

FINANCIERA DE DESARROLLO TERRITORIAL S. A. - FINDETER

CONDENSED INTERIM FINANCIAL STATEMENTS

As of March 31, 2024, and December 31, 2023
Independent Auditor's Report

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

To the Shareholders' Meeting of
FINANCIERA DE DESARROLLO TERRITORIAL S.A. - FINDETER
Bogota D.C.

Introduction

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

- The condensed interim statement of financial position as of March 31, 2024;
- The condensed interim statements of income and other comprehensive income for the three-month period ended March 31, 2024;
- The condensed interim statement of changes in equity for the three-month period ended March 31, 2024;
- The condensed interim cash flow statement for the three-month period ended March 31, 2024; and
- Notes to the condensed interim financial statements; along with the eXtensible Business Reporting Language (XBRL) information and taxonomy report.

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

Scope of the review

I have performed my review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," included in the Accepted Assurance Standards in Colombia. A review of interim financial information consists of making inquiries, primarily of those responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with International Standards on Auditing accepted in Colombia, and, therefore, does not enable me to obtain assurance about whether all matters of material significance that might have been identified in an audit have come to my attention. Accordingly, I do not express an audit opinion.

Conclusion

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

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Hilber Alberto Alfonso Castillo
Independent Auditor
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Representing:
Mazars Colombia S.A.S.

Bogota D.C., May 15, 2024

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Statement of Financial Position
As of March 31, 2024, and December 31, 2023
(In thousands of Colombian pesos)

	Note	March 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents	10	\$ 857,034,883	1,431,619,711
Investment financial assets and derivatives	11	541,546,230	517,572,801
Loan portfolio and finance lease operations, net	12	12,803,545,684	12,326,019,892
Accounts receivable and other receivables, net	13	144,397,524	135,908,245
Property and equipment, net	15	32,729,054	32,717,921
Right-of-use assets, net	16	438,119	766,708
Investment properties		1,272,426	1,272,426
Intangible assets, net	17	3,471,052	3,852,421
Current tax assets, net	14	147,065,160	140,583,203
Deferred tax assets, net	14	188,806,179	189,419,041
Other assets, net	18	3,142,456	4,203,743
Total assets		\$ 14,723,448,767	14,783,936,112
Equity and liabilities			
Liabilities			
Derivative financial instruments measured at fair value		\$ 199,760,570	205,251,985
Trade and other accounts payable		27,482,709	35,151,126
Certificates of deposit		8,725,657,881	8,643,321,844
Outstanding investment securities		1,602,470,204	1,584,337,225
Financial liabilities		2,550,862,445	2,717,244,911
Lease liabilities	16	456,569	785,572
Employee benefits		20,368,034	14,283,085
Financial guarantees	19	18,860,932	21,880,492
Total liabilities		\$ 13,145,919,344	13,222,256,240
Subscribed and paid-in capital	21	1,222,387,592	1,222,387,592
Reserves		121,128,803	121,128,803
First-time adoption results		39,925,003	39,925,003
Other comprehensive income		12,866,978	12,301,396
Retained Earnings		165,937,078	
Net income		15,283,969	165,937,078
Shareholders' equity		\$ 1,577,529,423	1,561,679,872
Total equity and liabilities		\$ 14,723,448,767	14,783,936,112

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

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(See my report of May 15, 2024)

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Income Statement
For the three-month periods ended March 31, 2024 and 2023
(In thousands of Colombian pesos)

	Note	March 31, 2024	March 31, 2023
Revenue			
Interest on loan portfolio	23	\$ 497,057,916	430,391,868
Net revenue from investment valuation	24	41,423,325	58,514,849
Net interest on investments at amortized cost	24	1,490,753	5,051,701
Net derivative valuation gain (loss)		(41,439,512)	(126,045,361)
Operating expenses			
Interest on certificates of deposit	25,1	(297,241,414)	(249,767,964)
Interest on outstanding investment securities		(37,954,094)	(41,890,775)
Interest on financial obligations	25,2	(37,903,983)	(45,502,754)
Net exchange difference gain (loss)		(9,388,290)	83,892,750
Net financial margin		\$ 116,044,701	114,644,314
Impairment and recoveries for credit financial assets and accounts receivable, net		(27,689,906)	(1,613,856)
Impairment of other receivables	13	(1,082,639)	(936,013)
Net interest margin, after impairment		\$ 87,272,156	112,094,445
Income and expenses from commissions and other services			
Technical assistance income	26	11,014,290	9,045,081
Income from commissions and other services	26	346,231	1,095,966
Commission and other services expense		(1,721,643)	(2,690,060)
Net income and expenses from commissions and other services		\$ 9,638,878	7,450,987
Other income and expenses			
Other income	27	4,936,353	10,543,043
Other expenses		(72,807,352)	(67,840,938)
Other income and expenses, net		\$ (67,870,999)	(57,297,895)
Earnings before income taxes		\$ 29,040,035	62,247,537
Income tax expense		(13,756,066)	(26,419,869)
Net income		\$ 15,283,969	35,827,668

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

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FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Statement of Other Comprehensive Income
For the three-month periods ended March 31, 2024 and 2023
(In thousands of Colombian pesos)

	Note	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Net income		\$ 15,283,969	35,827,668
Items to be reclassified to profit or loss for the period			
Valuation of available-for-sale financial instruments	22	718,197	6,210,112
Recognition of deferred tax	22	(152,615)	(1,761,450)
Total other comprehensive income, net of taxes		565,582	4,448,662
Comprehensive income		<u>\$ 15,849,551</u>	<u>40,276,330</u>

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

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15, 2024)

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Statement of Changes in Equity
For the three-month periods ended March 31, 2024 and 2023
(In thousands of Colombian pesos)

	Subscribed and paid-in capital	Reserves		First-time adoption results	Other comprehensive income OCI	Retained earnings		Total Equity
		Legal	Occasional			Retained earnings	Net income	
Balance as of January 1, 2023	\$ 1,154,222,237	80,139,945	22,964,355	39,925,003	202,498		86,189,857	1,383,643,895
Changes in equity:								
Capitalization of earnings	-	-	-	-	-	86,189,857	(86,189,857)	-
Net income	-	-	-	-	-	-	35,827,668	35,827,668
Other comprehensive income	-	-	-	-	4,448,662	-	-	(6,226,318)
Total changes in equity	-	-	-	-	4,448,662	86,189,857	(50,362,189)	40,276,330
As of March 31, 2023	\$ 1,154,222,237	80,139,945	22,964,355	39,925,003	4,651,160	86,189,857	35,827,668	1,423,920,225
Balance as of January 1, 2024	\$ 1,222,387,592	88,758,930	32,369,873	39,925,003	12,301,396		165,937,078	1,561,679,872
Changes in equity:								
Capitalization of earnings	-	-	-	-	-	165,937,078	(165,937,078)	-
Net income	-	-	-	-	-	-	15,283,969	15,283,969
Other comprehensive income	-	-	-	-	565,582	-	-	565,582
Total changes in equity	-	-	-	-	565,582	165,937,078	(150,653,109)	15,849,551
As of March 31, 2024	\$ 1,222,387,592	88,758,930	32,369,873	39,925,003	12,301,396	165,937,078	15,283,969	1,561,679,872

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

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FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Cash Flow Statement
For the three-month periods ended March 31, 2024 and 2023
(In thousands of Colombian pesos)

	Notes	March 31, 2024	March 31, 2023
Net income		\$ 15,283,969	35,827,668
Adjustments to reconcile net income to net cash used in operating activities:			
Income tax expense for the period		13,756,066	26,419,869
Impairment of loan portfolio		17,115,396	2,613,457
Impairment of accounts receivable		568,075	236,049
Impairment of other receivables, net	13	1,082,639	936,013
Reimbursement of provisions for loan portfolio		(4,342,896)	(3,818,126)
Reimbursement of provisions for accounts receivable		(478,802)	(250,108)
Reimbursement of provisions for financial guarantees	19	(3,019,560)	(2,435,669)
Depreciation of property and equipment	15	163,677	157,853
Right-of-use depreciation	16	328,589	103,972
Amortization of intangible assets	17	640,511	427,421
Amortization of other assets	18	1,077,338	1,200,736
Provisions, litigations, indemnities and lawsuits		-	115,124
Exchange differences of banks in foreign currencies		(310,494)	681,528
Gain on valuation of investments, net	24	(42,914,078)	(63,566,550)
Gain on valuation of derivatives, net		41,439,512	126,045,361
Interest on loan portfolio	23	(497,057,916)	(430,391,868)
Interest expense on deposits and borrowings		297,241,414	249,767,964
Interest expense on financial obligations		37,903,983	45,502,754
Interest expense on outstanding investment securities		37,954,094	41,890,775
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:		19,658,846	29,298,998
Marketable investments		(46,930,927)	(58,343,925)
Derivative financial instruments		6,759,623	575,754,045
Loan portfolio and finance lease transactions, net		(9,661,192)	(4,288,524)
Accounts receivable		-	(1,860,503)
Current income taxes, net		(19,777,774)	(17,003,244)
Deferred income taxes		(19,821,115)	(22,251,251)
Outstanding investments		6,084,949	5,586,268
Employee benefits		(7,668,416)	(2,979,204)
Income taxes paid		-	(12,077,786)
Interest paid		(53,090,965)	(57,963,975)
Net cash provided by (used in) operating activities		\$ (208,015,454)	465,335,122

Continues ...

