 meters of roads and the construction of over 17,000 m² of public space along the Las Ceibas riverbank.

IV. DPR-ECO-025 - CDI Acandí – Zapsurro.

Value: COP 1.369 billion.

Status: Completed and received to satisfaction.

Impact: The Child Development Centers (CDI) provide institutional services that aim to guarantee early education, care, and nutrition for children under 5 years old. This CDI will benefit 420 boys and girls, with an intervention covering 367 m², including classrooms, administrative area, service areas, playground, orchard, and green spaces.

V. Improvement of Indigenous Schools (San Rafael Encanto School) – Amazonas.

Value: COP 968 million.

Status: Settled.

Impact: Improvement projects for classrooms at the Indigenous School located in the municipality of San Rafael El Encanto, with an area of 498 m², including three classrooms of 144 m² each and one of 66 m², benefiting approximately 247 students.

VI. DPR-ECO-025 - CDI Mitú.

Value: COP 2.791 billion.

Status: Settled.

Impact: The Child Development Centers (CDI) provide institutional services that aim to guarantee early education, care, and nutrition for children under 5 years old. This CDI will benefit 95 boys and

girls, with an intervention covering 1,100 m2, including classrooms, administrative area, service areas, playground, orchard, and green spaces, reaching over 385 people in the community.

VII. MCUL-4631 - Cultural Infrastructure (Museum) - Providencia.

Value: COP 2.468 billion.

Status: Completed and received to satisfaction.

Impact: The population benefiting from this project includes the Raizal community and tourists visiting Providencia Island, through the intervention of one of the most important architectural attractions, the Iva Virginia Archbold Museum, with a constructed area of approximately 248.6 m2.

VIII. EUC 330 - COL + CDI Las Gardenias 2 – Barranquilla.

Value: COP 13.622 billion.

Status: Completed and received to satisfaction.

Impact: Ensuring access to quality educational services and implementing education programs and projects aimed at social equity and quality of life for children, young people, and families living in social and priority housing. The school has a capacity for 960 students, the CDI accommodates 300 children, and it covers an intervened area of 13,190.4 m2, benefiting over 4,000 families.

IX. MINTIC-716 – Sell Online.

Value: COP 9.039 billion.

Status: Completed and received to satisfaction.

Impact: This project, generated by the Mintic’s “Sell Online” initiative, reached 6,000 beneficiaries across the national territory, impacting both merchants and non-merchants who sought an opportunity to further showcase their products.

Table No. 55: Distribution of projects executed during the year 2022 - project types

Project Type	In progress	Settled	Completed	Total
E-commerce	2		3	5
Consulting	1	1		2
Culture, recreation and sports	104	5	26	135
Educational infrastructure	38	16	44	98
Institutional infrastructure	24		7	31
Other	5	5	1	11
Transportation	3	1	1	5
Housing	1	1	17	19
Total	178	29	99	306

Fuente: Findeter 2022

Table No. 56: Distribution of projects executed during the year 2022 - Types and subtypes of projects

Project Type	In progress	Settled	Completed	Total
E-COMMERCE	2		3	5
E-commerce training and strengthening	2		3	5
CONSULTANCY	1	1		2
Design	1			1
Training		1		1
CULTURE, RECREATION, AND SPORTS	104	5	26	135
Cultural infrastructure			1	1
Sports infrastructure	59		13	72
Recreational sports park	40		2	42
Projects for Indigenous Communities	5	5	10	20
EDUCATIONAL INFRASTRUCTURE	38	16	44	98
Child development center	4	1	6	11
Sacúdete Center	20		11	31
School	2	1	10	13
Improvement of educational facilities	1	13	8	22
School reconstruction			1	1
SENA branch reinforcement	6	1	4	11
SENA branch	5		4	9
INSTITUTIONAL INFRASTRUCTURE	24		7	31
Adaptation of administrative headquarters	10		6	16
Early Childhood	10			10
Criminal Responsibility	4			4
Security			1	1
OTHER	5	5	1	11

Purchases	1			1
Supplies	2			2
Logistics	1			1
Complementary works		4		4
Security	1		1	2
Transportation		1		1
TRANSPORTATION	3	1	1	5
Airport	1			1
Rail infrastructure		1		1
Comprehensive Neighborhood Improvement			1	1
Tertiary roads	2			2
HOUSING	1	1	17	19
Housing reconstruction	1	1	17	19
Total	178	29	99	306

Source: Findeter 2022

Material Topics

(103-1; 103-2;103-3) (Projects aimed at benefiting vulnerable communities (Social Inclusion); Infrastructure projects for education; Promotion of environmentally responsible practices; and Business lines with social and environmental criteria. (SDGs 10, 11, 12, and 13)

Projects aimed at benefiting vulnerable communities (Social Inclusion)

103-1 (Explanation and Boundary)

In accordance with the Entity's Mission, Institutional Commitment, and Strategic Plan, during the year 2022, the Infrastructure Management carried out the execution of 306 projects developed in over 200 municipalities in Colombia, including projects for strengthening e-commerce, facility improvements, institutional administrative infrastructure, design and construction of educational infrastructure at the school level, Sacúdete Centers, Child Development Centers - CDI, facilities for SENA, construction of sports infrastructure, tertiary roads, improvement of educational headquarters, structural reinforcement, construction of infrastructure for security and justice, projects with indigenous communities, reconstruction of infrastructure on Providencia Island affected by Hurricane IOTA, reconstruction of houses, schools, sports and cultural infrastructure, which have positively impacted and contributed to improving the quality of life of communities and/or populations with limited resources, and solving social problems. During this process, community appropriation of the projects was promoted through the active participation of the actors directly impacted by each of them.

103-3 (Evaluation)

The monitoring of the projects we execute at Findeter is based on the policies, processes, and procedures of the Entity. During the initial stage, plans such as social management and

environmental management are generated, which must be complied with during the execution of the contracts. Findeter's supervision, through periodic reports from the supervisors and different monitoring committees, carries out the monitoring and control of the compliance with these plans when applicable.

Infrastructure projects for education

103-1 (Explanation and Boundary)

Among the projects developed in 2022 by the Infrastructure Management, it is important to mention the diverse intervention in educational infrastructure, which aims to benefit populations of all ages (Child Development Centers - CDI, schools, Sacúdete Centers, SENA branches) and has impacted urban and rural regions throughout the country. These projects were developed within the framework of contracts or interadministrative agreements signed with entities such as the Colombian Institute of Family Welfare - ICBF, Ministry of National Education, central and sectional SENA, Administrative Department of the Presidency of the Republic - DAPRE, National Unit for Disaster Risk Management - UNGRD, and the Ministry of Housing, which have allowed the Entity to continue contributing to the development of territories in improving educational infrastructure coverage in the country.

For Findeter, the execution of education sector projects is of great importance due to the significant positive impact it generates, thereby improving the existing initial conditions of the physical spaces for teaching, or even constructing missing spaces for vulnerable populations, directly contributing to improving the quality of education in the country and the quality of life of the beneficiary population.

103-3 (Evaluation)

The Infrastructure Management carries out ongoing monitoring of project management, with periodic reports that provide information on project progress, processes associated with new calls, progress during implementation, and project closure.

During 2022, the Office of the Comptroller General of the Republic requested that Findeter provide a monthly documentary report on infrastructure projects under execution, which includes the submission of contractual documents, work contracts or execution contracts signed in the previous period, and the corresponding supervisory reports generated during that same period, as applicable.

Promotion of environmentally responsible practices

External Circular 7.4.1.3.2. A chapter dedicated to practices, policies, processes, and indicators regarding the environmental and social criteria implemented by the issuer.

103-1 (Explanation and Boundary)

At Findeter, we raise environmental awareness among all direct and indirect stakeholders involved in infrastructure project development (leaders, managers, supervisors, contractors, workers, among others).

Internally, we continuously strive for resource optimization, such as energy, water, and stationery, by incorporating good practices to reduce their consumption.

Furthermore, the projects we develop through the Infrastructure Management include the implementation of Environmental Management Plans as deliverables. This aims to mitigate and control the negative effects that may arise from the activities carried out in each project. Contractors are required to present and comply with the established and approved Environmental Management Plan for the project. Additionally, Findeter's supervisors and monitors are responsible for monitoring compliance with these plans.

Complying with the implementation of these Environmental Management Plans and the internal implementation of good environmental practices is of great importance, among other reasons, because it ensures that the projects we develop at the Entity are carried out for the benefit of the environment.

103-3 (Evaluation)

At Findeter, the monitoring and control of compliance with environmental practices in the projects we develop are carried out by the supervisor of the Entity through project supervision. Periodic reports from the supervisors inform about the progress and compliance with the Environmental Management Plans in each case.

Business lines with social and environmental criteria

External Circular 7.4.1.3.2. A chapter dedicated to practices, policies, processes, and indicators regarding the environmental and social criteria implemented by the issuer.

103-1 (Explanation and Boundary)

The infrastructure projects within Findeter's business line have a significant social component through which we seek to involve the benefited community as primary and active agents. This generates ownership of the executed works and strengthens the sense of belonging. With this approach, we intend for the communities to remain active in the process of caring for and preserving the projects developed and delivered for their benefit.

We also aim to improve and strengthen the implementation of good environmental and social practices by including mandatory activities during the pre-contractual, contractual, and post-contractual stages of the projects.

103-3 (Evaluation)

As mentioned in the previous points, compliance with the Social Management Plans and Environmental Management Plans is monitored and controlled by the supervisor through project supervision. They provide information on the progress and compliance with these plans.

Projects aimed at benefiting vulnerable communities (Social Inclusion); Infrastructure projects for education; Promotion of environmentally responsible practices; and Business lines with social and environmental criteria.

103-2 (Management Approach)

As an entity, we execute sustainable projects that seek the transformation of territories. In the case of the Infrastructure Management of the Technical Vice Presidency, we offer the product of Technical Assistance and Resource Management. With this product, we provide support to different users from the pre-contractual stage of projects, execution, and closure, all within applicable regulations and framed within the policies, processes, and procedures of the entity.

For the year 2022, the Infrastructure Management executed projects derived from contracts or inter-administrative agreements signed with the Ministry of National Education, Ministry of Sports, Ministry of Culture, Ministry of Housing, City and Territory, Ministry of Information and Communications Technologies, Ministry of the Interior, Colombian Institute of Family Welfare, National Apprenticeship Service (SENA), among others. These programs generate a positive social impact, promote social inclusion, and aim to avoid significant environmental impact.

- **Water and Basic Sanitation**

Under this line of action, the following contracts were signed during 2022:

Service provision contract for technical assistance and resource management with the National Disaster Risk Management Fund (FNDR) to review, complement, update, and/or develop studies and designs, construct mitigation works, rehabilitate and put into operation the Palmeras intake and complementary structures in the municipality of Mocoa, Putumayo department, for a value of COP 7.5 billion.

Inter-administrative agreement with the Regional Autonomous Corporation of the Magdalena River (CORMAGDALENA) for the dredging of the navigable canal in the Magdalena River in the sectors of the access canal to the Port of Barranquilla, the Dique Canal, the sector between Barrancabermeja-Pinillos, and the sector between Isla Tamarindo and Salamina El Piñón, for a value of COP 2.247 billion.

The inter-administrative contracts No. 0083-21 with CORMAGDALENA, No. 225 of 2016 with the Rural Development Agency (ADR), No. 451 of 2016, and No. 438 of 2015 with the Ministry of Housing, City and Territory (MVCT) were modified, adding resources for the execution of projects and technical assistance provided by the Water and Basic Sanitation Management.

The inter-administrative contract No. 0-286 of 2022 was signed with CORMAGDALENA for the provision of technical assistance and resource management services for the execution of the "Program for the maintenance of dredging in the navigable canal of the Magdalena River, in the sectors of the access canal to the Port of Barranquilla, the Dique Canal, the sector between Barrancabermeja-Pinillos, and the sector between Isla Tamarindo and Salamina-El Piñón," for a value of COP 92.487 billion.

Similarly, as a result of previous work with CORMAGDALENA, projects are being continued, which demonstrates the successful management and strengthening of the contractual relationship between both entities. This has shown improvements in river navigability conditions, as well as technical and economic efficiency results, which serve as objective references for success and aim to continue the contractual relationship during 2023.

The completion of land adaptation studies and designs for small-scale irrigation districts is also noteworthy: Asocajamarca, San Antonio, Asudirarpi, Audatrér, Candelaria, and Montecillo, as well as medium-scale districts: Tesalia-Paicol and San Juan.

- **Execution of Technical Assistance in Water and Basic Sanitation in 2022**

This business line involves the execution of projects from the programs of the Ministry of Housing, City, and Territory (MVCT), the Rural Development Agency (ADR), the municipality of Jamundí, Cormagdalena, and the Attorney General's Office. We provide technical assistance services to carry out all pre-contractual, contractual, execution, and closing management tasks for these projects.

- **Completed Projects of Technical Assistance in Water and Basic Sanitation in 2022**

We completed 30 projects in different municipalities throughout the national territory in the areas of water supply, sewage systems, desalination plants, machinery for sanitary landfills, dredging, irrigation districts, and the administrative headquarters of the Attorney General's Office. These projects had a total value of COP 414.433 billion Colombian pesos.

Material Topics

(103-1; 103-2;103-3) (Water and sanitation projects; aimed at benefiting communities in vulnerable situations (Social Inclusion); Promotion of environmentally responsible practices; and Business lines with social and environmental criteria). (SDG 10, 11, 12, and 13)

103-1 (Explanation and Boundary)

Through technical assistance and resource management in Water and Basic Sanitation, we have facilitated the execution of priority and comprehensive projects for the social and economic growth of

municipalities nationwide, with an organized and long-term vision.

The purpose of the organization through this line of action has always been to deliver functional drinking water and basic sanitation projects to communities, aimed at mitigating and adapting these communities to climate change. This is done in order to reduce the inequalities that persist in the country in terms of infrastructure and competitiveness, which have been limiting factors for the development and well-being of the population. Additionally, we seek to contribute to the construction of a peaceful territory by building infrastructures that enable the provision of quality, continuous, and widespread access to drinking water and basic sanitation services in urban and rural areas.

By executing projects related to water, sanitation, irrigation, drainage, and dredging, we promote improvements in water management, positively impacting climate change mitigation measures by directly and indirectly promoting the protection of ecosystems associated with water sources. We also develop ecosystems that allow for the reduction of factors that impact climate change, such as wastewater treatment. Moreover, drainage projects improve water resource management, helping to regulate climate change-related effects and contributing to improved food security.

103-2 (Management Approach)

Recognizing the unmet basic needs of populations in Colombian municipalities regarding the lack of infrastructure for public utility services and considering our more than 10 years of experience in project structuring and execution, we, supported by a multidisciplinary team, identify new projects and present proposals for their implementation to different territorial entities, including the Ministry of Housing, City, and Territory (MVCT), Regional Autonomous Corporations, Utility Service Providers, National Unit for Disaster Risk Management (UNGRD), the Attorney General's Office, and the Inter-American Development Bank, among others.

During 2022, we continued the execution of the following inter-administrative contracts: 8 with the MVCT, 2 with the Regional Autonomous Corporation of the Great Magdalena River (CORMAGDALENA), 2 with the Attorney General's Office, 1 with the municipality of Jamundí, 1 with the UNGRD, and 1 with the Rural Development Agency (ADR). Under these contracts, we completed 30 projects related to water, sanitation, irrigation, drainage, and dredging.

103-3 (Evaluation)

Under the technical assistance and resource management carried out through the Water and Basic Sanitation business line, for water, sanitation, irrigation, drainage, and dredging projects, all studies and designs include, for the proposed works, the evaluation of system vulnerability and risk analysis in construction, operation, and sustainability, which has allowed the development and formulation of actions aimed at resilient infrastructure.

We provide technical, administrative, financial, accounting, and legal supervision and monitoring in accordance with the objectives of the contract, during the pre-contractual, contractual, execution, and delivery phases of the projects. During project execution, we have an alert indicator that is measured monthly and informs us about the difference between the scheduled progress percentage and the actual percentage achieved, allowing us to take early actions to overcome any delays that may arise. In addition, we have control over non-conforming and conforming outputs of monthly management reports to different users, as stipulated in the contracts. It should be noted that in 2022 we complied with the delivery of reports according to the dates established by the different users.

- **Special Project Management**

Under technical assistance, we executed five projects for COP 149.000 billion and completed five projects for COP 1.4 billion.

Regarding the most recent business line, the following aspects stand out:

- In April 2022, contract 2177 was initiated for the execution of COP 1.3 trillion for the maintenance, rehabilitation, and construction of roads in the departments of Nariño, Sucre, Magdalena, Cesar, Quindío, and Risaralda.
- We signed the trust agreement for resource management.
- We approached commercial banks for project financing under contract 2177, obtaining pre-approval for 2 projects.
- In December 2022, we published emergency attention for the Tenerife Palermo sector in the department of Magdalena.
- In May 2022, we became the implementing entity for inter-administrative agreement 1113 of 2016, which involves the maintenance and completion of important corridors in the department of Santander, including the Bucaramanga - Girón - Lebrija and Bucaramanga - Rionegro dual carriageways.
- In August 2022, we contracted the supervision for toll collection concession.
- In September 2022, we contracted routine and periodic maintenance for the Bucaramanga - Girón - Lebrija and Bucaramanga - Rionegro corridors.
- In December 2022, we contracted the completion of the Bucaramanga-Lebrija dual carriageway with an investment of COP 22 billion.
- In December 2022, we contracted the rehabilitation of the Bucaramanga - Rionegro corridor with an investment of COP 20 billion.
- We approached commercial banks for the financing of projects under agreement 1113, obtaining pre-approval for 1 project.
- Through the Panorama Road contract, derived from Inter-administrative Contract No. 1594 of 2021, we executed the rehabilitation of 16.45 kilometers of pavement between Media canoa and Ansermanuevo. We also carried out comprehensive road management for the Pereira - Cerritos, Cerritos - La Victoria, and Cerritos - La Virginia corridors. Additionally, we successfully addressed the emergency on the Ansermanuevo - La Victoria route, at PR 88+200 of Route 2302, by installing a provisional metal bridge to ensure communication between these two municipalities.
- We completed two projects that benefit approximately 700,000 inhabitants in different municipalities of the departments of Risaralda, Valle del Cauca, and Caldas.
- We managed to consolidate the contracting of five projects to address the Panorama roads (Media canoa - Ansermanuevo - La Virginia) and the Ansermanuevo - Cartago route, as well as the Pereira - La Victoria and El Pollo - La Romelia highways, in addition to the maintenance and improvement of the Cerritos - Cauyá - La Felisa road in the departments of Caldas, Risaralda, and Valle del Cauca, with a value of COP 115,644 million, of which COP 1,283 million is allocated for technical assistance payments. We also have two projects for Routine Maintenance and Supply and Installation of Mixtures in the Department of Santander.

○ **Execution of technical assistance for special projects in 2022**

• **Transversal de La Mojana:**

- We conducted field visits to gather information and identify needs in the municipalities of Majagual, El Cauchal, and Sucre - Sucre.
- We prepared the preliminary studies for the construction of the El Cauchal - Sucre road with a value of COP 167 billion.
- We developed the financial model for the project.
- We held working sessions with commercial banks to request loans amounting to COP 150 billion. BBVA and FDN are among the interested parties in the process.

• **Emergency Bridges:**

- We conducted a market study to establish the conditions for the bidding processes in which foreign companies will participate.

- o We prepared the preliminary studies for the contracting of 1,600 meters of emergency metal bridges for the entire national territory.
- o We held meetings with Invías and INDUMIL for the construction of emergency bridges.
- o We carried out technical visits to ascertain the need to contract the construction and/or improvement of the Perales bridges in the passage of the Línea tunnel and the Totumo bridge in Tolima.
- **Túquerres -Samaniego; Tumaco- Pedregal:**
 - o We conducted field visits to gather information and identify needs.
 - o We prepared the preliminary studies for the improvement of these two corridors with a value of COP 100 billion.
 - o We developed the financial model for the project.
 - o We made progress with commercial banks to request loans amounting to COP 66 billion. We received a pre-approval letter from BBVA.
- **Divided highway Cartago-Montenegro:**
 - o We conducted field visits to gather information and identify needs.
 - o We prepared the preliminary studies for the improvement of the corridor with a value of COP 250 billion.
 - o We developed the financial model for the project.
 - o We held working sessions with commercial banks to request loans amounting to COP 220 billion. We received a pre-approval letter from BBVA.
 - o We held working sessions with the communities of Quimbaya and Cartago, accompanied by the Ombudsman's Office and the Comptroller's Office, to discuss the projects.
- **Plato-Salamina-Palermo:**
 - o We conducted field visits to gather information and identify needs.
 - o We prepared the preliminary studies for the improvement of the corridor with a value of COP 280 billion.
 - o We developed the financial model for the project.
 - o We made progress with commercial banks to request loans amounting to COP 250 billion. We received a pre-approval letter from BBVA.
- **Second Carriageway Valledupar- La Paz:**
 - o We conducted field visits to gather information and identify needs.
 - o We prepared the preliminary studies for the construction of the corridor with a value of COP 70 billion.
 - o We designed the financial model for the project.
 - o We made progress with commercial banks to request loans amounting to COP 55 billion. We received a pre-approval letter from BBVA.
- **Toll Collection Concession ZMB:**
 - o We carried out the structuring, contracting, and supervision of the supervision for the toll collection concession in Lebrija.
 - o We held working sessions for the transition with IDESAN.
 - o We completed the assignment processes between IDESAN and Findeter.
- **Sector 1: Bucaramanga – Girón – Lebrija**
 - o We carried out the structuring, contracting, and supervision of routine and emergency periodic maintenance of the corridor, as well as its liquidation.
 - o We held monthly working and social sessions with the community to continue the Lebrija toll and address the needs in the completion of the dual carriageway.
 - o We structured and supported the pre-contractual process until the awarding of the completion of the Bucaramanga - Girón dual carriageway.
 - o We attended political control debates in the departmental assembly and municipal councils.

- **Sector 2: Bucaramanga – Rionegro**
 - We carried out the structuring, contracting, and supervision of routine and emergency periodic maintenance of the corridor, as well as its liquidation.
 - We held monthly working and social sessions with the community to reactivate the Rionegro toll.
 - We carried out the structuring, contracting, and supervision for addressing the landslides in the Pozos Colorados sector under an actions for the protection of constitutional rights.
 - We structured and supported the pre-contractual process until the awarding of the rehabilitation of the Bucaramanga - Rionegro corridor.
 - We attended political control debates in the departmental assembly and municipal councils.
- **Road Pair: El cero- Puente Tierra:**
 - We reviewed the existing designs and information, and held working sessions with the community to establish the need.

We initiated the structuring of the preliminary studies for the corridor, with a value of COP 97,000 million.

- We made the financial modeling.
- We conducted working sessions with commercial banks to request a credit of COP 85 billion. We have a letter of interest from FDN and Banco de Occidente.
- **Divided Highway La virgen- La Cemento:**
 - We reviewed the existing designs and information, as well as held working sessions with the community to establish the need.
 - We made the financial modeling.
- Under the Vías del Samán Program, five projects were implemented during 2022, impacting several municipalities located in the departments of Risaralda, Valle del Cauca, and Caldas. These projects include consultancy and works such as road maintenance and rehabilitation, and the installation of a metal bridge. The technical assistance provided for these projects resulted in revenues exceeding COP 1,000 million.

○ **Completed projects: special projects technical assistance, 2022**

We completed four projects in different municipalities across the national territory:

- The first toll collection supervision was completed and liquidated.
- The contracts for routine and periodic maintenance in the Lebrija and Rionegro sectors were completed and liquidated.
- La Victoria - Cartago - El Pollo corridor, valued at COP 414,667,162.

○ **Flagship projects: special projects, 2022**

- Second carriageway Valledupar - La Paz
- Túquerres - Samaniego; Tumaco - Pedregal
- Plato - Salamina - Palermo
- Divided highway Cartago - Montenegro
- La Mojana Transversal
- National Bridges
- Panorama Road: Execution of 16.45 kilometers of rehabilitation
- Termination of the dual carriageway to Lebrija
- Construction of the Road Pair

- Construction of the divided highway La Virgen - La Cemento

3.2. Positive Impact (Processes)

3.2.1. Environmental Management

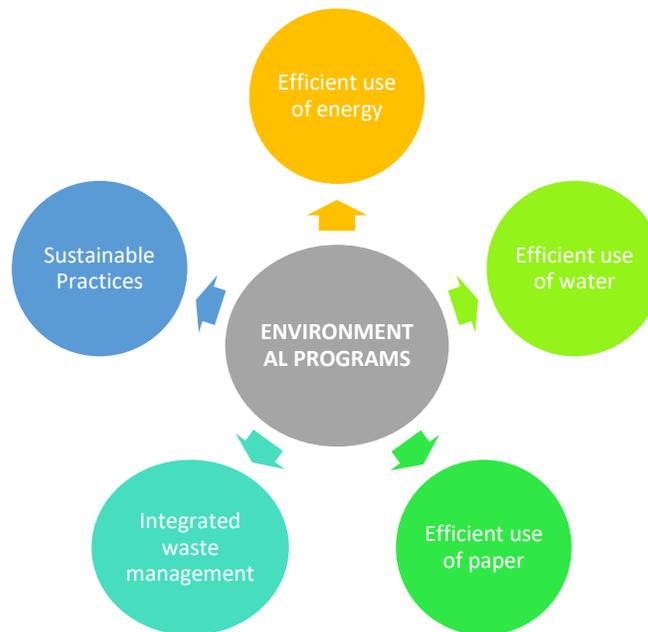
(305-1; 305-2; 305-3, 305-4) (103-3) Sustainable cities and communities, training and capacity-building in environmental matters (103-1) (103-2) (103-3) Actions on climate change, promotion of responsible environmental practices in the programs to be financed. (SDGs 13 and 15); **External Circular No. 7.4.1.3.2. Practices, policies, processes, and indicators regarding the environmental and social criteria implemented by the issuer**

We have an Environmental Management System - EMS, framed within the Integrated Management System, certified under ISO 14001:2015 since 2018.

El funcionamiento del SGA se basa en la política ambiental, análisis de requisitos legales, análisis de riesgos y de The operation of the EMS is based on environmental policy, analysis of legal requirements, analysis of risks, and analysis of environmental aspects and impacts generated in the development of the Entity's activities, from a life cycle perspective. These are managed through initiatives, programs, and activities, ensuring compliance with legal requirements, environmental preservation, and sustainable development.

To fulfill the policy and objectives of the EMS, which seeks to *“Manage good environmental practices to generate awareness and promote the efficient use of resources in Findeter’s activities, ensuring compliance with legal requirements, environmental preservation, and sustainable development,”* the following environmental programs are established:

Figure No. 10: Environmental Programs



Source: Findeter, 2022

The five environmental programs were fully implemented in 2022. As part of these programs, we carried out the environmental campaign “Being Conscious” under the motto “With our feet on the

ground,” aimed at disseminating our Entity’s environmental programs through various internal activities and communication channels.

The results in achieving the established goals for 2022 for each of the programs are reflected in the performance indicators:

- For the Water Efficiency program, the indicator shows an average consumption of 0.89 m³/year, out of a target of 1.35 m³, successfully meeting the goal.
- In the Energy Efficiency program, we achieved a significant compliance as the established goal was 90 KWh/month, and the average result reached was 68.57 KWh/month per person.
- The paper consumption was an average of 10.70 sheets per person, compared to a target of 120 sheets/person, resulting in a 189.425% compliance with the Paper Efficiency program. Although the pandemic influenced the low consumption due to the virtual nature of work, strategies were also implemented to continue working with some documents electronically.
- Regarding recyclable waste, we managed to recycle approximately 37.46% of the generated waste, including cardboard, plastic, glass, and paper, surpassing the target for non-hazardous solid waste utilization. These results were made possible through regular inspections of ecological points for source separation, training for general services staff on waste handling, audits, environmental authority monitoring, and awareness campaigns conducted for all Entity employees. As for hazardous waste generated, it was properly disposed of and fully delivered to authorized managers by the competent environmental authority, meeting the indicator 100%.
- Regarding the Sustainable Practices program, which aims to raise environmental awareness and promote the efficient use of natural resources to contribute to reducing the carbon footprint generated by the Entity, we successfully fulfilled the objectives. We carried out the proposed activities, including the measurement of the corporate carbon footprint in 2021, resulting in 233.66 tons of CO₂e out of a target of 480 tons of CO₂e, and subsequently compensating 100% of the generated footprint.

(103-1)

It is important for us to incorporate all actions and strategies that contribute to mitigating climate change damage within the environmental management programs. Therefore, we consider the environmental aspects and impacts associated with each of our activities, as they provide knowledge about the points to control and determine strategies to mitigate the significant impacts on operations.

We have an environmental aspect identification matrix and assessment of environmental impacts, as well as a procedure for identifying, evaluating, measuring, and monitoring environmental aspects and impacts. These documents establish the activities, policies or conditions, controls, decisions, and formats to be completed to identify, evaluate, and monitor the environmental aspects and impacts related to the Entity’s activities, products, and services, taking into account a life cycle perspective.

Thanks to our commitment to environmental management, strategies, and actions addressing climate change, we have obtained ISO 14001:2015 certification. This international standard provides the framework for protecting the environment and responding to changing environmental conditions in balance with socio-economic needs. Additionally, this standard specifies the requirements that enable an organization to achieve the intended outcomes established for its Environmental Management System.

(103-2)

We have an environmental policy within an Integrated Management System with the guiding principle: *“We manage good environmental practices to raise awareness and promote the efficient use of*

resources in Findeter's activities, ensuring compliance with legal requirements, environmental preservation, and sustainable development."

We also have environmental objectives that are consistent with the strategic direction and Policy of the Integrated Management System, as follows:

- Manage good practices to raise environmental awareness among Findeter employees and promote the efficient use of natural resources.
- Properly dispose of waste classified as hazardous

To achieve these objectives, we have environmental programs that aim to raise awareness throughout the Entity and involve employees in a culture of responsible use of natural resources, supported by environmental campaigns conducted throughout the year.

Notable campaigns include those promoting energy efficiency, which encourage better environmental practices to save energy, restrictions on printing to achieve considerable paper savings, proper waste separation, among others. We also have the sustainable practices environmental program, in which we promote actions against climate change and highlight practices such as using eco-efficient means of transportation, measuring the carbon footprint, and offsetting it through tree planting or carbon credits acquisition.

(103-3)

The Environmental Management System includes indicators that assess the effectiveness of each program, activity, and strategy. Based on the monitoring and analysis of indicator performance, we intensify the associated activities and campaigns to correct and achieve the expected behavior.

Internal and external audits also evaluate the Environmental Management System, reviewing areas for improvement and highlighting successful activities.

A success story is related to carbon footprint offsetting, an additional value-added activity we carry out in the Entity. We highlight the carbon footprint offset for the year 2021, through the acquisition of 234 carbon credits, which neutralized 233.66 tons of CO₂ emissions during that year.

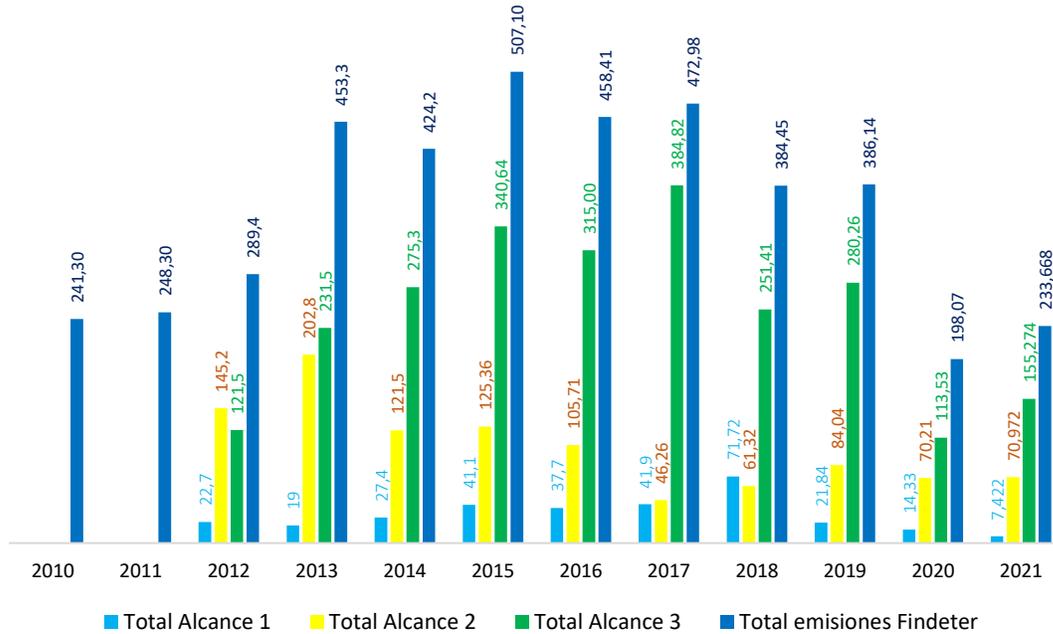
3.2.2. Carbon Footprint

External Circular 012/2022 SFC External Circular Number 7.4.1.3.2. Practices, policies, processes, and indicators regarding environmental and social criteria implemented by the issuer; Annex 2, Item 5.1.2. Information related to climate matters, in terms of the recommendations of the Task Force for Climate-Related Financial Disclosure (TCFD), or any framework or standard replacing it.

The measurement of the corporate carbon footprint encompasses the inventory of greenhouse gas emissions (GHG), which allows identifying emissions caused throughout the entire operation and service provision cycle.

In this regard, since 2010, we have measured the carbon footprint of Findeter's activities as a sustainable best practice and have offset the emissions through various mechanisms such as tree planting and carbon certificate purchases. The following is the historical record of annual measurements:

Graph No. 11: Evolution of Findeter's carbon footprint



Source: Findeter, 2022

Meaning of each scope in the emissions inventory:

- **Scope 1:** corresponds to direct greenhouse gas (GHG) emissions, such as emissions from fossil fuels and fugitive emissions from refrigerant gases (fire extinguishers, air conditioners, etc.).
- **Scope 2:** is related to indirect emissions derived from energy consumption.
- **Scope 3:** corresponds to indirect emissions, such as those emitted from corporate flights, third-party terrestrial transportation, printing supplies (paper and toner consumption), and waste utilization and disposal.

We have observed a slight increase in the measurement of carbon footprint in 2021 compared to 2020, explained by the progressive return to in-person work, which implies higher energy consumption, increased corporate flights, and increased waste generation, among other factors.

The 233.66 tons of CO₂ emissions we emitted in 2021 were successfully offset through the acquisition of 234 carbon credits, withdrawn from the CO₂CERO Rubber El Viento Forest Project, in favor of Findeter.

Findeter stands out as an organization with an active corporate sustainability strategy and extensive experience in planning and implementing environmental policies and programs that promote the efficient use of resources. This is reflected in the historical record of decreasing corporate carbon footprint results, influenced by the activation of environmental programs, energy-saving campaigns, changes in fire extinguishers and refrigeration equipment, digital transformation, waste utilization, and tree planting.

3.2.3. Technology Management

Regarding the progress of digital transformation in our Entity, we highlight the projects from the Strategic Information Technology Plan (PETI 2019-2022). Among the 9 projects worked on during 2022, the following stand out:

- ✓ Non-financial products CRM: This project allows strengthening the workflow of sales management processes, business opportunity management, evaluation and structuring of business opportunities, formalization of agreements and contracts by implementing the necessary requirements for proper monitoring and control of non-financial product commercial management.

Main benefits: better control of commercial information for non-financial products, integration with other applications of the entity, timely information.

- ✓ Secure Information Exchange: This project involves the launch of OneDrive as a secure exchange tool, following the policies of the Risk Vice Presidency.

Main benefits: strengthening the security of the Entity's information when exchanging it with third parties, rationalization of physical resources and paperless through electronic document management, cost reduction generated by the custody and storage of the Entity's information by a third party.

- ✓ CRM in the Cloud: This project aims to migrate the Entity's CRM to the cloud, consolidate the CRM for financial and non-financial products that support the sales force. Additionally, it seeks the unification of products into a single tool.

Main benefits: ensuring continuity of service, facilitating maintenance, increasing security, and enabling integration with other cloud solutions.

- ✓ Technical Core: The scope of the project is to design, build, and implement software that allows the automation of non-financial product management and supervision processes to generate real-time contract and project information.

Main benefits: having centralized information in a single repository, streamlining and controlling the process through the implemented workflow.

- ✓ Data Analytics Strategy: Providing Findeter with a strategy and solution for performing analytics on structured data generated in all areas of the Entity to support strategic and commercial decision-making.

Main benefits: strengthening the Entity's commercial activity, achieving integration between entity data and external information for identifying business opportunities.

- ✓ Identity Management: Definition of accesses, permissions, and roles for critical applications established in the DRP, as well as updating the access management procedure.

Main benefits: strengthening information security through a tracking and control scheme. The project's execution will allow having a matrix that establishes the accesses of each collaborator to the applications related to business continuity and ISO 27001 certification. In the future, it will allow the centralization of system administration and the establishment of controls to ensure the principle of least privilege and facilitate monitoring and control over applications.

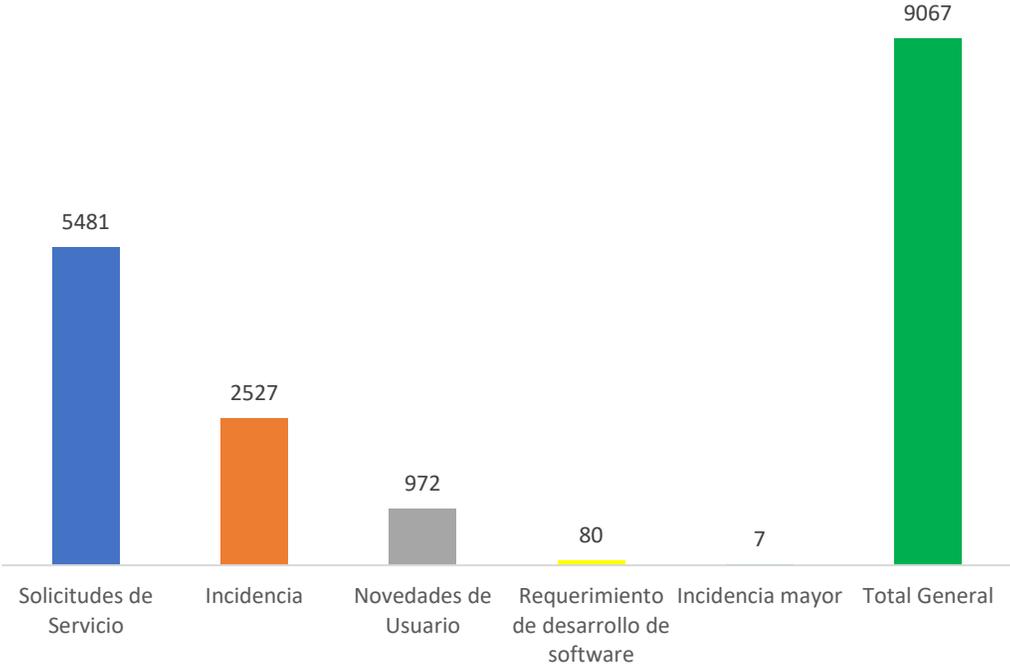
Other highlighted aspects of technology management include:

- ✓ We strengthened the application of emerging technologies such as RPA, the path to cloud utilization, and data analytics, aligning ourselves with the digital government policy and optimizing the Entity's resources.
- ✓ We strengthened our technological services, mainly those supporting mission-critical processes, relying on BPM application. We advanced in the use of BPM methodology to model processes such as the technical process and direct credit.
- ✓ We updated the technological platform regarding access controls, secure information exchange through OneDrive, and implemented double-factor authentication MFA to strengthen security posture.
- ✓ We changed the telephony platform with new technologies, allowing portability and collaboration through Microsoft Teams.

Regarding information systems management, in addition to the maintenance and support required by applications, we highlight improvements in applications such as the adaptation of the Dynamic AX Information System and greater integration services with the financial core and CRM.

In relation to the service desk, we timely addressed the requirements of all Entity users, ensuring the availability of resources, both hardware and software, enabling them to carry out their activities without setbacks. During 2022, we handled 9,067 registered cases, as shown in the following graph:

Graph No. 12: Cases Registered by the Service Desk in 2022



Source: Findeter 2022

3.2.4. Data Governance Management

As of December 31, 2022, we highlight the following:

- We have a corporate glossary and documentation of data capture instructions in information systems. In terms of promoting the use and adoption of the project, we have been conducting various campaigns emphasizing the importance of data and its proper management and use. We provided training for data owners and created a video explaining the advancements in data governance and its benefits.
- We created information sheets for administrative records of disbursements and non-financial product projects.

3.2.5. Innovation and Knowledge

From our strategy, we have consolidated innovation as a competitive advantage that allows us to generate constant value for our stakeholders. In 2022, we continued to strengthen our internal innovation model, which was certified for the third consecutive year with high standards under the B.P.I. (Good Innovation Practices) seal by the Bogota Chamber of Commerce in partnership with Icontec.

As a result of the internal innovation process we have developed in recent years, we were recognized by the Ministry of Science, Technology, and Innovation as the country's first development bank to have a corporate R&D+i (Research, Development, and Innovation) Unit, accredited as a key player in the ecosystem. This recognition enables us to present innovation projects without the need for external backing and positions us as a national reference in innovation.

“At Findeter, we demonstrate day by day that innovation never stops and becomes a key strategy to transform ourselves and Colombian territories.”

