



END-OF-YEAR MANAGEMENT REPORT
2022

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

FEBRUARY 2023

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 2022 report in order to inform on the evolution of the business; its economic, financial and legal situation; the corporate framework of the Company, and the financial results of the reported period. To this end, this report has been structured in accordance with the guidelines established in Article 47 of Law 222/1995, amended by Article 1 of Law 603/2000, as well as other regulations that supplement and/or amend the minimum requirements for management reports. The Report also incorporates the guidelines indicated in Public Notice 012/2022 on End-of-Year Periodic Reports, issued by the Financial Superintendence of Colombia, and any regulations that supplement and/or add to it, for Securitization Companies, as well as information related to the Corporate Governance Report (included in the Chapter on the Analysis of Corporate Governance).

Introduction

2022 was marked by a slowdown in the recovery of the global economy, under inflationary pressures that led to tighter monetary conditions, compounded by several factors, such as Russia’s invasion of Ukraine, the persistence of the pandemic and the progressive increases in food and energy prices. With the aim of maintaining a monetary policy that sets the course for restoring price stability, structural reforms have been promoted to improve productivity and lessen restrictions on supply. On the other hand, fiscal policy has remained restrictive, with a focus on targeted short-term aid to relieve pressures on the cost of living.

A consequence of this normalization of policies has been the dampening of demand, while at the same time the central banks seek to reduce inflationary costs. On the other hand, wage increases might drive aggregate demand through internal consumption, which would end up producing generalized price increases, thereby unleashing further

inflationary effects. This dichotomy will begin to sort itself out in the first months of 2023, which will show whether or not the various economic sectors return to pre-pandemic trends.

Regarding the real estate portfolio, a favorable growth outlook has taken shape, given that historically they are considered a great alternative in periods of high volatility and uncertainty such as the present, thus offering a counter-balance to the discouraging outlook for renewed economic growth.

It should be noted that the construction sector performed well, reporting sales of 246,821 housing units in Colombia. Even though this number is lower than in 2021, it remains high compared to historic levels. Regarding the behavior of disbursements to acquire housing, an annual contraction was observed, explained by a drop in disbursements for both Non-VIS (17.4%) and VIS (24.7%) loans. Mortgage loans decreased by 1.2% compared to the previous year.

Lastly, the issuances arranged by Titularizadora during 2022 enabled us to stand out in the market of issuers of securities based on both mortgage and non-mortgage loans that are highly attractive for investors. In this regard, we arranged two issuances for vehicle loans, TIV V-3 and TIV V-4, whose originator was Finanzauto S.A., and a Social Mortgage Loan Issuance TIPS U-6 denominated in UVR, whose originator was Credifamilia Compañía de Financiamiento S.A, structured under a model of prepurchases of loans, and which stands out as the first securitization with a Social Seal in Latin America, containing 100% VIS loans, demonstrating the Company's social commitment and its intention of becoming a highly influential actor in environmental, social and governance matters.

Economic Environment

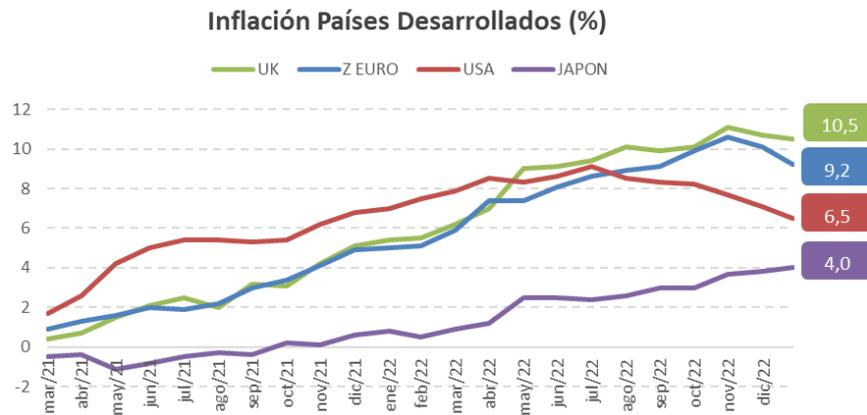
International Markets

During 2022, several risks materialized in the global economy, some of which continue to be related to the pandemic, and others due to geopolitical factors. The pandemic and its impact mainly on the Chinese economy, which continued to experience lock-downs during the year with interruptions in its supply chains, produced shortages of some products and sharp price increases that affected the global economy. The Russia-Ukraine war also led to price increases in energy products and commodities, and shortages in certain foods, which consequently had a global impact on production and inflation. At the same time, the general recovery of demand following 2 years of pandemic contributed to price increases, with inflation reaching record highs in most geographies, which triggered monetary policy actions by the central banks that were tighter than expected at the start of the year.

As a result of the normalization of monetary policy by most central banks, monetary policy interest rates skyrocketed to levels that had not been seen in this century. Dearer

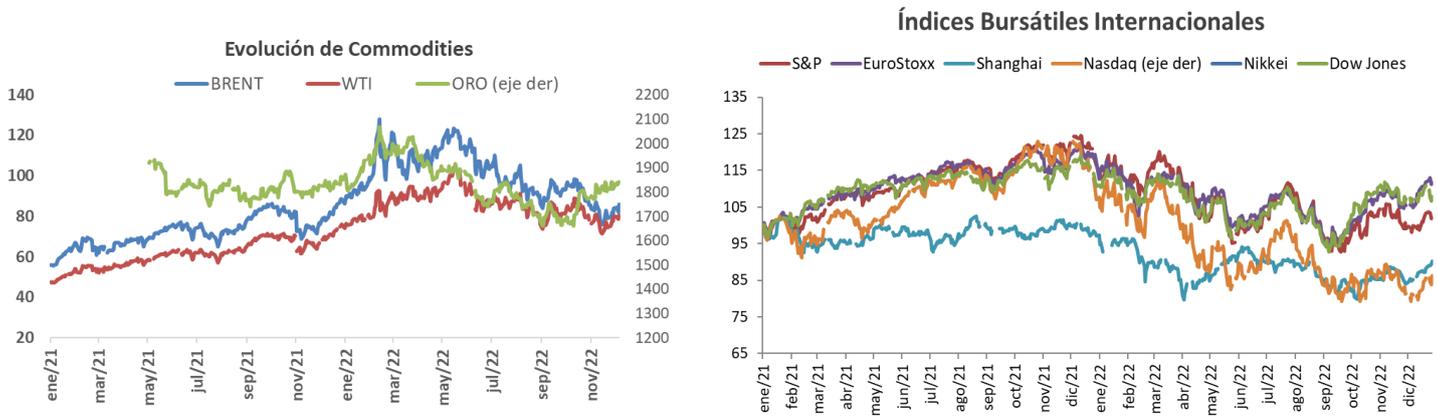
financial costs affected the real economy and promoted generalized devaluations of securities market indexes. Similarly, the higher rates and inflationary pressures produced the devaluation of fixed-rate assets all over the world. Consequently, 2022 was a year of negative yields for most assets.

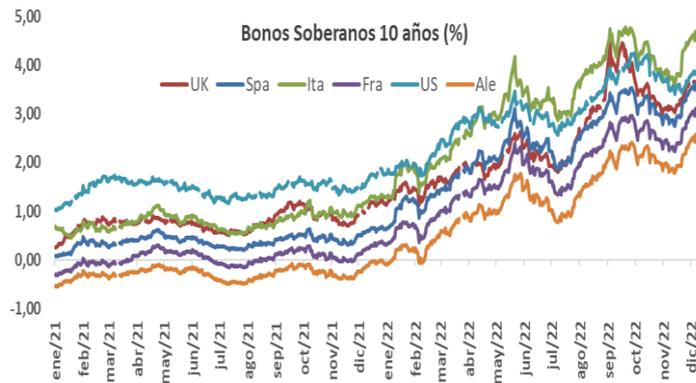
FIGURE 1. BEHAVIOR OF INFLATION IN THE MAIN ECONOMIES



Source: Bloomberg

FIGURE 2. BEHAVIOR OF THE MAIN GLOBAL INDEXES AND INDICATORS

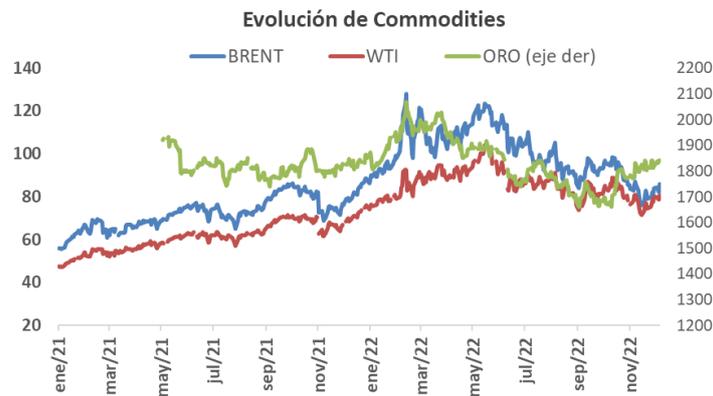




Source: Bloomberg

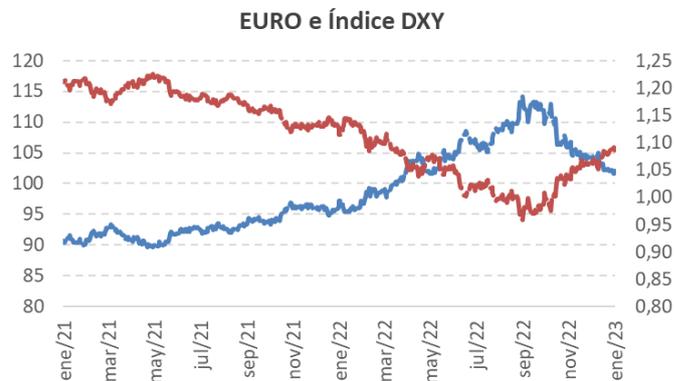
The commodities market was also highly volatile, due to the uncertainty produced by the mentioned geopolitical issues, the effects of the pandemic on the Chinese economy, and uncertainty about the magnitude of the expected global economic slowdown in 2023. Oil and gold prices increased until May and went on a pronounced downward trend thereafter.

FIGURE 3. BEHAVIOR OF THE COMMODITIES MARKET



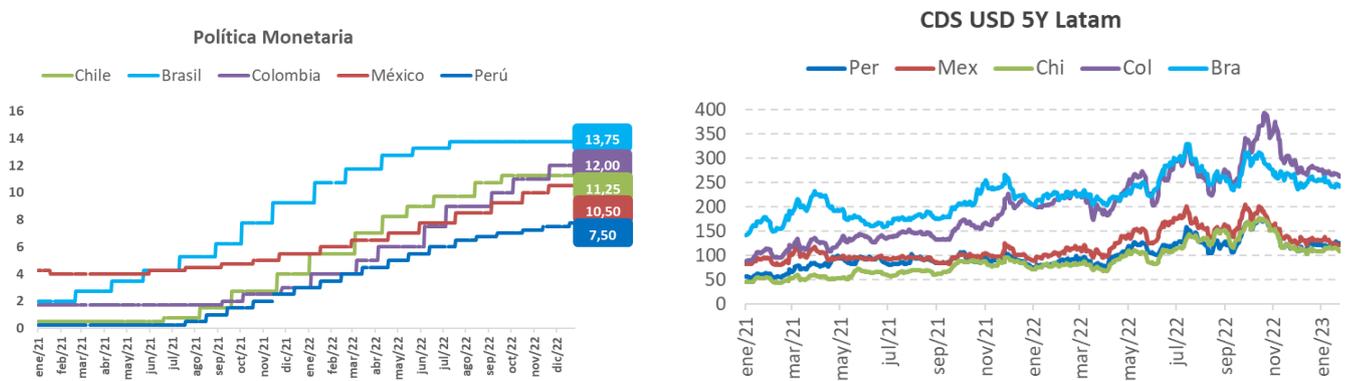
Source: Bloomberg

The uncertainty and risk-aversion that intensified over the year was largely reflected in the strengthening of the dollar and the weakening of the other currencies, as in the case of the DXY index and the Euro, whose parity with the dollar was broken in August, dropping to a 20-year low.

FIGURE 4. BEHAVIOR OF THE EURO AND THE DXY INDEX


Source: Bloomberg

In the emerging Latin American markets, the central banks were also forced to engage in a monetary normalization policy, with a strong, fast and large increase in monetary policy rates, in response to the strong rise in inflation and in order to control inflationary expectations. The region was affected by the higher global risk aversion, which in some countries was compounded by political events, which increased their risk premiums at certain points during the year.

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


Source: Bloomberg

The macroeconomic environment has been strongly affected by a contraction in economic activity both in the US and the Euro zone. The United States has forecast comparative growth figures of 5.7% in 2021 to 1.6% in 2022, with a downward trend of 0.7 p.p. The above reflects the unexpected decrease in GDP and that the economic activity in manufacturing and services are below the expected levels, even though they have been recovering somewhat since November and displayed moderate growth in January. In the Euro Zone, the economic slowdown has been less steep than in the United States, with forecast growth of 3.1% in 2022, for a 0.5 p.p. increase since July, driven by a stronger-than-expected second half in most of the region's economies. Spain and Italy,

for example, posted a positive recovery in services related to tourism and industrial production.

Besides, despite the slowdown in production in the United States, the unemployment rate fell by 0.1% between December and January to 3.4%, which is below the expectations of the analysts surveyed by Bloomberg. It is explained by an increase in non-agricultural payrolls, which increased two-fold compared to the previous month. The unexpected recovery of employment is a sign of the resiliency of the labor market, which may put pressure on the Fed to make further rate increases.

As a whole, the international environment has been populated by decisions aimed at reducing inflation through restrictive monetary policies, by increasing interest rates, in a context where the latest inflation indicators are 6.5% and 8.5% for the United States and the Euro zone, respectively. In the short term, these policies are expected to take the wind out of inflation, at the expense of lower economic activity and growth, with an uptick in unemployment and lower salaries in real terms. While macroeconomic policy has become more restrictive, fiscal policy has been taking a neutral path in terms of the budget, to develop a credible fiscal framework in the medium term that is consistent with the sustainability of the global economy.

The developed economies experienced a general downturn in terms of growth rates, decreasing from 5% in 2021 to 3.8% in 2022. In emerging and developing economies, growth rates dropped further, from 6.3% in 2021 to 4.6% in 2022. However, the fiscal and monetary measures are expected to lead to a general recovery in production. For the Asian emerging economies, a 4.4% rate is expected, down by 0.2 p.p., mainly caused by a 3.2% drop in China's growth.

On the other hand, emerging economies, including Latin America, will face a period of slow growth due to the heavy debt burden and low investment, while at the same time the world's capital is being absorbed by the developed economies, which face record-high public debt levels along with higher interest rates. As a result, Latin America experienced tight financial conditions in 2022, when the region's inflation rate increased to 17.3% in December, with a sharp currency depreciation, mainly driven by the increase in inflation in Argentina, Colombia, Ecuador and Peru, but also influenced by policy interventions, which enabled the main currencies in the region to gain ground against the dollar in the last month, also thanks to the increase in the prices of the main export commodities and the expectation of less aggressive tightening by the Federal Reserve. In Argentina, inflation reached 94.8%, driven by the drop of the peso and the monetary financing of the fiscal deficit. In the case of Brazil, the drop in transportation prices reduced inflation in December to its lowest level in 22 months at 5.8%, whereas Chile posted inflation of 12.8% in the same month, driven by demand from tourists and social expenditures. Lastly, in Peru the disturbances worsened inflation and the high interest rates depressed the consumer economy. In December, inflation increased slightly to 8.5%.

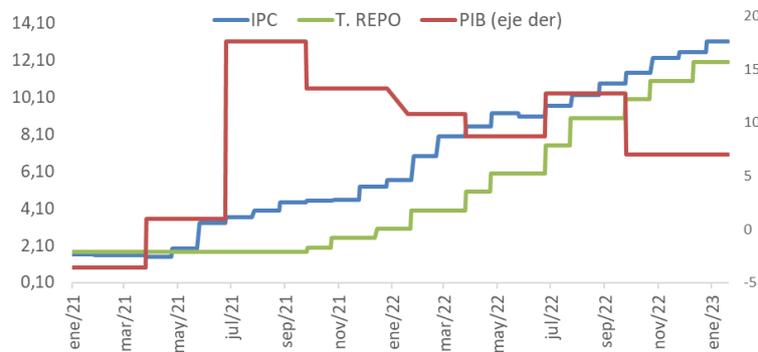
The global unemployment figure was 205 million (5.7%), higher than the 187 million in 2019, from which it can be inferred that the key indicators of the labor market have not yet returned to pre-pandemic levels.

The world outlook for the labor market in 2023, according to the International Labor Organization (ILO), is a slight increase in employment of 1%, which would increase the time horizon required to recover the jobs lost by the pandemic until 2025. In its latest report, this body also warns that the current global economic slowdown could force more workers to take jobs of lower quality in terms of labor conditions, which would further worsen the inequalities produced by the post-pandemic. In general, it will be necessary to closely follow the evolution of unemployment in the world, because it could grow exponentially if new geopolitical tensions exacerbate, as in the case of Ukraine, and if interruptions in the global supply chain occur with greater frequency.

Local Markets

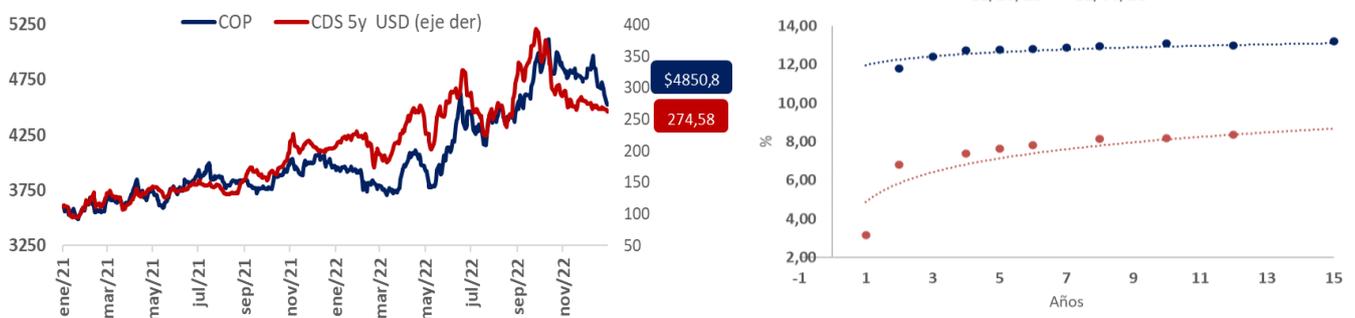
In 2022, the local market displayed good economic indicators, which reflected the good performance of the economy and demand, mainly in terms of GDP growth data, the behavior of retail sales and the reduction of unemployment. The first half was much more dynamic than the second, during which the economy evidently slowed down due to several factors, the most noteworthy of which are the inflationary pressures and high interest rates, which consequently impacted consumption, combined with the tax reform and the increase in financial costs, with their impact on private investment. During the year there were also political factors related to the uncertainty produced by the presidential elections and statements by members of the new administration, which was reflected in greater volatility and the devaluation of assets such as the currency, public debt, and the risk premium.

One of the most relevant factors at the economic level was the sharp increase in inflation, which closed the year at 13.12% YoY. Both the inflation rate and the increase in inflationary expectations led the Colombian Central Bank (*Banco de la República*) to increase the repo rate by 900 basis points, which particularly affected the performance of fixed-rate assets, both public and private. Another relevant factor was the increase in corporate spreads, as a result of regulatory aspects related to the implementation of Basil III and net stable funding coefficient (CFEN, by its acronym in Spanish), which substantially increased the rates on deposits paid by the financial institutions, and the competition for resources, which increased the overall opportunity costs of investment portfolios.

