

credivalores

Credivalores - Crediservicios S.A.S.

July 2017

Investor presentation



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Credivalores at-a-glance

Overview

- Leading non-bank financial institution in Colombia, providing access to consumer credit to under-served segments of the population
- Successful track record of over 14 years, with more than US\$2.1 billion in loans disbursed
- Directly originates 100% of its loan portfolio
- Significant scale gained exclusively through constant organic growth
- More than 786,000 clients across all products
- Extensive coverage in Colombia, focusing on small and medium size cities
- Strong capitalization on the back of an experienced shareholder base, including international investors with ample knowledge of the financial sector
- Only internationally and locally rated non-bank financial institution in Colombia since 2012 (Local) and 2014 (Int'l)

Diversified platform comprised of three main portfolio products

(as of March 31, 2017)

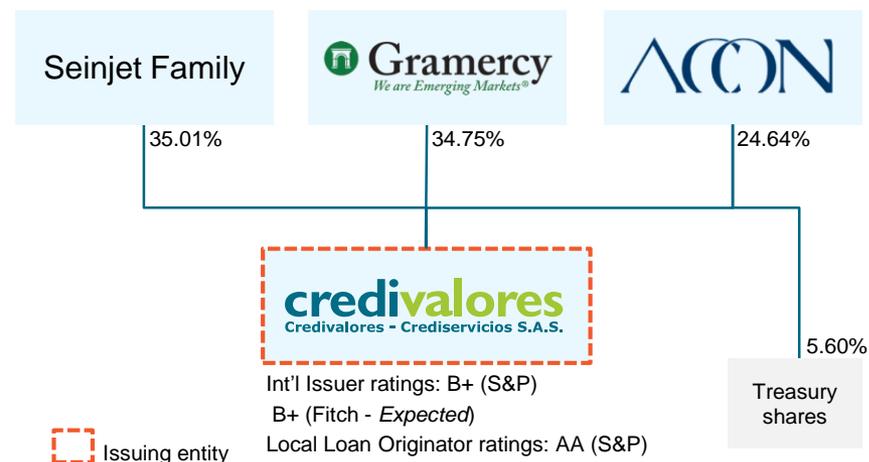
Product	Managed Portfolio contribution ⁽⁴⁾	Collection
tucrédito cv Payroll loans	52.0%	<ul style="list-style-type: none"> ■ Discount from employee payroll or national government pension payments
crediluno Branded credit card	38.9%	<ul style="list-style-type: none"> ■ Installment included and collected by public utility or mobile telephone companies on their bills
credi·póliza Insurance premium financing	8.1%	<ul style="list-style-type: none"> ■ Credivalores is entitled to a refund of the insurance policy premium if the client ceases payments

Selected financial information

(US\$ mm)	2015	2016	LTM 1Q'17 Adj.
Summary financials			
Total gross loans	\$268.9	\$367.7	\$361.2 ⁽¹⁾
Accounts receivable	\$44.0	\$65.8	\$73.6
Total assets	390.9	468.2	499.8 ⁽¹⁾
Total debt	280.1	376.7	390.2 ⁽¹⁾
Shareholders equity	61.1	65.7	85.6 ⁽¹⁾
Net interest income	62.3	49.6	47.9
Income before taxes (recurring) ⁽²⁾	6.5	4.7	8.5
Key metrics			
NPLs ⁽³⁾	3.3%	3.4%	3.9%
ROAE	19.3%	12.4%	9.0%
ROAA	3.0%	1.3%	1.2%
Equity / assets	15.6%	14.0%	17.1% ⁽¹⁾

Simplified ownership structure

(as of May 30, 2017)



Credivalores business model

Key partners & proprietary sales force

- Direct access to customers through own distribution network and partnerships with
 - Employers
 - Public utility companies
 - Insurance companies
 - Retailers



Target underserved customers

- Mid to low income segments not attended by traditional banks
- Emphasis on small and intermediate cities with scarce bank coverage



High yield products

- High yield products helping drive superior margins
- Limited price sensitivity, with customers focused on installment amount vs. all-in rate



Effective collection systems

- Collection through payroll and utility bills mitigates collection risk
- Higher priority of payment vs. other consumer loans