In 2022 the Innovatón program accompanied our team of Heroes (innovation mobilizing collaborators at Findeter) in the transfer of new tools and methodologies that allowed us to tackle 9 institutional challenges posed by the management team, through the construction and prototyping of 10 solutions and the subsequent implementation of 5 innovation projects. The innovation projects implemented this year were:

- **Modernization of Debt Capacity Estimation:** The solution is provided through an internal application that automates relevant calculations. The results are visualized through an interactive Power BI report, allowing real-time access to the debt capacity estimation of territorial entities on both individual and mass scales.
- **Facilitator for Placing International Banking Loans:** This solution is a redefinition of the strategy to boost the placement of loans funded by international banks. It includes reviewing the metrics of the sales force, establishing differential indicators and incentives for these lines, and developing a webpage with detailed information about banking products.
- **More Amount, Less Interest Rate:** This solution aims to increase the disbursements of the Entity by offering customized interest rate discounts and negotiations for operations exceeding COP 70 billion with terms equal to or longer than 5 years in the rediscount modality.
- **Geo-Feasibility:** Through the use of technological tools such as unmanned aerial vehicles (drones) and geolocation, we designed a new scheme to support the feasibility stage of projects. This provides comprehensive support for supervision and development activities, particularly in territories with difficult geographical access.

- **Humans with You App:** In line with our internal transformation strategy, we have been working on a digital solution that allows our employees to self-manage all requests related to human resources, including EFR benefits, vacations, sick leaves, certifications, and more.

Throughout our experience in strengthening our innovation model, we have understood the importance of creating value for our stakeholders through new solutions. That's why we highlight the presentation of two projects to the Ministry of Science, Technology, and Innovation, which were endorsed in their 2022 Call for Proposals.

One project is *“Automation of Active Operations in Findeter’s Rediscount Credit Management”* as an innovation initiative, and the other project is *“Contribution of Projects Developed by Findeter, as part of its integrated management, to the Sustainable Development Goals (SDGs)”* as an applied research project.

These projects allow us to transform our Entity and, furthermore, transform Colombian territories, demonstrating that investments in innovation always generate a positive return and impact.

Additionally, as part of our knowledge management efforts, we continued working with our “Findeter Mentors” program, an established space where we transferred knowledge on key topics for the organization, such as the contracting process, claims management, change management, and automation. Each of these virtual spaces involved the participation of approximately 300 employees.

Strengthening our relationships with actors in the science, technology, and innovation ecosystem, in 2022, we collaborated with the Innovation Laboratory of the National University - LAB101. They accompanied us in several training sessions on change management and automation, allowing us to leverage and implement innovations developed within our internal model. Moreover, we signed a cooperation agreement in science, technology, and innovation with the District University of Bogota to further strengthen innovation activities and enhance the relationship between the company, government, and academia, which brings significant positive results for our country.

3.2.6. Communication Management

[\(102-33\)](#), [\(102-42\)](#), [\(102-43\)](#)

Communication is a fundamental aspect for the execution of the Strategic Plan, as it cuts across the entire organization and involves all employees and other stakeholders. In 2022, we continued to strengthen corporate communication as an essential factor in serving the areas for reputation enhancement and building the Entity’s culture, promoting management and the service portfolio, showcasing the impact of the projects led, and disseminating generated knowledge.

Throughout this year, the communication plan focused on highlighting the positive impact of Findeter’s management in priority areas such as direct credit, the reconstruction of the Providencia and Santa Catalina Archipelago, the Entity’s contribution to the realization of the development plan of territorial entities, the results of different business areas, the implementation of new formats to disseminate studies, research, and analyses produced by the Economic Analysis Department, deepening the digital channel strategy, supporting organizational culture strengthening, connecting with all employees, and achieving greater presence in regional and national media.

Additionally, we developed new strategies that allowed us to impact the Entity’s stakeholders.

- **Internal Communication:**

In order to increase the reach and interactions on our Findeter’s social media platforms, we launched the campaign “Findeter Influencer - Let’s Be a Positive Trend,” through which we trained over 350 employees in their usage and managed to consolidate a greater number of followers with constant interaction.

We developed over 45 work plans with different departments and created internal communication campaigns to internalize relevant topics for culture and organizational climate strengthening, such as human rights, digital transformation, innovation as a strategic competency, information security, and sustainability, among others.

We produced an audiovisual miniseries about contracting at Findeter called “Mrs. Ley,” which informs about the steps in the contractual process in a dynamic and educational manner.

To keep our employees informed immediately, we created “Findeter News - Breaking News,” through which we inform about internal and external organizational events in real-time via email.

We boosted the profile of our internal social network on Instagram, sharing messages that create a close connection with employees and their work environment, resulting in increased followers and interactions.

- **Outreach and Press:**

To position the Entity and showcase our management through free press strategies, we sent relevant information about Findeter to media outlets and opinion leaders, including direct loan and rediscount lines, planning products (sustainable cities, multipurpose cadaster, land use plans), discussion of events with territorial entities, project financing, and project structuring (trains, mobility plans, hospitals), among others.

We continued our strategy of engaging with journalists, ensuring that they see Findeter as an ally for their publications. For this purpose, we arranged interviews with journalists from national and regional media outlets.

As a result of this work, in 2022, the media published 4,340 news articles about Findeter, with 35.5% in national media and 64.5% in regional media. The publication of this information represented an opportunity cost of COP 18,436 million for Findeter.

- **Communication and Digital Marketing:**

Website: We have made improvements for the continuous stabilization of the platform and to optimize its performance, functionality, and user experience (especially the rediscount section). Additionally, we have increased the speed of lead processing from digital marketing campaigns and completed the requirements of the ITA matrix.

Social media: The focus has been on strengthening social media as a strategic communication channel with stakeholders and establishing an editorial methodology that allows us to capture, select, and publish information that adds value to our daily activities.

Table No. 57: Social Media Reach

Channel	2021	2022	Var%	Goal 2022	Compliance
Twitter	3,519,000	4,267,989	21%	3,266,515	31%
Facebook	426,503	634,219	49%	N/A	N/A
LinkedIn	158,932	148,266	-7%	N/A	N/A

Source: Findeter

- **Editorial Production**

During 2022, we continued working on the development of new publications that support the Entity's corporate strategy and positioning. That's why we launched the book "Providencia: An Island for the Future" in July and the page "Findeter: The Great Executor of Reconstruction" in September. These editorial products showcase the technical assistance work carried out by the Entity in Providencia and Santa Catalina after the passage of Hurricane Iota.

Furthermore, with the support of the Economic Studies Department, we created the interview podcast "Economy in a Snap" in September. The podcast aims to bring current economic topics closer to different stakeholders.

We also worked on maintaining and positioning products such as the magazine "Territorios," which reached its fourth edition, and the biweekly newsletter "Contexto Económico," totaling 36 editions, 22 of which were developed in 2022. Additionally, we focused on regularly updating the institutional blog and digital library.

During that year, we supported the publication of the following products:

- Management and Sustainability Report 2021
- Ministry of Innovation
- Three action plans (Armenia, Arboletes, and Florencia)
- Four economic studies
- User manual for Providencia shelter-type houses
- Two publications related to customer service
- Three mobility plans (Bucaramanga, Cúcuta, and San Andrés)

3.2.7. Legal Management (102-17)

The Legal Management process is responsible for advising the Entity on all legal aspects related to the development of its social purpose, providing legal security in its operations to ensure compliance with the legal framework. It exercises judicial and extrajudicial representation based on legal arguments in a timely manner, seeking comprehensive protection of institutional interests. It also handles the administration and collection of balances derived from the co-financing agreements' liquidations to ensure the collection of such amounts. It is also responsible for complying with precautionary measures issued by the competent authorities to avoid sanctions for non-compliance. It also manages the risks of the Entity for the proper development of its financing and technical assistance activities. Finally, it handles the requests presented by various control entities, generating technical and legal responses to demonstrate the Entity's proper management in the development of its operations.

The Legal Management consists of five procedures and one instruction, as follows:

- Opinions and Advisory
- Judicial and Extrajudicial Representation
- Administration and Collection
- Embargo Procedure
- Administration of Insurance Policies
- Response to Control Entities' Requests

In the following sections, we present the most relevant figures and activities regarding Legal Management within our Entity.

3.2.7.1. Opinions and Advisory

During 2022, we issued 14 legal opinions related to the development of the Entity’s social purpose as part of our financing and technical assistance operations. These opinions allowed for the exercise of such activities within a legal framework, generating legal security in the Entity’s decisions.

We also conducted a legal analysis regarding financing operations through rediscount and direct credit. For rediscount, we analyzed 14 operations to determine that they were directed to the authorized uses and sectors of the Entity. Regarding direct credit, we reviewed 264 documents through which loan operations and their guarantees were structured.

Additionally, in coordination with the Ministry of Finance and Public Credit, we managed the issuance of five decrees authorizing Findeter to implement rediscount and direct credit lines with offset rates. This allowed for the allocation of public budget resources to create credit lines with subsidized interest rates aimed at promoting regional and urban development.

3.2.7.2. Judicial and Extrajudicial Representation

The internal and external lawyers of the Entity are responsible for the extrajudicial and judicial representation in the processes where Findeter is a party in different jurisdictions. Their representation work is carried out by arguing Findeter’s proper management under the rules governing its operations and presenting the Policies and Judicial Defense Lines adopted by the Entity as support for its claims or exceptions. These documents establish the legal arguments that have supported previous judicial decisions in favor of the Entity.

In addition to the above, it should be noted that there were 25 sessions of the Judicial Defense and Conciliation Committee, which is the forum for making decisions related to the proper administration of judicial processes. The committee analyzes both general aspects and the adoption of the Policy for the Prevention of Unlawful Harm for the periods 2022-2023. They also address the legal positions that the Entity must take during judicial and extrajudicial conciliation hearings, which amounted to 27 cases.

Regarding the administration of judicial processes, we manage them through the Official Ekogui System, which contains information on each process, detailing the parties involved, the status of the processes, types, etc. This system allows for risk assessment and the generation of provisions to properly handle possible decisions against the Entity.

3.2.7.3. Findeter Judicial Processes

(102-34); Circular 012 of 2022 - (Section 7.4.1.1.2. Lawsuits, judicial and administrative proceedings in which the issuer is involved, and that have the capacity to materially affect its operation, financial situation, and/or changes to its financial situation, Subsections (i), (ii), (iii), and (iv). Provisions.)

As of December 31, 2022, we represented the Entity in 159 judicial processes distributed as follows:

Table No. 58: Judicial processes against Findeter

DEFENDANT				
TYPE OF PROCESS	Number	Value of Claim	EKOGUI Indexed Claim Value	Total Provisions
EXTERNAL				

Direct reparation action	16	6,614,138,033	8,905,481,746	0
Insolvency	2	344,268,723	471,523,780	0
Ordinary Labor	21	6,260,983,840	9,139,734,029	2,412,153,478
INTERNAL				
Class action	5	14,865,548,508	20,273,045,043	0
Direct reparation action	21	13,263,454,346	10,266,803,759	0
Popular Action	11	45,000,000	0	0
Contractual Controversy	19	81,128,744,810	94,058,703,874	0
Payment Order	1	16,096,740	0	0
Simple Nullity	1	45,000,000	0	0
Nullity and reestablishment of rights	1	134,514,920	147,816,788	0
Ordinary Civil	1	90,000,000	0	0
Ordinary Labor	18	275,896,743	176,805,217	0
Direct Reparation	2	846,736,840	971,772,191	0
Electoral nullity	1	0	0	0
Total	120	123,930,383,503	144,411,686,427	2,412,153,478

Source: Findeter, 2022

Table No. 59: Processes brought by Findeter

PLAINTIFF				
TYPE OF PROCESS	Number	Value of Claim	EKOGUI Indexed Claim Value	Total Provisions
EXTERNAL				
Executive	15	1,105,400,660	1,893,622,745	0
Ordinary civil	2	5,933,702,288	5,152,142,487	0
INTERNAL				
Contractual Dispute	5	3,283,949,572	25,961,863	0
Executive	15	5,013,207,066	3,676,913,059	0
Insolvency	1	58,333,339	0	0
Ordinary civil	1	1,562,517,642	1,600,583,953	0
Total	39	16,957,110,567	12,349,224,108	0

Source: Findeter, 2022

One of the indicators of judicial management corresponds to the court decisions in favor of Findeter in the processes in which it is involved. In 2022, a total of 20 decisions were issued that concluded judicial proceedings, and all of them were favorable, either exonerating Findeter or accepting its

claims. Regarding these decisions, in 15 processes, Findeter acted as the defendant, and the claims against it amounted to over COP 5.863 billion, thereby avoiding convictions for this amount.

- **Writ for the protection of constitutional rights**

In particular, we highlight the judicial defense deployed to address the 75 actions for the protection of constitutional rights filed against the entity. It is worth noting that 71 decisions have been favorable to Findeter based on the legal arguments presented and by demonstrating that there has been no violation of fundamental rights resulting from the entity's actions or omissions. As for the unfavorable judicial decisions (4 cases), we coordinated compliance with them with the support of the entity's departments, thereby preventing the initiation of contempt proceedings.

It is important to highlight some judicial decisions under actions for the protection of constitutional rights, which have ratified the entity's legal authority to establish special conditions within the scope of its terms of reference in technical assistance operations, such as concentration rules and the exclusion of proponents who are subject to criminal actions. Furthermore, we emphasize favorable decisions in actions for the protection of constitutional rights brought by former employees of the entity, who claimed a violation of their right to work, equality, and minimum vital income due to the termination of their employment contracts by the entity. Similarly, we have obtained several favorable rulings related to the reconstruction of Providencia, in which it was demonstrated that the entity carried out the necessary works to guarantee the dignified housing of the claimants.

- **Administration and Collection**

In 2022, we managed to reduce the amount of funds owed by Findeter for co-financing purposes that are under its administration and collection. This was achieved through effective collection or the allocation of budgetary resources for the assistance of victims by the debtor territorial entities, reducing the number of debtor entities from 16 to two and decreasing the value of the debts from COP 1,566,644,578 to COP 165,626,992.

Figure No. 11: Evolution of the value of debts and debtor municipalities in favor of co-financing funds.



Source: Findeter

- **Embargo Procedures**

We have processed 107 requests to apply precautionary measures from judicial entities and administrative authorities. The management involves verifying the ownership of the assets on which the measure is ordered and proceeding with the execution of the embargo once the owner is identified. Proper management of this activity prevents the imposition of pecuniary sanctions established by law for non-compliance with the embargo orders.

- **Insurance Policies Administration**

We successfully contracted the corporate insurance package for the Entity for the 2022-2023 period. This is done as part of our compliance with the current regulations as an institution that carries out financing and technical assistance operations, which require the adoption and implementation of risk management systems to protect assets and financial interests, prevent and mitigate reputational risk, and safeguard against potential losses that the Entity may incur in the course of its operations. The contracted policies and their values are as follows:

Table No. 60: Findeter Insurance Policies Group

N	Group	Budget
	GROUP 1	
1	All Risks Material Damage	\$ 91,067,568
2	Global Handling	\$ 76,121,807
3	Automobiles	\$ 550,958
4	Transportation of Valuables	\$ 357,000
5	Extracontractual Liability	\$ 23,562,000
	GROUP 2	
6	Infidelity and Financial Risks	\$ 580,410,600
	GROUP 3	
7	Directors and Administrators	\$ 1,670,760,000
8	Liability for financial operations	\$ 596,190,000
9	Project Liability	\$ 206,613,750
	GROUP 4	
10	Cyber liability	\$ 135,166,745
	GROUP 5	
11	Aviation - Drone	\$ 11,672,153
	Total	\$ 3,392,472,581

Source: Findeter 2022, Figures in pesos

We renewed the Group Life and Fire & Earthquake insurance policies associated with the mortgage-backed credit lines provided to our employees. Additionally, we procured voluntary vehicle and home insurance policies that offered the best possible technical conditions for the entity's employees. Lastly, we obtained 103 policies required by Findeter within the technical assistance operation in which it acts as a contractor.

- **Addressing Control Entities' Requests**

We address the requests presented by various control entities, generating the requested technical information, meeting the provided deadlines, and delivering the information that allows us to demonstrate the proper management of the entity in its operations. In doing so, we avoid sanctions for non-delivery of information and the initiation of disciplinary and fiscal proceedings by providing documentation that supports Findeter's proper activities.

Table No. 61: Management of Control Entities' Requests in 2022

Control Agency	Requirements Addressed
Office of the Comptroller General of the Republic	216
Office of the Inspector General of the Nation	89
Office of the Attorney General of the Nation	20
Ombudsman's Office	41
Total	366

Fuente: Findeter 2022

3.2.8. Contract Management

(102-31)

Our contract management is governed by the provisions of private law and the principles of Administrative Function and Fiscal Management. At Findeter, we organize procurement based on types of purchases, with two established types governed by two internal procurement policies and different selection methods: a) Findeter goods and services, and b) goods and services for third parties. Under the latter, we have contracts executed through Trust Funds and contracts directly subscribed to by the Financial Institution in compliance with its commitments to international cooperation and banking. The latter is referred to as Findeter's direct third parties.

The contractual selection methods in the entity are as follows: for Findeter goods and services - open call for bids, selection of consultancies, invitation to bid, direct contracting, and purchases from large retail stores; for goods and services for third parties - public call for bids, private call for bids, invitation to bid, and direct contracting.

- **Contract Management Figures**

During 2022, we managed the review and processing of 1,530 requests from technical areas and external entities, including requests for contractual processes (preliminary studies and needs assessments), petitions, control entity requirements, contractual certifications, contractual modifications, validation and approval of insurance policies, among others.

- ✓ **Procurement and Acquisition Plan**

The procurement plan is the control and monitoring tool for the procurement of goods and services at Findeter.

Day by day, we consolidate this important planning tool, implementing and improving the application of indicators and providing support to the technical areas of the entity by generating early alerts regarding compliance with schedules for their procurement needs. The monitoring and control allowed us to identify budget savings of COP 6,542 million and the commitment of all available resources amounting to COP 32,448 million, which were used to contract 554 lines or needs, achieving a compliance indicator of 100%.

The most representative figure is the contracting through the category of other consultancies, which represents 23% of the total investment. This category is responsible for ensuring services that support the entity's operations, such as the outsourcing of the office of internal control, technology help desk, and external auditing, among others.

Furthermore, 17% of the total committed resources were allocated to strategic investments in technology and specialized consultancies, as a suitable and decisive response to the challenges posed by a new reality where the role of digitalization is paramount in daily operations.

Table No. 62: Execution of the Procurement and Acquisition Plan for 2022

Item	Contracted Value	% Share
Other Consulting	\$ 6,258,815,219	23%
Computer, Communication and Multifunctional Equipment	\$ 4,489,416,479	17%
Software Maintenance	\$ 4,086,948,707	15%
Premises, Offices, Parking and Others	\$ 2,042,292,706	8%
Technical Files	\$ 1,936,702,757	7%
Purchase and Software	\$ 1,808,033,819	7%
Airline Tickets and Transportation	\$ 1,600,000,000	6%
Project Structuring	\$ 1,547,808,666	6%
Promotion and Dissemination	\$ 1,041,001,235	4%
Cleaning and Cafeteria Services	\$ 708,919,457	3%
Training	\$ 668,576,320	2%
Legal Counseling	\$ 619,019,862	2%

Source: Findeter, 2022 – Figures in pesos

✓ **Findeter Goods and Services**

This type of procurement is governed by the internal policy for the procurement of goods and services, aiming to ensure the acquisition of works, goods, and services included in the procurement plan that are essential for the operation, strengthening, and promotion of the entity in accordance with its legal and strategic objectives.

One of the main indicators is the efficiency in the contracting process, which is reflected in an average of 19 business days from the publication of minimum requirements to the awarding of contracts.

During 2022, we concluded 95 acceptance of commercial offers, 65 contracts, 36 expenditure orders affecting the procurement plan, and 173 contractual modifications.

Total committed resources: COP 32.448 billion.

✓ **Goods and Services for Third Parties**

This type of procurement is regulated by the policy for the procurement of goods and services for third parties. In line with the current situation's particularities, we have been adapting the terms of reference to legally strengthen the selection processes while fully respecting, applying, and promoting the principles of administrative function and fiscal management, with the aim of ensuring, among others, a plurality of bidders and fair competition.

As a significant indicator of process efficiency and effectiveness, we can highlight that the average time for contractor selection, from publication to awarding, is **26.6 business days**. Through this type of procurement, we fulfill the commitments made to our national users, as well as the international banking and cooperation, with high standards of quality and transparency.

In 2022, we awarded 310 contracts through Trust Funds with a budget of COP 574.386 billion.

We concluded 4 contracts with Findeter’s direct third parties for COP 1.254 billion.

Total committed resources: COP 575.64 billion.

✓ **Procurement Committee**

We conducted 245 virtual sessions of the Procurement Committee, addressing 1,900 topics. The consolidation of the Procurement Committee as the governing and overseeing body of the selection processes within the entity brings agility, control, and monitoring to the contract management process.

Table No. 63: Procurement Committee sessions in 2022

Type of Topic Covered	QTY
Type of Topic Covered	86
Addendum	379
Approval of TOR and MRI.	67
Direct Hire	315
Economic Evaluation Report	364
Final Report of Qualifying Requirements.	372
Preliminary Report of Qualifying Requirements.	185
Contract Amendments	132
Total	1.900

Source: Findeter

✓ **Support Elements of the Contract Management Process**

The contract management process consists of the following management elements: 2 contracting policies, 49 forms, 13 procedures, 1 manual, 2 guidelines, 1 process characterization, 1 risk matrix, 2 communication and information matrices, and 71 support elements.

✓ **Updating Procurement Processes in the Integrated Management System (IMS)**

Continuous improvement is a significant aspect of the entity’s processes and procedures, especially in a dynamic area such as contract management.

This led us to initiate the updating of the support elements of the process, of which we have updated and published 7 procedures, 52 forms, and 1 manual in the Integrated Management System (IMS). We continue with the process of reviewing, adjusting, and approving the remaining documents.

By the end of 2022, the process includes an improvement action related to validating the relevance of using supervisor ratings in contract execution and Statements of Compliance (AOC) in the contractual selection processes, as part of the internal quality audit.

✓ **ICT in Contract Management**

Considering the importance of supporting the procurement process through various business applications to ensure reliability and information governance, as well as improving the efficiency and effectiveness of contract management, the following highlights are emphasized:

- ✓ **Institutional website** – We implemented the Technical Vice Presidency user role for the publication of contractual execution documents for third-party Trust Funds.
- ✓ **Pre-contractual management control module (in progress)**: It is currently in the modeling and development stage within the Integrated Business Process Management (IBPM) tool.

The module will control pre-contractual management with improvements for monitoring the status of procedures and generating contractual records online in the initial version.

- ✓ **Advertising of procurement processes:** We expanded the types of documents published in the call module of the institutional website, now including offers and observations received during the processes. Starting from July 2022, we also publish our goods and services contractual activity in SECOPII (publicity mode) in compliance with Act 2195 of January 18, 2022.

- **Management of Derived Contracting**

- a) **Stage of legal business structuring and offer presentation**

We provide legal support in the stage of project formulation and structuring, from negotiation with the user to offer preparation, as part of our technical assistance services. This includes defining the pre-feasibility, feasibility, support, and execution phases for projects in sectors such as water and sanitation, urban development and housing, education, sports and recreation, tourism, social infrastructure, health, energy, telecommunications, among others. We reviewed 82 formal proposals and 89 preliminary proposals.

- b) **Signing of agreements and contracts**

The Derived Contracting team prepared and reviewed approximately 100 contract or inter-administrative agreement drafts. These documents defined the contracting objective, the obligations of the parties, the resources that different entities will allocate for project implementation, and the payment for technical assistance services provided by Findeter.

- c) **Support for the preparation of prior studies**

We provided legal support to different areas of the entity in the preparation of 422 prior studies, which facilitated the structuring of calls for the selection of consulting, construction, and supervision contractors for project execution through public calls under a private regime.

- d) **Effective and timely legal support to Findeter's areas**

The Derived Contracting team provided ongoing legal support to supervision during the execution stage of the derived contracting signed under inter-administrative contracts and agreements. This included processing various modifications, suspensions, and non-compliance issues through internal and external collegiate bodies, as necessary.

Table No. 64: Management of Derived Contracting

Item	Number
Actions	Total
Technical Committees	606
Fiduciary Committees	610
Studies of need 2% of the Ministry of Housing, City and Territory	
<ul style="list-style-type: none"> a. New contracting: 132 b. Modification by addition: 48 c. Early termination: 8 d. Suspensions: 2 e. Assignments: 1 	191
Support for housing procedures	
<ul style="list-style-type: none"> a. Review of documents, reports, request for clarification of documents, review of assignment minutes and review of quotas: 1204. b. Communications and concepts: 511 c. Review of final documents: 904 d. Call evaluations: 91 e. Contracts and other contracts reviewed: 25 f. Addenda: 17 g. Revision of Existence Certificates: 1745 h. Previous studies and TOR: 8 i. Guardianship and legal proceedings: 12 j. Policy format and review: 1 	4,518
Closing of penalty clause and charges	66
Ratification of penalty clause and charges	8
Revision of Operating Manuals 2022	43

Source: Findeter

e) Settlements

- ✓ In 2022, the settlements group managed **582** settlements, surpassing the target of **450** set for the period. The settlements correspond to autonomous patrimonies, goods and services contracts, and third-party Findeter agreements (interadministrative agreements and others).
- ✓ We exceeded the target of 450 settlements for 2022, representing an achievement of 129%. During this period, we carried out internal monitoring activities with the departments regarding pending files for goods and services settlements, raising awareness among contract supervisors about the management and responsibility of this activity. We continue to monitor and hold regular meetings and exchange information with the infrastructure, water, and housing departments to ensure timely submission of settlement requests for completed projects.

3.2.9. Administrative Management

This involves the management, supply, and administration of resources in Findeter, aimed at generating well-being mechanisms for employees by providing quality services efficiently, safely, and promptly. From this standpoint, we work to address basic needs such as service provision, logistics, and procurement. In 2022, we highlighted the work carried out in aspects such as administration and maintenance of physical infrastructure, document management, employee travel allowances, office leasing, asset management, and automation of fixed assets.

- **Administration and maintenance of physical infrastructure**

We fully complied with the 2022 maintenance plan of the entity, thereby prolonging the life of Findeter-owned properties and providing employees with suitable workplaces. In the Pereira and Bucaramanga offices, we replaced the carpets with optimal, aesthetically pleasing, healthy, and functional flooring, addressing a priority need for hygiene. Additionally, we renovated spaces and completed the flooring replacement in all Findeter regional offices.



We replaced the furniture in all the executive offices at the central headquarters, achieving more pleasant and modern environments for Findeter employees.



- **Document Management**

During 2022, the Document Management Center (CAD) carried out its operations at the main headquarters and through the institutional email correspondencia@findeter.gov.co, recording the following figures:

Table No. 65: Typologies of Document Management for 2022

Item	Number	Document Type	Average Month
Filing of correspondence	25,627	Documents	2,136
Classification, sorting, paging, folding, labeling, Fuid lifting and coding.	9,845	Units	815
Digital loans	6,679	Units	564
Physical transfers received	11,830	Units	985
Inclusions in electronic form	3,464	Electronic files	312
Digitalization images	270,346	Images	22,528
Upload to Documenta application	10,467	Folders	872
	876,200	Digital files	73,016

Source: Findeter

In addition, to strengthen the employees' capabilities in document management, we conducted 22 training sessions for 128 employees, related to archival processes. We provided 11 training sessions on the Documenta document manager to 95 employees, and we created 9 informative materials related to the document manager and archival processes.

We also carried out campaigns to keep workstations free of boxes and folders of documentary records, strengthening the processes of transfers and document inclusions.

The Document Administration Center - CAD updated the document inventories of the Entity's management archives.

- **Employees' travel expenses commission**

As part of our mission to plan, structure, finance, and execute sustainable projects that transform territories, in 2022 we processed 3,109 travel commissions for 297 employees to different areas of the country where the organization develops projects. Out of these commissions, 337 were for supervising, coordinating, and supporting activities for the repair and construction of houses in Providencia and Santa Catalina. These commissions generated an accumulated savings in accommodation per diems equivalent to COP 2,187 million, derived from a total accommodation cost of COP 2,479 million, compared to COP 291 million paid for renting properties in Providencia to accommodate the workers participating in project execution.

- **Office leasing**

In 2022, there was a reduction in leasing expenses amounting to COP 489,241,668 due to the closure of the offices in Santa Marta, San Andrés, and the 5th floor of Tower 104 in Bogota. In the office renewals for the 3rd and 6th floors of Stage I, the 5th floor of Stage II, and the properties in Providencia, we achieved savings of COP 129,220,673 by reaching agreements to avoid price increases in each of the extensions.

- **Asset management**

267 fixed assets in Bogota were written off, as follows:

Table No. 66: Asset write-offs

Amount	Mode	Place
160	Donation	Bogota
107	Destruction	Bogota

Source: Findeter.2022

With this donation, we contributed to the social purpose of the PAN Amab Foundation, which has been working for 15 years with mothers and fathers who are heads of households, vulnerable people and displaced persons, providing training for mothers, young people and children in vulnerable conditions in low-income strata. The foundation received a donation of 160 items.

As for the write-off by destruction, it was at zero cost for the Entity and for it we received a final disposal certification, issued by the firm "Tecnologías Ambientales de Colombia S.A. Tecniam S.A.", complying with the environmental regulations on waste disposal.

4. RESPONSIBLE FINANCE

4.1. Economic Environment

4.1.1. Economic Context in Retrospect

External Circular 012/2022 SFC, Section 7.4.1.1.1. Description of the issuer's business purpose, Subsection (iii) Competitive commercial conditions

During 2022, imbalances between supply and demand caused by the pandemic, the war in Ukraine, and ongoing lockdowns in China to control new outbreaks of Covid-19 significantly drove inflation upwards. This behavior led central banks to adopt a contractionary monetary policy, which only began to ease towards the end of the year as pressures on prices subsided in major economies.

This context resulted in a deterioration of global economic activity in the second half of the year, as well as lower growth prospects for 2023.

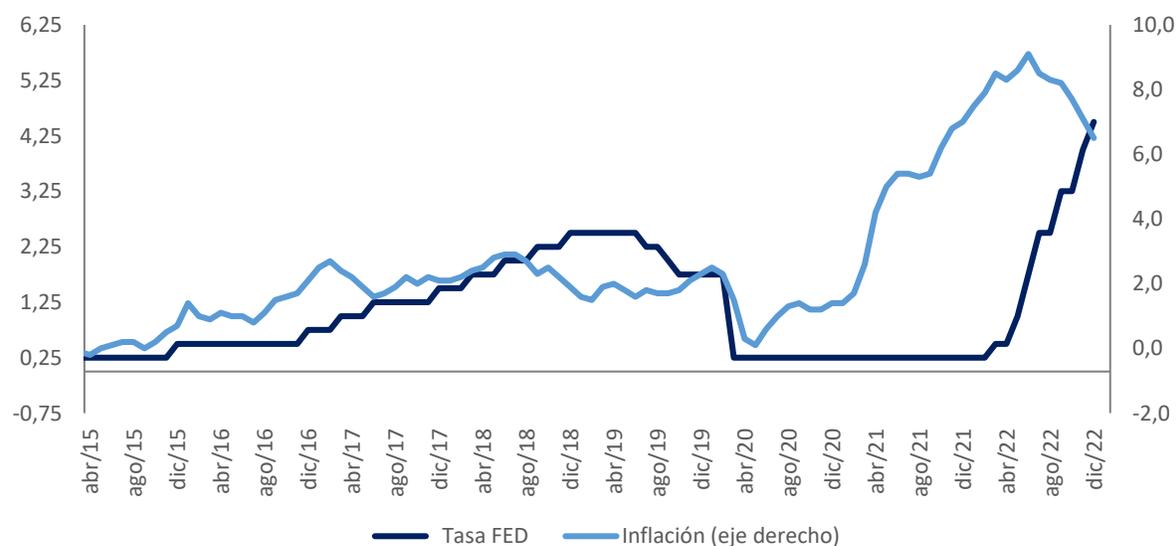
Developed Economies

United States

In the United States, inflation exhibited an upward trend during the first half of 2022, reaching a historical peak in June (9.1%). This behavior was mainly explained by high gasoline prices during that period, which reached record levels due to Russia's invasion of Ukraine earlier in the year. Additionally, there were higher prices for food items such as eggs, chicken, and fruits, among others.

In the second half of the year, as the U.S. economy began to slow down, prices gradually started to decline. In December, they showed an annual variation of 6.5%, the lowest level since October 2021⁶ (Graph 13).

Graph No. 13: Monetary Policy Variables in the United States



Source: Bloomberg; prepared by Findeter.

⁶ This movement was primarily driven by corrections in gasoline prices and used vehicle prices. Additionally, underlying inflation decreased from 6.0% in November to 5.7% in December.

In this context, starting from March 2022, the Federal Reserve (FED) chose to depart from its range of interest rates of 0.00%-0.25% and initiate a normalization in its monetary policy by implementing historic interest rate hikes.

Thus, the Federal Reserve (FED) ended the year with a decision to increase the interest rate by 50 basis points in December, bringing it to a range of 4.25%-4.50% (Graph 13). This increase moderated the pace of previous rate hikes, which were 75 basis points each, due to the lower inflationary pressures on the U.S. economy. However, it also reflected the impact of the measures implemented by the FED in 2022 on household consumption expenditure in the country, which slowed down towards the end of the year.

Looking ahead to 2023, minutes from the Federal Open Market Committee (FOMC) indicate that, although recent inflation and PCE inflation data have been encouraging, the FED will maintain restrictive interest rates for a while and needs more evidence to confirm a sustained decline in inflation. Similarly, the Committee stated that it expects slow domestic spending growth, restrictive financial conditions, and the possibility of a recession at some point during the year.

In terms of economic activity, the U.S. GDP contracted during the first two-thirds of 2022 (around -1.6% and 0.6% respectively) but then expanded at a rate of 3.2% in the third quarter and 2.9% in the fourth quarter, resulting in a total annual growth rate of 2.1%.

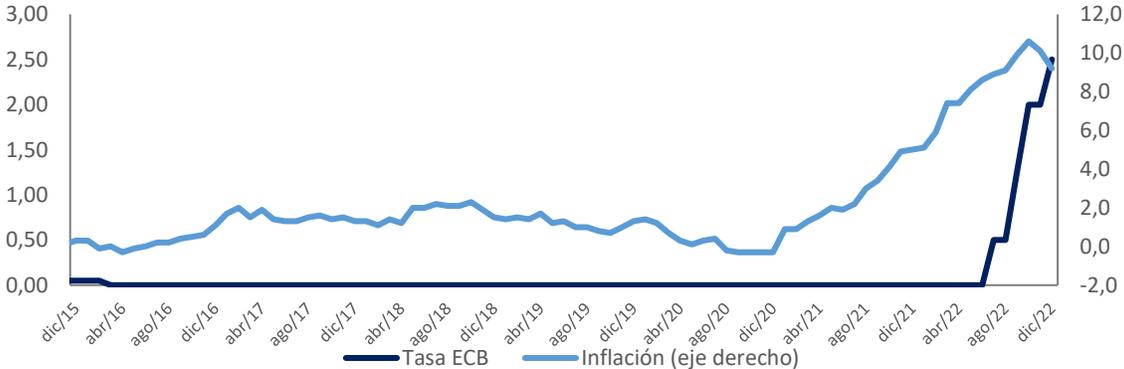
According to the Bureau of Economic Analysis (BEA), this performance of the U.S. economy in 2022 was driven by increased consumer spending, exports, and private inventory investment, while being offset by slower growth in residential fixed investment and government spending.⁷

Eurozone

During 2022, the price level in the region was affected by, on one hand, the global recovery following the Covid-19 pandemic, and on the other hand, the geographical proximity of the Eurozone to the conflict between Russia and Ukraine, as well as its dependence on energy products supplied by Russia.

Indeed, inflation in this group of countries showed an upward trend for most of the year, reaching its peak in October at around 10.6%, and then experiencing corrections in November and December 2022, reaching levels of 10.1% and 9.2% respectively (Graph 14).

Graph No. 14: Monetary policy variables in the Eurozone.



Source: Bloomberg; prepared by Findeter.

⁷ Bureau of Economic Analysis (2022). Gross Domestic Product, Fourth Quarter 2022, and Year 2022 (Advance Estimate). Available at: https://www.bea.gov/sites/default/files/2023-01/gdp4q22_adv.pdf

In line with this scenario, the European Central Bank (ECB) initiated a process of monetary normalization in July 2022, gradually increasing the intervention rate to 2.5% by December.⁸

Looking ahead, the Governing Council of the ECB indicates that inflation is likely to remain at high levels for an extended period, so they expect to make further adjustments to the interest rate.

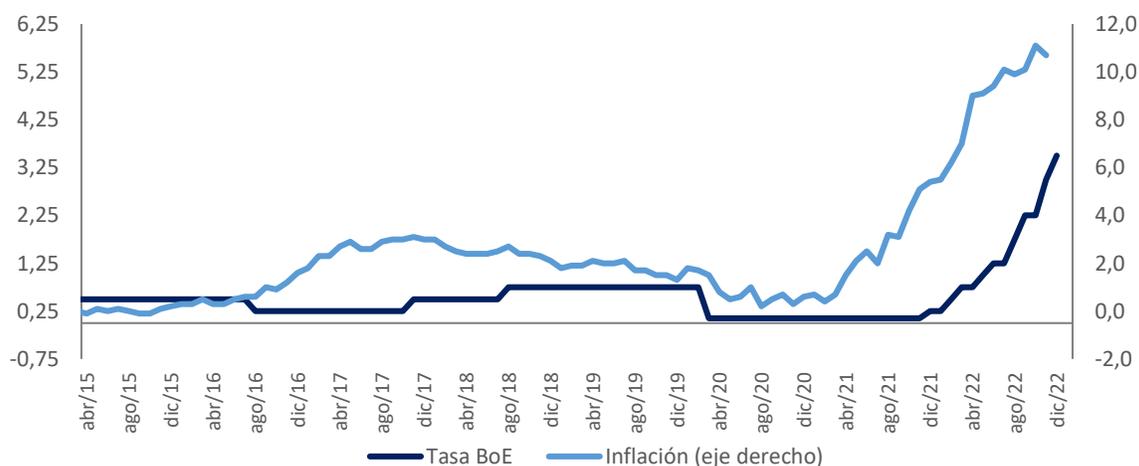
Regarding the economic activity in the Eurozone, the European statistical office Eurostat reported that after growing at rates of 0.6% and 0.8% during the first two-thirds of the year respectively, the GDP of the group of countries expanded by 0.3% during the third quarter of 2022.

However, during the last third of the year, the GDP expansion was 0.1%, a figure that, although reflecting economic stagnation for that period, was considered positive by analysts, especially considering market expectations of a contraction during that period. Thus, the group of European countries expanded at an annual rate of 3.5% during 2022.⁹

United Kingdom

The United Kingdom also faced significant price pressures during 2022, leading to inflation reaching double digits since September and peaking in October at 11.1% (Graph 15).

Graph No. 15: Monetary policy variables in the United Kingdom.



Source: Bloomberg; prepared by Findeter.

These figures, primarily driven by the increase in gas and electricity prices, as well as food prices, can be explained by the inflationary pressures resulting from the global recovery after the Covid-19 pandemic, as well as higher energy prices caused by the war in Ukraine. All of this is exacerbated by the political and social tensions the country is facing.

Given this context of high prices, during 2022, the Bank of England (BoE) continued its process of monetary normalization, raising its interest rate to 3.5% by the end of the year (Graph 15).

⁸ By December 2022, the deposit rate stands at 2.0%, the refinancing rate at 2.5%, and the marginal lending rate at 2.75%.

⁹ According to Eurostat's flash estimates for the fourth quarter of 2022, the GDP in the euro area increased by 0.1%, and employment rose by 0.4%. You can find more information in the following link: <https://ec.europa.eu/eurostat/documents/2995521/16056034/2-14022023-AP-EN.pdf/d88030b3-8cb0-770a-0ab4-306f108bce76#:~:text=In%20the%20third%20quarter%20of,by%203.6%25%20in%20the%20EU.>

For 2023, it is estimated that the institution will continue to increase its rates, but the pace of these adjustments will depend on the evolution of economic activity in the first part of the year, as well as the performance of the labor market and real estate markets in the country.

Regarding the economic activity in the country, the Office for National Statistics (ONS) reported that after registering growth rates of around 0.6% and 0.1% during the first two-thirds of 2022 respectively, the UK's GDP contracted by 0.3% during the third quarter of the year and recorded 0% growth in the final quarter. Thus, the economy expanded at an annual rate of 4% in 2022, following a growth rate of 7.6% in 2021.¹⁰

Colombia

Monetary Policy and Prices

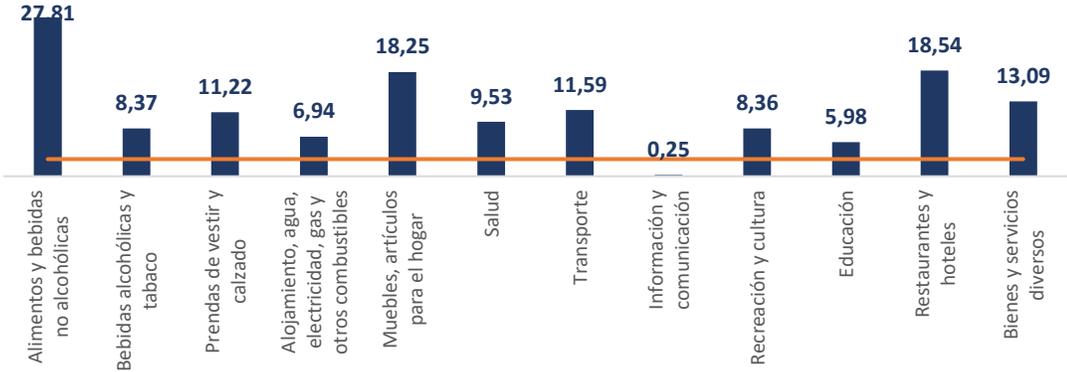
In Colombia, high prices also became a persistent phenomenon during 2022, driven by both food inflation and core inflation (which excludes food and regulated items). As a result, the observed total inflation consistently exceeded the expectations of economic analysts month after month and maintained an upward trend until the end of the year.

Thus, in December, monthly inflation reached around 1.26% and annual inflation stood at 13.12%, figures higher than the average recorded in the survey conducted by the Central Bank with analysts in December 2022 (monthly 0.82% and annual 12.64%).

For that month, price increases were widespread across different subcategories. Food inflation reached 2.66% monthly and 27.81% annually, while core inflation hovered around 0.97% monthly and 9.51% annually, figures higher than the previous month (0.66% monthly and 8.82% annually).