FIGURE 6. ECONOMIC GROWTH, INFLATION AND REPO RATE


Source: Bloomberg

The most important financial assets posted negative yields: the Colcap devalued by 9.10% YoY, the peso devalued by 19.4% YoY, and the rate of 5-year CDs in dollars decreased from 205 at the start of the year to 275 at the end, after reaching a maximum level of 393 in October. The TES fixed rate curve increased by an average of 490 basis points with a flattening trend, reflecting the greater rate pressure on the short end.

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


Source: Bloomberg

Fixed-rate issuances in the Securities Exchange performed poorly due to the high interest rates. During the year they totaled COP 2.5 trillion, down by 76% compared to 2021. Issuances by financial sector entities totaled COP 1.5 trillion (-78% compared to 2021); issuances by the non-financial sector totaled COP 0.97 trillion (-62% compared to 2021), and there were no issuances by public entities.

The local context this year started out with the recent enactment of the minimum wage for Colombia, which will increase by 16% in 2023. This has created uncertainty as to the economic effects the increase may produce, for example on the prices of basic consumer goods, traffic fines, healthcare prices, tolls, and general consumer prices. In order to take the wind out of greater inflationary effects, the government has unlinked several annual

price adjustments of goods and services from the CPI, to prevent part of the wage increase from translating into future price pressures.

The consumer price index increased by 1.26% in December 2022 compared to the previous month, which drove up the full-year inflation rate. According to the latest review by the OECD: “Consumption and investment will remain moderate, as households and companies face high inflation and interest rates, in addition to uncertainty about the outlook of economic policy.”

According to ANDI, Colombia has generally stood out for the stability of its indicators, in line with international parameters. However, in the latest three years it has strayed from this favorable trend and even from its Latin American peers in the latest year, which is mostly explained by the fragile macroeconomic environment and the political changes in the local environment. As a result of the above, 2023 is expected to be a year of stabilization and macroeconomic adjustment, following a period of high volatility, with the aim of achieving sustainable growth in the medium and long term. In this context, the forecasts expect GDP growth below the average of the ten years before the pandemic (3.7%) and to adjust the Central Bank’s target in order to mitigate the effect of the weakening world economy on local growth, by closely monitoring the main risks for the outlook such as a fiscal stimulus and the weakening of the peso.

On its part, the manufacturing sector has surpassed the threshold of 50.0 points for the first time in three months, displaying an overall index of the sector’s purchasing managers an increase to 51.1 in December, compared to 47.3 in November. This indicates an improvement in the operating conditions of the sector compared to the previous month, and this come-back was primarily due to an increase in demand. This recovery was driven by public tenders and the confirmation of pending orders, along with an increase in new orders, which led companies to increase their production, purchases of inputs and employment.

Lastly, the trade deficit was 5% lower in November than the previous year. This was due to the growth of the country’s exports compared to the previous year, as published by DANE. Between January and November 2021, the trade deficit was close to -USD 13 billion, with exports of about USD 52 billion and imports of USD 66 billion, which represents substantial progress compared to the previous year’s figures. Even though this trend was reversed somewhat in December, exports of goods are expected to decrease by 0.6% and imports to decrease by 4.5%, which would represent a moderate deficit of around -USD 9 billion.

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. These securities typically have a AAA rating, and they are traded on the Colombian 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. The TIN investor is entitled to earn both monthly rental income from the property lease contracts, as well as income from the commercial valuation of the real estate portfolio over time. Some of the advantages and benefits for the investor include: Investment in stabilized real estate properties. Monthly yield distributions. Stable and attractive profitability in line with the moderate-conservative risk. Independent team of experts with a long track record. Solid corporate governance and institutional backing.

TL Payroll Loans

Securities backed by discounted consumer payroll loans denominated in pesos originated by Bank and Non-bank originators. The issuances have a 5-year term thanks to a revolving structure, which over time enables acquiring new loans with the proceeds from the scheduled and early repayments made by the 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.

TER Commercial Loans

These securities are backed by secured loans originated by second-tier banks. The 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 issuances have a 5-year term thanks to a revolving

structure, which over time enables acquiring new loans with the proceeds from the scheduled and early repayments made by the 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.

Over its history in the market, Titularizadora has successfully placed the issuances listed in Figure 8. Their amounts by product line are displayed in Chart No. 1, and the breakdown by tranches is provided in Chart No. 2.

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

Product	Balance issued	Current balance
Mortgage - Pesos	16.02	1.52
Mortgage - UVR	7.42	0.85
TECH	0.41	0.00
Payroll	0.33	0.03
Commercial	0.23	0.03
Vehicle	0.29	0.18
Real estate	0.27	0.26
Total	24.97	2.87

Source: Prepared by TC

FIGURE 8. ISSUANCES HISTORY. SOURCE: TC

2003	2004	2005	2006
TIPS UVR E3 COP 464 million E4 COP 328 million	TIPS UVR E5 COP 345 million E6 COP 574 million TECH E1 COP 521 million E2 COP 518 million	TIPS UVR E7 COP 424 million TECH E3 COP 119 million	TIPS UVR E8 COP 781million TIPS Pesos E1 COP 268 million E2 COP 355 million
2007	2008	2009	2010
TIPS UVR E9 COP 313 million TIPS Pesos E3 COP 333 million E4 COP 377 million E5 COP 311 million	TIPS UVR E10 COP 237 million TIPS Pesos E6 COP 208 million E7 COP 370 million E8 COP 384 million E9 COP 400 million	TIPS Pesos E10 COP 505 million E11 COP 442 million E12 COP 386 million E13 COP 246 million	TIPS UVR E11 COP 181 million E12 COP 360 million E13 COP 345 million TIPS Pesos E14 COP 518 million E15 COP 613 million E16 COP 2.4 billion
2011	2012	2013	2014
TIPS Pesos N1 COP 238 million N2 COP 303 million N3 COP 379 million	TIPS Pesos N4 COP 385 million N5 COP 399 million N6 COP 381 million	TIPS Pesos N7 COP 428 million	TIPS Pesos N8 COP 153 million N9 COP 503 million N10 COP 358 million
2015	2016	2017	2018
TIPS UVR U1 COP 434 million TIPS Pesos N11 COP 374 million TIL Pesos L1 COP 15 million	TIPS Pesos N12 COP 412 million N13 COP 353 million TIS Pesos H1 COP 46 million TER IPC R1 COP 233 million	TIPS UVR U2 COP 273 million TIPS Pesos N14 COP 422 million N15 COP 455 million N16 COP 385 million TIL Pesos L2 COP 123 million	TIPS UVR U3 COP 506 million TIPS Pesos N17 COP 315 million TIL Pesos L3 COP 101 million TIS Pesos H2 COP 47 million TIN COP 163 million
2019	2020	2021	2022
TIPS UVR U4 COP 348 million TIPS Pesos N18 COP 360 million N19 COP 406 million N20 COP 405 million TIV V1 COP 87 million	TIL Pesos L4 COP 88 million TIN COP 105 million	TIPS Pesos N21 COP 326 million U5 COP 241 million TIV V2 COP 51 million	TIV V3 COP 65 million V4 COP 80 million TIPS Social U6 COP 40 million

CHART 2. SECURITIES BREAKDOWN (AMOUNTS IN MILLIONS OF PESOS)

ISSUANCE	A	B	B2	C	MZ	Total
PESOS H-1	2,540	8,769				11,308
PESOS H-2	15,248	6,189	1,666			23,102
PESOS N-10	0	28,516			5,299	33,815
PESOS N-11	0	40,464			7,342	47,806
PESOS N-12	19,539	53,632				73,171
PESOS N-13	45,159	38,832				83,991
PESOS N-14	43,870	44,881			5,428	94,178
PESOS N-15	42,131	45,789		2,234	6,701	96,855
PESOS N-16	48,509	37,681		1,884	6,785	94,859
PESOS N-17	46,544	30,788		1,539	6,004	84,876
PESOS N-18	131,946	17,206		1,785	1,785	152,722
PESOS N-19	153,133	20,077		2,000	5,000	180,210
PESOS N-20	185,070	13,082		2,250	4,950	205,352
PESOS N-21	199,702	18,876	4,896			223,474
PESOS N-3		0		398	0	398
PESOS N-4		0		1,869	2,285	4,154
PESOS N-5		2,550		1,937	9,712	14,199
PESOS N-7	0	7,747		4,076	16,305	28,128
PESOS N-8	0	2,611			3,014	5,625
PESOS N-9	0	52,039		2,483	3,676	58,198
TER IPC R-1	0	27,674				27,674
TIL Pesos L-3	0	0	663	1,850		2,513
TIL Pesos L-4	9,529	9,954	4,761	1,558		25,802
TIN	263,025					263,025
TIV V-1	5,739	13,000				18,739
TIV V-2	20,200	7,500	2,500	1,000		31,200
TIV V-3	41,574	10,400	3,900	520		56,394
TIV V-4	56,612	11,200	5,600			73,412
UVR U-1	3,513	66,295		3,013	22,952	95,773
UVR U-2	65,911	34,182		4,273	6,495	110,860
UVR U-3	195,906	0		6,108	15,544	217,558
UVR U-4	162,307	40,552		3,362	5,243	211,464
UVR U-5	191,441	17,640		3,213	2,677	214,971
Total	1,949,146	708,124	23,986	47,353	137,195	2,865,804

Source: Prepared by TC

Particularly in the case of the 2022 issuances, factors such as the change in the monetary policies of the central banks and the inflationary pressures that affected all economies, combined with local market factors such as the adjustment of the CFEN indicator due to the implementation of Basel III and the uncertainty caused by political aspects related to the new government, increased volatility and put pressure on the rates of fixed-rate assets both at the local and international level, and at certain points made it difficult to arrange issuances due to market conditions. During the year there were no investor concerns related to the underlying assets of the issuances or with the evolution of their main indicators.

During the year, three (3) issuances of securitized debt instruments were made. In March, the third issuance of vehicle loans, TIV V-3, was made, originated by Finanzauto S.A.:

CHART 3. SUMMARY OF ISSUANCE TIV-3

	Cartera	Tít. Serie A	Tít. Subordinados	Total Monto Emitido
TIV V-3	\$ 65.000	\$ 50.700	\$ 14.820	\$ 65.520

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

The issue received a AAA rating from Fitch Ratings and was made through the Book of Offers on the Securities Exchange main market. The minimum amount for Series A was COP 39 billion and the maximum amount was COP 50.7 billion. The bid-to-cover ratio was 1.30 over the minimum amount offered, and the cut-off rate was 8.55% EAR. This issuance was mainly placed in collective investment funds (79%), even though pension and severance funds also participated (21%).

The fourth issuance of loans originated by Finanzauto S.A., TIV V-4, was carried out in November:

CHART 4. SUMMARY OF ISSUANCE TIV-4

	Cartera	Tít. Serie A	Tít. Subordinados	Total Monto Emitido
TIV V-4	\$ 80.000	\$ 58.400	\$ 16.800	\$ 75.200

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

The issue was rated AAA by Fitch Ratings and was made through the Book of Offers on the securities exchange main market. The minimum amount for Series A was COP 30 billion and the maximum amount was COP 58.4 billion. The maximum amount was placed, which matched the amount of demand, and the bid-to-cover ratio was 1.30 over the minimum amount offered. The cut-off rate was 16.10% EAR. The total amount of this issue was placed in collective investment funds.

In December, the first placement was made of securitized mortgage loans with a social seal, with loans originated by Credifamilia Compañía de Financiamiento S.A. The securities were issued in UVR, but below we present the equivalent in pesos:

CHART 5. SUMMARY OF ISSUANCE TIPS U-6

	Cartera	Tít. Serie A	Tít. Subordinados	Total Monto Emitido
TIPS Sociales U-6	\$ 41.030	\$ 35.286	\$ 4.513	\$ 39.799

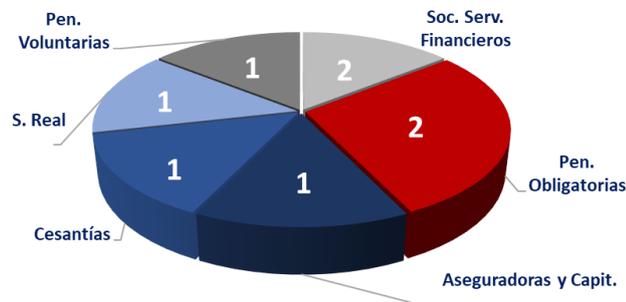
Source: Prepared by TC. * Figures in millions of Pesos

Sustainable Fitch issued the Second-Party Opinion in the framework of social debt, granting a rating of "Good," which is the second-best rating. The transaction is aligned

with the Sustainable Bond Guidelines issued by the International Capital Market Association (ICMA), and it contributes to achieving three (3) of the UN Sustainable Development Goals: Number 8 - Decent Work and Economic Growth; Number 10 - Reduced Inequalities, and Number 11 - Sustainable Cities and Communities.

Additionally, the issue was rated AAA by BRC Investor Services and was made through Firm Demand on the Securities Exchange main market. The offered amount of the A Series was the equivalent of COP 35,286 million. Total demand for the issue was COP 35,345 million, for a bid-to-cover ratio of 1.00 over the amount offered. The cut-off rate was 7.80% EAR. The securities were awarded to the following number of entities and investor segments:

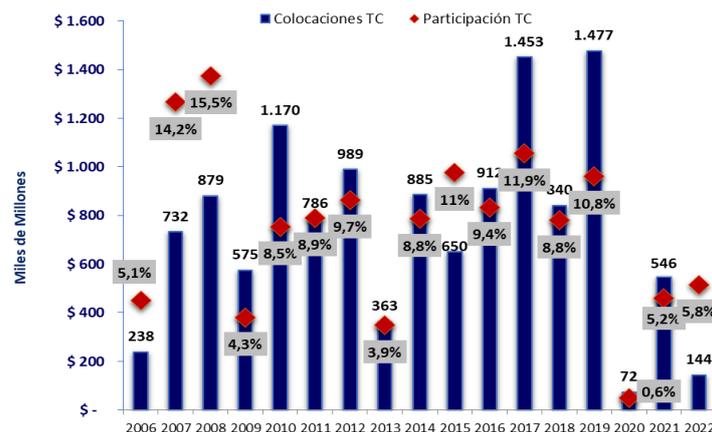
FIGURE 9. SHARE BY SEGMENT (NUMBER OF PORTFOLIOS)



Source: Prepared by TC

With the three (3) issuances made, Titularizadora had a 5.8% market share of the fixed income issuances made through the Securities Exchange during the year, as shown below:

FIGURE 10. TC SHARE OF BVC ISSUANCES



Source: BVC, calculations by TC

In 2022, 71 issuances of securitized debt instruments were made, with total loans for COP 22.5 trillion, for a balance of loans under management of COP 2.7 trillion at December 2022.

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Glossary

Term	Definition
ESG	It refers to Environmental, Social and Governance factors.
AIP	Assets received in Lieu of Payment for Mortgage 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 .
VIS Loan	They are Mortgage Loans denominated in UVR 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	They are, jointly considered, VIS Mortgage Loans, both with or without FRECH coverage, as applicable, VIS Mortgage Loans, Associated Loans, and VIS Loans guaranteed by FNG, as applicable, including the Mortgage Collateral, as well as the Mortgage Loans received by the TIPS SOCIAL Aggregate as a result of the Substitution of Mortgage Loans.
Associated Loans	Mortgage Loans denominated in UVR granted to Debtors of Non-VIS Loans exclusively in the context of granting the Debtor Relief defined in Decrees 2331/1998 and 688/1999, or any associated provisions, as well as in Public Notice 011/1999 of Fogafin, that exclusively fulfill the following conditions:

	<p>(I) They have been granted by the respective Authorized Seller, or the latter is the owner because it has acquired them from Fogafin;</p> <p>(II) they are covered by the same Mortgage Collateral as the Non-VIS Loan, and</p> <p>(III) they are not in judicial collections proceedings.</p>
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 .
Closing Date	It is the date agreed by Titularizadora and the Authorized Seller and defined in the Mortgage Loans Purchase and Sale Agreement on which ownership is transferred over each of the Mortgage Loans, as well as the Mortgage Collateral and other accessories.
Cut-off Date	It is two (2) Business Days before the Settlement Date.
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.
Settlement Date	It will be the ninth (9 th) day of each Month counted from the Issuance Date. When the date defined as the Settlement Date is not a Business Day, the Settlement Date will be the following Business Day.
Collections Flows	They are all the inflows collected by the Authorized Administrator and received by the TIPS SOCIAL Aggregate, including interest, principal or any other amount derived from or related to the Mortgage Loans, determined as of each Settlement Date for the Collections Period that precedes said Settlement Date.
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.
ICMA	It is the International Capital Market Association, which issues the Principles for Social Bonds, based on which the guidelines of the Social Framework for Securitization were structured.
IPVN	Acronym in Spanish for New Housing Price Index.
IPVU	Acronym in Spanish for Used Housing Price Index.
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.
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.
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.

Part One - General Aspects of the Operation

I. Description of the Business Purpose

(I) Evolution of the Business Plan

In the short term and in response to growing investor demand, and the Company's adoption of the Responsible Investment Principles as a strategic pillar for the organization, Titularizadora has ventured into the issuance of products with ESG content. As a result, in the last two months of 2022 it worked jointly with Credifamilia Compañía de Financiamiento S.A. on structuring the first social securitization (TIPS Social UVR U-6), whose social framework has been certified by a Second-Party Opinion (SPO) issued by Sustainable Fitch as "Good" and aligned with the Social Bond guidelines published by the International Capital Market Association (ICMA), which represents a milestone in the history of securitization in Latin America.

Over the medium and long term, driven by changes in regulations, we are currently assessing the feasibility of making future loan-based issuances through an instrument that enables optimizing the Net Stable Funding Coefficient (CFEN, for the Spanish original) of credit establishments. The objective of the above is to provide the overall financial system tools that enable addressing new regulatory requirements and increasing the efficiency of their source of funds management. Over the same time horizon, the Company plans to venture into the segment of funding and hedging derivatives. This is intended to address possible opportunities to use differences between interest rates in favor of situations that require either funding resources or hedging exposure to market risk factors. Additionally, the Company intends to continue the implementation of the Warehousing model, which consists in prepurchasing loans as a strategy to optimize the issuance opportunities offered by the market, as well as to further develop the securitization of mortgage and other loans.

(II) Income-producing Economic Activities

The Company's main source of income continues to be the securitization of assets (both mortgage and non-mortgage loans), which includes the structuring and management of the issuances. However, with the aim of diversifying its sources of income, it has implemented the Warehousing model, consisting in prepurchasing loans as a new mechanism to produce profitability.

(III) Commercial Conditions

The economic environment in 2022 has been marked by a steep increase in interest rates due to inflationary pressures of supply and demand, as well as risk aversion. This has led to a general reduction in private debt placements, in view of the market's volatility and reduced investor appetite. For this reason, Titularizadora has searched for a new value proposition by venturing into issuances with ESG content to meet the growing demand for this type of alternative investments. In this context, the risk aversion is mitigated by interest rates that remunerate this level of economic uncertainty and through issuances with social content that not only produce profitability but also contribute to the achievement of the sustainable development goals and beyond the strictly economic aspects.

In terms of local market conditions, the pressure produced by compliance with the CFEN led to a steep increase in the cost of bank funding, in which context the securitization mechanism becomes even more important in the local environment as a tool to optimize this cost. It should also be noted that the dynamics in the credit market have remained stable, with favorable levels of past-due loans, which generates supplies of loans suitable for securitization.

(IV) New Products

Amidst a challenging economic environment, Titularizadora has focused its efforts both on securitizing new products and on engaging new originators. Some of the most noteworthy new products are the non-real estate assets such as payroll and consumer loans originated by banking entities. Regarding new originators, the aim is to venture into non-bank entities to drive the potential of raw materials for securitization. Additionally, the good performance of securitized non-performing loans (TECH) has sparked the interest of additional originators from the financial sector. In addition to all the above, we arranged the first securitization of TIPS Social UVR U-6, as described further below in this report.