Largest non-bank lender in Colombia

Robust origination capabilities



US\$2.1bn disbursed since inception

Considerable portfolio size



US\$388mm managed loan portfolio

Highly competitive response times



Requests for credit processed within **24hrs**

Strong balance sheet



US\$86mm⁽¹⁾ total equity

Broad geographic footprint



41 Branches **44** POS in retail locations

Sizeable exclusive sales force



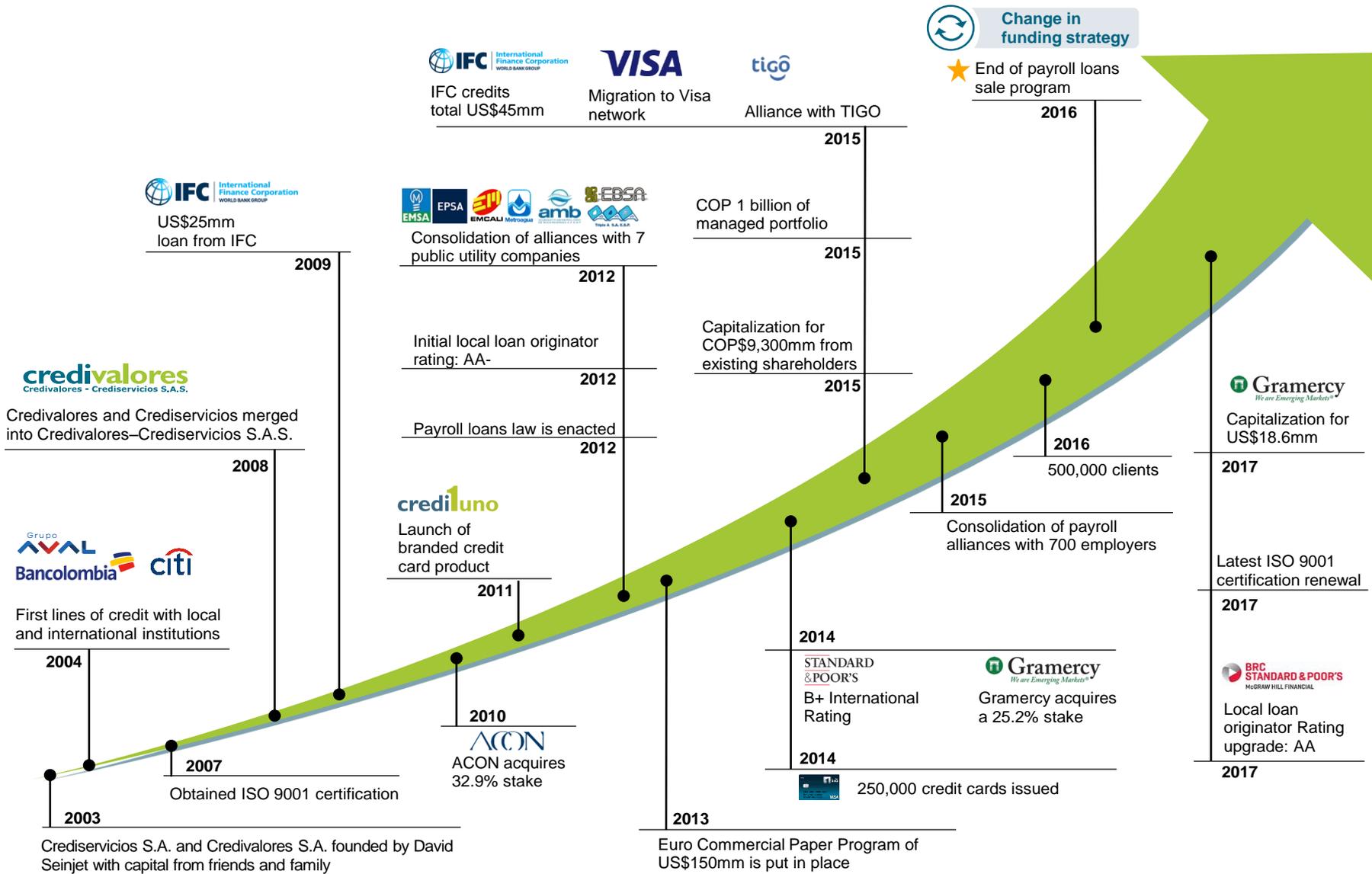
+540 Sales representatives **+1,650** External advisors

