



**END-OF-YEAR MANAGEMENT REPORT
2023**

TITULARIZADORA COLOMBIANA S.A
BOGOTÁ
CALLE 72 NO 7- 64 PISO 4

FEBRUARY 2024

Basic Information of the Issuer

Titularizadora Colombiana S.A.
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Titularizadora Colombiana S.A. (hereinafter “Titularizadora” or the “Company”) is a joint stock company (*Sociedad Anónima*) whose purpose is to acquire and mobilize mortgage and non-mortgage assets, including to structure, advise and act as manager for the securitization of such assets, as well as to issue securities and place them through public or private offerings.

Scope

Titularizadora Colombiana has prepared this report for the year 2023 to inform stakeholders about the evolution of the business, economic, administrative, and legal statuses, as well as the corporate framework of the company and the financial results for the reporting period. This report was structured according to the guidelines set in Article 47 of Law 222/1995, amended by Article 1 of Law 603/2000, and other standards that supplement or amend the Management Report’s minimum requirements. Additionally, the report incorporates directives from Public Notice 031/2021 and 012/2022 concerning the disclosure of social and environmental matters, including climate-related issues and the Periodic End-of-Year Report, issued by the Financial Superintendence of Colombia, as well as norms that further detail requirements for securitization companies, along with information pertaining to the Corporate Governance Report (Corporate Governance Analysis Chapter).

Introduction

The year 2023 witnessed a slowdown in the global economic recovery amid unrelenting inflationary pressures from 2022, delaying the easing of restrictive monetary conditions. Geopolitical conflicts such as Russia’s invasion of Ukraine and the Israel-Palestine conflict led to rising food and energy prices.

Locally, the government maintained a contractionary monetary policy to stabilize prices, while pushing structural reforms that continued to restrict supply and caused market uncertainty and volatility. Fiscal policy remained restrictive, though it was somewhat relaxed through targeted short-term aids aimed at easing cost-of-living pressures. These normalization efforts offered a brief respite for demand. Yet, this key economic driver showed minimal signs of recovery as investment levels continued to decline. Under these circumstances, the Central Bank is likely to continue reducing intervention rates to further boost demand, although this effort may be hindered by inflation trends and potential disruptions from external events like the El Niño phenomenon.

Overall, nearly all economic sectors fell short of expectations, particularly industry, construction, and commerce. In the real estate sector, for instance, home sales plummeted by 44.9%, with 130,851 units sold compared to the previous year's 237,405. Nevertheless, the economy saw significant gains such as a decrease in unemployment, the Colombian peso's appreciation against the dollar (partially due to record-high remittances), and increased aggregate demand following a rise in the minimum wage, indicating a slow but promising recovery.

Finally, the issuances carried out by Titularizadora Colombiana throughout 2023 allowed it to stand out in the issuer market. Two issuances related to vehicle loans, TIV V-5 and TIV V-6, were conducted with Finanzauto S.A. and Banco Finandina S.A. BIC as the originators, respectively, demonstrating the Company's commitment to seeking investment alternatives for the Colombian market during periods of high volatility.

Economic Environment

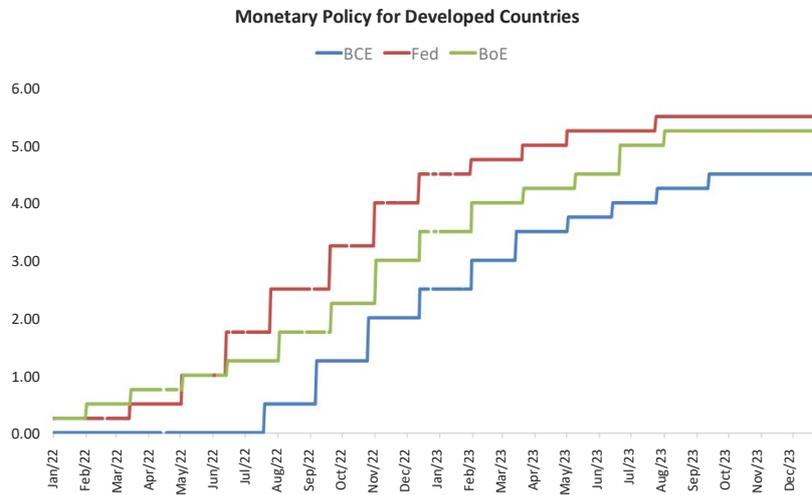
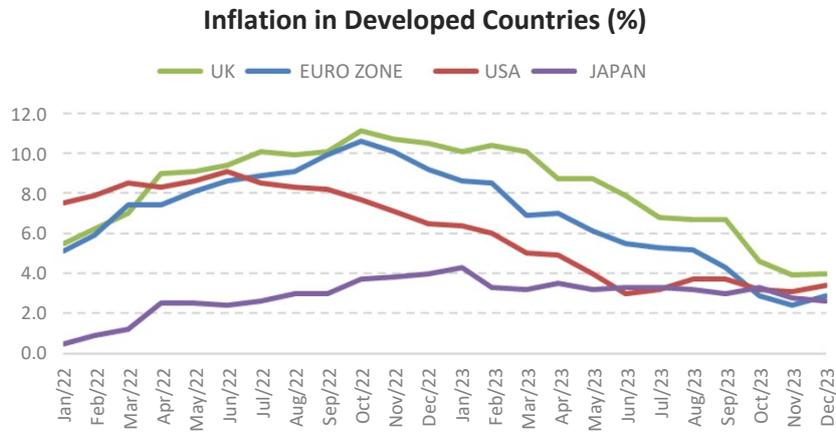
International Markets

In 2023, several of the previous year's conditions persisted, particularly in the first half of the year, including restrictive monetary policies in developed nations, the Russia-Ukraine conflict, and an economic slowdown, which continued to fuel uncertainty and volatility in financial assets. The early opening of the Chinese economy significantly eased supply chain restrictions and increased the availability of goods and services, positively impacting international trade normalization. This facilitated a global de-inflationary process, alleviating consumer strain and providing central banks the opportunity to conclude their restrictive monetary policies of raising rates by the third quarter.

Monetary policy normalization kept interest rates high throughout the year, impacting the real economy and driving up fixed-income asset rates until the third quarter. A significant shift in expectations occurred in the final quarter, spurred by better-than-expected inflation outcomes and impacts on economic growth, prompting central banks in developed countries, particularly the Federal Reserve and the European Central Bank, to modify their rhetoric. This change set market expectations for an earlier start to the reduction of intervention rates in 2024 than previously anticipated.

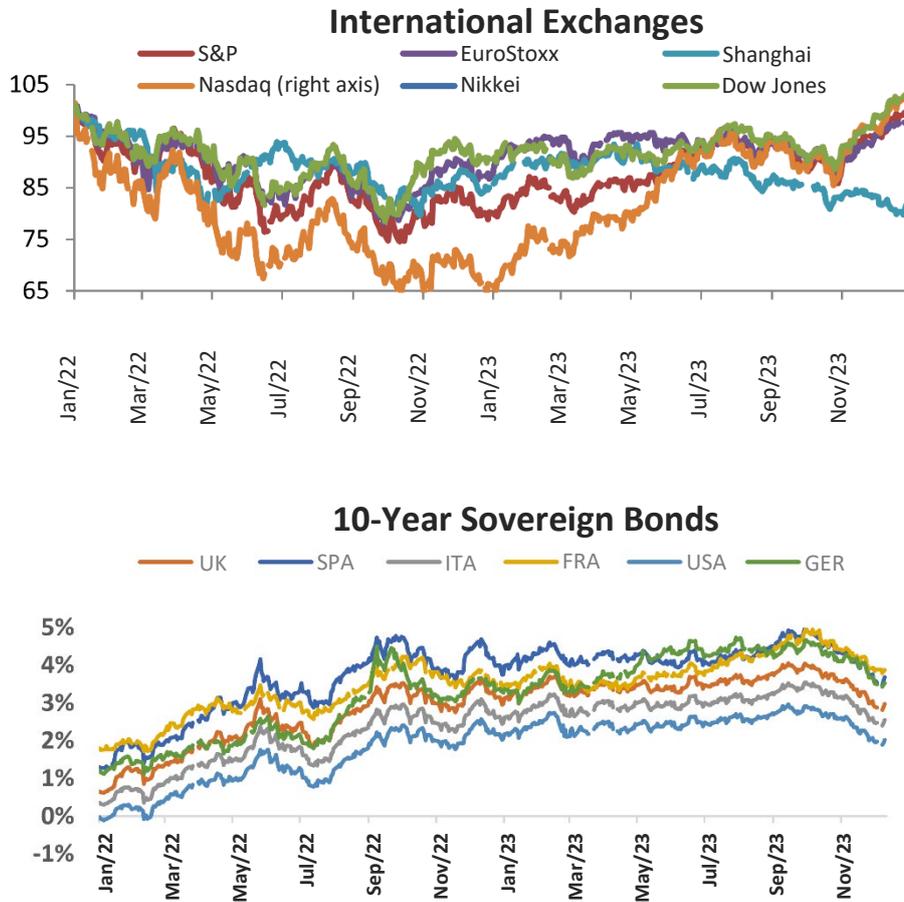
Despite the high-interest rate environment, stock market indices in developed countries showed strong performance throughout the year, contrasting with the downturn in 2022. Lower inflation expectations, reduced interest rates by year's end, and a resilient economy that did not decelerate as much as predicted a year earlier were significant, along with technological advancements like artificial intelligence, which influenced global productivity and economic dynamics. The divergent trend among these assets was notable in China's index, affected by its economic slowdown, challenges in the real estate sector, and escalating debt levels.

FIGURE 1. INFLATION BEHAVIOR AND MONETARY POLICY IN MAJOR ECONOMIES



Source: Bloomberg

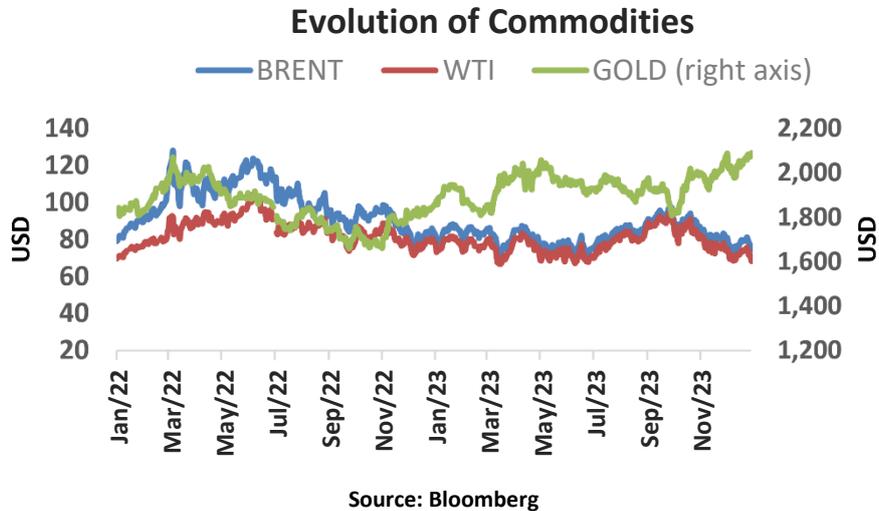
FIGURE 2. PERFORMANCE OF MAJOR STOCK INDICES AND 10-YEAR SOVEREIGN BONDS



Source: Bloomberg

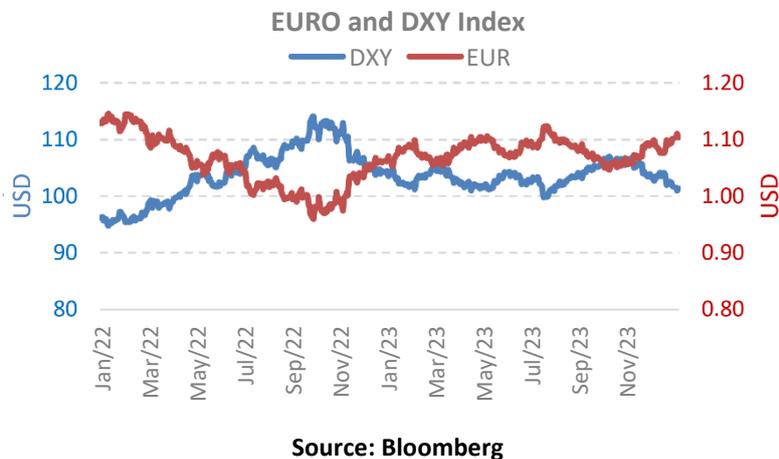
Commodities exhibited relatively less volatility this year, although they were still influenced by geopolitical factors and global economic slowdown expectations, particularly in the oil sector. Gold prices significantly rose throughout the year amid uncertainty, as it was regarded as a safe-haven asset.

FIGURE 3. PERFORMANCE OF THE COMMODITIES MARKET

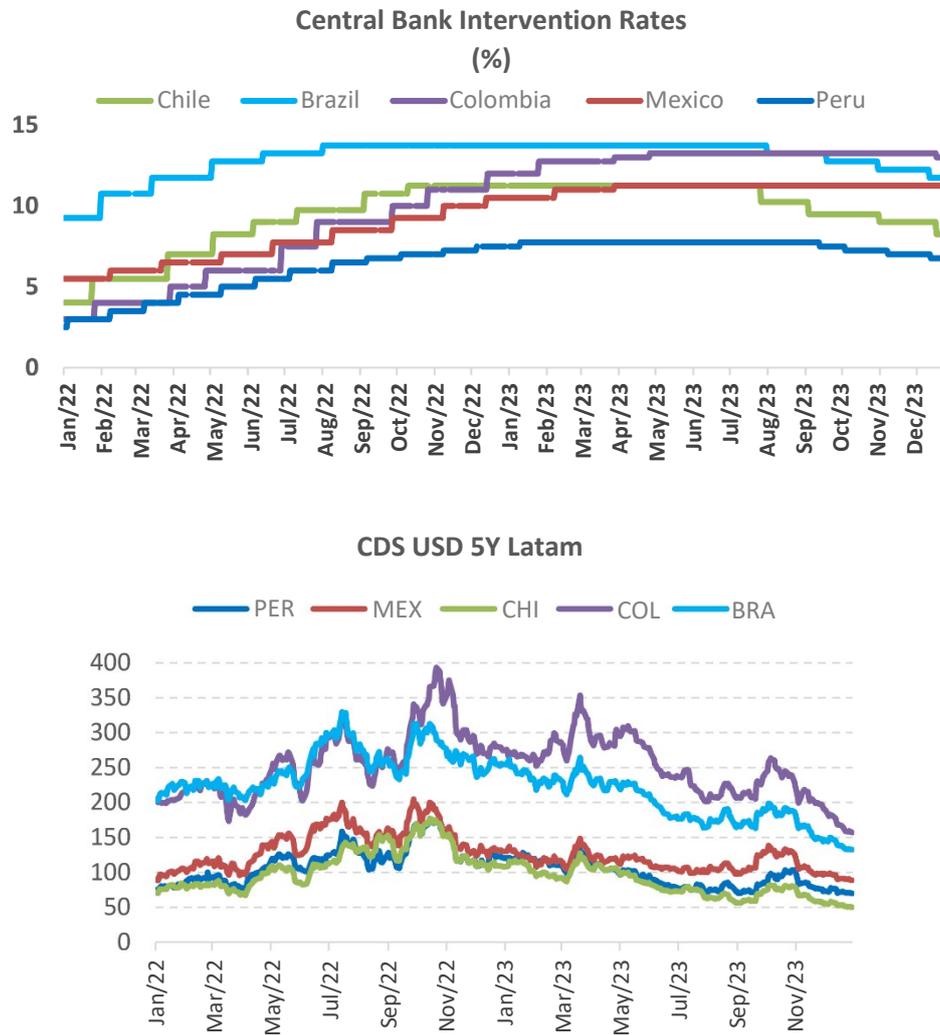


Over the course of the year, the dollar weakened, a trend that intensified towards the end, influenced by expectations of Federal Reserve rate cuts in 2024. Consequently, currencies like the Euro, the Pound, and the Yen, among others, strengthened, a reversal from the previous year.

FIGURE 4. BEHAVIOR OF THE EURO AND THE DXY INDEX



In Latin American emerging markets, central banks generally started to lower interest rates, encouraged by stable inflation rates throughout the year and concerns over economic slowdowns. Overall, the region saw an improvement in risk premiums, which decreased from the previous year.

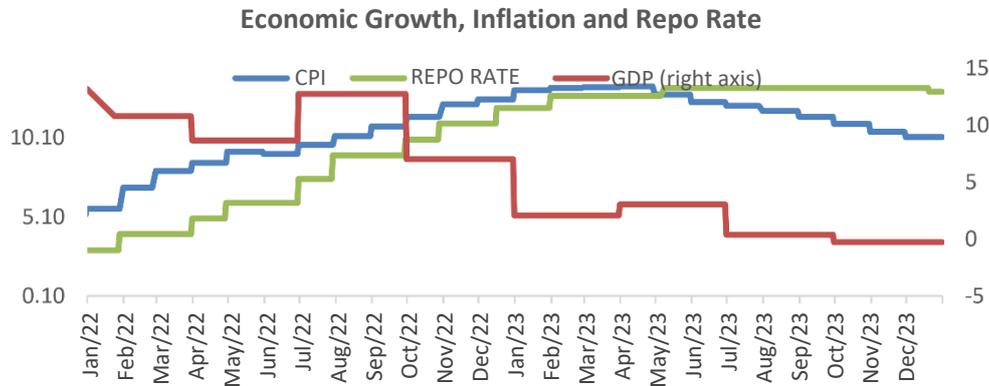
FIGURE 5. BEHAVIOR OF THE MONETARY POLICY AND CDS IN LATAM ECONOMIES


Source: Bloomberg

Local Markets

The local market experienced a significant economic slowdown, not only reflected by the growth of the Gross Domestic Product (GDP), but also by indicators such as retail sales and industrial production. The economy sustained high levels of inflation throughout the year, which only significantly decreased at the end of the year, preventing the Banco de la República from adopting a more flexible and expansive monetary policy.

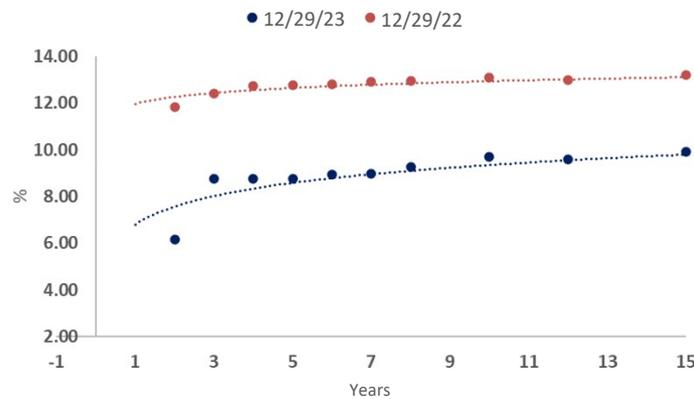
Similarly, political factors related to statements by government members and reforms proposed by the Executive to the Legislature contributed to uncertainty and volatility, mirroring the previous year. However, the outcomes of the regional elections in October reshaped the government's political capital and bolstered institutional stability, reducing uncertainty.

FIGURE 6. ECONOMIC GROWTH, INFLATION AND REPO RATE


Source: Bloomberg

In the local Fixed Income market, private debt pressures persisted due to regulatory aspects associated with the implementation of Basel III and the Net Stable Funding Ratio (NSFR), keeping corporate spreads high throughout most of the year. Regulatory adjustments later in the year, starting in late August, enhanced system liquidity and aided in narrowing spreads in the final quarter.

FIGURE 7. EVOLUTION OF THE COLOMBIAN PESO VS 5-YR CDS AND TES FIXED RATE YIELD CURVE

Fixed Rate TES Yield Curve


Source: Bloomberg

In public debt, Treasury Securities (TES) appreciated significantly (averaging a 390 basis-point increase) due to declining inflation and anticipations of a rate cut cycle commencement by the Banco de la República. Additionally, pension fund demand offset foreign supply, contributing to the securities' appreciation.

Regarding the currency, the Colombian peso showed improved performance compared to 2022, due to better external market conditions and increased risk appetite, as well as sustained high oil prices throughout most of the year. This heightened risk appetite also manifested in a reduced risk premium, which dropped to the year's lowest level.

In the Securities Exchange, Fixed Income issuances continued to underperform because of high-interest rates. Total issuances for the year reached COP 3.2 trillion, which was 30% higher than in 2022 but 69% lower than in 2021. The average bid-to-cover ratio was 1.41, with only eight issuers participating, mostly in the latter half of the year.

Description of the Issuances

Mortgage Loans. TIPS – TIS- TECH

TIPS are securities backed by mortgage loans denominated in Pesos or in Real Value Units (UVR, for the Spanish original); they are offered with terms of 5, 10, 13 and 15 years, and are originated by Bank and Non-bank entities. Senior tranches of the issuances typically carry a triple-A (AAA) rating and are traded on the Colombia Securities Exchange. The TIS are securities backed by mortgage loans and are denominated in Pesos; they are issued at fixed rates and offered with terms of 10 years. The underlying assets are disbursed by Non-bank Originators supervised by the Financial Superintendence of Colombia. The issuances are structured with investment-grade ratings and are traded on the Colombian Securities Exchange. TECH makes reference to securities backed by non-performing mortgage loans (over 120 days past due) originated by Banking Entities. Their yields are derived from the cash flows from the recovery of assets (auctions, assets received in lieu of payment, restructuring). The securities have a AAA rating and are traded on the Colombian Securities Exchange.

TIN Real Estate Securities

TIN is an investment program whose objective is to securitize real estate assets to enable investors to join a group of equity security investors backed by first-tier real estate properties. Tax Identification Number (TIN) investors are entitled to income from monthly rental payments under economic exploitation contracts, with profitability also deriving from the commercial appreciation of the real estate portfolio over time. Some of the advantages and benefits for the investor include: (i) stabilized real estate; (ii) monthly yield distribution; (iii) stable and attractive returns corresponding to moderate-conservative risk; (iv) an independent expert team with extensive experience; and (v) robust corporate governance and institutional support.

TIL Payroll Loans

Securities backed by a consumer loan portfolio, with payments deducted via payroll loans denominated in Colombian Pesos, originated by both Banking and Non-Banking Originators. The senior series have a contractual maturity of five years and may feature a successive purchase structure that temporarily allows for the acquisition of new portfolios with the scheduled and pre-paid amortizations by debtors. The high origination and management standards required by the Master Administration process ensure optimal management of the loan portfolios and the good performance of the issuances. The issuances have a AAA rating.

TILIS Unrestricted Investment Portfolio

Securities backed by a freely investable consumer portfolio denominated in Colombian pesos, originated by both banking and non-banking entities. The issuances have a term of five years and may include a successive purchase structure that temporarily allows the acquisition of new portfolios with the scheduled and early repayments made by the borrowers. The high origination and management standards required by the Master Administration process ensure optimal management of the loan portfolios and the good performance of the issuances. These issuances are expected to receive an AAA rating.

TER Commercial Loans

The securities are backed by commercial credit obligations originated by second-tier banks. These securities are tied to the Consumer Price Index (CPI). The securities have 12-year maturities and a AAA rating. The risk of prepayment is mitigated by the possibility of acquiring loans that meet the eligibility criteria defined from the start. The securities are traded on the Colombian Securities Exchange.

TIV Vehicle Loans

Securities backed by vehicle loans classified as consumer loans, granted to individuals by Bank and Non-bank originators. The senior securities have a contractual maturity of five years and may also include a successive purchase structure that enables temporary acquisitions of new portfolios with the planned and early repayments by the borrowers. The high origination and management standards required by the Master Administration process ensure optimal management of the loan portfolios and the good performance of the issuances.

Over the course of its market presence, Titularizadora Colombiana has successfully placed the issuances as detailed in **Figure No. 8**, with the amounts per product line displayed in **Chart No. 1**, and the tranche composition specified in **Chart No. 2**.

CHART 1. BALANCE OF SECURITIES AND PERCENTAGE PENDING PAYMENT (AMOUNTS IN TRILLION OF PESOS)

Product	Balance issued	Current balance
Mortgage - Pesos	16.02	1.15
Mortgage - UVR	7.42	0.77
TECH	0.41	0.00
Payroll	0.33	0.01
Commercial	0.23	0.02
Vehicle	0.52	0.32
Real estate	0.26	0.26
Total	25.19	2.53

Source: Prepared by TC

FIGURE 8. HISTORICAL TC ISSUANCE

2002 TIPS UVR E1 COP 479 billion E2 COP 588 billion	2003 TIPS UVR E3 COP 464 billion E4 COP 328 billion	2004 TIPS UVR E5 COP 370 billion E6 COP 647 billion TECH E1 COP 183 billion E2 COP 172 billion	2005 TIPS UVR E7 COP 445 billion TECH E3 COP 50 billion
2006 TIPS UVR E8 COP 809 billion TIPS Pesos E1 COP 268 billion E2 COP 355 billion	2007 TIPS UVR E9 COP 313 billion TIPS Pesos E3 COP 334 billion E4 COP 378 billion E5 COP 312 billion	2008 TIPS UVR E10 COP 238 billion TIPS Pesos E6 COP 208 billion E7 COP 370 billion E8 COP 385 billion E9 COP 401 billion	2009 TIPS Pesos E10 COP 505 billion E11 COP 443 billion E12 COP 386 billion E13 COP 246 billion
2010 TIPS UVR E11 COP 181 billion E12 COP 360 billion E13 COP 345 billion TIPS Pesos E14 COP 518 billion E15 COP 614 billion E16 COP 2.4 trillion	2011 TIPS Pesos N1 COP 239 billion N2 COP 303 billion N3 COP 379 billion	2012 TIPS Pesos N4 COP 385 billion N5 COP 399 billion N6 COP 382 billion	2013 TIPS Pesos N7 COP 428 billion
2014 TIPS Pesos N8 COP 154 billion N9 COP 503 billion N10 COP 359 billion	2015 TIPS UVR U1 COP 435 billion TIPS Pesos N11 COP 374 billion TIL Pesos L1 COP 15 billion	2016 TIPS Pesos N12 COP 413 billion N13 COP 353 billion TIS Pesos H1 COP 46 billion TERIPC R1 COP 234 billion	2017 TIPS UVR U2 COP 274 billion TIPS Pesos N14 COP 423 billion N15 COP 456 billion N16 COP 385 billion TIL Pesos L2 COP 123 billion
2018 TIPS UVR U3 COP 506 billion TIPS Pesos N17 COP 315 billion TIL Pesos L3 COP 102 billion TIS Pesos H2 COP 48 billion TIN COP 163 billion	2019 TIPS UVR U4 COP 355 billion TIPS Pesos N18 COP 361 billion N19 COP 407 billion N20 COP 457 billion TIV V1 COP 100 billion	2020 TIL Pesos L4 COP 88 billion TIN COP 100 billion	2021 TIPS Pesos N21 COP 326 billion TIPS UVR U5 COP 242 billion TIV V2 COP 51 billion
2022 TIPS UVR U6 COP 40 billion TIV V3 COP 66 billion V4 COP 75 billion	2023 TIV V5 COP 63 billion V6 COP 169 billion		

Source: Prepared by TC

CHART 2. COMPOSITION OF THE SECURITIES BALANCE. (AMOUNTS IN BILLIONS OF PESOS)

Issue	A	B	MZ	C	TOTAL
Tips U-1	-	50,763	25,318	3,324	79,405
Tips U-2	44,297	37,705	7,164	4,713	93,879
Tips U-3	160,289	-	17,146	6,738	184,173
Tips U-4	126,142	44,732	5,783	3,709	180,366
Tips U-5	168,281	18,517	2,953	3,544	193,296
Tips U-6	35,114	4,993	-	-	40,108
Pesos N-5	-	-	4,167	1,937	6,105
Pesos N-7	-	-	13,647	4,076	17,723
Pesos N-9	-	31,552	3,676	2,483	37,711
Pesos N-10	-	16,185	5,299	-	21,484
Pesos N-11	-	25,781	7,342	-	33,123
Pesos N-12	-	53,609	-	-	53,609
Pesos N-13	24,494	38,832	-	-	63,326
Pesos N-14	21,425	44,881	5,428	-	71,734
Pesos N-15	18,656	45,789	6,701	2,234	73,380
Pesos N-16	24,673	37,681	6,785	1,884	71,022
Pesos N-17	25,609	30,788	6,004	1,539	63,940
Pesos N-18	111,237	10,364	1,785	1,785	125,171
Pesos N-19	129,395	10,763	5,000	2,000	147,158
Pesos N-20	149,764	2,489	4,950	2,250	159,453
Pesos N-21	159,632	23,772	-	-	183,404
Pesos H-1	-	7,230	-	-	7,230
Pesos H-2	10,539	7,855	-	-	18,394
Pesos L-4	-	8,012	-	1,558	9,570
TER IPC R-1	-	17,538	-	-	17,538
TIV V-2	9,400	10,000	-	1,000	20,400
TIV V-3	13,715	14,300	-	520	28,535
TIV V-4	25,445	16,800	-	-	42,245
TIV V-5	47,679	13,291	-	-	60,970
TIV V-6	115,229	49,014	-	-	164,243
TOTAL	1,421,014	673,236	129,148	45,294	2,268,691

Source: Prepared by TC

SUMMARY OF THE 2023 ISSUANCES.

The restrictive monetary policy of central banks persisted throughout 2023 due to ongoing inflationary pressures, which in some instances initiated a rate reduction cycle, increasing volatility and elevating rates for fixed-income assets both locally and internationally. Additionally, the local market contended with persistent political uncertainty due to proposed structural reforms across various sectors, as well as liquidity demands from credit institutions that increased the cost of private debt. This situation resulted in very brief favorable market windows, complicating the execution of issuances.

During the year there were no investor concerns related to the underlying assets of the issuances or with the evolution of their main indicators.