- **BANK ORIGINATORS OF RESIDENTIAL LEASES**

During the first half of 2022, we worked on structuring an issuance of mortgage loans in UVR, in which a substantial proportion of the underlying assets were Residential Lease Contracts. We fully completed the process, including approval by the banks, the documentation process, the required regulatory approvals and investor management. However, a few days before the issuance date the government made announcements and the Central Bank raised interest rates in a manner that affected the securities market, which created pressure on interest rates by investors and had a negative effect on the financial closing. Due to the above, the issuance was not brought to market. During 2023, our aim is to resume the development of the product, redefine the securitization terms in line with market conditions and finally materialize an issuance for this product type.

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

In March 2022, the third issuance of TIV V-3 securities was made for COP 50,700 million. In November, Titularizadora placed issuance TIV V-4 in the market for COP 75,200 million. In both cases, the underlying assets are vehicle loans originated by Finanzauto S.A.

During the second half of 2022 we began to work on the securitization of vehicle loans with one of the largest originators in the market; we expect to place this issuance during the first half of 2023.

- **BANK AND NON-BANK PAYROLL LOAN ORIGINATORS**

During the first half of the year, we worked on the analysis of the payroll loan portfolio of the entity certified in 2021. Different structures and businesses cases were assessed, with the aim of obtaining approval and begin an issuance backed on these assets; however, due to uncertainty in the market and the pressure of increasing interest rates, it was not viable to carry out the securitization, given that the interest rates at which loans of this type are placed is low compared to current market demands.

Regarding the acquisition of new originators, during the second half, several of the most important bank originators expressed their interest and we received approval by one of them, with which we will begin activities in 2023 to develop an issuance backed by payroll loans. We will also continue to work with different first-tier originators in order to strengthen product development.

- **INFRASTRUCTURE LOANS**

In the first quarter of 2022 we continued to work with an international partner on assessing the viability of securitizing infrastructure loans for 4G projects. However, when the characteristics of the potential asset were compared to the current market conditions, it was not feasible to perform the financial closing both for the originator and the investors under current market conditions for investment interest rates. We are awaiting the normalization of interest rates to continue with this project.

Notwithstanding the above, and considering the potential of infrastructure assets, Titularizadora has begun to assess the feasibility of developing a product aimed at the securitization of the cash flows derived from both conventional and renewable electricity generation and transmission projects.

During 2023 we will continue to work on the pre-feasibility phase, and if it is found viable, we will continue to carry out the activities to perform a securitization backed by this type of assets.

- **WAREHOUSING OR PREPURCHASED LOANS**

In 2022, in the context of the securitization processes, the Company resumed, implemented and formalized the arrangement for prepurchasing mortgage and non-mortgage loan portfolios. This arrangement offers originators certified as sellers-managers the alternative to access new funds by selling their loan portfolios to Titularizadora, which warehouses them for a certain time period in order to subsequently incorporate them in the securitization processes. This creates benefits both for the originator, which obtains timely funds from payment of the sales price of the loan portfolio, and for Titularizadora, which can optimize the process of preparing the issuances and managing the timing for placing the securities in the market.

During 2022, Titularizadora carried out two (2) prepurchases of mortgage loans from Credifamilia Compañía de Financiamiento S.A., the first one in April and the second in July, and which were subsequently securitized through the placement of the TIP-S Social UVR U-6 issuance in December.

- **BANK AND NON-BANK CONSUMER LOAN ORIGINATORS**

During 2022, progress was made in developing the financial, legal and operating structure for the securitization of consumer loans granted by bank originators. One of the banks with greatest market share in this market segment was certified, and an issuance of securities of this type is expected to be performed in 2023. During this year we will continue to engage new originators in order to strengthen product development.

Regarding non-bank originators, during the last quarter of the year we began to work on the securitization of a consumer loan portfolio that is outside the traditional banking schemes. Following the product development, an issuance is expected to be arranged in the second half of 2023.

(V) 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, HITOS).

The Company is also the exclusive owner of the property rights of the HITOS 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.

- **STATUS OF COMPLIANCE WITH INTELLECTUAL PROPERTY REGULATIONS**

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 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) Human Resources

Starting in 2022, a hybrid attendance system was formally implemented, which offer three (3) options for attendance and five (5) different shifts, with the aim of enhancing the quality of life for employees and increasing labor productivity. The work day was also shortened to nine (9) hours per day (including a one hour break in the middle of the shift as established by Law).

The Biosafety Protocol was relaxed based on the policies established in this regard by the Ministry of Health and the Ministry of Labor. Due to the above, we promote self-care and good hygiene habits to protect the employees' health.

Jointly with the occupational risk insurer (ARL), inspections were carried out of home workstations to assess the physical work conditions and determine needs to improve such conditions. Employees made agreements to accept the recommendations made by the ARL.

A workplace environment and psycho-social risk survey was carried out with excellent results. These two assessments derive in action and improvement plans to be

implemented by areas and the Company during 2022 and 2023. They mainly focus on leader development, team management and quality of life in the personal sphere.

A program named 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.

We continued to work on corporate sustainability based on the digital transformation, updating and strengthening of productivity, life-work balance, project-based management, and innovation in response to new trends. During 2022, with the aim of strengthening organizational culture, we focused on training and the implementation of digital processes and the formulation of the HITOS + Core Business application project. Participation of personnel in on-line training programs was promoted, with greater involvement of supervisors in the performance management system, and we developed on-line programs for employees and their families.

In terms of environmental sustainability, the focus was on strengthening the program “Piensa Verde: Comprometidos con la sostenibilidad” (Think Green: Committed to Sustainability), with an emphasis on practices for recycling and saving water and electricity at home. In general, they were encouraged to “leave a footprint for the planet” with favorable results.

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

FIGURE 11. NUMBER OF EMPLOYEES



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

(VIII) Quality Management

The objective of the Company’s Quality Management System (QMS) is to maximize the efficiency of the products and services in delivering value to our clients and stakeholders, through the continuous improvement of the organization, supported by the

standardization and optimization of the processes and procedures, the reduction of errors and the identification of opportunities for improvement.

The follow-up external audit carried out by ICONTEC in September 2022 of the organization's Strategic Process of the Master Administration of mortgage loan issuances and support confirmed that Titularizadora has established and maintained its management system in accordance with the standard and the organization's own requirements. No findings were reported, and the following strengths were highlighted, among others:

- The strategic updating of the organization, because it is aimed at increasing the Company's current value by 2.5 times by 2027, which is a challenge based on analytics of data and information to offer new products and services, and incorporating the client's vision as a value proposition.
- Connecting the medium and long term financing requirements for the activities under a sustainability approach.
- The profitability of the mortgage loan vehicle, because in 2022 its yield is greater than inflation and its 21% profitability offers substantial benefits to investors.

During 2023, our main objectives are to continue aligning all the processes, products and services with the quality standards; to identify processes suitable for optimization, either through automation or redesigning of processes, and of course to achieve the recertification scheduled for July.

(IX) Behavior of the Issues and Loan Portfolios

At year-end 2022, 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 2022 was COP 2.6 trillion. This balance is represented by 62,721 individual housing loans; 74% of the balance is in Non-VIS loans and 26% in VIS loans.

In 2022, the current portfolio of mortgage loans included 26 issuances, including the new social issuance TIPS U-6 of VIS Loans.

26% 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, 2022 (COP MILLION)

ISSUE	UVR	%	PESOS	%	Overall Total	%
UVR U-1	110,726	12%			110,725.88	4%
UVR U-2	113,937	12%			113,937.08	4%
UVR U-3	229,004	25%			229,004.44	9%
UVR U-4	219,313	24%			219,313.26	8%
UVR U-5	210,593	23%			210,593.00	8%
UVR U-6	40,836	4%			40,836.00	2%
PESOS N-21			225,941	13%	225,940.97	9%
PESOS N-3			18,163	1%	18,162.66	1%
PESOS N-4			23,919	1%	23,919.34	1%
PESOS N-5			27,127	2%	27,126.69	1%
PESOS N-7			41,246	2%	41,246.17	2%
PESOS N-8			18,542	1%	18,542.23	1%
PESOS N-9			82,051	5%	82,050.80	3%
PESOS N-10			46,314	3%	46,313.88	2%
PESOS N-11			56,207	3%	56,206.75	2%
PESOS N-12			84,748	5%	84,748.49	3%
PESOS N-13			94,223	6%	94,223.31	4%
PESOS N-14			102,422	6%	102,422.17	4%
PESOS N-15			109,796	6%	109,795.66	4%
PESOS N-16			104,330	6%	104,330.48	4%
PESOS N-17			91,541	5%	91,540.95	3%
PESOS N-18			153,098	9%	153,097.85	6%
PESOS N-19			178,214	10%	178,214.46	7%
PESOS N-20			205,809	12%	205,809.09	8%
PESOS H-1			12,955	1%	12,954.51	0%
PESOS H-2			25,226	1%	25,226.14	1%
TOTAL	924,410	100%	1,701,873	100%	2,626,282	100%

Source: Prepared by TC

At the end of 2022, the ratio of the loan principal balance over the value of the guarantee, or Loan-to-Value ratio (LTV), remains at favorable levels. At year-end, 86.1% of the mortgage loans had a LTV ratio of less than 50%, 12.9% have a LTV ratio between 50% and 70%, and only 1.0% have a ratio above 70%.

Chart 7. Balance of LTV TIPS issuances PRINCIPAL BALANCES AT DECEMBER 31, 2022 (COP MILLION)

LTV Range	(Principal balance) million	%
0%-50%	2,260,120	86.1%
50%-70%	338,638	12.9%
>70%	27,524	1.0%
Total Loan Portfolio	2,626,282	100%

Source: Prepared by TC

- **CONSUMER PAYROLL LOANS**

Discounted consumer payroll loans in the issuances TIL Pesos L-3 and L-4 at year-end 2022 had a principal balance of COP 40 billion, comprised of 6,030 loans. The distribution by type of operating company is 64.84% private sector, 7.35% public sector, 0.39% public-private companies, and 27.42% have no operating agreements, ex-payroll.

- **VEHICLE LOANS**

The balance of vehicle loans at December 2022 was COP 209 billion; this balance increased during the year thanks to two issuances of assets of this type. This balance is represented by 7,064 loans originated by Finanzauto S.A., of which 71.21% are for private vehicles and 28.79% are for public service vehicles.

The mechanism of successive purchases for the TIV Pesos V-2 issue remains in effect until February 2022, and for the TIV Pesos V-3 issue it remains in effect until March 2023, as defined in the prospectus and rules of each issuance. During 2022, the mechanism of successive purchases for issuance V1 ended, pursuant to the contracts.

- **COMMERCIAL LOANS**

At the end of 2022, the balance of commercial loans was COP 29 billion, represented by five (5) rediscounted loans managed by FINDETER, and whose performance was as planned with no prepayments.

(X) Loan Prepayments

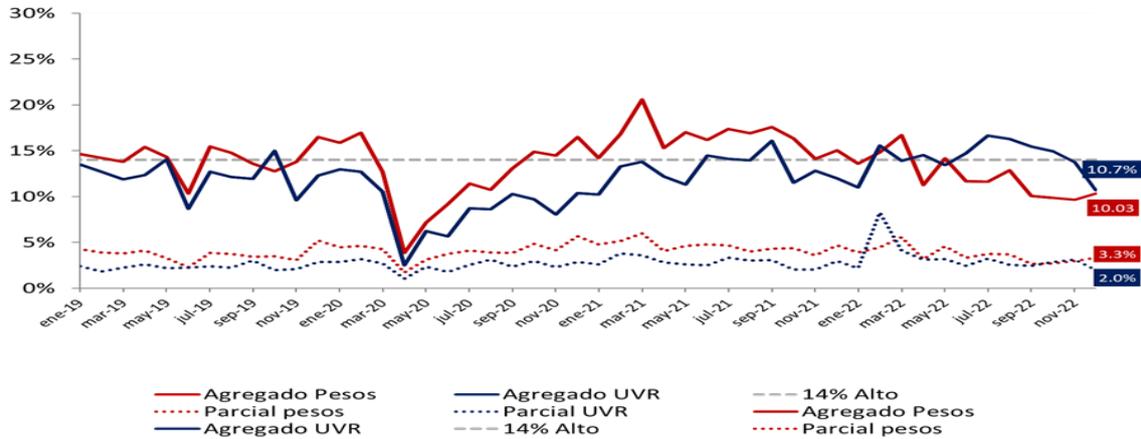
“Prepayment” is defined as a full or partial early repayment of the principal balance of the loans in the issuances, and in the securitized portfolios it is measured by means of an annualized index (amount of prepayments of principal over the principal of the loans at the beginning of the period).

- **MORTGAGE LOANS**

The average prepayment of issuances denominated in pesos was 12.22% during the year, a reduction compared to the previous period, which reached 16.45% due to the increase in interest rates.

The level of prepayments increased for the loan portfolio denominated in UVR during 2022, with an average index during the year of 14.22%, compared to 12.84% the previous year, mainly due to the increase in inflation, which increases the installment amounts for loans of this type.

Figure 12. Evolution of Mortgage Loan Prepayments



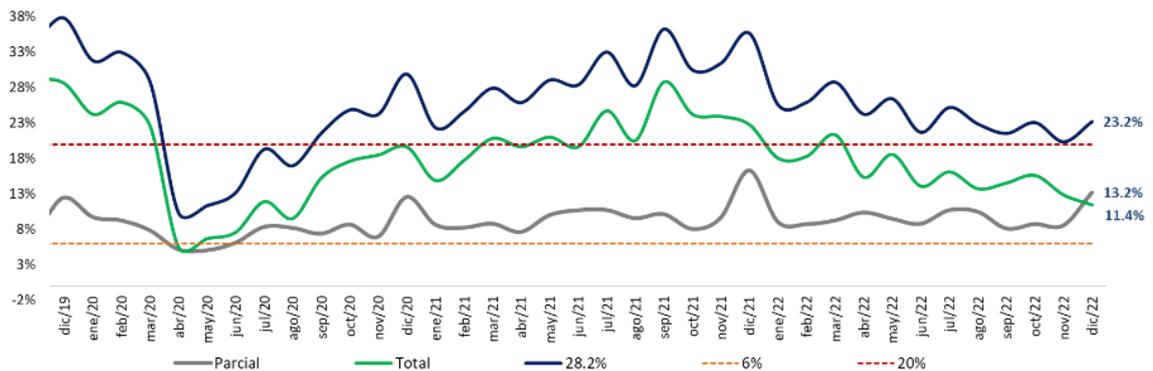
Source: Prepared by TC

- **CONSUMER PAYROLL LOANS**

In the payroll loans portfolio, the average annualized prepayment level over the last twelve months was 24.08%, lower than the 29.08% level reported the previous year. This change arises from the cancellation of issuance TIL PESOS L2 due to the payment of the securities.

For the TIL PESOS L4 issue, the successive purchases mechanism enabled us to mitigate the effect of prepayments on the term of the securities. During the year, COP 6,762 million in loans were purchased, which ended this mechanism.

Figure 13. Evolution of Payroll Consumer Loan Prepayments



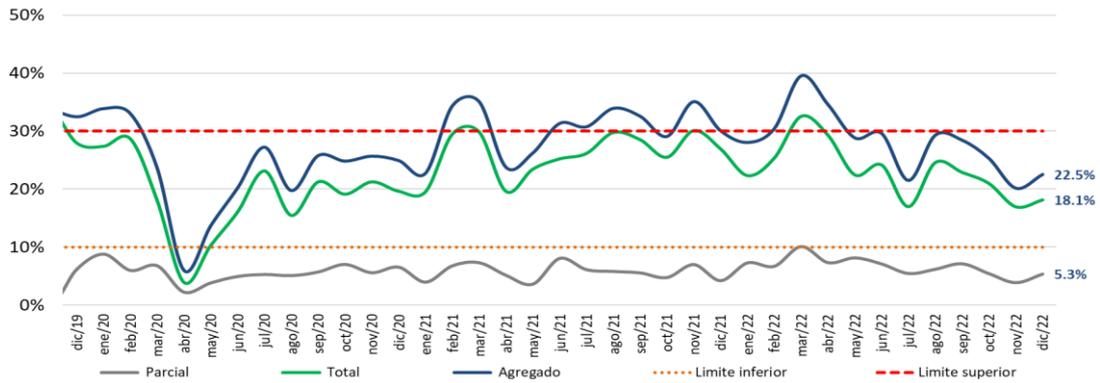
Source: Prepared by TC

- **VEHICLE LOANS**

The prepayment index for vehicle loans was 28.18% on average in 2022, which is lower than the 30.40% index reported on average in 2021. This behavior is driven in part by the

successive purchases made during the year; for issuances V1, V2 and V3, COP 61,250 million of loans were purchased during the year.

Figure 14. Evolution of Vehicle Loan Prepayments



Source: Prepared by TC

(XI) Loan prepayments

- MORTGAGE LOANS

As of December 2022, the level of loans overdue >120 days in the securitized portfolio improved by 16.9% compared to the same date the previous year. The above is the result of the proactive collection work carried out, in a differentiated manner depending on each client's risk level; the strategic use of multiple channels to interact with the debtors, and especially the responsible use of the normalization instruments, as well as the quality of the loans included during structuring of the securitized portfolio, which has enabled a faster recovery than that observed in non-securitized loans held by the sector.

The graphs below reflect the good performance of the securitized portfolio compared to the forecast levels under the scenario of maximum impairment for each month of the terms of the issuances, both in Pesos and UVR, highlighting the excellent behavior of the loans securitized in 2022, which has allowed maintaining the highest credit rating for the TIPS.

