

Credivalores obtains new funding sources for COP\$400 billion (about US\$90 million)

- *These new funding sources include two new financing structures for payroll loans through a Private Equity Fund and SPVs and a sale of future cash flows of non-performing loans.*
- *The proceeds from these new funding sources will be used for loan portfolio growth and to serve debt maturities in 2022.*
- *With these resources, the company successfully secured about US\$300 million in new funding sources developed between the last quarter of 2022 and the year to date.*

Bogota, September 14, 2022- Credivalores- Crediservicios S.A., the leading non-bank financial institution in Colombia in payroll and consumer loans, announces the closing of the negotiations and the approval of two new funding sources for COP\$350 billion (equivalent to US\$80 million¹) with Colombian financial institutions and a sale of future cash flows of non-performing loans for COP\$50 billion (equivalent to US\$11 million). The proceeds from these new funding sources will be used for loan portfolio growth and to serve debt maturities in 2022. The resources raised through these new funding sources and the previously announced closings of financing transactions in 2022 add up to more than COP\$911 billion (equivalent to US\$208 million).

The new funding sources announced today are structured through SPVs and will be secured by the payroll loan portfolio from the company. One of the financing sources is a revolving *warehouse facility* for up to COP\$50 billion (equivalent to US\$11 million) to fund the origination of payroll loans in the short-term, and the other funding source is a COP\$300 billion (equivalent to US\$69 million) structure at a private equity fund, which will complement the funding of payroll loan origination in the long-term. The long-term structure will have a maximum tenor of 48 months and amortization of principal from the first month after the closing.

Credivalores gave priority to the loan origination among clients with the lower credit risk profiles and focused the loan payroll origination among pensioners and government officials. These segments of the population represent the lower credit risk exposure and the main potential for growth under current macroeconomic conditions.

Furthermore, the shareholders of the company announce that they have agreed to begin formal actions to accomplish a capital injection of about US\$20 million before year end. The potential capitalization announced today will strengthen the shareholder's equity of the company by 37% compared to the figures as of March 2022. In addition, the capitalization will result in an important

¹ Using an FX rate of COP\$4,365.32 per USD.

improvement of the solvency leverage ratios, consolidating Credivalores as the only sustainable non-bank financial institution of the region.

About Credivalores

Credivalores is the leading non-bank financial institution in payroll and consumer loans in Colombia for the low and middle-income part of the population with a 19-year track record. Throughout these years, Credivalores has disbursed more than 2.5 million loans totaling more than COP\$11.6 trillion.

The company has a large geographical presence, covering more than 70% of the Colombian territory, with operations in 23 of the 32 states in Colombia. As of March 2022, Credivalores served 931,208 clients. About 90% of the clients belong to the low and middle-income part of the population, providing this underserved part of the population with access to formal credit.

The loan portfolio includes credit card through the Crediuno Visa product, payroll loans and consumer loans underwritten through strategic alliances.

In the past two years Credivalores committed to advance in its digital transformation strategy to strengthen the financial inclusion and digitalization of loan underwriting in remote areas in Colombia. As a result, as of March 2022 about 85% of the loans were originated through digital channels.

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