Two credit-related issuances were completed over the year. In November, the fifth issuance of the Vehicle Loan Portfolio Trust V-5, originated by Finanzauto S.A., took place:

CHART 3. SUMMARY OF ISSUANCE TIV-5

Issue	Portfolio	Series A Securities	Subordinated Securities	Issued
TIV V-5	63,291	50,000	13,291	63,291

Source: Prepared by TC. * Figures in millions of Colombian Pesos.

The issuance received an AAA rating from Fitch Ratings and was carried out through firm demand on the main market via the Securities Exchange. The amount offered for Series A was COP 50 billion. The bid-to-cover ratio was 1.01, relative to the offered amount and the offered interest rate was 15.80% per annum. This issuance was primarily placed with pension and severance funds (63%), though it also involved collective investment funds (20%), financial service companies (17%), and a small portion went to various legal entities (0.1%).

Regarding the Vehicle Loan Portfolio TIV V-6, this marked the first vehicle portfolio issuance by a banking originator, specifically Banco Finandina S.A. BIC, conducted in November:

CHART 4. SUMMARY OF ISSUANCE TIV-6

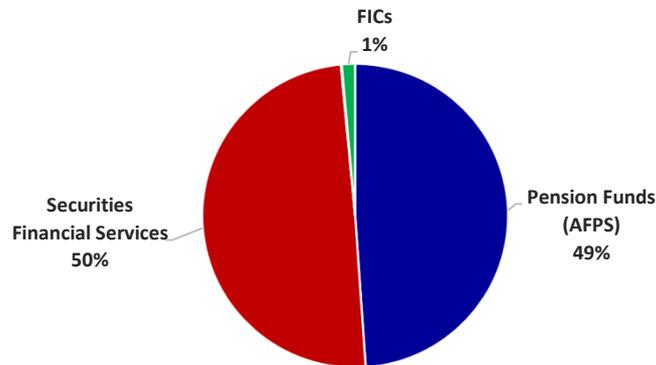
Issue	Portfolio	Series A Securities	Subordinated Securities	Issued
TIV V-6	169,014	120,000	49,014	169,014

Source: Prepared by TC. * Figures in millions of Pesos

The issuance received an AAA rating from Fitch Ratings and was carried out through firm demand on the main market via the Securities Exchange. The offered amount for Series A was COP 120 billion. The bid-to-cover ratio was 1.19, relative to the offered amount and the offered interest rate was 15.00% per annum. This issuance was predominantly placed with financial service companies (50%) and pension and severance funds (49%).

As an innovative structural feature, the issuance included an implicit swap that enabled the issue of a fixed-rate Series A security, catering to investor preference, backed by a portfolio denominated in IBR. Series A carries no basis risk due to higher subordination levels, prioritized payments, and the protection offered by the subordinated securities, which are indexed to the IBR.

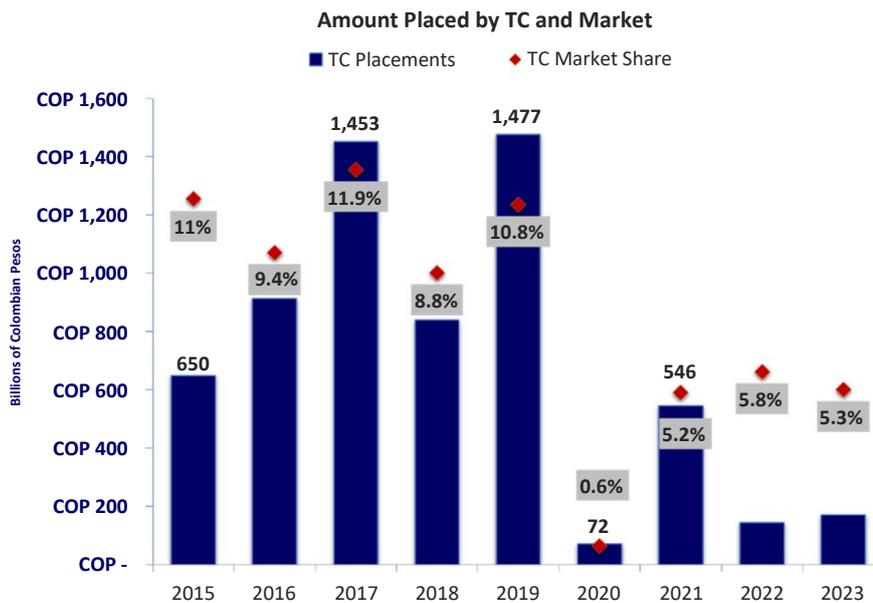
FIGURE 9. SHARE BY SEGMENT (NUMBER OF PORTFOLIOS)



Source: Prepared by TC

With the two (2) issuances completed, Titularizadora captured a 5.3% share of the year's fixed income issuances through the Securities Exchange, as depicted below:

FIGURE 10. TC SHARE OF BVC ISSUANCES



Source: bvc, calculations by TC

In 2023, there were 72 issuances of credit-related securities, totaling COP 25.76 trillion in portfolio value and managing a portfolio balance of COP 2.6 trillion by December 2023.

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Glossary

Term	Definition
APIs	An Application Programming Interface (API) is a set of protocols that allows different software applications to communicate and share data and functionalities.
ESG	It refers to Environmental, Social and Governance factors.
Bid-to-cover	This ratio measures the demand for a particular security during offerings and auctions.
AIP	Assets received in Lieu of Payment for Loans, either by award in an auction or directly from the Debtor, in accordance with the rules established in the Administration Contracts.
CFEN	Acronym in Spanish for Net Stable Funding Coefficient.
FRECH Coverage	It is the conditioned coverage granted by the national government to debtors from FRECH resources, in order to promote housing for individuals in accordance with FRECH regulations, which consists in a financial trade calculated over the agreed interest rate of the Mortgage Loans for new housing, in accordance with the conditions and requirements indicated in the FRECH regulations.
Good Governance Code	Titularizadora's Good Governance Code, including adjustments and amendments made from time to time, is available on the website www.titularizadora.com .
Non-VIS Loans	These are mortgage loans denominated in UVR or Colombian Pesos with a fixed interest rate for their duration that (i) meet the conditions of Article 17 of Law 546/1999 and its implementing regulations, intended for financing non-social interest housing as defined by Laws 388/1997, 546/1999, Decrees 4429/2005, 2190/2009, or subsequent modifications, and (ii) for mortgage loans with FRECH and Additional Coverage, comply with (x) the criteria set out in the FRECH Regulations and (y) the conditions stipulated by the Authorized Seller for granting Additional Coverage.
VIS Loan	They are Mortgage Loans denominated in UVR or Colombian Pesos granted to provide subsidized financing for low-income housing in accordance with the conditions set out in Article 17 of Law 546/1999 and its regulatory provisions, and the requirements to obtain family housing subsidies in accordance with the terms set out in Law 388/1997, Law 546/1999, Decree 4429/2005 and Decree 2190/2009 or any provisions that amend or replace them, including VIS Loans guaranteed by FNG, if applicable.
Mortgage Loans	VIS and Non-VIS Mortgage Loans are considered together, including those with and without FRECH coverage as applicable, along with Linked Loans, VIS Loans with FNG Guarantee, including Mortgage Guarantees, and Mortgage Loans acquired by the Universality as a result of Mortgage Loan Substitution.
Associated Loans	These are mortgage loans denominated in UVR or Colombian Pesos, provided to debtors of non-VIS or VIS loans exclusively as part of the relief measures

	detailed in Decrees 2331/1998 and 688/1999, or subsequent legislation, as well as Fogafin's Public Notice 011/1999. These loans must meet the following criteria: (i) they have been issued by the respective Authorized Seller, or this seller owns them having purchased them from Fogafin; (ii) they are secured by the same mortgage guarantee as the non-VIS or VIS loan; and (iii) they are not subject to a judicial collection process.
Issue	The process of issuance of Securities at the exclusive expense and backing of the Aggregate, which have identical characteristics and whose purpose is to be subscribed and put into circulation in the securities market, as part of the Issuance and Placement Program.
Bylaws	Titularizadora's Bylaws, including adjustments and amendments made from time to time, which are available on the website www.titularizadora.com .
Ethical Hacking	Ethical hacking, involves conducting security assessments using the same techniques as hackers but with the proper approval and authorization from the organization being hacked.
Issuance Date	It is the date on which the Public Offer is formalized by means of issuance of the final Prospectus to the National Securities and Issuers Registry (RNVE, for the Spanish original) and bvc in the terms set out in Decree 2555/2010.
FRECH	Acronym in Spanish for Reserve Fund for the Stabilization of Mortgage Loans defined in Article 48 of Law 546/1999, which is managed by the Colombian Central Bank (Banco de la República) in the terms defined by the national government.
Mortgage Collateral	It is the mortgage encumbrance established by the Debtor as backing for repayment of the Mortgage Loans.
IBR	Benchmark Banking Indicator (IBR). The IBR is a short-term benchmark interest rate denominated in Colombian Pesos, reflecting the rate at which banks are willing to lend or borrow funds in the monetary market.
ICMA	The International Capital Market Association, which issues the Principles of Social and/or Environmental Bonds, structured the guidelines for the Social Securitization Framework.
IPVN	Acronym in Spanish for New Housing Price Index.
IPVU	Acronym in Spanish for Used Housing Price Index.
Loan to Value (LTV)	The Loan to Value (LTV) ratio is commonly used in mortgage transactions to determine the percentage relationship between the loan amount and the appraisal value of the property used as collateral.
Main Market	The market in which the securities registered in the RNVE in accordance with Part 5 Book 2 Title 1 of Decree 2555 are traded, in which the securities are offered to the general public.
Secondary Market	It is the market where previously issued securities that are in circulation and are held by investors are traded.
Issuance Amount	It is the amount for which a securities Issuance is made as a result of the mechanisms for the placement of the First and Second Batch.

Non-VIS	Homes not included in the low-income housing sector.
SDG	The Sustainable Development Goals defined by the UN.
Second-Party Opinion (SPO)	It is the Second-Party Opinion issued by an Independent Third Party to verify that the securitization process fulfills the guidelines defined in the Social Framework for Securitization and that the SOCIAL TIPS meet the criteria to be considered Specific-purpose Securities of a Social Nature.
Selection Parameters	They are the characteristics and conditions that must be fulfilled by the Mortgage Loans in order to be acquired by Titularizadora from the Authorized Seller.
Internal Control System (ICS)	<p>The ICS comprises policies, principles, standards, procedures, and mechanisms for verification and evaluation implemented by the Company, involving governance bodies and all employees to ensure a reasonable degree of assurance in achieving strategic objectives. The goals include:</p> <ul style="list-style-type: none"> • Enhancing efficiency in operational activities. • Preventing and mitigating internal and external fraud. • Managing risks effectively. • Improving the reliability and timeliness of information. • Complying with applicable regulations. • Safeguarding the organization's assets. • Preventing and mitigating acts of corruption.
SDNC	It means a situation of non-conformance of the Mortgage Loans in the terms defined in the Master Purchase and Sale Agreements and in the Purchase and Sale Agreements.
Substitution of Mortgage Loans	An obligation on the account of the Authorized Seller in performance of the Master Purchase and Sale Agreements whenever the Mortgage Loans do not meet the Selection Parameters defined by Titularizadora
Weighted Average Rate of Loans	It is the weighted average rate of the Mortgage Loans at the end of each month.
TECH	Securities backed by non-performing mortgage loans (over 120 days past due) originated by Banking Entities. Their yields are derived from the cash flows from the recovery of assets (auctions, assets received in lieu of payment, restructuring). The securities have a AAA rating and are traded on the Colombian Securities Exchange.
TER	These securities are backed by secured loans originated by second-tier banks. These securities are tied to the Consumer Price Index (CPI).
TIL	Securities backed by discounted consumer payroll loans denominated in pesos originated by Bank and Non-bank originators.
TILIS	Securities backed by a freely investable consumer portfolio denominated in Colombian pesos, originated by both banking and non-banking entities.
TIN	TIN is an investment program whose objective is to securitize real estate assets to enable investors to join a group of equity security investors backed by first-tier real estate properties.

TIPS	Securities backed by mortgage loans denominated in Pesos or in Real Value Units (UVR, for the Spanish original) and offered in terms of 5, 10, 13 and 15 years, originated by Banking Entities. They typically have a AAA rating. The securities are traded on the Colombian Securities Exchange.
IRR	Internal Rate of Return.
TIS	Securities backed by mortgage loans denominated in Pesos, issued at fixed rates and offered with 10-year terms. The underlying assets are disbursed by Non-bank Originators supervised by the Financial Superintendence of Colombia. The issuances are structured with investment-grade ratings and are traded on the Colombian Securities Exchange.
TIV	Securities backed by vehicle loans classified as ordinary loans granted to individuals by Bank and Non-bank originators.
UVR	Acronym in Spanish of Real Value Unit.
VIP	Top-priority low-income housing.
VIS	Low-income housing that fulfills minimum requirements (acronym in Spanish for "Housing of Social Interest").
Renewal VIS	Low-income housing with loan renewals.
Warehousing	It makes reference to prepurchases of loans, consisting in putting together a significant number of Eligible Loans in a Special Purpose Vehicle (SPV) to reach the amount required to carry out their securitization in the public market. This term also refers to purchasing securities to facilitate the placement of issues and enhance the investment portfolio's profitability.

Part One - General Aspects of the Operation

I. Description of the Business Purpose

(I) Evolution of the Business Plan

The focus in the short term was on maximizing the securitization of non-mortgage portfolios to broaden the diversification of underlying assets. The current high-interest rate market environment and investor expectations for participating in competitive issues compared to other private debt instruments have spurred the securitization of portfolios with higher interest rates. In November, two Vehicle Loan Portfolio issuances were executed, the TIV V-5 and TIV V-6, totaling COP 232.304 billion. These issuances have established Titularizadora Colombiana as the foremost entity in the Vehicle Loan Portfolio securitization segment, with over COP 650 billion securitized. The TIV V-5, originated by Finanzauto S.A., was successfully placed in the market, raising COP 63.291 billion. The TIV V-6, amounting to COP 169.013 billion, marked the first Vehicle Loan Portfolio securitization by a banking originator, Banco Finandina S.A. BIC. This issuance was the first to include an implicit swap of the vehicle credit portfolio in IBR and a fixed-rate security issuance.

Over the medium and long term, Public Notice 025 of 2022 regarding the interest rate risk of the banking book, along with regulations adopted in alignment with Basel Committee standards—covering the Net Stable Funding Ratio (NSFR), solvency ratio, and limits on large exposures and risk concentration—will enhance securitization as a tool for managing balance sheet risks. Originators will effectively manage regulatory adjustments and optimize their balance sheets and funding sources. Simultaneously, Titularizadora Colombiana intends to expand into securitizing additional consumer portfolios.

The Company will continue proactive management of its investment portfolio to maximize its equity value. This strategy includes diversifying the Warehousing model—a portfolio and securities purchasing strategy—to maximize issuance opportunities and enhance mortgage and other portfolio securitizations.

(II) Income-producing Economic Activities

Asset securitization remains the company's primary income source, encompassing both the structuring and management of issues. However, given the tough market conditions for private debt issuers, characterized by high-interest rates and general liquidity reduction, income from the investment portfolio has become crucial in diversifying the Company's income streams and enhancing equity returns. Moreover, the implementation of securities Warehousing has been established as a mechanism for profitability and further securitization.

(III) Competitive Market Conditions

The economic environment in 2023 was marked by continuous increases in interest rates, driven by both supply and demand inflationary pressures, and a general aversion to risk. This environment has led to reduced private debt placements through the bvc, largely due to market volatility, low investor appetite, and operational risks. In response, Titularizadora Colombiana has aimed to provide investors with alternative investment instruments to CDTs to diversify their portfolios, alongside alternative funding sources for originators.

Nationally, compliance pressures from the CFEN have precipitated a rapid increase in the cost of bank funding, elevating the significance of the securitization mechanism locally as a tool for cost optimization and balance sheet risk management.

(IV) New Products

Titularizadora Colombiana has been dedicated to developing securitizations with new products and originators amid challenging economic conditions, particularly high bank funding costs and market uncertainty. These conditions adversely affected the development of issuances. Nevertheless, in the final quarter of the year, declining inflation trends, anticipated interest rate cuts by the Bank of the Republic, and improved rates on National Government Securities created market opportunities. This revitalized the issuance placements, introducing two Vehicle Loan Portfolio-backed securitizations to the market.

Additionally, within the new products, both current and non-current consumer portfolios stand out, as do portfolios with various levels of delinquency. With regard to new originators, entering new banking entities aims to maximize the utilization of raw materials for securitization.

Given the significant opportunities securitization offers, it is anticipated that the initiatives developed throughout 2023 will materialize, relating to the implementation of new securitization products tailored to the needs of both banking and non-banking originators across different market segments. This effort is supported by innovative and efficient financial structures, distinctive marketing schemes, and a robust master administration model that ensures the process's integrity for all parties involved, thereby maximizing the benefits of securitization for both originators and investors.

- **MORTGAGE AND HOUSING LEASING PORTFOLIO FOR BANKING AND NON-BANKING ORIGINATORS**

Efforts were made to structure a mortgage portfolio issuance in Colombian Pesos, which importantly includes Housing Leasing contracts as part of the underlying assets. Given favorable market conditions and investor interest, the aim is to finalize the issuance's placement in the first half of 2024 and to bring in new originators to increase the frequency of mortgage securitizations.

- **BANK AND NON-BANK VEHICLE LOAN ORIGINATORS**

In November 2023, Titularizadora Colombiana successfully issued two securitized Vehicle Loan Portfolio, TIV V-5 and TIV V-6.

In 2024, we will continue to develop this product, building on the progress made with significant new originators in the sector.

- **PAYROLL AND FREE INVESTMENT PORTFOLIO FOR BANKING AND NON-BANKING ORIGINATORS**

2023 posed significant challenges for these portfolios, with capital market volatility and increased levels of delinquent loans causing considerable resistance in the public investment market against securitizations backed by these assets.

Throughout the year, Titularizadora Colombiana analyzed the payroll and free investment portfolios of various banking originators, conducting several structural and business case studies. However, due to market uncertainties and rising interest rates, optimizing the closure of these business cases was not feasible.

In relation to linking new bank originators, given the need of entities to enhance their financial indicators, interest was garnered from several institutions to undergo the operational readiness process and to develop financial exercises aimed at assessing the market launch of securitization processes for these portfolios in 2024. Similarly, non-bank originators from various market segments were identified, with whom commercial outreach was developed to initiate issuance activities in the second half of 2024.

(V) Intellectual Property Compliance Status

Additionally, for the effects of compliance with the requirements of Article 1, Section 4 of Law 603/2000, which amended Article 47 of Law 222/1995 in connection with intellectual property and copyrights, Titularizadora Colombiana S.A - Hitos (Milestones) declares that it complies and abides by the regulations and policies on intellectual property and copyrights, in connection with the various services and products used to perform its work.

(VI) Seasonality of Revenues

In this section we clarify that Titularizadora's revenues are not cyclical, seasonal or occasional, because the source of its revenues is not of such nature.

(VII) Intellectual Property List

Titularizadora, in compliance with intellectual property regulations, has duly registered or deposited its trademarks and other distinctive signs at the Superintendence of Industry and Commerce (SIC). It is currently the owner with exclusive rights of use over the distinctive signs that identify its products and services in the market, which mainly include (I) the deposit of the trade name “Titularizadora Colombiana S.A.”; (II) the commercial motto “a house for all”; and (III) the nominative or mixed brands that identify the various products that make up the portfolio of Titularizadora (TIP’S, TECH, TIS, TIL, TER, TIF, TIN, TIV, TILIS, HITOS).

The Company is also the exclusive owner of the property rights of the HITOS (Milestones) development and its components, to which end all relevant procedures were carried out before the National Copyrights Directorate.

Under the above framework, Titularizadora manages the protection over the distinctive signs it owns through their registration or deposit with the Superintendence of Industry and Commerce (SIC), and the timely renewal of the trademark registration in order to prevent them from expiring. Also, considering the risk of any violations, the Company has adopted the controls necessary to prevent the unauthorized use by third parties of the distinctive signs, primarily through surveillance and the periodic review of the Industrial Property Gazette published in the SIC, to verify that no third parties are interested in registering distinctive signs that are similar, or that could lend themselves to confusion regarding the products and services offered by Titularizadora, and by opposing before the SIC any request to register distinctive signs that are similar or could lend themselves to confusion for third parties.

(VIII) Human Resources

In 2023, a hybrid work attendance system was maintained, offering three (3) options for attendance and five (5) different schedules to enhance employee quality of life and increase productivity. The 45-hour work week continues to be enforced, constituting nine (9) hours daily, including a mandated midday rest hour as per legal requirements.

The Occupational Safety and Health Management System (SG-SST) supports programs focused on Healthy Lifestyles, Mental Health, and Epidemiological Surveillance (prioritized) to promote self-care and enhance employee well-being. The Perceived Morbidity survey was conducted, enabling the design and implementation of Osteomuscular Schools and active breaks within the Epidemiological Surveillance Program based on the survey findings.

In collaboration with the ARL, workplace inspections were carried out at home to assess and monitor the physical conditions of work and determine necessary improvements, which were implemented by the end of 2023. Action and improvement plans established

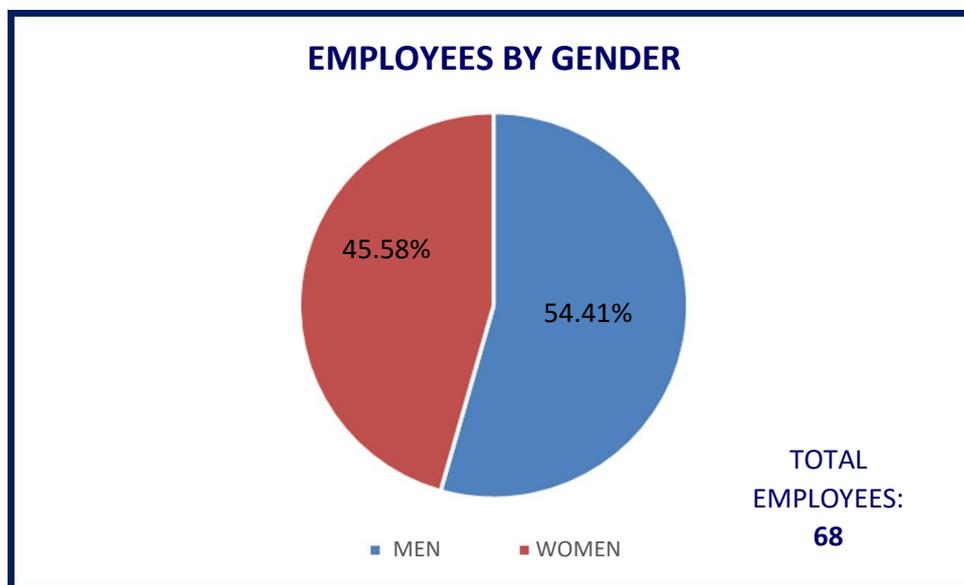
in 2022 were executed, and some were adapted for 2023 based on the outcomes of the organizational climate and psychosocial risk survey. The activities of 2023 primarily focused on the leadership development of the executive team through both individual and group coaching sessions aimed at transforming the leadership culture, fostering a new mindset, and creating new habits to address business challenges.

The program UN CAFÉ CON PROPÓSITO (A Coffee with a Purpose) was implemented, which consists in a quarterly meeting of employees with the CEO of the Company, as an opportunity for dialogue, reflection, comments and suggestions related to the workplace environment, etc., from which improvement plans were devised by the Risk and Quality department.

Efforts to advance corporate sustainability persisted, centering on digital transformation, updating and strengthening of productivity, life-work balance, project-based management, and innovation in response to new trends. During 2023, with the aim of strengthening organizational culture, we focused on training and the implementation of digital processes and the formulation of the HITOS (Milestones+) Core Business application project. The company promoted participation in online training programs and developed virtual programs for both employees and their families.

The figure below summarizes the total number of employees and its changes:

FIGURE 11. NUMBER OF EMPLOYEES



NOTE: (INCLUDES INTERNS, SENA, AND FIXED-TERM EMPLOYEES)

In 2022, out of 65 employees, 28 were women and 37 were men. In 2023, of the 68 employees, 31 are women and 38 are men, representing a 2% increase in female employment over the total workforce.

The Higher Education benefit was reinstated, designed to fund specialized education for roles requiring advanced degrees or certifications. Employees contribute 10% of the total cost, while the Company provides 12 monthly legal minimum wages for analysts and 25 monthly legal minimum wages for directors towards these educational expenses. Chosen institutions must be listed in the international and national higher education rankings.

CHART 5. EMPLOYEE BENEFITS SUMMARY

APPROVED BENEFITS 2023-2024	COP 115,220,000
PAYMENTS MADE IN 2023	COP 61,343,850
OUTSTANDING PAYMENTS 2024	COP 53,876,150

Source: Prepared by TC

This benefit was granted to eight (8) employees (7 analysts, 1 director) from the Financial Control, Technology, Organizational Management, Operations, and Asset Recovery departments.

As part of the Company's comprehensive training agenda, a total of COP 92.4 million was invested in conferences, seminars, refresher courses, and leadership programs.

(VIII) Quality Management

The primary goal of the Company's Quality Management System (QMS) is to maximize the efficiency of products and services to deliver value to customers and stakeholders, underpinned by the standardization and optimization of processes, reducing errors, and identifying improvement opportunities.

In July, the external audit for the ISO 9001:2015 recertification was conducted by ICONTEC for the period 2023-2026. The audit concluded that the organization has established and maintained its management system in accordance with the standards' requirements and those of the organization, demonstrating the system's ability to meet stakeholder requirements and its focus on continuous improvement. No findings were reported, and several strengths were identified. Related below are some of the most relevant:

- The analysis of international and national contexts carried out by Titularizadora in its strategic planning process, relating to key macroeconomic indicators, enables the organization to develop strategies and actions across its processes for each product line, contributing to the financial robustness of Titularizadora.
- The ongoing improvement activities of the Master Administration processes have achieved higher efficacy levels than in previous periods.

- The information on the organization’s website and the IR certification by the Colombian Securities Exchange provide financial data and information that assist clients in their decision-making processes.
- The methodology for managing non-financial risk applied across the organization's processes adheres strictly to the directives set by the Financial Superintendence of Colombia.

(IX) Behavior of the Issues and Loan Portfolios

At year-end 2023, the loan portfolio assets are composed of mortgage loans, discounted consumer payroll loans, vehicle loans and commercial loans.

- **MORTGAGE LOANS**

The balance of the loans in the issuances at December 2023 was COP 2.19 trillion. This balance is represented by 52,925 individual housing loans; 74% of the balance is in Non-VIS loans and 26% in VIS loans.

For the year 2023, the active mortgage portfolio closed with 24 issuances. 20% of the housing portfolio is covered by FRECH, which is a benefit offered by the national government to cover a percentage of the agreed interest rate remuneration for the loans, pursuant to the terms established in the Law. The loans covered by FRECH continue to perform well.

The following is a breakdown of the mortgage loans by issuance:

CHART 6. Breakdown of Loans by Type of Principal Balance AT DECEMBER 31, 2023 (COP BILLION)

ISSUE	UVR	%	PESOS	%	Overall Total	%
PESOS N-4			17,761,735,394	1%	17,761,735,393.98	1%
PESOS N-5			20,844,144,992	2%	20,844,144,992.47	1%
PESOS N-7			32,443,259,205	2%	32,443,259,204.77	1%
PESOS N-9			63,353,896,075	5%	63,353,896,075.32	3%
PESOS N-10			34,762,092,447	3%	34,762,092,446.91	2%
PESOS N-11			42,300,776,043	3%	42,300,776,042.75	2%
PESOS N-12			66,953,520,916	5%	66,953,520,916.30	3%
PESOS N-13			76,225,538,694	6%	76,225,538,694.44	3%
PESOS N-14			82,683,037,660	6%	82,683,037,659.94	4%
PESOS N-15			89,112,304,697	7%	89,112,304,697.18	4%
PESOS N-16			84,062,735,754	6%	84,062,735,754.38	4%
PESOS N-17			72,928,998,977	5%	72,928,998,977.32	3%
PESOS N-18			130,925,981,824	10%	130,925,981,823.58	6%
PESOS N-19			151,249,859,046	11%	151,249,859,045.62	7%

PESOS N-20			168,178,549,900	12%	168,178,549,900.39	8%
PESOS N-21			191,702,894,618	14%	191,702,894,617.83	9%
PESOS H-1			9,281,176,037	1%	9,281,176,037.00	0%
PESOS H-2			21,204,769,967	2%	21,204,769,967.00	1%
UVR U-1	98,245,734,137	12%			98,245,734,137.33	4%
UVR U-2	100,878,419,875	12%			100,878,419,874.86	5%
UVR U-3	203,452,014,489	24%			203,452,014,489.07	9%
UVR U-4	199,115,009,578	24%			199,115,009,578.44	9%
UVR U-5	194,691,450,438	23%			194,691,450,437.58	9%
UVR U-6	40,885,104,853	5%			40,885,104,853.19	2%
TOTAL	837,267,733,370	100%	1,355,975,272,247	100%	2,193,243,005,618	100%

Source: Prepared by TC

At the end of 2023, the ratio of the loan principal balance over the value of the guarantee, or Loan-to-Value ratio (LTV), remains at favorable levels; 86% of the mortgage loans had a LTV ratio of less than 50%, 10% have a LTV ratio between 50% and 70%, and only 4% have a ratio above 70%.

CHART 7. Balance of LTV TIPS issuances PRINCIPAL BALANCES AT DECEMBER 31, 2023 (COP BILLION)

LTV Range	Balance	%
0%-50%	1,943,148	86%
50%-70%	217,243	10%
>70%	32,852	4%
Total Loan Portfolio	2,193,243	100%

Source: Prepared by TC

- **CONSUMER PAYROLL LOANS**

The consumer portfolio balance with Payroll Loan discounts closed the year 2023 with a principal balance of COP 13 billion, represented by 2,320 loans. The distribution by type of company for the operational agreements is 59.9% private sector, 5.9% public sector, 0.5% mixed companies, and 33.7% without an operational agreement, categorized as Ex-Payroll Loan.

