

Bogotá, December 23<sup>rd</sup>, 2021

Mrs.  
 Deputy Superintendent for Issuers  
 and Other Agents  
 Financial Superintendence of Colombia  
 Bogotá, D.C.

Ref.: 600-001 Titularizadora Colombiana S.A.  
 058 Relevant Information  
 50 Request/Submission  
 No Attachments

Dear Mrs. Perea,

In compliance with article 5.2.4.1.5. of the Decree 2555/2010 regarding the obligation to report relevant information to the Financial Superintendence of Colombia, we hereby inform your Office the probability that a termination event of the issuance TIPS Pesos N-6 be constituted no later than February 2022, in the following terms:

### 1. TIPS Pesos N-6 Issuance Background

- The securitization process that produced the TIPS Pesos N-6 Issuance was carried out on August 23<sup>rd</sup>, 2012. Through this issuance VIS and Non-VIS mortgage loans originated and serviced by Banco Davivienda and BBVA Colombia were securitized. The amount of the issuance was COP \$381.882.300.000 on August 23<sup>rd</sup>, 2012, which was represented in mortgage-backed securities with the following features:

Type	Series	Duration (months)	Effective annual interest rate	Payment method	Amount of the Series (COP)
TIPS A	2022	120	6.20%	In arrears	322.872.300.000
TIPS B	2027	180	12.70%	In arrears	46.124.600.000
TIPS MZ	2027	180	11.00%	In arrears	11.040.400.000
TIPS C	2027	180	11.00%	In arrears	1.845.000.000

- The Rules of Issuance of TIPS PESOS N-6 set out that termination by early settlement is applicable when the total balance of mortgage loans principal at the cut-off date, is less than or equal to 5.0% of the total balance of mortgage loans principal in the Date of issuance (August 23<sup>rd</sup>, 2012).
- In order to carry out the termination event of the issuance by early settlement, The Rules of Issuance of TIPS PESOS N-6 established that the underlying assets be sold within three months from the formalization of the termination event. The proceeds of the sale will be used for paying the issuance liabilities strictly following the payment priority specified in the Rules of Issuance of TIPS PESOS N-6 securities. If the underlying asset

sale proves impractical within three (3) months after the formalization of the termination event, the payment in kind of the obligations will be possible by allocating the underlying assets to the investors up to the obligation value, taking their book value as reference.

- To carry out the process of selling the underlying assets, the Rules of Issuance of TIPS Pesos N-6 conferred extensive powers to the Titularizadora Colombiana to design and carry out said process.
- The full details of the structure of the securitization process through the TIPS Pesos N-6 issuance can be found on the website [www.titularizadora.com](http://www.titularizadora.com).

## 2. Relevant Information Report applicable event

Titularizadora Colombiana S.A., as the securitization process master servicer develops statistical projections of cash flow performance of the mortgage loans that comprise the underlying asset of the TIPS PESOS N-6 issuance. Based on those projections and the data on collection and payment data of TIPS PESOS N-6 issuance as known at the date hereof, and according to the expected behavior scenario of the issue Titularizadora hereby reports that there is a high probability that no later than February 2022, the termination event by early settlement will be constituted. For illustration purposes, below are the figures resulting from the projection of the theoretical calculations and Securities Balance for December 2021:

### **TIPS Pesos N-6 Issuance – Monthly Calculation Early Settlement Termination Event – Expected Scenario - Calculations December 2021**

<b>Total Balance of Mortgage Loan Principal in the Date of issuance</b>	<b>Early Settlement Termination Event Amount (5%) Theoretical - Rules of Issuance</b>	<b>Early Settlement Termination Event Amount (5%) Projected -February 2022</b>
368,996,873,138	18.449.843.657	18.216.709.560

COP amounts Estimated at the Cut-Off date (December 14, 2021)

## 3. Applicable procedure to the sale of underlying assets in Early Settlement Termination Event

In the event that the cause of Early Settlement Termination Event occurs as stated in this communication, this on February 2022, event which will also be subject to relevant information subject to the applicable rules, the Titularizadora Colombiana in exercise of its powers to develop the sale process of the underlying assets under the terms of the Rules of Issuance TIPS Pesos N-6, will take all the steps available for settling with the objective of paying the obligations of the TIPS Pesos N-6 issuance, if possible, simultaneously on the latest cutoff date of the issuance, this is on February 23<sup>rd</sup>, 2022.

For the purpose mentioned above, a scheme for the sale of the underlying assets has been designed based on a valuation performed by a third party specialized in this type of valuation, party that is completely independent of the Titularizadora Colombiana and its shareholders.

Based on the price defined in the valuation, as first instance, the current servicers of the underlying assets will be invited to formulate an offer to purchase the underlying assets, namely Banco Davivienda y BBVA Colombia, each in relation to the portfolio of credits currently serviced by them as stated by the mortgage loan servicing contracts of the issuance TIPS Pesos N-6. If at the expiration of the term that is conferred for the presentation of the offer of purchase the required proposals are not received, in a second instance Titularizadora will proceed to make a sale process directed to investors specialized in this type of assets. For this purpose, an invitation to tender will be made, in this case, in relation to all the underlying assets not sold in the first instance. If, in this second instance, the sale of all or part of the underlying assets is not achieved either, the Titularizadora Colombiana may submit an offer to purchase the underlying assets, for which will be summoned a Mortgage Securities Holders Meeting of the issuance TIPS Pesos N-6 so that said body approves the sale and the terms for its fulfillment.

Finally, if the settlement of the underlying assets is not carried out once the above instances have been attempted, the Titularizadora Colombiana will proceed to the payment in kind of the obligations derived from the issue TIPS Pesos N-6, subject to the terms of the Rules of Issuance TIPS Pesos N-6.

#### 4. Current conditions of the underlying assets of TIPS PESOS N-6 issuance

As of the November 30<sup>th</sup>, 2021 cutoff, below are the conditions of the underlying assets of TIPS PESOS N-6 issuance:

<b>Balance of Mortgage Loan in COP (Millions)</b>	19.325,25
<b>Weighted Average Rate</b>	12.99%
<b>LTV (loan to collateral value ratio)</b>	21.11%
<b>Remaining term in months</b>	64
<b>VIS Mortgage Loans %</b>	0%
<b>NO VIS Mortgage Loans %</b>	100%
<b>Mortgage Loans by Rating</b>	A:72.2% , B: 5.6%, C:1.9%, D:1.7%, E:18.6%
<b>Assets received as payment (REO: Real-Estate Owned)</b>	1

Please, do not hesitate in contacting us for any further information.

Sincerely,

Ricardo Molano León  
 Alternate Legal Representative

Reviewed y approved by:  
 Bibiana Marcela Novoa Medina  
 Legal Coordinator of Issuance Administration