Significant client base



+786,000 across all products

Company milestones



Credit highlights

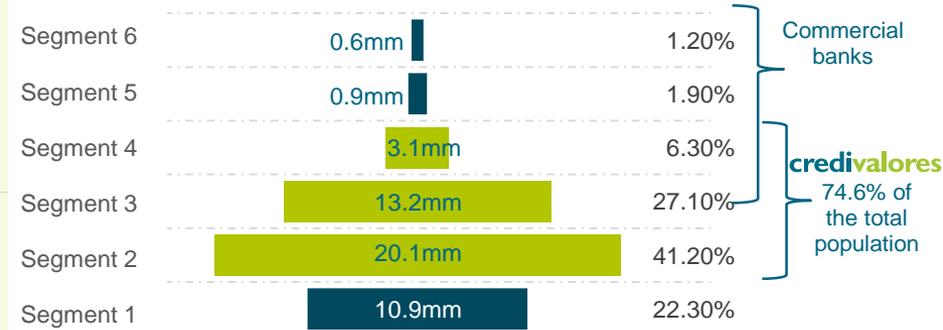


1 Leading non-bank lender in Colombia, targeting underserved market segments

	Traditional banks	credivalores Credivalores - Crediservicios S.A.S.
Commercial	<ul style="list-style-type: none"> High dependence on branch network (customers walking into branches) 	<ul style="list-style-type: none"> Exclusively trained and developed sales force Customer approached on site
Product	<ul style="list-style-type: none"> Multiproduct portfolios with emphasis in cross selling 	<ul style="list-style-type: none"> Specialized and customized credit products
Market segment	<ul style="list-style-type: none"> Principal focus on mid and high income segments <ul style="list-style-type: none"> High average loan size Standard credit analysis Limited presence in small and medium-size cities 	<ul style="list-style-type: none"> Principal focus on low and mid income segments <ul style="list-style-type: none"> Small average loan size Policies that adapt to each level of risk based on the characteristics of each product and the risk profile identified for each client Principal focus on small and medium-size cities
Processes	<ul style="list-style-type: none"> More complex internal process result in slow response times Additional documents required for analysis 	<ul style="list-style-type: none"> Standardized processes with shorter response time Agile process, less documents required due to complimentary information from alliances

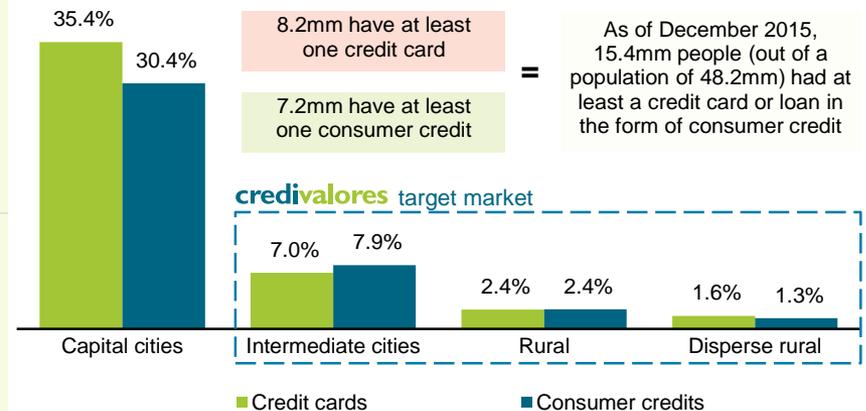
Potential client base comprises 74.6% of Colombia's population

Total population as of December 2016: 48.8 million



Focused on less penetrated small and intermediate cities

Population with access to credit, % of inhabitants (December 2015)



1 Innovative products designed to appeal to our target segments and mitigate repayment risk

	tucrédito cv Payroll loan	crediluno Credit Card	credi·póliza Insurance Financing
(as of March 31, 2017)			
Managed portfolio	US\$202mm	US\$151mm	US\$31mm
% of managed portfolio⁽¹⁾	52%	39%	8%
Target market	Pensioners and government employees (87%) and private company employees	Low and middle-income individuals	Middle-income individuals and small- and medium-size enterprises
Number of clients⁽²⁾ / Penetration	67,771 2.1% of Potential Clients	504,654 16.4% of Potential Clients	49,325 2.3% of Premiums of revocable policies
Average loan size	US\$3,819	US\$347	US\$972
Average rate charged⁽³⁾	25.1%	31.9%	27.0%
Average term at origination	75 months	18 months	10 months
NPLs (%)⁽⁴⁾	3.0%	5.0%	1.9%
Source of payment / guarantee	Employee authorizes employer (irrevocably) to deduct monthly loan installments directly from paycheck and wire them to CV	Borrower agrees to have monthly charges added to their utility bill, which is required to be paid in full	Borrower issues irrevocable mandate to cancel coverage if installments are not paid and CV is reimbursed by the insurance company for the unused portion of the policy
Distribution/ collection partners	720 employers with > 3.2 million employees	8 agreements with utilities providers, retailers and telecom companies with > 4.4 million clients	Local and international insurance companies and brokers

1 Competitive advantage and strategic benefits driving superior results

Credivalores' benefits from key competitive advantages...