Overall, it is noteworthy that out of the 12 divisions of the consumer basket, information and communications was the only division that recorded inflation below the central bank's target of 3.0% (Graph 16).

Graph No. 16: CPI by division (annual variation)



Source: DANE; prepared by Findeter.

Considering the upward trend in the price level exhibited throughout the year, as well as the good performance of the economic activity, the Central Bank of Colombia continued with its process of monetary policy normalization during 2022, implementing consecutive interest rate hikes.

¹⁰ Office for National Statistics (2022). GDP quarterly national accounts, UK: October to December 2022. Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/october2022>

Thus, in its last meeting of the year, the Central Bank raised the intervention rate to 12%, a level not seen in the country since 1999.

Economic Activity

During 2022, the Colombian economy expanded at a rate of 7.5%, which is 3.5 percentage points lower than the growth rate observed the previous year (11.0%), a decrease that can be attributed to the lower dynamism of productive activity in the second half of the year.

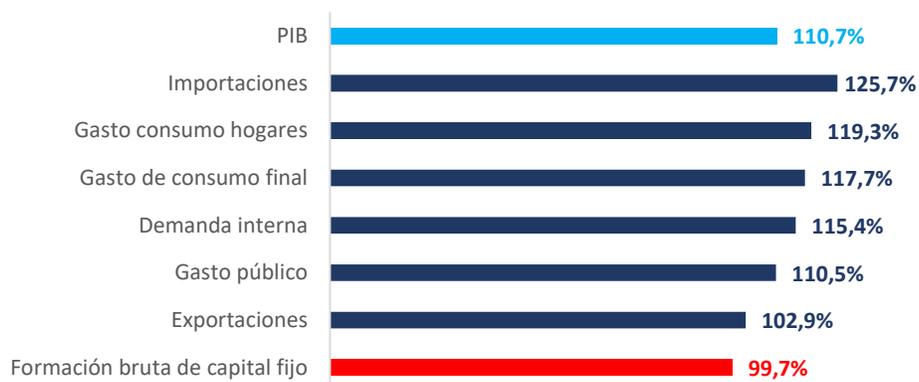
Table No. 67: GDP by demand 2022 vs. 2021

Expenditure component	Growth rate	
	2021 vs	2022 vs
	2020	2021
Domestic final demand	13.4%	10.0%
Final consumption expenditure	13.6%	8.0%
Household consumption	14.5%	9.5%
Public spending	9.8%	1.4%
Gross capital formation	12.6%	19.5%
Gross fixed capital formation	17.3%	11.8%
Exports	15.9%	14.9%
Imports	26.7%	23.9%
GDP	11.0%	7.5%

Source: DANE; prepared by Findeter.

It is worth noting the strong performance that investment, both in machinery and equipment and in other buildings and structures, exhibited during the first nine months of 2022. However, this behavior may not have been sufficient for this demand component to return to its pre-pandemic levels (Graph 17).

Graph No. 17: GDP recovery compared to the pre-pandemic period (2022/2019)



Source: DANE; prepared by Findeter.

At a sectoral level, all branches of activity, with the exception of agriculture, experienced significant growth during the year. Among them, the performance of the entertainment and recreation services, as well as information and communications, stands out, with growth rates of 37.9% and 14.2%, respectively, during this period. These figures were even higher compared to the previous year (33.7% and 11.8%, respectively) (Table 68).

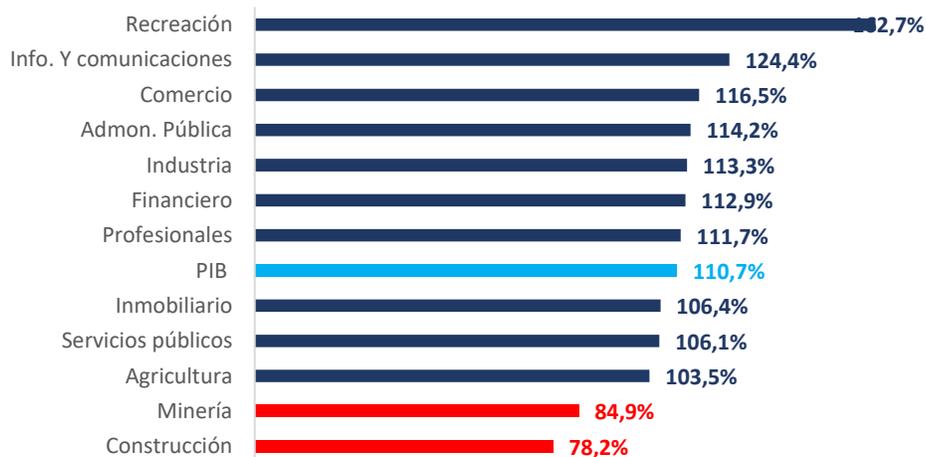
Table No. 68: GDP by sector 2022 vs. 2021

Economic Activity	Growth rate	
	2021 vs	2022 vs
	2020	2021
Agriculture	3.1%	-1.9%
Mining	0.0%	0.6%
Industry	14.7%	9.8%
Utilities	5.4%	4.1%
Construction	5.7%	6.4%
Trade	21.7%	10.7%
Information and Communications	11.8%	14.2%
Financial Services	3.7%	6.5%
Real Estate	2.8%	2.0%
Professional Services	9.4%	8.3%
Public Administration	8.5%	4.9%
Recreation	33.7%	37.9%
GDP	11.0%	7.5%

Source: DANE; prepared by Findeter.

However, construction and mining, although they showed positive annual growth and, in fact, higher compared to the same period in 2021, still remain below their pre-pandemic levels (Graph 18).

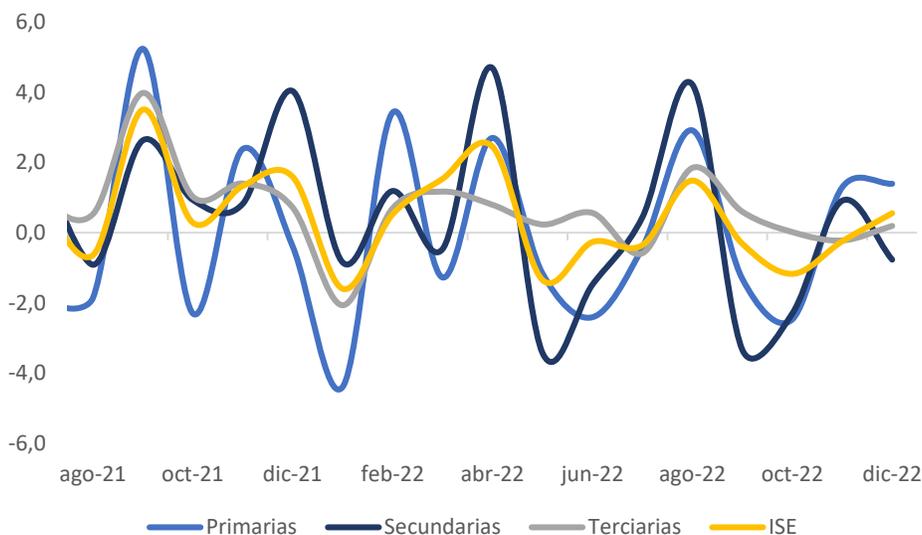
Graph No. 18: GDP recovery compared to the pre-pandemic period (2022/2019)



Source: DANE; prepared by Findeter.

Regarding monthly productive activity, in December 2022, the Economic Monitoring Indicator (ISE) expanded at an annual rate of 1.3%. While this figure is in positive territory, it reflects a significant slowdown compared to the same period in 2021 when the expansion reached 10.7%. In monthly terms, the seasonally adjusted series stood out with a growth of 0.6% after three consecutive months of deceleration (Graph 19).

Graph No. 19: ISE (monthly variation) (2021-2022)



Source: DANE; prepared by Findeter.

4.1.2. Analysis of the Financial System - Banks

External Circular 012/2022 SFC, Section 7.4.1.1.1. Description of the issuer's business purpose, Subsection (iii) Competitive commercial conditions

During 2022, the increase in the intervention interest rate of the Colombian Central Bank was reflected in a lower dynamism of the total loan portfolio in the financial sector, mainly in the last months of the year as reported by the Financial Superintendence as of the date of publication of this document.

Thus, in November 2022, the gross loan portfolio recorded an annual variation of 3.7%, indicating a deceleration in this indicator, which coincides with the slowdown in consumer credit growth. On the other hand, the nominal annual variation of the loan portfolio for that month was 16.7%.¹¹

Breakdown of the loan portfolio showed the following behavior:

- ✓ **Commercial loans:** showed a real annual balance of 2.7% in November, marking the thirteenth consecutive month of positive increases. In November, the loan balance increased by COP 5 trillion, with disbursements of COP 19.3 trillion, a higher figure compared to November 2021 (COP 11.7 trillion).
- ✓ **Consumer loans:** experienced a real annual growth of 6.4% in November. Disbursements amounted to COP 14.3 trillion, and the growth in this category was primarily driven by: i) personal loans, which increased by 14.4% in the first 11 months of the year, ii) credit cards, with a cumulative variation of 8.3%, iii) revolving credit, with a 6% expansion, and iv) vehicle loans, with a growth of 2.4%.

It is worth noting that consumer loans contributed less to the overall loan portfolio growth, accounting for 2.1 percentage points in November compared to 2.6 percentage points in October.

¹¹ Financial Superintendence of Colombia-Financial System Update November 2022-
<https://www.superfinanciera.gov.co/jsp/10112917>

- ✓ **Mortgage loans:** Disbursements recorded in the eleventh month of the year for this type of loan amounted to COP 1.8 trillion. Within this category, the Non-VIS segment had the largest share, with disbursements of COP 1.3 trillion, while the VIS segment recorded a growth of 7.1% year-to-date. This led to a 1.6% real annual growth in the housing portfolio, which is lower compared to November 2021 (6.9%).
- ✓ **Microcredit:** It grew by 1.6% annually in real terms, being the category that has shown the greatest recovery in the post-pandemic period. In fact, in November, it completed 21 consecutive months of positive growth. Additionally, disbursements reached COP 892 billion, which is higher than the amount recorded a year ago (COP 578 billion).

Lastly, we can see that the quality of the loan portfolio, based on delinquency, registered at 3.8%. According to the Financial Superintendence, this is due to various factors such as improved payment habits, growth in the gross loan portfolio, and a decrease in the persistence of defaults. By loan category, it is found that microcredit reported the highest indicator at 5.6%, followed by consumer loans (5.4%), commercial loans (2.9%), and finally, housing loans at 2.8%.¹²

4.2. Findeter in Figures

(102-45) External Circular 012/2022, Item 7.4.1.2.4. Management’s analysis of the operational results and financial situation of the issuer, including key financial indicators and their respective analysis, Subitem 7.4.1.2.4.1. Material variations in operational results; Subitem 7.4.1.2.4.2. Material changes regarding liquidity and solvency of the issuer; Subitem 7.4.1.2.4.3. Trends, events, or uncertainties that have the potential to materially impact the operations of the issuer, its financial situation, or changes in its financial situation, as well as the assumptions used to prepare these analyses.

The year 2022 began as a year of economic recovery, with the expectation of overcoming the damage caused by the COVID-19 pandemic. However, there were external and local shocks that strained the economic landscape, leading to a shift in monetary policy. In order to prevent a crisis, interest rates were increased due to a higher-than-forecasted inflationary process in the market, directly impacting the cost of living. Findeter was not unaffected by this situation; however, the entity’s activity is countercyclical and therefore benefited from this shock, achieving record profits of COP 86.19 billion.

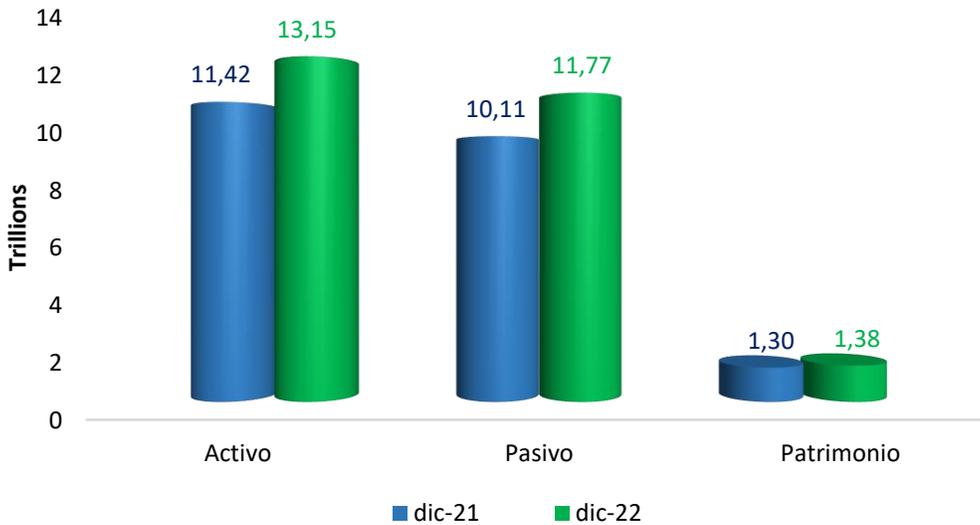
- **Statement of Financial Position**

External Circular 012/2022, Section 7.4.1.2.4., Subsection 7.4.1.2.4.3.

During the year 2022, the three main accounts of the Statement of Financial Position showed growth compared to 2021. The total assets of the entity amounted to COP 13.15 trillion, an increase of 15.21% compared to the previous year. The liabilities, on the other hand, had a positive annual variation of 16.37%, closing the year at COP 11.77 trillion, and the equity increased by 6.20%, reaching COP 1.38 trillion.

¹² Ibid.

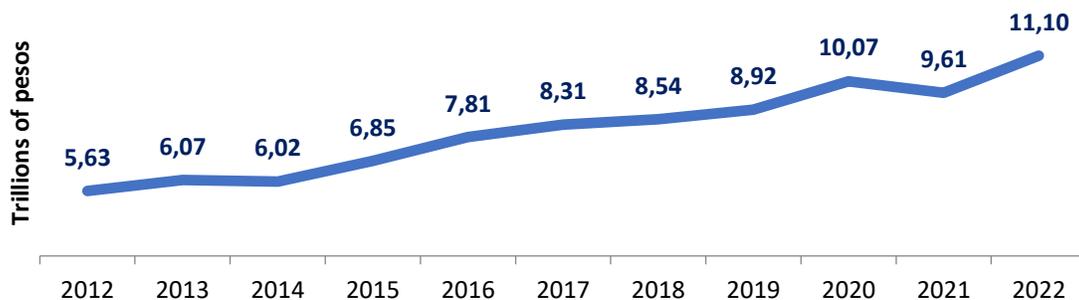
Graph No. 20: Balance Sheet 2022.



Source: Findeter 2022

In the case of assets, the main items continue to be the loan portfolio, accounting for 84.86% of the total, cash and cash equivalents at 7.86%, investments at 4.06%, and other assets at 3.32%. Undoubtedly, Findeter's gross loan portfolio showed the best performance, growing by 15.57% in the past year, which amounts to an increase of COP 1.50 trillion. At the end of December 2022, the gross loan portfolio stood at COP 11.10 trillion. This growth in the loan portfolio can be attributed to the positive performance of the rediscount portfolio, which experienced an annual variation of 8.15%, equivalent to an increase of COP 676.256 billion, as well as the exponential growth of the direct loan portfolio, which saw a significant increase of 67.48%, equivalent to COP 844.439 billion. Another determining factor in the loan portfolio's performance is associated with prepayments, which amounted to COP 559.062 billion, showing a significant reduction compared to the last 5 years, in line with the restrictive monetary policy process. Lastly, it is worth noting that 90.05% of the rediscount and direct loan portfolios correspond to lines of credit with special financial conditions, including offset rates, special lines, and mixed lines.

Graph No. 21: Gross Loan Portfolio

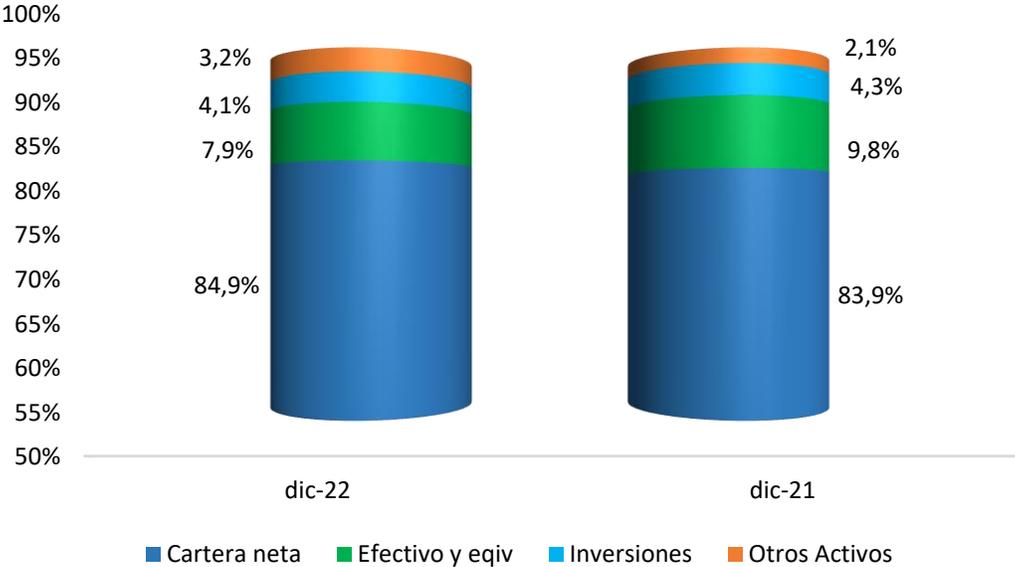


Source: Findeter 2022

Cash experienced a negative annual variation of 7.18% and closed the year 2022 at COP 1,033,519 million. This was supported by the resources available in savings accounts amounting to COP 894,515 million, which the treasury sets aside to meet short-term obligations according to the Liquidity Gap requirements, as well as to address future placement needs. Additionally, the cash balance includes disbursements from multilateral banks made in December: USD 5.49 million from the IDB 3842 loan and USD 5.02 million from the KFW 28318 loan.

As for investments, they grew by 9.38% and ended the year at COP 534,441 million. This growth can be attributed to the expansion of the portfolio's investments in government bonds (TES) and certificates of deposit (CDs), the repurchase of FOME issuances worth COP 121,391 million with maturity in 2023, and the increase in the valuation of forward contracts due to a higher average depreciation of the exchange rate, which went from 3.23% to 6.83% year-on-year.

Graph No. 22: Asset Structure.



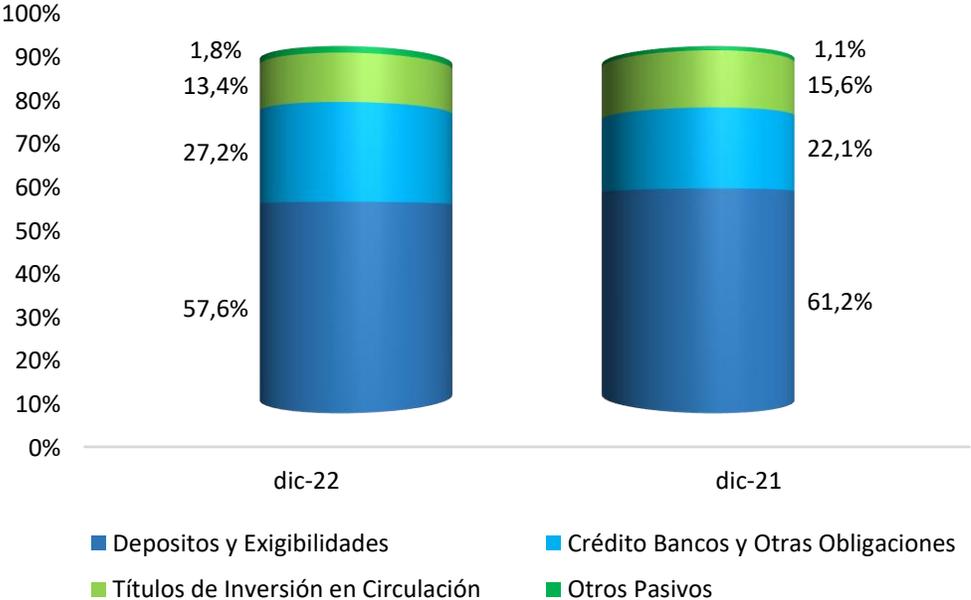
Source: Findeter 2022

External Circular 012/2022, Section 7.4.1.2.4., Subsection 7.4.1.2.4.3.

Regarding the capital structure, liabilities accounted for 88.59% and equity represented 11.41% at the end of 2022. The most significant item within liabilities was Deposits and Liabilities, with a share of 57.61% equivalent to COP 6.78 trillion, showing a growth of 9.50% compared to the previous year. This increase can be explained by a higher volume of issuances with maturities equal to or less than one year, which accounted for 85.34% of the total issued in 2022. This trend was driven by market conditions characterized by liquidity shortages and upward adjustments in the rates at which these instruments are subscribed. The total amount of issuances reached COP 5.8 trillion, representing a 28.26% increase compared to 2021, indicating investors' support for the entity's management. The second largest component of total liabilities was financial obligations, representing 27.18% equivalent to COP 3.20 trillion, of which 51.75% corresponded to IDB, 20.21% to JP Morgan, 13.85% to KFW, 12.43% to AFD, and the remaining 1.75% to BCIE. Notable within this category is the credit agreement signed with JP Morgan on September 12, 2022, for COP 623.700 billion, as well as the disbursements made by IDB and KFW to Findeter, totaling USD 33.24 million and USD 11.24 million, respectively.

Another important item within liabilities is the outstanding investment securities, which accounted for 13.44% of the liability account. Their share decreased compared to other funding instruments as no further instruments of this type were subscribed during 2022. This category is composed of three previous bond issuances: an international issuance in 2014 for USD 500 million, a subordinated issuance in 2017 for COP 203.68 billion, and a sustainable bond issuance in 2019 for COP 400 billion.

Graph No. 23: Liability Structure

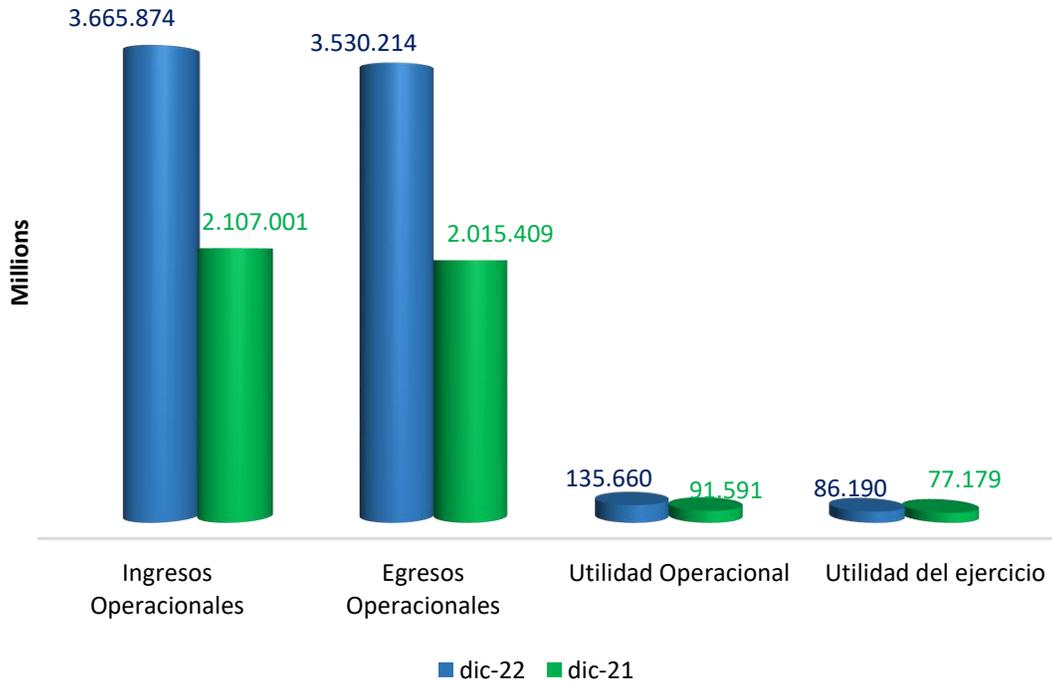


Source: Findeter

Equity in 2021 had an annual variation of 6.20%, equivalent to an increase of COP 80.727 billion. This increase was the result of the ordinary growth in the retained earnings account, reflecting the excellent operational results achieved.

- Income Statement**

Graph No. 24: Income Statement



Source: Findeter

Our operational income showed an increase of 73.99% compared to 2021, driven by the performance of financial income, which experienced a growth of 121.64%, equivalent to a variation of COP 648.468 billion. Within this category, we find income from portfolio interest, which increased by 108.98% due to the strong performance of the portfolio balance, driven by a historical record of placements and a low volume of prepayments. Additionally, these income sources were boosted by the behavior of indexed rates, which experienced a significant increase compared to 2021 due to the measures taken by the Central Bank to control the effects of high inflation in the national economy, influenced by various factors in the local and international context. As a result, the REPO intervention rate increased from 3.00% to 12.00%, impacting other market references such as CPI, DTF, and IBR, which directly affected the income generated in the course of 2022.

Below is a breakdown of the composition of the rediscount portfolio (excluding employee and former employee portfolios) according to its classification by interest rate type. It is observed that the composition of the portfolio varied in 2022, with no placements in dollars, a decrease in DTF-based portfolio share, stable composition in CPI-based portfolio, and an increase in resources associated with IBR-based portfolio.

Table No. 69: Composition of the Rediscount Portfolio by Interest Rates

Indicators	Balance 2022	Share	Balance 2021	Share
DTF	793,181	8,84%	1,124,044	13.55%
CPI	1,467,436	16,36%	1,468,260	17.70%
IBR 1 Month	4,896,515	54,58%	4,270,953	51.49%
IBR 3 Months	1,639,643	18,28%	1,277,925	15.41%
IBR 6 Months	160,471	1,79%	25,826	0.31%
FIXED	11,430	0,13%	15,329	0.18%
UVR	3,030	0,03%	3,611	0.04%
Libor 1 Month	-	-	-	-
Libor 3 Months	-	0,00%	-	0.00%
Libor 6 Months	-	0,00%	109,500	1.32%
Total balance	8,971,705	100,00%	8,295,449	100.00%

Source: Findeter; Figures in millions \$

The direct loan portfolio closed with a balance of COP 2.06 trillion, with the following composition:

Table No. 70: Composition of the Direct Loan Portfolio

Portfolio	Indicators	Balance 2022	Share	Balance 2021	Share
Commitment for Reactivation Tranche II / Refinancing	IBR 1 Month IBR 3 Months	1,886,105	91.68%	937,554	74.92%
Providers of Public Utility Services	-	132,976	6.46%	275,801	22.04%
Commitment for Integrated Mass Transportation Systems	IBR 3 Months	38,125	1.85%	38,125	3.05%
Total balance		2,057,206	100.00%	1,251,480	100.00%

Source: Findeter; Figures in millions \$

Similarly, income from investment valuation showed a positive trend. The investment portfolio itself generated gross income of approximately COP 25,638 million with a return of 7.48%, indicating a significant recovery compared to the results obtained in 2021 when it stood at COP -327 million. Other portfolios included in Findeter's investments also showed positive returns, such as the Ashmore Fund and the National Guarantee Fund, with results of 7.78% and 3.87% respectively. As for income generated from liquidity, it benefited from upward adjustments in the interest rates paid on commercial banks' savings accounts, which were more than 200 basis points above the REPO rate.

Another factor that positively impacted income generation is the reimbursement of the technical reserve recovery for water bonds managed by Findeter, totaling COP 3,743 million. On the other hand, there was a growth in income from the valuation of derivatives by 72.74%, equivalent to an increase of COP 967,282 million. This is mainly due to the favorable liquidation of active positions of these instruments in 2022, which was influenced by the continuous increase in the exchange rate, starting the year at COP 3,981.16 and ending at COP 4,810.2, showing an upward trend during the period.

Lastly, there was a decline in income from commissions and fees, which, in the three most representative lines of business (land use planning, project structuring, and execution), amounted to approximately COP 67,397 million during 2022, a decrease of 20.26% compared to 2021, equivalent to COP -17,127 million. The main reason for the decrease in these revenues is associated with the failure to materialize new business proposals prior to the start of the guarantee law, as well as changes in priorities or needs in the territories, with the structuring and execution lines being the most negatively impacted.

On the other hand, operational expenses in 2022 increased by 75.16%, mainly driven by funding costs. The interest expense on Certificates of Time Deposits increased by 167.87% compared to 2021, mainly due to the upward variation in the average market interest rates resulting from the expansion of the REPO rate during the year. As for bonds, the increase in inflation affected the rates of instruments tied to the Consumer Price Index (CPI), such as subordinated and sustainable bonds, resulting in a 30.00% increase in expenses.

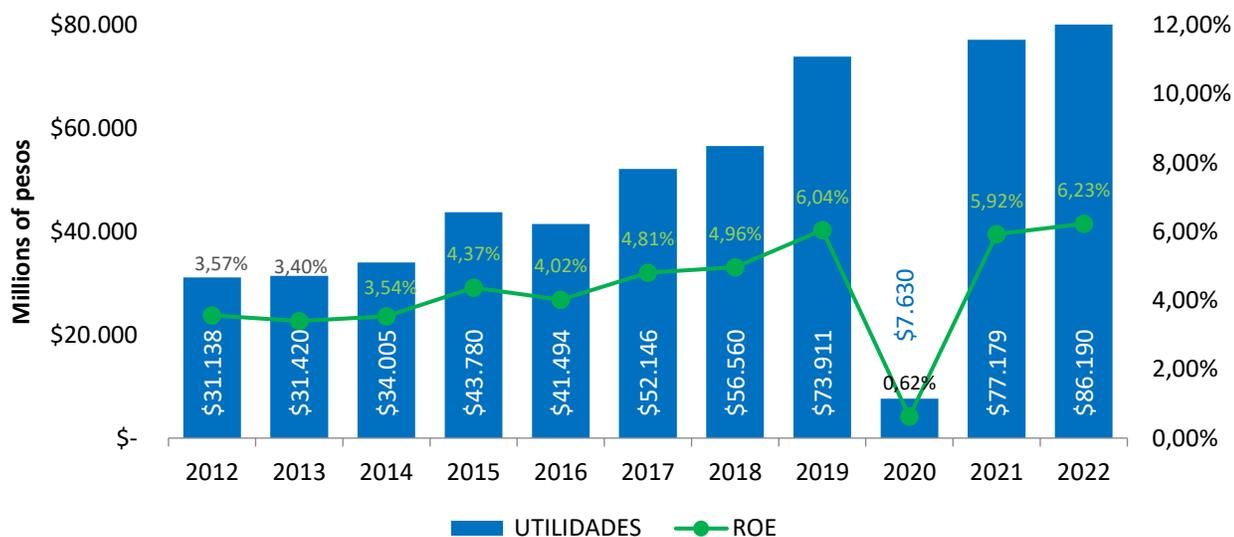
Similarly, interest expenses on financial obligations increased by 97.54%, which can be attributed to the adjustment in the Federal Reserve's interest rate throughout 2022, as a result of high inflation caused by the post-pandemic situation, container crisis, the Russia-Ukraine conflict, and other significant international events (increasing the range from 0.00% - 0.25% to 4.25% - 4.50%). This had an upward impact on the LIBOR rate and the interest on all dollar-denominated obligations not negotiated at a fixed rate. Another relevant factor is the transition to the SOFR rate for two obligations contracted with the Inter-American Development Bank (IDB) with pending disbursements, as well as the subscription of a new loan with JP Morgan for COP 623,700 million with a 3-year term, at an overnight IBR rate with a 2.15% spread and MIGA guarantee.

Additionally, the valuation accounts for forward contracts and currency exchange also experienced growth due to the high volatility of the exchange rate and the increased differential between the Colombian REPO rate and the US Federal Reserve rate, leading to a higher average devaluation (explaining 68.59% of the total variation in operational expenses).

Regarding administrative expenses, there was a 28.21% increase compared to 2021, with a greater impact from personnel-related expenses resulting from a 10.07% increase in the minimum wage applied to the base salary of all permanent employees and a 6.2% increase for managerial positions. This was coupled with the creation of new positions, totaling 614 approved positions. The second most significant impact is associated with increased tax expenses, specifically in the case of the ICA (Industry and Commerce Tax), due to the increase in the district tax rate of 2.96 per 1000. There were also increases in insurance expenses due to higher amortization of the liability policy and increased expenses associated with the return to in-person operations, such as fees, commissions, maintenance, rentals, utilities, among others.

Considering the performance of operational income and expenses, the profit before taxes increased by 48.12% year-on-year, reaching COP 135,660 million. It is important to note that in the 2022 fiscal year, the Entity applied a benefit related to the foreign exchange difference resulting from the establishment of a 40% income tax rate for financial sector entities, valid until 2027, as stipulated by the tax reform included in Act 2277 of 2022. This resulted in a recovery of COP 7,565 million. The operational result, together with the recovery of deferred taxes, allowed the net profit to exceed the historical records reached in 2021, amounting to COP 86,190 million, with an annual variation of COP 9,011 million, equivalent to a growth of 11.68%.

Graph No. 25: Profit vs. Return on Equity (ROE)



Source: Findeter

- **Key Indicators**

External Circular 012/2022, Section 7.4.1.2.4., Subsection 7.4.1.2.4.2.

The profitability indicators show a superior performance compared to previous fiscal years, with outstanding figures in terms of ROE (Return on Equity) and EBITDA. The ROE indicator yielded a result of 6.23%, representing a growth of 31 basis points compared to 2021. This was driven by the performance of interest income from the loan portfolio, associated with the loan balance and the behavior of the base rates, as well as income from liquidity with returns surpassing the REPO rate. Another positive effect was the recovery of deferred income tax, as stipulated in Article 240 - General tax rate for legal entities of the tax reform enacted in December 2022.

As for EBITDA, throughout the 2022 fiscal year, it was positively impacted by the performance of the net interest margin, which showed a variation of COP 125,139 million year-on-year, equivalent to an 86.25% increase. The impact of the net interest margin is also reflected in the net interest margin result, which closed at an average of 2.03%, driven by upward variations in the IBR component that have a greater impact on the lending rate due to the asset-liability mismatch, with a higher volume of loans compared to funding indexed to this rate, absorbing the higher increases in the CPI (Consumer Price Index) and interest rates for the dollar component of the liability.

Table No. 71: Profitability Indicators

Indicator	Dec-22	Dec-21
ROE (Return on Equity)	6.23%	5.92%

EBITDA	\$145.768 billion	\$101.617 billion
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Source: Findeter

In accordance with the Basel III methodology, the solvency ratio yielded a result of 24.00%, representing a decrease of 22.61% compared to the results obtained at the end of 2021. This can be attributed to the increase in operational and market risk values by 65.05% and 11.81% respectively. The variation in the TRM (USD-COP exchange rate) had a direct impact on the hedges, and consequently, on the interest rate and exchange rate modules. On the other hand, the risk-weighted assets increased by 9.65% as a result of the growth in both the value of the regular loan portfolio and the contingency for approved but undrawn credits. The technical capital experienced a decrease of 7.47%, which can be attributed to the behavior of the deferred income tax.

Table No. 72: Solvency Indicators

Indicator	Dec-22	Dec-21
Total Solvency Ratio	24.00%	31.01%

Source: Findeter

The efficiency indicator showed an increase of 16 basis points compared to the same period in 2021, performing better than expected, thanks to the performance of productive assets, which experienced a growth of 13.54% year-on-year, equivalent to a variation of COP 1,526,713 million. This growth is mainly explained by the performance of the gross portfolio, which increased by COP 1,495,752 million. However, compared to the previous year, there was a deterioration, which is attributed to the increase in administrative expenses by 28%, mainly driven by higher personnel expenses due to the creation of new positions with greater associated benefits, an increase in ICA (Industry and Trade Tax) and GMF (Financial Transactions Tax) expenses due to regulatory adjustments and higher volume of transactions, non-recurring expenses associated with authorized programs to promote project structuring, expenses related to ordinary operations due to the gradual return to in-person activities, and higher consumption of resources associated with flagship projects supported by the entity, such as the reconstruction of Providencia.

Table No. 73: Efficiency Indicators

Indicator	Dec-22	Dec-21
Operational Efficiency	1.81%	1.65%

Source: Findeter

Below is the consolidated result of the main components of the Entity's Financial Statements:

Table No. 74: Main Composition of Financial Statements

Indicator	Dec-22	Dec-21	Var.
Total Assets (Trillions)	\$ 13.15	\$ 11.42	15.21%
Total Liabilities (Trillions)	\$ 11.77	\$ 10.11	16.37%
Total Equity (Trillions)	\$ 1.38	\$ 1.30	6.20%
Net Income (Millions)	\$ 86,190	\$ 77,179	11.68%

Source: Findeter

4.3. Foreign Exchange Risk

As part of our strategy to reduce foreign exchange risk, we engage in transactions with derivative financial instruments and make disbursements in dollars as a natural hedge for foreign currency liabilities in accordance with the regulations of the Central Bank of Colombia and the Financial Superintendence of Colombia. As of December 31, 2022, our forward contracts amounted to USD 520,204,291 and EUR 14,964,931. As a result, we monitor our foreign currency positions by tracking foreign exchange value at risk, which has remained at tolerable levels compared to the limit set by the Board of Directors (95%).

By the end of the reporting period, our liability hedging program achieved a foreign exchange hedge

4.4. Risk Ratings

Standard & Poor's

On September 13, 2022, the credit rating agency S&P reviewed and confirmed Findeter's credit rating as "BB+" with a stable outlook. The document highlights Findeter's important role as a supporter of the national government in the development of sustainable urban infrastructure with the aim of promoting regional and urban progress in Colombia.

Findeter's rating is closely linked to that of the nation. Therefore, any stability statements in Colombia's rating are immediately transmitted to the financial institution. Based on this precedent, Standard & Poor's reaffirmed the "BB+" rating with a stable outlook for both the institution and the international bonds issued in 2014.

Furthermore, on May 2, 2022, BRC Standard & Poor's affirmed the following ratings:

- National Long-Term Rating affirmed at 'AAA'
- National Short-Term Rating affirmed at 'BRC1+'

Fitch Ratings

On October 12, 2022, the credit rating agency Fitch Ratings affirmed Findeter's rating as "BB+" with a stable outlook. According to the agency, Findeter's rating is aligned with that of the sovereign and reflects the willingness and ability of the Colombian government to support the institution if necessary. Additionally, Fitch considers Findeter an important player of the state in financing part of the National Development Plan in terms of regional and urban infrastructure.

Taking the above into account, on October 12, 2022, Fitch Ratings reaffirmed the following ratings:

- International Rating affirmed at "BB+" with a stable outlook
- National Long-Term Rating affirmed at "AAA"
- National Short-Term Rating affirmed at "F1+"

Multi-Asset Securitization Risk Rating

On December 16, 2022, Fitch Ratings noted that tranche A has been fully paid and affirmed the rating at A- for tranche B, which consists of credit content securities issued by TER CPI R-1 for COP 233.9 billion.

This affirmation by Fitch was based on the quality of the securitized portfolio, credit enhancement mechanisms, coverage, Findeter's operational capacity and management, and the legal-financial structure of the transaction.

Subordinated Bond Rating

Fitch Ratings assigned a long-term rating of "AA (col)" to the issuance of subordinated bonds by Findeter. This rating is lower than that of the institution as it reflects its subordinated nature and the potential for lower recovery in the event of default by Findeter or its liquidation.

Sustainable Bond Rating

The technical committee of Standard & Poor's affirmed the long-term rating of "AAA" to the issuance of sustainable bonds in May 2022. This rating was supported by factors such as competitive business position, high solvency levels, profitability, asset quality reflected in lower risk exposure, and positive evolution in diversifying funding sources.

4.5. Budget

Our budget for sources as of December 31, 2022, amounted to COP 1,546,349 million, while the budget for uses, as of the same date, totaled COP 1,137,343 million.

4.5.1. Execution of Sources

In the execution of sources as of December 31, 2022, we achieved a total of COP 1,546,349 million, with a compliance rate of 132%.

Table No. 75: Execution of Sources

Sources	Current budget (1)	Initial target (2)	Income Year (3)	Execution difference (4) = (3) - (1)	Compliance % (5) = (3) / (1)
Finance income	1,097,342	924,085	1,458,261	360,919	133%
Income from agreements and/or programs	58,603	58,603	78,358	19,755	134%
Other operating income	11,277	20,815	8,555	-2,722	76%
Other non-operating income	85	85	1,176	1,090	1381%
Total Sources	1,167,307	1,003,588	1,546,349	379,042	132%

Source: Findeter. 2022 - Figures in millions of pesos

Finance income: It achieved a compliance of 133% due to: a) income from derivatives with an execution of 381% equivalent to COP 444.231 billion, due to the favorable impact in the liquidation of forwards due to the devaluation and volatility observed during the period, b) the collection of portfolio interest with an execution of 108% equivalent to COP 709.528 billion, and c) compensated rates with an execution of 78% equivalent to COP 212.669 billion collected, mainly due to a lower repo rate.

Income from agreements and/or programs: It achieved a compliance rate of 134%, with an amount of COP 78.358 billion. These revenues were generated through effective billing management of previous and current periods related to various water, housing, and infrastructure programs, considering the increased volume of signed and supervised projects under the responsibility of the Chief Technical Officer.

Other operating income: It achieved a compliance rate of 76%, with a total of COP 8.555 billion collected, attributed to: a) Trust commission for guarantee and structuring of Water Bonds, amounting

to COP 3.329 billion. b) Commitment fees, totaling COP 2.249 billion, due to the amendment of availability contracts for the Northern Connection and Neiva-Girardot projects.

4.5.2. Execution of Uses

As of December 31, 2022, the uses (applications) amounted to COP 1,137,343 million, with a compliance rate of 98%.