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER
Condensed Interim Cash Flow Statement
For the three-month periods ended March 31, 2024 and 2023
(In thousands of Colombian pesos)

Continued

	Notes	March 31, 2024	March 31, 2023
Investing activities			
Additions to property and equipment	15	(174,810)	(37,264)
Increase in investment properties	17	(259,142)	(425,490)
Additions to other assets	18	<u>(16,051)</u>	<u>(136,350)</u>
Net cash used in investing activities	\$	<u>(450,003)</u>	<u>(599,104)</u>
Financing activities			
Payments of financial obligations		(162,065,713)	(59,245,630)
Exchange difference effect on financial obligations		10,870,229	(82,721,742)
Increase in borrowings		(214,905,378)	(452,842,962)
Payments for capital lease agreements		<u>(329,003)</u>	<u>(112,190)</u>
Net cash provided by (used in) Financing activities	\$	<u>(366,429,865)</u>	<u>(594,922,524)</u>
Cash and cash equivalents before foreign exchange effect		(574,895,322)	(130,186,506)
Exchange difference on cash		310,494	(681,528)
Net decrease in cash and cash equivalents	\$	<u>(574,584,828)</u>	<u>(130,868,034)</u>
Cash and cash equivalents at the beginning of the period	9	<u>1,431,619,711</u>	<u>1,033,518,547</u>
Cash and cash equivalents at the end of the period	9	<u>\$ 857,034,883</u>	<u>902,650,513</u>
Restricted Cash and cash equivalents	9	<u>(3,662,845)</u>	<u>(1,266,337)</u>
Cash and cash equivalents at the end of the period without restricted cash	\$	<u>853,372,038</u>	<u>901,384,176</u>

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

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(See my report of May 15, 2024)

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

1. Reporting Entity

Financiera de Desarrollo Territorial S.A., hereinafter Findeter, was incorporated by public deed number one thousand five hundred seventy (1,570), dated May 14, 1990, with operating authorization issued by the Financial Superintendence of Colombia by Resolution No. 3354 of September 17, 1990. Findeter is a mixed economy joint-stock company established under the laws of the Republic of Colombia headquartered in the city of Bogota at Calle 103 No. 19-20, organized as a credit establishment tied to Grupo Bicentenario S.A.S., subject to the control and oversight of the Financial Superintendence of Colombia. Its main shareholder, with a 92.55% interest, is Grupo Bicentenario S.A.S., with registered address in Bogota - Colombia. It currently has five regional offices and one area, for a total of six offices in the country. Its term of duration is indefinite. As of March 31, 2024, Findeter employs a total of 613 permanent employees (632 in March 2024).

Findeter's corporate purpose is the promotion of regional and urban development, mainly by financing and advising the municipalities and departments of Colombia on the design, execution and management of investment projects or programs relative to the construction, expansion and replacement of infrastructure for drinking water, transport routes, educational facilities, sports facilities, hospitals and health services, etc., as well as the execution of such activities as may be assigned by legal provision or by the National Government, including the management of funds and special accounts, derived from inter-administrative contracts signed with government agencies for the development of activities associated with technical assistance and resource management.

The development of its corporate purpose is defined by Decree 663 of 1993. Findeter acts as a second-tier development bank granting loans to government entities, territorial entities, or private entities engaged in projects for the construction, expansion and replacement infrastructure and technical assistance to adequately develop these activities for the economic sectors listed above. This is done through Colombian financial system institutions, which assume the total credit risk with the customer. Findeter, on the other hand, assumes the credit risk with the financial institution at interest rates generally below the market rate. These rates are financed with resources obtained from multilateral organizations, public resource mobilization through certificates of deposits, issuance of bonds in national and international markets, and its own resources.

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

The financial management report as of March 31, 2024, was submitted to the Board Meeting held on April 30 this year, according to Minutes No. 416.

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

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Financial Reporting Standards accepted in Colombia (CFRS), established in Act 1314 of 2009, regulated by Unified Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 and 1670 of 2021 and 1611 of 2022. The CFRS applicable in 2023 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB). The core standards correspond to those officially translated into Spanish and issued by the IASB up to the second half of 2020.

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

In accordance with the provisions of IAS 34, the interim financial statements are prepared with the intention of updating the last annual financial statement report, emphasizing the new activities, events and circumstances that occurred during the interim reporting period, without duplicating information previously published in the annual report. These condensed interim financial statements do not include all the information and disclosures required for an annual financial statement; therefore, they must be read together with the annual financial statements as of December 31, 2023.

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

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

3. Significant Accounting Policies

The accounting policies applied in the condensed financial statements of Financiera de Desarrollo Territorial S.A. - FINDETER are the same as those applied in the financial statements as of December 31, 2023.

4. Relevant Facts

The financial results and business dynamics as of March 31, 2024, were influenced by the macroeconomic environment conditions described below:

World Economic Outlook Growth projections to 2024.

Country/Region	Oct-23	Jan-24	Apr-24
Developed Economies	1.4	1.5	1.7
United States	1.5	2.1	2.7
Eurozone	1.2	0.9	0.8
Emerging and Developing Economies	4.8	5.2	5.2
China	4.2	4.6	4.6
Latin America and the Caribbean	2.3	1.9	2
Overall Balance	3	3.1	3.2

Source: International Monetary Fund. April 2024.

As can be seen, the economic growth estimate for 2024 is 3.2% of GDP, with China standing out with 4.6%, and an improvement in the United States, which went from a forecast of 2.1% to 2.7% between January and April 2024. In the case of Colombia, a growth of 1.1% is forecast for 2024, higher than that presented in 2023, which was 0.6%, being this the lowest growth so far this century, with the exception of 2020, the year in which the COVID-19 pandemic affected all economies worldwide.

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

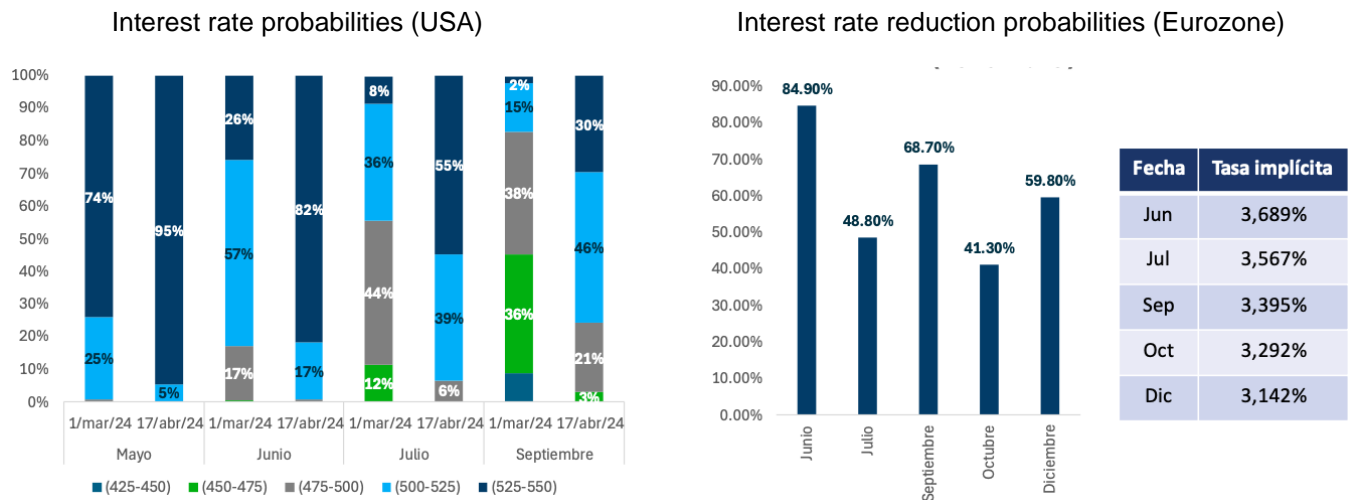
(In thousands of Colombian pesos, except where otherwise indicated)

Prior to this, between 2014 and 2019, the Colombian economy was growing at a healthy pace of 2.8% annually, and after the health crisis, 2021 and 2022 were years of recovery and accelerated growth that could not be sustained in 2023.