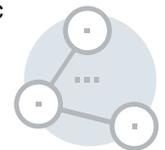
Large scale operations on a lean platform

- Highly-automated origination process that results in low operating costs and provides for a scalable business
- Centralized underwriting process that allows for rapid reaction to changes in risk policies
- Operating know-how through time-proven business model
- Heightened competitiveness compared to traditional banks given leaner platform, simpler processes and a greater proximity to clients



Network of partnerships

- Access to ~7.6 million potential clients through strategic origination and collection alliances
- Agreements with employers on payroll lending, retailers for credit card origination and insurers and brokers to provide client financing
- 8 exclusivity agreements with public utility companies and TIGO⁽¹⁾ that grant access to 4.4 million customers
- High client density in each distribution channel facilitates approaching potential client
- Robust sales force of more than 2,206 representatives across the country, allowing us to reach clients efficiently and effectively in our target geographical areas



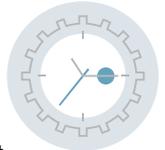
Client loyalty

- We focus on a target market that is too costly for most banks to capture due to small average loan size
- Our average loan size as of March 31, 2017 is COP 1.8 million (US\$625)
- Loyal borrowers due to: agile and simple process, easy recurrent form of payment & personalized service

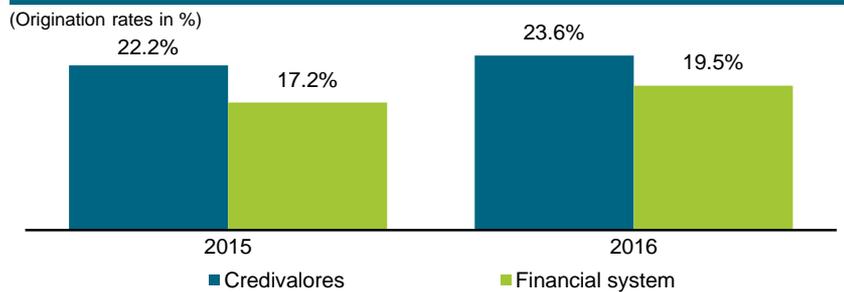


Experience

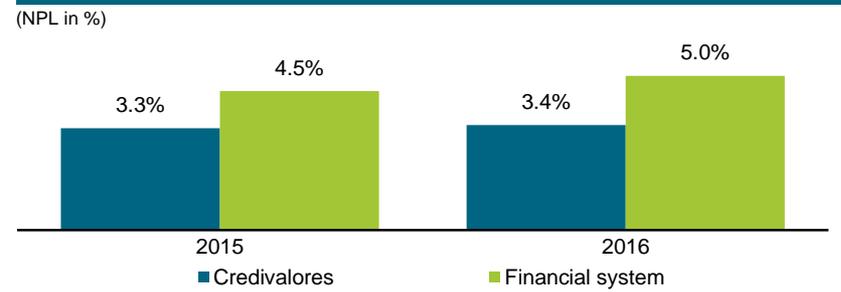
- Gross cumulative origination of US\$ 2.1 billion that creates operational expertise and know-how
- Proprietary credit scoring model drives highly competitive response times
- Specialized collection channels that minimize repayment risk resulting in lower NPLs compared to the consumer loan market



...driving superior pricing power...



...across higher quality loans resulting in lower NPLs⁽²⁾



Source: Company, Superfinanciera.

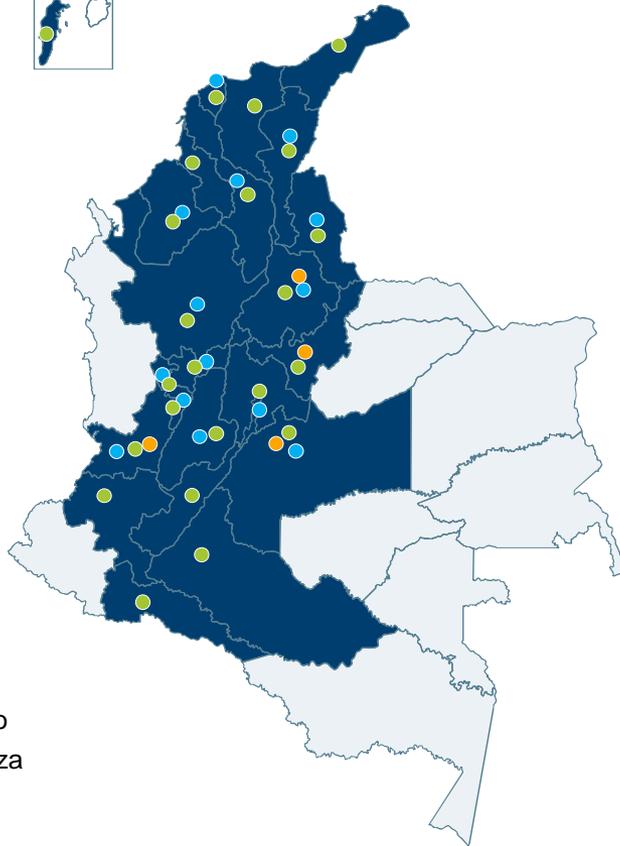
(1) TIGO is the third largest wireless operator in Colombia, with approximately 9 million subscribers, an approximately 17% of the Colombia market share.
 (2) Includes NPLs between 60 and 360 days, as a percentage of total managed loan portfolio excluding NPL>360, as reported in financial statements. NPL calculation considers principal only.