- **VEHICLE LOANS**

The balance of vehicle loans at December 2023 was COP 338 billion; this balance increased during the year thanks to two issuances of assets of this type. This balance is represented by 7,623 loans originated by Finanzauto S.A. and Banco Finandina S.A. BIC, with 82.24% being private vehicles and 17.76% for public service.

The successive purchase mechanism for the TIV Pesos V-2 issuance will remain active until February 2024, according to the terms set forth in the prospectus and regulations

of each issuance. During 2023, the mechanism of successive purchases for issuance V-3 ended, pursuant to the contracts.

- **COMMERCIAL LOANS**

At the end of 2023, the balance of commercial loans was COP 19 billion, represented by five (5) rediscounted loans managed by FINDETER, and whose performance was as planned with no prepayments.

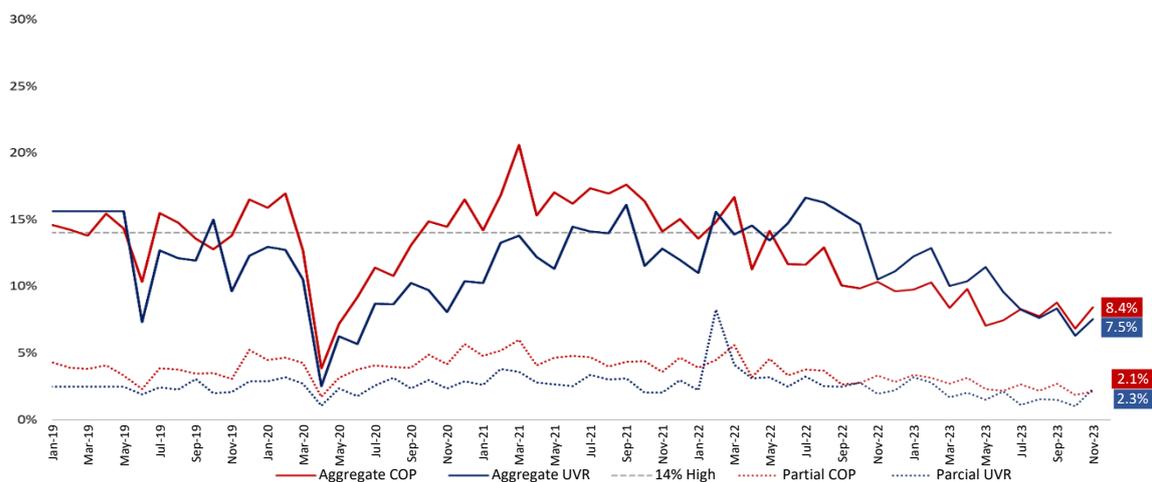
(X) Loan Prepayments

“Prepayment” is defined as a full or partial early repayment of the principal balance of the loans in the issuances, and in the securitized portfolios it is measured by means of an annualized index (amount of prepayments of principal over the principal of the loans at the beginning of the period).

- **MORTGAGE LOANS**

The average prepayment index for issuances denominated in Colombian pesos during the year was 8.53%, differing from the last 2 years' downward trend, with seasonality cycles maintained. The UVR-denominated portfolio recorded a decrease in its prepayment level, with an average index of 9.64% in 2023, compared to 14.20% in the preceding year, mainly due to the rise in inflation increasing the cost of installments for this type of loan.

Figure 12. Evolution of mortgage portfolio prepayment:

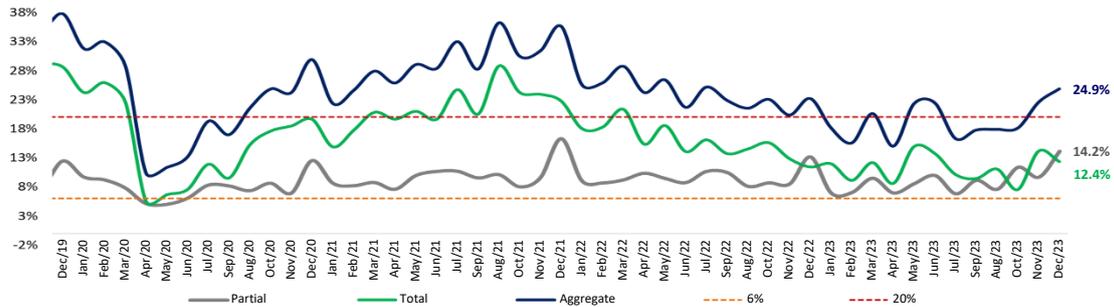


Source: Prepared by TC

- CONSUMER PAYROLL LOANS

For the payroll loan portfolio, the annualized average prepayment rate over the last twelve months was 19.33%, lower than the previous year's 24.08%, affected by refinancing of mature credits.

Figure 13. Evolution of the prepayment of the Payroll Loan Consumer Portfolio

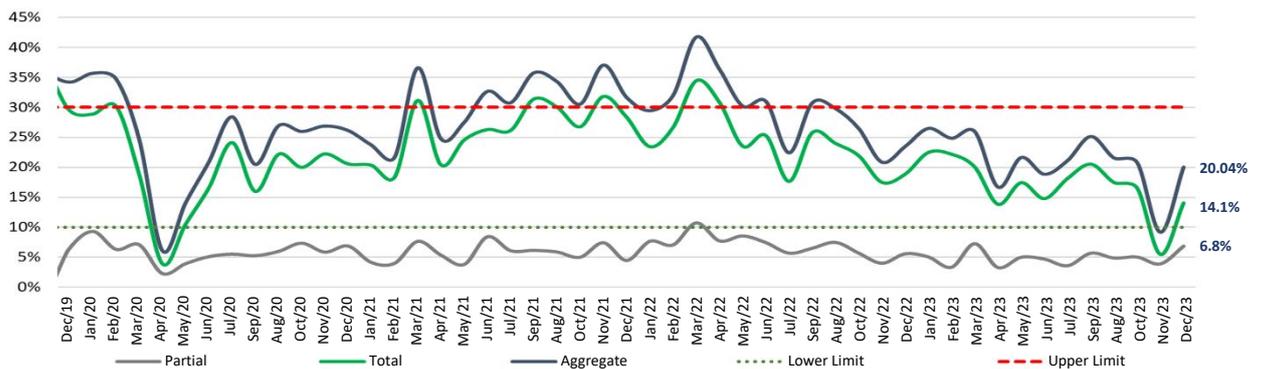


Source: Prepared by TC

- VEHICLE LOANS

For the vehicle loan portfolio, the observed prepayment rate for 2023 averaged 20.66%, lower than the 28.18% recorded in 2022. Prepayment continues according to annual seasonality cycles. Portfolio purchases totaling COP 17.083 billion were made during the year for the V-2 issuance.

Figure 14. Evolution of the prepayment of the Vehicle Loan Portfolio



Source: Prepared by TC

(XI) Loan prepayments

- MORTGAGE LOANS

Despite significant inflation and increased financing costs in variable-rate indexed loans during 2023, the good payment habits of the securitized portfolio's debtors helped keep delinquency levels within the expected limits, as evidenced by the strong past-due

indicators achieved by various issuances. Particularly, the portfolio’s excellent performance, relative to the maximum projected default levels, has sustained the highest credit ratings for the TIPS.

The figures below illustrate the level of arrears exceeding 120 days compared to the projected levels in the worst-case scenario for each month of the issuances in both UVR and Colombian Pesos, highlighting the outstanding performance of the securitized portfolios throughout 2023.

FIGURE 15. BASELINE SCENARIO OF HARVESTS OVERDUE >120 DAYS – ISSUANCES PESOS

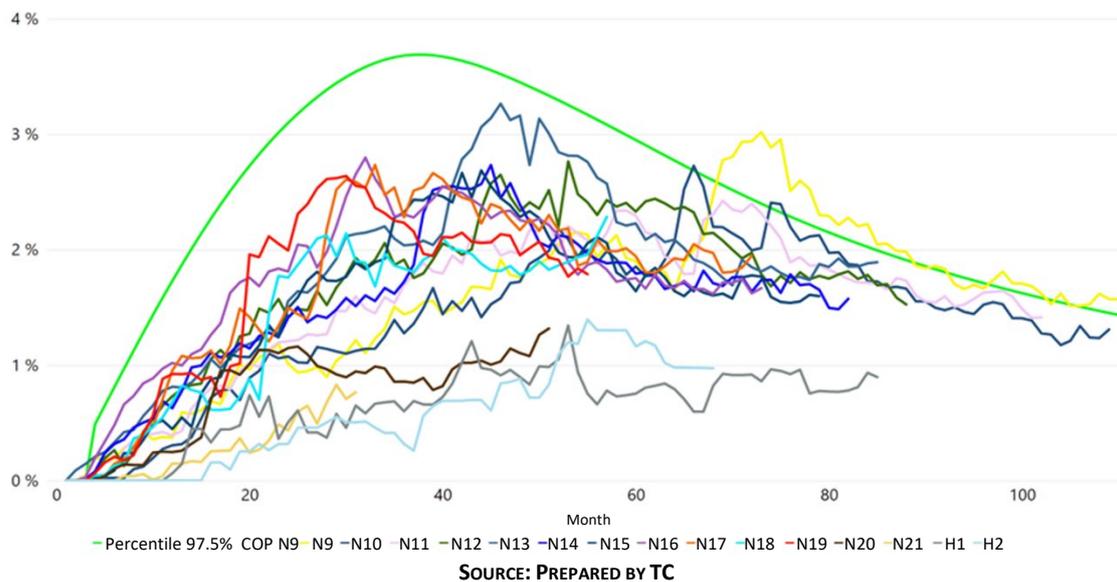
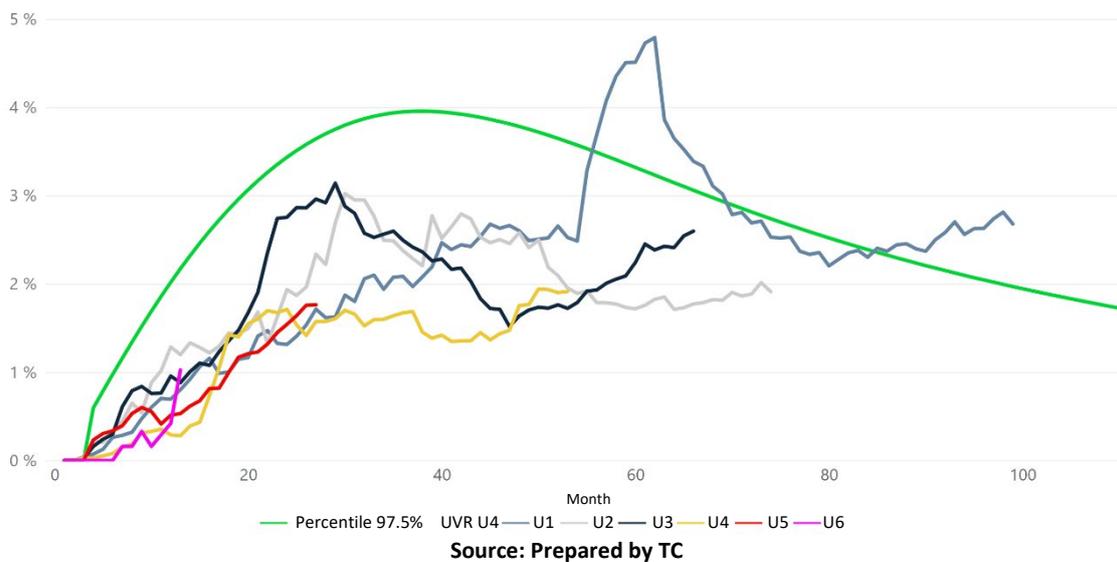


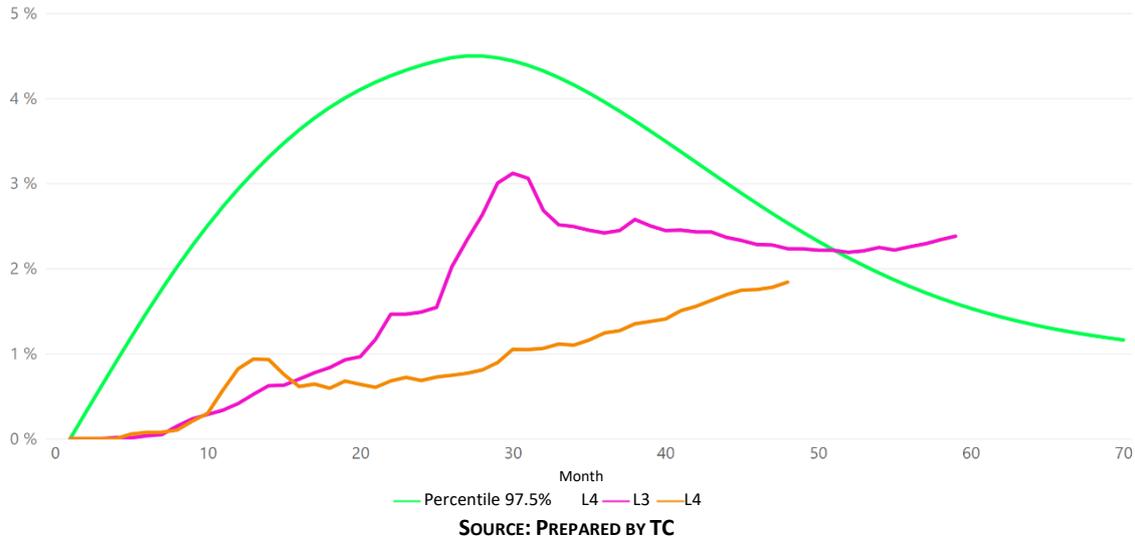
FIGURE 16. BASELINE SCENARIO OF HARVESTS OVERDUE >120 DAYS – ISSUANCES UVR



- **CONSUMER PAYROLL LOANS**

At the end of 2023, the securitized consumer payroll loan portfolio displayed good repayment behavior, with a stable behavior of impairment of loans more than 90 days past due, within the forecast past-due scenarios for each of the issuances.

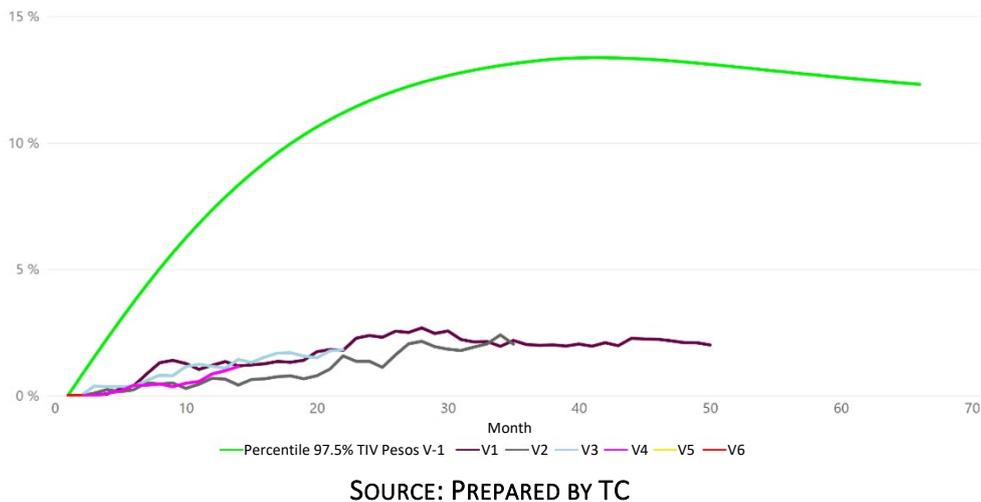
FIGURE 17. EVOLUTION OF DELINQUENCY GREATER THAN 90 DAYS TIL COLOMBIAN PESOS ON THE BALANCE AS OF THE ISSUANCE DATE - WITH RECOVERY.



- **VEHICLE LOANS**

At year-end 2023, the securitized portfolio of vehicle loans displayed excellent repayment behavior, which enabled maintaining impairment levels below the minimum expected overdue levels, with no effect on payments on principal of the associated securities.

FIGURE 18. EVOLUTION OF DELINQUENCY GREATER THAN 90 DAYS TIV COLOMBIAN PESOS ON THE BALANCE AS OF THE ISSUANCE DATE - WITH RECOVERY.



- **COMMERCIAL LOANS**

At year-end 2023, the securitized portfolio of commercial loans displayed optimal performance behavior in TER R-1.

CHART 8. MORA TER R-1 (COP MILLION)

Overdue rate TER R-1		
Overdue Range	No. of loans	Balance
Current	5	19,096
From 31 to 60	-	-
From 61 to 90	-	-
From 91 to 120	-	-
Over 120	-	-
Total	5	19,096

SOURCE: PREPARED BY TC

(XII) **Assets Received in Lieu of Payment**

Assets received in lieu of payment arise from the total or partial repayment of a loan, either at the request of the debtor (payment in kind) or through legal channels (auction, award or insolvency agreement).

In the mortgage loan portfolio at the close of 2023, Titularizadora reports an inventory of eight (8) properties with a book value of COP 1.013 billion, distributed by issuance.

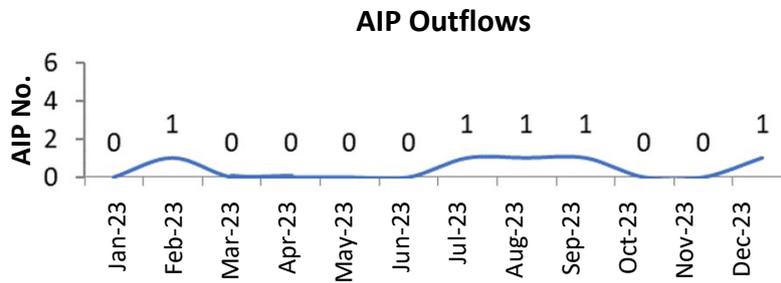
CHART 9. AIP by Issuances (COP MILLION).

ISSUE	AIP NUMBER	VALUE
UVR U-1	1	94
PESOS N-9	2	141
PESOS N-10	1	67
PESOS N-11	1	164
PESOS N-12	1	143
PESOS N-14	1	73
Total	8	1,013

SOURCE: PREPARED BY TC

Sales from the mortgage portfolio of Assets Received in Payment were standard, with five (5) properties sold during the year.

Figure 19. Performance of AIP Sales- AIP OUTFLOWS IN 2023



SOURCE: PREPARED BY TC

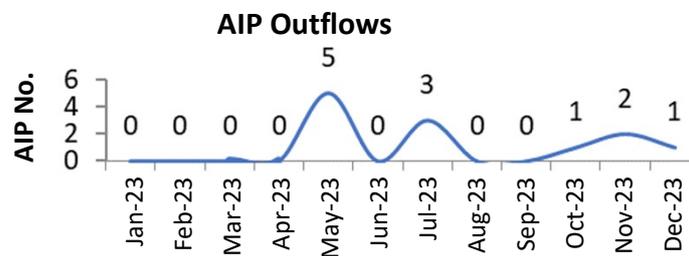
In the vehicle consumer loan portfolio at year-end 2023, Titularizadora had an inventory of one (1) vehicle with a carrying value of COP 33 million.

CHART 10. Consumer Loans AIP by Issue (COP MILLION)

ISSUE	AIP NUMBER	VALUE
TIV V-2	1	33
Total	1	33

SOURCE: PREPARED BY TC

Figure 20. Performance of AIP Sales- AIP OUTFLOWS IN 2023



SOURCE: PREPARED BY TC

The commercialization of the vehicle consumer loan portfolio of assets received in lieu of payment reported the sale of twelve (12) vehicles during 2023.

(XIII) Securitized Loan Managers

- **MORTGAGE LOANS**

The following is the distribution of mortgage loan issuances by Manager at December 2023:

CHART 11. Mortgage Loan Managers. AMOUNTS IN MILLIONS OF PESOS

MANAGER	PRINCIPAL	NUMBER OF LOANS	% PRINCIPAL
BANCO DAVIVIENDA S.A	1,220,719	27,594	56%
BANCO BCSC	393,847	11,987	18%
BANCOLOMBIA	314,676	5,029	14%
FONDO NACIONAL DEL AHORRO	142,425	4,885	6%
BBVA COLOMBIA	34,587	867	2%
CONFIAR - Cooperativa Financiera	30,486	1,426	1%
ITAU CORPBANCA COLOMBIA S.A	15,619	175	1%
CREDIFAMILIA COMPANIA DE FINANCIAMIENTO S.A.	40,885	962	2%
Total Loan Portfolio	2,193,243	52,925	100%

SOURCE: PREPARED BY TC

The performance indicator results during the year and the re-certification process of each entity assures that the assets are managed in accordance with the standards and levels established in the initial certification.

- **CONSUMER PAYROLL LOANS**

As of December 2023, the following were the loans of the Consumer Payroll Loan issuances:

CHART 12. Consumer Payroll Loan Managers. AMOUNTS IN MILLIONS OF PESOS

MANAGER NAME	PRINCIPAL	NUMBER LOANS	% PRINCIPAL
COMPENSAR	13,244	2,320	100%

SOURCE: PREPARED BY TC

This manager's performance and management is within the established standards and levels, in view of the results of the established indicators on loan management processes.

- **SECURITIZED COMMERCIAL LOANS**

The performance and management of the commercial loan manager "FINDETER" is within the standards and levels established at the time it was certified, in view of the results of the performance indicators obtained for the loan management processes.

- **SECURITIZED VEHICLE LOANS**

Management of the securitized loan portfolio by Finanzauto S.A. and Banco Finandina S.A. BIC meets the defined performance standards, in view of the performance indicator results, which are within the levels established at the time of its initial certification.

As of December 2023, the loan portfolio for vehicle issuances, covering six (6) issuances, was as follows:

CHART 13. Securitized Vehicle Loan Managers. AMOUNTS IN MILLIONS OF PESOS

MANAGER	PRINCIPAL	NUMBER OF LOANS	% PRINCIPAL
FINANZAUTO S. A	174,680	5,029	52%
BANCO FINANDINA S.A. BIC	163,106	2,594	48%
Total Loan Portfolio	337,786	7,623	100%

SOURCE: PREPARED BY TC

- **INTERNAL MASTER ADMINISTRATION PROCESSES**

Titularizadora maintains a master administration process for 35 issuances and 13 operators with satisfactory results for the year 2023. This is all within a framework of measurement, control, and strict monitoring according to asset management standards. Similarly, continuous improvement processes have been applied that have allowed us to redefine certain control activities, increasing the use of technology, simplifying tasks, and maintaining operational risk levels.

At the end of 2023, certification processes were advanced with three new originators for vehicle, consumer, and mortgage loans. In this same context, a consumer loan product certification process was completed for a banking originator with experience in mortgage securitization.

Throughout 2023, the business core update project – HITOS (Milestones) – was completed, which upgraded the application to a modern technological architecture. This enhancement facilitates the integration of new technologies and strengthens usability, availability, navigability, security, and the user experience for both internal and external users of the business application in master administration.

(XIV) Real Estate Securitization TIN

The portfolio at year-end 2023 consists of 96 real estate properties distributed in 20 Colombian cities and municipalities, valued at COP 506,133 million.

The prospectus establishes concentration thresholds by industry, geographic location, number of lessees, type of property and minimum investment amount, aimed at mitigating specific contingencies of the industry during adverse economic periods.

The current real estate portfolio complies with the established limits by geographic location and type of property. Additionally, the program now has a seven-year timeframe (extended from five to seven years in the 2023 TIN ordinary meeting) to meet concentration and lessee sector limits, which are being achieved through the acquisitions from tranche 3 and those planned for future tranches.

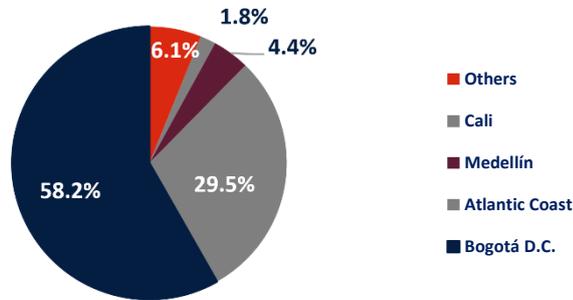
Given the concentration limits established in the Prospectus, under the investment policy section, the graphs below display concentration levels according to those criteria:

Concentration of Assets by Geographic Location: For the effect of concentration by geographic area, the following limits will apply:

- In terms of geographic concentration in metropolitan areas, it was determined that there is no limit in Bogotá due to its economic and geographic relevance. For each of the other metropolitan areas, a limit of fifty percent (50%) of the value of the Real Estate Assets and Trust Rights is established.
- The value of the Real Estate Assets and underlying properties of the Trust Rights located in cities with more than 500,000 inhabitants and less than 1,000,000 inhabitants may not exceed thirty percent (30%) of the value of the total Real Estate Assets and Trust Rights.
- The value of the Real Estate Assets and underlying properties of the Trust Rights located in cities with more than 300,000 inhabitants and less than 500,000 inhabitants may not exceed twenty percent (20%) of the value of the total Real Estate Assets and Trust Rights.
- For investments in other cities, the Advisory Committee will have the power to expressly and previously authorize investments up to fifteen percent (15%) of the total value of the Real Estate Assets and Trust Rights.

Consequently, the stabilization of the portfolio by geographic location fulfills the above guidelines.

Figure 21. Concentration of Assets by Geographic Location TIN.

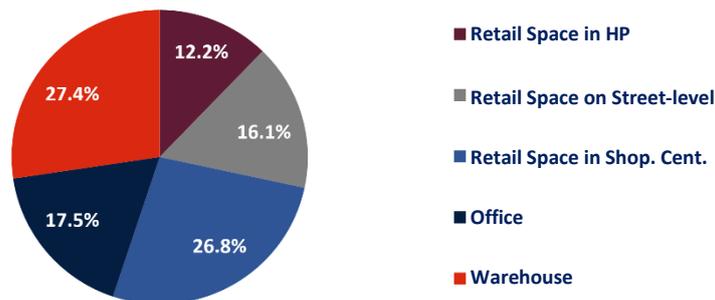


SOURCE: PREPARED BY TC

Concentration of Assets by Type of Real Estate Assets:

Regarding the concentration of the portfolio in a certain type of Real Estate Assets and Trust Rights, i.e., commercial, industrial and offices, their value must not exceed seventy percent (70%) of the total value of the Real Estate Assets and Trust Rights. Consequently, the stabilization of the portfolio by type of real estate assets is consistent with the guidelines established in the prospectus.

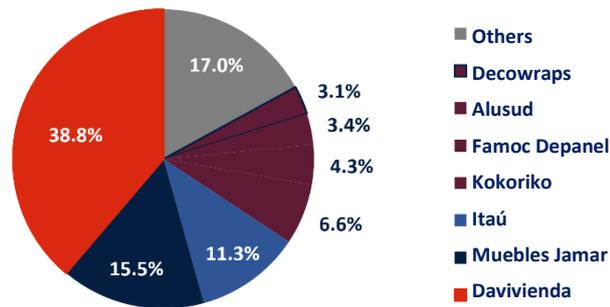
FIGURE 22. CONCENTRATION OF ASSETS BY TYPE OF REAL ESTATE ASSETS TIN



SOURCE: PREPARED BY TC

Lessee Concentration: A single lessee and its Related Companies may not represent more than thirty percent (30%) of the Aggregate's revenues in any calendar year.

FIGURE 23. ASSET CONCENTRATION BY LESSEE. TIN

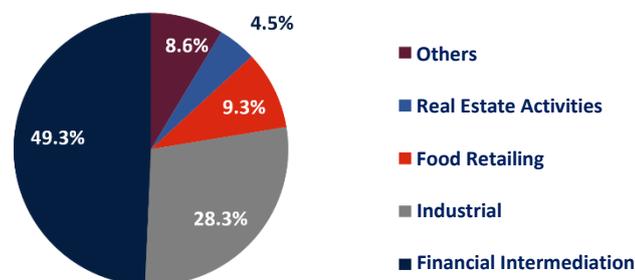


SOURCE: PREPARED BY TC

Given this, the portfolio stabilization per lessee is still underway. It is important to note that there is a seven-year period from the first issuance to achieve the proposed exposure limits.

Concentration by Economic Sector: The value of the Real Estate Assets and properties underlying the Trust Rights belonging to the same Economic Sector of the lessees must not exceed fifty percent (50%) of the total value of the Real Estate Assets and Trust Rights.

FIGURE 24. ASSET CONCENTRATION BY ECONOMIC SECTOR. TIN



SOURCE: PREPARED BY TC

Thus, the stabilization of the portfolio by economic sector concentration is meeting the stipulated prospectus guidelines.

QUALITY AND CHARACTERISTICS OF THE THIRD TRANCHE ASSETS

The assets included in the third tranche adhere to the Investment Policies of the vehicle, regarding their use (commercial and industrial) and the lessee profile.

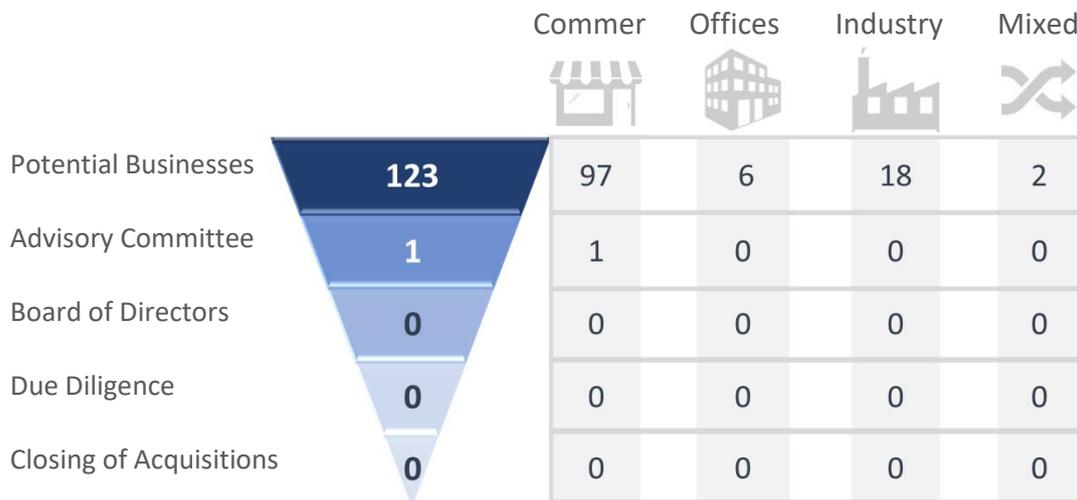
The current economic occupancy rate of the portfolio is 97.03%, with weighted average contract duration of 4.98 years.