Table No. 76: Execution of Uses

Uses	Current budget (1)	Initial target (2)	Accumulated Commitments (3)	Non-committed value (4) = (1) - (3)	Compliance % (5) = (3) / (1)
Financial expenses	847,804	655,487	841,167	6,637	99%
Taxes and contributions	148,581	100,549	148,015	565	100%
Operating and administrative expenses	165,848	162,141	145,882	19,966	88%
Acquisition of assets	2,962	2,962	2,279	683	77%
Total uses	1,165,194	921,138	1,137,343	27,851	98%

Source: Findeter. 2022 – Figures in millions of pesos

Financial expenses: It achieved a compliance rate of 99%, with an execution of COP 841.167 billion, mainly attributed to: a) Interest and commission expenses related to Certificates of Deposit (CDs) and debt servicing, with a 100% execution rate, amounting to COP 718.098 billion. b) Derivative expenses, with a 98% commitment rate, corresponding to COP 120.120 billion. These executions took into account the maturity and volatility of interest rates and new placements.

Operating and administrative expenses: They had an execution of COP 145.882 billion, equivalent to 88%, highlighting the following items: a) Personnel expenses, with an execution of COP 105.963 billion, corresponding to 91%. b) Administrative expenses, with an execution of COP 24.340 billion, corresponding to 81%. c) Professional fees, with an execution of COP 11.199 billion, corresponding to 79%.

Acquisition of assets: It had an execution of COP 2.279 billion, equivalent to 77%.

Given the above, we emphasize our monthly management and monitoring efforts to rationalize expenses and generate savings in 2022, totaling COP 6.671 billion, distributed as follows: professional fees COP 2.815 billion, administrative expenses COP 2.160 billion, personnel expenses COP 976 million, asset acquisition COP 677 million, and travel expenses COP 43 million.

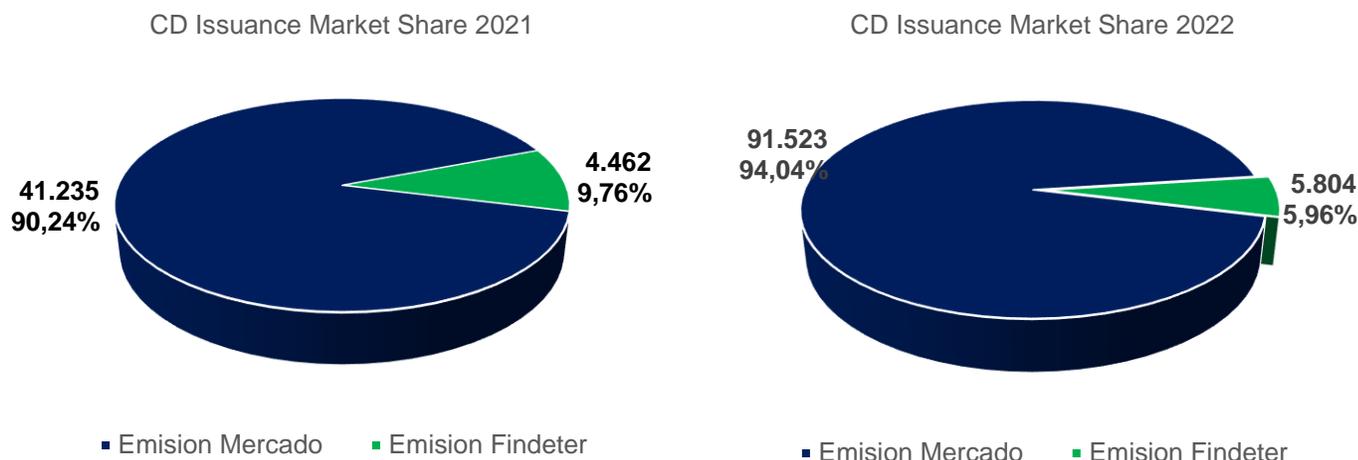
The budget execution was based on the efficient use of the resources we manage, contributing to the achievement of the projected indicators at the end of 2022.

4.6. Capital raising

CE 012/2022 SFC (7.4.1.1.1. Description of the issuer's business purpose; Item (iii) Competitive commercial conditions.)

During 2022, the local market issued approximately COP 97.3 trillion in Certificates of Deposit (CDs). According to our calculations, within the total issuances, we had a 5.96% market share, equivalent to COP 5.8 trillion.

Graph No. 26: Findeter’s CD Issuance Market Share



Source: SFC; prepared by Findeter.

Table No. 77: CD Issuances Market and Findeter

CD Issuances	2021	2022	Var %
Securities market	41,235	91,523	122%
Findeter	4,462	5,804	30%
Total	45,697	97,327	113%

Source: Prepared by Findeter.

During 2022, Findeter successfully raised funds through CD issuances amounting to COP 5.8 trillion, which represented an increase in the issued amount compared to 2021. This was driven by the higher demand for resources to support the country’s economic recovery.

Direct issuances in the primary market reached COP 4.45 trillion, while renewals amounted to COP 1.36 trillion, representing a 19% decrease compared to 2021 due to liquidity conditions in the market during the second half of the year. However, the amounts issued in the primary market and the volume of renewals demonstrate the investors’ confidence in our institution and its significance in contributing to the country’s development.

Table No. 78: Issuances in the securities market

Type	2021	% share by type of issue	2022	% share by type of issue	Var %
CD primary issuance	2,842,381	63%	4,450,970	77%	36%
CD Renewal	1,686,905	37%	1,358,492	23%	-19%
Bonds	0	0%	0	0%	0%
Total	4,529,286	100%	5,809,462	100%	28%

Source: Findeter 2022 - Figures in millions of pesos

In terms of distribution by indicator type, the majority of the issuances were in IBR, accounting for 82% of the total with COP 4.8 trillion, while indexed CDs to CPI and fixed-rate CDs represented 14% and 4% respectively.

Table No. 79: Issuances by indicator

Indicator	2021	Share %	2022	Share %	Var%	Trading system
DTF	0	0%	0	0%	0%	Master Trader (BVC)
Fixed Rate	1,196,042	63%	236,135	4%	-80%	Master Trader (BVC)
IBR	2,284,544	32%	4,787,027	82%	110%	Master Trader (BVC)
CPI	1,048,700	5%	786,300	14%	-25%	Master Trader (BVC)
Total	4,529,286	100%	5,809,462	100%	28%	

Source: Findeter 2022 - Figures in millions of pesos

With the purpose of diversifying its funding sources and concluding the third quarter of the year, Findeter secured MIGA backed loan with J.P. Morgan Chase Bank, N.A. for a sum of COP 623.7 billion indexed to IBR.

4.7. Investment Portfolio

CE 012/2022 SFC (7.4.1.1.1. Description of the issuer's business objective; Item (ii) Activities, products, or income-generating services)

In 2022, we managed our investment portfolio in accordance with the guidelines set by the Board of Directors, with proper oversight from the Investment Committee. The objective of this instrument is to generate income through the formation of a portfolio of fixed-income securities consistent with Findeter's risk profile, investment horizon, and cost of resources.

Our portfolio is composed of Treasury Securities - TES, Class "B," fixed-rate or indexed to UVR, and Certificates of Deposit - CDs, in banking establishments supervised by the Financial Superintendence of Colombia. The weighted duration of the portfolio cannot exceed six (6) years.

We maintained our participation in the Ashmore Private Equity Fund, in Certificates of Deposit from local issuers, and in TER CPI B securities resulting from the securitization of rediscount portfolios.

4.8. Stock and Financial Performance

CE 012/2022 SFC (Stock and Financial Performance; 7.4.1.2.1. Behavior and performance of securities in the trading systems in which they are registered)

During 2022, we conducted operations in TES with a total of COP 272 billion, while private debt negotiations reached COP 148 billion, resulting in a total traded value of securities of COP 420 billion.

Regarding the performance of Findeter's investment securities, the gross portfolio return in 2022 was 7.48% APR, generating gross income of COP 25.637 billion in the period. The return generated by the portfolio, considering the securities classified as available for sale, was 3.94% APR.

In 2022, we adequately faced extreme volatility and devaluation in the local fixed-income market due to the increase in global inflation, the normalization of monetary policy in Colombia (interest rate hikes), and the deterioration in the country's risk perception. In this way, the risks inherent to the Investment Portfolio were properly managed.

During 2022, private debt yield curves experienced average devaluations of 1,225 basis points (Fixed Rate 1,050 bps, IBR 1,375 bps, and CPI 1,277 bps). On the other hand, the fixed-rate TES curve showed an average devaluation of 480 bps, and UVR TES devalued by 230 bps.

4.9. Liquidity Management

External Circular 012/2022 SFC, Section 7.4.1.2.4. Analysis of management regarding the results of the operation and the financial situation of the issuer, including the main financial indicators and their respective analysis, Subsection 7.4.1.2.4.2. Material changes in the liquidity and solvency situation of the issuer.

We managed the necessary liquidity resources during 2022 for the ordinary course of business and to achieve the disbursement goals. With these resources, we were able to timely fulfill debt obligations, administrative expenses of the Entity, and liquidity requirements demanded by supervisory bodies. These surpluses were mainly managed in savings accounts and interbank transactions with establishments of good credit quality, seeking to yield above the Repo rate levels.

4.10. Hedging Management

Throughout 2022, a hedge of close to 100% of foreign currency liabilities through the use of derivative instruments such as forwards and natural hedging, aiming to mitigate exchange rate risk in a year characterized by high volatility in global currency prices. The hedging strategy, using forward operations, adapted to the changing market conditions, where the beginning of global interest rate hikes to counter the rising inflation resulting from the reactivation of major economies became evident. In the second half of the year, the highest inflation peaks in decades were consolidated, market liquidity began to tighten, and the absence of raw materials due to the escalation of the conflict between Russia and Ukraine became more prominent, causing significant uncertainty in supply chains. In light of this panorama, the differential between local and external interest rates established an upward trend, leading to an increase in hedging costs (between 6% and 7%), further compounded by a historically high devaluation of the Colombian peso against the dollar caused by external shocks and local uncertainty.

4.11. International positioning

Circular 012/2022 - Section 7.4.1.1.1. Description of the issuer's business purpose. Item (iii) Competitive commercial conditions, such as participation in the national and international market, demand conditions, among others.

We have maintained a presence in international forums and initiatives promoted by our key partners and allies. Here are some of the events and initiatives in which we participated in 2022:

- ✓ In March 2022, we attended the Governors' Meeting of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IDB Invest). This annual event gathers all the member countries of the multilateral organization, making it a regionally significant platform for promoting discussions and reflections on sustainable development-related topics. This Meeting is of great importance to Findeter as the IDB has been one of our main strategic partners, channeling significant credit and cooperation resources to us over the past 15 years. Additionally, being a regional event, it provides an opportunity for us to position ourselves as the National

Development Bank and an ally to the territories.

- ✓ In March 2022, we also attended the Water Week at Expo Dubai. As a leading player in the development of the water and basic sanitation sector in Colombia, we received an invitation from the Ministry of Housing, City, and Territory to join the Colombian delegation and participate in this event. Specifically, we were present at the conference titled “Transforming people’s lives with the water and sanitation policy 2018-2022,” held at the Colombia Pavilion during the Expo. Throughout the event, we conducted a busy agenda of visits and bilateral meetings with various stakeholders, aiming to increase cooperation initiatives and investments.
- ✓ In May 2022, we participated in the 52nd Ordinary General Shareholders’ Meeting of ALIDE in Curacao. Representatives from the financial community, development banks, public and private sectors, among others, gathered at the annual summit of the association of development banks in Latin America and the Caribbean. The main theme of the Assembly was “Innovative Technologies and Digitization to Drive Latin American and Caribbean Development: Finance for Development.”
- ✓ In September 2022, we attended the Global Programming Conference of the Green Climate Fund (GCF) in Korea. In this context, we participated in various discussion sessions and panels on climate investment, innovation, scalability, and sustainability. Additionally, we held a meeting with members of the Accreditation Panel to clarify and resolve pending issues for the upcoming signing of the Master Accreditation Agreement (AMA) by Findeter.
- ✓ In December, our president, Ricardo Bonilla, participated as a panelist at the 9th edition of the “Climate Finance 2022” event. The event identified challenges and opportunities for National Development Banks in mobilizing resources for climate change adaptation projects. This gathering has become one of the most important in the region, known for the quality of its conversations, the relevance of the topics discussed, and the generation and adoption of concepts that inspire decision-making and action, aiming for environmentally responsible and socially inclusive growth models.
- ✓ In December 2022, our president participated in the Regional Forum on Climate Crisis Management: “Territorial Management and Financing Opportunities,” organized by Corpoboyacá in the city of Tunja. The main objective of this forum was to promote opportunities for exchanging experiences on territorial climate change management in Boyacá. The president was invited to participate in the panel discussion on “Climate Finance: Experiences with financing mechanisms implemented in Colombia and access to cooperation resources by territorial entities.”
- ✓ We also virtually attended sessions of COP27, as well as its parallel events and virtual workshops organized by leading entities in the field of climate change. Proposals and challenges faced by countries in their journey towards achieving carbon neutrality through mitigation and adaptation were discussed there.

Lastly, we led missions and working meetings with multiple international actors such as the German Development Bank (KfW), the Inter-American Development Bank (IDB), the World Bank (WB), the French Development Agency (AFD), the Nama Facility, the German Corporation for International Cooperation (GIZ), the Green Climate Fund (GCF), the Development Bank of Latin America (CAF), among others. These engagements served as opportunities to explore possible credit operations or to promote existing programs.

4.12. Execution of International Resources

(103-2) Material topic: [Actions against climate change, promotion of environmentally responsible practices in funded projects.](#)
[Circular 012 of 2022 - Section 7.4.1.1.1. Description of the issuer’s business purpose.](#) (iii) [Competitive business conditions, such as participation in the national and international market, demand conditions, among others.](#)

- **Loan operations with international entities:**

- ✓ We have signed loan contracts with the Inter-American Development Bank (IDB), the German Development Bank for Reconstruction (KfW), and JPMorgan Chase, under which USD 176.5 million were executed in 2022. The projects financed through these lines contribute to the country's urban development, the continuity and improvement in the provision of public and social services, the development of the energy sector and energy efficiency, the improvement in health services, and climate finance in different regions.
- ✓ In 2022, a credit agreement was signed between Findeter and JP Morgan Chase for a value of COP 623.7 billion. This is the first operation guaranteed by MIGA in local currency, indexed to IBR. Through this agreement, investments in adaptation and mitigation to climate change (Climate Finance), as well as operations in the health and education sectors in Colombia, were financed.

- **Non-reimbursable international cooperation:**

Regarding international cooperation, progress was made in the following areas during the year 2022:

- ✓ In 2022, we signed a non-reimbursable cooperation agreement with KfW for EUR 1.5 million, aimed at supporting the implementation of the Municipal Environmental Protection Program Phase II, which involves financing investments in the water, sanitation, and solid waste sectors.

In addition to the above, in 2022, we successfully executed non-reimbursable international cooperation resources in the following programs and initiatives:

- ✓ **NAMA Facility:** Under the framework of the Transport Oriented Development (TOD) NAMA, we executed non-reimbursable cooperation resources to fulfill the objective of transforming the country's public transportation model from one oriented towards private vehicles to one focused on a "TOD" vision. This model aims to improve service quality, support the financial sustainability of public transportation systems, and reduce greenhouse gas emissions associated with the use of fossil fuels. In particular, during 2022, the Investment Banking team and the Product Management team of Findeter worked together to design a strategy to disseminate the guidelines of the Colombia TOD NAMA program in cities and municipalities across the country. This was done to identify new projects eligible for financing.
- ✓ Findeter y la Embajada del Reino Unido en Colombia (en representación del Foreign and Commonwealth Office, FCO) firmamos un Memorando de Entendimiento (MoU) el 23 de noviembre de 2017. El MoU formalizó nuestro papel como uno de los socios implementadores del Fondo de Prosperidad en Colombia, encargado de liderar la estructuración de una serie de proyectos de desarrollo urbano y ferroviario en el país. Como parte del Componente de Desarrollo Urbano, desarrollamos cinco proyectos en diferentes ciudades colombianas. En 2022, en el marco de los proyectos de desarrollo urbano, alcanzamos los siguientes resultados:
 - **Valledupar:** Development of alternative studies, feasibility studies, and detailed engineering designs for the Master Sewerage Plan of rural and urban settlements in this municipality. One of the major achievements of this project, as well as all projects financed by the Prosperity Fund, was the development of a social inclusion and gender equity component as part of its structuring. This component was added to the technical, legal, and financial structuring of the plan. It was successfully completed in the second half of 2022.
 - **Ibague:** Development of studies and designs for collectors and interceptors, including pumping systems and a final outfall, for connection to the treatment plant. Work was also done on the sewerage networks and other components defined in the Water Sanitation and Wastewater Management Plan. The main achievement was the capture and transportation of flows generated by new housing developments in the city's expansion zones to the future El Escobal Wastewater Treatment Plant (WWTP), projected for the El Escobal estate

sector. Like in the case of Valledupar, a social inclusion and gender equity component was developed as part of the project's structuring. The studies and designs were successfully completed and delivered to the city in a public event in September 2022.

- **Villavicencio:** Updating the city's Master Mobility Plan and advancing in the technical, legal, and financial structuring of the Strategic Public Transport System (SETP). This objective was fully accomplished, delivering the relevant studies to the municipality, which should enable the adoption of the Sustainable and Safe Mobility Plan and obtain the necessary co-financing from the national government for the effective implementation of the SETP. It should be noted that the main achievement was the formulation of the Mobility Plan with an investment of over COP 2 trillion for the planned 12-year implementation period. Additionally, the SETP was structured, foreseeing a gradual modernization of the fleet until reaching a system composed of 100% electric buses at the end of its implementation. Finally, it should be emphasized that the SETP included a social inclusion and gender equity component. The project's structuring was completed in the second half of 2022 and was delivered to the city in a public event in January 2023.
- ✓ As part of the Rail Development Component of the Memorandum of Understanding signed with the British Embassy, we have been progressing in the structuring of a freight and passenger train between the city of Bogota and the municipality of Zipaquirá. The main objective of the project is to develop feasibility studies and designs for the technical, legal, and financial structuring of the railway line. This project also includes a component of social inclusion and gender equality as part of its structure. The aim of this structuring is to enhance the train as a sustainable mass transportation alternative, reducing travel times, creating more inclusive and equitable transportation options, and contributing to environmental protection through the use of cleaner technologies that discourage the use of private vehicles.
- ✓ **Abu Dhabi CDI:** In November 2017, a Memorandum of Understanding (MoU) was signed between the Abu Dhabi Fund for Development and the Presidential Agency for International Cooperation (APC-Colombia). The MoU aims to transfer non-refundable cooperation resources for development projects in Colombia. In 2022, disbursements amounting to USD 6.8 million were received for the construction of CDI centers in Condoto (Chocó), Curillo (Caquetá), Mitú (Vaupés), Tibú (Norte de Santander), Palmira (Valle del Cauca), and Acandí (Chocó).
- ✓ **Abu Dhabi Sacúdete Centers:** In 2021, we signed Addendum No. 5 to the Memorandum of Understanding between the Abu Dhabi Fund for Development and Findeter. This addendum formalizes the delivery of USD 12 million by Findeter for the construction and equipment of 13 Sacúdete Centers of the Colombian Institute for Family Welfare (ICFB). Specifically, it aims to finance the studies, designs, construction, and equipment of Sacúdete Centers in the cities of Barranquilla, Manizales, Yopal, Popayán, Mocoa, Inírida, Maicao, Villavicencio, Tumaco, Pereira, Bucaramanga, Cali, and Jamundí. In 2022, we requested the No Objection from the Abu Dhabi Fund for Development to proceed with the awarding of contracts for construction and supervision of the Sacúdete Centers in the municipalities of Cali, Jamundí, Yopal, Villavicencio, Bucaramanga, Popayán, Inírida, Manizales, Tumaco, Mocoa, Maicao, and San Jacinto. In accordance with the No Objection granted by the Fund and in compliance with the relevant procedures, progress was made in the respective contracting to commence the works in the aforementioned municipalities. As for Pereira, we are awaiting the No Objection from the Abu Dhabi Fund for Development to award the respective contracts for construction and supervision. With this approval, we would proceed to sign the relevant contracts and request the first disbursement from the Fund, amounting to USD 2 million.
- ✓ **KfW:** As part of the Municipal Environmental Protection Program, which has non-refundable international cooperation resources granted by the German Reconstruction Credit Institute (KfW), Findeter hired an international firm to support our entity in strengthening the Environmental and Social Risk System (SARAS), based on the Performance Standards of the International Finance

Corporation (IFC) and the complementary guidelines of the World Bank Group, for a value of EUR 200,000. This consultancy successfully concluded on December 31, 2022.

It is important to mention that, within the scope of this consultancy, we held a nationally significant event with the support of the German Development Bank, KfW. This seminar was titled “Sustainable Financing in Colombia: The Role of Banking in Environmental, Social, and Governance Risk Management and Regulation.” The main objective of the event, aimed at a series of national banks and financial institutions, was to open the discussion on the importance of deepening the implementation of Environmental, Social, and Governance (ESG) strategies, promoting sustainable investments. Additionally, opinions were exchanged regarding the importance of developing robust systems to identify and mitigate social and environmental risks within the potential projects to be financed by the national banking sector. The event took place on October 27, 2022, and featured distinguished panelists and guests such as the Director of Sustainability of Asobancaria, the Head of the Sustainability Department of Banco Davivienda, and the Head of Strategic Development of Alide, among others.

- ✓ Under this same program, we made progress in the necessary stages to achieve the hiring of an international firm that will support the entity in the comprehensive analysis of technical-operational, environmental, and social risks for water and basic sanitation projects, as well as in defining complementary measures and/or studies required to mitigate them. It is expected that this consultancy will commence in the first quarter of 2023.
- ✓ During 2022, we also advanced in the contracting process of an international consulting firm that will carry out complementary studies and implement specific measures to support the technical and institutional strengthening of the operators in projects financed by Findeter under the KfW Water Credit Line Phase II, ensuring the technical and financial sustainability of the investments. This consultancy is expected to start activities in August 2023.

4.13. Economic value generated and distributed

(201-1)

Figure No. 12: Economic value generated and distributed in 2022

\$1.261.655

millones

Valor económico directo
generado y distribuido



Source: Findeter

The direct economic value generated and distributed for the 2022 fiscal year is COP 1,261,655 million. One of its main components is the distributed economic value, which experienced a decrease in performance compared to 2021 by COP 596,107 million, caused by the increase in operational costs due to the behavior of indexed rates and a significant devaluation and TRM (USD-COP Exchange Rate) with repercussions on all funding. There was also an increase in other taxes due to normative factors and a higher volume of operations. However, the income tax recognizes a recovery of deferred tax in accordance with the application of the tax reform on the general rate for legal entities, sanctioned in December 2022. Similarly, supplier costs increased due to the reactivation of operational dynamics, and employee costs increased due to the creation of new positions and salary increases for the entire structure. Lastly, the retained economic value increased by 13.78%, driven by the core business activities that performed optimally during the year.

4.14. Management of Fiduciary Business Planning

Our management in this area has the main function of addressing Findeter's needs regarding the administration of resources offered in conjunction with technical assistance services. Fiduciary business planning is aimed at managing resources through the commercial trust model, in which the services of a fiduciary company are contracted for the establishment of an autonomous patrimony, through which the management, planning, financial execution of third-party resources, and derived contracting of projects entrusted to the Development Bank are guaranteed, in search of transparency in the management of public and private resources, controlling their proper investment and allocation.

During the course of 2022, processes and procedures for fiduciary business management were aligned, with the aim of further strengthening and improving the acquisition of fiduciary services and structuring new schemes that support technical assistance services, resource management, and financing of trusts.

The selected fiduciary acts as a spokesperson and administrator of a Trust Fund and mainly works on five fronts:

1. **Derived contracting:** It includes contracts for studies, designs, works, supervision, provision of services, among others, required for project execution.
2. **Payment execution:** The fiduciary is prudent and diligent in the liquidation, declaration, and payment of all taxes. In our case, it is through the fiduciary that payments to these derived contractors and remuneration to Findeter are made.
3. **Resource management:** It is carried out through investments in Collective Investment Funds (FIC) or bank accounts, depending on the instructions given by the trust committees.
4. **Trust accounting:** This is evidenced through monthly management reports presented to us, Findeter, which are subject to review and observations when necessary.
5. **Trust Fund Borrowing:** In the new businesses we structure as an integral sale, the Trust Fund requests direct credits or rediscount credits to obtain project financing.

These autonomous patrimonies offer benefits to our users, such as the management of derived contracting, financial execution of projects, and investment and administration of resources through collective investment funds that comply with the provisions of Decree 1525 of 2015.

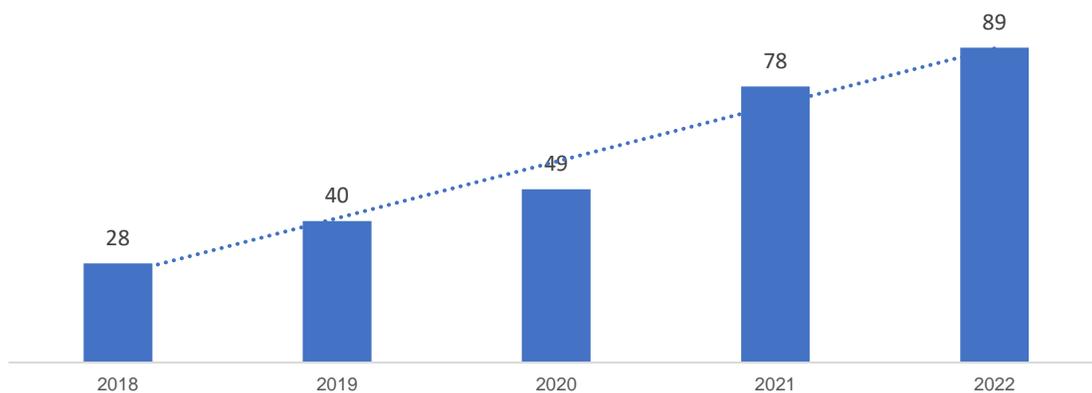
In this context, the commercial trust at Findeter allowed us to primarily:

1. Manage third-party resources.
2. Manage infrastructure investment projects in financeable sectors.
3. Materialize technical assistance through derived contracting.
4. Ensure transparency in the management of public and private resources.

During the 2022 fiscal year, we entered into 19 inter-administrative contracts with national and territorial entities, with a total value of COP 441.521 billion, which generate growth, sustainability, and jobs at the national level during the execution of all projects, representing a 24% growth in fiduciary business compared to the 2021 fiscal year.

The administration and execution of these resources are carried out through autonomous patrimonies established with fiduciary companies recognized in the Colombian financial sector. By the end of the 2022 fiscal year, a total of 89 active fiduciary structures were being managed by an expert legal and financial team specialized in finance and fiduciary administration, providing and guaranteeing timely and reliable information needed by each business line.

Graph No. 27 Fiduciary Structures Growth.



Source: Findeter

4.15. Sustainable Bonds

(201-2); [SDG-3](#); [SDG-4](#); [SDG-6](#); [SDG-9](#); [SDG-13](#); [SDG-15](#); [External Circular 012/2022 SFC, Section 7.4.1.2.4. Management analysis of the issuer's operating results and financial situation, including key financial indicators and their respective analysis, Subsection 7.4.1.2.4.1. Material variations in operating results; Subsection 7.4.1.2.4.2. Material changes in the liquidity and solvency of the issuer; Subsection 7.4.1.2.4.3. Trends, events, or uncertainties that have the potential to materially impact the issuer's operations, financial situation, or changes to its financial](#)

situation; as well as the assumptions used to prepare these analyses. Section 7.4.1.3.2. Practices, policies, processes, and indicators related to the environmental and social criteria implemented by the issuer.

On June 18, 2019, we carried out the first issuance of sustainable bonds in the country, with the aim of financing projects that generate environmental and social benefits and contribute to the construction of sustainable territories. The issuance placed sustainable bonds worth COP 400 billion in the Colombian securities market, with maturities of 5 and 7 years at a rate of CPI +2.54% and CPI +2.90%, respectively. Demand reached COP 1.03 trillion, which is 3.44 times the initially offered amount.

Our bonds, which also received the highest credit risk rating of AAA from the rating agency BRC - Standard & Poor's, refinanced projects aimed at improving the socio-economic conditions of the population, with the purpose of enhancing quality of life, promoting the well-being of Colombians, and contributing to the achievement of ten out of the seventeen United Nations Sustainable Development Goals (SDGs).

In response to the commitments made with this issuance, we annually report the economic, social, and environmental impact generated by the funded projects, according to the eight categories of indicators approved in the issuance's reference framework. Thus, in this section, we present the third annual report on the issuance of sustainable bonds, highlighting the updates to the portfolio as of the end of 2022.

Sustainable Bond Committee

Our *Risk and Asset-Liability Committee* assumed the functions defined in the reference framework for the Sustainable Bond Committee, with the aim of monitoring the guidelines, especially regarding the control of the portfolio of projects eligible under the bond criteria.

During 2022, the committee held two meetings (June 23 and December 12), with the participation of the General Secretary and the Chief Commercial, Financial, Operating, Planning and Risk Officers, as well as the compliance officer.

Here is the information as of January 27, 2023:

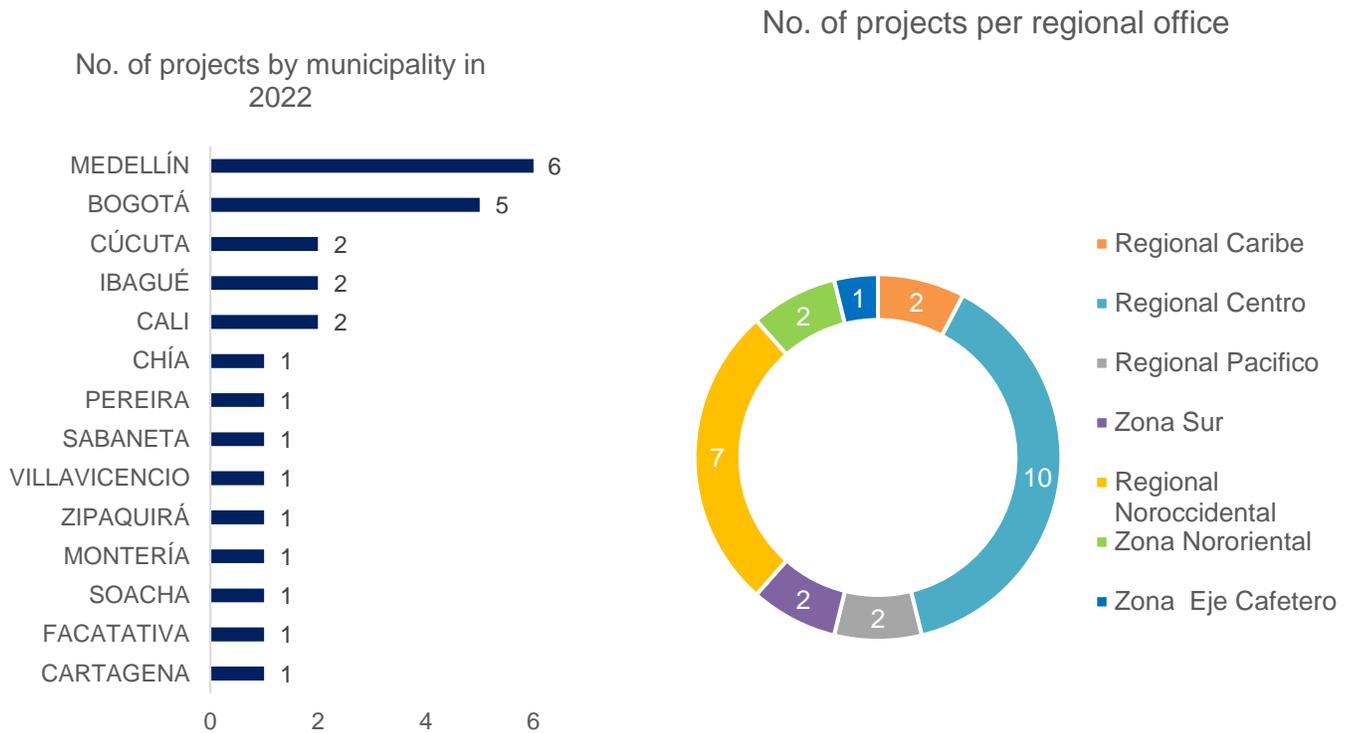
1. Changes are observed in the composition of the portfolio marked as sustainable bonds, in the number of beneficiaries (19) and the number of projects (26 vs. 18 previously). The portfolio balance as of January 27, 2023, closed at COP 435.625 billion, with an average remaining weighted term of 7.8 years.
2. The composition of the reserve portfolio remained unchanged in 2022, and its value as of the closing date of January 27, 2023, was COP 180.503 billion.

Key Impact Results

○ Financial Indicators / Use of Resources

Between 2021 and 2022, the sustainable bond portfolio showed slight changes in its composition. Thus, as of January 27, 2023, the resources from the issuance are associated with a total of 26 projects (vs. 18 in 2021) benefiting 19 recipients in 14 municipalities across 10 departments, as shown in Graph 28. The projects are distributed among our regional offices. The regions with the highest number of projects are Centro and Noroccidental, which together account for 17 out of the 26 projects.

Projects by region and municipality



Source: Findeter.

The 26 projects are classified into six financeable sectors according to the sustainable bonds framework. The projects are mostly concentrated in education, water, and energy, totaling 21 projects. The health and urban development categories each have two projects, and finally, mass transportation has one project refinanced with the issuance. As of January 27, 2023, the portfolio of the 26 projects had a balance of COP 435.625 million, as indicated in Table 80.

Table No. 80: Sectors financed by sustainable bonds

Category	No. of projects	Total Disbursed	Portfolio Balance (Jan 27, 2023)
Education	14	\$ 325,408	\$219,396
Healthcare	2	\$ 109,661	\$82,949
Mass Transportation	1	\$ 40,000	\$27,083
Water	4	\$ 28,366	\$16,345
Urban Development	2	\$ 87,000	\$71,774
Energy	3	\$ 27,043	\$18,078
Total	26	\$ 617,478	\$435,625

Source: Findeter. Figures in millions of pesos.

Regarding the status of the 26 projects, as of January 27, 2023, there are 19 completed projects and seven projects under execution. Among the projects still being executed, there are four in the water sector, and one each in the education, health, and electricity sectors.

Education Sector:

In this category, 14 investment projects were refinanced, involving 10 technical and higher education institutions, both public and private. Through the construction of new facilities or expansions, we were able to increase educational capacity by over 15,000 spots. Among the projects benefiting from this category, two specialized buildings were included in the healthcare sector: one for the teaching of higher education programs in this field, benefiting 1,200 students, and another for university hospital infrastructure.

One of the projects developed was at the University of Cartagena, where civil works were carried out for the construction, expansion, adaptation, improvement, and equipping of the university's physical infrastructure. The project was initiated in 2017 to address infrastructure needs. COP 10 billion was invested across all five campuses in the city, serving various purposes. For example, at the San Agustín campus, repairs were made to slabs exposing reinforcing steel (COP 880 million). At La Merced, remodeling and adaptation were done for five postgraduate areas, allowing an increase in coverage for economic sciences studies. Interventions were also made in the sanitary facilities, and a special staircase was installed for people with reduced mobility. In Piedra de Bolívar (COP 6.5 billion), international accreditation was required, so the building went from having four classrooms to twelve, increasing postgraduate capacity by 200%. This resulted in more students and increased revenue for the institution (postgraduate income accounts for approximately 16% of the own resources budget). All areas and classrooms were equipped with state-of-the-art technology: Wi-Fi, a cafeteria, and new kitchens for students, a boardroom in the teachers' offices, video projectors, executive chairs. Cubicles measuring 3 m² were transformed into personalized offices measuring 9 m² for professors.

These investments in education trigger a series of positive impacts on economic and social activities, as they lead to the creation of new jobs, the development of public spaces, and the expansion of educational offerings directly impacting population development. It is worth noting that the projects financed in the education category contribute to the achievement of SDGs 1, 4, and 11 (No Poverty, Quality Education, and Sustainable Cities and Communities).

Healthcare Sector

The two projects in this category correspond to healthcare institutions that constructed new facilities in two cities in the country: Montería and Cali. This has allowed for the expansion of healthcare services and the reduction of existing gaps. In addition, as mentioned in the previous section, there are two higher education projects directly related to this sector, with one of them contributing to the generation of new beds for care.

In addition to the physical facilities, the funded projects received equipment that resulted in the creation of 719 new hospital beds and increased annual access to healthcare for 21,155 patients.¹³ With these achievements, these projects contribute to the goals of SDGs 1 and 3 (End Poverty in All its Forms and Good Health and Well-being).

Urban Development Sector

In this sector, two projects were refinanced, which intervened in two cities: Medellín and Sabaneta. One of the notable projects is the "Construction of corridors for active mobility - bike lanes and comprehensive improvement of road intersections in strategic points of the metropolitan area of Valle de Aburrá." The project comprises the following two phases:

¹³ The results are obtained from two projects in the healthcare sector and one project in the education sector.

1. Construction of the bike lane corridor of La Picacha Creek.

2. Installation of traffic lights and improvements for the interaction of different road users at the intersection of Carrera 22 with Calle 6 in the municipality of Girardota.

The first phase covers a length of 3.55 km, involving the development of a bike lane intervention with a total length of 6.11 km, resolving an integral system that allows the connection between both sides of the creek through cyclist crossings and returns, as well as enhancing pedestrian crossings along the entire corridor.

This intervention enables pedestrians to cross more safely, as traffic speed decreases, and platforms at street level are created to connect bridges with sidewalks.

Furthermore, the intervention addresses a broader mobility problem in Medellín, as the number of vehicles increases by 140,000 annually, leading to longer travel times and traffic congestion. Therefore, the aim is to create spaces for bicycle use to raise awareness among the population about the benefits of cycling.



Drinking Water Sector

In this category, the project titled “Modernization of the Drinking Water Treatment Plant (DWTP) La Esmeralda and Implementation of the Water Loss Recovery Plan” was refinanced. This project is carried out by the Villavicencio Aqueduct and Sewerage Company (EAAVE) in the municipality of Villavicencio, Meta. The project aims to modernize a drinking water treatment plant, which, once operational in 2022, will enable the purification of a total of 172,800 cubic meters of water per day. Additionally, the project includes the recovery of water losses, with the intervention of 400 meters of water supply network and 350 meters of sewerage network.

Modernization of the La Esmeralda Drinking Water Treatment Plant (DWTP) and Implementation of the Water Loss Recovery Plan



This project for drinking water and basic sanitation will improve the population’s connection to water supply and sewerage networks and reduce the consumption of non-potable water, positively impacting quality of life indicators for the population. Furthermore, it will decrease the incidence of waterborne diseases caused by the consumption of contaminated water, while also contributing to the targets of SDGs 1, 6, and 12 (No Poverty, Clean Water and Sanitation, and Responsible Consumption and Production).

5. TRUSTED RELATIONSHIPS

5.1. Stakeholders

(102-40), (102-42), (102-43), (102-44), (102-46); External Circular 012/2022 Annex 2, Subsection 5.1. Disclosure of information by Issuers Group A, Subsection 5.1.1. Procedures implemented for identifying material information.

Stakeholder are those actors with whom we engage at Findeter, supporting mission-driven efforts, ensuring equity, and providing quality products.

Stakeholder groups are approved by the Corporate Governance Committee and subsequently ratified by the Board of Directors. During 2022, the organization validated these groups and the respective commitments made to each one.

Table No. 81: Commitment to Findeter’s Stakeholders

Stakeholders	Description	Commitment
Control agencies	The internal and external control entities that perform different surveillance, monitoring, and control functions over the operations, obligations, and activities carried out by Findeter are focused on ensuring efficiency in the administration of resources and statutory functions. These include the Financial Superintendence, Office of the Inspector	Maintain a fluid and cooperative relationship; attend to recommendations and instructions diligently and promptly.

Stakeholders	Description	Commitment
	General, Comptroller's Office, and Accounting bodies.	
Community	Beneficiaries, community groups, and organizations, social leaders located in the areas influenced by the projects.	<p>Understand the needs of the territories through dialogue and collaboration, acting with integrity and building trust.</p> <p>Respect and safeguard their rights and the socioeconomic context in which they are located.</p>
Funding partners	<p>Creditors, investors, multilateral and bilateral banks, cooperation agencies, and any entity that provides funds and is our strategic ally.</p> <p>Investors are considered those who acquire credits, time deposits, or other credit instruments issued by Findeter, as well as individuals who acquire shares in this entity starting from the issuance of Decree 4167 of 2011.</p> <p>Multilateral banks are all those banks whose objective is to support development in emerging countries through the granting of loans under favorable financial conditions and technical assistance in project planning, structuring, and execution.</p>	<p>Ensure equitable treatment of investors according to their nature and in accordance with the law.</p> <p>Regarding creditors, maintain the negotiation conditions and provide confidence in management.</p> <p>Efficiently manage resources, generating economic and social value.</p>
Suppliers	Individuals or legal entities with whom we contract for the provision of a service or the purchase of a product.	Maintain effective and timely relationships of trust through transparent and timely dialogue.
Contractors	Individuals or legal entities who provide technical assistance in planning, structuring, and execution. This also includes trustees and consultants.	Maintain effective and timely relationships of trust through transparent and timely dialogue.
Opinion leaders	Media outlets, columnists, influential individuals in public opinion, and leaders of associations for whom we are a source of information and who have an impact on the perception of Findeter among stakeholders.	Provide timely and relevant information about the work of the Entity, its management capacity, and the

Stakeholders	Description	Commitment
		generation of positive impacts on the development of territories.
Employees	All individuals associated with the entity who constitute its main resource. They participate in the mission processes and activities of Findeter. Some are also part of labor unions.	Foster a suitable organizational climate for optimal institutional activities and personal development.
Customers	All legal entities, public (national and territorial), financial and non-financial intermediaries, private entities with whom we interact through financial and non-financial operations within their lines of business for the development of the country. Public clients include governments, municipalities, administrative departments, decentralized entities, ministries, DNP (National Planning Department), CAR (Regional Autonomous Corporations), ESE (Social Enterprises), ESP (Public Service Enterprises), EPS (Social Security Entities). Private clients include commercial banks, commercial financing companies, financial institutions, large, small, and medium-sized enterprises.	Provide timely, efficient, and quality products and services.
Government	Authority responsible for providing guidelines for the management and performance of Findeter. This includes the Presidency of the Republic and the ministries.	Efficiently and promptly address established requirements and guidelines. Collaborate with the successful performance of tasks entrusted by the sector.
Management and governing bodies	These are the internal governing bodies that establish the rules, principles, and ethical procedures under which Findeter must govern and operate. This includes the Board of Directors, shareholders (partners and owners of the company in proportion to their participation), management, and executives. The Ministry of Finance is the majority shareholder. The financial holding is included in the shareholders.	Respect the rights conferred by the law, statutes, and those derived from their shareholder participation. Comply with shareholder directives.