High interest rates and persistent inflation, generalized worldwide, affected the country’s investment, household consumption and net exports components. The country is expected to return to its long-term growth levels starting this year.

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

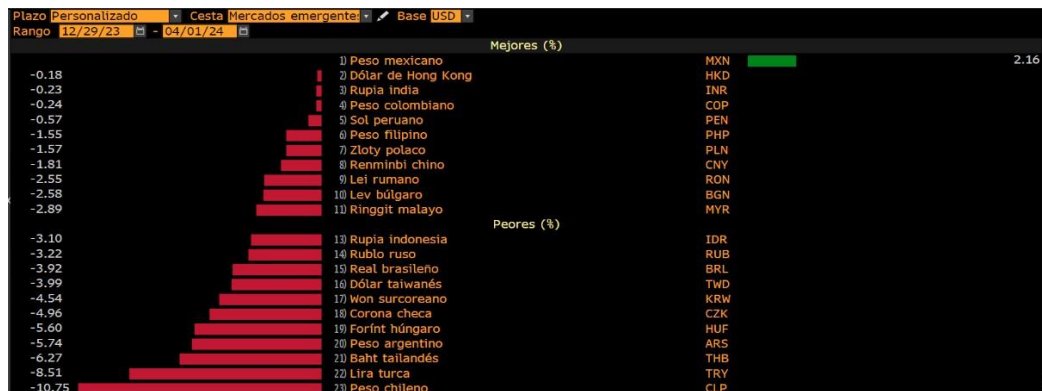
The Fed would delay the start of its rate cut until September, while the ECB would delay it until June.



“The recent data have clearly not given us greater confidence and instead indicate that it’s likely to take longer than expected to achieve that confidence” (Jerome Powell)

Source: Bloomberg, CME; prepared by Findeter

The following shows the appreciation and/or depreciation of emerging market currencies internationally. The Colombian peso is among the top four with the least depreciation. It has moved from \$3,822.05 to \$3,975.74, meaning it has depreciated by \$153.69, which corresponds to 4.02% in the first quarter (Q1) of 2024.

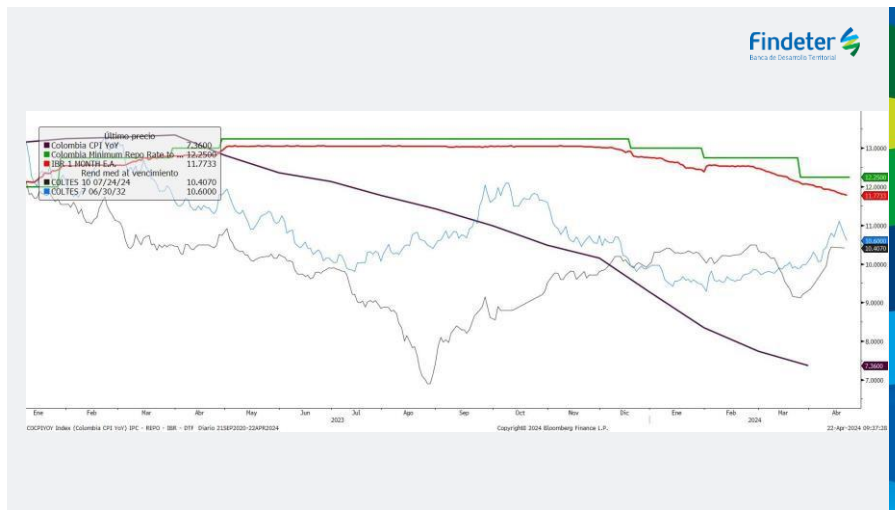


Notes to the Condensed Interim Financial Statements

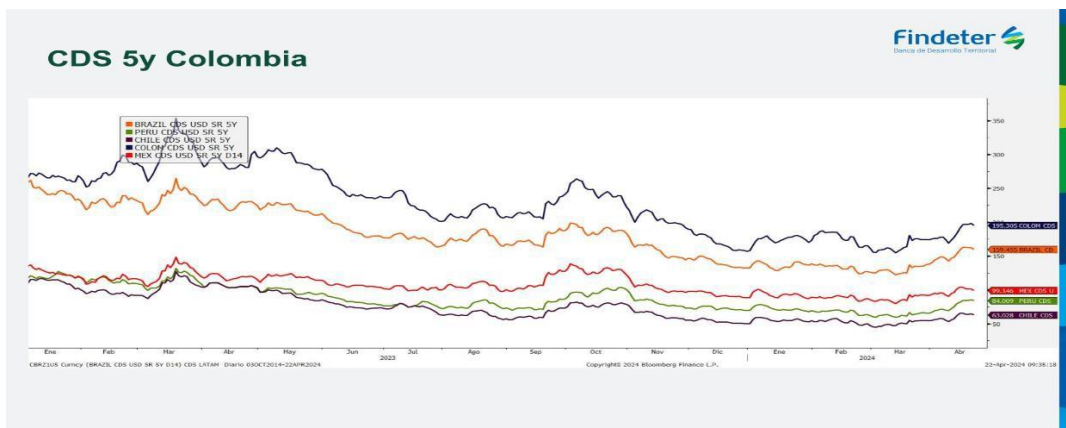
As of March 31, 2024, and December 31, 2023

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The economic expansion cycle, along with the reduction in the monetary policy rate by the Colombian Central Bank, has been transmitted to a lesser extent to various economic rates, including the IBR and DTF, which are used for indexing both the assets and liabilities of Findeter. This situation translates into a direct impact on the entity’s income and expenses. The following graph shows the evolution of various financial indicators over the past year, highlighting the Consumer Price Index (CPI) behavior. The CPI stood at 7.36% as of March 2024, representing a significant drop from the same month in 2023, when it was 13.34%, a decrease of 598 basis points (bps). This results in a real rate of 455 bps when comparing the CPI with the monetary policy rate as of the same date.



On the other hand, the levels of the FED rates are strongly correlated with the sovereign credit risk, as evidenced by the rise in Credit Default Swaps (CDS) levels. In 2024, Colombia’s CDS levels continue to be the highest among its peers in Latin America, standing 35.85 basis points above Brazil. This directly impacts the cost of debt, with direct repercussions on the cost of obtaining funds to finance operations. Findeter has not been immune to this situation, as reflected in the behavior of financial expenses. The above shows that the risk premium for Colombia continues to exceed those of comparable economies in the region:



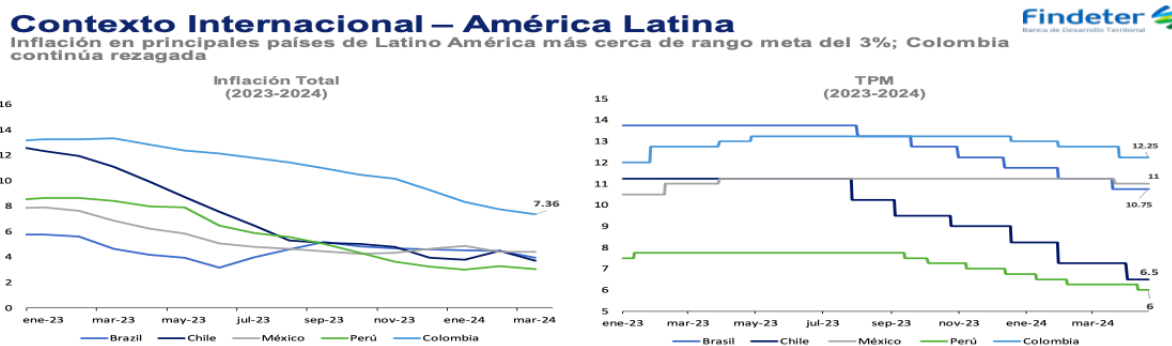
At its December meeting, the Colombian Central Bank began the cycle of decreasing monetary intervention policy levels with 25 bp cuts in the monetary policy rate, setting it at 12.25% APR as of March

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26, 2024; however, despite these cuts, it still continues to lag behind its peers in the region.