1 Colombia represents LatAm's most attractive and sustainable payroll lending market

	 Colombia	 Mexico	 Brazil
Country rating	<ul style="list-style-type: none"> BBB 	<ul style="list-style-type: none"> BBB+ 	<ul style="list-style-type: none"> BB
Level of regulation	<ul style="list-style-type: none"> High Laws No.1527 of 2012 (Payroll Loans Law) Maximum interest rate (usury rate) 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Medium
Main clients	<ul style="list-style-type: none"> Government sector, Private corporations and pensioners 	<ul style="list-style-type: none"> Government sector and pensioners 	<ul style="list-style-type: none"> Government sector and pensioners
Origination	<ul style="list-style-type: none"> Per regulation, free access to all employers without the need of intermediaries or unions 	<ul style="list-style-type: none"> Unions are relevant for the loan origination process 	<ul style="list-style-type: none"> Through third parties (distributors)
Operating costs	<ul style="list-style-type: none"> Lower (no need for distributors or intermediaries) 	<ul style="list-style-type: none"> Higher (distributors are required to reach the unions) 	<ul style="list-style-type: none"> Commission is paid to distributors
Maximum tenor offered	<ul style="list-style-type: none"> 96 months 	<ul style="list-style-type: none"> 60 months 	<ul style="list-style-type: none"> 96 months
Interest rates	<ul style="list-style-type: none"> Controlled for everyone 	<ul style="list-style-type: none"> Unrestricted 	<ul style="list-style-type: none"> Controlled for pensioners
Limit to client's indebtedness	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes
Players	<ul style="list-style-type: none"> Banks, cooperatives and non bank originators 	<ul style="list-style-type: none"> Government agencies, banks and non bank originators 	<ul style="list-style-type: none"> Financial institutions, pension funds and insurance companies

2 Lean operating structure with national coverage...

National footprint



- TuCrédito
- Credipóliza
- Crediuno

- National coverage reaching **97.7% of the population** and 99.2% of the GDP
- Presence and origination focused on small and medium sized cities with high growth potential and underserved populations

Offices



- **41 business offices** located in small and medium cities and municipalities of the country
 - Base for sales agents to seek out potential new clients

Customer service centers



- **44 in-store points-of-sale** within the Colombia's main retailers
- **83 TIGO "experience centers"** through our alliance with TIGO