- **BUSINESS MANAGEMENT**

During 2023, 123 real estate deal opportunities were assessed by the Real Estate Department and the Real Estate Manager. From this group, one (1) business opportunity was presented to the Internal Committee, in which the CEO of Titularizadora participates. Due to the current interest rate environment and market appetite, acquisitions were suspended for 2023.

Some acquisitions have not been pursued due to the vehicle's indebtedness level (26.50%), which leaves only 13.5% available for future acquisitions. Once the third issuance is completed, the Aggregate TIN will increase indebtedness capacity, which will enable closing the deals in progress.

CHART 14. Deal Management. TIN.



NOTE: MIXED: REAL ESTATE DEALS, COMPRISED OF AN ASSET PORTFOLIO WITH MORE THAN ONE TYPE OF PROPERTY.

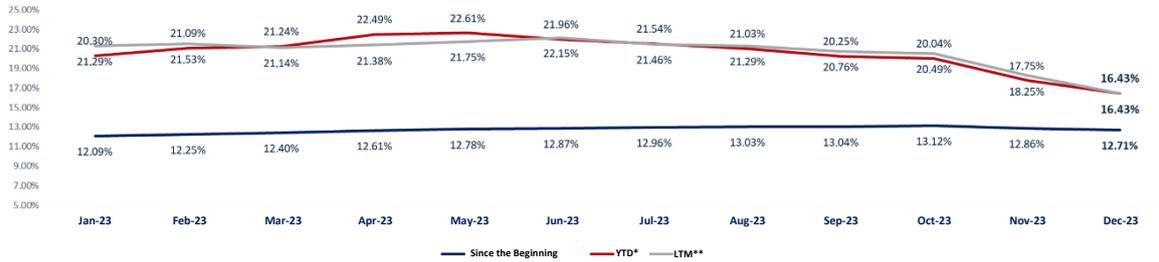
SOURCE: PREPARED BY TC

- **RETURN**

The value of the securities for the investors at December 31, 2023, reached COP 7,089,576, compared to COP 6,342,585 at the beginning of the year, indicating an increase of 11.78%. During 2023, the Aggregate profitability of the latest 12 months, including distributed profits, was 16.43% EAR, 85% of which arises from valuation and 15% from cash flow. It should be noted that profitability from the start of the Aggregate TIN portfolio up to December 31, 2023, was 12.71% EAR, of which 54.6% is from valuation and 45.4% from cash flow.

The figures below display the behavior of profitability during 2023 and its breakdown:

FIGURE 25. BEHAVIOR OF SECURITY PROFITABILITY

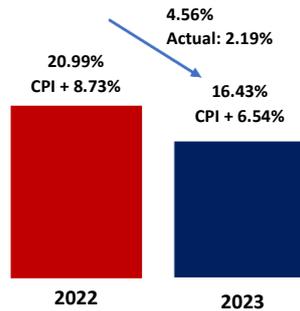


SOURCE: PREPARED BY TC

- BEHAVIOR OF THE SECONDARY MARKET

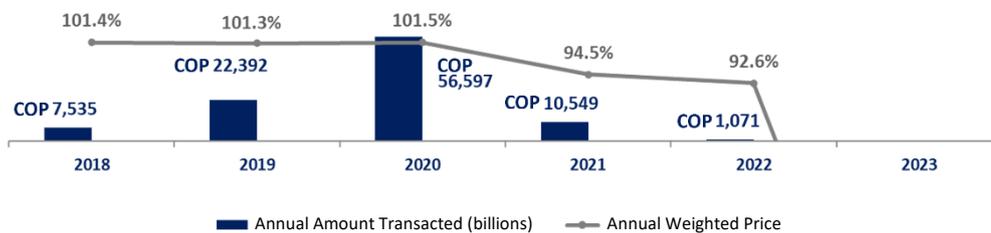
In 2023, no TIN securities were traded on the secondary market, hence there was no price marking and the TIN securities remained valued at 100% of the equity valuation.

FIGURE 26. BEHAVIOR OF PROFITABILITY TIN.



SOURCE: PREPARED BY TC

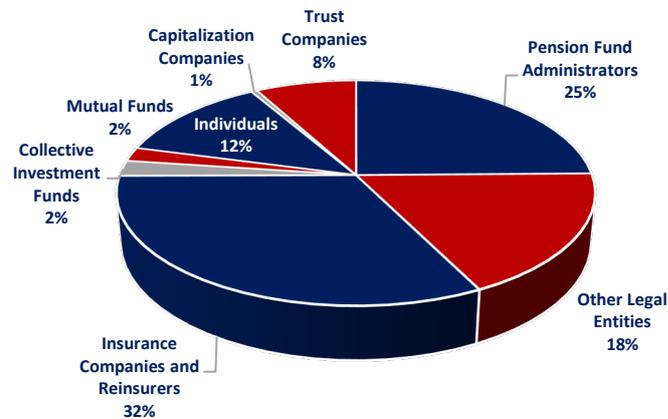
FIGURE 27. EVOLUTION OF MONTHLY TRADED AMOUNTS



SOURCE: PREPARED BY TC

The TIN Aggregate has 490 investors. The share of investors by amount is as follows:

FIGURE 28. COMPOSITION OF THE TIN AGGREGATE BY INVESTOR TYPE



SOURCE: PREPARED BY TC

(XV) Relevant Technological Aspects

- INFORMATION SECURITY AND CYBERSECURITY

The strategy for the Information Security and Cybersecurity Management System (ISMS) is aimed at strengthening information assets while preserving their confidentiality, integrity, and availability.

As part of the continuous improvement and maturity evolution of the ISMS, notable activities in 2023 included:

Protection

- Ongoing review and enhancement of controls according to the ISO 27001 standard, now updated to its 2022 version.
- Renewal of the Cybersecurity Insurance Policy.
- Implementation of programs to enhance security culture.

Control and Monitoring

- Monitoring of the information assets through the SIEM.
- Management of incidents and security requirements. No incidents occurred in 2023 that had a material impact or posed an operational risk related to information security and cybersecurity.

Specific security tests conducted included:

- Social Engineering
 - Ethical Hacking
 - Vulnerabilities
 - Cyber crisis scenario simulation.
 - These tests not only help identify weaknesses but also expand the knowledge of users and stakeholders, and particularly strengthen the infrastructure and adoption of superior security controls.
-
- **TECHNOLOGICAL DEVELOPMENT AND EVOLUTION**

As a fundamental part of our commitment to operational excellence and continuous improvement, 2023 has marked a period of technological evolution. The following outlines the achievements and advancements made in technology during this period.

- **Projects and Initiatives**

In advancing the assurance of technology services and the plans for digital transformation and innovation, several key projects and initiatives have been undertaken:

- **Update of the Business Critical System - Hitos:** In terms of the business critical system, Hitos (Milestones), significant goals have been met by updating the presentation layer and implementing a REST services layer. These improvements facilitate future integration and interoperability with APIs and microservices, enhance system efficiency and capacity, and ensure high-quality service for managers and investors.
- **Perimeter Security Enhancement:** Consistent with our commitment to ensuring operational continuity, another firewall device configured for high availability was acquired and implemented. This strategic initiative primarily aims to enhance the resilience of the security system, marking a significant advancement in our ability to counter potential threats and maintain the integrity and availability of services.
- **Network Infrastructure Upgrade:** To bolster and optimize the technological infrastructure, the Core switches have been updated, thereby ensuring optimal performance and increased operational stability.
- **Process Automation:** Technological solutions have been implemented to automate certain processes, thereby reducing manual intervention. This initiative has significantly decreased the time and resources needed to perform these tasks, while also enhancing the accuracy and reliability of the outcomes.

- **Indicators and Performance**

During the year, the technology area's indicators have been satisfactory and remained within agreed service levels.

It is important to note that, due to the implemented security measures and the team's diligence, there have been no incidents of information loss or unauthorized modification.

In summary, 2023 has seen significant technological advancements for Titularizadora through the execution of strategic projects and meeting digital transformation and innovation goals.

Looking forward, we reaffirm our commitment to technological evolution and continuous improvement, with the goal of further driving the Company's growth in an increasingly dynamic and competitive business environment.

(XVI) Relevant Legal and Regulatory Aspects

A. REGULATORY ASPECTS

- **NATIONAL DEVELOPMENT PLAN 2022-2026 "COLOMBIA, GLOBAL LIFE POWER"**

On May 19, 2023, Law 2294/2023 was enacted, establishing the National Development Plan 2022-2026 with goals set by the National Government for the country's economic development. Key Articles impacting the financial and stock market sectors include: (a) Promoting the development of instruments for financial and credit inclusion of the popular economy, advancing green finance, innovation, and entrepreneurship under the Ministry of Finance and Public Credit (MHCP); (b) The Open Data Scheme for financial and credit inclusion; (c) The right of financial consumers to financial portability, enabling them to transfer financial products from one entity supervised by the Financial Superintendence of Colombia to another; (d) Simplified Joint Stock Companies as Securities Issuers, allowing such entities to register securities in the RNVE and trade them on the Securities Exchange as determined by the MHCP; (e) The creation of the Basic Value Unit (BVU); (f) The potential for territorial entities to allocate resources through land management and financing instruments, such as property tax securitization, for public infrastructure projects; and (g) The modification of Article 44 of Law 964/2005 to integrate the Boards of Directors of Securities Issuers, promoting women's participation in the boards of companies where the State has shareholding.

- **PENSION REFORM**

During 2023, Bill No. 293 of 2023 “Establishing the Comprehensive Social Protection System for Old Age, Disability, and Death of Common Origin, and Enacting Other Provisions” was introduced in the Congress of the Republic. The government's proposal aims to establish a four-pillar system to ensure comprehensive social protection for old age, disability, and death, for which the Ministry of Finance and Public Credit has issued a positive fiscal opinion. As of now, the pension reform has passed its first debate in the Senate and a positive report for the second debate has been filed. It is important to highlight that within the 94 Articles approved in this first phase of the bill’s process, the following aspects are notable: (i) A unified system structured into four pillars: solidarity, semi-contributory, contributory, and voluntary savings is envisioned; (ii) concerning the contributory pillar, it is stipulated that all contributions up to three minimum wages should be paid into Colpensiones, while funds exceeding this threshold would be allocated to Pension Fund Administrators (AFP) or private funds, which is criticized by various stakeholders as potentially reducing private savings unsustainably; (iii) the solidarity pillar is designed to provide those over 65 years old who cannot receive pensions with a basic income currently set at COP 223,800; (iv) under the semi-contributory pillar, individuals over 65 years old who have between 150 and 999 weeks of contributions with Colpensiones or savings in an AFP account, yet insufficient for retirement, will receive a life annuity; (v) the voluntary savings pillar allows those with higher incomes to make additional contributions for enhanced pension benefits; (vi) lastly, a contributory pillar savings fund managed by Colpensiones is proposed. The scope and final outcome of the Pension Reform are critical for the securities market, given the pivotal role pension funds play.

- **GUARANTEES APPLICABLE TO MORTGAGE BONDS AND TITLES ISSUED IN SECURITIZATION PROCESSES.**

On the other hand, the Ministry of Finance and Public Credit issued Decree No. 347/2023, modifying the conditions under which guarantees are provided for mortgage bonds financing mortgage and housing leasing portfolios. According to this decree, the Ministry, via the National Guarantee Fund (FNG), will offer guarantees to mortgage bonds for financing mortgage and housing leasing portfolios and to the securities issued in the securitization processes of these portfolios, applicable to portfolios originated by credit institutions from March 9, 2023, to December 31, 2025, depending on the availability of allocated resources.

- **EXEMPTION FROM OFFERING RIGHTS FEES FOR ISSUANCES OF GREEN CREDIT CONTENT INSTRUMENTS**

In April 2023, the Financial Superintendence issued Resolution No. 0586, which sets the registration, public offering, and settlement regime for the annual fee paid by entities and securities registered in the National Registry of Securities and Issuers (RNVE). In

particular, it is emphasized that the Resolution in question outlines the fees applicable to public offering authorizations. Specifically, for issuances of green credit instruments, defined as securities where funds are solely allocated to finance or refinance, fully or partially, assets or projects that advance environmental goals including climate and biodiversity conservation, and ecosystem services, these will be exempt from offering fees if they meet the following criteria: (i) The issuer must adhere to the requirements detailed in Public Notice 20 of 2022, as included in the Basic Legal Notice of the SFC; (ii) The issuer must obtain an external review confirming that its securities align with the economic activities or assets and the eligibility criteria set forth in the Colombian Green Taxonomy, or meet international standards and/or indicators for those economic activities or assets not covered by the Colombian Green Taxonomy, as stipulated in the mentioned circular.

- **ADJUSTMENTS TO MINIMUM CAPITAL REQUIREMENTS FOR MORTGAGE ASSET SECURITIZATION COMPANIES AND SECURITIZATION PROCESSES.**

In November 2023, the Ministry of Finance and Public Credit released a draft decree aimed at modifying regulations concerning collective investment funds, foreign securities quotation systems, and mortgage asset securitization companies. Notably, this decree proposes to amend Article 2.21.1.2.1 of Decree 2555/2010 concerning the minimum capital requirements for mortgage securitizers, adjusting them based not on inflation but on the volume of assets under management, following the established criteria. Furthermore, this draft decree includes adjustments to securitization processes, specifically regarding the denomination of mortgage securitization issues and the applicable terms for securitizations with an offer book. The comment period concluded on November 29, 2023.

- **CORPORATE ASPECTS**

Application of Decree 398/2020 was maintained in effect after the end of the health emergency. It regulates non-physical meetings of shareholders, boards of directors and other collegiate bodies. These rules were followed when holding the meetings of the various governance bodies of the Company during 2023.

Lastly, the following Public Notices issued by the Financial Superintendence of Colombia (SFC) during 2023 are related to the Company's activities:

Regarding financial instruments, the Financial Supervision Authority of Colombia issued Public Notice No. 001/2023 to provide guidelines on credit derivatives that supervised entities (EV) may engage in. This involved amending Chapter XVIII (Derivative Financial Instruments and Structured Products) of the Basic Accounting and Financial Notice to explicitly permit these entities to engage in credit derivatives with approved foreign agents. Additionally, amendments were made to the Comprehensive Risk Management System (SIAR) and the market risk management rules to ensure that these entities comply

with the regulatory framework when engaging in credit derivatives. The issuance of this Notice was in response to Public Resolution 10/2022 by the Board of Directors of the Banco de la República, allowing supervised entities to engage in credit derivatives as stipulated in the resolution.

- Regarding internal control and corporate governance, the SFC issued Public Notice No. 008/2023, which set forth directives for the Internal Control System (ICS) of the EV. It is important to note that this Notice completely replaces Chapter IV of Title I of Part I of the Basic Legal Notice, which covers ICS guidelines for EVs, defines the components of the ICS, as well as responsibilities within this system, and introduces a three-line model to foster the development of governance structures and processes aimed at achieving the strategic objectives of the EVs and managing risk, among other issues. Consequently, EVs have one year from the issuance of the Notice to implement the new measures and comply with the SFC's directives.
- Moreover, Public Notice No. 011/2023 was issued, in which the SFC revised the methodology for calculating credit exposure in transactions involving derivative financial instruments and structured products, aimed at enhancing the measurement and management of credit risk as per the standardized approach of the Basel Committee on Banking Supervision (BCBS). Additionally, this Notice altered the guidelines for calculating the duration of fixed-income instruments tied to floating rates, consistent with the BCBS standards on market risk management related to interest rates.
- In the context of aligning with international standards and best practices for managing liquidity risk, Public Notice No. 013/2023 was issued. This Notice introduced the concept of “operational deposits” for on-demand deposits from wholesale clients in the real sector, open-ended collective investment funds without stay requirements, and regulated financial entities, and it temporarily increased the risk weight from 0% to 25% for these deposits in the CFEN calculation, effective September 30, 2023, through August 31, 2025, to alleviate market liquidity pressures.

B. LEGAL ASPECTS

- **CÓDIGO PAÍS SURVEY**

In terms of legal aspects, Titularizadora Colombiana S.A. submitted its 2023 Report on the Implementation of Best Corporate Governance Practices, and implemented all applicable governance standards in line with the recommendations of the new Código País (Country Code), and the provisions of the Company's Bylaws and Good Governance Code.

- **KNOWN AND RECURRENT ISSUER**

For 2023, the designation as a Known and Recurring Issuer (ECR) was not renewed for Titularizadora. Although it issued the requisite number of securities over the past three years, the total value did not meet the threshold specified in Section 6.1.6 of the Basic Legal Circular.

- **INVESTOR RELATIONS**

Owing to the adoption of best practices for information disclosure and investor relations, Titularizadora was awarded the Fixed Income and Equity IR Recognition by the Colombia Securities Exchange, a status it maintained throughout 2023 by fulfilling the criteria set forth in the Colombia Securities Exchange's Single Public Notice.

- **FREE CIRCULATION OF INVOICES**

For the effects of compliance with the provisions of paragraph 2 of article 788 of the Code of Commerce (supplemented by article 87 of Law 1676/2013), an express statement is made that no restrictions were placed on the free circulation of invoices issued by vendors or suppliers.

- **FORESEEABLE EVOLUTION**

Pursuant to section 2 of Law 603/2000, during the upcoming year Titularizadora will continue to consolidate the objectives and goals set out by the Board of Directors, which will enable its ongoing and growing commitment to the process of mobilizing assets for the country's growth, and to remain a solid and efficient leading entity in the financial system.

II. Litigation, and Judicial and Administrative Proceedings

Regarding the existence and/or current status of litigation and judicial and administrative proceedings in which Titularizadora is a party, and which may have material effects on its operations, financial position and/or changes in financial position, we report that at December 31, 2023, we are not aware of the existence of any litigation or judicial or administrative proceedings in favor or against Titularizadora.

- **LEGAL CONTINGENCIES**

The Company had no legal contingencies during 2023.

Securities Market	Investor appetite for securitized instruments, increase in the risk premiums of the securities	Financial resources/ issuance placement/ structuring/ STRATEGIC PLANNING
Issuances outstanding	Securitization of Loan Portfolios:: Possible materialization of credit risk, drop in the valuation of residuals Real Estate Securitization: Reduction in the secondary market for the securities, reduction in the value of the securities	Monitor Receivables/issuance placement
Corporate Profitability	Reduction in business volume, devaluation of the investment portfolio, vacancy of own real estate properties	Monitor receivables/ issuance placement/ structuring/ STRATEGIC PLANNING

SOURCE: PREPARED BY TC

Institutional Objective	Strategy	Long-Term Goal	Risk	Risk Category	Processes Impacted by Risk (aligned with the value chain)	Risk Assessment						Mitigation Measures	Residual Risk Assessment					
						Impact	Probability	Risk Score	Qualitative Impact	Qualitative Probability	Inherent Criticality Level		Impact	Probability	Residual Risk Score	Qualitative Impact	Qualitative Probability	Residual Criticality Level
Mortgage Securitization	Mortgage Securitization	COP 6.5 trillion of mortgage assets to be managed by 2027	<ul style="list-style-type: none"> Reduced securitization interest among originators due to: <ul style="list-style-type: none"> Capital market volatility Interest rates of mortgage security Reduction in mortgage issuances Deterioration in loan portfolio quality indicators Non-traditional funding alternatives 	Financial	<ul style="list-style-type: none"> Structuring Financial Resources Management 	4.00	3.00	12	Greater	Moderate	High	<ol style="list-style-type: none"> Securitization as a balance sheet management tool for originators (CFEN) Securitized assets classified as High-Quality Liquid Assets External credit enhancements including public guarantees Promotion of securitizations with public-sector originators Development of alternative products: ESG or structures that isolate certain risk types Portfolio consolidation on Titularizadora balance sheet 	3.00	2.00	6	Important	Low	Medium
			<ul style="list-style-type: none"> Economic and sector slowdown Deterioration of macroeconomic indicators (inflation, unemployment, low growth, among others) 	Financial	<ul style="list-style-type: none"> Structuring Financial Resources Management 	4.00	3.00	12	Greater	Moderate	High	<ol style="list-style-type: none"> Diversification of securitized assets Internationalization Public policy promotion for hedging mortgage interest rates Securitization of non-performing loan portfolios - TECH Alternative emissions Exploration of new structures 	3	3	9	Important	Moderate	Medium
			Liquidity risk in current emissions: Non-payment of expenses and mortgage securities interest	Operational	<ul style="list-style-type: none"> Structuring Financial Resources Management Securities Management Portfolio Monitoring 	3.00	1.00	3	Important	Very Low	Low	<ol style="list-style-type: none"> Daily monitoring of loan portfolio behavior Extension of credit enhancements: temporary additional liquidity coverage Operationalization of partial coverage mechanism 	2	1	2	Less	Very Low	Low
			<ul style="list-style-type: none"> Reduced appetite from institutional investors due to: <ul style="list-style-type: none"> Mortgage risk Rate competition from other private debt with the same duration and rating Increase in market interest rates Illiquid market Uncertainty from reform outcomes - Pension reform Uncertainty in public pension funds management bidding 	Financial	<ul style="list-style-type: none"> Structuring of Financial Resources Management 	4.00	3.00	12	Greater	Moderate	High	<ol style="list-style-type: none"> Investor communication strategy on the behavior of securitized and mortgage loan portfolios and mortgage securities Redefinition of credit selection criteria Innovation in financial structures: ESG or structures that isolate certain risk types. Funding percentage to the originator or purchase price of the portfolio International/Retail Investors 	4	2	8	Greater	Low	Medium
Growth (C)	Real Estate Securitization	COP 1 trillion of real estate assets to be managed by 2027	Non-payment of leases	Financial	<ul style="list-style-type: none"> Structuring Financial Resources Management 	4.00	1.00	4	Greater	Very Low	Medium	<ol style="list-style-type: none"> Focus on financially solvent lessees Active cash management of the vehicle 	2	1	2	Less	Very Low	Low
			Depreciation of assets	Financial	<ul style="list-style-type: none"> Real estate 	5.00	2.00	10	Superior	Low	High	<ol style="list-style-type: none"> No loss realization Opportunities for acquisition Appraisal methodology 	2	1	2	Less	Very Low	Low
			Contract renegotiation Early terminations	Operational	<ul style="list-style-type: none"> Real estate 	3.00	2.00	6	Important	Low	Medium	<ol style="list-style-type: none"> Active commercial promotion of vacant properties Contract adjustments conditioned on environmental improvements 	2	1	2	Less	Very Low	Low
			Demand for commercial real estate spaces	Operational	<ul style="list-style-type: none"> Real estate 	4.00	2.00	8	Greater	Low	Medium	<ol style="list-style-type: none"> Financial analysis of lessees and underlying businesses Refocus on alternative assets: 	3	2	6	Important	Low	Medium
			<ul style="list-style-type: none"> Low profitability compared to other investment alternatives Increase in market interest rates Impact of valuation 	External	<ul style="list-style-type: none"> Structuring Financial Resources Management Securities Management Portfolio 	4.00	4.00	16	Greater	High	High	<ol style="list-style-type: none"> Communication strategy with investors on the performance of the real estate assets of the vehicle Deepening retail investors' understanding Strategy to differentiate the vehicle from other real estate funds Exploration of other real estate vehicles (multifamily, distressed) 	3	3	9	Important	Moderate	Medium

Institutional Objective	Strategy	Long-Term Goal	Risk	Risk Category	Processes Impacted by Risk (aligned with the value chain)	Risk Assessment						Mitigation Measures	Residual Risk Assessment					
						Impact	Probability	Risk Score	Qualitative Impact	Qualitative Probability	Inherent Criticality Level		Impact	Probability	Residual Risk Score	Qualitative Impact	Qualitative Probability	Residual Criticality Level
			methodology at market prices <ul style="list-style-type: none"> Migration to the equities wheel Real estate sector situation Behavior of other real estate funds and impact on the securities market 		Monitoring							5. Exploration of new issuance forms 6. Evaluation of international markets 7. Commission scheme aligned with investors' interests						
			Debt management for rising interest rates	Financial	– Structuring – Financial Resources Management – Securities Management	3.00	5.00	15	Important	Very High	High	1. Fixed-rate debt strategy in the context of rising interest rates 2. Divestments to reduce debt amount 3. Synthetic credits	2	4	8	Less	High	Medium
	Securitization of other loan portfolios	COP 2.5 trillion of assets under management in other portfolios by 2027	Decreased originator interest in securitization	Financial	STRATEGIC PLANNING/MARKET PLACEMENT/STRUCTURING.	2.00	4.00	8	Less	High	Medium	1. Securitization issuances of consumer loan portfolios with banking originators 2. Development of commercial loan portfolio issuances and future cash flows	2	2	4	Less	Low	Medium
			Impairment of underlying assets and loan portfolios	Financial	Loan portfolio monitoring; Asset recovery/INVESTOR RELATIONS	3.00	3.00	9	Important	Moderate	Medium	1. Temporary suspension of revolving mechanisms for current issuances 2. Adjustments in portfolio selection criteria for revolving purchases and new securitizations 3. Daily monitoring of the behavior of underlying assets in current securitizations 4. Asset and originator segmentation strategy based on risk and performance	2	2	4	Less	Low	Medium
			Drop in investor appetite for: <ul style="list-style-type: none"> Securitizations of other portfolios Issuance size Rate competition from other private debt with the same duration and rating Increase in market interest rates Illiquid market Uncertainty of reform outcomes Deterioration of macroeconomic conditions 	Financial	– Financial Resources Management/STRATEGIC PLANNING/PLACEMENT	3.00	2.00	6	Important	Low	Medium	1. Investor communication strategy 2. Deepening of private placements 3. International investors 4. Investments with ESG content or new structures according to international practices	2	2	4	Less	Low	Medium
			Increase in liquidity premium of TIPs	Financial	– Financial Resources Management	2.00	4.00	8	Less	High	Medium	1. Ranking of underwriters in secondary market negotiations 2. Retail investors' liquidity from the TC investment portfolio	2	3	6	Less	Moderate	Medium
	Mortgage securities market development	Dynamism in the secondary market for senior and subordinated securities	Lower attractiveness due to retention of subordinated portions	Financial	– Structuring of Financial Resources Management	3.00	2.00	6	Important	Low	Medium	1. International or local investors 2. Exploration of new structures	2	2	4	Less	Low	Medium
			Maximization of the placed portion of issuances in the market	Financial	– Structuring – Portfolio Monitoring – Asset Recovery	3.00	3.00	9	Important	Moderate	Medium	1. Direct engagement with risk rating agencies for adjustments in rating methodology 2. Increase in the availability of information on debtor behavior 3. Securitization structures for balance sheet management of originators	2	2	4	Less	Low	Medium
	Risk Management (RM)	Optimization Financial Structuring	Improvement of originators' business case	Financial	– Financial Resources Management – Structuring	4.00	4.00	16	Greater	High	High	1. Business case transformation (Benefit weighting of securitization) 2. Sale of subordinated securities 3. Presentation of benefits in funding and liquidity indicators resulting from securitization 4. Investments with innovative content according to international practices to attract new investors	3	3	9	Important	Moderate	Medium

Institutional Objective	Strategy	Long-Term Goal	Risk	Risk Category	Processes Impacted by Risk (aligned with the value chain)	Risk Assessment						Mitigation Measures	Residual Risk Assessment					
						Impact	Probability	Risk Score	Qualitative Impact	Qualitative Probability	Inherent Criticality Level		Impact	Probability	Residual Risk Score	Qualitative Impact	Qualitative Probability	Residual Criticality Level
		Country Risk	<ul style="list-style-type: none"> Country risk supported by: <ul style="list-style-type: none"> Sovereign debt default Downgrade of Colombia's rating Drastic changes in economic policy Legal and tax instability Structural reforms (labor, pension, health) 	External	<ul style="list-style-type: none"> Structuring Financial Resources Management/STRATEGIC PLANNING/PLACEMENT Securities Management Portfolio Monitoring 	5.00	3.00	15	Superior	Moderate	High	<ol style="list-style-type: none"> Internationalization Monitoring of variables by national and international experts Substantial patrimonial support through liquid positions Extensive borrowing limits with the financial sector 	4	2	8	Greater	Low	Medium
		ESG Risks	<ul style="list-style-type: none"> Risks such as: <ul style="list-style-type: none"> Climate change Earthquake Pandemic Corruption Inadequate labor practices Social unrest 	External	<ul style="list-style-type: none"> Structuring Financial Resources Management Securities Management Portfolio Monitoring 	4.00	2.00	8	Greater	Low	Medium	<ol style="list-style-type: none"> Policy and sustainability strategy construction Innovation in ESG structuring Emergency management plan Contingency procedures "Piensa verde" (Think Green) program implementation 	3	2	6	Important	Low	Medium
Efficiency (E)	Optimizing the securitization process cost	All-in securitization cost competitive with alternative funding options	Non-competitive securitization cost	Operational	<ul style="list-style-type: none"> All Mission and Support processes 	5.00	3.00	15	Superior	Moderate	High	<ol style="list-style-type: none"> Senior securities segmented by duration to maximize demand Issuances in the secondary market 	3	3	9	Important	Moderate	Medium
			Decrease in the quality of operational management of issuances	Operational	<ul style="list-style-type: none"> Loan Portfolio Monitoring Asset Recovery 	3.00	1.00	3	Important	Very Low	Low	<ol style="list-style-type: none"> Definition and application of control policies and procedures established across the organization Standardized, documented processes with implementation of the ISO 3001 QMS 	2	1	2	Less	Very Low	Low
	Development of general standards for the mortgage industry	Standardization and Best Practices	Dispersion in the implementation of practices and processes suggested by the TC among managing entities	Operational	<ul style="list-style-type: none"> Monitoring of Loan Portfolio Asset Recovery 	2.00	2.00	4	Less	Low	Medium	<ol style="list-style-type: none"> Execution of certification and recertification processes for entities 	1	1	1	Lower	Very Low	Low
	Internal operational efficiency	50% Op. Expenses / Op. Income	Inefficiencies in management, budgeting, and cost control both within the TC and across entities Decrease in operating income	Operational	<ul style="list-style-type: none"> Financial Resource Management Purchasing and Service Administration - Budget Management 	4.00	4.00	16	Greater	High	High	<ol style="list-style-type: none"> Promotion of high volume and long-duration issuances. Focus efforts on viable, high-revenue projects Definition and application of control policies and procedures established across the organization Monthly monitoring of budget execution Establishment and implementation of development and performance evaluation policies. Standardized, documented processes with implementation of the ISO 3001 QMS 	3	3	9	Important	Moderate	Medium
Institutional Strengthening (I)	Human Resource Development	Trained human resources. In line with current trends. Highly motivated. Achievement-oriented	<ul style="list-style-type: none"> Limited budget for training plans Loss of key staff Lack of communication and definition of priorities 	Operational	<ul style="list-style-type: none"> Structuring Securities Management Portfolio Monitoring Financial Resources Management 	2.00	3.00	6	Less	Moderate	Medium	<ol style="list-style-type: none"> Activity rotation among staff in different areas Definition and implementation of replacement programs for all critical positions in the company Implementation of policies and procedures for process documentation Establishment and implementation of human talent development, performance evaluation, and retention policies Continuous training goals 	2	2	4	Less	Low	Medium
	Technology and Internal Control	Continuous Improvement	Limited budget for new technology projects and the automation of internal control tests	Financial	<ul style="list-style-type: none"> Structuring Securities Management Portfolio Monitoring Financial Resources Management 	3.00	3.00	9	Important	Moderate	Medium	<ol style="list-style-type: none"> Technology and internal control staff with adequate knowledge of company processes and activities Process automation project 	2	2	4	Less	Low	Medium