Fuente: Bloomberg; elaborado por Findeter.

5. Going Concern

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

6. Judgments and Estimates

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

Findeter makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amounts of assets and liabilities within the next accounting period.

Judgments and estimates are continually evaluated and are based on Findeter’s experience and other factors, including the expectation of future events that are believed to be reasonable.

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

a. Financial Asset Impairment:

i. Loan Portfolio Provision

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

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

Considering that Findeter S.A. engages in operations with various types of intermediaries (Compensation and Welfare Funds, Credit and Savings Cooperatives, Employee Funds, Credit

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Institutions, and Institutes for Regional Development Promotion), the methodology is tailored to the specific characteristics of each type of intermediary.

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

As of March 31, 2024, a critical judgment was identified, related to the determination of the customer's risk level, carried out in accordance with the regulations issued by the Financial Superintendence of Colombia in Chapter XXXI Integrated Risk Management System SIAR of the Basic Accounting and Financial Circular, which is reviewed by credit analysts.

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

ii. Estimates for Legal Proceedings

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

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

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

iii. Income Taxes

There are uncertainties regarding the interpretation of complex tax regulations, changes in tax rules, and the timing and amount of the resulting current and future tax outcomes. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences between actual results and the assumptions made, or future changes to those assumptions, could require future adjustments to recorded tax income and expenses.

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The Entity calculates provisions based on reasonable estimates for the possible consequences arising from inspections conducted by Colombian tax authorities. The amount of these provisions depends on various factors, such as the experience of previous tax inspections and different interpretations of tax regulations made by the tax-paying entity and the responsible tax authority. These differences in interpretation can arise in a wide range of issues, depending on the circumstances and conditions existing in the Entity's domicile. Since the Entity considers the probability of tax litigation and subsequent disbursements as a result of such litigation to be remote, no contingent liabilities related to taxes have been recognized.

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

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the book values of existing assets and liabilities in our financial statements and their respective tax bases. Deferred tax assets and liabilities are calculated based on the statutory tax rates that we believe will be applied to our taxable income during the years in which the temporary differences between book values are expected to be recovered.

The carrying amount of a deferred tax asset must be reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will not be available in the future to allow for the recovery of all or part of the asset.

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

iv. Calculation of the Technical Reserve for Water Bonds

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

- Decrease in interest due to probable debt restructuring within the framework of Act 550.
- Sensitivity of cash flows to changes in interest rates, Consumer Price Index (CPI).
- Sensitivity of income to changes in the allocation of the General System of Participation (SGP) budget for water supply and sanitation.
- Negative impact on the scheme due to possible legal contingencies aiming to challenge the existence or legality of loans acquired by municipalities.

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

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v. Calculation of the Technical Reserve for the National Guarantees Fund

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

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

vi. Useful Life of Properties

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

7. Operating Segments

Findeter has defined two business line operating segments for the provision of services: Financial Services and Technical Assistance. For this purpose, it has aligned the direct allocation of revenues, expenses, assets, and liabilities with the allocation of the cost centers in the Findeter areas. For the reporting period, the same segments as in the last annual financial statements as of December 31, 2023, are defined. The following figures relate to income and expenses for the three-month periods ended March 31, 2024 and 2023:

	<u>FINANCIAL SERVICES</u>		<u>TECHNICAL ASSISTANCE</u>		<u>TOTAL</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Assets	14,656,100,430	14,713,170,311	67,348,337	70,765,801	14,723,448,767	14,783,936,112
Liabilities	13,093,469,644	13,166,389,148	52,449,700	55,867,093	13,145,919,344	13,222,256,240

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	Reported Segments					
	Financial Services		Technical Assistance		For the years ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net revenue						
Interest on loan portfolio	497,057,916	430,391,868	-	-	497,057,916	430,391,868
Net gain from investment valuation	41,423,325	58,514,849	-	-	41,423,325	58,514,849
Net interest on investments at amortized cost	1,490,753	5,051,701	-	-	1,490,753	5,051,701
Net derivative valuation gain or loss	(41,439,512)	(126,045,361)	-	-	(41,439,512)	(126,045,361)
Operating expenses						
Financial expenses	(373,099,491)	(337,161,493)	-	-	(373,099,491)	(337,161,493)
Net exchange difference gain and loss	(9,388,290)	83,892,750	-	-	(9,388,290)	83,892,750
Net financial margin	116,044,701	114,644,313	-	-	116,044,701	114,644,314
Net loan portfolio impairment	(27,690,048)	(1,613,856)	-	-	(27,690,048)	(1,613,856)
Net accounts receivable impairment	-	-	(1,082,639)	(936,013)	(1,082,639)	(936,013)
Net financial margin after impairment	88,354,653	113,030,457	(1,082,639)	(936,013)	87,272,014	112,094,445
Revenue and expenses from commissions and other services						
Technical assistance revenue	-	-	11,014,290	9,045,081	11,014,290	9,045,081
Commissions and other services revenue	346,231	1,095,966	-	-	346,231	1,095,966
Commissions and other services expenses	(1,515,408)	(2,515,105)	(206,235)	(174,955)	(1,721,643)	(2,690,060)
Net revenue and expenses from commissions and other services	(1,169,177)	(1,419,139)	10,808,055	8,870,126	9,638,878	7,450,987
Other income and expenses						
Other income	4,936,495	10,543,043	-	-	4,936,495	10,543,043
Other expenses	(48,716,861)	(46,492,701)	(24,090,491)	(21,348,237)	(72,807,352)	(67,840,938)
Net other income	(43,780,366)	(35,949,658)	(24,090,491)	(21,348,237)	(67,870,857)	(57,297,895)
Earnings before income tax	43,405,110	75,661,660	(14,365,075)	(13,414,124)	29,040,035	62,247,537
Income tax expense	(20,560,704)	(32,113,257)	6,804,638	5,693,388	(13,756,066)	(26,419,869)
Net income	22,844,406	43,548,403	(7,560,437)	(7,720,736)	15,283,969	35,827,668

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8. Seasonality or Cyclical Nature of the Period Transactions

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

9. Fair Value Estimate

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

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

The fair value hierarchy has the following levels:

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

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

9.1 Recurring Fair Value Measurements

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

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

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

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

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

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

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

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

- c) For the investment classified as level 3 input, which corresponds to the investments in the Ashmore Colombia Infrastructure Private Equity Fund, the valuation of the participation unit held is obtained from the value of the Fund at closing of the previous day (Equity Value) plus the results of the day in which the Fund is being valued ((+) Contributions (-) Withdrawals (+) Income (-) Expenses), divided by the number of Participation Units issued by the Fund at the closing of the previous day (Total Units of the Fund, which are generated in each capital call). The result gives the value of the participation unit of the Fund that is reported to investors in accordance with legal provisions.