Source: Findeter. 2022

5.2. Our People

(103-1); External Circular 012/2022 SFC, Section 7.4.1.1.1. Description of the issuer’s business objective, Item (vii) The total number of employees, as well as the variation in number and percentage compared to the previous year.

5.2.1. Characterization of Employees

(102-8, 401-1) (ODS 8); External Circular 012/2022 SFC, Section 7.4.1.1.1. Item (vii)

We are a team of 602 active collaborators committed to our mission of being the strategic partner of the National Government and territorial entities for the planning, structuring, financing, and execution of sustainable projects that transform territories. This talented workforce with specialized studies in different fields and with experience has allowed us to reinvent ourselves and provide quality products and services to Colombians. Among them, 593 are direct employees, meaning they have a direct employment relationship with us. We are also accompanied by eight apprentices in the productive stage of Sena and one university intern, as can be seen in the following table:

Table No. 82: Number of employees by type of employment in 2022:

Type of Employment:	Number		Total Employees
	Men	Women	
Direct employment	273	319	592
Free appointment and removal	0	1	1
Sena apprentices in the productive stage	3	5	8
University intern	0	1	1
Total	276	326	602

Source: Findeter

The number of direct employees varied significantly between 2021 and 2022, mainly because of the diligent work of an interdisciplinary team of leaders, focused on the principles of equal opportunities. In the December 2021 board meeting, the incorporation of 358 positions starting from January 2022 was approved, in order to continue the execution of various programs and projects assigned to the organization. This hiring resulted in greater job stability, strengthened well-being, equity in workloads and remuneration, which in turn translates into increased productivity and protection of Findeter’s institutional memory, among other fundamental aspects for the proper functioning of the institution. The turnover rate in 2022 was -147.79%, calculated as follows:

$(\text{Total Dismissals} - \text{Total Hires}) / (\text{Total Active Employees} - \text{Total Hires}) \times 100$

Table No. 83: Turnover 2022

Item	Men	Women	Total
Hires	175	192	367
Dismissals	17	16	33
Total	273	320	593
Turnover 2022			-147,79%

Source: Findeter

The following table shows the number of promotions disaggregated by gender that took place in 2022, totaling 128 individuals, which represents 22% of the workforce.

Table No. 84: Promotions by gender in 2022

Gender	Number
Men	61
Women	67
Total	128

Source: Findeter

For more information, please refer to the attached tables: -*Total number of employees by employment contract (permanent or temporary) and by gender*; - *Total number of employees by employment contract (permanent or temporary) and by region*; - *Total number of employees by type of employment contract (full-time or part-time) by gender*; - *Distribution of employees by educational level and gender*; - *Distribution of employees by managerial positions*; - *Distribution of employees by job positions*; - *Distribution of employees by chief office*; - *Unionized workers*.

5.2.2. Labor Relations

(103-2) [Material topic: Labor conditions, decent work, \(403- 1\), \(407-1\)](#)

At Findeter, we adhere to the current regulations of Colombian labor law. Here are some of our labor practices:

- ✓ We maintain a Work Safety and Health Management System in compliance with current regulations.
- ✓ We conduct an annual measurement of the Organizational Climate, which provides the Work Environment Index (WEI), allowing us to enhance strengths and work on areas that require additional effort at the team or organizational level.
- ✓ We respect the right to freedom of association and foster communication with trade unions to strengthen cooperation, trust-building, and create a space for listening and learning where information and knowledge are shared.
- ✓ We continuously align all employees with the organizational culture, values, codes of ethics and integrity, corporate governance processes, and other concepts that strengthen everyone’s commitment to achieving the mission.
- ✓ Regarding human rights, we engage in ongoing internalization efforts with all employees, starting from non-discrimination during the selection of candidates to the certification of the reconciliation management model as a family-responsible company (EFR). We also provide fair and respectful work environments, suitable workspaces, and accessibility facilities at the main headquarters for people with disabilities. We do not promote child labor or forced labor for our direct staff or with suppliers, complying with social provisions and labor practices according to Colombian legislation in contractual agreements. Additionally, we have the COPASST Committee and the Labor Coexistence Committee to address workers’ needs related to health, safety, and workplace harassment and sexual harassment.
- ✓ We ensure employees’ disconnection from work in line with the policy that promotes a balance between personal, family, and work life. We create mechanisms to ensure compliance and encourage employees to report any non-compliance.

It is worth noting that in 2022, no cases of discrimination were reported for any reason, in any of the designated instances. The following table presents the gender composition of positions by level, highlighting the participation of women at all levels of the organization.

Table No. 85: Distribution of employees by level and gender

Cargos	Female	Male	Total
Management level	21	22	43
Other levels	299	251	550
Total	320	273	593
Women's share % in the total	54%		
Women's share % in management level	49%		

Note 1: Includes positions with free appointment and removal / Internal Control

Note 2: Does not include interns from SENA or university interns

Source: Findeter

- **Selection and Hiring Policy**

Our guiding principle for personnel selection and hiring is equal opportunity and non-discrimination based on gender, race, social status, religion, region, or any other circumstance. This principle is part of the reconciliation model as a family-responsible company (EFR) in the dimension of equal opportunities.

General and specific competencies, education, experience, and corporate values are essential factors when analyzing a candidate. Controls are established from the initial stage of analyzing resumes, documents submitted, and background checks of applicants. For critical processes, advanced security checks are conducted using a validation system.

- **Salary Compensation**

Our salaries are based on the current salary scale and the requirements outlined for each position in the job description and general requirements manual. We prioritize gender equality, taking into account years of work experience and the educational background of each candidate. The Board of Directors authorizes annual salary increases for the executive level, while for other positions, raises are determined according to the provisions of the current collective bargaining agreement.

In terms of the market, our salaries are competitive, and combined with the other benefits we offer, they allow us to attract and retain the talent necessary to achieve our goals.

5.2.3. **Work-Life Balance and Professional Development**

(102-41, (103-2;103-3) Material topic: Labor conditions, respect for human rights, (401-2), 407-1)

Work-Life Balance

Being recertified as a family-responsible company (EFR) in the Proactive B+ category demonstrates Findeter's commitment to sustainability within the organization. This model is part of our corporate social responsibility in people management, promoting continuous improvement under quality standards. It encompasses a comprehensive range of benefits for employees and their families, organized into five major dimensions that include 62 measures. These measures contribute to balancing different aspects of people's lives while maintaining productivity, results, and competitiveness.

- **Work Environment**

(103-3)

In 2022, we maintained a very high level in the measurement of the Work Environment Index (WEI) according to international standards using the methodology of the Great Place to Work® Institute. This institute continues to present us as a dynamic and attractive employer, setting an example in the country. This measurement confirms that respecting human rights and managing people under the EFR model are crucial for a positive work environment. Due to Findeter's evolution and positioning in the market, the 2022 GPTW model compared Findeter with both private and public financial entities, resulting in a WEI of 87.5 compared to the 94.6 obtained in 2021. These challenging results reflect that Findeter is a living company in constant change. In line with our policies, transactional indices are resolved, and trust is strengthened when employees perceive that their leaders recognize their extra efforts, ensure they are heard, and receive fair treatment.

- **Organizational Culture**

(103-1)

We maintain the internalization of our organizational culture model, which defines what we do best, who we are, and how we differentiate ourselves from the competition. Through its adoption, we can achieve our vision and future objectives. The model establishes three organizational capacities to work on with leaders and employees:

- ✓ **Strategic Focus:** Connecting with the organization's vision and the ability to achieve it through consistent daily execution aligned with the strategy.
- ✓ **Articulation:** The capacity to connect or align the efforts of different teams, processes, and services, as well as interactions with internal and external stakeholders.

Conscious Transformation: The passion for innovation, transformation, and going beyond in a conscious way, proposing new ways of doing things.

5.2.4. Training

(404-1), (404-3); (103-1); (103- 2), (103-3) Material topic: [Training and education on environmental matters, labor conditions, decent work](#)

Training is a cornerstone of Findeter's corporate strategy. In addition to strengthening technical skills, it aims to enhance capabilities, knowledge, abilities, motivation, and commitment based on ethical values and principles, encompassing the dimensions of being, knowing, and doing. Significant resources are allocated to fulfill these objectives, including options for financial support to employees for their undergraduate and postgraduate studies. As a result, we recorded the attendance of 744 individuals in various training programs. By the end of 2022, we have invested over COP 712 million in 79 training programs and conducted 29 internal training sessions at no cost, ensuring 100% coverage for our employees. This demonstrates our commitment to democratizing training opportunities.

Table No. 86: Employee Training Hours

Year	Total hours	Participants	Annual MH
2020	30,680	664	46.22
2021	27,795	673	41.24
2022	26,833	744	36.06

Source: Findeter

(103-1)

We continuously promote the training of our employees, which is fundamental for their development, enhancing their knowledge and skills, and optimizing their competencies in relation to their roles and

responsibilities. Through this, we aim to protect ourselves with competent and empowered workers who have the necessary tools for their role development and making appropriate decisions in favor of Findeter.

This is how the Training Plan is constructed, which compiles the training needs required by the departments to strengthen the technical skills of their workforce. It includes the needs that arise from the current Corporate Strategic Plan and the results of the development management evaluations. These inputs contribute to determining the relevance and budget for implementation.

(103-2)

Training at Findeter, being a strategic element for human capital, must comply with a series of policies and operating conditions. Professional development is our priority, and there is a shared responsibility to comply with the policies implemented in the organization. Active participation in training sessions is a duty of all employees, without exception. All of this is supported by the budget and procurement plan, allowing employees to become information multipliers.

Based on the above and considering the approved budget, this process is supported by direct contracting for the implementation of the training program, in accordance with internal contractual policies. The commitment to reciprocity is emphasized, and the beneficiaries of the academic program must provide certificates of attendance and effectiveness measurement.

(103-3)

For 2022, we used a tool to measure the effectiveness and management of training through the General Coverage Indicator of the Training Plan, which reached 86.78% at the end of the year. This demonstrates the organization's commitment to enhancing the skills of its employees.

Furthermore, the indicator of hours invested in training reached an average of 10.17 hours at the end of 2022, which is favorable despite the impact caused in the second quarter of the year due to the implementation of the Electoral Guarantees Act. However, during this period, alternatives were sought to continue strengthening knowledge and updating information that influences job performance and the assigned roles of employees.

It is important to highlight the level of engagement our employees have with the various training programs we provide, as reflected in positive performance indicators. For 2023, we project to continue meeting the set goals to achieve better results that impact the organization's personnel.

We monitor each employee's participation in different training events and record the time invested in program learning, aligned with the corporate strategy and organizational competencies.

For more information, please refer to the attached document: - *Training of employees by gender and position.*

5.2.5. Performance

We use a 360° performance evaluation methodology at Findeter to annually assess the organizational and leadership competencies of our employees. This evaluation involves peers, supervisors, subordinates, and self-assessment.

The top management is evaluated by the CEO of the organization, peers, and collaborators in the process. They also conduct self-assessments to compare their performance perception with that of the evaluators. The purpose of this evaluation is to provide feedback on their work, leadership style, generate self-awareness, and identify strengths and areas for improvement to enhance productivity and personal development within teams.

The overall average obtained from the latest performance evaluation conducted in 2021 for top management was 93.82%. This result demonstrates the level of behavior development among the leaders and their contribution to the organization's competencies. The competencies of "Execution and Monitoring" and

“Teamwork” stand out. It should be noted that the evaluation for the year 2022 will be conducted in the first quarter of 2023.

Considering the results achieved, the challenge is to continue maintaining high-performance behaviors in our leaders. Training and development plans should be complemented with processes that contribute to strengthening competencies such as innovation, resilience, technology, active learning, among others.

5.2.6. Occupational Health and Safety

403-1; 402-2

Throughout 2022, we made continuous efforts to maintain a constant connection with our employees, ensuring their physical and mental well-being, as well as that of their families. We believe that the well-being of the family unit directly impacts productivity and the development of work activities.

We promoted various prevention campaigns for both physical and mental health and prioritized the implementation of the Occupational Health and Safety Management System to improve the compliance rating, which stood at 86% at the beginning of the year. Effective management of the improvement plan was carried out, guaranteeing safe and healthy work environments within the organization. We monitored compliance with the periodicity established by law for both the Occupational Health and Safety Committee (COPASST) and the Coexistence Committee. As a result, we achieved a 97% compliance rating for the system in December 2022, placing us at an optimal level of compliance by the end of the reporting period.

Regarding absenteeism levels, the following is a summary of the various causes that contributed to its occurrence:

Table No. 87: Absenteeism levels in 2022

Type of absence	Days of absence	%	# Sick leave	%
Work-related accidents	85	1.9%	8 (6 accidents)	2%
General illness	3,133	70.3%	437	95%
Paternity leave	56	1.3%	4	1%
Maternity leave	1,180	26.5%	11	2%
Total	4,454	100%	460	100%

Source: Findeter

70% of the absences were due to general illnesses, including COVID-19 and the common cold, among others, as well as some more complex diseases. As a result, preventive medicine programs were implemented to provide support to employees and promote a culture of self-care.

During the last quarter of 2022, there was a peak in absenteeism due to respiratory illnesses caused by the rainy season. This led to an increase in the number of absent days, surpassing the target of 3.3% of scheduled days for the month (440 days), as shown in the following graph:

Graph No. 29: Absenteeism Indicator for 2022



Source: Findeter

Due to the peak in absenteeism, we have maintained a comprehensive support model for employees under the premise that life and health come first. In this context, tactics were established such as timely preventive isolation for symptomatic individuals and remote work for employees with certified comorbidities and pregnant women. Furthermore, internal communication campaigns and all the preventive measures adopted and included in the Biosafety Protocol allow us to reinforce the principle that seeks the well-being of everyone.

5.2.7. Freedom of Association

(102-41; 407-1) (ODS 8)

We have two workers' unions, which represent 433 members, equivalent to 79% of the total number of workers eligible to join labor organizations.

The excellent relationships between the Entity's administration and the workers' unions are noteworthy, maintaining proactive cooperation and building trust through spaces for listening and learning, where information and knowledge are shared. This serves as an alternative for conflict prevention and resolution, which has helped strengthen relationships as part of the organizational culture.

5.2.8. Benefits

401-2;

The collective bargaining agreement signed between the administration and the workers' union encompasses the agreed-upon benefits for directly employed workers who adhere to it. These benefits include, among others:

Table No. 88: Employee Benefits

<ul style="list-style-type: none"> ▪ Monthly technical bonus 	<ul style="list-style-type: none"> ▪ Health services policy
<ul style="list-style-type: none"> ▪ Food allowance 	<ul style="list-style-type: none"> ▪ Acknowledgement of disability and maternity leaves

<ul style="list-style-type: none"> ▪ Loans: housing, vehicle, study, unrestricted investment, domestic calamity. 	<ul style="list-style-type: none"> ▪ Working hours
<ul style="list-style-type: none"> ▪ Extra-legal bonuses (in June and November). 	<ul style="list-style-type: none"> ▪ Training
<ul style="list-style-type: none"> ▪ Annual seniority premium 	<ul style="list-style-type: none"> ▪ Educational assistance for children
<ul style="list-style-type: none"> ▪ Transportation allowance 	<ul style="list-style-type: none"> ▪ Union assistance
<ul style="list-style-type: none"> ▪ Educational assistance 	<ul style="list-style-type: none"> ▪ Five-year recognition
<ul style="list-style-type: none"> ▪ Funeral allowance in case of death of employee 	<ul style="list-style-type: none"> ▪ Pension retirement bonus

Source: Findeter

En 2022, 100% of the direct employees who were eligible for the Collective Bargaining Agreement were covered by it.

- **Programs or actions for the empowerment and development of female leadership**

In 2022, we developed strategies aimed at strengthening female leadership through the DEI School program (Diversity, Equity, and Inclusion) that intended to recognize, identify, and appropriate concepts related to equity and inclusion and their daily experience. From this perspective, we strengthened a culture of empowerment with safe spaces not only for women but for all collaborators in the organization, through the embodiment of our core values.

We have initiatives from the selection process that provide equal opportunities to access different positions, starting from the job openings. Similarly, we commit to supporting and promoting equality through understanding Human Rights, as defined in the Corporate Governance Code and the Ethics and Integrity Code, via sensitization and training actions.

Of the eight top management positions, five were occupied by women in 2022, indicating the significance of female inclusion.

- **Protocol for prevention and addressing sexual harassment**

We have developed a policy on preventing and combating gender violence and sexual harassment, which is adapted to our new challenges on an ongoing basis and becomes a guide for best practices in the workplace. We are committed to a continuous improvement program aimed at promoting prevention against violence, discrimination, and sexual harassment, and in this regard, progressive learning and improvement of practices in this area will be carried out in 2023.

The components of the program are:

- **Prevention:** strengthening the control environment that aims to implement and execute all policies, processes, procedures, controls and mechanisms necessary to prevent or deter any act of discrimination and gender violence, including sexual harassment in Findeter.
- **Detection:** is aimed at implementing and executing all policies, processes, procedures and programs to proactively or reactively detect any act of discrimination and gender violence, including sexual harassment in Findeter.
- **Reaction or response:** is aimed at implementing and executing all policies, processes, procedures, programs and mechanisms that allow taking immediate actions to recover losses and disciplinary and legal actions against all those responsible for alleged cases of discrimination and gender-based violence, including sexual harassment.

5.3. Related-Party Transactions - RPT

(102-12, 102-43); **Circular 012 of 2022 - Sustainability and responsible investment practices of the issuer (Section 7.4.1.3.1. Governance Analysis; Subsection 7.4.1.3.1.1. Description of the issuer's management structure, Item (ix); Section 7.4.1.2.6. Transactions with related parties of the issuer)**

As part of our wellness policies and the family-responsible company model, we provided soft credit lines for housing, vehicle, study, free investment, and domestic calamity for all workers. Thus, during 2022, we granted credits to the entity's executives for an amount of COP 1.431 billion, which corresponds to five vice-presidents.

Due to the board's regular activities, we paid board members fees for attending board meetings and support committees, amounting to COP 981,955,621 as of December 31, 2022. No additional RPTs were reported.

Circular 012 of 2022 - (Section 7.4.1.3.1. Governance Analysis; Subsection 7.4.1.3.1.1. Item (ix)).

- **Description of the mechanisms implemented by the issuer for related-party transactions.**

As part of our management policies included in the Corporate Governance Code, the Entity has a Related-Party Transactions (RPT) Policy, in which the term is defined as follows: "a person or entity that is linked to Findeter and who can exercise control, significant influence, or be part of the key management personnel of Findeter." In this sense, shareholders who individually own more than 10% of the shares, members of the Board of Directors, the president, the secretary-general, vice presidents, and their immediate family members up to the second degree of consanguinity, second degree of affinity, and civil union are part of this policy.

Additionally, Findeter discloses these operations in quarterly and annual reports and in the accompanying notes to the financial statements.

5.4. Investor Relations

(102-12, 102-42; 102-43); **Circular 012 of 2022 - (Section 7.4.1.3.1. Governance Analysis; Subsection 7.4.1.3.1.1. Description of the issuer's management structure, Item (ix); Section 7.4.1.2.6. Transactions carried out with related parties of the issuer)**

In November 2022, the Colombian Stock Exchange (BVC) awarded us, for the eighth consecutive year, the "Investor Relations (IR) Issuer" certificate, which recognizes our compliance and implementation of the highest standards established in the Stock Exchange's Circular on corporate governance, information disclosure, and investor relations.

It's worth noting that only 32 of the nearly 175 issuers in the public securities market have this seal. The IR certificate positions us in the market as one of the issuers with the best corporate practices, placing us on the list of the most transparent securities issuers in the market, thus increasing the confidence of local and foreign investors in us.

Besides the certificate, we were in the "Top 5 issuers" with the best levels of disclosure standard adoption in 2022, a ranking of IR securities issuer disclosed by the Colombia Stock Exchange thanks to the diagnosis made in alliance with CESA. This demonstrates the entity's commitment to continue improving and promoting the best information disclosure practices with all its stakeholder groups.

By meeting the IR standards, we have been able to create, manage, and operate optimal communication channels with investors, providing relevant, timely, and complete information that facilitates the behavior of the financial market and decision-making in it. Among the actions carried out to meet the BVC's IR requirements, the quarterly investor results presentation events stand out, in which we inform the market of our quarterly results, from a financial, commercial, and technical perspective, and we answer any questions investors may have about our management.

In 2022, online events were held in English through a live web platform (Zoom), where interested stakeholder groups could connect freely. These events took place on the following dates: July 12; October 13, and December 13. Each of the presentations had significant attendance from investors and other members of our stakeholder groups interested in Findeter's management.

One of the most relevant actions we took during 2022 was to join the Colombia Stock Exchange's implementation of an Information Center called MERO, where all the information required by the IR program was migrated, and it is the platform that CESA uses as input to assess the information disclosure content of companies that are part of the IR program, including the ESG (Environmental, Social, and Governance) standards.

Through our website www.findeter.gov.co in the "Investor Relations" section, which is available in Spanish and English, the ESG factors of the Entity are expressly revealed and reported, identifying each of these elements requested within the BVC's IR program, demonstrating the relevance and commitment of the Financial entity with the fulfillment of the highest standards in these aspects. During the year, we managed and operated the website, updating it in a timely manner, facilitating access to financial and corporate information for our local and international investors, achieving higher traffic on these portals. The link for consultation is: <https://www.Findeter.gov.co/investor-relations>.

5.5. Partnerships and associations (102-12 y 102-13) (ODS 17)

At Findeter, we maintain alliances with different organizations and participate in initiatives or associations that contribute to the development of our mission, among them are the Banking and Financial Entities Association of Colombia (Asobancaria), the Corporate Governance Institute, the Latin American Association of Development Banks (Alide), of which, our president, Ricardo Bonilla González, is part of the Board of Directors.

We have also maintained, strengthened, and generated new relationships with international organizations such as:"

National development banks:

- French Development Agency (AFD)
- German Credit Bank for Reconstruction (KfW)

International Cooperation Agencies:

- German Agency for Cooperation (GIZ)
- Basque Agency for Business Development (SPRI)
- Abu Dhabi Development Fund (ADFD)

International Governments and Official Institutions:

- Government of the United Kingdom
- Government of Germany
- Official Credit Institute (ICO)
- European Union (EU)

Multilateral Organizations and Multi-donor Funds:

- Inter-American Development Bank (IDB)
- European Investment Bank (EIB)
- World Bank Group (WB) – Including MIGA and IFC
- Central American Bank for Economic Integration (CABEI)
- Multilateral Investment Guarantee Agency (MIGA)
- Green Climate Fund (GCF)
- NAMA Facility
- United Nations Office for Project Services (UNOPS)

Non-Governmental Organizations:

- Center for Clean Air Policy (CCAP)
- Coalition for Green Capital (CGC)
- World Wildlife Fund (WWF)

International Commercial Banks:

- JPMorgan Chase
- Banco Bilbao Vizcaya Argentaria (BBVA)
- Citibank
- BBVA

In addition, in July 2022, we adhered to the “Declaration on Gender Equality and Women’s Empowerment” that emerged from the coalition of development banks, which participated in the Finance in Common Summit, which we attended in 2020. This initiative aims to promote financing strategies to drive gender equity and highlight good practices in the field, promoting women’s empowerment at the global level.

5.6. Clients and Marketing

• Marketing

In order to gain market positioning through the visibility of our actions and to contribute to the generation of demand for our products, during 2022 Findeter organized and/or participated in 135 events that impacted more than 24,740 people, through the intervention of our spokespersons in the different agendas, the presence of our institutional brand and the creation of spaces for commercial relations.

Among the notable events were the “56th Banking Convention of Asobancaria,” the “XXIV Andesco Interconnection Congress: the future of public utility services ICT and TV,” the “XIX National Infrastructure Congress: new challenges in infrastructure,” and various dialogue meetings with mayors, such as the “Reactivating Territories” tour. These events allowed us to strengthen our relationships and highlight the support we provide in terms of planning, structuring, financing, and implementing sustainable infrastructure projects. Through these activations, we generated a significant number of business opportunities with potential clients that were managed by our sales force.

In terms of research, we conducted a qualitative study on “Sector Perspectives for 2022,” which allowed us to expand our market knowledge, provide strategic information for the design of new products, and identify

business opportunities by focusing our sales strategy on sectors with a higher potential for development investments in the country.

We also carried out the user experience project phase 2, which included components such as improving the relationship and consultative and informational capacity of the rediscount credit process and operation, including:

- Coordination for optimizing information and fields in the Findeter Virtual application.
- Update of operational training for financial intermediaries.
- Restructuring of the rediscount loan page on the Findeter website.

To strengthen our relationship with financial intermediaries, we conducted in-depth structured interviews with the communication, operational, and product areas of first-tier banks. These interviews provided quality information for implementing strategies aimed at building strong relationships, consolidating mechanisms and channels for commercial approach and effective communication at different levels of their structure.

In support of our commercial management, we developed promotional campaigns for financial and non-financial products through digital channels and organic strategies on social media. These campaigns helped us increase our reach and, as a result, contribute to generating demand with potential clients.

Some of the promotional campaigns we executed during the 2022 period were “Reactiva Colombia” for the rediscount credit program and “The Power of Water, Life” campaign, where we presented the rediscount credit line “Reactiva Agua y Residuos Sólidos” and highlighted Findeter’s support in the structuring and implementation of water and basic sanitation projects. Additionally, we ventured into campaigns that allowed us to measure market interest in acquiring investment products such as Certificates of Deposit (CDs), emphasizing attributes such as low-risk investment, reliability, and solidity, which generated a positive response evidenced by requests made and the initiation of management.

We developed a mass media strategy with the aim of highlighting Findeter’s work in the reconstruction of Providencia and Santa Catalina islands, showcasing the scope of the executed works and their impact on the community. Through this strategy, we achieved an informative balance in the public opinion, reaching all audiences and stakeholders interested in the process.

We designed and implemented the internal strategy called “Copa Findeter Suma” as part of the incentive plan for achieving the goals of the Entity’s sales force. This strategy included enthusiastic messages from Findeter’s fans and the “Gol Caracol” team, which motivated the entire team to go the extra mile to achieve the objectives set for 2022.

These activities allowed us to maintain face-to-face and digital relationships with our stakeholders, improve user experience, and contribute to the achievement of the Entity’s goals.

- **Satisfied and Loyal Customers**

Measuring customer satisfaction is crucial. Evaluating it, analyzing the results, and understanding it through their feedback will always be an opportunity to improve the business and identify new growth alternatives, with the primary focus being the well-being of our relationships with them.

According to the latest satisfaction level study conducted by Proyectos y Encuestas S.A.S., 97% of customers expressed satisfaction with our service during 2022, maintaining the same percentage as the previous year.

These positive results are an excellent way to confirm that all the actions taken to understand and exceed the expectations of our main asset, our users, are on the right track.

5.7. Customer service

In 2022, we focused our efforts on improving customer relationships and expectations, recognizing that satisfaction alone is not enough. Therefore, it should lead to greater loyalty and “affection” towards us.

Our work was directed towards building closer relationships, evolving as an entity, and developing new products and services. As mentioned before, we conducted a customer satisfaction study to deeply understand their needs in the various interactions they have with us. Simultaneously, we took various actions to strengthen the user relationship, such as service improvements and activities like events, meetings, and product launches.

Internally, we worked on customer service channels, implemented adjustments on the website, aimed to reduce response times to be below the legally established ones, and continued progressing towards an inclusive culture.

In compliance with External Circular No. 023 of October 21, 2021, issued by the Financial Superintendence of Colombia, as of June 30, 2022, the Entity successfully connected with the Smart Supervision technological development. This allows the regulatory entity to obtain information in real-time and automatically regarding the management of complaints or claims made by consumers related to financial products.

This enabled us to comply with the established regulations of supervised entities, manage complaints or claims related to financial products in a timely manner, have a preventive technological model for customer financial services, and meet the needs of our users through clear information.

Additionally, to improve internal processes and ensure that employees perceive customer service as a fundamental tool and a core attribute that builds trust and is necessary for a better user relationship, we conducted 10 internal training sessions.

- **Requests Received**

In 2022, through the Findeter website and various customer service channels, we received 879 requests. As of the cutoff date of this report, 876 have been addressed, and three requests are still in the process of response, in accordance with the terms established by law.

This refers to the total number of requests received by the Product Development and Strategy Management in the Customer Service area (inquiries, complaints, claims, and suggestions) that were addressed in 2022. The analysis of response times is conducted in accordance with the law.

- **Timeliness in Service - Response Time**

The average response time for inquiries, complaints, claims, and suggestions in 2022 was thirteen business days, which is below the legally established timeframe.

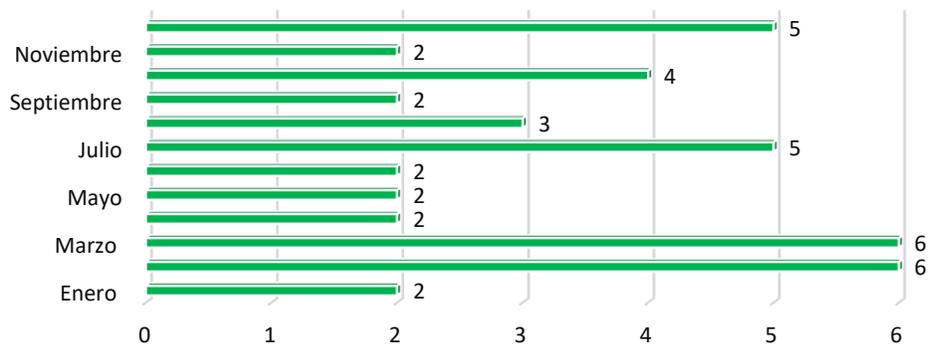
- **Chat**

The website (www.findeter.gov.co) serves as a channel for immediate interaction with users and allows us to resolve their inquiries through a chat feature.

To measure the level of citizen satisfaction, we conducted assessments through this channel using two options: Like and Dislike. In 2022, 398 information requests were attended to via chat. Out of the total, 41 users rated their experience as positive, while the rest closed the chat before rating their experience.

Graph No. 30: Chat Survey

Chat Satisfaction Survey



Source: Findeter. 2022

5.8. Accountability

Our mission is centered around improving the welfare of Colombians, and in line with that, accountability is seen as an ongoing platform for dialogue with citizens, civil society organizations, both private and public associations, and other stakeholders. This is aimed at fostering nation-building through consensus and citizen participation.

Within the accountability framework, we view dialogue as a dynamic exchange of ideas, where citizens not only demand proper resource management, but also engage in a proactive attitude and teamwork, seeing their aspirations come to life in specific projects that seek to meet the community’s needs. In other words, they also become part of the achievement of established goals.

To facilitate this, in line with the Digital Government Strategy of the Ministry of Information Technology and Communications, we have established various channels for communication and participation, through which it is possible to express expectations about our management.

Our accountability strategy is designed to report on our management in a transparent and participatory way to meet the needs of stakeholders and society in general, by creating spaces for dialogue and embodying corporate governance principles.

- **Quality Information**

The Management and Sustainability Report is a highly important accountability tool. It consolidates our performance and highlights the most relevant events for stakeholders and those related to our sustainability

from economic, social, and environmental dimensions. The 2021 version remains available on the Entity's website for consultation by stakeholders and the general public.

Additionally, we participate in events such as forums, summits, and discussions, among others, where we publicize our management. Approximately 14,600 people from various stakeholder groups participated in these events.

- **Two-Way Dialogue with Citizens and Their Organizations**

As part of this component, we organized and executed a variety of events, including forums, seminars, workshops, and conversations, to share our management with relevant stakeholder groups. We presented investment proposals and showcased completed projects that contributed to improving the quality of life for residents.

Engaging in dialogue with stakeholders, citizens, and their organizations as an accountability mechanism is an ongoing exercise that is integral to internal and external management.

Internally, as part of the planned strategy to "Hold an institutional accountability event," we found it appropriate to organize several events where senior management continuously shared progress in implementing the Strategic Plan, including Findeter's strategies, programs, and projects. These events, known as "Ser Findeter," involved the participation of all employees, who had the opportunity to express their concerns, observations, and suggestions for better management.

Furthermore, as part of the strategy to "*Organize and execute events to share the Entity's performance with different stakeholder groups (forums, seminars, assemblies, conversations, workshops, etc.)*," we held events in several cities and regions where different stakeholders, including mayors, governors, department secretaries, and citizens, participated to learn about the Entity's management.

- **Incentives to Promote Accountability and Request for Accounts**

These events focused on sharing the projects identified in the territories by Findeter and prioritized by local leaders in their action plans to create work agendas that leverage project execution with the institutional offering of products and services.

In 2022, events were held with stakeholder groups and regional authorities, with the attendance of approximately 6,000 people, including governors, mayors, department secretaries, and advisors, among others.

- **Evaluation and Feedback on Institutional Management**

This component holds significant importance for us as it provides essential elements for strengthening our management year after year, contributing to the achievement of the strategic objectives outlined in the "Flight Plan" so that by 2022, the institutional mission and vision become a tangible reality.

Effectively and promptly addressing citizens' expressions received through the various mechanisms provided by the Entity is not only a duty but also a vital tool for better management.

- **Citizen Participation and Promotion of Social Control in Program Formulation**

Effective citizen participation and the exercise of social control continued to be one of our cornerstones of accountability. With that purpose in mind, the following highlights are noted for 2022:

- ✓ We conducted two field visits in the municipalities of Armenia and Mariquita:

- In Armenia, we held a participatory workshop with focus groups (community, private and public sectors, and academia) to share the results of environmental studies, and the Action Plan structure was also presented to the municipality. This mission took place on February 22, 2022.
- In Mariquita, we carried out a data collection exercise and held meetings with different actors (public sector and community) for territorial preparation. We also made a territorial recognition tour. This visit took place on February 28.
- ✓ In April, we held our second mission in Mariquita, where we organized two citizen participation workshops in the rural and urban areas of the territory. These workshops aimed to gather the citizens' needs regarding housing, environmental, institutional, economic, and other topics to complement and conclude the PBOT diagnosis.
- ✓ In September, we held our third mission in Mariquita, where we shared the diagnosis that includes the environmental, economic, functional, sociocultural, and institutional dimensions, allowing us to understand the current state of the territory. This sharing session was held with the work team and community members.
- ✓ In November, we held our fourth mission in Mariquita, where we shared the diagnosis and covered part of the PBOT formulation. This sharing session was held with the work team and community members.

6. MONITORING, CONTROL, AND RISKS

6.1. Progress of the Strategic Plan

(103-3 Material Topic: Water and sanitation projects aimed at benefiting vulnerable communities, infrastructure projects for education, offering products with a territorial focus, sustainable cities and communities, ethics, integrity, and transparency, actions against climate change, business lines with environmental and social criteria) (SDG 8, 10 and 11); [External Circular 012/2022 SFC, Section 7.4.1.1.1. Description of the issuer's business purpose, Item \(i\) The evolution of the business plan in the short, medium, and long term.](#)

Next, we present the main results of the Strategic Map, by perspectives:

The **Development Perspective** focuses on quantifying the most significant impacts of our management in the territories through the service portfolio. In 2022, we executed and/or financed 44 projects that benefited more than one municipality, accumulating a total of 148 between 2019 and 2022. In terms of beneficiaries per project, in 2022 we impacted 12,021,137 people through funded and/or executed projects, allowing us to reach a total of 21,201,223 in the past four years.

Out of the set of 102 municipalities without structuring capacity that we prioritized, by 2022, we reached a total of 75, of which 91% are in category 6. The expansion observed during this period was mainly achieved through technical assistance. The management described in each of the indicators allowed us to successfully achieve the proposed goals in this perspective, as shown below:

Figure No. 13: Development Perspective



The **Efficiency Perspective** encompasses the objectives that allow us to monitor the results of financial indicators of profitability and operational efficiency. At the end of the 2022 fiscal year, the profitability indicator showed a result of 6.23%, representing a growth of 31 basis points compared to 2021. This increase was due to the performance of the financial margin, with particular emphasis on the behavior of interest income from the loan portfolio and liquidity.

On the other hand, the efficiency indicator achieved good performance and stood at 1.81% at the end of 2022, representing an increase of 16 basis points compared to 2021. The indicator was positively impacted by the performance of productive assets; however, it showed a decline compared to the previous year due to an increase in administrative expenses.

At the end of the measurement for 2021, it was evident that we generated social benefits worth COP 4.54 trillion and that for every peso mobilized, it helped generate 1.82 pesos in social, environmental, and economic benefits. This figure was higher than the 1.57 pesos in 2020. The measurement found that housing construction projects would generate approximately 19,600 new jobs during their useful life. Additionally, it is estimated that the construction of Small Hydropower Plants (SHP) financed in 2021 will reduce CO2e emissions by 10,185 metric tons.

The measurement of the social profitability indicator for the 2022 fiscal year is planned to be carried out in the first quarter of 2023.

Figure No.14: Efficiency Perspective

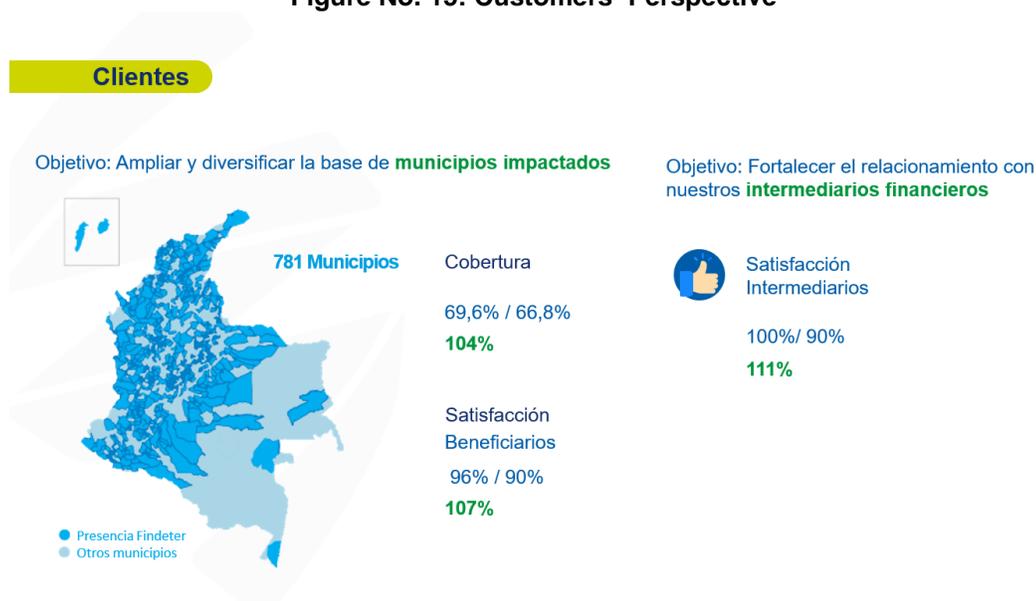


The **Customers Perspective** includes the objectives that reflect the results of the satisfaction survey of our customers (end beneficiaries and financial intermediaries) conducted through an external ally. In December 2022, we conducted the measurement corresponding to the management carried out in the 2022 fiscal year, with the following results:

- ✓ The section for end beneficiaries yielded a satisfaction index of 96%, surpassing the established goal and achieving a compliance rate of 107%.
- ✓ The section for financial intermediaries yielded a satisfaction index of 100%, surpassing the established goal with a compliance rate of 111%.

Another indicator that contributes to this perspective is coverage, which measures the active products and services provided nationwide. In 2022, we served 55 new municipalities nationwide, reaching a total of 781 out of the total base of 1,122, representing a coverage rate of 69.6%.

Figure No. 15: Customers' Perspective



The **Integrated Management Perspective** contains the indicators related to the portfolio of products and services that are embedded in our management model.

Through our portfolio, we have supported territorial entities in generating well-being in cities and regions across the country. Under our service portfolio, we achieved the subscription of 22 new contracts for planning products (1), structuring (3), and execution (18), resulting in non-financial revenues of COP 67.397 billion.

Regarding the effectiveness of land use planning instruments, by the end of 2022, the indicator reached a compliance rate of 120% with respect to the established target of 90%. This result was derived from the signing of five agreements, the first stage of the Action Plan of Cartago, Valle; the second stage of the Basic Territorial Ordering Plan of Mariquita, and three projects in San Andrés, Cúcuta, and Villavicencio.

The indicator for the growth of structuring projects aims to promote value generation for our users through an increase in the number of projects structured per fiscal year. In 2022, we successfully delivered seven projects, including Convida, Jamundí, Hospital Coveñas, Tolú Fire Station, Tren Caribe, Ibagué Networks, and Valledupar Sewerage, achieving a satisfactory outcome.

In terms of disbursements, we achieved record figures in placements, amounting to COP 3.84 trillion, of which COP 2.87 trillion were disbursed through rediscounting, and COP 973.944 billion were disbursed through direct credit. Additionally, the indicator for income from financing showed favorable growth driven by the accrual of interest from the loan portfolio, which increased from COP 513.683 billion in 2021 to COP 1.073.051 billion in 2022.

The index for projects without alerts measures the performance of technical assistance projects that have exceeded their schedules. As of December 2022, there are a total of 253 projects, of which 228 are classified as satisfactory and 25 have compliance alerts, achieving a performance rate of 90% for the period and a compliance rate of 106%. In the analysis by business lines, housing achieved a result of 108% for the indicator with a total of 31 projects, water achieved a result of 99% with a total of 44 projects, and infrastructure achieved a result of 106% with a total of 178 projects.