Institutional Objective	Strategy	Long-Term Goal	Risk	Risk Category	Processes Impacted by Risk (aligned with the value chain)	Risk Assessment						Mitigation Measures	Residual Risk Assessment					
						Impact	Probability	Risk Score	Qualitative Impact	Qualitative Probability	Inherent Criticality Level		Impact	Probability	Residual Risk Score	Qualitative Impact	Qualitative Probability	Residual Criticality Level
	Legal	Development of a flexible system with risk control and transparency	Non-compliance with laws and regulations	Operational	Legal Management	5.00	1.00	5	Superior	Very Low	Medium	1. Regulatory updates and specialized advisory.	2	1	2	Less	Very Low	Low
Profitability (P)	Shareholder Profitability	ROE > 15%	Failure to issue Reduction in commissions Inefficiencies in management, budgeting, and cost control.	Operational	– Financial Resources Management – Budget Management	5.00	3.00	15	Superior	Moderate	High	1. Strategy for revitalizing the securitization market 2. Maximize issuance volumes and duration in structures 3. Focus efforts on viable, high-revenue projects 4. Definition and application of control policies and procedures established across the organization 5. Monthly monitoring of budget execution 6. Continuous optimization and updating	4	2	8	Greater	Low	Medium
	Optimization of Capital Use	Alternative Capital Uses	Low Portfolio Profitability	Financial	– Financial Resources Management	3.00	2.00	6	Important	Low	Medium	1. Capital utilization for new products and businesses 2. Monitoring and follow-up of strategic planning scenarios to identify business opportunities 3. Research and development of new products 4. Implementation of new revenue generation policies 5. Asset diversification	2	1	2	Less	Very Low	Low
			Sufficient minimum capital / arbitrage with other entities allowed to securitize / High inflation scenario	Financial	– Financial Resources Management – Budget Management and Financial Control – Legal Management	4.00	3.00	12	Greater	Moderate	High	1. Retention of earnings 2. Capitalization request to shareholders 3. Potential release of retained earnings to ORI 4. Tracking securitization targets 5. Addressing regulatory issues with relevant institutions 6. Strategies for enhancing asset profitability	4	2	8	Greater	Low	Medium
			Market Risk	Operational	– Financial Resource Management, Budget Management, and Financial Control	3.00	3.00	9	Important	Moderate	Medium	1. Definition and implementation of Market Risk Management Systems 2. Definition and application of control policies and procedures for the entire organization 3. Continuous monitoring of efficiency indicators EVA and ROE 4. Analysis of the implementation of derivative financial instruments for hedging	2	2	4	Less	Low	Medium

Operational Risk Management

Titularizadora's operational risk management aligns with the strategy, adhering to the guidelines set by the Financial Superintendence of Colombia and the industry's best practice definitions. It forms an integral part of the governance model and permeates all organizational processes.

In 2023, the Organizational Development and Compliance Management dedicated its efforts to complying with directives issued by the Financial Superintendence of Colombia for updating the Basic Accounting and Financial Notice (Public Notice 100/1995). This process concluded in May 2023 with the overhaul of the Operational Risk System (SARO), through the deployment of the Risk Management System for Entities Exempt from SIAR (SARE). This implementation led to methodological enhancements and process improvements.

At the end of 2023, the operational risk profile of the organization demonstrated competent management, evidenced by a residual risk level of 2.06, which qualifies as "Low Risk" and meets the risk appetite profile set by the Board of Directors.

This year, the focus of the business continuity plan has been on amplifying the response capability to potential disruptions in critical operations. In alignment with the strategy, multiple actions have been executed under the Business Continuity Plan (BCP) framework.

A training and socialization page for employees has been developed. This initiative is designed to ensure that all employees are well-informed and equipped to respond effectively in the event of a business crisis.

To boost operational resilience, a critical business valuation system, known as Porfin, has been incorporated into the replication and activation scheme with DataGuard. This strategic integration ensures that key valuation functions are underpinned by strong contingency protocols.

Additionally, planned tests on the applications supporting master administration were conducted. These tests spanned various scenarios, from internet service provider failures to database restoration and cyber-attack simulations. This initiative has improved the capacity for recovery and enhanced emergency response protocols.

Through contingency testing, areas for process and procedural improvements have been identified. Work plans have been devised to seize these opportunities, aiming to enhance recovery capabilities and bolster corporate resilience.

In 2023, 27 Operational Risk events materialized, attributed to errors in process execution and management, technological failures, and issues with customers, products, and business practices. The treatment plans have enabled making progress in risk mitigation, continuous improvement and the maturity of the management system.

Management Report on the Prevention and Control of Money Laundering and Terrorism Financing (SARLAFT)

In 2023, to fortify and refine the money laundering and terrorist financing prevention and control system (SARLAFT), a specialized external consultant was engaged to review the management system, identifying improvement opportunities that were analyzed and implemented throughout 2023.

Furthermore, the year demonstrated efficient management with no incidents related to ML/FT occurring. Prevention and risk control mechanisms were applied stringently, particularly:

- Key activities for the prevention of the risk of money laundering applied to the securitization processes.
- Strengthening controls in third-party engagements.
- Annual confirmation and validation of compliance with the regulations by the issuance placement agents.
- ML/FT risks were assessed semi-annually and reviewed in collaboration with process leaders most exposed to these risks, a practice that confirmed the proper risk rating. Additionally, control measures for mitigating these risks were profiled, and residual risk levels were validated to ensure they stayed within the Company's acceptable limits.
- An annual review was conducted to ensure compliance by the entities originating and managing the loan portfolio.
- The regulatory reports were submitted in a timely manner to the UIAF, and all requirements issued by control entities related to ML/TF were addressed.
- Review of supplier requirements for registration.

The primary ML/FT risks identified within Titularizadora relate to the product risk factor, involving operational links with Debtors, Investors, or Third Parties listed on restrictive lists, and the securitization of properties associated with asset laundering or ownership extinction.

These risks are periodically monitored and adequate controls have been applied, which has enabled maintaining the risks at the levels defined by the Board of Directors. At the

end of 2023, the organization's ML/FT risk profile was positioned at 2.8, corresponding to a "Low Risk" level.

Market Risk and Liquidity Management

- **Market Risk**

Market Risk is defined as the possibility of incurring in losses, reducing the financial margin and/or decreasing the economic value of equity as a result of changes in the prices of the financial instruments in which positions are held on or off the balance sheet. These changes in the prices of instruments may arise due to changes in interest rates, exchange rates and other significant micro and macroeconomic variables that determine the economic value of such instruments.

The activities of Titularizadora that involve market risk include:

1. **Trading:** It mainly includes buying and selling of fixed-rate, equity, currency and derivative products. The Investment area is responsible for taking positions in trading instruments, which are recorded in the treasury book.
2. **Balance management:** It includes the efficient management of the assets and liabilities of Titularizadora for any mismatch between their maturities and settlement dates. The Assets and Liabilities Management Committee (ALCO) is responsible for managing the balance, preserving the stability of the financial margin and the economic value of Titularizadora, while maintaining adequate levels of liquidity and solvency. Titularizadora has instruments that are not held for trading, which are classified as available for sale and held to maturity.

At Titularizadora, market risks are identified, measured, monitored, controlled and communicated in order to make timely decisions and adequately mitigate risks, and to obtain risk-return profiles that are consistent with the entity's policies, holding expected losses within tolerable levels.

The Board of Directors approves the guidelines, policies and methodologies for managing market risk, thereby ensuring balance and consistency in Titularizadora's risk appetite. The Board of Directors and Senior Management have established formal policies, procedures, strategies and rules to manage market risk, which are included in the Quality Management System under the Financial Resource Management Macroprocess. This manual defines responsibilities within the entity and their interactions with other areas, with the aim of ensuring the adequate management of market risk.

The segregation of duties between the business areas and those responsible for the identification, measurement, analysis, control and reporting of market risks offers sufficient independence and autonomy for their adequate control. Also, the Internal Control Department is responsible for performing periodic reviews of the risk measurement and control procedures and methodologies, to ensure that they are

correctly applied in accordance with applicable regulations and internal provisions defined by the Board of Directors and Senior Management. The Structuring and Risk Department of Titularizadora is responsible for: (a) the identification, measurement, monitoring, assessment and control of the inherent market risk of the entity's business, (b) the assessment of Titularizadora's exposure under stress scenarios assuring compliance with the established policies regarding such measurement, (c) the assessment of the methodologies for the valuation of financial instruments provided by the price vendor, (d) submission of reports to Senior Management and the Board of Directors on any breach of the established risk management policies, (e) the submission of daily reports to Senior Management on exposure levels to market risk of the portfolios of instruments, and (f) the submission of policy proposals to the Board of Directors and Senior Management to enhance market risk management. Titularizadora has also implemented an approval process for new products, which was designed so as to ensure that each of the entity's areas is prepared to incorporate the new product in its procedures, that all risks are considered, and that the respective approvals are issued by the Board of Directors and Senior Management before any trading of the product takes place. Titularizadora has also designed its Treasury Risk procedures in accordance with international and Colombian market standards, which enable it to:

- Run daily dirty performance tests to validate the market risk model in place.
- Measure market risk exposure and mark the P&L to market prices on a daily basis in the treasury books.
- Titularizadora has clearly segregated the responsibilities of the treasury area: Front, Middle and Back Office.

Titularizadora uses two Value at Risk methodologies to manage and control the market risks of its trading activities: the standard methodology specified by the Financial Superintendence of Colombia (SFC) and an internal methodology based on historic simulation. The standard methodology established in Chapter XXXI of CBCF of SFC is based on the model recommended by the 2005 Amendment to the Capital Agreement of the Basil Committee to incorporate market risk.

The internal methodology by historic simulation uses a 99% confidence level for a 10-day holding period and a time window of 1004 daily records obtained since the date of reference for the retrospective calculation of VaR. It incorporates the following aspects:

- Holding Period

The Holding Period is the maximum time for settling/closing the portfolio position in the capital market without affecting the underlying market price. Consequently, the maximum time depends on:

- The position amount
- The daily trading volume of the securities that make up the position.

Based on this definition, Titularizadora has established its Holding Period in accordance with the following parameters:

- Nature of the portfolio
- Internal limits for each position
- Daily market volume
- Ratio of position limit / daily market volume

For the effects of calculating the market value at risk, Titularizadora takes into consideration the holding period; however, according to the Quantitative Standards defined for the presentation of Internal Models included in Chapter XXXI of the Basic and Accounting and Financial Public Notice of the SFC, the model must use changes in prices for a period of 10 business days. Therefore, for the TIPS Portfolio, 10 days are used as the holding period to estimate the VaR.

- Statistical Parameters

To estimate the statistical parameters, the model used by Titularizadora uses a moving window of a minimum of 1004 records. The number of observations effectively obtained from the market depends on the product.

Whenever the historical data is insufficient to estimate the VaR, the series are supplemented by means of synthetic series. The synthetic series are created using the Cholesky decomposition of the covariance matrix, an algorithm that maintain the following sampling properties when generating the series:

- It creates random numbers preserving the original structure of the correlations.
- It creates a sample that has approximately the same distribution as the original.

- Confidence Level

Titularizadora has adopted the standard confidence level of the Colombian market, which is 99%.

Additionally, periodic stress testing, or measurement of extreme scenarios, is performed to estimate potential losses that do not occur frequently, but that are possible, by replicating crises that have occurred in the past, or otherwise by simulating hypothetical events. Backtesting is also performed to assess the accuracy of loss forecasts compared to reality, based on which adjustments are made to the models as necessary.

The hierarchical structure of exposure limits to market risks in trading activities enables ensuring that market risk is not concentrated in certain groups of assets, and taking maximum advantage of the portfolio diversification effect. These limits are defined by products or by risk-taking responsibilities. Most established limits are maximum VaR levels to which a specific portfolio can be exposed to. However, the system also issues

loss alerts, stop loss and sensitivity limits, especially for derivative portfolios. The limits are approved by the Board of Directors taking into consideration the size of equity, the complexity and volatility of the markets, and our risk appetite. They are monitored on a daily basis, and any excess or violation is reported to the Credit Risk Committee.

The market risk control and monitoring process includes preparing daily and monthly reports, including an assessment of the risk measures, and they enable monitoring the level of exposure to market risk and the regulatory and internal limits established for Titularizadora. These reports are used as inputs for decision-making by the various Committees and bodies of Titularizadora. According to the internal model, the chart below displays the quantitative Value at Risk at year-end 2023 and 2022 (in Colombian pesos): None of these risks materialized in 2023.

CHART 16. MARKET RISK REPORT

VaR	2023	2022
Money Market	(560,636)	(597,745)
Indexed private debt	(343,1740,047)	(305,051,992)
Fixed-rate private debt	(1,600,035,361)	(584,899,814)
Fixed rate public debt	(16,816,149)	(11,790,622)
TIPS in UVR and Pesos / TECH	(2,146,993,120)	(1,110,523,380)
Public debt in UVR	(19,118,150)	(39,443,592)
Portfolio Value at Risk	(4,149,693,462)	(2,052,306,444)

Source: Prepared by TC

- **Liquidity Risk**

Liquidity risk is defined as the contingency of being unable to fully cover, in a timely and efficient manner, expected and unexpected, current and future, cash flows, without affecting the course of daily operations or the entity's financial position. This contingency (funding liquidity risk) arises from the insufficiency of liquid assets available and/or the need to take on unusual funding costs. This risk did not materialize for the Company in 2023.

The materialization of this risk makes it necessary for an entity to raise liquid assets, which may force it to settle positions in assets in order to cover the shortage. This, in turn, may involve selling the assets at prices below their carrying amounts, producing losses.

In order to prevent the above situations, the Financial Superintendence considers that the entities that are most exposed to such risks must develop and implement a Liquidity Risk Management System (SARL, for the Spanish original), to enable them to effectively identify, measure, control and monitor such risks. This system must enable such entities to make timely decisions to adequately mitigate the risks. The SARL designed by the entities must be consistent with each entity's structure, complexity of activities, nature and size. The SFC and the entities must also consider the role they each play within the financial system and their systemic importance.

Three (3) liquidity risks are included in the overall risk matrix, two of which have a Major Impact, but a very low probability of occurrence. The Company has documented policies and processes on liquidity risks.

Documented SARLs are in place for both Titularizadora and the Aggregates, which take into account appropriate liquidity management for each case, and which incorporate stress testing, alerts and contingency plans in the operations. The Company uses the standard model of the Financial Superintendence to control and monitor liquidity risk, the Company maintains very high liquidity positions are maintained, taking into consideration the assets adjusted for market risk, and forecast bands for 1 to 30 days and 31 to 90 days, information that is presented monthly to ALCO.

CHART 17.IRL- TITULARIZADORA COLOMBIANA - DECEMBER 31, 2023

IRL Ratio	Band 1 - 7 days	Band 7 - 15 days	Band 1 - 30 days	Band 31 - 90 days
November	36.718%	40.916%	▼ 6.033%	▲ 905%
December	39.029%	40.700%	▲ 12.876%	▼ 1.599%

IRL Ratio	Band 1 - 7 days	Band 7 - 15 days	Band 1 - 30 days	Band 31 - 90 days
November	237.5%	249.1%	▲ 204.8%	▼ 121.3%
December	223.2%	249.2%	▲ 118.0%	▼ 100.8%

Source: Prepared by TC

To control and monitor the SARLs of the Aggregates, reports are prepared and submitted to ALCO on the collection indicators of the Aggregates compared to historic collections, including the expenses of each issuance to control their liquidity. The information is documented as an annex to the meetings of the ALCO.

The Company's solvency ratios at the end of December 2023 and 2022 were 98% and 131%, respectively, which indicates the entity's high capacity to fulfill its financial commitments without affecting the course of its normal operations. This variation mainly corresponds to the acquisition of outstanding securities from the Securitization processes of TIV V5 and TIV V6 during 2023.

Internal Control System - ICS

The Internal Control System (ICS), as defined by Titularizadora, meets all normative and regulatory requirements set by the Financial Superintendence and is structured around the policies, principles, standards, and other procedures established by the Board of Directors. The ICS is continuously updated and formalized across its components, its consistent application supports the achievement of corporate objectives and goals, facilitates the Company's operational processes, and provides a framework for the actions of the employees who are part of Titularizadora.

In 2023, the ICS met its own control objectives and those required by the Company, which was evident in the thorough application across all areas and processes of the Company.

Feedback from various internal and external sources informed the performance of the ICS, enabling the implementation of new strategies and optimization plans to strengthen it.

Specifically, in compliance with Public Notice 008/2023, management in 2023 outlined a work plan to update and adjust the current ICS to the regulatory demands set forth in the circular, which will take effect in May 2024.

For each component of the current ICS, Titularizadora undertook specific activities; notable actions in 2023 included:

- **CONTROL ENVIRONMENT**

The Board of Directors performed periodic monitoring on fulfillment of the goals and plans set out by the Company; ensured that the commercial initiatives of new deals and proposals made by Management were performed with transparency and in accordance with ethical principles, and that they were subject to prior assessment and analysis by the Company's internal bodies and Committees established by the Board itself to support its management. Monitoring the development of the strategic plan outlined by the Company, analyzing and evaluating the performance of each initiative that supports the achievement of strategic objectives established in the 2027k Plan, and keeping the Board of Directors informed about the progress and activities related to this plan.

The Board stayed informed about the application of investment management policies, analyzed remuneration parameters for the Board and Senior Management, verified the evaluation process for Board members, oversaw compliance with general good governance standards, and managed risk administration, ensuring timely and appropriate responses to regulatory body requirements. The Board was periodically updated by the committees that support its governance on the execution of actions by Management, including aspects related to the internal control system and action plans for continuous improvement.

General governance policies, including the Code of Ethics, are fully updated, disseminated, and an annual training process on these topics has been conducted for all Company employees.

In terms of fraud risk management, special emphasis was placed on the operation of the Transparency Hotline with advisory from a specialized provider that supports the tool's management.

The periodic review of the processes enabled updating the respective manuals, strengthening the documentation of activities and key controls, as well as complying with the requirements established in the Quality Management System adopted by the Company.

The organizational structure has been updated and aligned with business needs; specifically, in 2023, this included the appointment of the Vice President of Business. The duties and responsibilities of each position, have been defined, formalized and updated. Personnel education and training processes are carried out in accordance with the 2023 plan. Also, all Company employees are assessed by the performance management system.

- **RISK MANAGEMENT**

The Company has policies, procedures and manuals that regulate and define the procedures for managing strategic, liquidity, market, credit, operating, money laundering and terrorism financing risks. Each one of the systems enables the prevention, avoidance or reduction of the possibility of occurrence and the possible impacts derived from the materialization of events related to the Company's business and processes.

An adequate organizational structure is in place to manage the risks involved in the securitization process, and one of its key features is an array of specialized committees that support the Board of Directors in evaluating and monitoring such risks.

In terms of risk management functions and activities, the Board's Risk Committee led the periodic evaluation of compliance with policies and procedures necessary for measuring and controlling market, credit, liquidity, operational, asset laundering, and terrorism financing risks. Additionally, it was kept informed about the measures Management implemented to maintain risks within the levels and limits set by the Board and about the control activities conducted by the second line within the ICS.

Under the Company's methodological framework, the risk management systems enable the identification, evaluation and timely assessment of current risks and the application of the necessary mitigation measures to maintain risk levels within the tolerance thresholds determined by the Board of Directors.

Specifically, in 2023, the work plans established by Management for implementing Public Notice 018/2021 regarding the Risk Management System for Entities Exempt from SIAR (SARE) were completed.

- **CONTROL ACTIVITIES**

During 2023, the Company's procedures manuals were revised and updated, as part of the methodological deployment of the quality management system, and which based on self-assessments by the process leaders enables them to identify, adjust and formalize all the control mechanisms that apply to all the activities of Titularizadora.

Version updates and adjustments were made in accordance with the Company's requirements to the applications that support securitized asset management, investment portfolio management, and the input and generation of accounting and financial information, verifying at all times that the overall technology controls assure the sufficiency, accuracy, authorization and validity of data inputting and processing. Both the internal assessments and those made by the control bodies reported adequate results.

The work plans developed for technological, cybersecurity and information security management were fulfilled. These activities enabled the periodic verification of the control structures required by these elements and which, due to their relevance during the year, were subject to third-party reviews in order to assess compliance with the applicable policies and rules. These assessment indicated an adequate level of maturity of the Company's practices compared to existing standards and requirements.

In advancing strategic initiatives and enablers to achieve corporate objectives, automation projects were implemented in the accounting, securitization, and real estate management areas, ensuring efficiency in task execution and the proper design and application of control measures that adhere to the principles governing the Company's internal control system.

- **INFORMATION AND COMMUNICATION**

Titularizadora maintains information administration and management policies that align with the internal control model, implemented through processes based on best practice models and compliance with regulatory guidelines.

Additionally, the Information Security and Cybersecurity Management System (ISMS) aims to enhance the protection of information by preserving its confidentiality, integrity, and availability.

Given the importance of protecting information and managing cyber risk, the Company allocates resources to strengthen controls, thereby providing transparency and security in the information produced and transmitted, primarily through the web portal.

In 2023, noteworthy activities included conducting security tests such as social engineering, ethical hacking, vulnerability assessments, and a cyber crisis scenario, which helped timely identify and manage weaknesses to fortify both infrastructure and security culture.

- **MONITORING**

The ongoing supervision by the process owners, and the periodic monitoring performed by the office of the CEO, enabled the verification of the quality and performance of the

internal control system and validating the fulfillment of the control objectives.

The monitoring results reported by the process leaders include indicators on continuous improvement and on fulfillment of the action plans arising from the quality management system, with adequate performance reported at year-end. The corrective and improvement actions arising from the assessments were continuously monitored both by the various areas and the Quality Committee.

The independent monitoring and assessment of the internal control system were performed considering the review approaches provided by the statutory auditor, the external audit evaluating the ICS over the entities managed by the Company, and the internal control department acting in its third-line role.

The above control bodies fulfilled their 2023 work plans, as previously approved by the Audit Committee, with specific monitoring of performance of the ICS and periodic reports shared with Management. Expert providers also supported the review of key elements of the technology, information security and cybersecurity processes.

During its ordinary meetings, the Audit Committee reviewed the methodologies, plans and scopes of the reviews defined by the Statutory Auditor, External Auditor and the Internal Control Department. The performance and outcomes of such assessments were also reported to the Audit Committee, which issued opinions on the action plans defined by Management, and remained informed of the progress made in closing the recommendations.

Part Two - Securities Market and Financial Performance

I. Performance of the Securities in the Trading Systems

In this section, we should point out that since Titularizadora has no bonds or shares listed in the trading systems, no information is provided on traded volumes in this section.

II. Shareholdings in Titularizadora

- **Shareholders and Beneficiaries**

Titularizadora has a total of eight (8) shareholders that own nominative and ordinary shares, four (4) of which hold shareholdings of 10% or more of the Company's share capital, as described below:

CHART 18. SHAREHOLDINGS.

At December 2023	Total
Bancolombia S.A. -----▶	26.98%
Banco Caja Social S.A. -----▶	26.85%
Banco Davivienda S.A. -----▶	26.85%
Banco Comercial AV Villas S.A. -----▶	12.65%
Scotiabank Colpatría S.A. -----▶	6.35%
Compañía de Seguros Bolívar S.A. -----▶	0.13%
Compañía Inversora Colmena S.A. -----▶	0.13%
Seguros de Vida Alfa S.A. -----▶	0.05%

Source: Prepared by TC

The Annual Corporate Governance Report included in this report provides details on the Company's ownership structure, current shareholdings, and information on dividend distributions during the reporting period.

- **BANCOLOMBIA S.A.**

Bancolombia S.A. is a banking establishment listed on the Colombian Securities Exchange (bvc) and on the New York Securities Exchange (NYSE). It holds 26.98% of the share capital of Titularizadora. Bancolombia is part of the Sura – Bancolombia financial group. According to information published by Bancolombia at December 2023, the following shareholders of the Bank have shareholdings of 10% or more of its share capital:

CHART 19. BANCOLOMBIA'S SHARE OF TC'S CAPITAL.

Bancolombia S.A.				
% Shareholdings in Titularizadora:		26.98%		
Class of Shares:		Ordinary		
Shareholders of Bancolombia				
Name	Ordinary Shares	Preferred Shares	Total Shares	% Share of total
Grupo de Inversiones Suramericana S.A.	235,012,336	0	235,012,336	24.43%
Fondo Bancolombia ADR Program	0	130,450,680	130,450,680	13.56%

Source: <https://www.grupobancolombia.com/relacion-inversionistas/inversionistas/estructura-accionaria>

- **BANCO DAVIVIENDA S.A.**

Banco Davivienda S.A. is a banking establishment that holds 26.85% of the share capital of Titularizadora. Davivienda is part of the Bolívar S.A. financial group. According to information published by Banco Davivienda at December 2023, the following shareholders of the Bank have shareholdings of 10% or more of its share capital:

CHART 20. DAVIVIENDA'S SHARE OF TC'S CAPITAL.

Davivienda S.A.				
% Shareholdings in Titularizadora:		26.85%		
Class of Shares:		Ordinary		
Davivienda Shareholders				
Name	Ordinary Shares	Preferred Shares	Total Shares	% Share of total
Inversora Anagrama Inveranagrama S.A.S	69,522,054	3,104,021	72,626,075	16.08%
Inversiones Financieras Bolívar S.A.S	69,423,123	3,140,078	72,563,201	16.07%

Source: <https://ir.davivienda.com/acciones/>

- **BANCO CAJA SOCIAL S.A.**

Banco Caja Social S.A. is a banking establishment that holds 26.85% of the share capital of Titularizadora. Banco Caja Social is part of the Fundación Social financial group. According to information published by Banco Caja Social at September 2023, the following shareholders of the Bank have shareholdings of 10% or more of its share capital:

CHART 21. SHAREHOLDING OF BCS OF TC'S CAPITAL.

Banco Caja Social S.A.			
% Shareholdings in Titularizadora:		26.85%	
Class of Shares:		Ordinary	
Shareholders of Banco Caja Social			
Name	Ordinary Shares	Total Shares	Share of total
Inversora Fundación Grupo Social S.A.S*	127,218,180	127,218,180	62.16%

Source: Interim Period Condensed Separate Financial Statements - For the periods ended on September 30, 2023, December 31 and September 30, 2022.

*Majority shareholder that is part of the Fundación Social Business Group.

- **BANCO COMERCIAL AV VILLAS S.A.**

Banco AV Villas S.A. is a banking establishment that holds 12.65% of the share capital of Titularizadora. Banco AV Villas is part of the Aval financial group. According to information published by AV Villas at December 2023, the following shareholders of the Bank have shareholdings of 10% or more of its share capital:

CHART 22. AV VILLAS'S SHARE OF TC'S CAPITAL.

AV Villas S.A.				
% Shareholdings in Titularizadora:		12.65%		
Class of Shares:		Ordinary		
Shareholders of AV Villas				
Name	Ordinary Shares	Preferred Shares	Total Shares	% Share of total
Grupo Aval Acciones y Valores S.A.*	179,198,996	260,561	179,459,557	79.86%
Redifin S.A.*	29,723,060	0	29,723,060	13.23%

Source: <https://www.avvillas.com.co/wps/portal/avvillas/banco/acerca-avvillas/>

*Both majority shareholders are part of the Sarmiento Angulo Business Group.

III. Financial information for the year, and comparisons with the previous year

The end-of-year financial statements audited by the Statutory Auditor are included in **Annex No. 1** of this report.

IV. Analysis of the Operating Results and Financial Position

A. Material Changes in Operating Results

The following was the performance of the main balance sheet figures:

ASSETS

COP 220.7	2023
COP 145.6	2022
51.7%	Change

At December 2023, the assets of Titularizadora totaled COP 220.7 million, up 51.7% compared to year-end 2022. The asset base primarily consists of investment financial assets (76.2%), trade debtors (6.1%), investment properties (10.5%), cash equivalents (3.3%), and property, plant, and equipment (3.2%).