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

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

Assets	Fair value March 31, 2024	Hierarchy level			Fair value March 31, 2023	Hierarchy level		
		1	2	3		1	2	3
Inversiones Negociables								
Debt securities other Financial Entities	141,048,305	-	141,048,305	-	156,677,362	-	156,677,362	-
Government debt securities	216,305,987	216,305,987	-	-	175,830,783	175,830,783	-	-
Private Equity Fund- Ashmore	29,943,227	-	-	29,943,227	29,371,399	-	-	29,371,399
Collective investment funds	19,928,059	-	19,928,059	-	20,340,041	-	20,340,041	-
Available for sale								
Government debt securities	76,454,706	76,454,706	-	-	75,850,700	75,850,700	-	-
FNG shares	41,157,642	-	-	41,157,642	40,663,870	-	-	40,663,870
Currency forward	-	-	-	-	974,569	-	974,569	-
Total investments	524,837,926	292,760,693	160,976,364	71,100,869	499,708,724	251,681,483	177,991,972	70,035,269
Liabilities								
Currency forward	199,760,570	-	199,760,570	-	205,251,985	-	205,251,985	-
Financial guarantees	18,860,932	-	-	18,860,932	21,880,492	-	-	21,880,492
Total liabilities	218,621,500	-	199,760,570	18,860,932	227,132,477	-	205,251,985	21,880,492

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To establish the reporting values of the Private Capital Fund as Level 3 Assets, the historical series of the investment position of the last 53 months was determined, as well as the Value at risk for each of the months and reported to the SFC. The results were as follows:

Year	Month	Position value	Max. Var.	Standard Deviation
2019	November	52,416,386	7,705,209	959,410,358,565,178
2019	December	61,938,007	9,104,887	5,660,465,188,808,060
2020	January	62,140,980	9,134,724	5,803,330,519,329,580
2020	February	61,945,818	9,106,035	5,665,929,671,857,230
2020	March	61,571,143	9,050,958	5,406,760,300,982,480
2020	April	60,798,252	8,937,343	4,891,303,658,618,460
2020	May	61,006,830	8,968,004	5,027,865,012,673,010
2020	June	49,337,750	7,252,649	277,660,915,314,726
2020	July	55,314,386	8,131,215	1,975,432,726,025,150
2020	August	56,183,549	8,258,982	2,350,910,434,829,460
2020	September	57,898,861	8,511,133	3,187,720,251,717,860
2020	October	57,335,698	8,428,348	2,898,961,857,263,400
2020	November	57,898,661	8,511,103	3,187,615,269,957,440
2020	December	42,085,661	6,186,592	290,652,123,454,553
2021	January	42,085,661	6,186,592	290,652,123,454,553
2021	February	42,886,929	6,304,379	177,523,427,544,659
2021	March	43,436,087	6,385,105	116,014,569,023,033
2021	April	43,845,575	6,445,300	78,632,183,133,198
2021	May	44,448,053	6,533,864	36,806,460,825,317
2021	June	45,130,239	6,634,145	8,384,838,597,326
2021	July	45,390,084	6,672,342	2,848,521,509,271
2021	August	45,886,192	6,745,270	382,451,468,390
2021	September	45,226,662	6,648,319	5,989,917,404,352
2021	October	45,268,948	6,654,535	5,066,370,545,084
2021	November	46,070,596	6,772,378	2,177,509,223,967
2021	December	44,478,538	6,538,345	35,107,023,084,887
2022	January	45,071,798	6,625,554	10,031,927,904,334
2022	February	44,983,889	6,612,632	12,787,587,921,425
2022	March	45,857,434	6,741,043	234,977,347,720
2022	April	46,594,007	6,849,319	15,278,255,332,375
2022	May	47,412,820	6,969,685	59,521,710,722,461
2022	June	48,165,733	7,080,363	125,775,882,037,888
2022	July	48,756,112	7,167,148	194,864,514,289,609
2022	August	49,442,322	7,268,021	294,097,364,957,743
2022	September	50,253,048	7,387,198	437,561,401,664,191
2022	October	44,352,250	6,519,781	42,408,460,295,367
2022	November	44,994,773	6,614,232	12,428,271,695,737
2022	December	43,123,227	6,339,114	149,459,115,741,260
2023	January	43,871,658	6,449,134	76,496,562,475,103
2023	February	44,898,343	6,600,056	15,789,782,184,665
2023	March	42,573,454	6,258,298	218,477,823,823,887
2023	April	42,845,164	6,298,239	182,734,614,213,965
2023	May	36,463,744	5,360,170	1,864,709,068,908,120
2023	June	36,973,313	5,435,077	1,665,743,590,176,870
2023	July	37,399,458	5,497,720	1,507,968,029,985,790
2023	August	37,708,531	5,543,154	1,398,447,545,797,340
2023	September	33,836,128	4,973,911	3,068,813,612,910,580
2023	October	29,234,786	4,297,513	5,896,156,939,850,700
2023	November	29,486,100	4,334,457	5,718,110,527,000,570
2023	December	29,371,399	4,317,596	5,799,032,853,187,400
2024	January	29,544,725	4,343,075	5,676,969,910,092,640
2024	February	29,734,245	4,370,934	5,544,988,232,476,880
2024	March	29,943,226	4,401,654	5,401,252,921,215,690
	Average	45,753,155	6,725,714	1,329,872

Standard Deviation 1,342,598,981

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

Based on the above statements, the deviation of the data series is calculated, yielding a value of \$1,342,599, which means that the average means have an average gap of that value, which is also taken to stress the possible loss to that extent.

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

Potential impact on negative hypothesis results (Loss) =

$$\$-6,725,714 - \$1,342,599 = \$-8,068,313$$

To measure the potential impact on the Positive Hypothesis account, the average of the active position in the series is taken and multiplied by the value of the active rate of the on-loan portfolio for the final month of the calculation March 2024, 16.84% APR, producing as the most favorable result a yield of \$7,704,831.

As of March 31, 2024, Findeter has an investment in the Ashmore Colombia Infrastructure Fund of \$29,943,226, which is equivalent to a 12.84% participation and 916,367.03 units of the Fund's total.

Ashmore Private Equity Fund - investment	Balance
March 31, 2024	\$ 29,943,226
December 31, 2023	29,371,399
Variation	\$ 571,827

As of March 31, 2024, the private equity fund generated a net valuation gain of \$571,827.

Ashmore Private Equity Fund	March 31, 2024	December 31, 2023
Valuation income	\$ 641,994	\$6,923,243
Valuation expense	70,167	6,734,839
Net valuation	\$ 571,827	\$ 188,404

The valuation of the Fund is reported by an independent third party in accordance with the provisions of the Fund's regulations. The valuation variables are presented in the following table:

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurements
Contingent Consideration	The valuation of the companies that are part of the FCP-I Ashmore Colombia Infrastructure Fund is carried out	The main unobservable significant input corresponds to: 1. Estimated income for the valuation period.	The estimated unit value can increase or decrease if:

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	<p>through the Discounted Cash Flow and Asset Appraisal methodologies.</p>	<p>2. The pricing and cost structure of companies</p> <p>3. The weighted average cost of capital used to discount future flows</p> <p>4. The level of administrative and sales expenses.</p> <p>5. The working capital management policies used in the projection.</p> <p>6. The balance structure used in the projection.</p> <p>7. The dividend policy of each of the companies.</p> <p>The information of the points mentioned above comes from the business plans generated within each company, which in turn are built based on historical performance, specific growth objectives according to market information and business strategies.</p>	<p>1. The projected income assumptions are met</p> <p>2. If there is an effective control of costs and expenses in each company</p> <p>3. If the working capital requirements increase or decrease</p> <p>4. If the dividend policy is substantially modified.</p> <p>5. If the discount rate used to discount free cash flows increases or decreases.</p>
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Financial assets and financial liabilities measured at fair value did not present value hierarchy transfers as of March 31, 2024, compared to December 31, 2023.

9.2 Non-recurring fair value measurements:

As of March 31, 2024, there are assets or liabilities measured at fair value determined on non-recurring bases.

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

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

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

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

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- **Flow projection**

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

- **Determining the Discount Rate**

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

- **Calculating Duration**

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

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

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>Hierarchy level</u>
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>	
Assets					
Net loan portfolio and finance lease transactions	\$ 12,803,545,684	12,645,620,246	12,326,019,892	12,308,604,600	3
Investment financial assets (*)	<u>16,708,304</u>	<u>24,226,959</u>	<u>17,864,078</u>	<u>17,376,539</u>	3
Total financial assets	<u>12,820,253,988</u>	<u>2,669,847,206</u>	<u>12,343,883,970</u>	<u>12,325,981,139</u>	
Liabilities					
Certificates of deposit	6,577,448,887	8,781,729,613	8,643,321,844	8,613,580,951	3
Outstanding investment securities	1,601,661,293	1,596,285,409	1,584,337,225	1,585,119,803	3
Financial obligations	<u>3,044,443,909</u>	<u>2,536,490,260</u>	<u>2,717,244,911</u>	<u>2,608,152,092</u>	3
Total liabilities	<u>\$ 11,223,554,089</u>	<u>12,914,505,282</u>	<u>12,944,903,980</u>	<u>12,806,852,846</u>	

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

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10. Cash and Cash Equivalents

The following table corresponds to the bank ratings of the financial institutions where Findeter holds the balance of cash and cash equivalents as of March 31, 2024, and December 31, 2023.