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

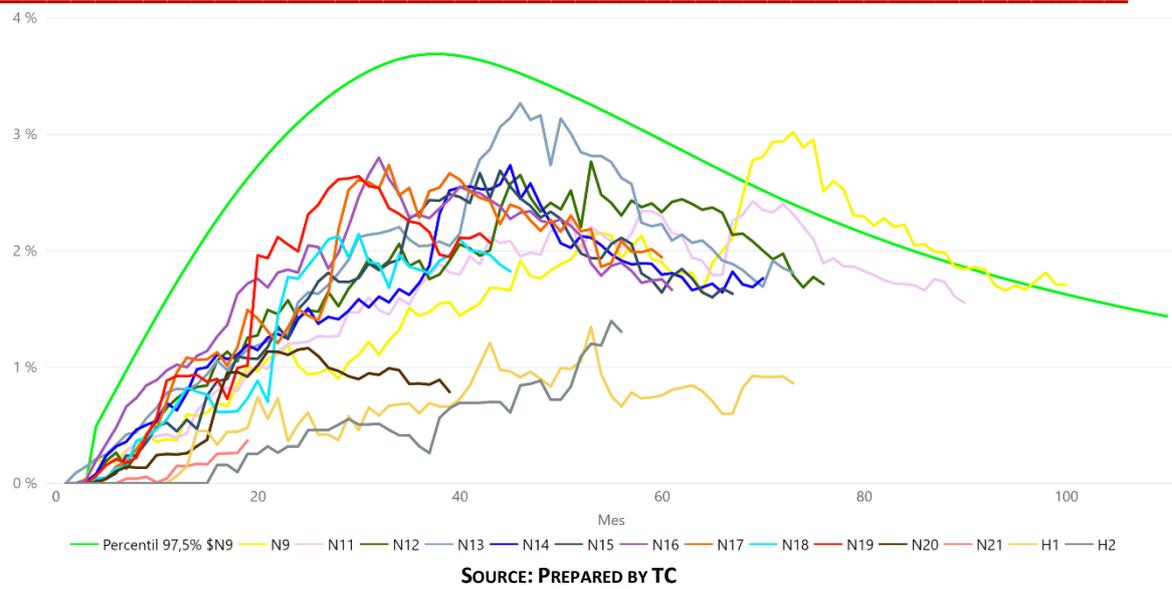
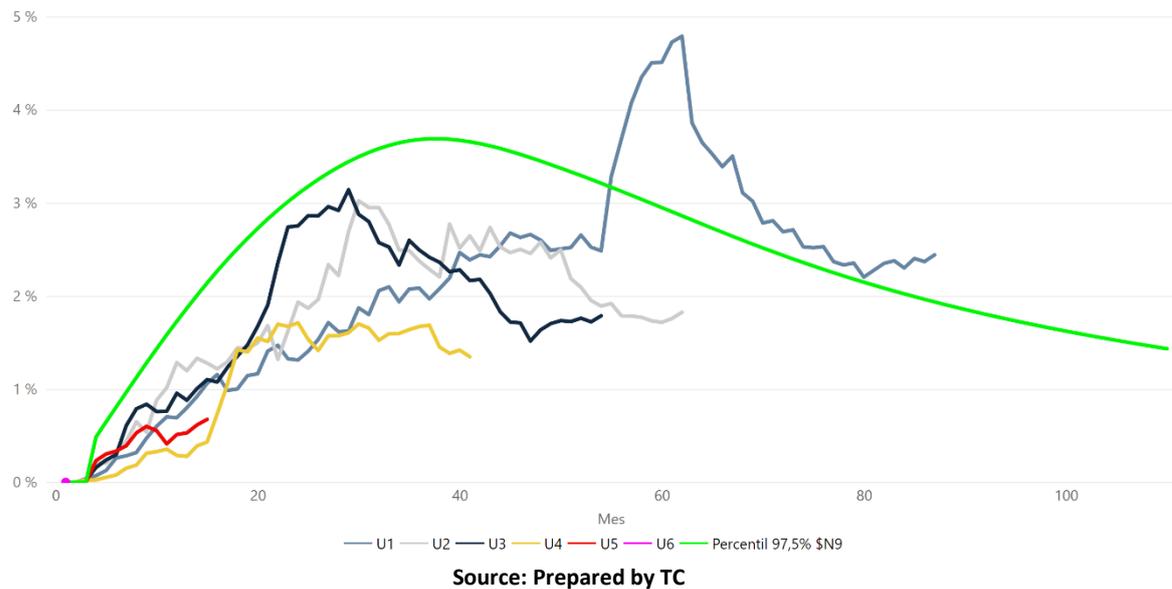


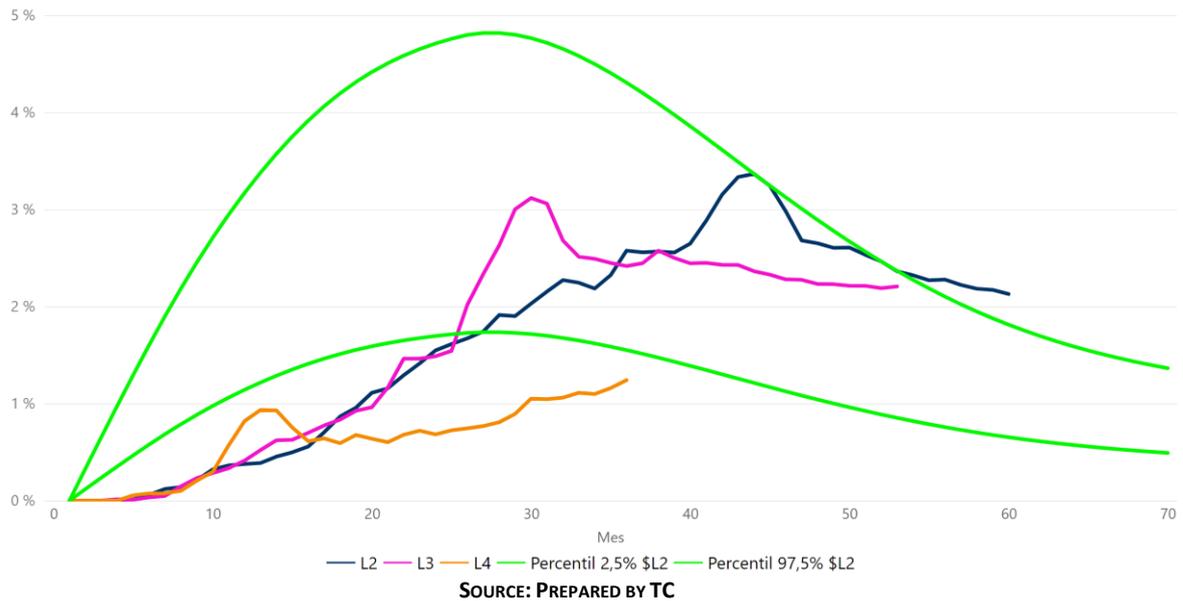
FIGURE 16. BASELINE SCENARIO OF HARVESTS OVERDUE >120 DAYS – ISSUANCES UVR



- **CONSUMER PAYROLL LOANS**

At the end of 2022, 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.

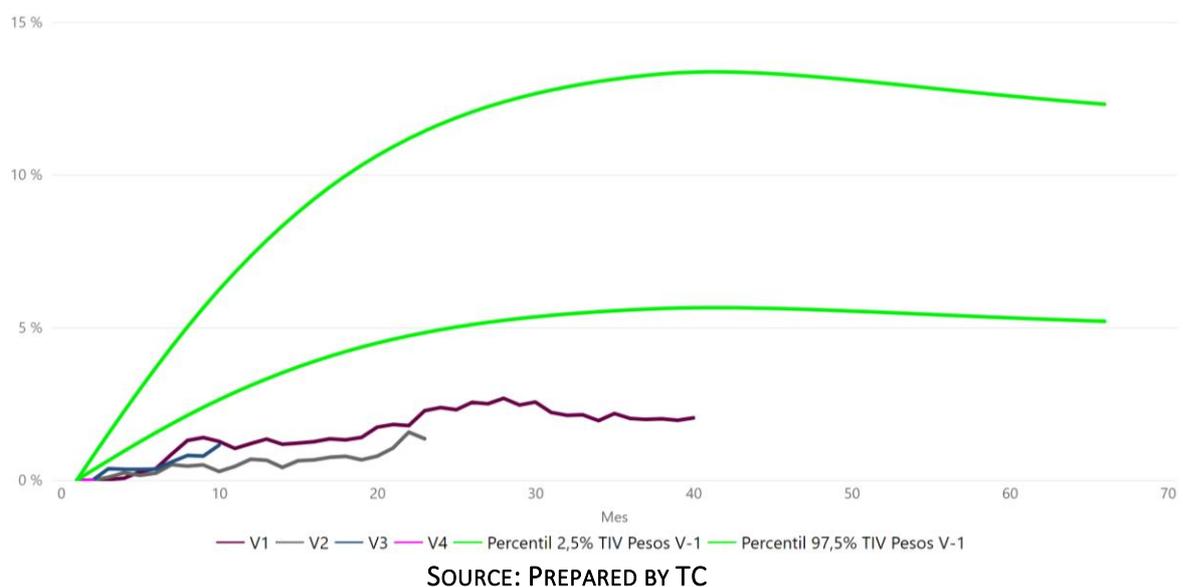
FIGURE 17. EVOLUTION OF OVERDUE>90 DAYS TIL PESOS OVER BALANCE AT ISSUE DATE - WITH RECOVERY.



- **VEHICLE LOANS**

At year-end 2022, 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 OVERDUE>90 DAYS TIV PESOS OVER BALANCE AT ISSUE DATE - WITH RECOVERY.



- **COMMERCIAL LOANS**

At year-end 2022, the securitized portfolio of commercial loans displayed optimal performance behavior in TER R-1.

CHART 8. OVERDUE TER R-1
 SOURCE: TC
 (COP MILLION)

Overdue rate TER R-1		
Overdue Range	No. of loans	Balance
Current	5	29.876
From 31 to 60	-	-
From 61 to 90	-	-
From 91 to 120	-	-
Over 120	-	-
Total	5	29.876

(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 year-end 2022, Titularizadora had an inventory of nine (9) real estate properties with a carrying value of COP 1,217 million in different issuances.

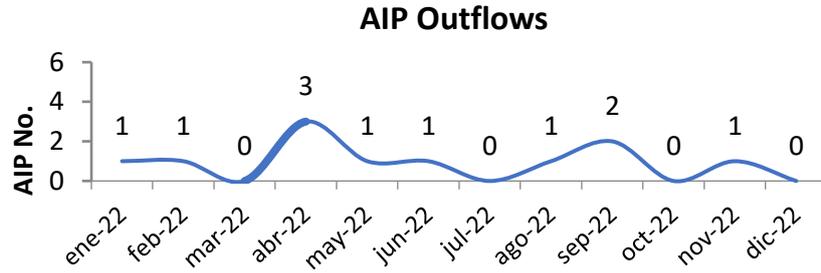
Chart 9. AIP by issue (COP MILLION).

ISSUE	AIP NUMBER	VALUE
UVR U-1	1	94
PESOS N-4	1	180
PESOS N-9	1	95
PESOS N-5	3	250
PESOS N-10	1	125
PESOS N-12	1	143
PESOS N-16	1	332
Total	9	1.217

SOURCE: PREPARED BY TC

The sales of assets received in lieu of payment in the mortgage loan portfolio performed well during the year, with 11 properties sold.

Figure 19. Performance of AIP Sales - AIP OUTFLOWS IN 2022



SOURCE: PREPARED BY TC

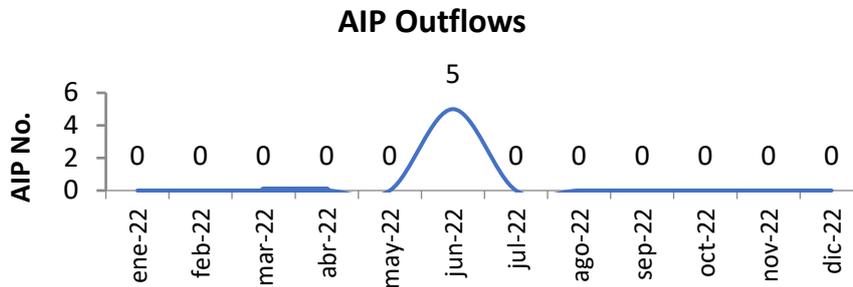
In the vehicle consumer loan portfolio at year-end 2022, Titularizadora had an inventory of four (4) vehicles with a carrying value of COP 113 million.

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

ISSUE	AIP NUMBER	VALUE
TIV V-1	4	113
Total	4	113

SOURCE: PREPARED BY TC

Figure 20. Performance of AIP Sales - AIP OUTFLOWS IN 2022



SOURCE: PREPARED BY TC

The commercialization of the vehicle consumer loan portfolio of assets received in lieu of payment reported the sale of five (5) vehicles during 2022.

(XIII) Securitized Loan Managers

- **MORTGAGE LOANS**

The following is the distribution of mortgage loan issuances by Manager at December 2022:

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

MANAGER NAME	PRINCIPAL	NUMBER LOANS	% PRINCIPAL
BANCO DAVIVIENDA	1,449,948	31,940	55%
BANCO CAJA SOCIAL	472,934	14,075	18%
BANCOLOMBIA	371,096	6,090	14%
FONDO NACIONAL DEL AHORRO	188,904	6,681	7%
BBVA COLOMBIA	45,136	1,082	2%
CREDIFAMILIA	40,836	1,009	2%
CONFIAR - Cooperativa Financiera	38,181	1,636	1%
ITAU CORPBANCA COLOMBIA	19,247	208	1%
Overall Total	2,626,282	62,721	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 2022, 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	39,649	6,030	14%

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" 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 2022, the following were the vehicle issuances:

Chart 13. Securitized Vehicle Loan Managers.

AMOUNTS IN MILLIONS OF PESOS

MANAGER NAME	PRINCIPAL	NUMBER LOANS	% PRINCIPAL
FINANZAUTO S. A	209,248	7,064	75%

SOURCE: PREPARED BY TC

- **INTERNAL MASTER MANAGEMENT PROCESSES**

Titularizadora controls the defined operating standards to monitor the management of the securitized loan portfolio based on a continuous improvement process in terms of redefining processes, the use of technological tools, and innovation in management.

During 2022, we began to update the business CORE, with the aim of achieving greater adaptability of the tool to new technologies and infrastructure in 2023. We also carried out the certification of two new originators for vehicle and mortgage loans.

A consumer loan product was also certified for a bank originator with experience in the securitization of mortgage loans, in order to make use of the operating model for the securitization of other types of assets.

Also during the year, the shareholders in Dominican Republic formalized the winding up of Titularizadora Dominicana, which implies the termination of our involvement in that company and the end of the Master Administration service through our CORE HITOS.

(XIV) Real Estate Securitization

The portfolio at year-end 2022 consists of 97 real estate properties distributed in 20 Colombian cities and municipalities, valued at COP 468,634 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. The program has a term of 5 years (the term was amended from 3 to 5 years by the general meeting held in 2020) to comply with the concentration and lessee limits, which will be achieved through the acquisitions being made under tranche 2 and the acquisitions to be made under tranche 3.

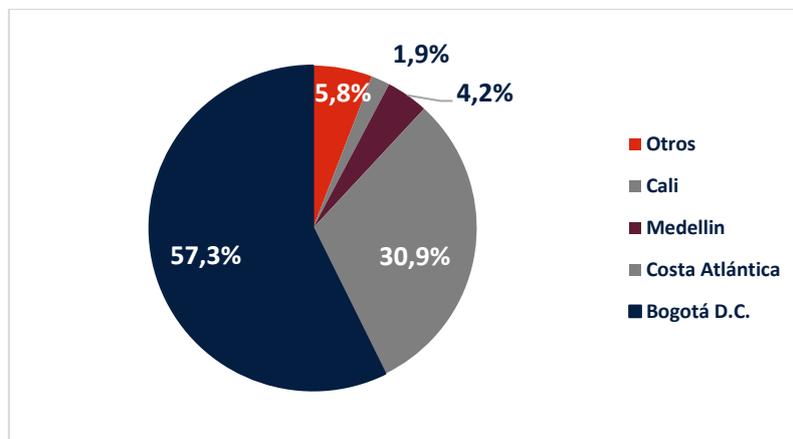
Given the concentration limits established in the Prospectus, under the investment policy section, the graphs below display concentration levels according to those criteria:

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.

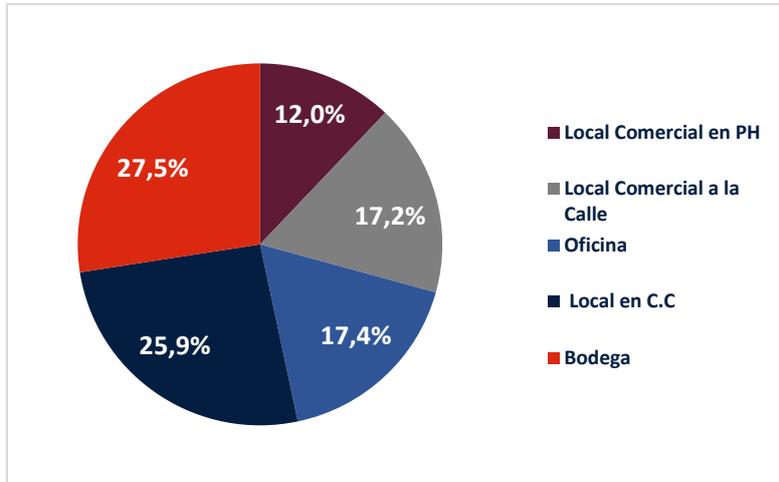


SOURCE: PREPARED BY TC

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.

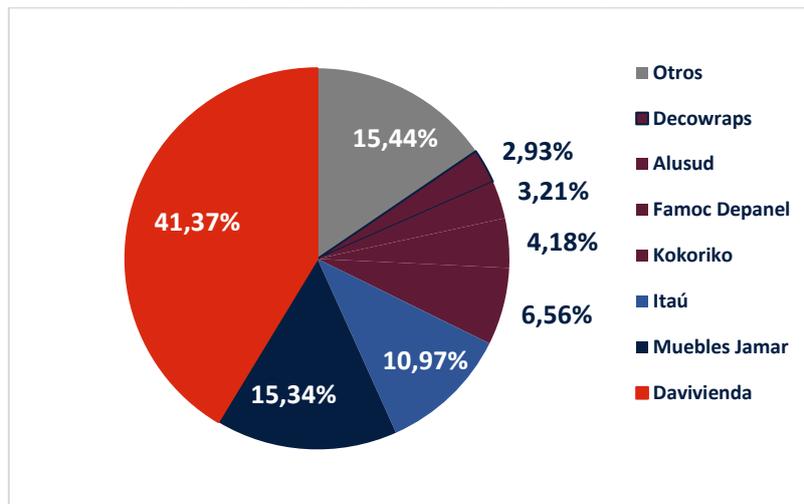
FIGURE 22. CONCENTRATION OF ASSETS BY TYPE OF REAL ESTATE ASSETS TIN



SOURCE: PREPARED BY TC

Concentration by Lessee: A single lessee and its Related Companies must not account for more than thirty percent (30%) of the Aggregate's revenues during a calendar year.

FIGURE 23. ASSET CONCENTRATION BY LESSEE. TIN

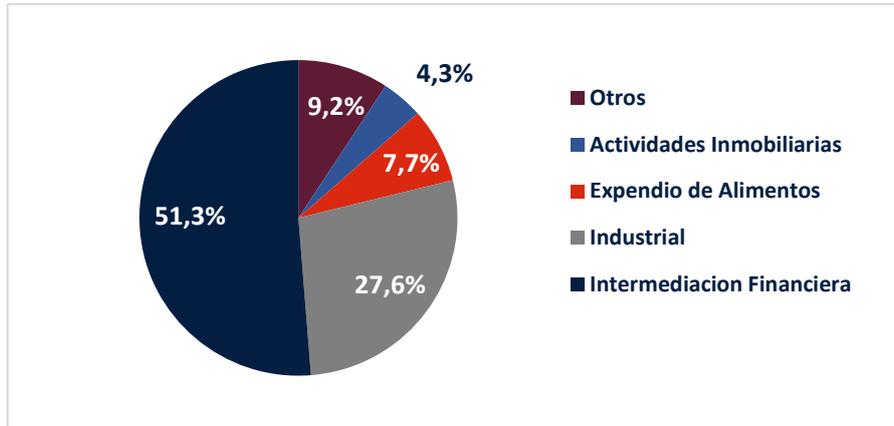


SOURCE: PREPARED BY TC

Consequently, the concentration of the portfolio by lessee is still in the process of stabilization. It should be recalled that the established term is up to 5 years 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

Consequently, the concentration of the portfolio by Economic Sector is still in the process of stabilization. It should be recalled that the established term is up to 5 years from the first issuance to achieve the proposed exposure limits.

- **QUALITY AND CHARACTERISTICS OF THE THIRD TRANCHE ASSETS**

The assets acquired in 2022, which will form part of the third tranche, comply with the vehicle's investment policies both in terms of their use (commercial and industrial) and of the profile of the lessees that make up the portfolio.

The current economic occupancy rate of the portfolio is 98.55%, with weighted average contract duration of 5.82 years.

- **BUSINESS MANAGEMENT**

During 2022, 62 real estate deal opportunities were assessed by the Real Estate Department and the Real Estate Manager. Of this total, 19 deal opportunities were submitted to the Internal Committee, in which the CEO of Titularizadora participates. Said Committee selected 17 assets to submit to the Advisory Committee, which in turn recommended 7 deals to the Board of Directors for acquisition.

The Board of Directors approved the initiation of Due Diligence and the negotiation of terms for 4 deals, which are currently in due diligence and are expected to be closed in 2023.