The principal variation in accounts compared to the previous year was in the Financial Investment Assets. Attributed to using available cash resources to purchase securities for the investment portfolio. Investments available for sale and negotiable according to the management's strategy to mitigate portfolio volatility included some securities issued in securitization processes by the Company in 2023.

LIABILITIES

COP 82.0	2023
COP 17.3	2022
374%	Change

As of December 31, 2023, the Company's liabilities were mainly composed of financial obligations (69.2%), securities in circulation named BOCEAS (17.7%), current taxes such as income tax, VAT, and ICA (4.61%), and deferred income tax recognized following IAS 12 on income taxes (6.23%).

The primary variation in figures from 2022 is due to loans acquired from domestic entities in the last quarter of the year, aimed at purchasing securities from securitization processes conducted by the Company, including BOCEAS securities issued in December 2023.

EQUITY

COP 138.7	2023
COP 128.3	2022
8.1%	Change

The equity of Titularizadora Colombiana increased by 8.1% compared to the previous year, due to the higher profits reported this year. At year-end 2023, the Company's equity totaled COP 138.7 million.

Details on material changes in the operating results of the main indicators are available in the attached notes to the financial statements.

- **INCOME STATEMENT**

Operating income at the close of 2023 accounted for 97% of total revenue, primarily from (i) structuring, administration, guarantee, certification, and placement commissions totaling COP 13,338 billion; (ii) financial income from the investment portfolio earnings amounting to COP 21,056 million; and (iii) warehousing totaling COP 1,025 billion. Other revenues for COP 1,136 billion are mainly revenues from leases.

The Company's expenses totaled COP 22,488 billion. Financial expenses totaled COP 3,157 billion and administrative expenses COP 19,330 billion, equivalent to 85.9% of total expenses. Net profit in 2023 totaled COP 8,560 billion.

- **FINANCIAL AND OPERATING RATIOS**

ROE stood at 6.2% at December 2023, compared to 4.4% at year-end 2022. Meanwhile, net income changed from COP 5,647 billion in 2022 to COP 8,560 billion at year-end 2023. This shift in indicators largely stems from an increase in operating income driven by two issuances during 2023.

The efficiency ratio changed from 92% in 2022 to 149% in 2023.

- **CERTIFICATIONS OF THE FINANCIAL STATEMENTS AT DECEMBER 31, 2023**

In compliance with article 46 of Law 964/2005, in preparing the financial statements and other reports for the public, Titularizadora has established, implemented and assessed disclosure and control procedures that assure that the financial information is adequately presented. The financial statements as a whole are free from faults, inaccuracies or errors that would prevent knowing the Company's true financial position and the operations it performs.

B. Material Changes in Solvency and Liquidity

The Company's solvency ratios at the end of December 2023 and 2022 were 98% and 131%, respectively, which indicates the entity's high capacity to fulfill its financial commitments without affecting the course of its normal operations. This variation mainly corresponds to the acquisition of outstanding securities from the Securitization processes of TIV V5 and TIV V6 during 2023.

C. Outlook and Potentially Material Uncertainties

In the new housing market (both VIS and non-VIS), a 39% increase in sales is projected for 2024. This outlook is based on the assumption that households will have an easier time achieving financial closure due to a gradual decrease in interest rates anticipated in the near future, impacting mortgage loans and the normalization of highly demanded subsidies. This situation underscores the Company's advantage given the substantial

volume of loans eligible for securitization (both mortgage and non-mortgage) that have accumulated over recent years, indicating a robust supply of inputs for securitization.

Assets under management effectively withstood stress episodes following a rise in non-performing loans due to economic deceleration and impacts on employment and household income. Furthermore, loan portfolios indexed to UVR faced increased credit risk due to higher financial burdens on debtor households, yet the structures adapted adequately. These developments signify investor confidence and transparency, with expectations for reduced stress scenarios by 2024.

Real estate securitization, potentially impacted by an uptick in lessee defaults or property vacancies, avoided such scenarios and continued to perform well. Similarly, the outcomes for the real estate vehicle were not influenced by the rising cost of financing. Looking ahead to 2024, TIN is anticipated to offer an appealing option for investors, reinvigorating the dynamism it has been known for in the past.

New issuances are likely to benefit from the growing interest of institutional investors in long-term instruments that diversify their portfolios, given the declining capture rates of lending institutions (i.e., reduction in the real interest rate of the economy), and reduced uncertainty in regulatory frameworks due to pension and health reforms.

D. Material Off-balance-sheet Transactions

At December 31, 2023, there were no off-balance-sheet transactions.

V. Quantitative and Qualitative Analysis of Market Risk

A. Quantitative Analysis of Market Risk

The following is a list of the instruments exposed to market risk and their classification (Neg: Marketable, DPV (Date of Payment and Value): Available or Expiry: Expired). A column is included indicating the market risk factor to which these instruments are exposed, as well as their main conditions.

CHART 23. INSTRUMENTS AND EXPOSURES

Security	Issue	Issuer	Nominal Value	IRR Value	Valuation Date	Currency	Rating	Maturity Date	Purpose	Risk Factor
Banco Occidente Bond	BONO BO IPC 202	B. Occidente	2,000,000,000	2,052,291,392	Dec-23	COP	AAA	May 08, 2024	NEG	CPI
B. Colpatría CD	COLPATRIA TF	B. Colpatría	3,000,000,000	3,029,577,203	Dec-23	COP	AAA	June 01, 2024	NEG	Interest Rate
B. Davivienda CDT	B. DAVIV TF CDT	B. Davivienda	8,000,000,000	8,376,634,186	Dec-23	COP	AAA	August 24, 2025	NEG	Interest Rate
B. de Bogotá CD	BOGOTA TF CDT	B. Bogotá	3,000,000,000	3,160,904,392	Dec-23	COP	AAA	January 19, 2025	NEG	Interest Rate
BBVA Ganadero CDT	BBVA TF CD	B. BBVA Ganader	2,000,000,000	2,015,250,900	Dec-23	COP	AAA	June 09, 2024	NEG	Interest Rate
BBVA Ganadero CDT	BBVA TF CD	B. BBVA Ganader	1,000,000,000	1,027,946,410	Dec-23	COP	AAA	October 12, 2026	NEG	Interest Rate
Bancolombia CD	BCB IPC 202 CD	Bancolombia	500,000,000	515,483,352	Dec-23	COP	BRC1+	August 09, 2024	NEG	CPI
TES FR - ALL SERIES	TFIT08261125	National government	500,000,000	522,780,657	Dec-23	COP	AAA	November 26, 2025	NEG	Interest Rate
TES UVR	TUVT11070525	National government	7,000,000	2,607,903,932	Dec-23	UVR	AAA	May 07, 2025	NEG	CPI
TIPS Pesos	N13 A 2026	Titularizadora	82,157,139	82,978,806	Dec-23	COP	AAA	December 01, 2026	NEG	Interest Rate
TIPS Pesos	N13 A 2026	Titularizadora	19,388,426	19,941,668	Dec-23	COP	AAA	December 01, 2026	NEG	Interest Rate
TIPS Pesos	N13 A 2026	Titularizadora	155,918,760	161,286,669	Dec-23	COP	AAA	December 01, 2026	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	57,499,080	57,939,406	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	8,624,862	8,719,163	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	3,219,676	3,259,368	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	42,329,518	43,144,769	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	114,998,160	117,771,233	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	9,930,090	10,036,129	Dec-23	COP	AAA	March 08, 2027	NEG	Interest Rate
TIPS Pesos	N15 A 2027	Titularizadora	21,998	22,031	Dec-23	COP	AAA	June 27, 2027	NEG	Interest Rate
TIPS Pesos	N15 A 2027	Titularizadora	73,319,419	73,494,834	Dec-23	COP	AAA	June 27, 2027	NEG	Interest Rate
TIPS Pesos	N15 A 2027	Titularizadora	116,330,700	117,539,984	Dec-23	COP	AAA	June 27, 2027	NEG	Interest Rate

Security	Issue	Issuer	Nominal Value	IRR Value	Valuation Date	Currency	Rating	Maturity Date	Purpose	Risk Factor
TIPS Pesos	N15 A 2027	Titularizadora	75,370,604	76,193,210	Dec-23	COP	AAA	June 27, 2027	NEG	Interest Rate
TIPS Pesos	N15 A 2027	Titularizadora	342,924,593	347,414,117	Dec-23	COP	AAA	June 27, 2027	NEG	Interest Rate
TIPS Pesos	N17 A 2028	Titularizadora	5,653,992	5,667,335	Dec-23	COP	AAA	March 15, 2028	NEG	Interest Rate
TIPS Pesos	N17 A 2028	Titularizadora	46,209,065	47,111,795	Dec-23	COP	AAA	March 15, 2028	NEG	Interest Rate
TIPS Pesos	N7 C 2028	Titularizadora	520,200,000	521,407,755	Dec-23	COP	BB	May 23, 2028	NEG	Interest Rate
TIPS Pesos	N7 MZ 2028	Titularizadora	1,692,806,874	1,696,816,854	Dec-23	COP	BBB+	May 23, 2028	NEG	Interest Rate
TIV	V2 A 2026	Titularizadora	1,352,517,985	1,317,597,207	Dec-23	COP	AAA	February 26, 2026	NEG	Interest Rate
TIV	V5 2028	Titularizadora	1,889,505,791	1,895,317,811	Dec-23	COP	AAA	November 23, 2028	NEG	Interest Rate
TIV	V5 2028	Titularizadora	1,889,505,791	1,895,317,811	Dec-23	COP	AAA	November 23, 2028	NEG	Interest Rate
TIV	V6 A 2028	Titularizadora	31,393,068,219	31,425,011,338	Dec-23	COP	AAA	November 28, 2028	NEG	Interest Rate
UVR TIPS	U2 A 2027	Titularizadora	261,069	94,578,279	Dec-23	UVR	AAA	November 09, 2027	NEG	CPI
UVR TIPS	U3 A 2028	Titularizadora	2,851,222	1,031,629,554	Dec-23	UVR	AAA	July 25, 2028	NEG	CPI
UVR TIPS	U4 A 2029	Titularizadora	604,589	219,408,739	Dec-23	UVR	AAA	August 15, 2029	NEG	CPI
UVR TIPS	U6 A 2037	Titularizadora	2,783,394	999,303,233	Dec-23	UVR	AAA	December 16, 2037	NEG	CPI
UVR TIPS	U6 A 2037	Titularizadora	11,134,028	3,997,374,398	Dec-23	UVR	AAA	December 16, 2037	NEG	CPI
UVR TIPS	U6 A 2037	Titularizadora	5,567,238	1,998,767,931	Dec-23	UVR	AAA	December 16, 2037	NEG	CPI
Banco Occidente Bond	BONO BO IPC 202	B. Occidente	2,500,000,000	2,564,620,839	Dec-23	COP	AAA	May 08, 2024	DPV	CPI
Banco Popular Bond	BONO IBR 2024	B. Popular	1,000,000,000	1,009,691,077	Dec-23	COP	BRC1+	March 10, 2024	DPV	Interest Rate
Banco Popular Bond	BONO IBR 2024	B. Popular	1,000,000,000	1,009,691,077	Dec-23	COP	BRC1+	March 10, 2024	DPV	Interest Rate
Bancoldex Bond	Bancoldex Bond	Bancoldex	2,000,000,000	2,052,515,107	Dec-23	COP	AAA	October 25, 2025	DPV	Interest Rate
B. Davivienda CDT	B. DAVIV TF CDT	B. Davivienda	2,000,000,000	2,094,158,546	Dec-23	COP	AAA	August 24, 2025	DPV	Interest Rate
B. Popular CD	POPULAR CDT	B. Popular	2,500,000,000	2,570,275,576	Dec-23	COP	AAA	October 13, 2025	DPV	Interest Rate
B. Popular CD	POPULAR 202 CD	B. Popular	2,000,000,000	2,070,070,587	Dec-23	COP	AAA	October 13, 2024	DPV	CPI

Security	Issue	Issuer	Nominal Value	IRR Value	Valuation Date	Currency	Rating	Maturity Date	Purpose	Risk Factor
B. de Bogotá CD	BOGOTA TF CDT	B. Bogotá	5,000,000,000	5,126,827,611	Dec-23	COP	AAA	February 02, 2026	DPV	Interest Rate
B. de Bogotá CD	Bogotá CD	B. Bogotá	2,000,000,000	2,033,122,154	Dec-23	COP	BRC1+	February 17, 2024	DPV	Interest Rate
B. de Bogotá CD	BOGOTA IBR CD	B. Bogotá	4000,000,000	4,032,603,725	Dec-23	COP	BRC1+	March 15, 2024	DPV	Interest Rate
BBVA Ganadero CDT	BBVA IBR CD	B. BBVA Ganader	2,000,000,000	2,017,965,242	Dec-23	COP	AAA	April 13, 2024	DPV	Interest Rate
BBVA Ganadero CDT	BBVA TF CD	B. BBVA Ganader	5,000,000,000	5,006,597,954	Dec-23	COP	AAA	December 28, 2025	DPV	Interest Rate
BBVA Ganadero CDT	BBVA TF CD	B. BBVA Ganader	1,000,000,000	1,003,458,747	Dec-23	COP	AAA	September 21, 2026	DPV	Interest Rate
Bancolombia CD	BCB TF CDT	Bancolombia	5,000,000,000	5,129,749,507	Dec-23	COP	AAA	February 02, 2025	DPV	Interest Rate
TIPS Pesos	N13 A 2026	Titularizadora	168,519,205	169,973,255	Dec-23	COP	AAA	December 01, 2026	DPV	Interest Rate
TIPS Pesos	N13 A 2026	Titularizadora	19,489,845	18,912,331	Dec-23	COP	AAA	December 01, 2026	DPV	Interest Rate
TIPS Pesos	N14 A 2027	Titularizadora	1,291,253,612	1,300,023,409	Dec-23	COP	AAA	March 08, 2027	DPV	Interest Rate
TIPS Pesos	N16 A 2027	Titularizadora	788,798,913	788,690,182	Dec-23	COP	AAA	December 06, 2027	DPV	Interest Rate
TIPS Pesos	N17 A 2028	Titularizadora	78,666,999	75,139,314	Dec-23	COP	AAA	March 15, 2028	DPV	Interest Rate
TIS PESOS	H2 A 2028	Titularizadora	265,130,260	260,769,734	Dec-23	COP	AA+	May 18, 2028	DPV	Interest Rate
TIV	V5 2028	Titularizadora	4,251,507,227	4,264,584,638	Dec-23	COP	AAA	November 23, 2028	DPV	Interest Rate
TIV	V6 A 2028	Titularizadora	25,758,469,117	25,784,678,910	Dec-23	COP	AAA	November 28, 2028	DPV	Interest Rate
UVR TIPS	U4 A 2029	Titularizadora	562,571	198,269,073	Dec-23	UVR	AAA	August 15, 2029	DPV	CPI
UVR TIPS	U5 A 2036	Titularizadora	657,417	228,713,086	Dec-23	UVR	AAA	October 07, 2036	DPV	CPI
UVR TIPS	U6 A 2037	Titularizadora	22,179,009	7,962,778,844	Dec-23	UVR	AAA	December 16, 2037	DPV	CPI
BBVA Ganadero CDT	BBVA TF CD	B. BBVA Ganader	10,835,000,000	10,854,067,879	Dec-23	COP	AAA	December 27, 2025	VTO	NA

Source: Prepared by TC

B. Qualitative Analysis of Market Risk

The market risks are included in the risk map displayed in Figure 5. Similarly, the necessary control measures are applied to each identified risk to maintain them within the acceptable levels established by the Company.

Three risks were rated qualitatively in the matrix with Minor and Substantial ratings, and whose probability of occurrence are low and very low, taking into consideration the documentation of the processes and the defined controls. The Company has approved a value at risk (VaR) for its investments at less than 5% of Equity.

The criteria, policies and procedures used to assess, manage, measure and control the risks associated with the business of Titularizadora are disclosed in the Financial Statements under the Note on Risk Management.

Even though the investments available for sale are included in the Value at Risk limit of 5% and are assessed at market prices, negative valuations (losses) would be recognized through OCI, reducing equity in the event of losses through unrealized losses, rather than through the current period's profit or loss, and would therefore not affect the period's profits. The portion at maturity, when used, would not be marked to market, but would only accrue.

VI. Material Transactions with Related Parties

Pursuant to the provisions of Article 1, Section 3 of Law 603/2000, Note No. 24 to the Financial Statements lists the transactions carried out by Titularizadora with its shareholders and managers.

VII. Description and evaluation of the controls and procedures used by the issuer to register, process and analyze the information required to comply with the obligation to submit the end-of-year report to the RNVE in a timely manner.

In this regard, the following are included as **ANNEX 2** to this Report:

- i. The certification issued by the Registered Agent of Titularizadora, which certifies that the information includes all material aspects of the business;
- ii. A report signed by the Registered Agent of Titularizadora on the results of the evaluation of internal control systems, and financial reporting and disclosure procedures, in compliance with Article 47 of Law 964/2005 and in accordance with the exceptions provided in art. 48 of the aforementioned law, and
- iii. The certification issued by the statutory auditor, which confirms the effectiveness of the controls over financial information.

Part Three - Sustainability and Responsible Investment Practices

I. CORPORATE GOVERNANCE ANALYSIS

CORPORATE GOVERNANCE REPORT JANUARY – DECEMBER 2023

Titularizadora has prepared this 2023 Corporate Governance Report with the objective of reporting on the operation of the Company's governance model and the most relevant developments at the corporate level during the reported period. This report's contents are in line with the provisions of (i) measure 33.3 of the Code of Best Corporate Practices (Código País), established by means of Public Notice 028/2014 and (ii) Section 7.4.1.3.1 of Public Notice 012/2022 on Periodic End-of-Year Reports, both issued by the Financial Superintendence of Colombia.

INTRODUCTION

Since its incorporation, Titularizadora has endeavored to implement appropriate governance standards, taking into consideration its nature and particular condition as issuer, with the aim of providing shareholders and investors instruments, mechanisms and information that will sufficiently inform them of the performance of the Company and the Aggregates it manages. To this end, our corporate governance model incorporates policies, principles and mechanisms that enable adequate disclosure and transparency regarding the Company's operations and the acts of its managers, always with the aim of endowing Titularizadora with the best practices and standards for its governance and the performance of its activities.

The following documents form part of our corporate governance:

- Company Bylaws
- Good Governance Code
- Shareholder Agreement
- Anti-corruption Corporate Policy
- Rules of the General Meeting of Shareholders
- Rules of the Board of Directors
- Code of Ethics

Titularizadora has also adopted the recommendations on good corporate governance of the Code of Best Corporate Practices (Código País), which are reported to the market in the annual Código País report. These documents are available on the Company's website www.titularizadora.com

Under this framework, this report reflects the way corporate governance activities were developed during 2023, to which end the following main aspects are discussed: (i) Ownership structure of the Company; (ii) General Meeting of Shareholders; (iii) the Company's management structure; (iv) the risk management system; (v) the internal

control system; (vi) conflicts of interest and transactions with related parties; (vii) investor relations; (viii) relationship with the statutory auditor; (ix) Report on the Implementation of Best Corporate Practices; and (x) amendments to the corporate documents.

I. OWNERSHIP STRUCTURE OF THE COMPANY

The following were the shares and shareholding structure of Titularizadora, its shareholders and types of shares during 2023:

1. The Company's Share Capital

The Company's subscribed and paid-in capital totaled COP 59,855,375,000.00 represented by 59,855,375 nominative ordinary shares, each with equal voting rights. In the Bylaws and the Code of Good Governance, one can find the rights and obligations these shares confer upon the shareholders of Titularizadora.

In this regard, we should point out that Titularizadora has no different classes of shares or shareholders, in accordance with the corporate documents (Article 6 of the Company Bylaws).

CHART 24. SHARE CAPITAL OF TITULARIZADORA COLOMBIANA S.A.

AUTHORIZED CAPITAL	SUBSCRIBED CAPITAL	PAID-IN CAPITAL
COP 80,252,796,000.00	COP 59,855,375,000.00	COP 59,855,375,000.00

Source: Prepared by TC

During 2023, an issuance and subscription was carried out of 1,520,130 Bonds Mandatorily Convertible into Shares (BOCEAS, for the Spanish original) for an amount of COP 3,404,999,992, by means of a private offering made exclusively to the Company's shareholders, whose maximum term for conversion is one (1) year, i.e., before December 15, 2024. The BOCEAS were subscribed by the Company's shareholders in proportion to their shareholdings in the Company's capital. This transaction does not change the authorized capital, subscribed capital or paid-in capital of Titularizadora at December 31, 2023.

2. Shareholdings Structure

a. Shareholders

The shareholders of Titularizadora are financial institutions, insurance companies and associated entities. There are eight (8) shareholders, all Colombians with a long track record and widespread recognition in the local and regional market, which continuously and actively interact with the Company's Board of Directors and Senior Management.

During 2023, there were no changes in the shareholders or their shareholdings in the Company. At December 31, 2023, the shareholders of Titularizadora had the following number of ordinary shares and percent of shareholdings in the Company:

CHART 25. SHAREHOLDINGS IN TITULARIZADORA COLOMBIANA S.A.

Shareholder	No. of shares	Total Shareholding %
Bancolombia S.A.	16,151,497	26.98%
Banco Caja Social S.A.	16,072,773	26.85%
Banco Davivienda S.A.	16,072,773	26.85%
Banco Comercial AV Villas S.A.	7,570,225	12.65%
Scotiabank Colpatría S.A.	3,800,369	6.35%
Compañía de Seguros Bolívar S.A.	78,723	0.13%
Compañía Inversora Colmena S.A.	78,723	0.13%
Compañía de Seguros de Vida Alfa S.A.	30,292	0.05%
Total	59,855,375	100.00%

Source: Prepared by TC

b. Shares Owned by Managers

None of the Board members or Managers of Titularizadora holds any shares in the Company. Item b. of section 7.6 of the Good Governance Code places restrictions on the acquisition of the Company's shares or securities by members of the Board or of Management.

The current composition of the Company's share capital, the structure of shareholdings and other associated aspects, as well as periodic updates thereof, as required, are published and made available to stakeholders on the corporate website www.titularizadora.com

c. Shareholder Agreement

Titularizadora has had a Shareholders Agreement in effect since 2001, which has been signed by all the Company's shareholders. This Agreement defines the shareholders' responsibilities and the structure, operation and general corporate governance parameters of Titularizadora. The Shareholders Agreement is published and made available to investors on the corporate website www.titularizadora.com

In 2023, the Company considered the various documents comprising its corporate

governance to ensure they were incorporated into its activities and processes.

II. GENERAL MEETING OF SHAREHOLDERS

The highest corporate governance body at Titularizadora is the General Meeting of Shareholders, which is comprised of the Company's shareholders, enabling them to control the overall direction of the Company. During 2023, the General Meetings of Shareholders of Titularizadora were carried out in accordance with the provisions of the Company Bylaws, the Good Governance Code and other related rules on the operation and performance of meetings of this governance body.

The following were the main matters addressed by the General Meetings of Shareholders held during 2023:

1. Ordinary Meetings

a. Summons

The Ordinary General Meeting of Shareholders was held on March 24, 2023, based on a written summons to the meeting sent out previously to each shareholder on March 02, 2023, both by physical mail and e-mail, by the Company's CEO, in compliance with the requirements indicated in the corporate documents and the provisions of the Code of Commerce and other applicable regulations.

The summons submitted to the consideration of the shareholders (i) the proposed meeting agenda, indicating the matters to be discussed in each item on the agenda; (ii) the Proposed Resolutions for each of the items on the agenda to be decided on by the General Meeting of Shareholders; and (iii) two forms for granting special proxies, one for the shareholder to grant broad powers to the proxy to participate in and vote on the propositions submitted to the consideration of the General Meeting, and the other designed to enable the shareholders to issue specific instructions to their proxies on how to vote on the Proposed Resolutions included in the summons. The required information to enable the shareholders to exercise their right to inspection was made available in the terms indicated in applicable regulations.

The summons also indicated that the shareholders could submit to the Company's CEO additional Proposed Resolutions within five (5) calendar days from the date of the summons, along with appropriate justification. In this regard, we report that no new Proposed Resolutions were received within the term set out in the summons.

Lastly, the summons informed the shareholders that pursuant to the provisions of Article 21 of the Company Bylaws and of Section 1.3.2 of the Good Governance Code of the Company, they would be able to propose the inclusion of one or more items to be discussed in the agenda on the day of the meeting by submitting their proposal to the CEO of the Company within 5 calendar days from the date of reception of the summons, which must include adequate justification. It should be noted that there were no requests from shareholders to add items for discussion to the Agenda.

b. Attendance

The Ordinary General Meeting of Shareholders was held on March 24, 2023, within the terms defined in Article 20 of the Company Bylaws and in the Code of Commerce, with attendance by all the shareholders of Titularizadora, representing 59,855,375 shares equivalent to 100% of the Company's subscribed capital.

The Legal Representatives of Holders of the issuances of the mortgage and non-mortgage securities placed by Titularizadora also were called to the Ordinary General Meeting, with attendance by: Alianza Fiduciaria S.A., Itaú Fiduciaria S.A., Fiduciaria Scotiabank Colpatría S.A. and Credicorp Capital Fiduciaria S.A. The summons also called the firm Deloitte & Touche LTDA., the Entity's statutory auditor, which also attended the meeting.

The Ordinary General Meeting of Shareholders was held virtually using the Teams – Microsoft platform, pursuant to the terms of Law 222/1995 and Decree 398/2020, which regulate the performance of non-face-to-face meetings of boards of partners, general meetings of shareholders and boards of directors. Adequate instructions were provided to enable the shareholders to make decisions.

c. Main Decisions of the General Meeting

The General Meeting of Shareholders of Titularizadora discussed the matters within its purview, and unanimously approved the following matters at the 2023 ordinary meeting:

- End-of-Year Management Report, a document that included the Corporate Governance Report of the Company for the 2022 period.
- Activity Report of the Audit Committee and the Performance of the Internal Control System
- Statutory Auditor's Opinion
- Basic Financial Statements at December 31, 2022
- Profit Distribution Proposal
- Appointments of Board of Directors Members for the 2023–2025 term and Determination of their Remuneration.
- Appointment of the Statutory Auditor for the 2023-2025 term and Determination of his Remuneration.

▪ Dividend Distribution

For the effects of clarity, we report that the General Meeting of Shareholders approved maintaining the full amount of the profits available from the 2022 period, which totaled COP 5,082,707,274.89, as retained earnings for future distribution under the equity of Titularizadora.

d. Relevant Information

The notification and decisions taken by the General Meeting of Shareholders were appropriately disclosed as significant information, pursuant to Article 5.2.4.3.1 of Decree 2555/2010.

2. Extraordinary Meetings

An Extraordinary General Meeting of Shareholders was held virtually using the Teams – Microsoft platform, in the terms of Law 222/1995 and the provisions of Decree 398/2020.

a. Summons

The Extraordinary General Meeting of Shareholders was held on December 14, 2023, based on a written summons to the meeting sent out previously to each shareholder on December 07, 2023, both by physical mail and e-mail, by the Company's CEO, in compliance with the requirements indicated in the corporate documents and the provisions of the Code of Commerce and other applicable regulations.

b. Attendance

The Extraordinary General Meeting of Shareholders was held on December 14, 2023, virtually, in full compliance with the provisions of Article 24 of the Company Bylaws and of the Code of Commerce, with attendance by all the shareholders of Titularizadora, representing 59,855,375 shares equivalent to 100% of the Company's subscribed capital.

The Legal Representatives of Holders of the issuances of mortgage and non-mortgage securities placed by Titularizadora also were called to the Extraordinary General Meeting, with attendance by: Alianza Fiduciaria S.A., Itaú Fiduciaria S.A., Fiduciaria Scotiabank Colpatría S.A., and Credicorp Capital Fiduciaria S.A.

c. Main Decisions of the General Meeting

During the 2023 Extraordinary General Meeting of Shareholders, the items on the proposed agenda were submitted to the consideration of the shareholders, of which the most noteworthy item was the proposal to issue bonds mandatory convertible into shares (BOCEAS) in the amount of COP 3,404,999,992, as well as to delegate to the Board of Directors of Titularizadora broad powers to (i) define the rules for the placement of the BOCEAS and other terms of the issuance through the authorization of the corresponding Prospectus for Issuance and Placement, and (ii) all decisions related to the procedures and actions required to complete the proposed BOCEAS issuance.

The participants unanimously approved the matters submitted to the consideration of the General Meeting of Shareholders, i.e., they were approved by one hundred percent (100%) of the Company's shares outstanding.

d. Relevant Information

The notification and decisions taken by the General Meeting of Shareholders were appropriately disclosed as significant information, pursuant to Article 5.2.4.3.1 of Decree 2555/2010.

3. Mechanisms for Communicating with Shareholders

Shareholder requests are addressed through the Shareholder Relations Office of the General Secretary of the Company, which is responsible for responding to the requests in the terms of Chapter 8 of the Good Governance Code. Shareholders may contact the following:

SHAREHOLDER RELATIONS OFFICE	
Department	General Secretary's Office
Address:	Calle 72 No. 7-64 Office 401 – Bogotá D.C.
Telephone number:	6183030 ext. 200
Fax:	6183018
E-mail:	accionistas@titularizadora.com

Throughout 2023, no formal requests related to the Company's Corporate Governance were received from the shareholders via the designated channels.

Additionally, to ensure access to information and timely communication with shareholders, Titularizadora's website features a Corporate Governance section, available in both Spanish and English. This section includes relevant information such as financial and non-financial data, governance bodies, and corporate documents of the Company, all of which were updated in 2023.