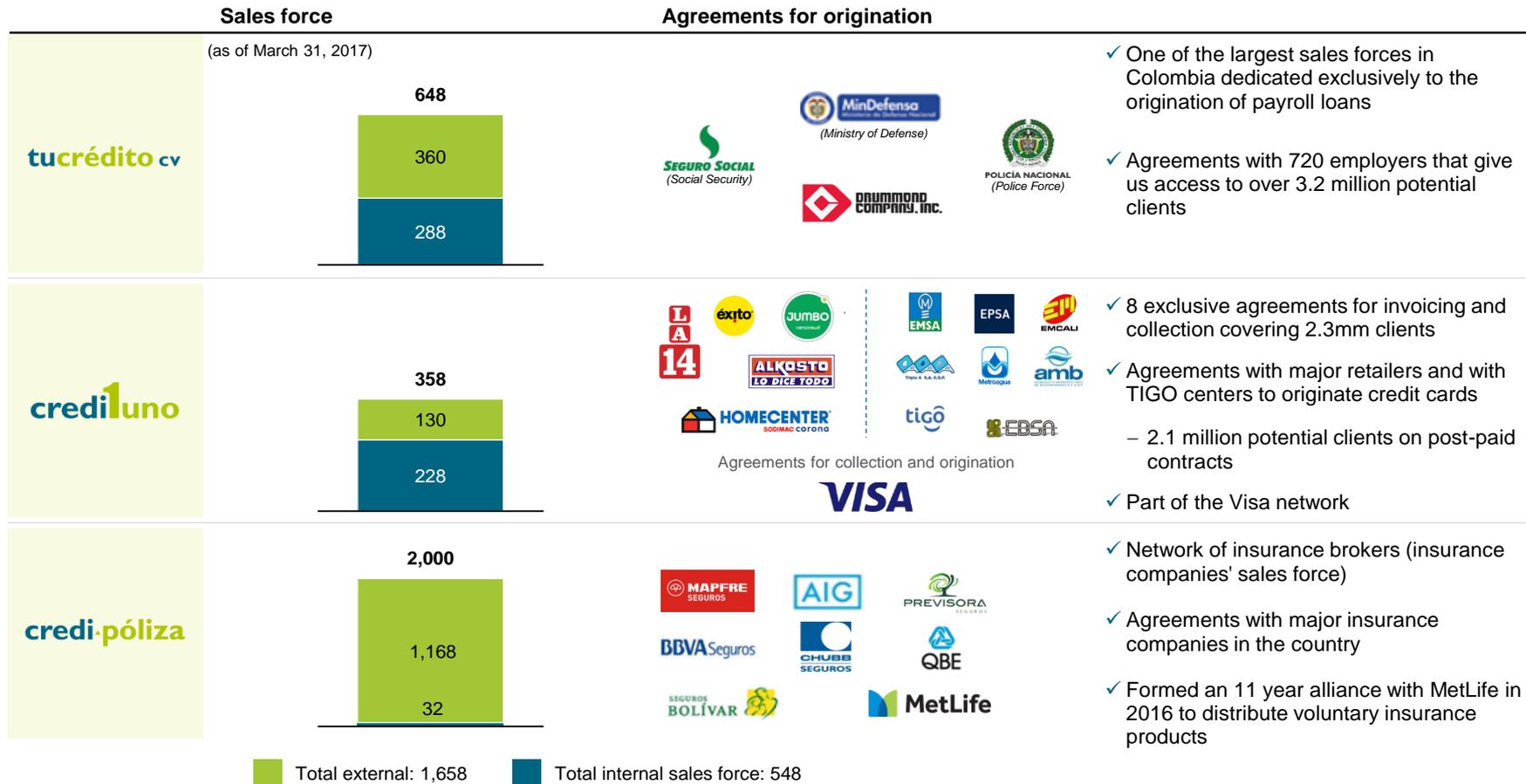
Mobile offices



- **Mobile offices reaching small cities and municipalities in rural areas** where we do not have physical presence

2 ...and a sizeable and skilled sales force reaching clients directly and through our partnerships

Robust sales force utilizing high-value commercial agreements to reach underserved potential clients



Highly incentivized and specialized sales force, with majority of compensation coming from variable components

3 Highly diversified portfolio, minimizing concentration across products, geography and clients

Portfolio highlights

- Top 25 clients represent 0.55% of the portfolio
- Largest single client exposure stands at 0.063%
- Average loan (total portfolio/number of clients) of US\$625
- 87% of the payroll loan portfolio (47% of the entire portfolio) is comprised of clients on the government's payroll and pensioners
 - Increased cash flow stability and healthier risk profile
- Growth strategy focused on small and medium-sized cities, with only 24% of the portfolio located in Bogota

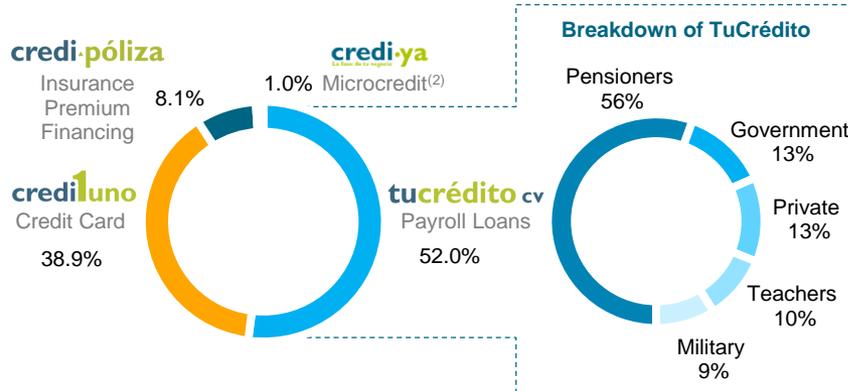
Business model highlights

- Clearly defined collection channels (employer via paycheck deductions and utility companies via monthly utility bills)
- Control of the overall business cycle (commercial, origination, portfolio management and collection)
- Centralized and responsive risk control

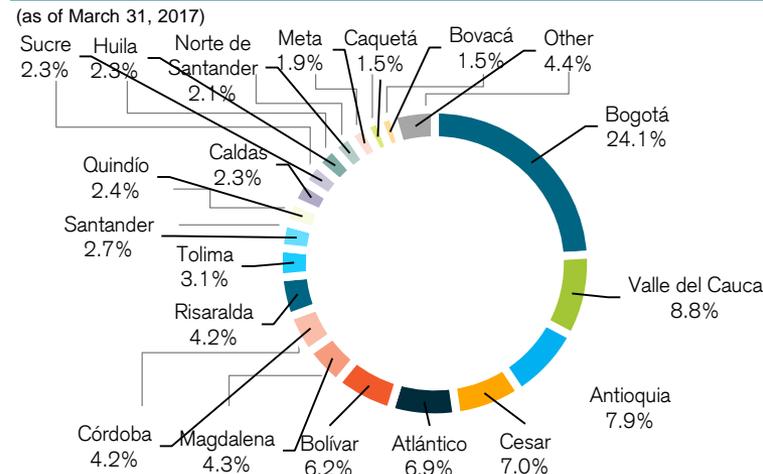
- Low average value per loan
- High number of loans
- Low concentration by economic sector, geography and product