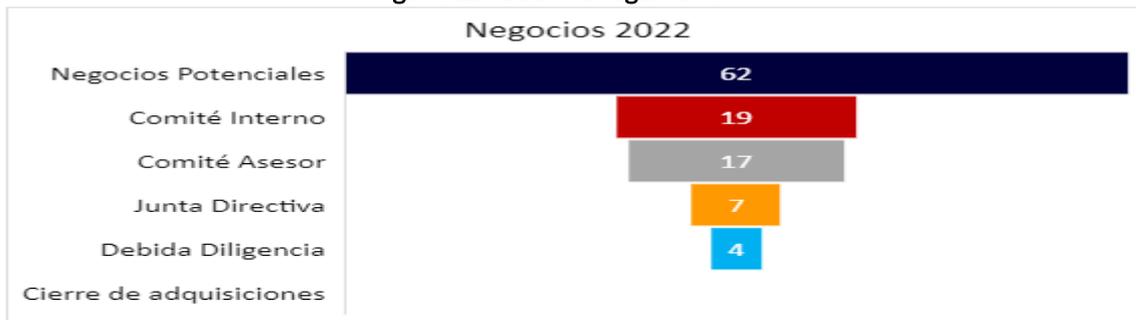
Some acquisitions have not been pursued due to the vehicle's indebtedness level (30.21%), which leaves only 7% available for future acquisitions. Once the third issuance is completed, the aggregate total will increase indebtedness capacity, which will enable closing the deals in progress.

Chart 14. Deal Management. TIN.

Total 2022					
	Total	Commercial	Offices	Warehouses	Mixed
Potential Businesses	62	21	7	25	9
Internal Committee	19	7	1	9	2
Advisory Committee	17	6	1	8	2
Board of Directors	7	3	0	3	1
Due Diligence	4	2	0	1	1
Closing of Acquisitions	0	0	0	0	0

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

Figure 25. Deal Management. TIN.

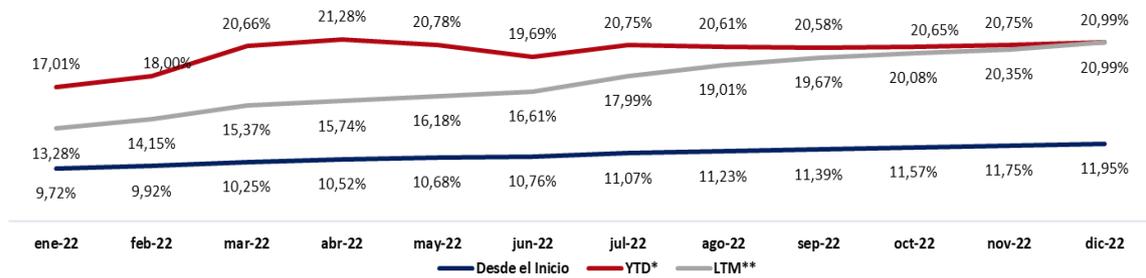


SOURCE: PREPARED BY TC

- **PROFITABILITY**

The value of the securities for the investors at December 31, 2022, was COP 6,339,097, compared to COP 5,560,886 at the start of the year, equivalent to an increase of 13.99%. During 2022, the aggregate profitability of the latest 12 months, including distributed profits, was 20.99% EAR, 65.8% of which arises from valuation and 34.2% from cash flow. It should be noted that profitability from the start of the aggregate portfolio up to December 31, 2022, was 11.95% EAR, of which 44.7% is from valuation and 55.3% from cash flow.

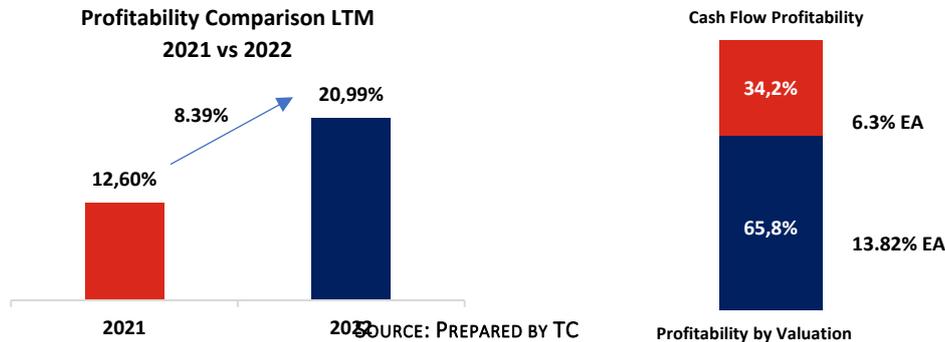
The graphs below display the behavior of profitability during 2022 and its breakdown:

FIGURE 26. BEHAVIOR OF SECURITY PROFITABILITY


SOURCE: PREPARED BY TC

- BEHAVIOR OF THE SECONDARY MARKET**

During 2022, COP 1,071 million were traded in TIN securities, of which 769 million were traded in January. In general, the liquidity of the real estate equity securities has decreased, and compared to 2021 traded volumes decreased by 90%. No TIN Securities were traded in the months of May, July, September, October, November and December.

FIGURE 27. BEHAVIOR OF PROFITABILITY TIN.


SOURCE: PREPARED BY TC

FIGURE 28. EVOLUTION OF MONTHLY TRADED AMOUNTS


SOURCE: PREPARED BY TC

Weighted Average Trading Price

In 2022, the weighted average price of all registered operations of the TIN securities was 92.6% with respect to the equity value. Compared to the weighted average price registered for all TIN operations in 2021, the decrease in the price of TIN in 2022 was 199 basis points. Although the security was negotiated at a discount compared to the equity

value, the decrease in price was much lower compared to that reported by other real estate vehicles.

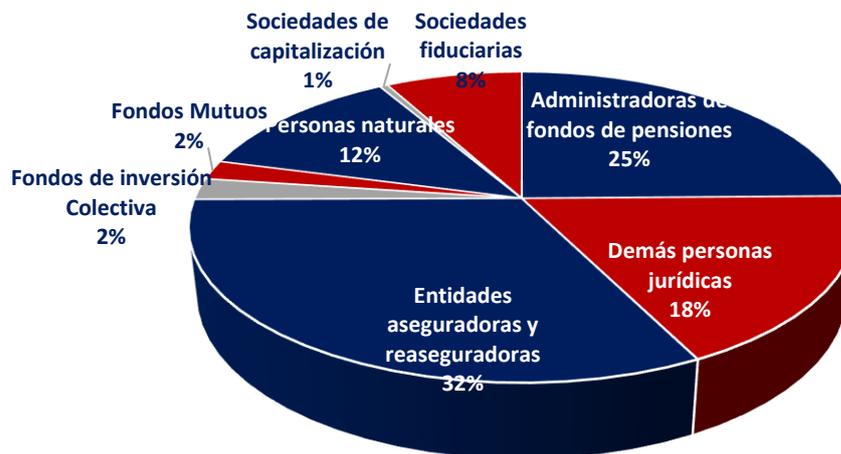
FIGURE 29. EVOLUTION OF TRADED PRICES



SOURCE: PREPARED

The TIN Aggregate has 492 investors. The share of investors by amount is as follows:

FIGURE 30. COMPOSITION OF THE TIN AGGREGATE BY INVESTOR TYPE



SOURCE: PREPARED BY TC

(XV) Relevant Technological Aspects

- SECURITY REVIEWS

In 2022, the efforts related to Information Security and Cybersecurity focused on the continuous improvement of the processes and on strengthening the controls to mitigate the materialization of risks. To this end, the following activities were carried out, among others:

- PROTECTION
 - Acquisition of a Cybersecurity Insurance Policy.
 - Employee Training on Information Security and Cybersecurity.

- **CONTROL AND MONITORING**
 - Monitoring of the information assets through the SIEM.
 - Management of incidents and security requirements. During the year, no incidents took place related to Information Security and Cybersecurity.
 - Strengthen and enhance conditions for insuring the technological infrastructure through Ethical Hacking tests and vulnerability analysis, among others. These tests were performed in June 2022 on all the Company's servers, the cloud backup center, the core communications equipment at the offices of Titularizadora and on the website. The associated mitigation plan was put in place and completed during the second half of the year.
 - The process owners reviewed the business core processes and defined them in the BIA.
 - The terms of service contracts were reviewed in connection with Information Security and safe development.
 - During the year, ongoing analyses were performed on the requirements and incidents that took place, which were managed and submitted to review by the quarterly Information Security and Cybersecurity Committee meetings. No incidents related to Information Security and Cybersecurity materialized.

- **EMPLOYEE TRAINING ON INFORMATION SECURITY AND CYBERSECURITY**

The Company periodically deploys communications campaigns for employees to educate and raise awareness on the importance of cybersecurity, best cybersecurity practices, and on the identification of cyberattacks.

- **IMPLEMENTATION, UPDATING AND STRENGTHENING OF CONTROLS**

We continue to move forward based on the ISO 27001 standard and we implemented new controls to assure the confidentiality, availability and integrity of the information assets. Additionally, perimeter protection and traffic control between different sections were strengthened.

- **PERIMETER PROTECTION**

New equipment with a high-availability configuration was acquired to strengthen perimeter security. The configured policies and traffic control between segments were also strengthened.

- **REGULATORY COMPLIANCE**

We continue to strengthen the controls issued by the Financial Superintendence in Public Notices 007 and 008/2018 on Cybersecurity, and security standards were implemented related to the security incidents included in Public Notice 033 of November 17, 2020.

- **TECHNOLOGICAL DEVELOPMENT AND EVOLUTION**

The projects and initiatives we managed in connection with assurance of the technological services and our innovation and digital transformation include the following:

- The server infrastructure was updated in a high-availability configuration in a virtual cluster.
- The Company's website was updated.
- In the critical business system "Hitos," updates were made to the application layer, database engine and operating system, as well as the migration of the production environment to the cloud.
- Update of the Oracle database engine in all the environments.
- Migration of the extranet to the SharePoint online platform to enhance its availability and user experience.

During the year, the indicators of the technology area were satisfactory and within the agreed service levels, and there were no incidents involving loss or unauthorized changes to the information,

(XVI) Relevant Legal and Regulatory Aspects

A. REGULATORY ASPECTS

- **END OF THE HEALTH EMERGENCY IN COLOMBIA**

The national government ended the health emergency on June 30, 2022, which had been in place since March 12, 2020 due to the COVID-19 pandemic. This affected the effectiveness of certain regulations issued during said emergency. However, the Financial Superintendence of Colombia (SFC, for the Spanish original) issued Public Notice 014/2022, through which certain temporary instructions issued during the health emergency were permanently adopted, with the aim of continuing to expand the coverage of financial services with high safety and quality standards, strengthening risk management standards, assuring the integrity and transparency of the market, and assuring adequate protection for financial consumers. From its text, we highlight: I) the duty of supervised entities of promoting the use of digital channels to provide financial services; II) the incorporation of obligations related to the publication of information through the websites of the supervised entities, as well as additions to the list of abusive practices in the provision of financial services, and III) the incorporation of additional requirements for the business continuity plans of the supervised entities.

- **OPEN FINANCES IN COLOMBIA**

Through the issuance of Decree 1297/2022, which amends Decree 2555/2010, an open finance model is implemented in Colombia. Among other matters, this document regulates the processing and commercialization of the personal data of financial consumers by the entities supervised by the Financial Superintendence and the services offered through digital ecosystems; specifies rules for the non-face-to-face commercialization of financial services between supervised and non-supervised entities; includes the initiation of payments activity through low-amount payment systems in the financial system; and defines regulatory provisions for the open finance architecture. In this regard, the Decree indicates that the Financial Superintendence will have a term of 12 months from the publication date to define the technological and security standards that supervised entities must comply with for the implementation of open finance.

- **INVESTMENT REGIME FOR PENSION AND SEVERANCE FUND MANAGEMENT COMPANIES**

Law 2112/2021 was issued in July 2021 with the aim of promoting entrepreneurship and the Colombian enterprise network by strengthening the Private Capital Funds (FCP, for the Spanish original) and/or private debt. It establishes that Pension and Severance Fund Management Companies (AFP, for the Spanish original) must invest a minimum of 3% of their resources in FCPs and/or private debt (including funds that in turn invest in FCPs, known as fund funds). In this context, in August 2022 the Ministry of Public Finance and Credit issued Decree 1458/2022, which partially regulates Article 2 of Law 2112/2021 and amends Decree 2555/2010 in connection with the AFP investment regime. In this manner, the government issued the applicable regulations for compliance with the mandatory investments by AFPs in FCPs and/or private debt related to Colombian companies or business ventures; the formula for calculating the 3% of the funds that the AFP must invest as a minimum; the exceptions to such calculation; the transition regime for the AFPs; and the possibility that AFP may not make the described minimum investment, as long as such situation is due to the insufficient supply in the market and the AFP submits to the SFC a technical analysis to support its decision to invest or not to invest in FCPs and/or private debt, which must include the corresponding due diligence and efforts made to search for investment opportunities.

- **LEASING TRANSACTIONS, LOW-AMOUNT CREDIT AND NETWORK USE CONTRACTS**

In August 2022, the Ministry of Public Finance and Credit issued Decree 1459, introducing amendments related low-amount credit and leasing, among others. One of the Decree's most noteworthy aspects is the amendment to the amount or maximum limit of low-amount consumer loans that can be requested by individuals, which was set at 106 Tax Value Units (UVT, for the Spanish original), notwithstanding that the Financial Superintendence has the power to increase it in general to up to 211 UVT. The Decree also establishes that financial leases may also be made on both tangible and intangible assets, and defines that in a leaseback agreement, the purchase amount of the asset covered by the contract must be paid in cash.

- **RISK CONCENTRATION AND EXPOSURE FOR CREDIT ESTABLISHMENTS**

By means of Decree 1533/2022, the Ministry of Public Finance and Credit established the rules for the identification, monitoring and management of large exposures and risk concentrations for credit establishments, in order to mitigate the maximum loss that could arise in the event of default in transactions made with a counterparty or a group of interrelated counterparties. The regulation also amended the guidelines on credit limits for individuals regulated in Decree 2555/2010, to address the need to update the regulations in view of the development of the financial system. Consequently, the entities subject to control and oversight by the Financial Superintendence must comply with the minimum rules established in the Decree in connection with the maximum amount of the credit they can grant a counterparty or a group of interrelated counterparties.

- **TAX REFORM**

On December 13, 2022, Law 2277/2022 was enacted, whereby the national government adopted a tax reform and introduced substantial changes in the country's tax regime. Some of the most important aspects of the reform are that it maintains the income tax rate for legal entities at 35%, and establishes a 5% surcharge for financial entities, insurers, securities brokers, securities market infrastructure providers, among others, that report taxable income greater than 120,000 UVT, which applies to tax years 2023 to 2027 (total rate of 40%). In terms of the income tax for individuals, the tax reform changes the 25% limit for exemptions applicable to work-related income. Even though the 25% percentage is maintained, the maximum threshold was reduced from 2,880 UVT per year to 790 UVT per year. Changes were also made to taxable income for individuals, which will be the sum of the taxable income of the different tax groups, namely income from work, from capital, from pensions, non-work-related income, and income from dividends and distributions (the latter category was added). Lastly, another change that should be mentioned is the limit on exemptions and deductions. Even though the reform maintains the percentage limits of exemptions and deductions that can be made from net income (40%), the top limit was reduced from 5,040 UVT to 1,340 UVT.

- **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 2022.

Lastly, the following Public Notices issued by the Financial Superintendence of Colombia (SFC) during 2022 are related to the Company's activities:

- Regarding the development of sustainable finance, the Financial Superintendence of Colombia issued Public Notices 005, 008 and 020, whereby (I) Colombia's Green

Taxonomy was adopted, (II) minimum information requirements were standardized for the issuance of bonds linked to sustainable performance. In this regard, it also establishes that the Financial Superintendence of Colombia may assign the category of value associated with sustainable performance to commercial papers and debt securities issued in securitization processes if they fulfill the standards established in the Basic Legal Public Notice; and (III) specific conditions of the information prospectus were defined for the authorization of bonds with specific destination, using as reference the international standards of the International Capital Market Association for issuances of green, social and sustainable bonds.

- Regarding risk management, the SFC issued Public Notice 009, which issues instructions that promote the reactivation of credit for debtors with written-off loans, requesting the supervised entities to implement special policies and procedures to manage and monitor loans granted to debtors of this type. In this regard, it should be highlighted that: (I) in the case of new loans granted to debtors with written-off loans, when the approved loan amount is disbursed it will not be considered in default; (II) the credit rating assigned and adjusted to the debtors must be consistent with the analysis of the supplementary variables defined in the Public Notice; (III) housing loans, regardless of the amount, are those granted to individuals to acquire new or used homes, including repairs, remodeling, sub-divisions or improvements of used homes, or the self-construction of homes.

- Regarding the further development of the securities market, the SFC issued Public Notices 003 and 012/2022. Public Notice 003 requires additional information from securities issuers and securities market agents, and enables technological tools for the submission of information by the Securities Market Self-regulator (AMV, for the Spanish original). Public Notice 012 established the term, form and detailed contents of the sections and chapters of the periodic end-of-year reports and the quarterly reports of securities issuers, in accordance with the provisions of Decree 151/2021.

- Regarding liquidity risk management, it issued Public Notice 021/2022, which provides instructions related to the calibration of the factors that apply to the calculation of the Net Stable Funding Coefficient (CFEN), and incorporates the treatment of interdependent transactions in the calculation of the CFEN, in accordance with the applicable international standard for such transactions.

B. LEGAL ASPECTS

- **CÓDIGO PAÍS SURVEY**

In terms of legal aspects, Titularizadora Colombiana S.A. submitted its 2022 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**

In September 2015, the Financial Superintendence of Colombia granted Titularizadora the status of known and recurrent issuer, for having fulfilled the requirements indicated in Section 6 of Chapter II of Title I of Part II of Public Notice 029/2014 and other applicable provisions. This status was maintained during 2022, for having fulfilled the requirements established in sections 6.1.1 to 6.1.6 of said regulation within the term established to such effect, according to memorandum number 2022020568-004-000 dated March 1, 2022 of the Financial Superintendence of Colombia.

- **INVESTOR RELATIONS**

In view of its adoption of best practices on information disclosure and investor relations, Titularizadora has been certified with the Issuers Recognition (IR) by the Colombian Securities Exchange. This recognition was maintained during 2022 due to compliance with the requirements established in the Single Public Notice of the Colombian Securities Exchange. In this regard, it should be highlighted that in 2022 this recognition was received in connection with the TIN investment program for issuers of equity securities.