III. MANAGEMENT STRUCTURE OF THE COMPANY

1. Board of Directors

The Board of Directors is the highest management body of Titularizadora, in charge of protecting and maximizing the Company's equity, directing the corporate strategy, and supervising the adequate performance of Management in fulfilling the mandate assigned by the shareholders. In this sense, the Board members are responsible for a series of functions, which primarily consist of making the necessary decisions aimed at fulfilling the Company's corporate purpose; verifying the existence and effectiveness of internal controls; establishing general policies for the Company, particularly regarding the financial management of the Company's inherent risks, as well as monitoring thereof; and guiding and following up on the business strategy, in abidance of the provisions of the Company Bylaws and legal provisions.

The functions of the Board of Directors are clearly defined in Article 30 of the Company Bylaws, which is published and available on the website of Titularizadora www.titularizadora.com

a. Members of the Board of Directors

The Board of Directors of Titularizadora is comprised of five (5) principal members and five (5) alternate members, who were appointed by the Ordinary General Meeting of Shareholders held on March 24, 2023, for a two-year term (2023-2025). For the appointment process of the Board of Directors, the procedure was comprehensively implemented with the involvement of the Nominating, Compensation, and Ethics

Committee. This committee is responsible for leading the suitability evaluation of the candidates before the Shareholders' Meeting and for applying the Company's policies on these matters, in accordance with the guidelines of the Board Succession Policy and the provisions of item 2.1.2, subparagraph C of the Code of Good Governance.

At the Ordinary Meeting in 2023, the Appointments, Compensation, and Ethics Committee presented a report concerning the formation of the Board of Directors for the 2023-2025 term.

The five lines of the Board of Directors, both principals and alternates, are independent in nature, and none of the Board members has an employment contract with the Company. The above is in compliance with Article 44 of Law 964/2005 and Article 2.1.5 of the Good Governance Code, which contain the independence criteria adopted by Titularizadora for the appointment of Board members and the members of the Support Committees. It should be noted that as an additional criterion of independence, Titularizadora has established that the requirements described in Article 44 of Law 964/2005 will be assessed both in connection with the appointed member and his/her relatives, defined as his/her spouse and relatives up to the second degree of consanguinity, second degree of affinity and one degree of civil relationship.

At December 31, 2023, the following were the members of the Board of Directors of Titularizadora:

CHART 26. BOARD OF DIRECTORS OF TITULARIZADORA COLOMBIANA S.A.

Line	Principal Member	Date first appointed	Alternate Member	Date first appointed	Attendance by line 2023* %
1	José Humberto Acosta Martín	2014	Hernán Álzate Arias	2016	92%
2	Efraín Forero Fonseca	2001	Pedro Uribe Torres**	2023	100%
3	Beatriz Elena Arbeláez Martínez	2020	Oscar Eduardo Gómez C.	2014	100%
4	Diego Fernando Prieto Rivera	2013	Nicolás García Trujillo	2020	100%
5	Juan Camilo Ángel	2008	Diana Ordoñez Soto***	2023	100%
Chairman of the Board					
Efraín Forero Fonseca					
Secretary of the Board					
Ricardo Molano León					

Source: Prepared by TC

* This information was taken starting on the first meeting of the Board of Directors held in January 2023, and including all the meetings held during 2023 (a total of 12 meetings), based on attendance by each line.

** Dr. Pedro Uribe was appointed to replace Dr. Álvaro Carrillo. The Positions Committee of the Financial Superintendence of Colombia granted authorization for his possession in a session conducted on June 1, 2023, from which date he participated in Board of Directors meetings as an alternate member.

*** Dr. Diana Ordoñez was appointed to replace Dr. Jaime Alberto Upegui. The Positions Committee of the Financial Superintendence of Colombia granted authorization for his possession in a session conducted on June 1, 2023, from which date he participated in Board of Directors meetings as an alternate member.

In 2023, the Chairman of the Board was Efraín Forero Fonseca, and Ricardo Molano León, the Secretary General of Titularizadora, acted in the capacity of Secretary of the Board.

Some of the main duties performed by Efraín Forero Fonseca during 2023 as Chairman of the Board included the preparation of the 2023 work plan with the CEO of the Company, including a timetable and topics, which were validated by the Board of Directors. The Chairman of the Board also performed the duties and activities specified in Article 34 of the Company Bylaws.

Some of the main duties performed by the Secretary of the Board of Directors during 2023 included ensuring that the summons to the Board meetings fulfilled legal and statutory provisions; forwarding the information available on the matters to be considered and discussed by the meetings; and preparing the meeting Minutes and certifying the copies and decisions of said body as required.

The Board meetings were all held as scheduled, in accordance with the corresponding summons procedure, and the information available on the matters to be discussed, along with the minutes of the previous meetings, were forwarded in advance from each meeting. The meetings also followed the methodology defined for the meetings and the parameters for defining the matters to be discussed according to the annual work plan.

b. Meetings of the Board of Directors

During 2023, the Board of Directors of Titularizadora held a total of twelve (12) meetings, as described below:

CHART 27. MEETINGS OF THE BOARD OF DIRECTORS OF TITULARIZADORA COLOMBIANA S.A.

Date	Type of Meeting	Minutes No.
January 19, 2023	Not On-site	249
February 23, 2023	Not On-site	250
March 16, 2023	Not On-site	251
April 20, 2023	Not On-site	252
May 18, 2023	Not On-site	253
June 22, 2023	Not On-site	254
July 27, 2023	Not On-site	255
August 17, 2023	Not On-site	256
September 21, 2023	Not On-site	257
October 19, 2023	Not On-site	258
November 16, 2023	Not On-site	259
December 14, 2023	Not On-site	260

Source: Prepared by TC

All the Board meetings had the quorum required to deliberate and decide. The respective decisions were passed unanimously by all the meeting participants.

The Board meetings addressed topics such as (i) the Company's financial information; (ii) plans and outcomes of issuances; (iii) the performance of the issuances; (iv) risk management reports; (v) the local and international market dynamics; (vi) the mortgage and real estate sectors' performance; (vii) information for the ordinary shareholders'

meeting; and (viii) market liquidity and the impact of changes in the National Financial Structure and Markets Commission (CFEN), among other Company-related aspects. The following strategic topics were also assessed: (i) monitoring key financial targets and indicators; (ii) investor market development; (iii) strategic planning and tracking of the 2022-2027 plan; (iv) sustainability strategy; (v) the financial market's political and economic context; and (vi) the current state of the securities market, among others.

c. Professional Profiles and Experience

It is important for Titularizadora for those appointed as Board members to have the professional qualifications, track records and experience required for the adequate development of its corporate purpose and the adequate operation of its corporate governance. Consequently, Board members should have broad experience in management position and relevant knowledge and leadership in activities and economic sectors related to the Company's corporate purpose. The following is a summary of the profiles of the Board members:

PRINCIPAL MEMBERS

ALTERNATE MEMBERS

<p style="text-align: center;">JOSÉ HUMBERTO ACOSTA Financial Vice President - Bancolombia S.A.</p> <p>Business Administrator from Universidad Externado de Colombia, with a Master's in Business Administration from INALDE. He has over 30 years of experience in the financial sector, and has held several positions at Bancolombia. In 2005 he held the position of International Banking Director, and since 2011 he has been the Financial Vice President. He was appointed CFO of Bancolombia in 2020. He has been a member of several boards of directors, and is currently a member of the boards of directors of Banca de Inversión Bancolombia S.A., Banistmo Panamá, Banco Agromercantil – BAM (Guatemala) and Bancolombia Panamá.</p>	<p style="text-align: center;">HERNÁN ÁLZATE ARIAS Independent Consultant - PhD</p> <p>Business Administrator from Universidad EAFIT, with an MBA in Finance from the State University of New York at New Paltz, a Postgraduate Certificate in Mathematical Finance from the University of York (UK), a Master's in Economics from Universidad EAFIT, and a PhD in Economics and Finance from the University of Gdańsk, Poland. He started at Bancolombia Group in 2008 as the Director of Treasury Product Structuring and served as Vice President of Treasury from 2011 to 2023. He is currently a member of the Board of Directors of the Centralized Securities Depository of Colombia (Deceval).</p>
<p style="text-align: center;">EFRAÍN ENRIQUE FORERO FONSECA Chairman of the Board - Titularizadora Colombiana S.A.</p> <p>He is an Industrial Engineer from Pontificia Universidad Javeriana, with a Master's Degree in Industrial Engineering from the University of Michigan and a Specialization in Banking from Universidad de los Andes. He has been with Grupo Bolívar for 43 years, and has held the position of CEO of Banco Davivienda S.A. for 31 years. He has been a member of several boards of directors, including at Corredores Davivienda S.A., Fedesarrollo, Fiduciaria Davivienda S.A. and Asociación Bancaria de Colombia.</p>	<p style="text-align: center;">PEDRO ALEJANDRO URIBE TORRES Executive Vice President of Corporate Banking Banco Davivienda S.A.</p> <p>An Industrial Engineer from Universidad de Los Andes, he specialized in Finance at the same university and holds a Master's in Business Administration for experienced executives (MEDEX) from INALDE - Universidad de la Sabana. With extensive experience in the financial sector and banking, he has held various executive roles at Banco Davivienda S.A., including International Executive Vice President, Vice President of Payment Methods, Vice President of Risk and Financial Control, and Vice President of Planning. Since 2022, he has been serving as the Executive Vice President of Corporate Banking at Banco Davivienda S.A. and is a</p>

	<p>member of the Boards of Directors at Capitalizadora Bolívar, Seguros Comerciales Bolívar, Davivienda Corredores S.A., and Davivienda Fiduciaria S.A.</p>
<p>BEATRIZ ELENA ARBELÁEZ MARTÍNEZ Vice President of Finance – Transportadora de Gas Internacional</p> <p>Economist from Universidad Externado de Colombia with a Specialization in Regional Development Planning and Administration from Universidad de los Andes, a Master’s in Finance from the University of Strachlyde, and in Security and National Defense from Escuela Superior de Guerra. She has served as Head of the Division of Budget Programming and Control at the National Planning Department, General Director of Economic Regulation, and Advisor to the Directorate of Public Credit at the Ministry of Finance and Public Credit. Additionally, she has held positions as Deputy Financial Director at FOGAFIN, Vice President of Finance at Bancafé, Vice President of Financing and Investments at Colpensiones, and Vice President of Finance at Banco de Comercio Exterior de Colombia S.A. She has also been the Office Secretary of the District Finance Secretary in Bogotá, among other roles.</p> <p>Since September 2022, she has been the Financial Vice President at Transportadora de Gas Internacional. She currently serves on the Boards of Directors for the National Guarantee Fund, Latam Logistic Properties, the Club of Bankers and Businessmen, and is a member of the Board of Directors of the Self-Regulator of the Colombian Securities Market.</p>	<p>OSCAR EDUARDO GÓMEZ COLMENARES Legal Vice President - C.I. Prodeco S.A.</p> <p>Attorney graduated from Pontificia Universidad Javeriana with a specialization in tax law from Universidad del Rosario, LLM International Business Law and MSC Law and Accounting from the London School of Economics, and with a Management Program For Lawyers from the Yale School of Management. He has worked as an associate at Arthur Andersen Co., General Secretary at Porvenir Leasing, Senior Manager of the Legal Department of Ernst&Young de Colombia, General Secretary of Titularizadora Colombiana S.A., and currently serves as Legal Vice President of Grupo Prodeco. He is also on the Boards of Directors of Northern Colombia Railways S.A. - Fenoco S.A. Prodeco S.A., and Sociedad Portuaria Puerto Nuevo S.A – PNSA.</p>
<p>DIEGO FERNANDO PRIETO RIVERA CEO – Banco Caja Social S.A.</p> <p>Economist from Universidad Javeriana. In his professional career, he has served as the Bogotá Regional Manager of Caja Social de Ahorro, CEO of FINANDINA, General Director of Franklin Covey, Vice President of Business and Construction Businesses - Banco Caja Social and, since 2012, has served as CEO of Banco Caja Social. He is currently a member of the boards of directors of Fiduciaria Colmena S.A., the Centralized Securities Depository of Colombia (Deceval) and Asociación Bancaria de Colombia.</p>	<p>NICOLÁS GARCÍA TRUJILLO Corporate Vice President - Fundación Grupo Social</p> <p>Industrial Engineer from Universidad de los Andes with a Master’s of Science in Engineering Economic Systems from Stanford University. In his professional career, he has worked as an Associate Consultant at McKinsey & Company Colombia, Partner at StratCo Consultores Asociados, Partner at Matrix Consulting Colombia, and is currently Corporate Vice President of Fundación Grupo Social. He is currently a member of the boards of directors of Banco Caja Social and Colmena Seguros de Vida S.A.</p>
<p>JUAN CAMILO ÁNGEL CEO - Banco AV Villas S.A.</p> <p>Civil Engineer from Universidad de Medellín with a Specialization in Finance from Universidad EAFIT. As part of his career, he has served as Vice President of Real Estate, Vice President of Asset Normalization, Vice</p>	<p>DIANA PATRICIA ORDOÑEZ SOTO Vice President of Finance Banco Scotiabank Colpatría S.A.</p> <p>An Economist and Specialist in Finance from Universidad Santo Tomás. With extensive experience in corporate finance, planning, budgeting, and analysis of financial sector indicators in Colombia, she has progressed</p>

President of Credit and Portfolios at Banco AV Villas and Capital Market Project Manager at Corfinsura S.A. Since 2007 he has served as CEO of Banco AV Villas. He is a member of several Boards of Directors. Grupo Aval Acciones y Valores S.A., Asobancaria and Fundación Grupo Aval.

through various financial and planning roles at Banco Scotiabank Colpatria S.A., including Planning Manager and Director of Planning. She currently serves as the Vice President of Finance at Scotiabank Colpatria. She was previously on the Board of Directors for Scotia Securities Colombia S.A., a brokerage firm.

The Rules of the Board of Directors, the Succession Policy and the profiles of the Board members are published on the website of Titularizadora www.titularizadora.com

d. Remuneration and Incentives Scheme

The remuneration of the Board of Directors consists of a fixed component paid as professional fees for the Board members' attendance to the meetings of the Board or its Support Committees, which is submitted to consideration and approval by the General Meeting of Shareholders. Currently, the Board's remuneration complies with the parameters established in the Remuneration Policy and the Good Governance Code, and does not include any type of variable remuneration tied to the Company's performance. Also, even though the Company Bylaws and the Remuneration Policy of the Board of Directors foresee the possibility of a different treatment for the Chairman of the Board of Directors, at present no different remuneration is assigned for the performance of his duties.

In 2023, the total compensation paid to the Directors for their board participation was two hundred and one million six hundred ninety-five thousand pesos (COP 201,695,000), and for their participation in various Board committees, twenty-two million pesos (COP 22,000,000).

The Remuneration Policy of the Board of Directors is published on Titularizadora website www.titularizadora.com

e. Evaluation of the Board of Directors

Pursuant to the provisions of the Good Governance Code of Titularizadora, every year the Board of Directors performs an evaluation of its performance as a collegiate body. The Board of Directors performed an evaluation of its activities in 2023 under the self-evaluation mechanism, to enable its members to express their opinions and considerations on the management of said body and its committees. The evaluation results are shared with the Corporate Governance Committee and the Board of Directors.

f. External Advisors of the Board of Directors

Article 28 of the Company Bylaws establishes the possibility of engaging an advisor to support the Board of Directors in developing the Company's strategic and technical plan. In 2023, the Board of Directors of Titularizadora did not engage or require external consultancy for carrying out its duties.

g. Relevant Information

The decisions of the Board of Directors related to corporate governance were duly published in the terms provided by Article 5.2.4.3.1 of Decree 2555/2010.

h. Policies Approved by the Board of Directors

Over the year, the Board reviewed and approved various matters concerning the following policies:

- Amendments to the SARLAFT Policy and Manual to clarify the scope and content of certain provisions.
- Update of the credit and counterparty limit methodology and the new Value at Risk (VaR) limit, including respective alerts.
- Revisions to the SARE and Continuity Manuals to complete the implementation of Public Notices 018/2021 and 012/2022 issued by the Financial Superintendence.
- Procedures and Policies for Hedging Instruments.
- Introduction of a new Instrument in the Investment Policy aimed at mitigating exchange rate risk.
- Amendment of the Investment Policy regarding changes in Portfolio limits.

2. Board of Directors Support Committees

a. Structure

The Board of Directors of Titularizadora currently has six (6) Committees comprised of Board members to support its management, as follows:

CHART 28. MEMBERS OF THE BOARD COMMITTEES OF TITULARIZADORA COLOMBIANA S.A.

Structure	Members of the Board of Directors	Members of Management
Audit Committee	Hernán Alonso Alzate Arias Beatriz Arbeláez Martínez Pedro Alejandro Uribe*	-----
Investment Committee	Pedro Alejandro Uribe Torres* Beatriz Arbeláez Martínez Hernán Alonso Alzate Arias	Andres Lozano Umaña Ana María Salcedo Ospina
Appointments, Compensation and Ethics Committee	Efraín Forero Fonseca José Humberto Acosta	Andres Lozano Umaña
Corporate Governance Committee	Diego Fernando Prieto José Humberto Acosta	Andres Lozano Umaña
Risk Committee**	Diana Patricia Ordoñez Soto Nicolás García Trujillo	Andres Lozano Umaña
Real Estate Board Committee	Pedro Alejandro Uribe* Juan Camilo Ángel Diego Fernando Prieto	Andres Lozano Umaña

* Dr. Pedro Uribe was appointed as a new member of the Audit, Investment, and Real Estate Committee, replacing Dr. Álvaro Carrillo, as per the decisions made by the Board of Directors of Titularizadora on June 22, 2023.

** The Risk Committee members were appointed by the Board in 2023, considering the board composition for the 2023-2025 term and the formal induction process for the appointed members.

The function of the Committees is to further analyze, supervise and develop the policies set out by the Board of Directors in the critical areas assigned to them. Their main functions and obligations are set out in the Good Governance Code and in the respective internal rules of procedure.

The committees performed their respective activities in accordance with the functions assigned to them in their internal rules of procedure and in Chapter 2 of the Good Governance Code.

b. Course of Meetings

The internal rules of each Board Committee indicate the periodicity of the meetings, without prejudice for the possibility of holding additional meetings as deemed convenient. The following are the meetings held in the framework of their respective rules of procedure, and the attendance by their members:

CHART 29. ATTENDANCE TO MEETINGS OF THE BOARD COMMITTEES OF TITULARIZADORA COLOMBIANA S.A.

Committee	Meeting Date	Committee Members who Attended the Meetings
Audit Committee	January 18, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez
	February 22, 2023	
	May 17, 2023	
	July 19, 2023	
	September 18, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez Pedro Uribe Torres
	November 29, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez
Investment Committee	February 21, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez Ana María Salcedo Ospina Andres Lozano Umaña
	June 20, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez Ana María Salcedo Ospina Andres Lozano Umaña
	September 18, 2023	Hernán Alzate Arias Beatriz Elena Arbeláez Pedro Alejandro Uribe Andres Lozano Umaña Ana María Salcedo
	November 10, 2023	

Real Estate Board Committee	June 07, 2023	Juan Camilo Ángel Álvaro Carillo Buitrago Diego Fernando Prieto Andres Lozano Umaña
Risk Committee	October 11, 2023	Diana Patricia Ordoñez Soto Nicolás García Trujillo Andres Lozano Umaña
Corporate Governance Committee	February 14, 2023	José Humberto Acosta Diego Fernando Prieto Andres Lozano Umaña
Appointments, Compensation and Ethics Committee	February 6, 2023	Efraín Forero Fonseca José Humberto Acosta Andres Lozano Umaña
	February 15, 2023	

Source: Prepared by TC

All Board Committee meetings had the quorum required to deliberate at decide.

(i) Audit Committee

Objective: Oversee compliance with the policies and procedures of the Internal Control System; review and verify the internal accounting guidelines, the financial statements and any special situations submitted by the Internal Control Department.

The Audit Committee held six meetings in 2023. The main matters discussed included: (i) analysis of the 2022 year-end financial statements; (ii) analysis of market, liquidity, and operating risk profiles and the prevention of money laundering and terrorism financing; (iii) review and approval of the 2023 audit plans; (iv) review of the results of the audits carried out by Internal Control; (v) analysis of the reports and recommendations submitted by the statutory auditor and the external auditor of the Aggregates; (vi) monitor the progress made in the implementation of the improvement plans defined by the process owners; (vii) monitoring activities conducted by the Management to update the internal control system as required by Public Notice 008 of 2023; (viii) review of compliance with regulatory requirements and the Company's responses; and (ix) oversight of the development of the Hitos+ (Milestones+) update project.

The internal regulations of this Committee are available on the Company's website www.titularizadora.com

(ii) Investment Committee

Objective: To oversee compliance with the policies related to management of the Company's liquid assets, define portfolio investment policies and hedging and trading strategies, and set investment guidelines for treasury operations and counterparty limits, in accordance with the Company's risk assessment criteria. Additionally, regarding liquidity risks, the Committee reviews the liquidity contingency plans proposed by Management, and reviews and discusses the annual stress tests.

The Investment Committee held four (4) meetings during 2023. The following were the main matters addressed by the Committee meetings: (i) current composition and evolution of the proprietary portfolio and its market price valuation, including changes in the new investment classification of the portfolio; (ii) review of proposed changes to the investment policy limits; (iii) review of the credit and counterparty quota methodology; (iv) development of the hedging instruments project and establishment of related procedures and policies; (v) results of the SARL stress tests; and (vi) management of asset Warehousing operations.

(iii) Real Estate Board Committee

Objective: To support the Board in the assessment of real estate deals submitted to the consideration of the Board of Directors for its approval.

The Real Estate Board Committee held one (1) meeting during the year. The main activity carried out by the Real Estate Board Committee was to provide support in reviewing the deals that had been previously assessed by the Real Estate Advisory Committee, in order to make recommendations for their assessment and approval by the Board of Directors.

(iv) Corporate Governance Committee

Objective: Assist the Board in supervising compliance and implementation of the general good governance standards and review material claims submitted by shareholders or investors that consider that the Company does not apply the good governance standard, and issue appropriate recommendations to respond to them.

The Corporate Governance Committee met on February 14, 2023. The following were the main matters addressed by the Committee: (i) review and approval of the 2022 Corporate Governance Report; (ii) review of the 2022 Código País report; (iii) review of the Internal Auditing Report on corporate governance; (iv) requirements by the Financial Superintendence; (v) amendments to the Good Governance Code; and (vi) evaluation of the Board of Directors.

(v) Appointments, Compensation and Ethics Committee

Objective: Set parameters and propose and review the remuneration of the Board and Senior Management; verify the evaluation process of the Board and candidates to the CEO of the Company, when requested to do so by the Board of Directors, and make appropriate recommendations; issue recommendations in the event of any complaints; and lead the annual performance evaluation of the CEO of the Company and review the evaluations of the other members of Senior Management.

The Appointments, Compensation and Ethics Committee held two (2) meetings during 2023. The following were the main matters addressed by the Committee: (i) evaluation of the 2022 goals; (ii) review of the variable remuneration model; and (iii) establish the goals for 2023, among others.

(vi) **Risk Committee**

Objective: Provide support for the approval, monitoring and control of the policies, guidelines and strategies related to the Company's risk administration and management.

The Risk Committee convened on October 11, 2023, where the Committee's regulations were set and the comprehensive risk profile of the Company was evaluated.

Lastly, the Committees submit reports on the activities they carried out during the year to the Board of Directors, in the terms indicated in the Good Governance Code.

3. Senior Management

The Company's Senior Management is in charge of the ordinary course of business and for conceiving, executing and monitoring the objectives and activities necessary to fulfill the business strategy in accordance with the guidelines indicated by the Board of Directors of Titularizadora.

The Company's CEO acts in the capacity of Principal Registered Agent and is elected by the Board of Directors, along with two alternates, first and second, who replace him in the event of any absence.

The following are the profiles of the members of the Company's Senior Management:

ANDRÉS LOZANO UMAÑA

Principal Registered Agent
CEO of Titularizadora Colombiana S.A.

Business Administrator from Colegio de Estudios Superiores de Administración (CESA), with an Executive MBA from IE Business School, Instituto de Empresa de Madrid. Over his professional career he has served as Vice President of Investments at Colfondos S.A Pensiones y Cesantías from 2009 to 2021, Senior Treasury Analyst at Valorem S.A., Product Specialist for the Financing Desk at Citibank Colombia, and Trader at Citibank Colombia. He has over 21 years of experience in local and international financial markets, particularly in the administration of investment portfolios, implementing and evaluating investment strategies in fixed income, variable income, currencies, derivatives and alternative assets.

As CEO of the Company and its Registered Agent, his mission is to execute the corporate guidelines and strategies approved by the Board of Directors, and is responsible for the direction and management of Titularizadora, in accordance of the provisions of the Company Bylaws, the rules and decisions adopted by the General Meeting of Shareholders and the Board of Directors of the Company.

JUAN PABLO HERRERA GUTIERREZ

Vice President of Business

Holds a Business Administration degree from Universidad del Rosario, with specializations in Finance and Applied Mathematics from Universidad de los Andes and Universidad Sergio Arboleda respectively, and an MBA from Universidad de los Andes. With over 25 years of experience in national and multinational financial sector companies (focusing on Treasury, Risk Management, and Financial Planning), he previously served as the Director of Treasury & ALM at RappiPay and has worked at organizations such as KLYM, BBVA Colombia, Banco Santander, and Banco de Bogotá, among others.

As Vice President of Business, he oversees planning, directing, controlling, and coordinating the development of new markets and both banking and non-banking products. He develops the Company's commercial strategy in the areas of services and securitization products to meet customer demands and foster the growth and development of the Company. Furthermore, he promotes, directs, coordinates, and controls the Company's financial management, including the structuring and negotiation of mortgage and non-mortgage loan portfolios, as well as treasury management, ensuring optimal profitability within proper risk control frameworks applicable to the Company and its operations.

ANA MARÍA SALCEDO

First Alternate to the CEO

Investment and Market Development Director

Professional in Finance and International Relations from Universidad Externado de Colombia, with Specialization in Risk Economics and Information from Universidad de los Andes, and Master of Business Administration (MBA) from Esade Business School. With over 20 years of experience in the financial sector, since 2011 she has been the Director of Investments and Market Development at Titularizadora Colombiana. She previously worked at Auriga Securities Sociedad de Valores S.A., Correval S.A., and Banco Santander.

In her role as Director of Investments and Market Development, she is responsible for defining the commercialization strategies for securities in the market with investors and placement agents for the issuances; directing, coordinating, fostering, promoting, and disseminating investments in securities issued by Titularizadora; and managing investor relations during and after issuances. She is also in charge of managing and covering various market risks the Company might face, as well as managing the portfolios of Titularizadora and its assets, ensuring liquidity and implementing the investment policies set by the Company. Her role ensures profitability, security, and transparency while complying with all internal and external regulations, policies, and procedures; he also promotes the development of the corporate debt market.

RICARDO MOLANO LEÓN

Second Alternate to the CEO

General Secretary

Attorney from Pontificia Universidad Javeriana with Specialization in Financial Law from Universidad de los Andes, Master of Laws from University of Georgia (USA) and Master of Laws (International Business Law) from the Catholic University of Louvain (Belgium). With over 20 years of experience in the financial sector, he has served as Deputy Superintendent for Economic and Accounting Matters at the Companies Superintendence, International Legal and Special Projects Manager at Bancolombia S.A., Associate Attorney at Posse Herrera & Ruiz S.A., Researcher at AIA (Association for International Arbitration), among others.

As General Secretary of Titularizadora, he is responsible for directing, coordinating and controlling the legal structuring processes and associated legal activities related to the administration of the issuances derived from the securitization process, with the aim of contributing to the development of profitable products and the protection of the securitized assets and the Company's equity. He also advises Senior Management on the legal aspects of the organization's activities to ensure the legality, integrity, legal security and good name in performance of the Company's activities.

The professional profile and experience of the CEO and legal representatives of Titularizadora can be found on the website www.titularizadora.com.

a. Remuneration Scheme for the CEO and Senior Management

▪ Remuneration of the CEO

According to section 3.1.1 of the Good Governance Code, the remuneration of the CEO is set by the Board of Directors based on criteria related to his responsibility and performance, and may therefore include a variable portion for achieving goals and a fixed monthly amount. This variable component of the CEO's remuneration cannot be greater than the maximum approved in the Remuneration Policy established by the Board of Directors. In this context, the variable component is reviewed and approved by the Appointments, Compensation and Ethics Committee in the framework of the Company's Policy and Manual on Salaries.

▪ Remuneration of Senior Management

The Company has a Policy and Manual on Salaries, in accordance with guidelines set by the Board of Directors, which applies to Senior Management and which incorporates the compensation criteria of the Company's strategic approach. The Remuneration of the members of Senior Management includes a monthly fixed amount that is increased each year in accordance with criteria defined by the Board of Directors, and which in some cases may include an annual variable component defined in accordance with the guidelines of the Salary Policy, with the participation of the Appointments, Compensation and Ethics Committee.

b. Evaluation Processes

Each year, the Appointments, Compensation and Ethics Committee leads a performance evaluation of the CEO of the Company and reviews the evaluations of the other members of Senior Management. It is therefore responsible for verifying the evaluation process of the CEO of the Company and the other members of Senior Management, and for making appropriate recommendations.

c. Senior Management Updates

In 2023, Dr. Juan Pablo Herrera Gutiérrez was appointed as Vice President of Business for Titularizadora. His appointment aims to enhance the Company's business strategies, thereby contributing to its competitive and sustainable growth, through strategic guidance, business transformation aligned with new market trends and conditions, value creation for originators and investors, and solidifying Titularizadora's presence both nationally and internationally.