Portfolio breakdown

Managed loan portfolio as of March 31, 2017: US\$388 million⁽¹⁾



Portfolio breakdown by geography



3 Robust internal risk management process minimizes repayment losses

Credit scoring methodologies:

- Specialized scoring by product, region and type of client (banked and un-banked)
- Exclusive access to information from employers, utility and telecom companies provided through agreements
- Credit bureaus and sociodemographic information

Identification and Risk Measurement

Approval Process



- The BPM⁽¹⁾ automates, monitors and controls the entire credit flow, guaranteeing process quality and efficiency
- Monthly evaluations through vintage analysis to identify shifts in portfolio performance such as:
 - changes in the client’s risk profile
 - deficiencies in underwriting policies

- Our Collection Model evaluates 125 items from international standards for Collection Management
- Model based on statistical segmentation to increase the probability of recoveries

For each client segment our strategy defines:



Source: Company.
(1) Counterparty credit risk business process management.

3 High quality portfolio, despite high growth across products

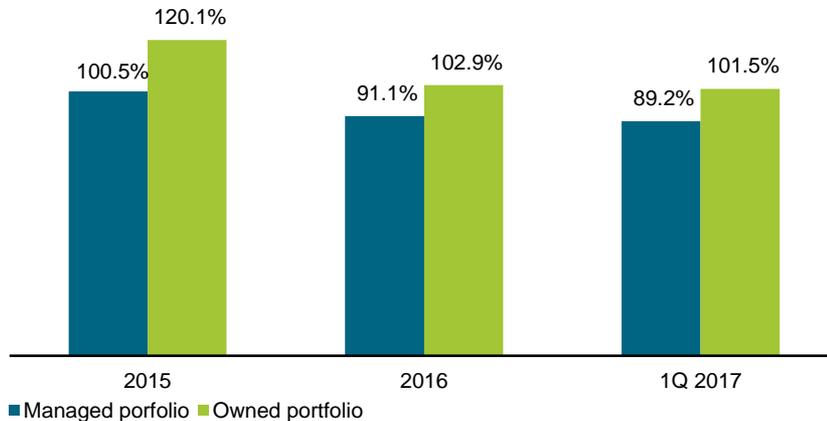
Highlights

Low NPLs compared to the consumer loan market, driven by:

- A** Unique insight into the payment history of potential clients resulting from alliances with public utility and telecom companies
- B** Enhanced proprietary underwriting standards and credit review systems
- C** Diversified platform with collection channels designed to minimize the risk of default and optimize the quality of our loan portfolio
- D** Client platform largely comprised of clients with a steady income stream

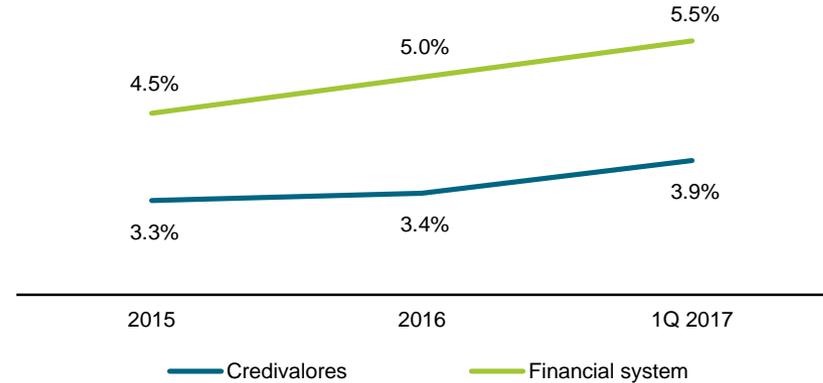
NPL coverage ratio⁽²⁾

(%)



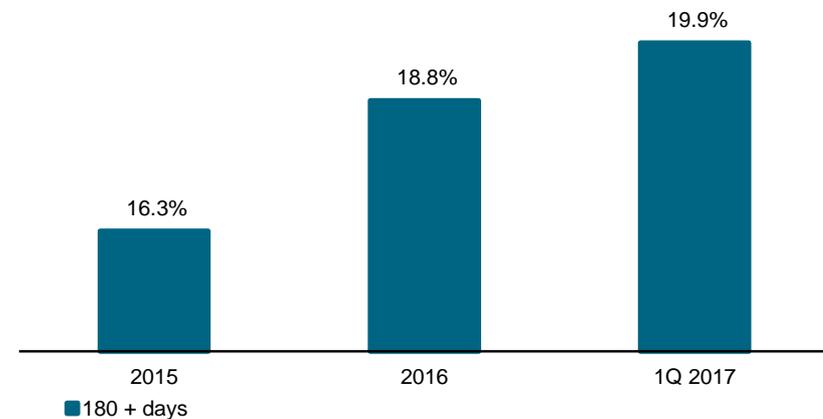
NPLs⁽¹⁾

(%)