- **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 Colombiana S.A. 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, 2022, we are not aware of the existence of any litigation

Underlying Assets Real Estate Securitization	Effects on rental payments, reduced cash flow due to grace periods and relief, devaluation of assets, renegotiation of contracts, increase in vacancy rates, freezing of deals, structural effects on long-term demand	Property Administration	The mitigation actions are specifically related to the risks included in the following matrix
Originators	Effect on the balance of originators, less appetite for securitization	Structuring / Strategic Planning	
Securities Market	Investor appetite for securitized instruments, increase in the risk premiums of the securities	Financial resources/ issuance placement/ structuring/ STRATEGIC PLANNING	
Issuances outstanding	Loan Portfolio Securitization: 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

Objetivo Institucional	Estrategia	Meta Largo Plazo	Riesgo	Categoría Riesgo	Procesos Impactados por Riesgo (de acuerdo con la cadena de valor)	Calificación del riesgo					Elementos de Mitigación	
						Impacto	Probabilidad	Score Riesgo	Impacto Cualitativo	Probabilidad Cualitativa		Nivel Criticidad Inhrente
Titularización hipotecaria		\$6.5 Billones de pesos de activos hipotecarios bajo manejo en el año 2027	Menor apetito de originadores por titularización: *Volatilidad en el mercado de capitales *Tasas de colocación títulos hipotecarios *Disminución de colocaciones hipotecarias *Deterioro de indicadores de calidad de cartera *Alternativas de fondeo no tradicional	Financiero	- Estructuración - Administración de Recursos Financieros	4.00	3.00	12	Mayor	Moderada	Alta	1. Titularización como herramienta de gestión de balance de los originadores (CFEN) 2. Titularizaciones como Activos Líquidos de Alta Calidad 3. Mejoramientos crediticios externos: garantías públicas 4. Promoción titularizaciones con originadores de naturaleza pública 5. Desarrollo de productos alternativos: ESG o con estructuras que aislen cierto tipo de riesgos 6. Consolidación de carteras en balance Titularizadora
			Desaceleración económica y sectorial	Financiero	- Estructuración - Administración de Recursos Financieros	4.00	3.00	12	Mayor	Moderada	Alta	1. Diversificación de activos titularizados 2. Internacionalización 3. Promoción de política pública de coberturas a las tasas de interés hipotecarias 4. Titularización de carteras morosas - TECH. 5. Emisiones alternativas
			Riesgo de Liquidez emisiones vigentes: No pago de gastos e intereses de los títulos hipotecarios	Operativo	- Estructuración - Administración de Recursos Financieros - Administración de Títulos - Monitoreo de Cartera	3.00	1.00	3	Importante	Muy Baja	Baja	1. Monitoreo diario del comportamiento de la cartera 2. Extensión de mejoras crediticias: cobertura temporal de liquidez adicional 3. Operativización de mecanismo de cobertura parcial
			Disminución apetito inversionistas institucionales por riesgo hipotecario	Financiero	- Estructuración - Administración de Recursos Financieros	4.00	3.00	12	Mayor	Moderada	Alta	1. Estrategia de comunicación con inversionistas del comportamiento de la cartera titularizada e hipotecaria y de los títulos hipotecarios 2. Redefinición de los criterios de selección de créditos 3. Innovación en estructuras financieras: ESG o con estructuras que aislen cierto tipo de riesgos 4. Inversionistas Internacionales
Crecimiento	Titularización Inmobiliaria	\$1 Billón de pesos de activos inmobiliarios bajo manejo en el año 2025	No pago arrendamientos	Financiero	- Estructuración - Administración de Recursos Financieros	4.00	1.00	4	Mayor	Muy Baja	Media	1. Concentración en arrendatarios con solvencia financiera 2. Gestión activa de caja del vehículo
			Desvalorización de activos	Financiero	Inmobiliario	5.00	2.00	10	Superior	Baja	Alta	1. No materialización de pérdidas 2. Oportunidades de compra 3. Metodología de Avalúos
			Renegociación de contratos. Terminaciones anticipadas	Operativo	Inmobiliario	3.00	2.00	6	Importante	Baja	Media	1. Activa promoción comercial de inmuebles vacantes 2. Ajustes en contratos condicionados a mejoramiento del entorno
			Demanda por espacios inmobiliarios comerciales	Operativo	Inmobiliario	4.00	2.00	8	Mayor	Baja	Media	1. Análisis de situación financiera de arrendatarios y negocios subyacentes
			Bajo apetito de inversionistas	Externo	- Estructuración - Administración de Recursos Financieros - Administración de Títulos - Monitoreo de Cartera	4.00	2.00	8	Mayor	Baja	Media	1. Estrategia de comunicación con inversionistas institucionales del comportamiento de los activos inmobiliarios del vehículos 2. Profundización inversionistas retail

Titularización Otras Carteras	\$2.5 Billones de pesos de activos bajo manejo en otras cartera en el año 2027	Disminución de interés originadores en titularización	Financiero	PLANEACION ESTRATEGICA/ MERCADO COLOCACION/ ESTRUCTURACION	2.00	4.00	8	Menor	Alta	Media	1. Emisiones de titularización de carteras de consumo con originadores bancarios 2. Desarrollo de emisiones de cartera comercial y flujos futuros
		Deterioro de activos subyacente y carteras	Financiero	Monitoreo de Cartera Recuperacion de activos/ RELACION CON INVERSIONISTAS	3.00	3.00	9	Importante	Moderada	Media	1. Suspensión temporal mecanismos revolventes de emisiones vigentes 2. Ajustes en los criterios de selección de carteras para compras revolventes y nuevas titularizaciones 3. Monitoreo diario del comportamiento de activos subyacentes de titularizaciones vigentes 4. Estrategia de segmentación de activos y originadores por riesgo y desempeño
		Caída en apetito de inversionistas por titularizaciones de otras carteras	Financiero	- Administración de Recursos Financieros/ PLANEACION ESTRATEGICA/ COLOCACION	3.00	2.00	6	Importante	Baja	Media	1. Estrategia de comunicación inversionistas institucionales 2. Profundización colocaciones privadas 3. Inversionistas Internacionales 4. Inversiones con contenido ESG o nuevas estructuras de acuerdo a prácticas internaciones
Desarrollo Mercado Títulos Hipotecarios	Dinamismo mercado secundario de títulos senior y subordinado	Incremento en prima de liquidez de los TIPs	Financiero	- Administración de Recursos Financieros	2.00	4.00	8	Menor	Alta	Media	1. Aceptación Títulos Hipotecarios en Operaciones de Mercado Abierto y Compras Permanentes del Banco de la República 2. Inclusión de TIPs en porción de Activos Líquidos de Alta Calidad
		Menor atractivo por retención de subordinados	Financiero	- Estructuración - Administración de Recursos Financieros	3.00	2.00	6	Importante	Baja	Media	Inversionistas Internacionales
Gestión del Riesgo	Optimización Estructuración financiera	Maximización de porción colocada de las emisiones en el mercado	Financiero	- Estructuración - Monitoreo de Cartera - Recuperación de Activos	3.00	3.00	9	Importante	Moderada	Media	1. Gestión directa con las calificadoras de riesgo para ajustes en metodología de calificación 2. Incrementar la disponibilidad de información sobre el comportamiento de los deudores 3. Estructuras de titularización para la gestión de balance de los originadores
		Mejoramiento caso de negocio originadores	Financiero	- Administración de Recursos Financieros - Estructuración	4.00	4.00	16	Mayor	Alta	Alta	1. Transformación caso de negocio (Ponderación beneficios titularización) 2. Venta de títulos subordinados 3. Presentación de los beneficios en los indicadores de fondeo y liquidez resultantes de la titularización 4. Inversiones con contenido innovador de acuerdo a prácticas internaciones para atraer a nuevos inversionistas

Gestión del Riesgo	Optimización Estructuración financiera	Maximización de porción colocada de las emisiones en el mercado	Menor atractivo por retención de porciones subordinadas	Financiero	- Estructuración - Monitoreo de Cartera - Recuperación de Activos	3.00	3.00	9	Importante	Moderada	Media	1. Gestión directa con las calificadoras de riesgo para ajustes en metodología de calificación 2. Incrementar la disponibilidad de información sobre el comportamiento de los deudores 3. Estructuras de titularización para la gestión de balance de los originadores
		Mejoramiento caso de negocio originadores	Menor colocación de titularizaciones	Financiero	- Administración de Recursos Financieros - Estructuración	4.00	4.00	16	Mayor	Alta	Alta	1. Transformación o caso de negocio (Ponderación beneficios titularización) 2. Venta de títulos subordinados 3. Presentación de los beneficios en los indicadores de fondeo y liquidez resultantes de la titularización 4. Inversiones con contenido innovador de acuerdo a prácticas internacionales para atraer a nuevos inversionistas
Eficiencia	Optimizar el costo del proceso de titularización	Costo all-in de titularización competitivo con alternativas de fondeo	Costo de titularización no competitivo	Operativo	Todos los procesos Misionales y de Soporte	5.00	2.00	10	Superior	Baja	Alta	1. Títulos senior segmentados por duración para maximizar demanda 2. Emisiones en segundo mercado
			Disminución de la calidad de la gestión operativa de las emisiones	Operativo	Monitoreo de Cartera Recuperación de Activos	3.00	1.00	3	Importante	Muy Baja	Baja	1. Definición y aplicación de políticas y procedimientos de control definidos en toda la organización 2. Procesos estandarizados, documentados y con aplicación del SGC -ISO 9001
	Desarrollo de estándares generales para la industria hipotecaria	Estandarización y Mejores Prácticas	Dispersión de las entidades administradoras en implementación de prácticas y procesos sugeridos por la TC	Operativo	- Monitoreo de Cartera - Recuperación de activos	2.00	2.00	4	Menor	Baja	Media	1. Ejecución de procesos de certificación y re-certificación de entidades
	Eficiencia operativa interna	50% Gastos Op. / Ing Op.	Ineficiencias en la gestión, presupuesto y control de costos tanto de la TC como de las universalidades Disminución ingresos operativos	Operativo	- Administración de Recursos Financieros - Administración de compras y servicios - Administración del Presupuesto	4.00	4.00	16	Mayor	Alta	Alta	1. Promover emisiones de volúmenes altos y de duración larga. Focalizar los esfuerzos en proyectos viables y de altos ingresos 2. Definición y aplicación de políticas y procedimientos de control definidos en toda la organización 3. Seguimiento mensual a la ejecución presupuestal 4. Establecimiento y aplicación de políticas de desarrollo y de evaluación del desempeño. 5. Procesos estandarizados, documentados y con aplicación del SGC -ISO 9001

Fortalecimiento Institucional	Desarrollo Recurso Humano	Recurso humano capacitado. Según tendencias de actualidad. Altamente motivado. Orientado al logro.	* Presupuesto limitado para realizar planes de capacitación * Pérdida de funcionarios claves * Falta de comunicación y definición de prioridades	Operativo	- Estructuración - Administración de Títulos - Monitoreo de Cartera - Administración de Recursos Financieros	2.00	3.00	6	Menor	Moderada	Media	1. Rotación de actividades entre funcionarios de las áreas 2. Definición y aplicación de programas de reemplazo en todos los cargos críticos de la compañía 3. Aplicación de políticas y procedimientos para la documentación de los procesos 4. Establecimiento y aplicación de políticas de desarrollo, evaluación del desempeño y de retención del talento humano 5. Metas de formación continua
	Tecnología y Control Interno	Mejoramiento Continuo	Presupuesto limitado para nuevos proyectos de tecnología y automatización de pruebas de control interno	Financiero	- Estructuración - Administración de Títulos - Monitoreo de Cartera - Administración de Recursos Financieros	3.00	3.00	9	Importante	Moderada	Media	1. Funcionarios de las áreas de tecnología y control interno con conocimiento adecuado de los procesos y actividades de la compañía. 2. Estudio de la factibilidad del Data Analytics Lab con el propósito de maximizar el aprovechamiento de los datos
	Jurídica	Desarrollo sistema flexible con control del riesgo y transparencia	Incumplir leyes y regulaciones	Operativo	Gestión Jurídica	5.00	1.00	5	Superior	Muy Baja	Media	1. Actualización normativa y asesoramiento especializado.
Rentabilidad	Rentabilidad Accionista	ROE > 15%	No realización de emisiones Disminución de comisiones Ineficiencias en la gestión, presupuesto y control de costos.	Operativo	- Administración de Recursos Financieros - Administración del Presupuesto	5.00	3.00	15	Superior	Moderada	Alta	1. Estrategia de reactivación mercado de titularizaciones 2. Maximizar volúmenes de emisión y duración en estructuras 3. Focalizar los esfuerzos en proyectos viables y de altos ingresos 4. Definición y aplicación de políticas y procedimientos de control definidos en toda la organización 5. Seguimiento mensual a la ejecución presupuestal 6. Optimización y actualización permanente de los procesos 7. Realizar emisiones en línea con las tendencias internacionales más atractivas para los inversionistas (ESG)
	Optimización Uso de Capital	Usos Alternativos de Capital	Baja Rentabilidad Portafolio	Financiero	- Estructuración - Administración de Recursos Financieros	3.00	4.00	12	Importante	Alta	Alta	1. Desvalorización de activos 2. Utilización del capital para nuevos productos y negocios (inmobiliario) 3. Monitoreo y seguimiento a escenarios de planeación estratégica para la identificación de oportunidades de negocio 4. Investigación y desarrollo de nuevos productos 5. Aplicación de políticas de generación de nuevos ingresos 6. Investigación de nuevas líneas de negocio (Aprovechamiento de los datos)
			Riesgo de Mercado	Operativo	- Administración de Recursos Financieros - Administración del Presupuesto - Control Financiero	3.00	3.00	9	Importante	Moderada	Media	1. Desvalorización de activos 2. Definición y aplicación de los Sistemas de Administración de Riesgo de Mercado. 3. Definición y aplicación de políticas y procedimientos de control definidos para toda la organización 4. Seguimiento continuo a los indicadores Eficiencia, EVA y ROE 5. Análisis de la implementación de instrumentos financieros derivados de cobertura

Operating Risk Management

Operating risk management at Titularizadora is aligned with the strategy and in compliance with the guidelines of the Financial Superintendence of Colombia, through Senior Management's support in assigning the resources, processes and tools required to maintain the risk vision and the establishment of prevention mechanisms, supervision of exposure levels and actions to manage them.

In line with the goals and work plan set out for 2022, a detailed assessment was made of the main risks identified in the Company's processes, newly identified operating risks due to changes, along with the validation of the performance of the control measures.

Pursuant to Public Notice 018 SARE, through an external advisor Titularizadora has identified opportunities for improvement to strengthen and enhance the implementation of the requirements of the risk management system, which began to be developed in 2022 and is scheduled for completion in May 2023.

Regarding the Business Continuity Plan, the scheme for the replication and activation of the Hitos core business system on the Oracle cloud was strengthened; scheduled contingency tests were carried out on the applications that support the management of the securitized assets and the investment portfolio. Such tests involved the activation of the recovery plan in the event of failure of any of the suppliers of the internet channel, availability in the event of damages to the infrastructure that supports the data center and servers, restoring the databases, and the simulation of disaster scenarios, with satisfactory results. Work plans were developed on identified opportunities for improvement in SARE compliance, in order to strengthen the business continuity plan.

During 2022, 21 Operating Risk events materialized, produced by errors in the execution and administration of processes and technological failures. 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)

During 2022, in compliance with Public Notice 011 of the Financial Superintendence of Colombia, and based on the methodological framework defined by the Company for the prevention and control of money laundering and terrorism financing (ML/TF), activities were carried out aimed at the implementation and enhancement of controls to mitigate risks of this type, in a framework of continuous improvement.

During the year, performance was highly satisfactory, and no situations or incidents took place related to ML/TF. The policies, procedures and controls defined in the Money Laundering and Terrorism Financing Risk Management System (SARLAFT, for the Spanish original) were adequately implemented, specifically:

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- Key activities for the prevention of the risk of money laundering applied to the securitization processes.
 - Annual confirmation and validation of compliance with the regulations by the issuance placement agents.
 - Each semester, the ML/TF risks were assessed and reviewed jointly with the leaders of processes that are most exposed to these risks, which enabled verification of the adequate rating of the risks. Control measures applied to mitigate these risks were profiled and residual risk levels were validated, in order to ensure that they remain within acceptable levels for the Company.
 - Annual review of compliance by the loan originator and management entities.
 - 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.
 - Reports to the Board of Directors on SARLAFT management.

The main risks associated with ML/TF defined by Titularizadora include the product risk factor, which consist in the links our operation has with debtors, investors or third parties that are included in sanctions lists and the securitization of real estate properties affected by situations of money laundering or expropriation proceedings.

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.

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 important 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 Audit 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.

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- 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 XXI of CBCF1 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 XXI of the Basic and Accounting 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.

Our hierarchic 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 2022 and 2021 (in Colombian pesos):

CHART 16. MARKET RISK REPORT

VaR	2022	2021
Money Market	(597.745)	(781.505)
Indexed private debt	(305.051.992)	(131.331.176)
Fixed-rate private debt	(584.899.814)	(21.646.715)
Fixed rate public debt	(11.790.622)	(12.321.042)
TIPS in UVR and Pesos / TECH	(1.110.523.380)	(254.700.727)
Public debt in UVR	(39.443.592)	(17.840.050)
Portfolio Value at Risk	(2.052.306.444)	(469.529.501)

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.

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 our 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 the Company 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, under which 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. This information is submitted on a monthly basis to the ALCO.

Chart 17. IRL – TITULARIZADORA – DECEMBER 31, 2022

Razón IRL	Banda 1 - 7d	Banda 7 - 15d	Banda 1 - 30d	Banda 31 - 90d
Noviembre	36.718%	40.916%	▼ 6.033%	▲ 905%
Diciembre	39.029%	40.700%	▲ 12.876%	▼ 1.599%

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 2022 and 2021 were 144% and 144%, respectively, which indicates the entity's high capacity to fulfill its financial commitments without affecting the course of its normal operations. In view of the above, no material changes in the situation of liquidity and solvency are reported.

Internal Control System

The Internal Control System (ICS) established by Titularizadora is structured based on the policies, principles, rules and other procedures established by the Board of Directors. All the elements of the ICS remain updated and formalized. Its continued application contributes to the achievement of the corporate objectives and goals, facilitates the development of the Company's operations and provides a framework of action for the employees of Titularizadora. The ICS is consistent in all aspects with the legal and regulatory requirements established by the Financial Superintendence in this regard.

During 2022, the ICS fulfilled its own control objectives and those required by the Company, which was reflected in the strict application of each of its elements in each of the Company's areas and processes, and which, through both internal and external sources, received feedback on its performance, enabling the implementation of new strategies and optimization plans to enhance the system.

Each component of the Titularizadora ICS carries out specific activities, which are duly documented and reported within the entity. The following were some of the main activities performed in 2022:

- **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. In particular, a strategic planning process was carried out in 2022, which

enabled the Company to define its goals over a five-year horizon, and which covers all of its business lines and defines technological and operating aspects that are required both at the tactical and operating level.

The Board also remained informed on the application of the investment management policies; assessed parameters for the remuneration of the Board and Senior Management; verified the evaluation process of Board members; supervised compliance with the general standards on good corporate governance; risk management and administration; timely and adequate responses to requirements by control entities, and was informed of the performance of the internal control system and the actions taken to improve it.

The general governance policies, including the Code of Ethics and Conduct, have been duly updated and communicated to all Company employees.

In 2022, training was provided to the Company's employees on the Anti-corruption Policy and its respective program; training was also provided to all employees on the elements and principles established in this policy.

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. Training was provided to Titularizadora's employees on fraud risks and on reporting protocols and 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, and the duties and responsibilities of each position, have been defined, formalized and updated, and the recommendations issued by the internal control bodies for its strengthening were addressed. Personnel education and training processes are carried out in accordance with defined annual plans. Also, all Company employees are covered 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 of these 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.

Towards the end of the reported year, Titularizadora established a Risk Committee to address matters related to Risk Management duties and activities. In this regard, it should be noted that before creating the Risk Committee, the Board of Directors itself directly fulfilled such responsibilities, and established the necessary policies, procedures and organizational structure to manage, measure and control market, credit, liquidity, operating and money laundering and terrorism financing risks.

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.

In particular, during 2022 the required work plans were developed to implement Public Notice 018/2021 on the Risk Management System of SIAR Exempt Entities (SARE, for the Spanish original). This system becomes effective on June 1, 2023.

- **CONTROL ACTIVITIES**

During 2022, 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.

- **INFORMATION AND COMMUNICATION**

Titularizadora acknowledges the importance of identifying and protecting the information it receives, produces, stores, transmits and shares. To this end, it has developed an Information Security and Cybersecurity Manual, which is structured on the pillars of confidentiality, integrity and availability of the information.

Security on the Internet and cyberspace is a front that requires special handling by Titularizadora, which has an established presence in the cyberspace through its website, in order to avail itself of the virtual world. Consequently, all employees, suppliers, shareholders and stakeholders must manage, know and comply with the provisions on the adequate use and security of the information and resources.

During 2022, assurance activities were performed on the information published by the Company and the Aggregate Issuances it manages, based on acknowledging the importance of publishing through formally defined channels in compliance with the criteria of timeliness and integrity.

Lastly, during 2022 the Company updated its website version. In addition to technological upgrades, adjustments were made to the different website sections, new links were included to navigate both corporate contents and those associated with the securities issued by the Company, enabling easier access to the information required by our shareholders, investors in the issued securities, control entities and other stakeholders.