IV. RISK MANAGEMENT SYSTEM

In terms of risk management functions and activities, Titularizadora established a Risk Committee as a supporting body to the Board of Directors, which commenced operations in the second half of 2023. It is pertinent to note that both the Risk Committee and the Board of Directors have adequately fulfilled their responsibilities concerning the comprehensive management of the various risks facing the Company. In this context, with the assigned functions, they had at their disposal the necessary policies, procedures, and organizational structure to manage, measure, and control market, credit, liquidity, operational risks, and risks related to money laundering and terrorist financing. Furthermore, it received support from the Investment Committee, comprised of three independent Board members, which must hold a minimum of three meetings each year and is responsible for assessing the Company's balance sheet structure; supervising compliance with the policies related to handling and managing the Company's liquid assets; establishing risk hedging strategies; evaluating the market and liquidity risk management systems, and approving the methodology for setting credit and counterparty limits.

In turn, the risk management system incorporates the mechanisms required to assure adequate management and cover for the risks associated with the Company and the performance of its corporate purpose, to which end a key mechanism is the establishment of specialist committees to support the Board of Directors in the assessment and monitoring of such risks, namely the Operating Committee (SARO) and the Assets and Liabilities Management Committee (ALCO).

Throughout 2023, Titularizadora conducted ongoing monitoring of strategic risks, updated risk management systems, and maintained vigilant oversight of alerts and thresholds set for managing market and liquidity risks, as well as the dynamics of operational risks and those pertaining to money laundering and terrorist financing. As a result, all the reports requested by the Board of Directors were submitted, informing that the risks were adequately managed, the risk levels and profiles were maintained within the acceptable limits defined by the Board of Directors itself, and without the materialization of risks with a significant impact on the Company.

Specifically, on June 1, 2023, Titularizadora completed the internal implementation of the directives outlined in Public Notice 018/2021, through which the Financial Superintendence of Colombia instituted the Risk Management System for Entities Exempt from SIAR (SARE). This was done in accordance with the Internal Implementation Plan set by Titularizadora and within the deadlines specified in the said circular.

The risks of money laundering and terrorism financing are managed through the Compliance Officer with the support of the Company's different departments and areas, with direct and permanent reports to the Board of Directors, which is in charge of evaluating and assessing the actions taken by Titularizadora to maintain ML/FT risk levels within the limits established by the Board itself.

V. INTERNAL CONTROL SYSTEM (ICS)

During 2023, the policies and elements that form part of the Internal Control System (ICS) continued to be strictly applied, including the risks managed by the Company, namely market, liquidity, credit, operating, and money laundering and terrorism financing risks.

The 2023 Management Report includes the main activities carried out by the Company's Internal Control System, and mentions the actions and tasks carried out in each of the risk management systems. Specifically, the Company, in response to the requirements set forth by Public Notice 008 of 2023, outlined a schedule of activities to review, adjust, and update its current internal control system, which has been executed according to the established timelines. Annual reports were issued on the activities performed by the Audit Committee and the Internal Control Department, which report on the adequate performance of the ICS. These reports will be presented to the consideration of the Board of Directors for submission to the Ordinary General Meeting of Shareholders in 2024.

The notes to the financial statements include disclosures on the policies applied and the risk levels defined by the Board of Directors of Titularizadora Colombiana.

VI. CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

In view of the importance for Titularizadora Colombiana of the decision-making processes of the shareholders, Board members, Senior Management, and Company employees, the Company considers that it must be subject to high standards of corporate governance. In this regard, the Code of Ethics of Titularizadora establishes the mechanisms for the prevention, handling and disclosure of any conflicts of interest that may arise in the Company and between the different actors in the development of the business.

Pursuant to the above, Titularizadora has defined rules of conduct for its employees, Board members and shareholders aimed at ensuring that decisions are made with the greatest objectivity and to the benefit of the Company, under which they must identify, disclose and manage, as necessary, any conflicts of interest that may arise, following the guidelines established in the Code of Ethics.

During 2023, no situations arose that could be deemed conflicts of interest concerning decisions made by the Board of Directors. In any case, there is a process for disclosing information on conflicts of interest and a duty of members or participants involved in the situation of conflict of interest to refrain from acting or participating in the corresponding decision. Consequently, the deliberations and decisions must be made by the members who were not involved in any situation of conflict of interest.

Regarding transactions with related parties, our Good Governance Code defines as related parties the members of the Board of Directors of Titularizadora, the CEO and the Vice Presidents of the Company, as well as any shareholder that holds more than fifty percent (50%) of share capital or that controls or has significant influence over the Company and any companies that may be controlled by Titularizadora. Also, related parties include shareholders that hold more than ten percent (10%) of the Company's share capital and their related parties.

Said document contains parameters for actions to take in the case of transactions with related parties, and classifies such transactions as recurrent, non-material and material for the effects of applying at all times adequate standards of identification, disclosure, assessment, and if required, approval. The Company also has a map of related parties that enables its ability to identify parties with such status for the effects of adequately controlling such transactions.

The notes to the financial statements include details on the transactions performed by Titularizadora with related parties. We also report that during 2023 no transactions were made with related parties that would be considered material or that are not within the ordinary course of the Company's business.

VII. INVESTOR RELATIONS

Since its incorporation, Titularizadora has endeavored to ensure permanent, expedite, timely and sufficient relations with its investors. In this regard, the Company's Good Governance Code establishes that all investors, including minority and foreign investors, must be given equal treatment through mechanisms that offer equal conditions of access to sufficient information and to submit any complaints they may have. To this end, the main communications channels are through the Investor Relations Office, which reports to the Investment and Market Development Department, and the corporate website (www.titularizadora.com), which provide permanent communications channels to ensure that investors are adequately informed of the financial performance of the issuances, the behavior of their underlying assets, assessments, risk analysis, relevant information, cash flow forecasts, among other aspects to enable investors to manage their investments and make informed decisions.

Additionally, as a mechanism to field requests, the Good Governance Code establishes that the Investment and Market Development Department will receive and address all requests for information and complaints made by investors, and will coordinate with other Company areas or bodies the timely response to such needs and requests. To these effects, investors may use any of the following channels:

INVESTOR RELATIONS OFFICE	
Department	Investment and Market Development Department
Address:	Calle 72 No. 7-64 Office 401 – Bogotá D.C.
Telephone number:	6183030
E-mail:	inversionistas@titularizadora.com

As part of its investor relations efforts, Titularizadora is in constant communication with its investors through training for placement agents (brokers and financial analysts) and investors (Front and Middle Office areas), which it provides on an ongoing basis through the Investor Relations Office. It additionally organizes Roadshows for each issuance, which offer closer and more specialized contact with investors.

Titularizadora has also published through its website timely and accurate financial information on the issuances of the Company that are currently outstanding, as well as the corporate and issuance documents. During the year, information was also shared on

the favorable evolution of the indicators of currently outstanding issuances through one-on-one meetings with several entities on different occasions.

It is noteworthy that, in its engagement with investors, Titularizadora has been awarded the Fixed Income IR certification by the Colombia Securities Exchange for the eleventh consecutive year. Additionally, it received the IR certification for Participation Securities for the second year in a row. This accolade is partly due to maintaining a website that is easily accessible, with content available in both Spanish and English, which provides insights into significant aspects of the Company and its business such as: i) shareholder structure; ii) Board composition; iii) financial data of the Company and its issuances; iv) corporate documents; and v) other relevant information.

Additionally, for the TIN equity securities, two (2) semi-annual results presentation events were carried out via video-conference, aimed at current and potential investors, placement agents and market analysts, during which half-year financial results were presented, along with the evolution of the main indicators and the vehicle's strategy.

The issuance documents of Titularizadora for the securitization processes that are part of the main market establish the assignment of a Legal Representative of Security Holders, in the terms described below:

- **Legal Representative of Security Holders**

The Legal Representative of the Securities Holders appointed for each securities issuance is responsible for legally representing the securities holders, and is therefore responsible for carrying out all actions required for the Holders to exercise their rights and defend their common interests, pursuant to the provisions of the rules of each issuance. To this end, he may request and receive relevant information for the issuance on the performance of the managers and Board members, on the main risks of the issuer or of the mass of securitized assets, and on the Company's Internal Control activities. The Legal Representative is also responsible for providing, at the request of the Holders, of Titularizadora, or the Financial Superintendence, when applicable, any additional reports required to keep the Holders properly informed of the performance and development of the Issuance and Placement Program, as well as any other facts that may affect their rights as Holders.

For the effects of promoting investor relations, Titularizadora has an Investor Committee with the following features:

- **Investor Committee**

Article 33 of the Company Bylaws contemplates the existence of an Investor Committee comprised of representatives of the institutional investor community, whose members are appointed by the Board of Directors of the Company.

The following were the members of the Investor Committee in 2023:

CHART 30. INVESTOR COMMITTEE MEMBERS

INVESTOR COMMITTEE MEMBERS (Investor Representatives)	
Institutional Investor Representatives	Titularizadora's Representatives
Andrés Restrepo Montoya* Colombian Securities Exchange	Efraín Forero Fonseca Member of the Board of Directors
Gustavo Morales Cobo** Fasecolda	Andres Lozano Umaña CEO
Santiago Montenegro Trujillo Asofondos	
Jonathan Malagón González*** Asobancaria	
German Arce Zapata Asofiduciarias	
Jaime Humberto López Asobolsa	

Source: Prepared by TC

* In 2023, Dr. Andrés Restrepo Montoya joined the Investors Committee as Acting President of the Colombia Securities Exchange, succeeding Juan Pablo Córdoba.

** In 2023, Dr. Gustavo Morales joined the Investors Committee as President of Fasecolda, succeeding Miguel Gómez Martínez.

*** In 2023, Dr. Jonathan Malagón joined the Investors Committee as President of Asobancaria, succeeding Hernando José Gómez.

During 2023, the Investor Committee held the following meetings:

CHART 31. MEETINGS OF THE INVESTOR COMMITTEE

Date	Type of Meeting	Minutes No.
February 1, 2023	Not On-site	131
May 10, 2023	Not On-site	132
June 07, 2023	Not On-site	133
August 09, 2023	Not On-site	134
October 11, 2023	Not On-site	135
December 06, 2023	Not On-site	136

Source: Prepared by TC

This Committee plays an active role that enables fulfilling its mission of monitoring compliance with the rules contained in the Good Governance Code, obtaining

information about the situation of the Company, the issuances and their underlying assets, maintaining ongoing communications with Titularizadora.

VIII. STATUTORY AUDITOR

Pursuant to Minutes No. 040 dated March 24, 2023, of the Ordinary General Meeting of Shareholders of Titularizadora Colombiana S.A., Deloitte Auditores y Consultores Ltda. was appointed as the statutory auditor for the period from April 1, 2023, to March 31, 2025, and the fee to be paid to the firm for its services was established. Consequently, during 2023 the firm Deloitte Auditores y Consultores Ltda. acted in the capacity of Statutory Auditor of the Company and as External Auditor of the Aggregates, in the terms indicated in the issuance documents. The appointment process took into consideration all the Company's existing corporate governance parameters.

In return for its services, during the year 2023, the audit firm received one hundred thirty-eight million ninety-four thousand one hundred forty-nine Colombian Pesos (COP 138,094,149) for the audit conducted on the Company, and seven hundred seventy-five million one hundred fifty-one thousand six hundred sixty-eight Colombian Pesos (COP 775,151,668) as fees for the external audit of the Aggregates as stipulated in the issuance documents, in line with the fees approved by the General Meeting of Shareholders.

CHART 32. STATUTORY AUDITING FEES

Statutory Auditor (Company)	External Auditing (Aggregates)	Percentage of the firm's total revenues** (Statutory Auditor of Titularizadora)	Percentage of the firm's total revenues** (External Auditor of Titularizadora)
\$138.094.149*	\$775.151.668*	0,11%	0,60%

* These amounts include VAT

** This is the percentage that the payments made by Titularizadora represent over the total statutory audit revenues reported by the firm in its 2022 financial statements.

IX. REPORT ON IMPLEMENTATION OF BEST CORPORATE PRACTICES

In compliance with Public Notice 028/2014, Titularizadora submitted to the Financial Superintendence of Colombia the "Report on Implementation of Best Corporate Practices – Nuevo Código País" within the time frame provided in the Public Notice for this effect. The survey questions were answered taking into consideration the corporate governance documents and practices of the Company.

The report has been published on the Company's website www.titularizadora.com

X. AMENDMENTS TO THE CORPORATE DOCUMENTS

The corporate documents of the Company were not amended in 2023.

The documents are published on Titularizadora's website www.titularizadora.com

II. PRACTICES, POLICIES, PROCESSES AND INDICATORS RELATED TO ENVIRONMENTAL AND SOCIAL CRITERIA

The strategic plan of Titularizadora is underpinned by principles aimed at enhancing Environmental, Social, and Governance (ESG) issues, as well as the Company's leadership in developing the securities market. To develop, enhance, and promote its sustainability strategy, the Company completed a work plan with the defined scope in collaboration with its strategic partner, Portafolio Verde, and prioritized ESG initiatives. In 2023, the methodological path for developing the sustainability strategy progressed through several stages:

1. **Evaluation of the Company's status in ESG matters.** Initially, it was essential to diagnose the isolated efforts previously undertaken by Titularizadora and integrate them into a comprehensive sustainability framework, with the goal of building on past experiences and efforts. The methodology employed to evaluate Titularizadora's status on sustainability issues included three (3) chapters, which are detailed in Chart 33.

CHART 33: SUSTAINABILITY CHAPTERS

Chapters	Lines of Action	Components
Management in Economic and Strategic Sustainability 	<ul style="list-style-type: none"> • Strategy for Sustainable Organizational Governance • Management of Customers, Suppliers, and Products • Promotion and Strategic Organizational Management • Economic and Financial Management 	26
Management in Environmental Sustainability 	<ul style="list-style-type: none"> • Environmental Management • Natural Resources Management • Climate change • Environmental consciousness • Other Environmental Strategies 	21
Social Sustainability Management 	<ul style="list-style-type: none"> • Occupational Safety and Health • Shared Value • Talent Management • Working Conditions • Management of Influence Communities • Human Rights Management • Ethical Practices Management 	32

Source: Prepared by TC

The evaluation indicated that Titularizadora has achieved a *Medium* level of sustainability, surpassing the 50% threshold in all assessed chapters.

CHART 34: SUSTAINABILITY EVALUATION RESULTS FOR TITULARIZADORA COLOMBIANA.

General Sustainability Index	69%
IRL*	Level 9
Sustainability Level	Medium

* Investment Readiness Level

Source: Prepared by TC

2. **Benchmark Analysis.** Upon reviewing the current state of ESG matters, national and international benchmarks were strategically analyzed to identify desirable states to achieve.

FIGURE 30. INTERNATIONAL BENCHMARKS



Source: Prepared by TC

In accordance with the international benchmarks outlined in Figure 30, Titularizadora endorsed the Principles of Responsible Investment promoted by the international organization “PRI” (Principles for Responsible Investment), an initiative supported by the United Nations. Its aim is to comprehend the impact that environmental, social, and corporate governance issues have on investments, and to guide signatories on integrating these considerations into investment decisions, ownership roles, and the formulation of their investment policies. Titularizadora’s commitment to the PRI has reinforced its adherence to the highest international standards.

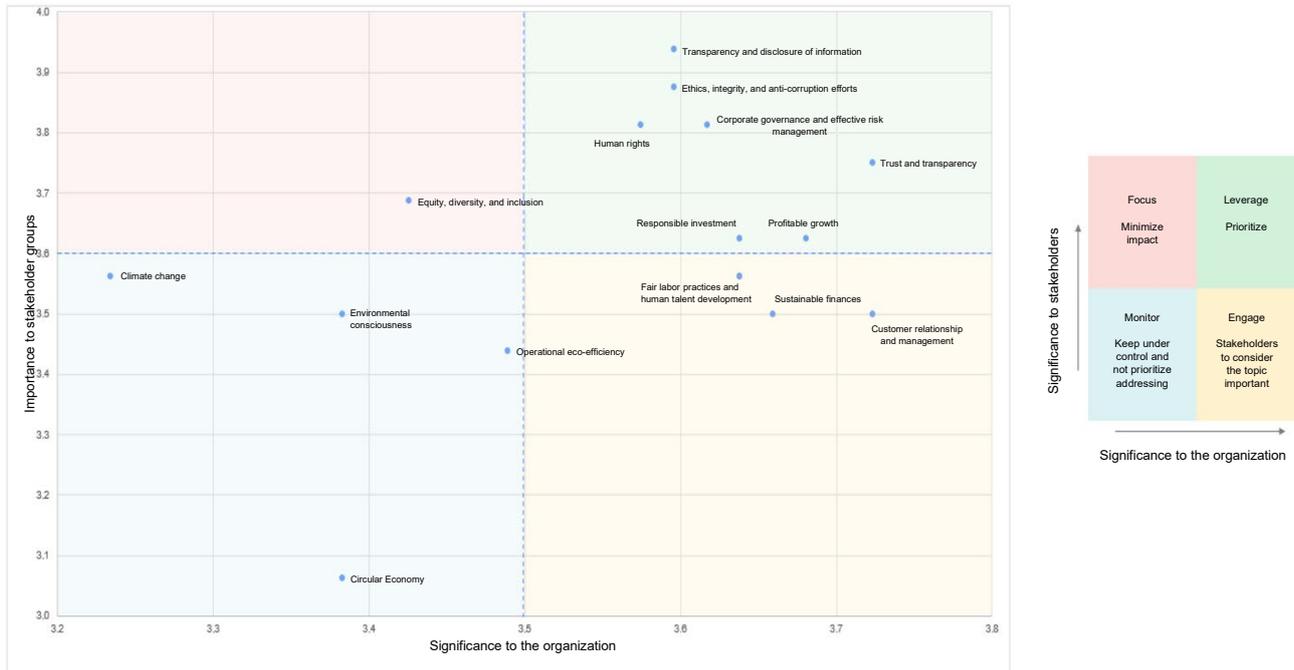
3. **Identification and prioritization of stakeholder groups.** At this stage, all stakeholders were identified through a collaborative effort across all departments, with key groups impacting decision-making being prioritized. Stakeholders are displayed in Figure 31.

FIGURE 31. STAKEHOLDERS



Source: Prepared by TC

4. **Evaluation of relevant issues for Titularizadora with the identified stakeholders.** From the national and international frameworks reviewed, key issues pertinent to the industry were listed. Stakeholders then suggested material topics they deemed important.
5. **Survey of stakeholder expectations.**
6. **Determination of material issues.** Through surveys conducted with both internal and external stakeholders, each material topic was evaluated, leading to the creation of an impact materiality matrix displayed in Figure 32.

FIGURE 32. IMPACT MATERIALITY MATRIX


Source: Prepared by TC

7. Management approach by material issue.

From the impact materiality matrix, ten (10) material topics were selected due to their impact and significance as highlighted in surveys conducted internally and with each stakeholder. The identified material topics are defined as follows:

- Stakeholder Management: aims to establish robust, enduring relationships based on mutual trust and satisfaction, with the goal of fostering a positive, productive long-term engagement.
- Transparency and Disclosure: Practices of providing and sharing precise and relevant information about the Company as an essential tool to enhance trust and credibility among various stakeholder groups.
- Ethics, Integrity, and Anti-Corruption: Promotes ethical behavior and practices, enhances transparency and honesty, and combats all forms of corruption.
- Equity, Diversity, and Inclusion: Implements policies and practices that ensure equal opportunities, value and respect diversity, and promote inclusion across all aspects of the workplace.
- Human Rights: Ensures respect for human rights, conducts due diligence, fosters participation and dialogue, and maintains transparency in accountability.
- Climate Change: Addresses the risks and opportunities associated with climate change's effects on the economy and society. Steering towards a low-carbon, climate-resilient economy.

- **Sustainable Finance:** Manages financial resources to support long-term sustainability, considering economic, social, and environmental factors. This approach aligns financial objectives with sustainable development, mindful of the financial decisions' impact on the environment and stakeholders.
- **Responsible Investment:** Creates a positive impact from financial, environmental, social, and governance (ESG) standpoints. By framing responsible investment as a key issue, it acknowledges the risks and opportunities associated with sustainability and guides investment decisions that foster sustainable development.
- **Profitable Growth:** Ensures solid, steady growth while maintaining appropriate profitability and efficient resource management.
- **Corporate Governance and Comprehensive Risk Management:** Protects shareholder interests, boosts investor confidence, and enhances long-term sustainability, adaptability, and reputation through effective risk management.

8. Organizational Sustainability Strategy Development.

The strategy is named: “Transforming Assets for a Sustainable Future,” aiming to “Transform assets for sustainable financing of various economic activities via the capital markets.”

This strategy is structured around four (4) strategic pillars and the ten (10) material topics identified with stakeholder support. The strategic pillars are: Fair and Equitable, Prosperous, Environmentally Respectful, and Integral. Initiatives focus on addressing the prioritized material issues, as summarized in Figure 30. Additionally, the strategy influences nine (9) of the seventeen (17) United Nations (UN) Sustainable Development Goals (SDGs).

A. Fair and Equitable: emphasizes promoting a fair distribution of financial resources. As part of this strategic axis there are two (2) material topics:

- Equity, diversity, and inclusion
- Human rights

Seeks to impact two (2) Sustainable Development Goals (SDGs), #5 “Gender Equality” and #10 “Reducing Inequalities”.

B. Prosperous: Refers to having Responsible economic growth through innovative Financial solutions and has four (4) material topics:

- Corporate governance and effective risk management
- Profitable Growth
- Sustainable finances
- Responsible investing

Seeks to impact four (4) Sustainable Development Goals (SDGs), #8 “Decent Work and Economic Growth”, #9 “Industry, Innovation and Infrastructure”, #11 “Sustainable Cities and Communities” and #12 “Responsible Production and Consumption”.

C. Environmentally friendly: the environment is present in all financial decisions through the material topic:

- Climate change

Seeks to impact one (1) Sustainable Development Goal (SDG), #13 “Climate Action”.

D. Integrity: is a cross-cutting initiative and contains three (3) material topics:

- Stakeholder management
- Transparency and disclosure
- Ethical, integrity and anti-corruption.

It seeks to impact two (2) Sustainable Development Goals (SDGs), #16 “Peace, Justice and Strong Institutions” and #17 “Partnerships for the Goals”.

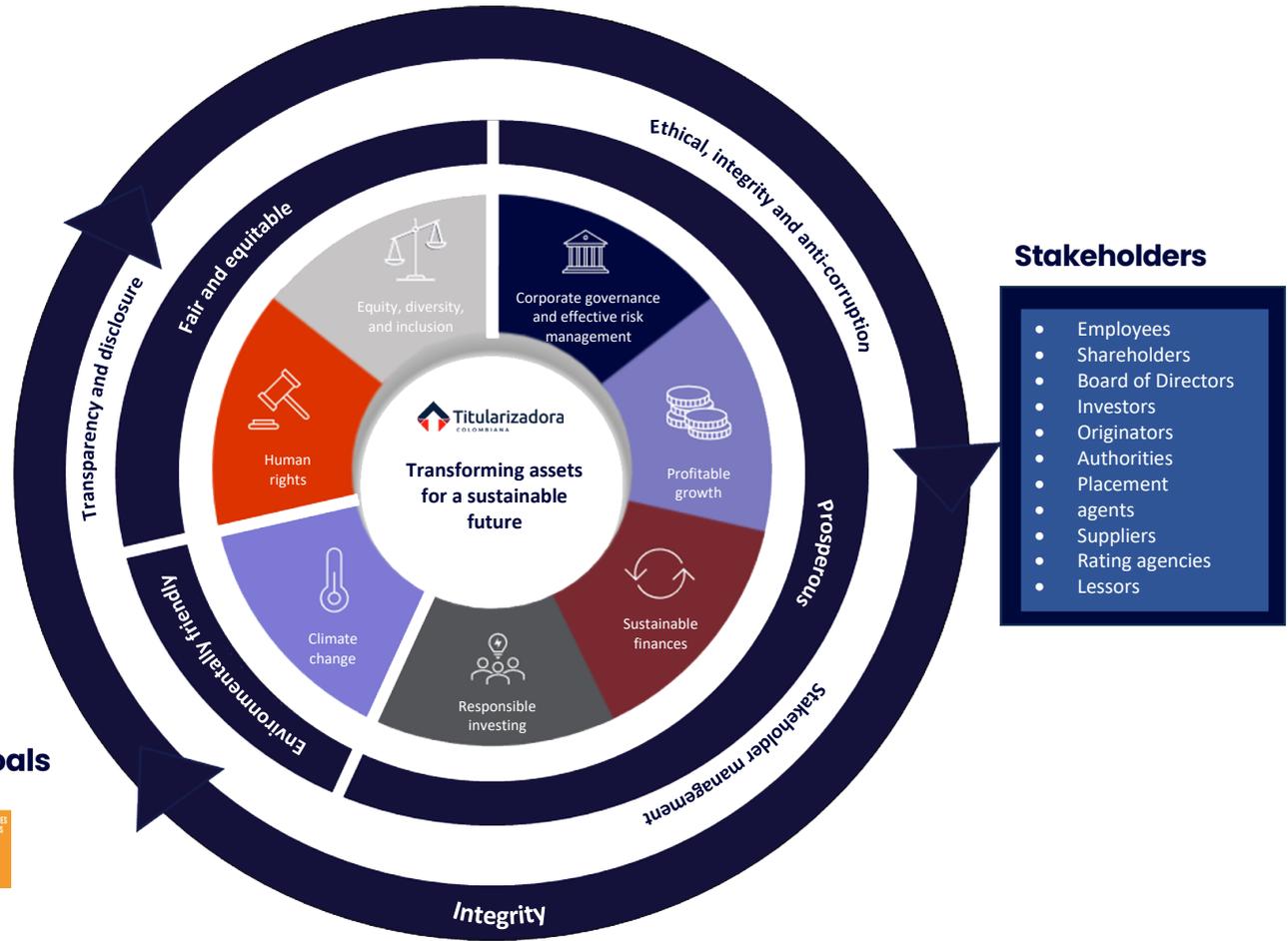
Figure 33 summarizes Titularizadora's sustainability strategy:

FIGURE 33. SUSTAINABILITY STRATEGY.

Titularizadora
COLOMBIANA

**Transforming
assets for a
sustainable future**

Sustainable Development Goals



Source: Developed by Titularizadora

It is important to note that the impact on strategic axes, material topics, and SDGs will be achieved through initiatives planned across three time horizons: short-term (less than one year), medium-term (1 to 2 years), and long-term (2 to 3 years). The following indicators associated with the material topics will be analyzed:

- **Equity, diversity, and inclusion**

The diversity index trend in hiring over time will be analyzed. The progress and outcomes of the diversity-oriented recruitment strategy will be evaluated to identify areas for improvement. The indicator will include equity between the number of women and men, across age ranges, and among heads of households.

- **Human rights**

The indicator will measure the participation of employees in human rights training programs = Total employees trained / total employees * 100.

- **Corporate governance and effective risk management**

An indicator of the number of recommendations implemented by process / total recommendations by process was proposed, with a goal set for 100% compliance within the established deadlines for each action plan by process.

- **Sustainable finances**

Aims to design and promote financial products that enhance sustainability. Sustainable Securitizations: #SustainableSecuritizations / #Securitizations*100.

- **Responsible investing**

Develop a clear and specific policy that outlines the criteria and objectives for responsible investing by Titularizadora. The indicator sets forth commitments to sustainability and adherence to PRI. Policy fully defined at 100%.

- **Climate change**

An energy efficiency indicator is proposed: This indicator evaluates the organization's energy use efficiency. It can be measured by the reduction in energy consumption per unit of production or per area, compared to a previous baseline or set targets.

From 2024, all strategy indicators will be formally measured.

For the presentation and discussion of the strategy, the Sustainability Committee was established; its goal is to lead, propose, review, decide, and monitor the policies, guidelines, standards, and procedures related to Titularizadora Colombiana's sustainability management. The Sustainability Committee consists of five permanent members:

CHART 34. COMPOSITION OF THE SUSTAINABILITY COMMITTEE

Organizational Development and Compliance Manager
Planning Director
Investments and Market Development Director
Business Director
Real Estate Manager

Source: Prepared by TC

However, this committee may also include guests who are invited based on the agenda of each meeting, such as Directors and other staff members deemed relevant by the Committee.

The functions of the Sustainability Committee include: defining and ensuring compliance with and execution of the sustainability strategy at Titularizadora, monitoring the progress of the sustainability strategy's management, addressing necessary changes, promoting Titularizadora's engagement in regulatory requirements, best practices, and international sustainability benchmarks, and evaluating the viability of issuing ESG-labeled securities, among others.

At the first Sustainability Committee meeting held on August 15, 2023, the proposed sustainability path developed with the support of our strategic ally, Portafolio Verde, was presented and discussed. Once approved by the Sustainability Committee, the strategy was presented to the Board of Directors of Titularizadora along with the proposed initiatives, corporate governance, and the strategy's implementation timeline, all of which were approved.

Additionally, internally there is the "Think Green" program in which all Company employees participate. This program focuses on commitments to recycling, saving office supplies, using paper and printing responsibly, and monitoring individual consumption. This program includes campaigns for technological hygiene, i.e., the adequate use of personal e-mails (eliminating unnecessary and unwanted e-mails, etc.). Campaigns are promoted for "Zero Paper" and to discourage the use of non-recyclable elements (single-use plastics).

The next steps in the sustainability strategy, which will be continuously monitored, are:

1. Implementation and monitoring of the strategy
2. Management reporting on material issues.

Part Four - Annexes

Annex No. 1.

End-of-year Financial Statements of Titularizadora Colombiana at December 31, 2023

Annex No. 1.1

Material changes to the End-of-year Financial Statements of Titularizadora Colombiana at December 31, 2023, between the reporting date and the date on which it was authorized for publication.

Regarding the financial information with cut-off date at December 31, 2023, we report that no material changes or events took place that should be disclosed to the public, from the end of the reporting period to the date on which they are transmitted to the National Securities and Issuers Registry.

Annex No.2
Certifications

- I. The certification issued by the Registered Agent of Titularizadora, which certifies that the information includes all material aspects of the business

- II. Report by the Registered Agent on the results of the Assessment of the Internal Control System, the control procedures and the disclosure of financial information

III. Statutory Auditor's report on the effectiveness of the controls over financial information