Bank	Risk Rating	March 31, 2024	December 31, 2023
Banco de Bogotá S.A.	AAA	\$ 3,908,056	\$ 3,714,611
Banco Popular S.A.	AAA	10,969,589	1,976,848
Bancolombia S.A.	AAA	26,732,394	12,232,169
Banco GNB Sudameris	AA+	316,748	246,500
BBVA Colombia S.A.	AAA	252,675,625	512,753,299
Banco Santander S.A.	AAA	1,045,851	1,016,461
Banco Itaú S.A.	AAA	270,747,629	91,594,516
Banco de occidente S.A.	AAA	198,224	340,088
Davivienda S.A.	AAA	3,043,786	2,109,511
Banco Caja Social S.A.	AAA	53,085,880	51,507,683
Banco AV Villas S.A.	AAA	122,071	122,068
Banco Scotiabank Colpatría S.A.	AAA	1,131,282	929,009
Corficolombiana	AAA	60,104,757	439,787,114
Colombian Central Bank	Country risk	37,047,892	62,172,081
Banks Foreign Currency	BBB	109	479,043
Petty Cash	No rating	33,328	30,961
Interbank (1)	AAA	132,208,817	240,922,083
Restricted Cash (2)	AAA	3,662,845	9,685,666
		\$ 857,034,883	\$ 1,431,619,711

There is no restriction on their availability, except for the pledge on the resources of Banco de la República for \$37,047,892. See Note 28 paragraph 1, Commitments and contingencies - Counter-guarantees for a detail of the pledges; however, there is no restriction on their use.

- (1) As of March 31, 2024, and December 31, 2023, interbank funds were classified as cash equivalents for \$132,208,817 and \$240,922,083, respectively, which have maturities between 1 and 30 days according to policy.

Information as of March 31, 2024

Entity	Rate	Amount	Maturity	Rating	Agency
Corficolombiana	11.39%	\$ 132,208,817	3/04/2023	AAA	Standard and Poors and Fitch Ratings Colombia
Total		\$ 132,208,817			

Information as of December 31, 2023

Entity	Rate	Amount	Maturity	Rating	Agency
Corficolombiana	12.05%	\$ 240,922,083	02/01/2024	AAA	BRC Ratings- S&P Global S.A.
Total		\$ 240,922,083			

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- (2) Corresponds to cash balances as of March 31, 2024, and December 31, 2023, recorded in the Agency Agreement with the National Guarantees Fund for \$3,487,120 and \$9,514,818, and the Pre-Investment Fund for \$175,725 and \$170,848, respectively, for a total of \$3,662,845 and \$9,685,666.

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

11. Investment Financial Assets and Derivatives

The following table shows the balances and ratings of the counterparties of the securities comprising Findeter's portfolio as of March 31, 2024, and December 31, 2023:

Issuer	March 31, 2024	December 31, 2023	Rating
Banco de Comercio Exterior	3,066,900	3,096,420	AAA
Banco de Bogotá	22,684,145	23,827,900	AAA
Banco Bilbao Vizcaya Argentaria Colombia S.A.	25,895,915	18,716,015	AAA
Banco Popular	17,275,535	17,309,605	AAA
Banco Davivienda	8,209,610	19,385,039	AAA
Banco Colpatría Red Multibanca S. A	4,609,875	4,613,460	AAA
Banco Comercial AV Villas	4,673,970	4,704,705	AAA
Banco de Occidente	5,081,395	6,085,005	AAA
Corficolombiana S.A.	13,600,980	13,578,660	AAA
Bancolombia S.A.	31,937,210	32,070,625	AAA
Ministry of Finance and Public Credit	225,617,648	195,833,447	BB+
CMR Falabella S.A. Cia. Fin. Cial.	2,039,310	2,033,710	AA
Collective Investment Fund Fiduprevisora	19,928,059	20,340,040	AAA
FCP Fund Inf Col Ashmore I-S1	29,943,227	29,371,399	No rating
Titularizadora Colombia S.A.	17,060,143	18,308,150	AAA
Enertolima S.A. E.S.P.	100	100	No rating
Fondo Nacional de Garantías S. A	41,157,442	40,663,670	AAA
Ecopetrol	100	100	AAA
RCI Colombia S.A. Financing Company	1,621,620	1,635,615	AAA
Banco Santander de Negocios Colombia S.A.	-	10,151,100	AAA
Colombian Central Bank	67,143,046	55,848,036	AAA
	<u>541,546,230</u>	<u>517,572,801</u>	

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

Findeter's investment portfolio is classified as follows:

	March 31, 2024	December 31, 2023
Marketable investments	\$ 413,645,336	\$ 382,219,584
Held-to-maturity investments	16,708,304	17,864,078
Available-for-sale investments	111,192,590	116,514,570
Derivative instruments	-	974,569

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\$ 541,546,230 **\$ 517,572,801**

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

12. Net Loan Portfolio and Finance Lease Transactions

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

	March 31, 2024	December 31, 2023
Ordinary loans (1)	\$ 9,314,889,006	\$ 8,805,407,919
Direct loans	3,330,049,335	3,343,372,162
Housing portfolio (employees and former employees)	93,537,754	89,706,135
Consumer portfolio (employees and former employees)	6,875,533	7,342,161
Accounts receivable interest	179,885,327	174,192,880
Subtotal	\$ 12,925,236,955	\$ 12,420,021,257
Impairment	(121,691,271)	(94,001,365)
Total	\$ 12,803,545,684	\$ 12,326,019,892

The following is the movement in the impairment of the loan portfolio:

	March 31, 2024	December 31, 2023
Capital Recoveries	\$ 2,515,556	\$ 2,355,366
Capital Charges (2)	(29,756,738)	(3,299,672)
Interest Recoveries	454,697	261,996
Interest Charges	(903,421)	(931,546)
Net portfolio impairment	\$ (27,689,906)	\$ (1,613,856)

(1). The increase is due to disbursements made during the first quarter 2024 of \$1,384,613,120

(2). This increase is due to the re-classification of credit risk of financial intermediaries.

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13. Net trade accounts receivable and other receivables

Accounts receivable as of March 31, 2024, and December 31, 2023, were, \$144,397,524 and \$135,908,245, for an increase of \$8,489,279, derived mainly from the tax variation of \$19,777,773.

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

	December 31, 2022	Charges	March 31, 2023	December 31, 2023	Charges	March 31, 2024
Other	\$ 62,919	-	62,919	\$ 62,919	-	\$ 62,919
Technical assistance	2,100,131	936,013	3,036,144	1,598,888	1,082,639	2,681,527
	\$ 2,163,050	\$ 936,013	\$ 3,099,063	\$ 1,661,807	\$ 1,082,639	\$ 2,744,446
Net impairment			<u>\$ 936,013</u>			<u>\$ 1,082,639</u>

14. Income Tax

Income tax expense is recognized based on management's best estimate of both current income tax and deferred income tax. Findeter S.A.'s effective tax rate in respect of continuing operations for the three-month period ended March 31, 2024, was 47.4% (Three-month period ended March 31, 2023 was 42.4%).

- The increase in the effective tax rate of 4.9 percentage points from one period to the next is mainly due to the following factors:
- For the quarter ended March 31, 2023, the effect of non-deductible expenses represented 6.9% of the income recorded as of that period; while for the quarter ended March 31 of the current year, such effect represented 4.5%, which generated a decrease purchased in each period of (2.4%).
- For the first quarter of 2024, the behavior of the effective rate by rate differential used in the constitution of deferred taxes versus the nominal rate of the previous taxable year was lower compared to the same quarter of 2023. This situation generated a comparative effective rate increase of 7.1 percentage points.