- **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 was performed taking into consideration the approaches arising from the review by the statutory auditor, the external auditors and the internal control department.

It should be noted that the arrangement of External Audits of the Aggregates is structured as a supplementary regime to the Statutory Auditor, and is performed by an External Auditor whose duties and responsibilities are defined in the rules of the issuance to the benefit of the investors. The above is notwithstanding the Statutory Auditor's power to review fulfillment of the obligations of Titularizadora related to the administration of the Aggregates in performing its corporate purpose, and to issue an opinion on such matters.

The above control bodies fulfilled their 2022 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 ICS, such as 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

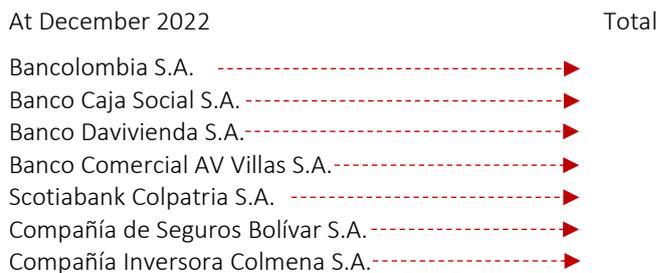
In this section, we should point out that since Titularizadora has no bonds or shares listed in the trading systems, no information is provided on traded volumes in this section.

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.



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 Stock 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 September 2022, 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	Shares Ordinary	Shares Preferred	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	127.913.684	127.913.684	13,30%

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 2022, 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	Shares Ordinary	Shares Preferred	Total Shares	% Share of total
Inversora Anagrama Inveranagrama S.A.S	69,522,036	3,104,021	72,626,057	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 2022, the following shareholders of the Bank have shareholdings of 10% or more of its share capital:

CHART 21. BANCO CAJA SOCIAL'S SHARE 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 Consolidated Financial Statements - For the periods ended on September 30, 2022, December 31 and September 30, 2021.

*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 2022, 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	Shares Ordinary	Shares Preferred	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.avillas.com.co/wps/portal/avillas/banco/acerca-avillas/>

*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		LIABILITIES	
145.6	2022	17.3	2022
130.7	2021	6.9	2021
11.4%	Change	150.7%	Change

At December 2022, the assets of Titularizadora totaled COP 145.6 million, up 11.4% compared to year-end 2021. The assets are mainly comprised of financial investment assets, 69.2%; trade accounts receivable, 4.4%; investment properties, 12.9%; cash

The main liabilities at year-end 2022 were securities outstanding named BOCEAS, which were issued in December. Current taxes (current income tax, VAT and municipal tax (ICA)) and deferred income

equivalents, 5.6%, and assets held for sale, 2.5%.

The main change in the accounts compared to the previous year is in Investment Financial Assets, due to the use of resources available in cash to acquire securities for the investment portfolio. Investments available for sale and held to maturity were acquired in line with Management's strategy to mitigate the volatility of the portfolio through its diversification, and a CD held to maturity was acquired with funds obtained in the placement of bonds mandatorily convertible into shares (BOCEAS, for the Spanish original).

tax are recognized in accordance with the instructions of IAS 12 - Income Tax.

EQUITY

128.3	2022
123.8	2021
3.6%	Change

The equity of Titularizadora Colombiana increased by 3.6% compared to the previous year, due to the higher profits reported this year. At year-end 2022, the Company's equity totaled COP 128.3 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 revenues represent 83% of total revenues, and are mainly derived from fees for structuring, managing, guaranteeing, certifying and placing issuances in the amount of COP 12,973 million. Financial revenues are derived from returns on investments, warehousing and loans in the amount of COP 8,660 million.

Other revenues in the amount of COP 4,422 million are mainly rental income and proceeds from the sale of the equity interest of Titularizadora in TIDOM.

The Company's expenses totaled COP 17,778 million. Of these, financial expenses totaled COP 734 million and administrative expenses COP 17,043.4 million, equivalent to 95.9% of total expenses.

Net profit in 2022 totaled COP 5,647 million.

- **FINANCIAL AND OPERATING RATIOS**

ROE stood at 4.4% at December 2022, compared to 3.5% at year-end 2021. Meanwhile, net income changed from COP 4,164 million in 2021 to COP 5,647 million at year-end 2022.

The efficiency ratio changed from 86% in 2021 to 92% in 2022.

- **CERTIFICATIONS OF THE FINANCIAL STATEMENTS AT DECEMBER 31, 2022**

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 2022 and 2021 were 144% and 144%, respectively, which indicates the entity's high capacity to fulfill its financial commitments without affecting the course of its normal operations. In view of the above, no material changes in the situation of liquidity and solvency are reported.

C. Outlook and Potentially Material Uncertainties

Sales in the housing market are expected to drop by 14% in 2023. This situation is based on the assumption that households will find it more difficult to make financial closings due to the sharp increase in mortgage loan interest rates, and restricted access to subsidies due to high demand. However, the main mitigating factor for Titularizadora in view of this negative outlook is that in recent years it has accumulated a large number of loans that are suitable for securitization (both mortgage and non-mortgage), which indicates a large availability of inputs for securitization.

Residential construction will perform positively in 2023, given that the record unit sales of 2021 and 2022 are in the process of being built.

The assets under management will be subject to possible stress periods, given the possibility of an increase in past-due loans as a consequence of the economic slowdown and its impact on employment and household income. Additionally, the loans indexed to the UVR will have greater exposure to credit risk due to the increase in the financial burden of debtor households.

Real estate securitization may be affected by an increase in payment defaults by lessees or higher property vacancy rates, as a result of the low-growth environment. Results of the real estate vehicle could also be affected by higher financial costs, which reduces the distributable cash balances.

The performance of new issuances may be affected by less investment appetite by institutional investors for long-term instruments, given the increase in deposit rates for credit institutions (adoption of CFEN and an increase in the economy's real interest rate), as well as uncertainty over the future rules of the game derived from a possible pensions reform.

D. Material Off-balance-sheet Transactions

At December 31, 2022, 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 (N: Tradeable, D: Available or V: 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 Bogotá Bond	Green Bond	B. Bogotá	2,000,000,000	2,009,856,522	Dec-22	COP	BRC1+	20230924	N	Interest Rate
Banco Bogotá Bond	Green Bond	B. Bogotá	2,000,000,000	2,009,856,522	Dec-22	COP	BRC1+	20230924	N	Interest Rate
Banco Occidente Bond	BONO BO IPC 202	B. Occidente	2,000,000,000	2,092,266,087	Dec-22	COP	AAA	20240508	N	Inflation
Banco Popular Bond	BONO IBR 2023	B. Popular	1,000,000,000	1,009,828,995	Dec-22	COP	BRC1+	20231111	N	Interest Rate
Banco Popular Bond	BONO IBR 2023	B. Popular	1,000,000,000	1,009,828,995	Dec-22	COP	BRC1+	20231111	N	Interest Rate
Itaú 360 Bond	Itaú Bond Sep. 2	B. Itaú CorpBanca	2,000,000,000	2,005,841,566	Dec-22	COP	AAA	20230929	N	Interest Rate
Itaú 360 Bond	Itaú Bond Sep. 2	B. Itaú CorpBanca	2,000,000,000	2,005,841,566	Dec-22	COP	AAA	20230929	N	Interest Rate
Itaú 365 Bond	Bono IPC 2023	B. Itaú CorpBanca	1,500,000,000	1,524,818,970	Dec-22	COP	AA+	20230621	N	Inflation
B. Colpatría CD	COLPATRIA TF	B. Colpatría	3,000,000,000	3,029,804,023	Dec-22	COP	AAA	20240601	N	Interest Rate
BBVA Ganadero CD	BBVA TF CD	B. BBVA Ganadero	2,000,000,000	2,015,472,150	Dec-22	COP	AAA	20240609	N	Interest Rate
Bancolombia CD	BCB IPC 202 CD	Bancolombia	500,000,000	525,462,617	Dec-22	COP	AAA	20240809	N	Inflation
TES FR - ALL SERIES	TFIT08261125	National government	500,000,000	532,614,524	Dec-22	COP	AAA	20251126	N	Interest Rate
TES UVR	TUVT1107052 5	National government	7,000,000	2,394,468,978	Dec-22	UVR	AAA	20250507	N	Inflation
TILS Pesos CCC	L4 A 2025	TC	265,269,000	265,652,051	Dec-22	COP	AAA	20250124	N	Interest Rate
TILS Pesos CCC	L4 A 2025	TC	198,951,750	199,399,730	Dec-22	COP	AAA	20250124	N	Interest Rate
TIPS Pesos	N12 A 2026	TC	55,337,146	55,559,843	Dec-22	COP	AAA	20260914	N	Interest Rate
TIPS Pesos	N12 A 2026	TC	12,881,615	12,934,490	Dec-22	COP	AAA	20260914	N	Interest Rate
TIPS Pesos	N12 A 2026	TC	28,742,208	28,923,084	Dec-22	COP	AAA	20260914	N	Interest Rate
TIPS Pesos	N12 A 2026	TC	32,966,946	33,323,970	Dec-22	COP	AAA	20260914	N	Interest Rate

TIPS Pesos	N13 A 2026	TC	151,472,254	153,343,857	Dec-22	COP	AAA	20261201	N	Interest Rate
TIPS Pesos	N13 A 2026	TC	35,746,239	37,330,681	Dec-22	COP	AAA	20261201	N	Interest Rate
TIPS Pesos	N13 A 2026	TC	287,465,780	303,165,207	Dec-22	COP	AAA	20261201	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	117,733,710	118,907,931	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	17,660,057	17,940,217	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	6,592,531	6,713,689	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	86,672,886	89,354,340	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	235,467,420	244,837,491	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N14 A 2027	TC	20,332,611	20,645,821	Dec-22	COP	AAA	20270308	N	Interest Rate
TIPS Pesos	N15 A 2027	TC	49.679	49.784	Dec-22	COP	AAA	20270627	N	Interest Rate
TIPS Pesos	N15 A 2027	TC	165,576,160	166,209,081	Dec-22	COP	AAA	20270627	N	Interest Rate
TIPS Pesos	N15 A 2027	TC	262,707,900	267,683,963	Dec-22	COP	AAA	20270627	N	Interest Rate
TIPS Pesos	N15 A 2027	TC	170,208,322	173,600,067	Dec-22	COP	AAA	20270627	N	Interest Rate
TIPS Pesos	N15 A 2027	TC	774,421,539	793,062,124	Dec-22	COP	AAA	20270627	N	Interest Rate
TIPS Pesos	N17 A 2028	TC	10,276,246	10,298,002	Dec-22	COP	AAA	20280315	N	Interest Rate
TIPS Pesos	N17 A 2028	TC	83,985,920	86,336,628	Dec-22	COP	AAA	20280315	N	Interest Rate
TIPS Pesos	N7 B 2028	TC	988,620,088	990,955,643	Dec-22	COP	AA+	20280523	N	Interest Rate
TIPS Pesos	N7 C 2028	TC	520,200,000	521,353,466	Dec-22	COP	BB	20280523	N	Interest Rate
TIPS Pesos	N7 MZ 2028	TC	2,022,500,000	2,027,350,147	Dec-22	COP	BBB+	20280523	N	Interest Rate
TIPS Pesos	N9 A 2024	TC	-	-	Dec-22	COP	AAA	20240916	N	Interest Rate
TIS PESOS	H1 A 2026	TC	339,720,000	341,706,730	Dec-22	COP	AA+	20261207	N	Interest Rate
TIS PESOS	H1 A 2026	TC	237,804,000	239,194,103	Dec-22	COP	AA+	20261207	N	Interest Rate
TIS PESOS	H1 A 2026	TC	27,220,726	27,477,017	Dec-22	COP	AA+	20261207	N	Interest Rate
TIS PESOS	H1 A 2026	TC	27,220,726	27,558,583	Dec-22	COP	AA+	20261207	N	Interest Rate
UVR TIPS	U1 A 2025	TC	16.372	5,323,739	Dec-22	UVR	AAA	20251015	N	Inflation
UVR TIPS	U1 A 2025	TC	167.458	54,670,158	Dec-22	UVR	AAA	20251015	N	Inflation

UVR TIPS	U1 A 2025	TC	5.835	1,900,980	Dec-22	UVR	AAA	20251015	N	Inflation
UVR TIPS	U2 A 2027	TC	428.501	141,534,149	Dec-22	UVR	AAA	20271109	N	Inflation
UVR TIPS	U3 A 2028	TC	3,844,004	1,263,855,928	Dec-22	UVR	AAA	20280725	N	Inflation
UVR TIPS	U4 A 2029	TC	858.117	282,813,515	Dec-22	UVR	AAA	20290815	N	Inflation
UVR TIPS	U6 A 2037	TC	3,094,500	1,007,198,157	Dec-22	UVR	AAA	20371216	N	Inflation
UVR TIPS	U6 A 2037	TC	12,378,500	4,028,955,367	Dec-22	UVR	AAA	20371216	N	Inflation
UVR TIPS	U6 A 2037	TC	6,189,500	2,014,559,053	Dec-22	UVR	AAA	20371216	N	Inflation
Banco Occidente Bond	BONO BO IPC 202	B. Occidente	2,500,000,000	2,612,635,684	Dec-22	COP	AAA	20240508	D	Inflation
Banco Popular Bond	BONO IBR 2024	B. Popular	1,000,000,000	1,011,591,495	Dec-22	COP	AAA	20240310	D	Interest Rate
Banco Popular Bond	BONO IBR 2024	B. Popular	1,000,000,000	1,011,591,495	Dec-22	COP	AAA	20240310	D	Interest Rate
B. Popular CD	POPULAR 202 CD	B. Popular	2,000,000,000	2,076,700,867	Dec-22	COP	AAA	20241013	D	Interest Rate
B. Popular CD	POPULAR 202 CD	B. Popular	2,000,000,000	2,021,410,626	Dec-22	COP	AAA	20230807	D	Interest Rate
B. de Bogotá CD	Bogotá CD	B. Bogotá	2,000,000,000	2,034,238,834	Dec-22	COP	AAA	20240217	D	Interest Rate
B. de Bogotá CD	BOGOTA IBR CD	B. Bogotá	4,000,000,000	4,031,665,101	Dec-22	COP	AAA	20240315	D	Interest Rate
BBVA Ganadero CD	BBVA IBR CD	B. BBVA Ganadero	2,000,000,000	2,017,135,605	Dec-22	COP	AAA	20240413	D	Interest Rate
BBVA Ganadero CD	BBVA TF CD	B. BBVA Ganadero	5,000,000,000	5,006,597,954	Dec-22	COP	AAA	20251228	D	Interest Rate
Findeter CD	IBR FINDETE CD	Findeter S.A.	500,000,000	505,073,432	Dec-22	COP	AAA	20231125	D	Interest Rate
TILS Pesos CCC	L4 A 2025	TC	1,003,387,120	1,003,366,877	Dec-22	COP	AAA	20250124	D	Interest Rate
TILS Pesos CCC	L4 A 2025	TC	413,852,382	413,844,199	Dec-22	COP	AAA	20250124	D	Interest Rate
TILS Pesos CCC	L4 A 2025	TC	530,538,000	527,174,852	Dec-22	COP	AAA	20250124	D	Interest Rate
TIPS Pesos	N12 A 2026	TC	190,529,533	186,195,008	Dec-22	COP	AAA	20260914	D	Interest Rate
TIPS Pesos	N13 A 2026	TC	310,697,089	313,807,654	Dec-22	COP	AAA	20261201	D	Interest Rate
TIPS Pesos	N13 A 2026	TC	35,933,223	33,991,494	Dec-22	COP	AAA	20261201	D	Interest Rate

TIPS Pesos	N14 A 2027	TC	2,643,939,316	2,666,199,942	Dec-22	COP	AAA	20270308	D	Interest Rate
TIPS Pesos	N16 A 2027	TC	1,550,850,331	1,544,773,592	Dec-22	COP	AAA	20271206	D	Interest Rate
TIS PESOS	H1 A 2026	TC	45,367,877	45,258,239	Dec-22	COP	AA+	20261207	D	Interest Rate
TIS PESOS	H2 A 2028	TC	383,591,530	374,757,161	Dec-22	COP	AA+	20280518	D	Interest Rate
TIV	V1 A 2024	TC	949,091,223	951,082,197	Dec-22	COP	AAA	20240920	D	Interest Rate
UVR TIPS	U4 A 2029	TC	798.478	254,567,679	Dec-22	UVR	AAA	20290815	D	Inflation
UVR TIPS	U5 A 2036	TC	824.989	259,346,254	Dec-22	UVR	AAA	20361007	D	Inflation
UVR TIPS	U6 A 2037	TC	24,658,000	8,025,688,204	Dec-22	UVR	AAA	20371216	D	Inflation
BBVA Ganadero CD	BBVA TF CD	B. BBVA Ganadero	10,835,000,000	10,854,067,879	Dec-22	COP	AAA	20251227	V	N/A

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. 26 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 2022

Titularizadora has prepared this 2022 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

It should also be highlighted that Titularizadora was granted the status of Known and Recurrent Issuer by the Financial Superintendence of Colombia starting in September

2015. This status was renewed in 2022 for having fulfilled the corresponding regulatory requirements, according to a memorandum dated March 1, 2022 issued by the Financial Superintendence of Colombia.

Under this framework, this report reflects the way corporate governance activities were developed during 2022, 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 2022:

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 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 80,252,79,000.00	COP 59,855,375,000.00	COP 59,855,375,000.00

Source: Prepared by TC

During 2022, an issuance and subscription was carried out of 5,107,406 Bonds Mandatorily Convertible into Shares (BOCEAS, for the Spanish original) for an amount of COP 10,833,982,829, by means of a private offering made exclusively to the Company's shareholders, whose maximum term for conversion is three (3) years, i.e., before December 16, 2025. 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, 2022.

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 Management.

During 2022, there were no changes in the shareholders or their shareholdings in the Company.

At December 31, 2022, the shareholders of Titularizadora had the following number of ordinary shares and percent of shareholdings in the Company:

CHART 25. SHAREHOLDINGS IN TITULIZADORA COLOMBIANA S.A.

Shareholder	No. of shares	Share of total Total
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

During 2022, the Entity strictly complied with its Company Bylaws and with the applicable

provisions of the Shareholders Agreement currently in effect.

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 2022, 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 2022:

1. Ordinary Meetings

a. Summons

The Ordinary General Meeting of Shareholders was held on March 25, 2022, based on a written summons to the meeting sent out previously to each shareholder on March 1, 2022, 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. In this regard, we report that no proposals were received within the established term.

b. Attendance

The Ordinary General Meeting of Shareholders was held on March 25, 2022, 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., Renta 4 Global Fiduciaria S.A., Fiduciaria 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 2022 ordinary meeting:

- Management Report
- Activity Report of the Audit Committee and the Performance of the Internal Control System
- Corporate Governance Report
- Statutory Auditor's Opinion
- Basic Financial Statements at December 31, 2021
- Profit Distribution Proposal

▪ 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 2021 period, which totaled COP 3,747,198,877.57, as retained earnings for future distribution under the equity of Titularizadora.

d. Relevant Information

The summons and decisions of the General Meeting of Shareholders were duly published as relevant information, in accordance with the provisions of article 5.2.4.1.5 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 02, 2022, based on a written summons to the meeting sent out previously to each shareholder on November 25, 2022, 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 2, 2022, under the virtual modality, 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., Renta 4 Global Fiduciaria S.A., and Credicorp Capital Fiduciaria S.A.

c. Main Decisions of the General Meeting

During the 2022 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 10,833,982,829, 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 summons and decisions of the General Meeting of Shareholders were duly published as relevant information, in accordance with the provisions of article 5.2.4.1.5 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. During 2022, two (2) shareholder requests were received through the channels made available to this effect, in connection with the corporate governance of the Company, which were addressed in a sufficient and timely manner.