Figure No. 16: Integrated Management Perspective

Gestión Integral

Aumentar la efectividad de la **gestión comercial**



Contar con una **planificación territorial** pertinente y de impacto



Asegurar una **estructuración** efectiva de proyectos



Nota: El porcentaje de cumplimiento se acota al 120% para no distorsionar los resultados compilados.

Gestión Integral

Incrementar la efectividad en la ejecución en los proyectos de **asistencia Técnica**



Aumentar la **financiación** de operaciones y proyectos en sectores financierables



Nota: El porcentaje de cumplimiento se acota al 120% para no distorsionar los resultados compilados.

The **Capabilities Perspective** encompasses the indicators that reflect the management of cross-functional and support operations.

In 2022, we continued measuring the responsible action strategy through the management of its four cells, resulting in the development of an attention protocol, a volunteer document, an equality week that included topics on female empowerment, among others. The compliance rates for each cell were as follows: 1) Culture of Integrity 93%, 2) Responsible Finance 100%, 3) Impact 80%, and 4) Trust Relationships 90%. The activities that were not completed at 100% are expected to be carried out with the new responsible action strategy, which is based on the focus of the cells and is called the “sustainability node.”

An important pillar in the Flight Plan is the management of internal and external communications, prioritizing topics related to our management model, internal campaigns, and the impacts generated through the projects we execute. We highlight the management of free press and media relations for the dissemination of important topics for Development Banking, such as the launch of new credit lines, direct credit and rediscount credit lines, planning products (sustainable cities, multipurpose cadaster, territorial ordering

plans), discussion of events with territorial entities, project financing, and project structuring (trains, mobility plans, hospitals), among others. The indicator's result exceeds 101% compliance with the established goal.

The reach of Twitter publications measures the number of times a tweet appears in the timeline. For 2022, a target of 3,266,515 was set, and a result of 4,267,989 was achieved, surpassing the indicator's goal, as a result of the strategy to generate an internal network for greater dissemination.

The effectiveness of internal communication yielded an outstanding result of 99%. The measurement was conducted in January 2023 through a virtual survey, with the participation of 536 employees who rated internal communication as clear, timely, and useful, thus achieving the proposed objective for 2022.

Regarding the net interest margin indicator as of December 2022, it averaged at 2.03%, surpassing the previous year's results due to interest rate increases above expectations.

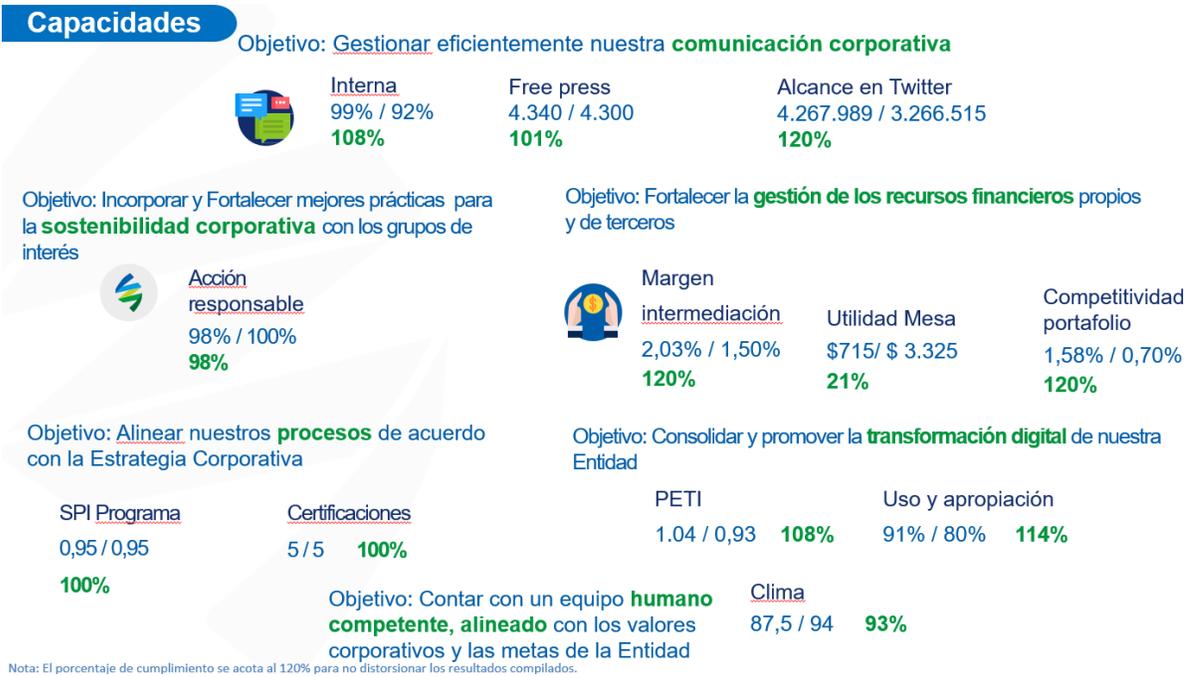
For portfolio operations, a profit of COP 715 million was recorded year-to-date with a return of 7.48% APR. In the market, there was a valuation of fixed-rate TES bonds and UVR-indexed bonds, while private debt experienced an increase in rates for both IBR and fixed-rate due to increases in the REPO rate. Similarly, revenues from available liquidity in the portfolio were favored by upward adjustments in the interest rates offered by commercial banks' savings accounts. In terms of portfolio competitiveness, the result was 158 basis points higher than the reference portfolio and exceeded the estimated goal by 70 basis points. This is due to the appropriate strategies to face extreme volatility and the devaluation in the local fixed-income market caused by global inflation increases, the normalization of monetary policy in Colombia (rate hikes), and the deterioration in the country's risk perception. Thus, the inherent risks of the investment portfolio were properly managed.

Regarding the update of the value chain, we continued aligning processes with the fulfillment of the strategy, focusing on improving the design and product development processes by updating Sales Management and Fiduciary Business Management processes through the implementation of AX and the design of a new Institutional and Corporate Governance Management process. This is to maintain the level of operational excellence by reaffirming ISO 9001, ISO 14001, ISO 27001 certifications, the seal of good innovation practices, and the certification as a family-friendly company – efr. By the end of the year, we achieved the proposed goal for all five mentioned certifications.

The progress of the digital transformation in our entity is being monitored on two fronts: first, with the compliance of projects from the Strategic Information Technology Plan (PETI), which reached a compliance rate of 108% for this year. Notable completed projects include User Experience Phase 1, Sandbox, Change Management towards a more digital culture, Data Analytics, Digital Ecosystem, Robot Process Automation (RPA), Direct Loan Service Phase 2, Secure Exchange, Identity Management, Cloud-based CRM, among others. Second, we executed a usage and adoption strategy focused on measuring user adoption levels across six services or solutions (agile methodologies, Technical Core Phase 1, Robot Process Automation (RPA), Microsoft OneDrive-Teams-SharePoint tools), which achieved a compliance index of 91%, surpassing the established goal.

The employee work environment index yielded a result of 87.5, maintaining the "Very Outstanding" level in the measurement of the Work Environment Index (WEI) for the year 2022 according to international standards and the methodology of the Great Place to Work® Institute.

Figure No. 17: Capabilities Perspective



6.2. Institutional Performance

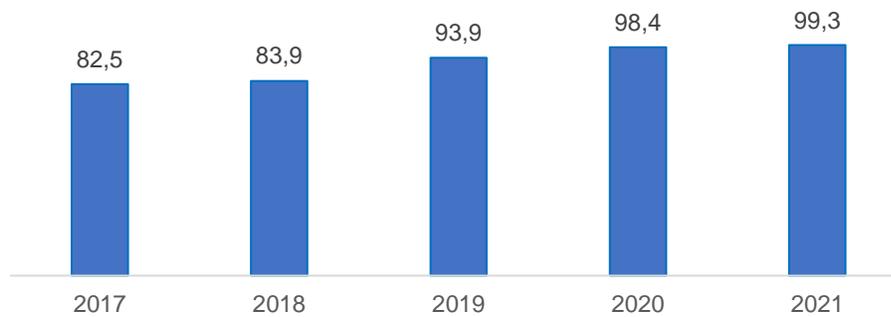
• **Single Form for Management Progress - FURAG**

The Institutional Performance Index - IDI measures the capacity of public entities and organizations to guide their institutional management processes towards better production of goods and provision of services, based on quality criteria, addressing the needs of citizens, and within the framework of legality, efficiency, and transparency. This index also shows the state and progress of the Integrated Planning and Management Model - IPMM, through which entities direct, plan, execute, monitor, evaluate, and control their activities with the aim of meeting the needs of their stakeholders with integrity and quality of service.

The IDI is obtained through an annual exercise carried out by the Administrative Department of Public Function - DAFP for all national and territorial public entities. This is done by completing the Single Management Progress Report Form - FURAG, as indicated in Decree 2482 of 2012.

For Findeter, in the 2021 fiscal year, measured in 2022, we obtained a score of 99.3 points, according to the latest measurement conducted by the Administrative Department of Public Function through FURAG. This represents an increase of 0.9 points compared to the 2020 result (98.4) and a 15.4-point increase compared to the 2018 fiscal year, which was 83.9. Thus, we exceeded the goal set by the government to increase the rating in this measurement by 10 points during the four-year period.

Graph No. 31: Evolution of Findeter’s Performance Rating - IDI



Source: DAFP. Prepared by Findeter

With this result, we rank as the second entity among the 27 that are part of the finance sector and the sixth among more than 5,000 national and territorial entities.

The policies evaluated in the FURAG that obtained the highest scores in the latest measurement were: Internal control 99.3; Knowledge management 99.3; Transparency, access to information, and anti-corruption efforts 99.1; Digital security 99.0; Integrity 98.1; and Citizen service 97.5.

These results reflect our commitment as a strategic ally of the National Government, territories, and public and private sectors. They demonstrate that Findeter has a qualified team with technical knowledge and a strong organizational culture with high efficiency standards.

- **Transparency and Access to Information Index – ITA¹⁴**

In compliance with Act 1712 or the Transparency and Right to Access Public Information Act, the Office of the Inspector General of the Nation assumed the responsibility of monitoring the implementation of this law in public entities. Therefore, this oversight body implemented a self-assessment matrix that must be filled out by all “Traditionally Obligated Entities”.¹⁵ This self-assessment is audited by the Office of the Inspector General, which issues a final assessment of compliance with the law, reporting the aspects that need to be adjusted by the entities and assigning a score out of 100 points.

In September 2022, we fulfilled this report by completing the form provided by the Office of the Inspector General for the 2022 fiscal year, and we received a score of 100/100 for compliance with the Transparency and Right to Access Public Information Act.

Additionally, in December, the Office of the Inspector General of the Nation, through the external firm JAHV McGregor S.A.S., notified the audit score for ITA for Findeter, which was 91/100. However, in a subsequent communication from the auditing firm, Findeter was informed that the arguments presented in response were validated, and therefore, they will review and adjust the assigned score, confirming our compliance with the requirements of Resolution 1519 of 2020.

6.3. Exercise of Internal Control

CE 012/2022 SFC (Section 7.4.1.2.7 Description and evaluation of the controls and procedures used by the issuer; Subsection (ii) Report on the results of the evaluation of internal control systems and control and disclosure procedures, in compliance with Article 47 of Act 964 of 2005, and in accordance with the exceptions provided for in Article 48 of the mentioned Act.) (Section 7.4.1.3.1. Analysis of Corporate Governance; Subsection 7.4.1.3.1.1. Description of the issuer’s management structure, Items (x) and (xi))

¹⁴ **ITA:** Transparency and Access to Information Index

¹⁵ **Traditionally Obligated Entities:** All public entities, including those belonging to all branches of government, at all levels of the state structure, central or decentralized by services or territorially, at national, departmental, municipal and district levels.

Our internal control system is designed and organized in such a way that the exercise is intrinsic to the development of the functions of all positions within the entity, particularly the functions assigned to managerial positions. Nevertheless, there are three bodies that assist in the implementation, development, and monitoring of internal control:

- Office of Internal Control
- Internal Control System Coordination Committee
- Board of Directors' Audit Committee
- Independent Auditors

During 2022, the following achievements in terms of the management of the exercise of control in Findeter stand out:

- As a result of the execution of internal management audits, situations were identified that allowed us to continue strengthening the Internal Control System in each of the processes defined in the current value chain.
- Development of value-added assessments and specific requests made by top management, including exercises in data protection, evaluation of the reconstruction and economic recovery of Providencia, ethical hacking, and budget audits.
- Continuous support and monitoring of different areas to ensure timely completion of action plans derived from observations and improvement opportunities identified by the Office of Internal Control, with the implementation of actions meeting estimated deadlines and justification for postponed cases.
- Following international auditing standards and aiming to add value to the organization using tools such as Power BI, we generated early warning reports related to exposure and provisioning limits for rediscount portfolio, direct credit, employees and former employees, in order to mitigate risks in the aforementioned activities and ensure compliance with defined control limits.
- Self-assessment of the 237 attributes considered in the International Standards for the Professional Practice of Internal Auditing, through which improvement aspects were identified and addressed within the same fiscal year.
- Strengthening of the Internal Control System in various control elements, with recommendations focused on preventing fraud and corruption risks, strengthening the control environment, raising awareness about fraud reporting, and improving risk management, among others.
- The Office of Internal Control promptly notified the regulatory changes with potential impacts on the entity, allowing for continuous improvement and strengthening of the Internal Control System in accordance with the requirements of the Superintendence of Colombia and other oversight entities.

Circular 012 of 2022 - Section 7.4.1.3.1, Subsection 7.4.1.3.1.1, Items (x) and (xi).

- **Agreed fees with the independent auditor or external auditor**

The fees for the Independent Auditor for the period from May 13, 2021 to May 12, 2023, are approved by the General Shareholder's Meetings and amount to up to COP 1,043,303,096 including VAT.

- **Operation of the issuer's internal control system, mechanisms, and committees that manage internal audit processes.**

The Office of Internal Control performs its assurance function by evaluating 100% of the processes in the value chain defined by the entity, including regional offices, different risk management systems, and special audits requested by the administration and the Board of Directors' Audit Committee. The goal is to identify improvement opportunities proactively for the strengthening of the Integrated Management System (IMS). Process owners develop action plans aimed at strengthening and improving the Internal Control System based on the recommendations made in internal audits through reports. These plans are implemented by

the areas to improve the processes, contributing to the continuous improvement of the Integrated Management System.

Therefore, we conclude that we have an articulated Internal Control System that guarantees the operation of all its components. We will continue to identify and assess emerging risks to which we may be exposed. Similarly, it is important to continue evaluating and managing financial and non-financial risks in accordance with new activities, products, and services that we may offer.

Additionally, to support the Board of Directors, the Office of Internal Control holds the following committees:

- **Board of Directors' Audit Committee:**

To establish general guidelines for the supervision, monitoring, and improvement of the Internal Control System (ICS), in accordance with Circular 029 of 2014 issued by the Financial Superintendence of Colombia, the committee consists of four members of the Board of Directors. It meets at least every two months or more frequently when the results of the evaluations of the Internal Control System indicate deficiencies requiring urgent evaluation and corrective actions or when there are significant changes in the policies of the Entity or in the regulations governing its operations. The head of the Office of Internal Control serves as the technical secretary of the committee.

- **Internal Control System Coordination Committee:**

The Internal Control System Coordination Committee of Findeter, as a collegiate body supporting the administration and in accordance with applicable regulations, is responsible for ordering the necessary actions to ensure the coordinated, efficient, and effective functioning of the Internal Control System and the Integrated Management System (IMS). The Office of Internal Control exercises the Technical Secretariat of this Committee, being responsible for the preparation, compilation, and custody of the respective minutes. In the committee meetings, the Office of Internal Control presents the results of internal management audits and the follow-up to action plans generated from improvement opportunities and observations identified. It also provides updates on the improvement plan of the Office of the Comptroller General of the Republic and general aspects for the strengthening of the Internal Control System.

6.3.1. Approach to Internal Control Management

Internal management audits were conducted with a structured and comprehensive approach based on risk, supported by a methodology that evaluates the components of internal control in each process, based on Circular 029 of 2014 and the Integrated Planning and Management Model (IPMM).

The evaluation includes criteria that are part of the Internal Control System, such as policies and procedures, regulatory compliance, risks and controls, risk and fraud events, accounting records, application controls, and information assets, among others.

The results obtained allow us to identify improvement opportunities that contribute to the continuous improvement of the system and incorporate a preventive perspective.

6.3.2. Internal Control System (ICS)

CE 012/2022 SFC (Section 7.4.1.2.7; Item (ii))

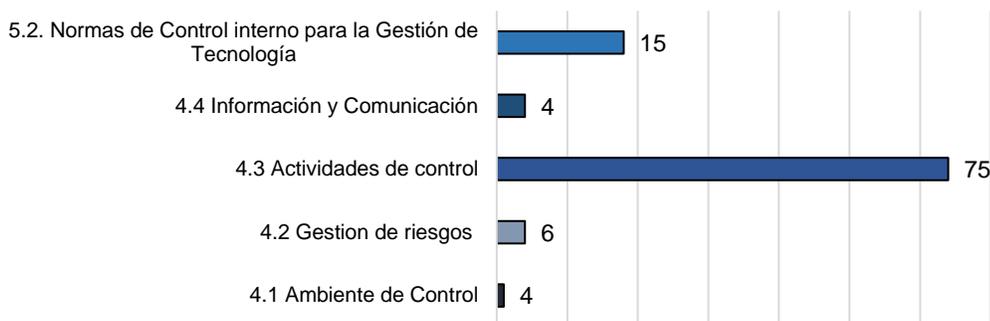
Our Internal Control System seeks sustainability and strengthening through leading practices, applying the guidelines established in current regulations related to the review and adaptation of the system. This has allowed us to have management systems aimed at achieving our objectives based on the business model.

6.3.3. Audits

As a result of the evaluations conducted as of December 31, 2022, 104 observations and improvement opportunities were generated. We established action plans aimed at strengthening compliance with our objectives and the different control elements defined in Part I, Title I, Chapter IV of Circular 029 issued by the Financial Superintendence of Colombia - SFC.

Through the execution of internal management audits, we identified situations that allowed us to continue strengthening the Internal Control System in each of the processes defined in the current value chain. We considered the behavior of observations and improvement opportunities generated by the control elements.

Graph No. 32: Control Elements



Source: Findeter

The recommendations were communicated to the administration in the various audit reports, based on the evaluations conducted. The results were also presented to the Audit Committee for processes such as Accounting Management, Independent Evaluation, Strategic Objectives, Credit Risk Management System (SARC) for the second semester of 2021, Operational Risk Management System (SARO) for the first and second semesters of 2022, Contract Management, Financial Operations, Regional Offices, SAC for the first semester of 2022, Direct Loan, Project Structuring and Evaluation, Human Talent Management, Risk Management, Commercial Management, Active Operations Management, Portfolio Management, Regulatory Compliance for Derivatives for the second semester, Third-Party Services Management, Fiduciary Business Management, Anti-Money Laundering and Counter-Terrorist Financing Risk Management System (SARLAFT) for the first semester of 2022, among others.

According to the graph above, recommendations were generated for each of these control elements, which were included in the reports presented for each process to strengthen the design and effectiveness of controls. These include:

- **Control Environment:** We strengthened this element through the definition and documentation of procedures and policies applicable to new processes in the entity and the updating of existing manuals for processes.
- **Risk Management:** Operational risk management, anti-money laundering and counter-terrorist financing risk management, credit risk management, market and liquidity risk management systems are established, documented, and in operation. We provided recommendations for different stages and elements of the systems, as well as recommendations to strengthen the fraud and corruption policy applied by the entity.
- **Control Activities:** As a result of the recommendations generated in the audits, we implemented preventive and corrective monitoring controls to strengthen the integrated management system in the

processes of the value chain. We also redefined, simplified, and automated different procedures that allow for effective and efficient execution of activities in the processes.

- **Information and Communication**: We generated improvement opportunities to strengthen the management and control of information published on the entity's website by the different areas.
- **Monitoring**: We provided recommendations on updating management indicators for the areas to measure performance and activity management. At Findeter, we conduct training campaigns for different areas to guide the definition, formulation, and monitoring of management indicators.

Furthermore, we conducted continuous follow-ups through the Isolución tool with process owners to validate the implementation of action plans defined by them in the various internal management audits. For the closure of these plans, we analyzed the evidence presented by the process owners and the effectiveness of the implemented actions.

- **IT Management**: We have a technological platform to support business operations, and we have implemented processes for its management and control in accordance with legal requirements aligned with leading practices. In 2022, we made recommendations aimed at strengthening general technology controls in mission areas, operations, security, and continuity.

Finally, process owners developed action plans aimed at strengthening and improving the Internal Control System based on the recommendations made in internal management audits. These plans are implemented by the areas to improve processes and contribute to the continuous improvement of the Integrated Management System.

Considering all of the above, we conclude that Findeter has articulated the entire Internal Control System, ensuring the functioning of all its components. We recommend continuing to identify and evaluate emerging risks to which we may be exposed. It is also important to continue evaluating and managing financial and non-financial risks in accordance with the new activities or products and services offered by Findeter.

6.3.4. Audits of the Integrated Management System

The Office of Internal Control coordinated the Internal Audits Cycle of the IMS from July 18 to August 12, 2022, with the support of our internal audit team. As a result of the audit cycle, it is concluded that the Integrated Management System at Findeter shows a satisfactory level in accordance with the provisions of the standards. In total, two non-conformities, eight observations, and 16 quality improvement opportunities were identified.

6.3.5. Audits of the Accounting Internal Control System

The audit of the Accounting Internal Control System will be conducted in January 2023. However, the control environment of the process is documented and based on procedures and controls that allow for the management of financial and accounting information. We apply the International Financial Reporting Standards (IFRS) accepted in Colombia, approved by the Board of Directors, and accounting principles for institutions supervised by the Financial Superintendence of Colombia.

6.3.6. Follow-up and implementation of action plans

The Office of Internal Control performs monthly follow-ups on the action plans implemented by process owners as a result of the generated recommendations. This involves verifying compliance with activities through the corresponding supporting documentation in the tool provided by the entity (Isolución).

As a result of the follow-up conducted by the Office of Internal Control to the 104 observations and improvement opportunities generated for the 2022 fiscal year, it is concluded that 66 were closed, 36 were scheduled to be addressed during 2023, and two did not define an action plan as the administration was already taking actions to address them. Additionally, during the year, 15 pending action plans from the 2021 fiscal year were closed.

We propose aspects to consider in the implementation of the plans to ensure they fulfill their intended objective and address the root cause of the observation generated as a result of the audit. This will enable them to be completed within the planned timeframe.

6.3.7. Internal and external management control reports

As part of the role of “Relations with External Entities” and as a driving component of the Internal Control System, the Office of Internal Control of Management (OCIG) prepared, among others, the following reports and requirements from control entities during 2022: Internal Control Accounting Report, Comptroller General's Office (CGR) Improvement Plan Report, Certifications for the Monitoring of the Unified State Litigation Information System (Ekogui), Integrated Planning and Management Model, Monitoring of the Anti-Corruption Plan and Citizen Service, Detailed Report on the State of Internal Control - Act 1474 of 2011, Monitoring of Petitions, and Expenditure Austerity Report. The preparation of these reports is regulated by existing norms for that purpose, as well as their periodicity: monthly, bimonthly, quarterly, four-month, and semi-annually.

6.3.8. Comptroller General's Office Improvement Plan

Regarding the semi-annual follow-ups, we report progress on the following improvement plans as of December 31, 2022:

- Special Performance of Oversight - Technical Assistance and Resource Management Services in Water and S.B. Findeter as of December 31, 2018.
- Financial Audit for the 2018 fiscal year.
- Financial Audit for the 2019 fiscal year. Compliance with the plans was reported as 100% as of June 30, 2021.
- Compliance Audit of the Sustainable Development Support Program for the Archipelago of San Andrés, Providencia.
- Special Performance of Oversight - Resources in water projects.
- Compliance Audit of Infrastructure Projects in the education sector, involving the participation of the Managements of Atlántico, Bogota, Caquetá, Cauca, Choco, Norte de Santander, Santander, Huila, and Valle, where Findeter provides technical assistance or project management.
- Detailed Report on Special Performance of Oversight (Drinking water construction in the municipality of Lebrija, Santander; Comprehensive improvement of neighborhoods on the Island of Providencia, Bombona - Boyacá; and renovation of water network infrastructure for the Island of San Andrés).
- Financial Audit for the 2020 fiscal year. Detailed Report on Special Performance of Oversight of “Financial Support to Facilitate Access to Drinking Water Services and Wastewater Management at the National Level for the Department of Córdoba, for the 2018, 2019, and 2020 fiscal years”. Received in 2021-06-30. One finding for Findeter.
- Financial Audit for the 2021 fiscal year - Independent Audit Report.
- Intersectoral Special Performance of Oversight Report (Providencia).

On the other hand, the Comptroller General of the Republic, in its “Findings Report of the Comptroller General of the Republic CGR - CDCDR # 003” of June 2022, indicated the following:

Opinion on Budget Execution: The CGR considers, based on the above, that the execution of the budget of Financiera de Desarrollo Territorial - Findeter for the 2021 fiscal year is Reasonable.

Account Termination: In line with the findings that support the opinion with reservations regarding the Financial Statements and the Reasonable opinion on budget execution, the Findeter account for the 2021 fiscal year is TERMINATED.

In compliance with the provisions of Circular No. 015 of September 30, 2020, by the Comptroller General of the Republic, the Office of Internal Control verified the improvement actions that determined the causes of the finding have disappeared or modified the factual or legal assumptions as of December 31, 2022, as follows:

- Monthly, the Office of Internal Control monitors and reviews the completion of activities in the Isolución application. As of December 31, 2022, there were 50 open activities in the application with a maximum due date in the year 2023.
- In order to monitor the improvement plans issued by the CGR, the Office of Internal Control evaluates the effectiveness of the activities proposed by Findeter and transmits them through SIRECI semi-annually, conducting audit tests on the findings that are in the “Closed” state in the Isolución application, generating the following results:
 - In the effectiveness tests carried out by the Office of Internal Control, 27 findings were declared ineffective, as the situations identified by the CGR had not been rectified by the Entity.
 - Of the 63 pending findings to be verified as of December 31, 2022, 25 findings will be evaluated in the planned evaluation during January 2023, with a compliance deadline no later than November 30, 2022. The remaining 38 findings have compliance deadlines beyond the scope of the audit and must be verified under the 2023-2024 audit plan.
 - As a result of the observations presented by Findeter to the CGR regarding the findings of the Financial Audit report for the fiscal year 2021 and the Special Performance Audit 2021, through Report No. 2022EE0074086 dated May 2, 2022, the CGR proceeded to remove three findings related to compensation payments, design planning, and updating of construction permits from the reports.

6.3.9. Internal Control Committees

Audit Committee

The Audit Committee held seven meetings during the period, in the months of January, February, April, June, August, September (extraordinary), and November 2022, and corresponding minutes were taken.

Internal Control Coordination Committee

The Internal Control Coordination Committee of the Internal Control System of Findeter, as a collegiate body that supports the administration, and in accordance with applicable regulations, is responsible for ordering the necessary actions to guarantee the coordinated, efficient, and effective functioning of the Internal Control System and the IMS.

The Office of Internal Control of Management serves as the technical secretary of this Committee and is responsible for the preparation, compilation, and custody of the respective minutes. During this fiscal year, the Committee held two (2) sessions in January and August.

During the Committee’s sessions, the Office of Internal Control of Management presented the results of internal management audits and the follow-up to the action plans generated as a result of improvement opportunities and identified observations, the follow-up to the improvement plan of the Comptroller General of the Republic, and general aspects for the strengthening of the Internal Control System.

6.4. Risk Management

CE 012/2022 SFC Section 7.4.1.1.3. Relevant risks to which the issuer is exposed and the mechanisms implemented to mitigate them, Item (i) a description of the nature of said risks, Item (ii) procedures to assess and measure the degree of exposure to such risks, and Item (iii) mechanisms implemented by senior management for their management, monitoring, and mitigation, as well as quantitative estimates of the likely impact that allows investors to assess the magnitude and effects they could have on the entity. Section 7.4.1.2.5. Quantitative and qualitative analysis of the market risk to which the issuer is exposed as a result of its investments and activities sensitive to market variations, Subsection 7.4.1.2.5.2. Qualitative analysis of market risk, Item (i) the issuer's degree of exposure to market risk, Item (ii) a brief description of how the issuer manages its exposure to market risk. This description must also include the objectives, strategies, and instruments for managing such exposure, if applicable.

6.4.1. Financial Risk Management System

(102-10); (102-11); CE 012/2022 SFC Numeral 7.4.1.1.3.

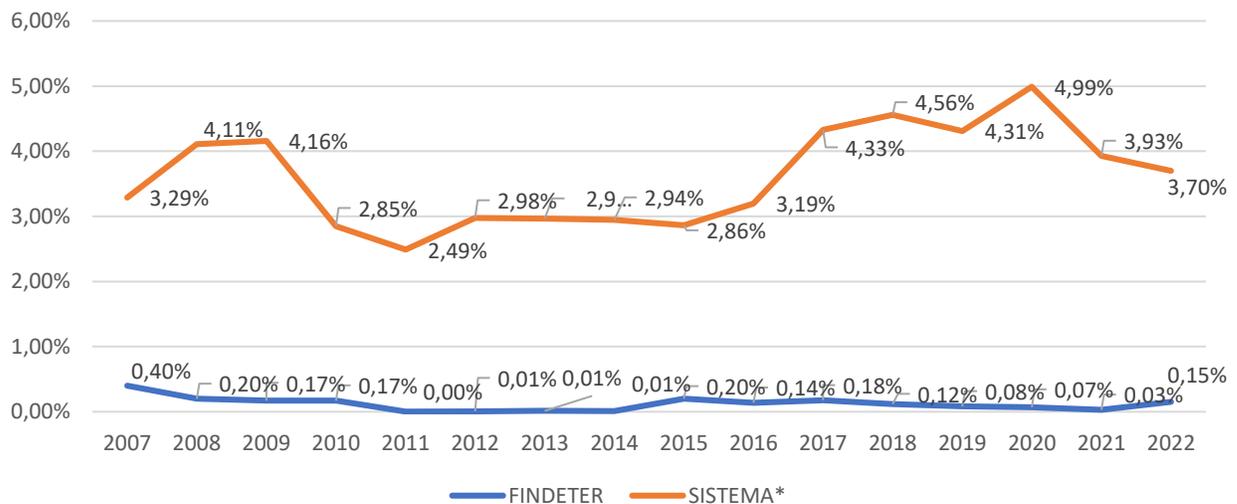
Financial risk management aims to manage credit, market, and liquidity risks to strengthen strategic decision-making. Therefore, we continuously work on the identification, measurement, monitoring, control, and supervision of these risks.

- **Credit Risk Management System - SARC**

Through the SARC, we implement methodologies to evaluate, rate, and periodically control the credit risk associated with all users of rediscount credit portfolios (intermediaries) and direct credit (territorial entities, public service providers). These methodologies are based on quantitative analysis, qualitative aspects, among others, and are supplemented for rediscount with on-site visits and audits of disbursed operations.

In this way, we review and evaluate the different credit risks to which we are exposed on a monthly basis, as well as the proper establishment of provisions and reserves associated with these risks. Additionally, we evaluate different concentrations, exposures, and potential impairments to take appropriate measures when necessary. In 2022, we maintained credit risk indicators at levels that place us among the best entities in the financial system, as shown in the following graph:

Graph No. 33: Historical portfolio quality: overdue portfolio / gross portfolio



* System data as of December 2022

Source: SFC. 2022. Prepared by Findeter

By December 2022, the Portfolio Quality Indicator slightly increased compared to December 2021, reaching a level of 0.15%. This was due to some direct loans closing with delinquencies exceeding 30 days. However, there are good levels of delinquency, lower than those observed in the financial system. By December 2022, the Coverage Indicator stood at 372.17%.

Our main credit product is the rediscount portfolio, which accounted for 81% of the total portfolio by December 2022. It is important to clarify that Development and Territorial Financial Institutions (INFIS) that are not supervised or have a rating other than AAA, financing companies with a rating below AA+, financial cooperatives with a rating below AA+, family compensation funds, savings and credit cooperatives, and employee funds are not authorized to engage in new operations with Findeter. This portfolio is undergoing recovery.

Table No. 89: Distribution of the portfolio by risk rating.

Category	Portfolio balance (Million \$)	Share %
Category A "Normal Risk"	\$ 11,073,001	99.72%
Category B "Acceptable Risk"	\$ 23,570	0.21%
Category C "Considerable Risk"	\$ 4,503	0.04%
Category D "Significant Risk"	\$ 1,505	0.01%
Category E "Irrecoverable Risk".	\$ 1,931	0.02%
Total gross portfolio	\$ 11,104,510	100.00%

Source: Findeter 2022

- **Credit Risk**

CE 012/2022 SFC Section 7.4.1.1.3.

We are primarily exposed to the risk of default on the loan portfolio, which accounted for 82% of the total assets of the Entity as of December 2022. The total value of the loan portfolio as of December 2022 was COP 11,104,510 million. The two main portfolios within this portfolio are the rediscount loan portfolio with a share of 80.8% and the direct loan portfolio with a share of 18.5%. The remaining 0.7% consists of employee, former employee, and first-tier portfolios, the latter being the result of the liquidation of the intermediary.

The rediscount portfolio consists of loans placed through various intermediaries, making them directly responsible for repayment to Findeter, even if the ultimate beneficiary fails to make payments.

The main characteristics of this portfolio as of December 2022 are:

- 99.99% of the rediscount portfolio was placed through intermediaries supervised by the Financial Superintendence of Colombia.
- 92.50% of the rediscount portfolio is placed with intermediaries rated AAA, while 6.48% is placed with intermediaries rated AA+.

On the other hand, the direct loan portfolio originated in 2020 when direct lending to Territorial Entities and Public Utilities Providers was not authorized. However, the authorization for the latter was temporary and valid until December 31, 2020, which is why we no longer provide new direct loans to Public Utilities Providers. This portfolio is currently undergoing recovery. The distribution between Territorial Entities and Public Utilities Providers in this portfolio is as follows:

Table No. 90: Distribution of direct loan portfolio

Type	Share %
Territorial Entities	93.54%
Public Utilities Providers	6.46%
Total	100.00%

Source: Findeter 2022

The distribution of credit ratings is as follows:

Table No. 91: Distribution of the direct loan portfolio

Rating (External)	Share %
AAA	38.37%
AA+	2.34%
AA	20.92%
AA-	0.26%
A+	2.68%
A	2.05%
A-	4.74%
Other	28.63%

Source: Findeter 2022

We conduct ongoing monitoring of the different exposures and users within all portfolio segments of our loan portfolio. One of the mechanisms implemented for constant Credit Risk control is the SARC Committee, which aims to analyze, validate, and maintain interdisciplinary control over all matters related to this risk.

- **Market and Liquidity Risk Management Systems - SARM and SARL**

CE 012/2022 SFC (Section 7.4.1.2.5., Subsections 7.4.1.2.5.1., Subsections 7.4.1.2.5.2.

Through the implementation of SARM and SARL, we identify, measure, control, and monitor the market and liquidity risk to which we are exposed in the course of our authorized operations, including treasury operations, taking into account their structure and size. Unlike SARM, SARL applies to both banking book and treasury book operations.

In line with the activation of our proprietary investment portfolio, we executed the established controls that allow us to effectively comply with internal policies, current regulations, and the good practices established by the AMV (Self-Regulatory Body for the Securities Market in Colombia).

- **Market Risk Management System (SARM)**

CE 012/2022 SFC Section 7.4.1.1.3. and Section 7.4.1.2.5.

During 2022, we carried out management activities in accordance with our SARM manual, including monitoring the valuation of investments and compliance with limits defined by the Board of Directors, as well as calculating the market risk of our positions in the treasury book and derivatives.

The result of the Value at Risk (VaR) at the end of December 2022 was COP 31,387 million, representing 2.7% of Findeter’s technical equity value (COP 1.14 trillion in November). It is below the limit established by the Board of Directors, which is 8%.

The following graph shows the behavior of the VaR:

Graph No. 34: Value at Risk (VaR)



Source: Findeter, 2022

Next, we describe the relevant qualitative aspects related to market risk:

CE 012/2022 SFC Section 7.4.1.1.3. and Section 7.4.1.2.5.

Market risk refers to the potential loss due to changes in factors affecting the valuation or expected results of active, passive, or contingent liability operations, such as interest rates, exchange rates, price indices, among others. It arises from adverse variations in relevant financial market variables.

Thus, the main market risks to which we are exposed can be broadly classified based on the exposure of our portfolios to variations in different risk factors.

Findeter employs the standard model of the Financial Superintendence of Colombia to measure its exposure to these risks:

- **Interest Rate Risk:** This is the possibility of incurring losses due to changes in interest rates. Financial institutions are exposed to this risk whenever there is a mismatch between the average maturity of assets and liabilities. This risk can be in the local currency, foreign currency, and in Units of Real Value (UVR).

- **Currency or Foreign Exchange Risk:** This is the possibility of incurring losses due to variations in exchange rates of different currencies with which we conduct operations or have invested resources.
- **Equity Risk:** This risk arises from maintaining open positions (buy or sell) in stocks, indices, or instruments based on stocks. It creates exposure to changes in the market price of shares linked to the indices or instruments based on them. Findeter has exposure to this risk due to its stake in the National Guarantee Fund.
- **Collective Investment Fund (CIF) Risk:** This risk arises from holding positions in private equity funds, mutual funds, securities funds, and investment funds. Under this framework, there is exposure to changes in the valuation of units of participation in these instruments.

The Market Risk Management System (SARM) aims to identify, measure, control, and monitor the market risk to which we are exposed in the course of our authorized operations, including treasury operations, taking into account their structure and size.

Regarding the risk of fluctuations in the exchange rate of the peso against other currencies to which we may be exposed, the Board of Directors has adopted a policy to maintain the overall currency position hedged at a percentage exceeding 95%. Additionally, the foreign currency VaR is obtained from the positions in these currencies in the calculation of the VaR in the standard model. This VaR should not exceed 2% of Findeter's foreign currency passive positions.

Market risk measurement and control

CE 012/2022 SFC (Section 7.4.1.1.3., Item (ii) and Section 7.4.1.2.5.

Value at Risk (VaR)

The VaR calculation is performed using the standard model and in accordance with the instructions of the Financial Superintendence of Colombia in the Basic Accounting and Financial Circular. It is reported daily, which means that the values used to estimate market risk are prior to the closing of the accounting period, so there may be differences compared to the balance sheet.

Below, we present the investments exposed to market risk according to the Financial Superintendence of Colombia's model:

Table No. 92: Investments classified as tradable

Issuer	Present value (million \$)
Banco de Bogota	31,575
Banco de Occidente	8,475
Banco Popular	9,857
Bancolombia	25,475
BBVA Banco Bilbao Vizcaya Argentaria	26,271
Corficolombiana	15,911
Davivienda S,A, Red Bancafé	21,260
Ministry of Finance	125,824

Issuer	Present value (million \$)
Bancóldex	3,921
Banco Av Villas	942
ScotiaBank Colpatría	4,847
Banco Falabella	1,885
Titularizadora Colombiana	850

Source: Findeter 2022.

Table No. 93: Investments classified as available for sale

Issuer	Present value (million \$)
Ministry of Finance	75.162

Source: Findeter 2022

Below is the value at risk per module according to the model of the Financial Superintendence of Colombia:

Table No. 94: Value at risk per module

Module	2022	2021
Interest rate	12,427,724	14,442,287
Exchange rate	4,657,737	356,327
Stock price	5,173,222	3,908,690
Collective Investment Funds	9,128,322	9,363,300
Value at risk	31,387,006	28,070,604
Technical equity	1,145,340,637	1,214,108,431
Overall VaR	2.74%	2.31%

Source: Findeter; figures in thousands of pesos

The higher risk related to the exchange rate stands out, which, as of the closing of 2022, presented a higher value, explained by the durations of the hedges and the settlement of foreign currency positions in accordance with Findeter's strategies.

Value at Risk vs. Overall Limit:

The overall value at risk of the banking and treasury books as of December 31, 2022, was 2.74%, below the 8% limit established by the Board of Directors. Compared to 2.31% at the end of 2021, it shows a slight increase due to the rise in the exchange rate and stock price components.

Value at Risk in Foreign Currency vs. Limit:

As part of the market risk monitoring policies, Findeter considers the sum of calculations corresponding to the modules of the standard model of the Financial Superintendence of Colombia as the value at risk in foreign currency: interest rate on dollar positions and exchange rate. This value divided by the amount of foreign currency liabilities should not exceed a limit of 2%.

The value at risk in foreign currency as of December 31, 2022, was 0.29%, below the 2% limit established by the Board of Directors. Compared to 0.16% at the end of 2021, it shows a slight increase due to the matching of active and passive positions exposed to this risk.

Exposure to Exchange Rate Risk:

In compliance with the provisions of External Regulatory Circular DODM 285 of the Central Bank of Colombia regarding covering our exchange rate exposure and the provisions of External Circular 041 of the Financial Superintendence of Colombia regarding the transmission of the Global Currency Position, we have been covering the exchange rate exposure of our foreign currency liabilities.

As part of the strategy to reduce our exchange rate risk, we engage in operations with derivative financial instruments and make disbursements in dollars as a natural hedge for foreign currency liabilities. As of December 31, 2022, this reached USD 520,204,291 and EUR 14,964,931 in forward contracts. Additionally, we monitor our foreign currency positions through the tracking of the value at risk in foreign currency, which has remained at tolerable levels with respect to the limit defined by the Board of Directors.

The following table shows the value of forwards by entity and the participation by entity for the closing of the year 2022:

Table No. 95: Forwards constituted by entity in 2022.