Current tax asset balance

	March 31, 2024
Income tax and surtax expense	13,295,817
- Income tax credit 2023	(140,583,204)
- Withholdings applied	(19,777,773)
Asset balance	147,065,160

Net deferred tax balance

Denomination	December 31, 2023	P&L	OCI	March 31, 2024
DTA	211,026,857	(1,961,585)	(78,549)	208,986,723
DTL	(21,607,814)	1,501,336	(74,066)	(20,180,544)
	189,419,043	(460,249)	(152,615)	188,806,179

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15. Net Property and Equipment

The following is the movement in property and equipment:

	December 31, 2023	Additions	Depreciation	March 31, 2024
Land (revalued)	\$ 8,600,144	-	-	\$ 8,600,144
Buildings and constructions (revalued)	23,630,747	-	(79,865)	23,550,882
Furniture, fixtures, and office equipment	127,106	6,360	(10,287)	123,179
Vehicles	454	-	(72)	382
Computer equipment	359,470	168,450	(73,453)	454,467
	\$ 32,717,921	\$174,810	\$(163,677)	\$ 32,729,054

	December 31, 2022	Additions	Depreciation	March 31, 2023
Land (revalued)	\$ 7,992,600	-	-	\$ 7,992,600
Buildings and constructions (revalued)	22,518,678	-	(75,081)	22,443,597
Furniture, fixtures, and office equipment	194,576	2,687	(24,406)	172,857
Vehicles	740	-	(72)	668
Computer equipment	523,557	34,577	(58,294)	499,840
	\$ 31,230,151	\$37,264	\$(157,853)	\$ 31,109,562

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

Below is the recognition made in Findeter's financial statements for the year 2024 as of March, derived from the application of IFRS 16:

	March 31, 2024	December 31, 2023
Movement in right-of-use assets		
Right-of-use assets	766,708	330,032
Adjustment for recalculation of rights of use during the period	-	1,241,275
Straight-line depreciation right of use during the period	(328,589)	(804,599)
Right-of-use balance	438,119	766,708
Movement in Lease Liabilities		
Lease liabilities as of Dec. 31 Previous	785,572	337,035
Adjustment of Lease Liabilities during the period	-	1,241,275
Payments of Capital Liabilities in the period	(329,003)	(792,738)
Balance of Lease Liabilities	456,569	785,572

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17. Net intangible assets

Below is the movement of the cost of intangible assets as of March 31, 2024 and 2023:

	December 31, 2023	Acquisition/ Additions	Amortization	March 31, 2024
Computer software and applications	\$ 3,852,421	259,142	(640,511)	\$ 3,471,052
Net intangible assets	\$ 3,852,421	\$259,142	\$(640,511)	\$ 3,471,052
	December 31, 2022	Acquisition/ Additions	Amortization	March 31, 2023
Computer software and applications	\$ 2,449,655	425,490	(427,421)	\$ 2,447,724
Net intangible assets	\$ 2,449,655	\$425,490	\$(427,421)	\$ 2,447,724

18. Net other assets

The following is the detail of other assets as of March 31, 2024 and 2023:

	December 31, 2023	Acquisition/ Additions	Amortization	March 31, 2024
Insurance	\$ 4,201,643	16,051	(1,077,338)	\$ 3,140,356
Other	2,100	-	-	2,100
Net other assets	\$ 4,203,743	\$ 16,051	\$(1,077,338)	\$ 3,142,456
	December 31, 2022	Acquisition/ Additions	Amortization	March 31, 2023
Insurance	\$ 4,492,286	136,350	(1,200,738)	\$ 3,427,898
Other	2,100	-	-	2,100
Net other assets	\$ 4,494,386	\$136,350	\$(1,200,738)	\$ 3,429,998

19. Financial Guarantees

Below is the movement of financial guarantees:

	December 31, 2023	Recoveries	March 31, 2024
Technical Reserve FNG	\$ 12,882,446	(3,019,560)	\$ 9,862,886
Water Bonds Reserve	8,998,046	-	8,998,046
	\$ 21,880,492	\$(3,019,560)	\$ 18,860,932

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	December 31, 2022	Recoveries	March 31, 2023
Technical Reserve FNG	\$ 20,971,238	(2,435,669)	\$ 18,535,569
Water Bonds Reserve	10,951,109	-	10,951,109
Balance as of March 31, 2023	\$ 31,922,347	\$ (2,435,669)	\$ 29,486,678

The coverage of the technical estimate of the National Guarantees Fund, on the loans granted called low-income housing, decreased by \$3,019,560, in accordance with the application of the model for calculating reserves on the guarantees granted established in the Fund.

20. Provisions

As of March 31, 2024, there are 148 lawsuits against Findeter, of which, according to the instance and the provisions policy, there are no lawsuits provisioned that can be classified as probable according to IAS 37.

As of March 31, 2024, there are no fines, penalties and indemnities payable.

21. Shareholders' Equity

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

Movement in lease liabilities	March 31, 2024	December 31, 2023
Number of subscribed and paid-in shares	12,223,852	12,223,852
Subscribed and paid-in capital	\$ 1,222,385,200	\$ 1,222,385,200
Dividends declared	2,392	2,392
	<u>\$ 1,222,387,592</u>	<u>\$ 1,222,387,592</u>

During the General Shareholders' Meeting held on March 19, 2024, the surplus application project was approved, where the capitalization in the amount of \$78,165,354 was ordered. The legal process will take effect in May 2024. Findeter has not issued preferred shares.

APPLICATION OF FINANCIAL SURPLUS 2023	
ITEMS	Amount
TOTAL NET INCOME	165,937,078
LEGAL RESERVE	(16,593,708)
AVAILABLE PROFIT 2023	149,343,370
The following is recommended to the General Shareholders' Meeting:	
1) Capitalization of the Occasional Reserves used in 2023.	889,547
2) Capitalization of the 2023 Surplus.	149,343,370
3) Establish an Occasional Reserve - Transforming Regions Fund from the 2023 Profits.	(50,000,000)
4) Establish an Occasional Reserve - Financial Inclusion Fund from the 2023 Profits.	(10,000,000)
TOTAL APPLICATION OF SURPLUS AND MOVEMENT OF RESERVES	90,232,917

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Findeter is a national joint-stock company, exclusively composed of public entities. According to Article 30 of Act 1328 of July 15, 2009, which amends Article 21 of the Organic Statute of the Financial System, "it shall not be subject to mandatory investments and shall not distribute profits in cash among its shareholders."

22. Other Comprehensive Income - OCI

As of March 31, 2023, and December 31, 2023, \$52,791,982 and \$52,226,399, presenting a variation of \$565,582, generated by the effect of the valuation of investments classified as available for sale with changes in OCI for \$718,197, the effect of the application of deferred tax charged to equity for (\$152,615).

23. Portfolio Income

As of March 31, 2024 and 2023, the balances of income derived from the loan portfolio were \$497,057,916 and \$430,391,868 respectively, presenting a variation of \$66,666,048, this increase is mainly due to the increase in the net portfolio by \$1,803,860,889.

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

As of March 31, 2024 and 2023, the balance of the valuation of investments was \$42,914,078 and \$63,566,550, respectively, presenting an increase in profit in the amount of \$-20,652,472, generated mainly by the valuation of the portfolio of debt instruments, especially those indexed to: Reference Banking Indicator, Real Value Unit and Consumer Price Index; with average rates of 8.902%.

25. Interest on operating expenses

25.1 Interest on certificate of deposit

As of March 31, 2024 and 2023, the balance of interest on certificates of deposit was \$297,241,414 and \$249,767,964, respectively, which increased by \$47,473,450, as a result of the increase in liabilities by \$1,895,145,000.

25-2 Interest on financial obligations

As of March 31, 2024 and 2023, the balance of interest on financial obligations was \$37,903,983 and \$45,502,754, suffering a variation of \$7,598,771, mainly generated by the variation in interest rates, which affect IDB loans.