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 reelected by the Ordinary General Meeting of Shareholders held on March 26, 2021, for a two-year term (2021-2023). The appointment of the Board of Directors was carried out in full compliance with the procedure for appointing Board members, with the participation of the Appointments, Compensation and Ethics Committee, in accordance with the guidelines of the Succession Policy of the Board of Directors and the provisions of section 2.1.2, subsection C, of the Good Governance Code.

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, 2022, 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 2022* %
1	José Humberto Acosta Martín	2014	Hernán Álzate Arias	2016	100%
2	Efraín Forero Fonseca	2001	Álvaro Carrillo Buitrago	2001	92%
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	Jaime Alberto Upegui	2018	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 2022, and including all the meetings held during 2022 (a total of 13 meetings), based on attendance by each line.

** During 2022, there were no changes in the composition of the Board of Directors.

In 2022, 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 2022 as Chairman of the Board included the preparation of the 2022 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 2022 included ensuring that the summons to the Board meetings fulfilled legal and statutory provisions; forwarding the information available on the matters to the 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 2022, the Board of Directors of Titularizadora held a total of thirteen (13) meetings, as described below:

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

Date	Type of Meeting	Minutes No.
January 20, 2022	Not On-site	236
February 17, 2022	Not On-site	237
March 17, 2022	Not On-site	238
April 21, 2022	On-site	239
May 19, 2022	Not On-site	240
June 16, 2022	Not On-site	241
July 21, 2022	Not On-site	242
August 25, 2022	Not On-site	243
September 22, 2022	Not On-site	244
October 20, 2022	Not On-site	245
November 17, 2022	Not On-site	246
December 14, 2022	Not On-site	247
December 15, 2022	Not On-site	248

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 discussed topics such as (i) the Company's financial information; (ii) the performance of the issuances; (iii) risk management reports; (iv) local and international market trends; (v) trends in the mortgage loan and real estate sector; (vi) information for the Ordinary General Meeting of Shareholders; (vii) evolution of the vehicle loan market and financing, among other matters related to the Company. The following strategic topics were also assessed: (i) monitoring of the key financial indicators and targets; (ii) developments in the investor market; (iii) the 2022-2027 strategic plan; and (iv) the political situation and the financial 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

JOSÉ HUMBERTO ACOSTA

Financial Vice President - Bancolombia S.A.

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.

EFRAÍN ENRIQUE FORERO FONSECA

Chairman of the Board - Titularizadora Colombiana S.A.

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.

ALTERNATE MEMBERS

HERNÁN ÁLZATE ARIAS

Vice President of Treasury – Bancolombia S.A.

Business Administrator from Universidad EAFIT, with MBA in Finance - State University of York, and Postgraduate Certificate in Mathematical Finance - University of York. In 2008, he began his work at Grupo Bancolombia as Director of Treasury Product Structuring and currently works as Vice President of Treasury. He is currently a member of the Board of Directors of the Centralized Securities Depository of Colombia (Deceval).

ÁLVARO CARRILLO BUITRAGO

CEO - Seguros Bolívar S.A.

Economist from Universidad del Rosario with a Specialization in Project Preparation and Assessment and a Diploma in Cost Analysis and Control from the same University. He also completed a diploma course in Advanced Banking Management from Universidad de Los Andes. For 30 years, he has been linked to Grupo Bolívar, in positions such as Vice President of Administration and Planning, Executive Vice President of Personal Banking, and Corporate Executive Vice President. Since 2022, he has served as CEO of Seguros Bolívar S.A. He is currently a member of the boards of directors of Capitalizadora Bolívar, Seguros Comerciales Bolívar and Banco Davivienda S.A.

BEATRIZ HELENA ARBELÁEZ MARTÍNEZ

Independent Consultant

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 Budget Programming and Control Division in the National Planning Department, General Director of Economic Regulation and Advisor to the Public Credit Directorate of the Ministry of Finance and Public Credit, Financial Vice President of Bancafé, Vice President of Finance and Investments at Colpensiones, Financial Vice President of Banco de Comercio Exterior de Colombia S.A. and District Secretary of Treasury of Bogotá. She is currently an Independent member of the Board of Directors of the National Guarantee Fund and a member of the Board of Directors of the Self-regulator of the Colombian Stock Market.

DIEGO FERNANDO PRIETO RIVERA

CEO – Banco Caja Social

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.

JUAN CAMILO ÁNGEL

CEO - Banco AV Villas S.A.

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 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 members of the following boards of directors: Grupo Aval Acciones y Valores S.A., Asobancaria and Fundación Grupo Aval.

OSCAR EDUARDO GÓMEZ COLMENARES

Legal Vice President - C.I. Prodeco S.A.

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 currently a member of the boards of directors of Ferrocarriles del Norte de Colombia S.A -Fenoco S.A., del C.I. Prodeco S.A., and Sociedad Portuaria Puerto Nuevo S.A – PNSA.

NICOLÁS GARCÍA TRUJILLO

Corporate Vice President - Fundación Grupo Social

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.

JAIME ALBERTO UPEGUI

Attorney specialized in financial law and finance from Universidad de los Andes. He has served as CEO of Fiduciaria Colpatria, Vice President of Marketing and Personal Banking at Banco Colpatria S.A., Director of Consumer Banking and General Director of Citibank-Colombia, General Manager for Colombia, Mexico and Southern Latin American Markets at Laboratorios Baxter S.A. (real sector). For five years, he served as CEO of Banco Scotiabank Colpatria (2018-2022).

He was a member of the boards of directors of Banco Agrario de Colombia, Citibank, Colfondos, Asobancaria and Fiduciaria Colpatria.

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 2022, the amount paid to Board members for their participation in Board meetings totaled one hundred ninety-one million, eight hundred fifty thousand pesos (COP 191,850,000) and for their participation in Board Committee meetings thirty-four million, five hundred thousand pesos (COP 34,500,000).

The Remuneration Policy of the Board of Directors is published on the 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 2022 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. During 2022, the Board of Directors used the external advisory services of the firm Virtus Partners Spa, specialists in strategic and senior management consulting, in connection with the strategic planning process of Titularizadora for the 2022-2027 period.

g. Relevant Information

The decisions of the Board of Directors related to corporate governance were duly published in the terms provided by Article 5.2.4.1.5 of Decree 2555/2010.

h. Policies Approved by the Board of Directors

During 2022, the Board of Directors discussed and approved the following Policies:

- Policy on use of the Transparency Hotline, through which the Company regulates the operation of the Transparency Hotline and establishes protection and non-retaliation for whistleblowers, and the use of a specialized third party to receive reports (Minutes No. 242 of July 21, 2022).

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 Álvaro Carrillo Buitrago	-----
Investment Committee	Álvaro Carrillo Buitrago 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
Real Estate Board Committee	Álvaro Carrillo Buitrago Juan Camilo Ángel Diego Fernando Prieto	Andres Lozano Umaña

The Risk Committee was created in December 2022 through the reform of the Good Governance Code approved by the Board of Directors of Titularizadora, which was done taking into consideration the parameters of the Code of Best Corporate Practices (Código País).

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 19, 2022	Beatriz Elena Arbeláez Álvaro Carrillo Buitrago
	February 16, 2022	Hernán Alzate Arias Beatriz Elena Arbeláez Álvaro Carrillo Buitrago
	June 14, 2022	
	July 15, 2022	Hernán Alzate Arias Beatriz Elena Arbeláez
	September 21, 2022	
	October 19, 2022	
	November 30, 2022	
Investment Committee	February 16, 2022	Hernán Alzate Arias Álvaro Carrillo Buitrago Beatriz Elena Arbeláez Ana María Salcedo Ospina Andres Lozano Umaña
	March 14, 2022	Hernán Alzate Arias Beatriz Elena Arbeláez Ana María Salcedo Ospina Andres Lozano Umaña
	July 15, 2022	Hernán Alzate Arias Beatriz Elena Arbeláez Andres Lozano Umaña
	October 19, 2022	Hernán Alzate Arias Beatriz Elena Arbeláez Ana María Salcedo Ospina Andres Lozano Umaña
	November 15, 2022	
Real Estate Board Committee	March 15, 2022	Juan Camilo Ángel Álvaro Carillo Buitrago Diego Fernando Prieto Andres Lozano Umaña
	May 13, 2022	
	July 19, 2022	
Corporate Governance Committee	February 14, 2022	José Humberto Acosta Diego Fernando Prieto Andres Lozano Umaña
	December 05, 2022	
Appointments, Compensation and Ethics Committee	January 28, 2022	Efraín Forero Fonseca José Humberto Acosta Andres Lozano Umaña
	February 01, 2022	

All Board Committee meetings had the quorum required to deliberate and 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 seven meetings in 2022. The main matters discussed included: (i) analysis of the 2021 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 2022 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) monitor the development of the Hitos+ update project; and (viii) receive briefings on requirements issued by the control bodies and their adequate management by the Company.

(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 five (5) meetings during 2022. The following were the main matters addressed by the Committee meetings: (i) current composition and evolution of the own portfolio and its valuation at market prices, including the new classification of portfolio investments; (ii) asset warehousing operations; (iii) proposal to change the benchmark; (iv) proposal to change the credit and counterparty limits methodology; (v) lease back of fixed assets; (vi) limit on tradeable investments and investments available for sale, among others.

(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 three (3) meetings 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 held two (2) meetings during 2022. The following were the main matters addressed by the Committee: (i) review and approval of the 2021 Corporate Governance Report; (ii) review of the 2021 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 three (3) meetings during 2022. The following were the main matters addressed by the Committee: (i) evaluation of the 2021 goals; (ii) review of the variable remuneration model; (iii) establish the goals for 2022, 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 was created under the reform of the Good Governance Code made in December 2022, as a Support Committee to the Board of Directors to fulfill its supervision duties in connection with risk management. Given its recent creation, no meetings of this Committee were held during 2022.

Lastly, the Committees submit a report 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 abidance 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.

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 Management from Universidad de los Andes, and Master of Business Administration (MBA) from Esade Business School. From 2011 to date she has served as the Investment and Market Development Director of Titularizadora Colombiana. She previously worked at Auriga Securities Sociedad de Valores S.A., Correval S.A., and Banco Santander.

In her capacity as Investment and Market Development Director, she is in charge of the coordination, commercialization and sale of the fixed-rate and equity securities issued by Titularizadora. She is also responsible for the investor relations strategy (institutional, corporate and individuals) and for promoting initiatives for the development of the corporate debt market. She is also responsible for managing the Company's own investment portfolio, comprised of fixed-rate securities, and she provides support for structuring securities based on mortgage loans, payroll loans, real estate and infrastructure projects.

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, AIA at the 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.

HÉCTOR ANDRÉS GIRALDO

Internal Control Director

Public Accountant from Universidad Central with Specialization in Corporate Management Control from Universidad Externado de Colombia. Certified Internal Auditor (CIA) by the Institute of Internal Auditors IIA-Global. From 2009 to date he has served as the Internal Control Director of Titularizadora Colombiana. He previously worked at Ernst & Young Colombia, Interbolsa S.A. - Sociedad Comisionista de Bolsa, KPMG Ltda., and Impuestos y Servicios Legales Ltda.

As Internal Control Director, he is responsible for assessing compliance with the Internal Control policies and procedures and the supervision processes established by the Board of Directors. His management includes both scheduled and unscheduled periodic reviews of each one of the operating processes at Titularizadora. He is also responsible for proposing alternatives for improving management processes and controls designed to safeguard the Company's resources.

LILIANA GIRALDO ARISTIZÁBAL

Organizational Development and Compliance Manager

Attorney from Pontificia Universidad Javeriana with MBA from Universidad de los Andes. During her professional career, she has served as Advisor to the National Planning Director and the Office of the Minister of Transportation, as well as Assistant Legal and Administrative Manager of Leasing Colmena, Compañía de Financiamiento Comercial.

As Organizational Development and Compliance Manager, she is responsible for promoting and managing both the administrative and human and physical resources of the Company, and the CEO's programs, with the aim of contributing to the achievement of the corporate goals for the competitive development of the Company. She also directs and coordinates project management, the Company's quality system, operating risk management, information security and cybersecurity, the FATCA system and the system for the prevention of money laundering and terrorism financing.

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 Remuneration Policy.

- **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.

IV. RISK MANAGEMENT SYSTEM

Regarding risk management functions and activities, towards the end of the reported year, Titularizadora established a Risk Committee as a Board of Directors Support Committee. In this regard, it should be noted that before creating the Risk Committee, the Board of Directors itself directly fulfilled such functions, and established the necessary policies, procedures and organizational structure to manage, measure and control market, credit, liquidity, operating and money laundering and terrorism financing risks. To this end, 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).

During 2022, the Company continuously monitored its strategic risks, and reviewed and updated its risk management systems. In particular, it continued to monitor the liquidity risk alerts and defined limits, and the behavior of operating and money laundering and terrorism financing risks, in a timely manner. 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 that no risks materialized with significant impact on the Company.

In particular, during the year, the required work plans were developed to implement Public Notice 018/2021 on the Risk Management System of SIAR Exempt Entities (SARE, for the Spanish original). This system becomes effective on June 1, 2023.

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 LA/FT risk levels within the limits established by the Board itself.

V. INTERNAL CONTROL SYSTEM (ICS)

During 2022, 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 2022 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. Annual reports were issued on the activities performed by the Audit Committee and the Internal Control area, 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 2023.

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 vital importance for Titularizadora Colombiana of the decision-making processes of the shareholders, Board members, Senior Management, and Company

employees in general, the Company considers that it must be subject to the highest 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 at any level of 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.

In this regard, during 2022 potential conflicts of interest were managed in connection with actions submitted by the Board of Directors. In this sense, 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 2022 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 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
Fax:	6183018
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 by means of a detailed monthly report, as well as one-on-one meetings with several entities on different occasions.

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 2022:

CHART 30. INVESTOR COMMITTEE MEMBERS

INVESTOR COMMITTEE MEMBERS (Investor Representatives)	
Institutional Investor Representatives	Titularizadora's Representatives
Juan Pablo Córdoba Chairman of the Committee Colombian Securities Exchange	Efraín Forero Fonseca Member of the Board of Directors
Miguel Gómez Martínez Fasecolda	Andres Lozano Umaña CEO
Santiago Montenegro Trujillo Asofondos	
Hernando José Gómez Asobancaria	
German Arce Zapata Asofiduciarias	

Jaime Humberto López
 Asobolsa

Source: Prepared by TC

During 2022, the Investor Committee held the following meetings:

CHART 31. MEETINGS OF THE INVESTOR COMMITTEE

Date	Type of Meeting	Minutes No.
February 02, 2022	Not On-site	126
April 06, 2022	Not On-site	127
June 01, 2022	Not On-site	128
August 03, 2022	Not On-site	129
October 05, 2022	Not On-site	130

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

In Minutes No. 037 of March 26, 2021, the Ordinary General Meeting of Shareholders of Titularizadora Colombiana S.A. appointed as statutory auditor the firm Deloitte Auditores y Consultores Ltda. for the 2021-2023 period. Consequently, during 2022 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 consideration for its services, during 2022 the statutory auditor firm received one hundred thirty six million, four hundred seventeen thousand, four hundred twenty eight pesos (COP 136,417,428) for the audit of the Company, and seven hundred seventy one million, eight hundred seventy three, one hundred fifty five pesos (COP 771.873.155) for the external auditing services provided to the Aggregates, as set out in the issuance documents, and in accordance with the professional 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)
COP 136,417,428*	COP 771,873,155*	0.1042%	0.5897%

* 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 2021 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

During 2022, amendments were made to the Good Governance Code to (i) eliminate the 5% requirement for shareholders to be able to request the inclusion of new items in the agenda of the General Meeting, in order to ensure consistency with the Company Bylaws of Titularizadora; (ii) formally state that the evaluation of candidates to the Board of Directors is an activity that is performed prior to the General Meeting of Shareholders; (iii) supplement the functions of the Secretary of the Board to include the duty of ensuring the formal legality of the Board’s actions; (iv) formally state that the Appointments, Compensation and Ethics Committee leads the evaluation of the CEO and Senior Management; and (v) create the Risk Committee as a support committee of the Board of Directors.

These amendments were approved on December 15, 2022 by the Board of Directors (Minutes No. 248 of December 15, 2022). All other corporate documents of the Company remained unchanged.

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

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

Titularizadora’s strategic plan is based on strategic principles aimed at driving ESG and leadership topics at the Company, with a focus on the development of these matters in the securities market. To set these objectives in motion, Titularizadora took as a first step the structuring and issuance of social securitizations. In this context, during 2022 Titularizadora initiated a process aimed at arranging the first securitization with social content through the acquisition of mortgage loans for the purchase of low-income housing, recognizing in this way that general financial inclusion represents an important opportunity and reduces inequality.

With this context in mind, the securitization process led to an issuance was comprised of the TIPS SOCIAL Aggregate, whose underlying assets are mortgage loans originated by Credifamilia Compañía de Financiamiento Comercial for the acquisition of low-income housing, and as liabilities the TIPS SOCIAL securities issued to be subscribed by investors. The payments of interest, scheduled principal installments and prepayments of principal on the Mortgage Loans form part of the Collected Cash Flows for the payment of the commitments of the issued securities.

This first social securitization in Colombia is 100% backed by VIS Loans originated by Credifamilia Compañía de Financiamiento S.A. The issuance was structured in UVR for an amount equivalent to COP 39,800 million. The A Series, rated AAA by BRC Ratings, was offered on first demand through the Colombian Securities Exchange for an amount equivalent to COP 35,286 million, at a rate of 7.80% EAR. In the second batch, B1 and B2 subordinated securities were offered for an amount equivalent to COP 4,513 million.

The Second-Party Opinion (SPO) was issued by Sustainable Fitch and the transaction was rated as “good,” which is the second-best rating possible. The terms are summarized below:

CHART 33. TERMS OF THE TIPS SOCIAL ISSUANCE U-6

Debt Framework Type	Social
Entity	 Sustainable Fitch
Opinion	“Good” – Second-best Rating
Alignment	Guidelines for Sustainable Bonds issued by the International Capital Market Association (ICMA)

Social Impact of the transaction

- 100% VIS loans
- 70% in SELs 1, 2 or 3
- 55% of the loans were granted to women
- 95% earn less than 3 monthly legal minimum wages
- 19% are youth under the age of 30 and 9% are over the age of 60
- 23% have only basic high school education, and 19% have only basic grade school or no education.

Impact on the Sustainable Development Goals



SOURCE: PREPARED BY TC

The transaction undoubtedly has a social impact in view of the characteristics of the acquired loans. During its 21 years in the market, Titularizadora has securitized over COP 25 trillion in loans and real estate properties, in 71 issuances, which makes it one of the largest private issuers of the Colombian market, thereby contributing to strengthening the capital market through resilience and commitment. Additionally, through our active participation in the environmental and sustainability committees organized by the Bankers' Association (Asobancaria), through our adherence to the green protocol, and our active participation in the initiatives promoted by the Financial Superintendence, we have demonstrated our intention of developing sustainability practices by applying ESG criteria, aligned with the commitments, strategies and policies established by Colombia in this area. We specifically take into consideration the

environmental priorities addressed by the Sustainable Development Goals (SDGs) and the 2030 Agenda, as set out in the relevant national policies and plans and in the relevant international commitments.

In summary, the organization is currently in the process of assessment and budget development to sign the responsible investment principles promoted by the international organization PRI.

Internally, we have also launched the “Think Green” program, through which all the organization’s employees participate in commitments to recycle, save on office supplies, rationalize the use of paper and printing, and carrying a log of consumption per user. 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).

Part Four – Annexes

Annex No. 1.

End-of-year Financial Statements of Titularizadora Colombiana at December 31, 2022

Annex No. 1.1

Material changes to the End-of-year Financial Statements of Titularizadora Colombiana at December 31, 2022, 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, 2022, we report that no material changes or events took place that should be disclosed to the public between the reporting date and 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