Entity	Transactions per entity USD	Share
Bancolombia	76,591,515	14%
Banco de Bogota	54,100,000	10%
Banco de Occidente	84,180,088	16%
ITAU Corpbanca Colombia	26,250,000	5%
Corficolombiana	42,877,619	8%
Scotiabank Colpatria	92,370,000	17%
Davivienda S,A, Red Bancafé	63,000,000	12%
Banco Popular	32,000,000	6%
Banco BBVA	63,800,000	12%
Total	535,169,222	100%

Source: Findeter

- **Liquidity Risk Management System (SARL)**

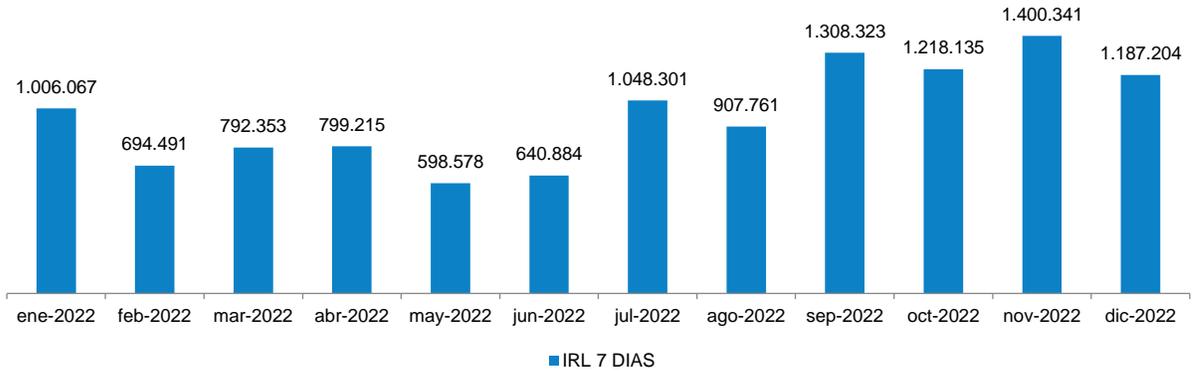
CE 012/2022 SFC Section 7.4.1.2.5., Subsection 7.4.1.2.5.1. and 7.4.1.2.5.2.

The main indicator we use to monitor this system is the Liquidity Risk Index (IRL), as defined by External Circular 042 of 2009 from the SFC.

Throughout 2022, we continued with weekly monitoring activities for liquidity management, projecting the IRL liquidity indicator up to 90 days. This indicator is calculated on a weekly basis in order to anticipate changes and understand the impact generated by the daily dynamics of disbursements or inflows on liquidity.

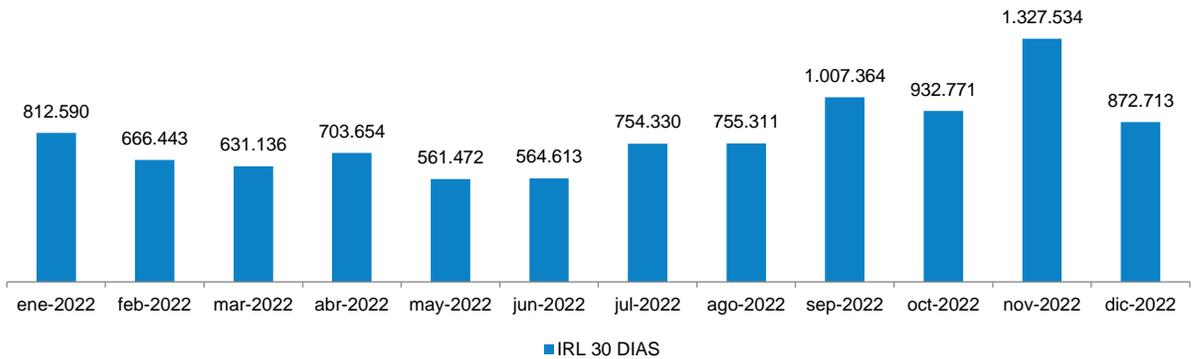
Next, we observe the liquidity levels according to the IRL for monthly periods, specifically for the 7-day and 30-day bands, and we can see that the results are positive:

Graph No. 35: IRL 7 days



Source: Findeter, 2022

Graph No. 36: IRL 30 days



Source: Findeter, 2022

As of the end of December 2022, the IRL was COP 1,187,204 million for the 1 to 7-day band and COP 872,713 million for the 1 to 30-day band. This reflects that we maintain an adequate level of resources to meet our obligations and activities.

Thus, at Findeter, we can adequately plan the necessary resource mobilizations for the payment of contractual obligations.

CE 012/2022 SFC Section 7.4.1.1.3 and Section 7.4.1.2.5.

Liquidity risk refers to the contingency we may face if we incur excessive losses that require us to sell part or all of our assets and carry out other operations to achieve the necessary liquidity to meet our obligations. Liquidity risk arises from adverse changes in relevant financial market variables.

The main liquidity risks we are exposed to can be classified according to the different risk factors to which our portfolios are exposed. They are as follows:

- **Inadequate asset and liability management:** refers to poor management of resources, either due to the quality or composition of assets or the way activities are leveraged.
- **Mismatch of maturities and interest rates:** the risk that arises when the maturities or interest rates of assets do not match those of liabilities.
- **Volatility of capital raised:** variability in the stability of resources raised over time. Estimating volatility allows us to construct different liquidity scenarios, evaluate capture rates relative to the market, and define tolerance limits.
- **Concentration of capital raised:** materializes liquidity risk when the concentration of capital raised is accompanied by concentration of maturities.

Factors external to the institution that can lead to a systemic crisis:

- Adverse variations in interest rates.
- Deterioration of the economic sectors served.
- Rumors (financial panic).

The SARL should enable the institution to measure and quantify the minimum level of liquid assets, in domestic and foreign currency, that must be maintained to prevent the materialization of liquidity risk. This means having the capacity to pay obligations promptly and timely in both normal and crisis scenarios. To measure our exposure to liquidity risk, we use the standard methodology suggested by the Financial Superintendence of Colombia.

Liquidity risk measurement and control

CE 012/2022 SFC Section 7.4.1.1.3. Item (ii)

Policies

With respect to liquidity risk, we have established policies regarding the concentration of our obligations and the measurement and monitoring of our indicators:

Liquidity Risk Index: Liquidity risk indicators for the 7-day and 30-day horizons must always be equal to or greater than zero.

Concentration policies:

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

- **Loan disbursements:** If disbursements made during the month reach the value budgeted in the financial plan, additional disbursements must be approved by the Risk Committee and ALCO.
- The Risk Committee and ALCO sets the maturity concentration limit for resource mobilization operations.
- **Liquidity contingency plan:** Significant liquidity risk exposure is considered to exist when the 7 or 30-day IRL is negative in a particular weekly report. To prevent and respond to such an event, a liquidity contingency plan is established.
- **Liquidity Risk Index (IRL) for 7 and 30 days:** The internal model for calculating liquidity risk is based on the standard of the Financial Superintendence of Colombia, expanded to other time bands. Given the nature of our operations, it is important to consider cash flow projections for periods longer than 30 days.

The Liquidity Risk Index (IRL) is determined as follows:

IRL = ALM - RLN where:

ALM: Adjusted liquid assets for market liquidity, exchange rate risk, and required reserves.

RLN: Estimated Net Liquidity Requirement for the time band.

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

The degree of exposure to liquidity risk, for positions with predetermined contractual maturities, is estimated by analyzing the mismatch of cash flows from assets, liabilities, and off-balance sheet positions.

6.4.2. Non-Financial Integrated Risk Management System - SARINF

(103-1), (103-2) Material Topic: Promotion of environmentally sustainable practices in financed projects, actions regarding climate change (103-3) Material Topic: Business lines with environmental and social criteria; (205-3); **CE 012/2022 SFC Section 7.4.1.1.3. Relevant risks to which the issuer is exposed and mechanisms implemented to mitigate them and Annex 2, Section 5.1.2. Information related to climate matters.**

Through the implementation process required by the SFC with the issuance of Circular 018, related to the Integrated Non-Financial Risk Management System (SIAR), we have strengthened our system, transitioning from the Non-Financial Risk Management System to the Non-Financial Integrated Risk Management System - SARINF. SARINF consolidates policies, stages, elements, processes, and methodologies for our comprehensive management in fulfilling our social and strategic objectives. SARINF integrates the framework methodology and policies with SARO, SARLAFT, SGSI, cybersecurity, personal data protection, business continuity, environmental and social, supplier, fraud, and corruption prevention systems.

During 2022, we defined guidelines for the design, implementation, and maintenance of the Comprehensive Risk Management System (SIAR) for credit risk, market risk, operational risk, and liquidity risk systems, with a maximum implementation deadline of June 2023.

• Risks to which Findeter is exposed and mechanisms to mitigate them

The relevant risks to which we are exposed as an institution and that are managed through the Non-Financial Integrated Risk Management System (SARINF) are:

- **Operational disruptions** due to internal or external causes that may affect business continuity. To manage this risk, we have a business continuity plan, a technology disaster recovery plan, and an emergency plan, all of which are regularly tested.
- **Impact on financial statements** due to the materialization of operational risks. To manage this risk, we have established risk management policies associated with processes and control definitions, which are periodically evaluated to ensure their mitigating effect. Additionally, the risk profile is monitored, alerting senior management and the Board of Directors when a risk exceeds acceptable levels. In such cases, necessary action plans are established for mitigation.
- **Information security and cybersecurity risks** arising from internal or external threats that pose a risk to the availability, integrity, and confidentiality of information assets and/or institutional information that supports business operations and continuity. Cyber risks are generated by cyber threats that target the security of the technological infrastructure and the services and web portals exposed to cyberspace. To manage these risks, Findeter has the following mechanisms and security measures:
 - A certified Information Security Management System (ISMS) in accordance with ISO 27001, which includes the establishment of policies, procedures, controls, measures, limits, roles, responsibilities, and controls for the proper management of information security.
 - A Security Operations Center (SOC) contracted with a security provider, which performs remote management of security functions to support the institution in the proper management (detection, monitoring, analysis, and treatment) of threats, events, incidents, and vulnerabilities that compromise information security and cybersecurity.

- Technological tools for detecting, alerting, and containing cyber threats and protecting services exposed to cyberspace.
- Regular vulnerability and intrusion testing to assess the level of protection and security of the institution's technological infrastructure.
- Social engineering tests to assess the level of awareness and knowledge of employees regarding information security and cybersecurity.
- **Risks associated with personal data protection** that threaten the security and privacy of personal data accessed by Findeter and/or for which it is responsible for processing. To manage this risk, Findeter has implemented a comprehensive personal data protection program that includes roles, responsibilities, policies, procedures, controls, training and awareness plans, indicator measurement, performance monitoring, and reporting for the proper management of personal data.
- **Risks associated with suppliers that arise from contractual relationships** established with service providers required to ensure business operations, continuity, and information security and cybersecurity. To manage this risk, the institution establishes risk matrices and security requirements in contractual processes according to the contractual purpose and conducts audits and security reviews during contract execution to verify compliance.
- **Environmental and social risks** in credit operations, which refers to the possibility that a recipient of Findeter's resources negatively impacts the environment or society as a result of credit execution. We consider aspects related to occupational safety, health and safety of communities, land acquisition and involuntary resettlement, biodiversity conservation, sustainable management of renewable natural resources, climate change, gender, indigenous peoples, cultural heritage, and human rights.

To manage these risks, we have implemented our Environmental and Social Risk Management System (SARAS) since 2015. SARAS aims to identify, assess, and control environmental and social impacts generated by financed projects and investments.

To evaluate and measure the degree of exposure, we collect **primary and secondary information** through environmental and social risk identification forms, field visits, interviews, and review of socio-environmental documentation. This information is analyzed through environmental and social risk analysis forms, risk categorization, and the inclusion of action plans to prevent environmental and social risks associated with the project being financed. We also verify and monitor compliance with action plans through field visits.

We have the SARAS Manual¹⁶, directly approved by the Board of Directors, which establishes policies, instruments, and methodologies for managing environmental, social, gender, and climate change risks in projects or investments being financed. We rely on applicable national environmental, social, and labor regulations and international standards such as:

- International Finance Corporation (IFC) Sustainability Performance Standards (2012)
- Inter-American Development Bank (IDB) Environmental and Social Policy Framework (2021)
- Practical Manual for the Implementation of SARAS in Financial Institutions - eco.business Fund (2021)
- Green Climate Fund (GCF) Accreditation Application Form (2015)
- Environmental and Social Handbook - European Investment Bank (2013)
- Green Climate Fund (GCF) Gender Policy (2019)

¹⁶ In accordance with Annex 2, Sections 5.1.2. and 5.1.3. of External Circular 012/2022 SFC, this manual includes information related to evaluated projects that have climate impacts. It incorporates recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and other standards related to climate change. The document also addresses the issuer's governance regarding the positive and negative impacts of social and environmental issues, considering the role of the board of directors, supporting committees, and senior management in evaluating and managing these impacts, among others.

- Guide to IDB Performance Standard 9: Gender Equality (2021)
- Guide on Climate-related Risk Management for Credit Institutions - Financial Superintendence of Colombia (2022)
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (2017)
- General Guide for the Implementation of Environmental and Social Risks (ARAS) 2021: Guide for the Financial Sector issued by Asobancaria in 2021.

Aspects related to the SARAS system are escalated to senior management in the Risk Committee and Credit Committee. We also provide management reports to control instances and respond to internal and external audits.

- **Operational Risk Management System (SARO)**

As a component of SARINF, the Operational Risk Management System (SARO) serves as its backbone and provides methodological guidance and practices for the rest of the components.

- We continue to biannually monitor Findeter’s risk profile and report to the corresponding Corporate Governance bodies, including the Audit Committee and the Board of Directors.
- We continue to train employees in compliance with the guidelines established by the Financial Superintendence of Colombia.
- We continue to evaluate the design, effectiveness, and adoption of controls for the processes managed by SARINF. The assessment revealed an effectiveness rating of 88.72% as Very Good, 9.64% as Good, 2.47% as Regular, and 1.65% as Deficient.

- **Information Security and Cybersecurity Risk Management System (SARSCIB)**

Another component of SARINF is the Information Security Management System (SGSI) certified under ISO 27001:2013. Its management under a continuous improvement model has allowed us to protect, present, and strengthen institutional security for the proper financial, administrative, and operational management of the organization, making us a company with high security and quality standards.

We have also established an Information Security and Cybersecurity Risk Management System called SRSICIB, which is part of our Integrated Non-Financial Risk Management System. Its primary objective is to ensure that risks threatening the availability, integrity, and confidentiality of Findeter’s information assets are known, managed, and treated in a timely, systematic, documented, structured, repeatable, and efficient manner.

Through these systems, we manage and administer threats, events, incidents, vulnerabilities, and risk situations that jeopardize information security, digital security, and the cybersecurity of the institution. We address the needs and requirements of both the business and our stakeholders, complying with regulatory provisions, guidelines, and recommendations issued by the Financial Superintendence of Colombia (SFC) and the National Government.

We have Information Security and Cybersecurity Policies and Risk Management Policies approved by the Board of Directors. These policies establish measures, limits, roles, responsibilities, and controls for the proper management of information security and cybersecurity at Findeter, which are crucial to guarantee the operation, continuous improvement, sustainability, and continuity of our Information Security Management System.

The main risks managed include:

- Risks affecting the Availability, Integrity, and Confidentiality of information.
- Risks affecting the security of infrastructure and technological services.
- Cybersecurity risks.
- Digital security risks.
- Risks associated with remote work, hybrid work, and remote access.

- Supplier risks.
- Cloud service risks.
- Risks affecting the protection and privacy of personal data.

Comprehensive Personal Data Protection Management Program

We have established a project to strengthen Findeter’s comprehensive personal data management program, which involves the development of activities that include defining and updating roles, responsibilities, policies, procedures, controls, training and awareness plans, measurement of indicators and performance, and reports for the proper management of the personal data accessed by Findeter and/or for which it is responsible for processing. These activities ensure efficient and clear management of personal data, supported by guidelines and procedures that guarantee compliance with applicable regulations and business requirements.

- **Anti-Money Laundering and Counter-Terrorist Financing Risk Management System (SARLAFT)**
(205-1), (103-1), (103- 2), (103-3), (205-3)

As a supervised entity by the Financial Superintendence of Colombia, Findeter has implemented the SARLAFT 4.0 in compliance with applicable regulatory frameworks. SARLAFT includes the organizational infrastructure, policies, methodologies, procedures, and controls that mitigate the risks associated with money laundering and terrorist financing.

In accordance with the guidelines of the Financial Superintendence of Colombia, the SARLAFT manual was updated through External Circular 011 of May 20, 2022, regarding the definition of Ultimate Beneficial Owners according to Article 631-5 of the Tax Statute and Resolution 164 of 2021 by the DIAN, as well as the customer knowledge of structures without legal personality and the frequency of reports from control bodies: internal control and statutory auditor.

As a component of SARINF, SARLAFT includes the “Anti-Fraud and Anti-Corruption Policy,” which aims to establish an integrated system to manage fraud and corruption risks, fostering a culture of prevention, detection, and timely response to risks and fraudulent behaviors to protect the interests and responsibilities towards employees, suppliers, customers, and other stakeholders.

The policy is developed within the following regulatory framework:

- Anti-Corruption Statute - Act 1474 of 2011.
- The Guide “Strategies for the Construction of the Anti-Corruption and Citizen Care Plan” issued by the Administrative Department of Public Function (DAFP).
- Act 2195 of January 18, 2022, which adopts measures regarding transparency, prevention, and fight against corruption.

This policy establishes a zero-tolerance approach to fraud and corruption and includes reporting mechanisms for individuals to report any fraudulent conduct by employees to the administration via email, phone line, or the Entity’s website. The policy also outlines procedures for addressing the materialization of fraud and corruption events.

During 2022, through risk identification, analysis, and control methodologies, we monitored the factors that generate money laundering and terrorist financing risks: customers, products, distribution channels, and jurisdictions. We also assessed the impacts associated with their materialization, such as reputational, legal, operational, and contagion risks. The consolidated residual risk for the institution remained at a moderate level due to the level of criticality of our users regarding money laundering and terrorist financing risks.

Additionally, we fulfilled reporting obligations to the Financial Information and Analysis Unit (UIAF) and satisfactorily addressed control bodies’ requirements.

During 2022, the “Anti-Fraud and Anti-Corruption Policy” was updated in accordance with Act 2195, particularly regarding the Unique Register of Ultimate Beneficial Owners (RUB), the publication of contractual activities in the Electronic System for Public Procurement (SECOP), and the review of the risk map, which was published on the Entity’s website. The risk profile measurement resulted in a consolidated residual risk level considered moderate for the institution.

Moreover, we have a Code of Ethics and Integrity that outlines the principles and commitments governing the actions of executives and employees towards different stakeholders. We also have various policies to guide employee conduct, including conflict of interest management, handling of gifts and invitations, prohibition of participation in political campaigns, among others.

Throughout the year, as part of our awareness program on these topics, we published several articles on the intranet and conducted training sessions on “Corporate Governance and Integrity - Conflict of Interest.” Additionally, we evaluated the elements of the policy, resulting in an optimal assessment.

Through effective SARLAFT management, we aim to provide transparency in Findeter’s actions, instill confidence in stakeholders and the general public, and safeguard the institution’s image and reputation.

Finally, no events or alleged cases of fraud or corruption involving top management or employees of the entity were identified.

- **Environmental and Social Risk Management System (SARAS)**

(103-1, 103-2, 103-3): Promotion of environmentally responsible practices in financed projects (SARAS system) - Business lines with social and environmental criteria (SARAS system); **CE 012/2022 SFC Section 7.4.1.3.2. Practices, policies, processes, and indicators regarding environmental and social criteria implemented by the issuer; Annex 2, Section 5.1.2. Information related to climate issues and Section 5.1.3. Information related to social and environmental issues other than climate.**

The SARAS system aims to identify, evaluate, and control environmental and social impacts, including gender and climate change aspects, generated by the projects and/or investments financed by Findeter.

We conduct our analysis in accordance with current Colombian environmental and labor regulations, as well as international standards such as those of the International Finance Corporation (IFC) and the safeguards of the Inter-American Development Bank (IDB). In addition to environmental impacts, we consider aspects related to labor safety, health and safety of communities, land acquisition and involuntary resettlement management, biodiversity conservation, and sustainable management of renewable natural resources, climate change, gender, indigenous peoples, cultural heritage, and human rights. These aspects include but are not limited to discrimination, gender equality, forced labor, fair labor compensation, freedom of association, complaint mechanisms for workers, child labor, occupational health and safety, affiliation with occupational risk insurance (ARL), health insurance (EPS), and pensions.

(103-1)

The application of SARAS is relevant to Findeter because:

1. It allows us to contribute to the development of sustainable territories, addressing environmental, social, climate change, and gender challenges in the regions.
2. We create added value for Financial Intermediaries and Beneficiaries by defining actions to avoid and/or mitigate environmental and social risks in the projects to be financed.
3. It is a key element in decision-making, as it identifies environmental, social, gender, and climate risks associated with credit operations and their potential consequences for the institution.
4. It enables us to access financing sources with international banks and cooperation agencies.
5. It positions us as a leading institution in financing sustainable projects that comply with national and international environmental and social standards.

(103-2)

To manage this risk, we have the SARAS Manual, directly approved by the Board of Directors, which establishes policies, objectives, scope, guidelines, responsible parties, and other associated management measures. The analysis of Environmental and Social Risk is carried out for funded projects or investments that meet at least one (1) of the following criteria:

- Rediscount operations for projects or investments with a total value equal to or greater than COP 15 billion.
- Rediscount operations for projects or investments requiring an Environmental License.
- For all projects financed with resources from International Banks or cooperation agencies.

Main managed risks:

- **Environmental and social risks:** an unaddressed, unmitigated, or uncompensated negative environmental impact of a funded project constitutes a materialized risk.
- **Reputational risk:** financing a project with materialized risk can generate negative publicity and a poor image for Findeter.

The application of SARAS is relevant for Findeter because:

- It allows us to contribute to the development of sustainable territories, addressing the environmental, social, climate change, and gender challenges of the regions.
- We create added value for Financial Intermediaries and Beneficiaries by defining actions to avoid and/or mitigate the environmental and social risks of the projects to be financed.
- It is a key element in decision-making by identifying environmental, social, gender, and climate risks associated with credit operations and their potential consequences for the organization.
- It enables us to access funding sources from International Banks and cooperation agencies.
- It positions us as a leading institution in financing sustainable projects that comply with national and international environmental and/or social standards.

We conduct monthly control and monitoring, including field visits, to ensure compliance with established commitments within scheduled dates, allowing us to define improvement actions to prevent or mitigate potential impacts.

(103-3)

Through SARAS, we establish improvement actions to prevent or mitigate potential impacts, and we conduct monthly control and monitoring, including field visits, to ensure compliance with established commitments within the defined dates.

7. OUTLOOK

7.1. Outlook for the Colombian economy in 2023

Inflation and financial costs:

The inflation rate of 2022 (12.64%) could indicate that price levels will remain high during the first months of the current year. In fact, the average of the Bank of the Republic's Expectations Survey for January 2023

indicates that annual inflation will reach 8.63% by the end of 2023, with a standard deviation of 1.12%. It is worth mentioning that one month ago, analysts surveyed by the Bank of the Republic expected, on average, an inflation rate of 7.74%, with a standard deviation of 1.00%.

Thus, the persistence of inflation and the existence of potential demand excesses¹⁷ at present, as well as a high external interest rate environment, led analysts to increase their expectations for the intervention rate during the early months of 2023. The average of the January Survey of Analysts by the Colombian Central Bank shows projections of at least an additional 100 basis points increase in the Monetary Policy Rate (MPR), which would bring it close to 13.0%¹⁸ by May 2023, and then gradually reduce it to reach 10.0%¹⁹ by the end of the year.

An important transmission channel of monetary policy is its pass-through effect on market lending rates (or placement rates) and deposit rates, which discourages aggregate demand, thereby reducing inflationary pressures on the economy.

Thus, during the period of interest rate increases, a significant pass-through effect of the MPR on market rates is evident, which has been explained not only by the decisions of the Board of Directors of the Colombian Central Bank (BDBR) and expectations about them but also by the increase in deposit rates by financial institutions in order to comply with the long-term liquidity required by the Net Stable Funding Ratio (NSFR), a measure aimed at maintaining a stable relationship between funding and assets.²⁰

Reflecting this process of increasing rates relevant to financial intermediation is the rise observed in the DTF (which averages 90-day time deposits), whose variation during the period of monetary normalization has been almost equivalent to that of the MPR. Similarly, commercial and consumer loan rates have had higher increases than the intervention rate during the analyzed period (Graph 37).

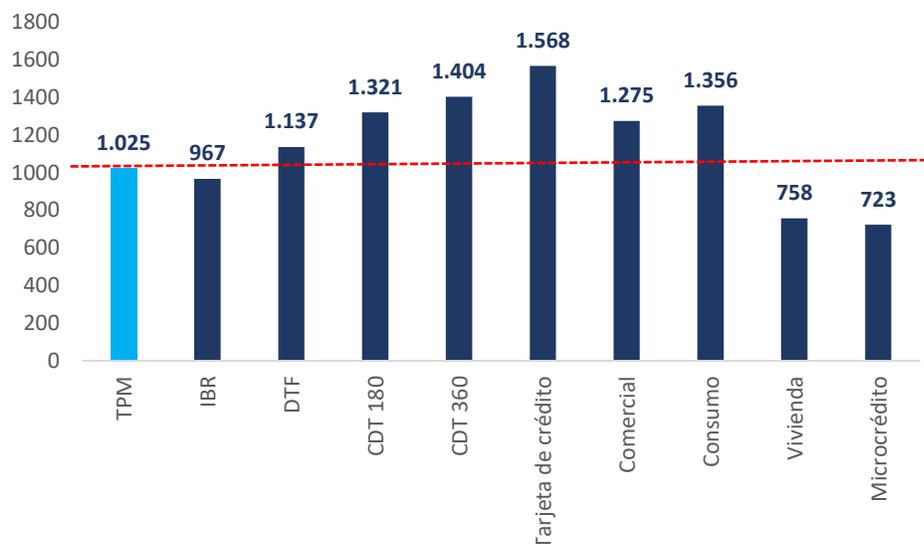
Graph No. 37: Variation of the MPR and deposit and lending rates during the period of monetary normalization (basis points) (Sep-21 to Dec-22)

¹⁷ Colombian Central Bank (2022). Minutes of the meeting of the Board of Directors of the Colombian Central Bank on December 16, 2022. Available at: <https://www.banrep.gov.co/en/minutes-board-directors-meeting-banco-republica-december-16-2022>

¹⁸ The average monetary policy rate for May 2023, according to the Monthly Survey of Economic Analysts' Expectations (EME) by the Colombian Central Bank in January 2023, is 13.10%.

¹⁹ The average monetary policy rate for December 2023, according to the Monthly Survey of Economic Analysts' Expectations (EME) by the Colombian Central Bank in January 2023, is 10.08%.

²⁰ The Financial Superintendence of Colombia implements the Net Stable Funding Ratio (NSFR)-OfficialNews-<https://www.officialnews.com/news/superfinanciera-implements-net-stable-funding-ratio-nsfr/180096>



Source: Colombian Central Bank; Prepared by Findeter.

Similarly, the decisions of the Colombian Central Bank will be reflected in the economy through the expectations channel, which means that when the Central Bank announces increases in the intervention rate, agents will anchor their inflation expectations downward based on the credibility of the monetary authority's ability to steer inflation towards its target range, and therefore, they will expect lower interest rates in the future.

However, as long as expectations of increases in the Colombian Central Bank's intervention rates persist, the environment of high financial costs in the economy will continue.

Economic activity

After recording notable expansions in 2021 (11.0%) and 2022 (7.5%), the domestic economy would reduce its pace of expansion during the current year, reaching a growth rate of approximately 1.32%.²¹

This modest performance would be explained, on the local front, by factors such as: i) the high statistical base of 2022, ii) persistent inflation and the consequent contractionary monetary policy to address it, iii) depreciation of the Colombian peso, and iv) a lower dynamism of aggregate demand, among others.

Several factors in the external front would affect the performance of our economy. These include: i) global inflationary pressures, ii) restrictive global financial conditions, and iii) lower projected economic growth for our trading partners.

In this context, it is expected that the Colombian economy will lose momentum in 2023 due to the lower dynamism of aggregate demand. On one hand, household spending would experience a significant deterioration as a result of the decline in consumers' purchasing power, and on the other hand, investment would slow down due to higher capital costs.

On the other hand, public spending could be boosted by increased spending by local governments in 2023 (as it is their last year in office), as well as by the greater consumption effect expected from the social spending contemplated by the National Government. At the same time, a slowdown in imports is expected (driven by the lower dynamism of aggregate demand), which would result in a lower trade deficit.

²¹ According to the average of the Monthly Survey of Economic Analysts' Expectations (EME) by the Colombian Central Bank in January 2023.

Now, at a sectoral level, the market expects all branches of activity to exhibit less dynamism compared to the previous year, in line with the modest performance of demand.

Risk balance

Although moderate growth of productive activity is generally expected in 2023, the behavior of the economy is subject to both local and external risks, which could lead to a slower expansion of economic activity in an environment of inflation higher than projected by the market and less favorable financial conditions.

Among the local risks, the following stand out: i) the prevalence of high inflation throughout most of the year, which would lead the Colombian Central Bank to continue raising its intervention rate; ii) a significant deterioration in the labor market, which could result in a stagnation of household consumption, and iii) the extension of the La Niña phenomenon beyond the first months of 2023, with its consequent impact on food inflation.

On the other hand, in the external context, the following stand out: i) a potential recession in the United States, which would occur in response to successive increases in the policy interest rate in that country by the Fed; ii) the continuation of the Russia-Ukraine conflict, with its consequent effect on food and energy prices, and iii) a slow economic recovery in China following the announcement regarding the lifting of its zero-Covid policy.

7.2. Entity's Outlook for 2023

External Circular 012/2022, Section 7.4.1.2.4., Subsection 7.4.1.2.4.3.

- ✓ Formulate the strategic plan for 2023-2026 in alignment with the national government's development plan.
- ✓ Contribute to the country's infrastructure development with disbursements of COP 3.02 trillion for various priority sectors of the national government, as well as in the execution of subsidized rate resources for sustainable infrastructure.
- ✓ Achieve the defined revenue target for 2023, amounting to COP 87.201 billion for non-financial products, distributed as follows:
 - Planning: COP 2.275 billion
 - Structuring: COP 4.026 billion
 - Execution: COP 80.899 billion
- ✓ Increase nationwide coverage with financial products and services in order to materialize a greater volume of opportunities, focusing efforts on building relationships with more entities of the national government based on successful contract closures with territorial entities and the potential of comprehensive product sales in the regions.
- ✓ Execute resources for projects prioritized and defined by INVÍAS as part of the Roads for Territory Connection, Sustainable Growth, and Reactivation 2.0 Program, through financing services via rediscount credit, in accordance with the operations authorized to the Financial Institution in Article 270 of the Organic Statute of the Financial System, as amended by Article 28 of Act 1328 of 2009.
- ✓ Raise funds amounting to COP 6.0 trillion in 2023 through local market bond issuances and continue optimizing the investment portfolio management, making it more dynamic and incorporating new investment alternatives that allow for greater diversification, always seeking the best possible return at the end of each period, forming a consistent asset portfolio with the risk profile, investment horizon, and opportunity cost of the Financial Institution. We will monitor the behavior of the external market to take advantage of opportunities that allow for diversification of both funding sources and investors.

- ✓ Complete and deliver the following projects in 2023:

Table No. 96: Projects to be completed and delivered in 2023 (Investment Banking)

User	Project	Start Date	End Date
Municipality of Villavicencio	Mobility Plan and SETP Villavicencio	14/08/2020	14/03/2023
Municipality of Popayán	Malecón Río Molino - Popayán, Cauca	6/04/2021	15/05/2023
Municipality of Turbo	Puerto Waffe - Antioquia	21/12/2020	20/03/2023
National Planning Department	Coveñas Water Supply and PTATP Project	31/03/2021	31/07/2023
National Planning Department	Coveñas Aqueduct Network Project	31/03/2021	31/07/2023
National Planning Department	Coveñas sewage system project	31/12/2021	31/07/2023
Enertev (private)	Enertev - Solar Park	28/11/2022	28/06/2023
Territorial Renewal Agency	ART Health - Iscuande and Istmina	28/11/2019	15/06/2023
Land Renewal Agency	ART Education	28/11/2019	15/06/2023
National Planning Department	Firefighters - Tolú Coveñas	31/03/2021	31/07/2023
Government of Risaralda	Risaralda Hospital	8/09/2021	Waiting on MSPS comments
Cúcuta	Cúcuta Gas Pipeline	29/12/2022	29/08/2023
Cúcuta	Imsaulud	29/12/2022	29/10/2023
Enertev (Private)	Photovoltaic solar generation system	28/11/2022	28/06/2023

- ✓ Diversify Findeter's funding sources through actions such as:
 - Increasing presence and relationship with Asian countries such as Korea and China, in order to generate potential alliances, agreements, and cooperations.
 - Formalizing credit with KfW for financing projects in the sustainable mobility and energy sectors, with a value of USD 150 million.
 - Exploring opportunities for new operations with partner banks such as CAF, AFD, or the World Bank.
 -
- ✓ Continue the execution of credits signed with the IDB, KfW, and JPMorgan Chase, in accordance with the planned commitments:
 - Progressing in the execution of IDB Credit 3842, which aims to finance projects in the following sectors: Urban Development, Public Services, Fiscal Management Improvement, and Health.
 - Finalizing the execution of the credit signed with KfW for Energy and Energy Efficiency projects, which has an outstanding balance of USD 7.1 million to be disbursed.
 - Finalizing the execution of the credit signed with JPMorgan Chase for financing credits for climate change adaptation and mitigation, as well as financing for the health and education sectors.

- ✓ Achieve the signing of a Cooperation Agreement with KfW, with a value of EUR 2 million for Sustainable Mobility and Energy.
- ✓ Sign the Master Accreditation Agreement (AMA), which will enable new possibilities for accessing credit resources and cooperation from the Green Climate Fund (GCF).
- ✓ Complete and deliver the following Child Development Centers: La Niata - Yopal (Casanare), Neiva (Huila), Abrego (Norte de Santander), and Mocoa (Putumayo), as a result of cooperation with the Abu Dhabi Development Fund.
- ✓ Expand Findeter's participation in the financing and technical assistance of projects in municipalities of categories 4, 5, and 6.
- ✓ Initiate Stage II of the construction of the "Sacúdete" centers, as part of the cooperation with the Abu Dhabi Development Fund for the Sacúdete Centers. In 2023, the physical stage of all projects is expected to be completed, and the centers' equipment to be contracted.
- ✓ Continue the technical, legal, and financial structuring of a suburban train between Bogota and Zipaquirá.
- ✓ Receive and execute cooperation resources from the Green Climate Fund's (GCF) Program for Support to Readiness, with a value close to USD 300,000, for the project "Capacity Development and Strengthening of the Baseline towards a Portfolio of Greenhouse Gas Mitigation Actions in the Transportation Sector for Bogota."
- ✓ Complete and deliver all projects contracted in 2022 with the Ministry of Sports, SENA, and ICBF.
- ✓ Manage the execution of contracts and agreements already signed in 2023; it is estimated that 81 projects will be contracted and executed, including "Sacúdete" centers, justice and security infrastructure, transportation infrastructure, improvement and adaptation of institutional administrative infrastructure, and the construction of schools and SENA branches.
- ✓ Initiate and coordinate the realization of new business opportunities through approaches with entities such as the Ministry of National Education, Mintic, Ministry of Housing, ICBF, Palmira City Hall, and the Secretary of Justice in Bogota, for the development of projects at the national level, in addition to inter-administrative contracts and agreements signed in the previous fiscal year.
- ✓ Complete and deliver all water and sanitation projects with an execution schedule until 2023, maintaining meetings and monitoring committees between different users and Territorial Entities to anticipate any situation that may lead to suspensions or delays during project implementation.
- ✓ Expand the portfolio of technical assistance services in the water and sanitation sector, as part of the National Development Plan 2023-2026, seeking new business opportunities through approaches with departments, municipalities, ministries, and different utility companies, to establish strategic alliances for the development of climate-resilient infrastructure projects for the most vulnerable populations affected by climate events, and contribute to the progress of communities of all types of populations in categories 4, 5, and 6 municipalities, both in urban and rural sectors, in order to reduce inequality and guarantee the availability, access, and quality of water and sanitation services.
- ✓ Obtain approval for the necessary credits to execute projects under the Reactivation 2.0 program, with a value of COP 700 billion, in addition to issuing calls for proposals and awarding the 6 projects in 2023, which depends on the credits.

- ✓ Obtain approval for the financing of the Road Pairing project under the Vías de la Cigarra program, issue calls for proposals, and award the project. Additionally, manage the financing for the double-lane La Virgen - La Cemento (Rionegro Toll) project and start the public bidding process for the project. Contract studies and designs for the definitive solution in the Villas de San Ignacio sector, meet the schedules of contracted works, and conclude pending land management with ANI in Sections 2 and 6 since the concession's liquidation.
- ✓ Contract and execute a total of 11 projects in 2023 under the Vías del Samán program, including the second lane of Romelia - El Pollo, Cerritos - La Virginia and Cartago Alcalá, Cartago southwestern variant, Ansermanuevo - Cartago Phase I and II comprehensive improvement, Tacurumbi intersection, Galicia and GVI intersections, Cerritos II toll traffic study. This will be done based on the credits granted through the rediscount credit financing service provided to INVIAS and resource management.
- ✓ Implement marketing strategies to increase the coverage of direct credit in municipalities of categories 4, 5, and 6, with the advice of the Development Bank of Latin America (CAF).
- ✓ Strengthen the socioeconomic analysis at the sector level to have a precise understanding of the structure of each territorial entity where Findeter is present, and thus respond more assertively to their needs.
- ✓ Enhance the dissemination mechanisms for Findeter's macroeconomic and sectoral research products, in order to timely and comprehensibly inform all Colombians about the main financial and economic events, both local and external.
- ✓ Strengthen risk management at the Financial Institution with the implementation of the Integrated Risk Management System (SIAR), in accordance with Circular 018 of 2021, which aims to integrate credit risk, market risk, operational risk, and liquidity risk systems.
- ✓ Structure and establish the migration plan to the new version of the international security standard ISO 27001:2022.
- ✓ Become the first financial institution to integrate the SARAS (Risk Self-Assessment System) into the SIAR (Integrated Risk Management System).
- ✓ Perform an E&S sensitivity analysis of Findeter's portfolio to determine its scope in the asset.
- ✓ Continue to generate added value to processes through aligning the audit approach with the strategic objectives defined by the Financial Institution.
- ✓ Strengthen the risk-based weighting methodology, allowing for prioritization and identification of key aspects to be evaluated in each process, involving components that provide a cross-sectional view of the entity and contribute to identifying continuous improvement opportunities for the Internal Control System of the institution.
- ✓ Continue to strengthen early warning reports prior to conducting planned evaluations in the annual audit plan, ensuring contribution to improving the management of the Internal Control System and compliance with the policies and procedures of the institution, as well as the regulations established by the Financial Superintendence of Colombia.
- ✓ Maintain strategies to strengthen and promote a culture of control among Findeter employees, providing recommendations that consider preventive aspects to achieve objectives and institutional purposes.
- ✓ Continue conducting comprehensive audits to identify improvement opportunities based on leading practices and business knowledge, in order to improve the effectiveness, efficiency, and efficacy of Findeter's controls and processes.

- ✓ Continue providing legal support and advice to the technical areas of the entity in the pre-contractual stage of Goods and Services procurement processes for Findeter and third parties, to ensure compliance with the principles of administrative function and legal security for all actors involved in the contractual process led by Findeter.
- ✓ Consolidate the project and supplier database of the institution as a tool to execute development plans of both the national government and territorial entities in specific projects that align with the policy guidelines of the various sectors where public investment takes place, aiming for community development through territorial, economic, political, environmental, cultural, and social processes that integrate the efforts of the population, their organizations, and the State, to improve the quality of life of communities and strengthen their construction. Additionally, promote, facilitate, structure, and strengthen democratic, modern, participatory, and representative organization of communal action at their respective associative levels.
- ✓ Continue providing legal support in the formulation and structuring phase of projects with users, from execution to the completion and liquidation of derivative contracting, impacting sectors such as Water and Sanitation, Urban Development and Housing, Education, Sports and Recreation, Social Infrastructure, Health, Energy, Telecommunications, among others.
- ✓ Maintain the success rate in legal proceedings through proper legal representation, both in court and out of court, by the legal team of the institution.
- ✓ Sustain the continuity of Findeter's insurance program.
- ✓ Strengthen the Defense Judicial lines and policies of the institution.
- ✓ Continue with the Optimal Management Model according to the guidelines issued by the National Agency of Judicial Defense of the State.
- ✓ Strengthen the Diversity, Equity, and Inclusion learning program for all employees and extend it to their families, contributing to a more egalitarian society.
- ✓ Enhance leadership at Findeter as a pillar of the organizational culture through the "Leadership School" program, promoting learning and ownership among both leaders and teams.
- ✓ Implement the ISO 45001:2018 Occupational Health and Safety Management System. Having this system in place will allow for effective management of identified risks through preventive planning and minimizing workplace accidents.
- ✓ Enhance the social skills of employees through the implementation of the personnel development process, as a mechanism to improve the management of leaders and work teams.
- ✓ Maintain the continuity of the maintenance plan, optimizing the condition of the institution's facilities.
- ✓ Obtain approval and validation of the Document Valuation Tables and the Document Retention Tables by the National Archives of Colombia.
- ✓ Conduct a comprehensive diagnosis of the documents produced by the entity, which involves gathering information and analyzing the state of the archives to determine the necessary archival processes and fulfill the commitments established in the Integrated Planning and Management Model (IPMM) 2023.
- ✓ Implement a web-based application for managing the commission process.
- ✓ Foster a culture of cost austerity through the commission and public services processes.

- ✓ Continue providing the required technological support for the development and implementation of the entity's needs derived from the new National Development Plan, Findeter's Strategic Plan, and digital governance guidelines.
- Define the roadmap for the PETI projects 2023-2026, which will drive the achievement of the strategic objectives of Findeter's new strategic plan.
- Maintain and strengthen the protection of the Entity's information security, applying control mechanisms through software and hardware that allow for constant monitoring of the security of critical processes within the organization.