26. Revenues from technical assistance, commissions and other services

As of March 31, 2024 and 2023, revenues recognized for technical assistance, commissions and other services presented a variation of \$1,219,474, going from \$10,141,047 to \$11,360,520, which is detailed below according to the service rendered:

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Technical Assistance (1)	March 31, 2024	March 31, 2023
Territorial Development-Housing	\$ 1,529,380	\$ 2,243,153
Environment -Water	3,521,498	2,623,607
Infrastructure	4,248,348	3,922,159
Transportation and Mobility	1,705,064	-
Other	-	256,162
	<u>\$ 11,004,290</u>	<u>\$ 9,045,081</u>
	March 31, 2024	March 31, 2023
Commissions and Other Services		
Guarantees Water bonds	\$ 387,055	\$ 529,053
Commissions National Guarantees Fund	15,759	59,428
Commissions Availability	9,379	503,134
Commissions Insfopal	176	4,351
Consulting	(66,138)	-
	<u>\$ 346,231</u>	<u>\$ 1,095,966</u>
	<u>\$ 11,360,521</u>	<u>\$ 10,141,047</u>

(1) The increase of \$1,969,209 in the recognition of technical assistance revenues, from (\$9,045,081 in 2023 to \$11,014,290 in 2024), as a result of the higher revenues generated in the different divisions, as well as in the new transportation and mobility line, which billed \$1,705,064.

27. Other income and other expenses

As of March 31, 2024 and 2023, other revenues recorded a balance of \$4,936,495 and \$10,543,043, respectively, presenting a decrease of \$5,606,548, mainly generated by the adjustment in 2023 of the CD rate 0.

Other expenses presented an increase of \$11,376,827, mainly generated by the variation of the following items: personnel expenses for \$5,940,454, Industry and Trade Taxes and Tax on Financial Movements for \$2,261,026, as well as the increase of professional and consulting services derived from the execution of new projects and other expenses for (\$3,175,347).

The increase in personnel expenses is due to the salary increase of 12% in 2024, as well as a higher expense for industry and commerce tax due to the increase in the tax base.

28. Commitments and contingencies

Commitments and contingencies correspond to:

	31 de marzo de 2024	31 de diciembre de 2023
IDB loan pledge (1)	\$ 37,047,892	\$ 62,172,081
Due to litigations (claims) (2)	16,419,305	21,807,158
Approved and undisbursed loans (3)	1,146,661,850	1,122,304,460
Interest on suspended loans (4)	1,356,128	1,315,212
	<u>\$1,201,485,175</u>	<u>\$ 1,207,598,911</u>

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

(1) IDB loan pledge

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

CUD account balance	Amount to cover COP	Coverage 120%
March 31, 2023	March 31, 2023	
\$ 37,047,892	\$ 30,486,159	121%

(2) Corresponds to the claims of the legal processes filed against Findeter, which as of March 31, 2024, add up to 148 processes, including 53 labor and administrative processes, 3 civil processes and 9 administrative processes qualified with medium and low risk, revealed with the value of the plaintiffs' indexed claims, which effectively supports the possible contingency.

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

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

Banking Entity	March 31, 2024	December 31, 2023
Approved Loans - Direct Loan	1,146,661,850	1,122,304,460
	\$1,146,661,850	\$ 1,122,304,460

(4) Suspended interest:

Correspond to interest on loans granted to former employees of the entity, as well as a second floor loan, which have not met the debt service on the obligations acquired. As of March 31, 2024, there are 15 (17 in 2023) loans generating this interest, of which 9 are housing loans (8 in 2023), 6 consumer loans (8 in 2022).

(5) Assignment of Enterritorio S. A. Shareholding.

In accordance with the provisions of paragraph 1 of article 10 of Decree 1962 of 2023, issued by the Ministry of Finance and Public Credit, Findeter acts as shareholder of the company Nacional Promotora del Desarrollo Territorial S.A., with a total of 5,068,623 shares, which are in the process of formalization by the issuing entity.

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

29. Related-Party Transactions

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

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

Findeter has undertaken the following transactions with related parties:

- a) The following sums were paid to Board members for attending Board and Committee meetings and to Findeter's key personnel:

	March 31, 2024	March 31, 2023
Board Member Fees	\$ 193,131	\$ 111,639
Key Management Personnel Remuneration	1,165,064	893,527
	\$1,358,195	\$1,005,165

- b) As of March 31, 2024 and 2023, Findeter records loan portfolio balances with key Findeter personnel, as detailed below:

	March 31, 2024	March 31, 2023
Loan portfolio	\$4,730,182	\$ 3,986,590

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

- c) In compliance with the provisions of IAS 24 Related Party Disclosures, paragraph 25 Government-Related Entities, Findeter discloses the information stated in paragraph 26, considering that the Colombian Government exercises joint control or significant influence over each of the companies that make up the Bicentenario Group through its participation in the board of directors.

Therefore, as of March 31, 2024 and 2023, the transactions recorded by Findeter in its financial statements with entities of the Bicentenario Group are detailed, identifying their nature:

Balance as of March 31, 2024							
Item	Banco Agrario	National Development Financial Institution	National Savings Fund	National Guarantees Fund	Positiva	Fiduciaria La Previsora	Total
Banks	-	-	-	3,487,120	-	175,725	3,662,845
Investments	-	-	-	160,395,023	-	19,928,059	180,323,082
Portfolio	14,609,869	215,390,346	-	-	-	-	230,000,215
Accounts receivable	12,641	978,649	-	209,020	-	1,916,153	3,116,463
Accounts payable	-	-	-	251,851	-	504,031	755,882
Income	511,638	11,032,377	-	8,698,954	-	2,373,160	22,616,129
Expenses	-	-	-	3,416,858	413,276	14,521	3,844,655

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Notes to the Condensed Interim Financial Statements

As of March 31, 2024, and December 31, 2023

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

Balance as of March 31, 2023									
Item	Banco Agrario	National Development Financial Institution	National Savings Fund	National Guarantees Fund	Positiva	Finagro	Empresa Nacional Promotora del Desarrollo Territorial	Fiduciaria La Previsora	Total
Banks	-	-	-	1,109,192	-	-	-	157,145	1,266,337
Investments	-	-	-	146,872,265	-	-	-	1,980,186	148,852,451
Portfolio	21,465,978	358,179,171	-	-	-	-	-	-	379,645,148
Accounts receivable	409,141	10,689,723	-	894,365	-	-	-	-	11,993,229
Securities issued	-	-	55,000,000	90,000,000	20,000,000	97,835,000	-	10,000,000	272,835,000
Accounts payable	-	-	204,218	19,931,038	-	-	-	7,345,313	27,480,569
Income	695,660	13,112,448	-	10,366,407	-	-	-	-	24,174,515
Expenses	-	-	-	3,029,912	333,290	-	-	-	3,363,202

30. Events After the Reporting Period

Between March 31, 2024, and May 15, 2024, date of the report of the Independent Auditor MAZARS COLOMBIA S.A.S., there are no events that impact the condensed interim financial statements that should be disclosed, or that may affect the financial position, the prospects of Findeter or that may cast doubt on its continuity.

31. Approval of Financial Statements

The condensed interim information and accompanying notes were approved by Management on April 30, 2024. The financial results were presented to the Board of Directors and the Legal Representative, in accordance with Minutes No. 426, dated April 30, 2024.

FINANCIERA DE DESARROLLO TERRITORIAL S. A. – FINDETER

Certification of Financial Statements

May 15, 2024

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

That for the issuance of the statements of financial position as of March 31, 2024, and December 31, 2023, and statements of comprehensive income, changes in equity, and cash flows, for the one-year periods ended on those dates, and that in accordance with the regulations they are made available to the Shareholders and third parties, and the assertions contained therein have been previously verified and the figures have been faithfully taken from the books.

For the issuance of the financial statements as of March 31, 2024, and December 31, 2023, including the statements of comprehensive income, changes in equity, and cash flows for the one-year periods ending on those dates, and in accordance with the regulations, these are made available to the Shareholders and third parties. The statements have been verified, and the figures have been faithfully taken from the books.

INGRID CATALINA
GIRALDO CARDONA
Ingrid Catalina Giraldo Cardona
Legal Representative

Digitally signed by INGRID
CATALINA GIRALDO CARDONA
Date: 2024.05.15 13:12:34 -05'00'

JOSE MIGUEL
SALCEDO
RAMIREZ
José Miguel Salcedo Ramírez
Public Accountant
Professional License 126408–T

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JOSE MIGUEL
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Date: 2024.05.15
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