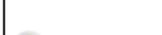
8. FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

9. CONTENT INDEX: GRI, SDGS, AND EXTERNAL CIRCULAR 012 FROM SFC

INDICE DE CONTENIDOS GRI - STANDARD S, ACCION RESPONSABLE Y ODS

Contenido GRI Standard	Títulos/ Respuesta Directa 2022	1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
GRI 101 Fundamentos 2016			
GRI 102 Contenidos Generales 2016			
Perfil de la organización			
102-1 Nombre de la organización	Financiera de Desarrollo Territorial S.A. Findeter		
102-2 Actividades, marcas, productos y servicios	1.1. Estrategia Empresarial (Direccionamiento Estratégico)		
	1.5 Portafolio de Productos		
102-3 Ubicación de la sede principal	Sobre este informe		
	1. Acerca de Findeter		
102-4 Ubicación de las operaciones	1. Acerca de Findeter		
	1.4. Nuestra sedes		
102-5 Propiedad y forma jurídica	1. Acerca de Findeter		
	1.10.1. Composición y órganos de Gobierno		
102-6 Mercados servidos	Carta a los Accionistas		
	1.1. Estrategia Empresarial (Direccionamiento Estratégico)		
102-7 Dimensión de la organización	1.5. Portafolio de Productos		
	Carta a los Accionistas		
102-8 Información sobre empleados y otros trabajadores	Hechos y Cifras Relevantes Findeter 2022		
	5.2. Nuestra gente		
102-9 Cadena de suministro	5.2.1. Caracterización de los trabajadores		ODS-8
	1.5. Portafolio de Productos		
102-10 Cambios significativos en la organización y su cadena de suministro	Acontecimientos significativos durante el ejercicio 2022		
	6.4. Gestión de Riesgos		
102-11 Principio o enfoque de precaución	1.8. Acción Responsable		ODS-3, ODS-4, ODS-6, ODS-7, ODS-10, ODS-11
	6.4. Gestión de Riesgos		
102-12 Asociaciones externas	5.5. Alianzas y asociaciones		ODS-17
102-13 Participación en asociaciones	5.5. Alianzas y asociaciones		ODS-17
102-14 Declaración del máximo órgano de gobierno	Carta a los Accionistas; Compromiso con la sostenibilidad		
Ética e Integridad	2.1. Buen Gobierno, Ética e Integridad y Transparencia		
	1.1. Estrategia Empresarial (Direccionamiento Estratégico)		ODS-16
102-16 Valores, principios, estándares y normas de comportamiento	2.3. Evaluación de la Gestión del Presidente		
	2.1. Buen Gobierno, Ética e Integridad y Transparencia		
102-17 Mecanismos de asesoramiento y preocupaciones éticas	3.2.7. Gestión Jurídica		
Gobierno	Gobierno		
102-18 Estructura de gobierno	1.3. Estructura organizacional		
	1.10.1. Composición y órganos de Gobierno		
102-23 Presidente del máximo órgano de gobierno	1.10.6. Equipo Directivo; 2.3. Evaluación de la Gestión del Presidente.		
102-24 Nominación y selección del máximo órgano de gobierno	1.10.1. Composición y Órganos de Gobierno; 1.10.2. Asamblea General de Accionistas		

Contenido GRI Standards	Temáticos / Respuesta Directa 2022			1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
102-31 Evaluación de temas económicos, ambientales y sociales	3.2.8. Gestión de Contratación				
102-33 Comunicación de preocupaciones críticas	3.2.6. Gestión de las Comunicaciones				
102-34 Naturaleza y número total de preocupaciones críticas	3.2.7.3. Procesos Judiciales Fideleir;				
Participación de los Grupos de Interés	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
102-40 Listado de grupos de Interés	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
	5.2.3. Conciliación y desarrollo profesional				
102-41 Negociación colectiva	5.2.3. Conciliación y desarrollo profesional - Conciliación familiar				
	5.2.7. Libre Asociación				ODS-8
	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
102-42 Identificar y seleccionar grupos de Interés	3.2.6. Gestión de las comunicaciones				
	5.3. Transacciones con partes relacionadas (TPRs)				
	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
102-43 Enfoque para la participación de los Grupos de Interés	3.2.6. Gestión de las comunicaciones				
	5.3. Transacciones con partes relacionadas (TPRs)				
102-44 Temas y preocupaciones clave mencionados	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
	1.9. Materialidad				
Prácticas para la elaboración de Informes	Prácticas para la elaboración de Informes				
102-45 Entidades incluidas en los estados financieros consolidados	4.2. Fideleir en Cifras; 8. Estados Financieros y Dictamen del Revisor Fiscal				
102-46 Definición de los contenidos de los Informes y las Coberturas del Tema	1.7. Grupos de Interés ; 5.1. Grupos de Interés				
	1.9. Materialidad				
	1.9. Materialidad:				
	Focos	Temas Relevantes Priorizados	Subtemas		
		Aporte al desarrollo regional	Oferta de productos con enfoque territorial		
	Impacto Positivo	Productos de servicios de impacto	-Proyectos de agua y saneamiento en zonas rurales a beneficiar comunidades. -Proyectos de infraestructura para la agricultura. -Ludotecas y comunidades sostenibles.		
		3.2.1. Gestión Ambiental	Acciones frente al cambio climático -Comunicación laboral - trabajo directo.		
	Relaciones de confianza	Relacionamiento con grupos de interés	-5.2.4. Formación, desarrollo profesional y atracción de talento		
	Finanzas responsables	Crecimiento rentable	Unidad de negocio con criterios sociales y		
		Finanzas sostenibles	Promoción de prácticas ambientalmente responsables en las		
	Cultura de integridad	Gobierno corporativo	Respeto por los derechos humanos		
		Ética, Integridad y Transparencia	Ética, Integridad y Transparencia		

Contenido GRI Standards	Temática / Respuesta Directa 2022	1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
102-48 Reexpresión de la información	No se ha reexpresado ninguna información		
102-49 Cambios en la elaboración de informes	N/A		
102-50 Período objeto del informe	Sobre este Informe		
102-51 Fecha del último informe	En último informe publicado en respuesta al requerimiento, 2020: https://www.findeter.gov.co/transparencia-y-acceso-a-la-informacion-publica/informes-de-gestion-evaluacion-y-auditoria/informes-de-gestion#cont ; https://www.findeter.gov.co/contenidos/2020		
102-52 Ciclo de elaboración de informes	Anual		
102-53 Punto de contacto para preguntas sobre el informe	findeter@findeter.gov.co		
102-54 Ubicación de elaboración del informe de conformidad con los Estándares GRI	Índice de contenidos GRI y Objetivos de Desarrollo Sostenible		
102-55 Índice de contenidos GRI	Índice de contenidos GRI y Objetivos de Desarrollo Sostenible		
102-56 Verificación externa	La memoria no ha sido verificada externamente		
TEMA 8 MATERIALES			
Contenido GRI Standards			
Temas económicos			
TEMA MATERIAL 2020 – PROYECTO 8 DE AGUA Y SANEAMIENTO			
GRI 103: Enfoque de gestión 2016			
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos 3. Impacto Positivo; 3.1.1. Planificación Territorial		 ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	Carta a los Accionistas 3.1.4. Ejecución Asistida Técnica - Línea de Agua y Saneamiento Básico		 ODS-6
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico		 ODS-8; ODS-10; ODS-11
F 88			
F 88: Valor monetario de Productos designados al desarrollo específico de proyectos ambientales	3.1.3. Financiación - Desembolsos 2022		 ODS-8; ODS-10
TEMA MATERIAL 2020 – PROYECTO 8 DIRIGIDO A BENEFICIAR COMUNIDADES EN SITUACIÓN DE VULNERABILIDAD			
GRI 103: Enfoque de gestión 2016			
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos 2.b.1. Política de Acción Responsable Sostenible (Proyectos dirigidos a beneficiar comunidades en situación de vulnerabilidad; Proyectos dirigidos a beneficiar mujeres) 3. Impacto Positivo; 3.1.1. Planificación Territorial		 ODS-10; ODS-11; ODS-12; ODS-13;  ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	Carta a los Accionistas 2.b.1. Política de Acción Responsable Sostenible (Proyectos dirigidos a beneficiar comunidades en situación de vulnerabilidad; Proyectos dirigidos a beneficiar mujeres) 3.1.4. Ejecución Asistida Técnica - Línea de Infraestructura Social		 ODS-10; ODS-11; ODS-12; ODS-13;  ODS-4
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico 2.b.1. Política de Acción Responsable Sostenible (Proyectos dirigidos a beneficiar comunidades en situación de vulnerabilidad; Proyectos dirigidos a beneficiar mujeres)		 ODS-8; ODS-10; ODS-11  ODS-10; ODS-11; ODS-12; ODS-13;
F 87			
F 87: Valor monetario de 1.5. Portafolio de Productos designados al desarrollo específico de proyectos sociales	3.1.3. Financiación - Desembolsos 2022		 ODS-8; ODS-10
TEMA MATERIAL 2020 – PROYECTO 8 DE INFRAESTRUCTURA PARA COMUNIDADES			
GRI 103: Enfoque de gestión 2016			
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos 3. Impacto Positivo; 3.1.1. Planificación Territorial		 ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	Carta a los Accionistas 3.1.4. Ejecución Asistida Técnica - Línea de Infraestructura Social		 ODS-4

Contenido GRI Standards		Temáticas / Respuesta Directa 2022		1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico				ODS-8, ODS-10, ODS-11
FS7 Porcentaje de valor monetario de 1.3. Portafolio de Productos designados al desarrollo específico de empresas sociales	3.1.3. Financiación - Desembolsos 2022				ODS-8, ODS-10
TEMA MATERIAL 2018 - OFERTA DE PRODUCTOS Y CON ENFOQUE TERRITORIAL					
GRI 103: Enfoque de gestión 2018					
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos 3. Impacto Positivo; 3.1.1. Planificación Territorial				ODS-7, ODS-11; ODS-12; ODS-13, ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	Carta a los Accionistas 3. Impacto Positivo; 3.1.1. Planificación Territorial				ODS-7; ODS-11; ODS-12; ODS-13, ODS-14; ODS-15
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico				ODS-8; ODS-10; ODS-11
GRI 201: Desempeño económico 2018					
201-1 Valor económico directo generado y distribuido	3.1.3. Financiación - Desembolsos 2022 4.1.3 Valor Económico Generado y Distribuido				ODS-8, ODS-10
TEMA MATERIAL 2018 - CIUDADES Y COMUNIDADES SOSTENIBLES					
GRI 103: Enfoque de gestión 2018					
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos 3. Impacto Positivo; 3.1.1. Planificación Territorial				ODS-7, ODS-11; ODS-12; ODS-13, ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	Carta a los Accionistas 3. Impacto Positivo; 3.1.1. Planificación Territorial				ODS-7; ODS-11; ODS-12; ODS-13, ODS-14; ODS-15
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico				ODS-8; ODS-10; ODS-11
FS6					
FS 6: Porcentaje de las líneas de negocio del portafolio por tamaño y región	3.1.3. Financiación - Desembolsos 2022				ODS-8; ODS-10
TEMA MATERIAL 2018 - ETICA, INTEGRIDAD Y TRANSPARENCIA					
GRI 103: Enfoque de gestión 2018					
103-1 Explicación del tema material y su cobertura	2.1. Buen Gobierno, Ética e Integridad y Transparencia				
103-2 Enfoque de gestión y componentes	2.1. Buen Gobierno, Ética e Integridad y Transparencia				
103-3 Evaluación del enfoque de gestión	2.1. Buen Gobierno, Ética e Integridad y Transparencia 6.1. Avance del Plan Estratégico				ODS-8; ODS-10; ODS-11
GRI 205: Lucha contra la corrupción 2018					
205-2 Comunicación y Formación sobre políticas y procedimientos anticorrupción	2.1. Buen Gobierno, Ética e Integridad y Transparencia La Entidad cuenta con la Política Cero Tolerancia frente al Fraude y la Corrupción y con un sistema de denuncias con diferentes canales.				
205-3 Casos de corrupción confirmados y medidas tomadas	6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF - Prevención del Fraude y la Corrupción: (Durante 2022 no se tuvo evidencia que se haya presentado algún evento, o presunto evento de fraude o corrupción al interior de la Entidad); Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (SARLFT)				
TEMA 3 AMBIENTALES					
TEMA MATERIAL 2018 - ACCIONES FRENTE AL CAMBIO CLIMÁTICO					
GRI 103: Enfoque de gestión 2018					
	3. Impacto Positivo; 3.1.1. Planificación Territorial				ODS-7, ODS-11; ODS-12; ODS-13, ODS-14; ODS-15

Contenido GRI Standards	Temáticas / Respuesta Directa 2022	1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
103-1 Explicación del tema material y su cobertura	6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF - Sistema de Administración de Riesgos Ambientales y Sociales (SARAS); Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (Sarlatf) 3. Impacto Positivo; 3.1.1. Planificación Territorial		ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	4.12. Ejecución de Recursos Internacionales 3.2.1. Gestión Ambiental 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF - Sistema de Administración de Riesgos Ambientales y Sociales (SARAS); Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (Sarlatf) 3.1.3. Financiación - Desembolsos 2022 3.1.2. Formulación, Estructuración y Validación de Proyectos	 	ODS-13; ODS-15 ODS-8; ODS-10
103-3 Evaluación del enfoque de gestión	3.2.1. Gestión Ambiental 6.1. Avance del Plan Estratégico	 	ODS-13; ODS-15 ODS-8; ODS-10; ODS-11
GRI 305: Emisiones 2018			
305-1 Emisiones directas de GEI – Alcance 1	3.2.1. Gestión Ambiental; 3.2.2. Huella de Carbono		ODS-13; ODS-15
305-2 Emisiones indirectas de GEI al generar energía – Alcance 2	3.2.1. Gestión Ambiental; 3.2.2. Huella de Carbono		ODS-13; ODS-15
305-3 Otras emisiones indirectas de GEI – Alcance 3	3.2.1. Gestión Ambiental; 3.2.2. Huella de Carbono		ODS-13; ODS-15
305-4 Intensidad de las emisiones de GEI	3.2.1. Gestión Ambiental; 3.2.2. Huella de Carbono 3. Impacto Positivo; 3.1.1. Planificación Territorial	 	ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
TEMA MATERIAL 2018 – PROMOCIÓN DE PRÁCTICAS AMBIENTALMENTE RESPONSABLES EN LOS PROYECTOS A FINANCIAR			
GRI 103: Enfoque de gestión 2018			
103-1 Explicación del tema material y su cobertura	3. Impacto Positivo; 3.1.1. Planificación Territorial 3. Impacto Positivo; 3.1.1. Planificación Territorial 4.12. Ejecución de Recursos Internacionales 3.2.1. Gestión Ambiental	 	ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15 ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15 ODS-13; ODS-15
103-2 Enfoque de gestión y componentes	6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF - Sistema de Administración de Riesgos Ambientales y Sociales (SARAS); Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (Sarlatf) 3.1.3. Financiación - Desembolsos 2022 3.1.2. Formulación, Estructuración y Validación de Proyectos	 	ODS-8; ODS-10 ODS-13; ODS-15
103-3 Evaluación del enfoque de gestión	3.2.1. Gestión Ambiental		ODS-13; ODS-15
Indicador no GRI			
Estrategia de credimiento verde	3. Impacto Positivo; 3.1.1. Planificación Territorial	 	ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
TEMA MATERIAL 2018 FORMACIÓN Y CAPACITACIÓN EN MATERIA AMBIENTAL			
GRI 103: Enfoque de gestión 2018			
103-1 Explicación del tema material y su cobertura	3. Impacto Positivo; 3.1.1. Planificación Territorial 5.2.4. Formación	 	ODS-7; ODS-11; ODS-12; ODS-13; ODS-14; ODS-15
103-2 Enfoque de gestión y componentes	3.2.1. Gestión Ambiental 3.2.1. Gestión Ambiental	 	ODS-13; ODS-15 ODS-13; ODS-15
103-3 Evaluación del enfoque de gestión	5.2.4. Formación		
Indicador no GRI			
Prácticas sostenibles	3.2.1. Gestión Ambiental		ODS-13; ODS-15
TEMAS SOCIALES			

Contenido GRI Standards	Temáticos / Respuesta Directa 2022		1.8. Acción Responsable	Objetivos de Desarrollo Sostenible (ODS)
TEMA MATERIAL 2018 – CONDICIONES LABORALES – TRABAJO DECENTE				
GRI 103: Enfoque de gestión 2018				
103-1 Explicación del tema material y su cobertura	5.2. Nuestra gente			
	5.2.4. Formación			
103-2 Enfoque de gestión y componentes	2.4. Derechos Humanos en la Organización;			ODS-11; ODS-16
	2.4. Derechos Humanos en la Organización;			ODS-11; ODS-16
	5.2.2. Relaciones Laborales			
	5.2.4. Formación			
103-3 Evaluación del enfoque de gestión	5.2.3. Conciliación y desarrollo profesional- Conciliación familiar			
	5.2.4. Formación			
GRI 401: Empleo 2018				
401-1 Nuevas contrataciones de empleados y rotación de personal	5.2. Nuestra gente; 5.2.1. Caracterización de los trabajadores			ODS-8
401-2 Prestaciones para los empleados a tiempo completo que no se dan a los empleados a tiempo parcial o temporales	5.2.3. Conciliación y desarrollo profesional- Conciliación familiar			
	5.2.8. Beneficios			
GRI 403: 5.2.6. Salud y Seguridad en el Trabajo 2018				
403-1 Representación de los trabajadores en comités formales trabajador-empresa de salud y seguridad	5.2.2. Relaciones Laborales			
	5.2.6. Salud y Seguridad en el Trabajo			
403-2 Inicialización de nuevos ingresos, evaluación de riesgos e identificación de incidentes	5.2.6. Salud y Seguridad en el Trabajo			
GRI 404: 5.2.4. Formación y enseñanza 2018				
404-1 Medida de horas de 5.2.4. Formación al año por empleado	5.2.4. Formación			
404-2 Porcentaje de empresas que reciben evaluaciones periódicas del desempeño y desarrollo profesional	5.2.4. Formación			
TEMA MATERIAL 2018 – RESPETO A LOS DERECHOS HUMANOS				
GRI 103: Enfoque de gestión 2018				
103-1 Explicación del tema material y su cobertura	2.4. Derechos Humanos en la Organización;			ODS-11; ODS-16
103-2 Enfoque de gestión y componentes	2.4. Derechos Humanos en la Organización;			ODS-11; ODS-16
103-3 Evaluación del enfoque de gestión	5.2.3. Conciliación y desarrollo profesional- Conciliación familiar			
GRI 406: No discriminación 2018				
406-1 Casos de discriminación y acciones correctivas emprendidas	2.4. Derechos Humanos en la Organización;			ODS-11; ODS-16
GRI 407: Libertad de asociación y Negociación colectiva 2018				
407-1 Operaciones y proveedores cuyo derecho a la libertad de asociación y negociación colectiva podría estar en riesgo	5.2.2. Relaciones Laborales			
	5.2.3. Conciliación y desarrollo profesional- Conciliación familiar			
	5.2.7. Libre Asociación			ODS-8
TEMA MATERIAL 2018 – LÍNEA DE NEGOCIO CON CRITERIO SOCIAL Y AMBIENTALES				
GRI 103: Enfoque de gestión 2018				
103-1 Explicación del tema material y su cobertura	1.5. Portafolio de Productos			
103-3 Evaluación del enfoque de gestión	6.1. Avance del Plan Estratégico			ODS-8; ODS-10; ODS-11
	6.1.1. Avance del Plan Estratégico			
205-1 Operaciones evaluadas para riesgos relacionados con la corrupción	Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (Sarft)			
205-3 Casos de corrupción confirmados y medidas tomadas	Sistema de Administración de Riesgos de Lavado de Activos y Financiación del Terrorismo (Sarft)			

INDICE DE CONTENIDOS CIRCULAR 012 DE 2022 DE LA SUPERINTENDENCIA FINANCIERA DE COLOMBIA
INFORME DE GESTIÓN Y SOSTENIBILIDAD 2022 - FINDETER

TEMA	Temática / Respuesta Directa 2022
7.1 Portada	Identificación Básica de Findeter como Emisor del RME
(i) Título "Informe Periódico de Fin de Ejercicio"	Identificación Básica de Findeter como Emisor del RME
(ii) Datos de identificación básica del emisor:	Identificación Básica de Findeter como Emisor del RME
a) el nombre o razón social,	
b) la ciudad de domicilio principal, y	
c) la dirección del domicilio principal	
(iii) Una breve descripción de las emisiones de valores vigentes, en la cual se identifique, como mínimo:	Identificación Básica de Findeter como Emisor del RME • Emisiones de valores vigentes de Findeter Tabla No. 1: Emisiones vigentes de bonos Tabla No. 2: Emisiones vigentes de Certificados de Depósito a Término (CDT)
a) la clase de valor,	
b) sistema de negociación,	
c) bases de valores en que están listados los valores, si aplica,	
d) monto de la emisión, e) monto colocado y	
f) saldo pendiente por colocar, si aplica.	
7.3 Glosario	Glosario
7.4. Contenido del Informe periódico de fin de ejercicio por categoría de emisor	
7.4.1. Contenido mínimo para los Emisores Grupo A	
1. Primera parte - Aspectos Generales de la Operación	
7.4.1.1. Descripción del objeto del negocio del emisor	
(i) La evolución del plan de negocios en el corto, mediano y largo plazo.	Carta a los accionistas Identificación Básica de Findeter como Emisor del RME 6.1. Avance del Plan Estratégico 3.1.1. Planificación Territorial 3.1.2. Formulación, Estructuración y Validación de Proyectos 3.1.3. Financiación 3.1.4. Ejecución Asistencia Técnica 4.7. Portafolio de Inversiones
(ii) Las actividades, productos o servicios generadores de ingresos.	3.1.1. Planificación Territorial 3.1.3. Financiación • Participación de Findeter en el Mercado 3.1.3.1. Gestión de Operaciones (Redesconto y Crédito Directo) 4.1.1. Contexto Económico 2022 en Retrospectiva 4.1.2. Análisis del Sistema Financiero – Bancos 4.6 Captación de Recursos 4.11. Posicionamiento Internacional 4.12 Elección de Recursos Internacionales
(iii) Las condiciones comerciales competitivas, tales como: participación en el mercado nacional e internacional, condiciones de la demanda, entre otras.	3.1.1. Planificación Territorial 3.1.3. Financiación 3.1.4. Ejecución Asistencia Técnica
(iv) El desarrollo de nuevos de productos o servicios, sus mejoras, las condiciones de la demanda y las condiciones competitivas.	3.1.1. Planificación Territorial 3.1.3. Financiación 3.1.4. Ejecución Asistencia Técnica
(v) Relación de las patentes, marcas comerciales, licencias, franquicias y otros derechos de autor que posea la entidad y sean materiales para el desarrollo de su actividad económica identificando los riesgos asociados y sus controles correspondientes.	Los Estados Financieros y el Dictamen del Revisor fiscal son entregados por la Dirección de Contabilidad. Ver Activos Intangibles Derechos de Autor
(vi) Si los ingresos de las actividades se reciben de manera estacional, cíclica u ocasionalmente, se debe indicar el período en el cual se reciben dichos ingresos, e incluir una breve explicación de las razones por las cuales se reciben de manera estacional, cíclica y ocasionalmente.	N/A
(vii) El número total de trabajadores, así como la variación en el número y porcentaje respecto del año anterior.	5.2. Nuestra Gente 5.2.1. Caracterización de los Trabajadores
7.4.1.1.2. Litigios, procesos judiciales y administrativos en los que sea parte el emisor y que tengan la capacidad de afectar materialmente su operación, situación financiera y/o los cambios a su situación financiera	
(i) las pretensiones del demandante, así como las excepciones planteadas por parte del demandado y demás involucrados	3.2.7.3. Procesos Judiciales Findeter
(ii) el detalle del estado en que se encuentra el respectivo proceso,	3.2.7.3. Procesos Judiciales Findeter
(iii) la probabilidad del resultado favorable o no favorable de la decisión,	3.2.7.3. Procesos Judiciales Findeter
(iv) un análisis de la potencial afectación material que tendrá la decisión del proceso	3.2.7.3. Procesos Judiciales Findeter
Se deben incluir las provisiones y pasivos contingentes	3.2.7.3. Procesos Judiciales Findeter Ver Estados Financieros, Notas a los estados financieros y el Dictamen del Revisor fiscal NIIF 3 Combinaciones de negocios NIC 37 Pasivos Contingentes
7.4.1.1.3. Riesgos relevantes a los que está expuesto el emisor y los mecanismos implementados para mitigarlos	
(i) una descripción de la naturaleza de dichos riesgos	6.4 Gestión de Riesgos 6.4.1. Sistema de Riesgos Financieros 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - S/RINF

TEMA	Temática / Respuesta Directa 2022
<p>(i) los procedimientos para evaluar y medir su grado de exposición a los mismos</p> <p>(ii) los mecanismos implementados por la propia entidad para su gestión, monitoreo y mitigación, así como las estimaciones cuantitativas del impacto probable que le permitan a los inversionistas evaluar la magnitud y los efectos que podrían tener sobre la entidad</p> <p>El emisor puede tener en cuenta, entre otros, los siguientes factores para la revelación de los riesgos:</p> <p>(i) factores macroeconómicos que afectan al emisor, tales como: devaluación, inflación, evolución económica del sector, situación económica del país, entre otros</p> <p>(ii) diversificación en los segmentos de negocio</p> <p>(iii) interrupción de las actividades del emisor ocasionada por factores diferentes a las relaciones laborales</p> <p>(iv) ocurrencia de resultados operacionales negativos, nulos o insuficientes,</p> <p>(v) incumplimientos en el pago de pasivos</p> <p>(vi) riesgos generados por carga prestacional, pensional o sindical</p> <p>(vii) riesgos asociados al desarrollo del objeto social del emisor,</p> <p>(viii) variaciones en la tasa de interés o tasa de cambio,</p> <p>(ix) asuntos relacionados con la situación interna de los países en donde opera el emisor, o sus filiales, que puedan afectar su situación financiera, tales como: inestabilidad social, desorden social, estados de emergencia o excepción, entre otros,</p> <p>(x) adquisición de activos distintos a los del giro normal del negocio del emisor cuyo costo resulte material para el emisor, o</p> <p>(xi) impacto en los cambios en las regulaciones que afectan el desarrollo de la actividad económica del emisor y sus subordinadas, si aplica.</p> <p>Ver menú contextual</p> <p>2. Segunda parte – Desempeño bursátil y financiero</p> <p>7.4.12.1. Comportamiento y desempeño de los valores en los sistemas de negociación en que se encuentran inscritos</p> <p>7.4.12.2. Información sobre la participación en el capital del emisor y otros asuntos materiales relativos a su estructura propietaria del capital</p>	<p>6.4. Gestión de Riesgos 6.4.1. Sistema de Riesgos Financieros 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF</p> <p>6.4. Gestión de Riesgos 6.4.1. Sistema de Riesgos Financieros 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF</p> <p>6.4. Gestión de Riesgos 6.4.1. Sistema de Riesgos Financieros 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF</p> <p>4.8. Desempeño Bursátil y Financiero</p> <p>1.10.2. Asamblea General de Accionistas</p>
<p>7.4.12.3. Información financiera del ejercicio reportado comparándola con el ejercicio inmediatamente anterior</p> <p>(i) dictaminadas por el revisor fiscal o auditor externo, según aplique, en los términos del art. 38 de la Ley 222 de 1995, y</p> <p>(ii) certificadas por el representante legal en los términos del art. 37 de la Ley 222 de 1995 y del art. 46 de la Ley 964 de 2005, atendiendo las excepciones previstas en el art. 48 de la mencionada ley.</p>	<p>Ver Estados Financieros, Notas a los estados financieros y el Dictamen del Revisor fiscal</p>
<p>7.4.12.4. Comentarios y análisis de la administración sobre los resultados de la operación y la situación financiera del emisor de manera individual, separada y/o consolidada, según aplique, en relación con los períodos que comprende la información financiera reportada en el subnumeral anterior, incluyendo los principales indicadores financieros y su respectivo análisis, sobre:</p>	<p>Carta a los Accionistas 4.2. Findeter en otras Principales Indicadores 4.15. Bonos Sostenibles</p>
<p>7.4.12.4.1. Las variaciones materiales de los resultados de la operación</p> <p>7.4.12.4. Comentarios y análisis de la administración sobre los resultados de la operación y la situación financiera del emisor de manera individual, separada y/o consolidada, según aplique, en relación con los períodos que comprende la información financiera reportada en el subnumeral anterior, incluyendo los principales indicadores financieros y su respectivo análisis, sobre:</p>	<p>4.2. Findeter en otras Principales Indicadores 4.9. Administración de la Liquidez 4.15. Bonos Sostenibles</p>
<p>7.4.12.4.2. Cambios materiales en relación con la situación de liquidez y solvencia del emisor</p> <p>7.4.12.4. Comentarios y análisis de la administración sobre los resultados de la operación y la situación financiera del emisor de manera individual, separada y/o consolidada, según aplique, en relación con los períodos que comprende la información financiera reportada en el subnumeral anterior, incluyendo los principales indicadores financieros y su respectivo análisis, sobre:</p>	<p>4.2. Findeter en otras - Estado de Situación Financiera 4.15. Bonos Sostenibles</p>
<p>7.4.12.4.3. Tendencias, eventos o incertidumbres que tengan la capacidad de impactar materialmente las operaciones del emisor, su situación financiera o los cambios sobre su situación financiera; así como los supuestos utilizados para elaborar estos análisis</p>	<p>7.2. Perspectivas de la Entidad para 2023</p>

TEMA	Temática / Respuesta Directa 2022
<p>7.4.12.4. Comentarios y análisis de la administración sobre los resultados de la operación y la situación financiera del emisor de manera individual, separada y/o consolidada, según aplique, en relación con los períodos que comprende la información financiera reportada en el subnumeral anterior, incluyendo los principales indicadores financieros y su respectivo análisis, sobre:</p> <p>7.4.12.4.4 Operaciones efectuadas por fuera de balance que puedan impactar materialmente las operaciones del emisor, su situación financiera o los cambios sobre su situación financiera</p> <p>7.4.12.5. Análisis cuantitativo y cualitativo del riesgo de mercado al que está expuesto el emisor como consecuencia de sus inversiones y actividades sensibles a variaciones de mercado</p> <p>7.4.12.5.1. Análisis cuantitativo del riesgo de mercado</p> <p>El emisor debe incluir un análisis cuantitativo del riesgo de mercado, de conformidad con los siguientes lineamientos:</p> <p>El emisor debe identificar cuáles de sus instrumentos e inversiones están expuestas a riesgo de mercado. Se entiende por riesgo de mercado la posibilidad que el emisor incurra en pérdidas asociadas a la disminución del valor de sus inversiones por efecto de variaciones en su precio. El emisor debe clasificar dichos instrumentos en:</p> <p>(i) celebrados con fines de negociación y</p> <p>(ii) celebrados con fines distintos de negociación. De igual manera, debe indicar el factor de riesgo de mercado al cual se encuentran expuestos dichos instrumentos, por ejemplo: tasa de interés, tipo de cambio, precio de acciones, entre otros.</p> <p>Adicionalmente, el emisor debe revelar las condiciones generales de los instrumentos expuestos al riesgo de mercado. Dichas condiciones generales corresponden a:</p> <p>(i) el valor razonable,</p> <p>(ii) los términos contractuales que permitan estimar los flujos de efectivo de los instrumentos en los próximos 5 años, y</p> <p>(iii) la fecha estimada de su vencimiento.</p>	<p>4.2. Findeter en cifras Ver Estados Financieros, Notes a los estados financieros y el Dictamen del Revisor fiscal Operaciones por fuera de balance</p> <p>• Sistemas de Administración de Riesgo de Mercado y Liquidez - SARM y SARL</p>
<p>7.4.12.5. Análisis cuantitativo y cualitativo del riesgo de mercado al que está expuesto el emisor como consecuencia de sus inversiones y actividades sensibles a variaciones de mercado</p> <p>7.4.12.5.2. Análisis cualitativo de riesgo de mercado</p> <p>El emisor debe incluir un análisis cualitativo del riesgo de mercado, el cual debe contener:</p> <p>(i) el grado de exposición del emisor al riesgo de mercado</p> <p>(ii) una breve descripción de cómo el emisor gestiona su exposición al riesgo de mercado. Dicha descripción debe contener, además, los objetivos, estrategias e instrumentos para gestionar dicha exposición, si aplica</p>	<p>• Sistemas de Administración de Riesgo de Mercado y Liquidez - SARM y SARL</p>
<p>7.4.12.6. Operaciones materiales efectuadas con partes relacionadas al emisor</p>	<p>5.3. Transacciones con partes relacionadas – TPRs 5.4. Relación con inversionistas</p>
<p>7.4.12.7. Descripción y evaluación de los controles y procedimientos utilizados por el emisor para el registro, procesamiento y análisis de la información requerida para dar cumplimiento oportuno a la obligación de reportar ante el RNVE el informe de fin de ejercicio de que trata el presente Anexo.</p> <p>(i) La certificación expedida por el representante legal del emisor en la cual certifique que la información comprende todos los aspectos materiales del negocio;</p> <p>(ii) Un informe suscrito por el representante legal del emisor sobre los resultados de la evaluación a los sistemas de control interno y de los procedimientos de control y revelación de la información financiera, en cumplimiento del art. 47 de la Ley 964 de 2005, y atendiendo a las excepciones previstas en el art. 48 de la mencionada ley; y</p> <p>(iii) Una certificación emitida por el revisor fiscal mediante la cual confirme la efectividad de los controles sobre el reporte de información financiera.</p>	<p>Carta a los accionistas 6.3. Ejercicio del Control Interno 6.3.2. Sistema de Control Interno (SCI)</p>
<p>Tercera parte - Prácticas de sostenibilidad e inversión responsable del emisor</p>	
<p>7.4.13.1. Un capítulo de análisis del Gobierno Corporativo</p> <p>7.4.13.2. Un capítulo dedicado a las prácticas, políticas, procesos e indicadores en relación con los criterios ambientales y sociales implementados por el emisor</p>	<p>1.10 Gobierno Corporativo 1.10.3 Junta Directiva Compromiso con la sostenibilidad 1.8. Acción Responsable 2.5.1. Política de Acción Responsable/Sostenibilidad 3.1.1. Planificación Territorial Gestión Urbana Integral (GUI) 3.1.3.1. Gestión de Operaciones (Redesconto y Crédito Directo) • Gestión del Sistema de Riesgos Ambientales y Sociales - SARAS 3.1.4. Ejecución Asistencia Técnica Promoción de prácticas ambientalmente responsables Líneas de negocio con criterios sociales y ambientales 3.2.1. Gestión Ambiental 3.2.2. Huella de Carbono 4.15. Bonos Sostenibles 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF • Sistema de Administración de Riesgos Ambientales y Sociales - SARAS</p>

TEMA	Temática / Respuesta Directa 2022
<p>Anexo 2</p> <p>5.1. Revelación de Información por parte de los Emisores Grupo A</p> <p>5.1.1. Los Emisores Grupo A deben incluir una breve descripción de los procedimientos implementados para la identificación de la información material en un lenguaje claro, sencillo y de fácil entendimiento para el público en general. Adicionalmente, deben revelar la información material identificada y las razones que sustentan su materialidad.</p> <p>5.1.2. Los Emisores Grupo A deben incluir la información relacionada con los asuntos climáticos, en los términos de las recomendaciones del Task Force for Climate Related Financial Disclosure (TCFD, por sus siglas en inglés), o cualquier marco o estándar que lo sustituya. Sin perjuicio de lo anterior, será facultativo para los Emisores Grupo A la utilización de análisis de escenarios para describir la resiliencia de la estrategia de su organización a los diferentes escenarios relacionados con el cambio climático.</p> <p>5.1.3. Los Emisores Grupo A deben incluir la siguiente información relacionada con los asuntos sociales y ambientales, diferentes a los climáticos:</p> <p>(1) Las métricas ambientales y sociales previstas en los Estándares SASB de la Value Reporting Foundation (VRF, por sus siglas en inglés), o cualquier estándar o marco que lo sustituya, conforme a la industria a la que pertenecen. En caso de que no revelen alguna de las métricas pertenecientes a su industria, deben incluir los motivos que sustentan dicha decisión.</p> <p>(2) Una descripción cualitativa sobre las métricas reveladas, que debe incluir, como mínimo, un análisis de los siguientes elementos, en línea con lo dispuesto en los Estándares SASB de la VRF, o cualquier estándar o marco que lo sustituya:</p> <p>a) la gobernanza del emisor frente a los impactos, positivos y negativos, que generan los asuntos sociales y ambientales, atendiendo al rol de la junta directiva, sus comités de apoyo y la alta gerencia en la evaluación y gestión de estos impactos;</p> <p>b) la estrategia del emisor para gestionar los asuntos sociales y ambientales en su negocio y planeación financiera; y</p> <p>c) la identificación, evaluación y gestión de los riesgos sociales y ambientales, tiene menú contextual</p> <p>5.1.4. Verificación externa</p>	<p>1.8 Acción Responsable 1.9 Materialidad 5.1 - Grupos de Interés</p> <p>3.2.2. Huella de Carbono 6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF • Sistema de Administración de Riesgos Ambientales y Sociales - SARAS</p> <p>6.4.2. Sistema de Administración de Riesgos Integrados No Financieros - SARINF • Sistema de Administración de Riesgos Ambientales y Sociales - SARAS</p>
<p>7.4.14. Cuarta parte - Anexos</p> <p>El emisor debe anexar al Informe periódico de fin de ejercicio los siguientes documentos:</p> <p>(i) Los estados financieros de fin de ejercicio individuales o separados y consolidados, según aplique, de conformidad con lo previsto en el subnumeral 7.4.12.3 del presente Capítulo.</p> <p>(ii) Las entidades públicas territoriales nacionales, las entidades públicas extranjeras y los gobiernos extranjeros deben anexar la información financiera, de acuerdo con su naturaleza.</p> <p>(iii) Cualquier cambio material que haya sucedido en los estados financieros del emisor entre el período cubierto por el informe de fin de ejercicio y la fecha en que se autoriza su divulgación al público.</p> <p>En el caso de que sus emisiones estén avaladas o garantizadas por entidades que no sean emisores inscritos en el RINE, o que dejen de serlo, se deben anexar los estados financieros de fin de ejercicio del garante.</p>	<p>Para Literal (i): Ver Estados Financieros, Notas a los estados financieros y el Dictamen del Revisor fiscal</p>

10. APPROVAL

This Management, Sustainability, and Financial Results Report for the year 2022 of Financiera de Desarrollo Territorial S.A. Findeter, also known as the “End-of-Year Periodic Report,” in accordance with the content requirements of External Circular 012/2022 from the Financial Superintendence of Colombia, was approved by the Legal Representative and by a majority vote of the members of the Board of Directors of Findeter at its Ordinary Session on February 27, 2023, and signed in Minutes No. 409.

11. ANNEXES

Table No. 97: Total number of employees by type of employment contract (permanent or temporary) and by gender.

Gender	Permanent	Temporary
Men	273	0
Women	320	0
Total	593	0

Source: Findeter

Table No. 98: Total number of employees by type of employment contract (permanent or temporary) and by region.

Name of Region	Permanent	Temporary
Atlántico	12	0
Bogota	523	0
Santander	6	0
Valle del Cauca	11	0
Bolívar	4	0
Antioquia	12	0
Córdoba	2	0
Huila	4	0
Risaralda	6	0
Magdalena	2	0
Sucre	0	0
Meta	3	0
Norte de Santander	2	0
Caldas	2	0
Nariño	1	0
Putumayo	0	0
Cauca	1	0
Chocó	0	0

Name of Region	Permanent	Temporary
San Andrés	1	0
Tolima	1	0
Total	593	0

Source: Findeter

Table No. 99: Total number of employees by type of employment contract (full-time or part-time) and by gender.

Gender	Full-time	Part-time
Men	273	0
Women	320	0
Total	593	0

Source: Findeter

Table No. 100: Distribution of employees by education level and gender.

Education level	Women	Men	Total
Postgraduate	197	175	372
Undergraduate	86	71	157
Technologist	11	10	21
Technician	14	4	18
High School	12	13	25
Total	320	273	593

Source: Findeter

* This information does not include SENA apprentices or university interns.

Table No. 101: Distribution of employees by Management Positions

Position	Women	Men	Total
CEO	0	1	1
General Secretary	1	0	1
Chief Officers	3	3	6
Managers	3	5	8
Directors	8	9	17
Heads	6	4	10
Total	21	22	43

Source: Findeter

Table No. 102: Distribution of employees by Position

Position	Women	Men	Total
Professional	247	217	464
Analysts	30	17	47
Administrative Assistant	13	13	26
Secretary	9	1	10
Driver	0	2	2
Courier	0	1	1
Total	299	251	550

Source: Findeter

Table No. 103: Distribution of employees by Chief Office

Chief Office	Women	Men	Total
CEO	5	3	8
General Secretary	77	44	121
Chief Commercial Office	66	44	110
Chief Operating Office	35	38	73
Chief Planning Office	29	21	50
Chief Risk Office	7	11	18
Chief Financial Office	12	18	30
Chief Technical Office	89	94	183
Total	320	273	593

Source: Findeter

Table No. 104: Employee training by gender and position

Employee category	No. Female Participants	No. Male Participants	Total No. Participants	Female Training Hours	Male Training Hours	Total No. Hours
University intern and SENA trainee	12	10	22	191	135	326
Administrative assistant, secretary, driver and courier	30	21	51	818	611	1,429
Analyst and professional	334	285	619	11,698	10,965	22,663
Directors	8	12	20	319	420	739
Managers	3	6	9	19	64	83
Heads	9	5	14	703	220	923
Secretary General - CEO	2	1	3	34	6	40
Chief Officers	3	3	6	490	140	630
Total	401	343	744	14,272	12,561	26,833

Source: Findeter

Table No. 105: Unionized employees

Gender	No.	Percentage of total employees
Women	230	73%
Men	203	

Total	433	
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Source: Findeter