NPLs recovery statistics⁽³⁾

(%)



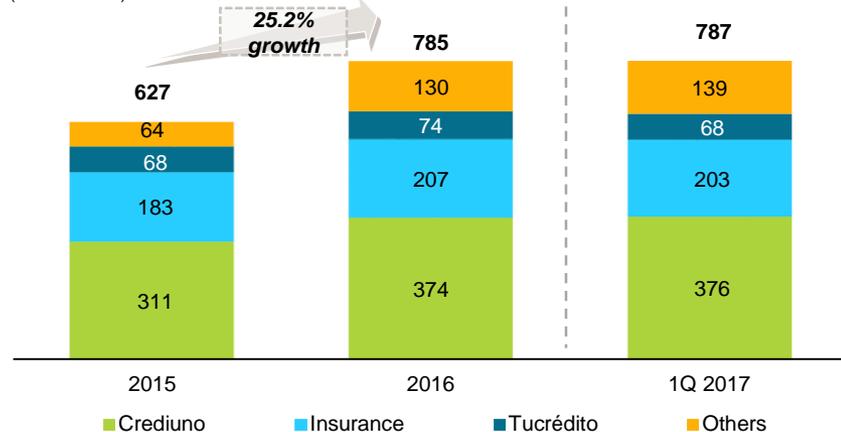
4 Sound financial performance

Financial highlights

- Loan origination and managed portfolio growth have been principally achieved through increased penetration of existing alliances, where the Company has the greatest experience
- Portfolio origination rate (excluding fees) in 2016 increased to 23.6% versus 22.2% in 2015
- Growth rates have been consistently above the levels of the overall industry
 - 2012-2016 Loan origination CAGR of 15.0% (3.1x industry avg.)
 - 2012-2016 managed portfolio CAGR of 15.8% (1.3x industry avg.)

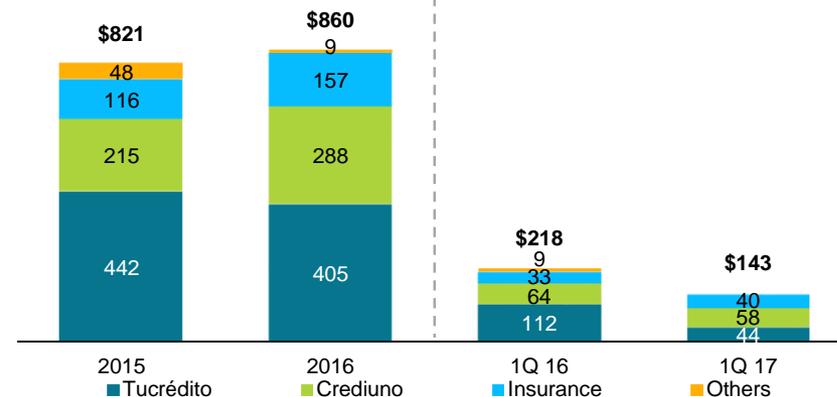
Total clients by product

(in thousands)



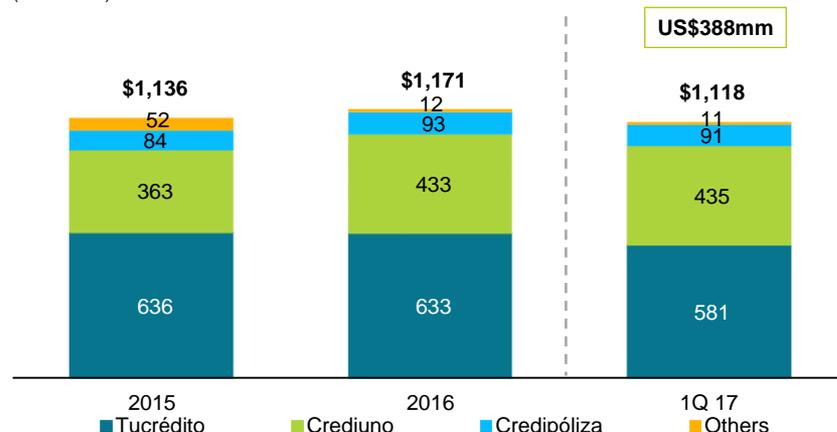
Loan origination by product

(COP in bn)



Managed portfolio balance by product

(COP in bn)



4 Sound financial performance (cont'd)

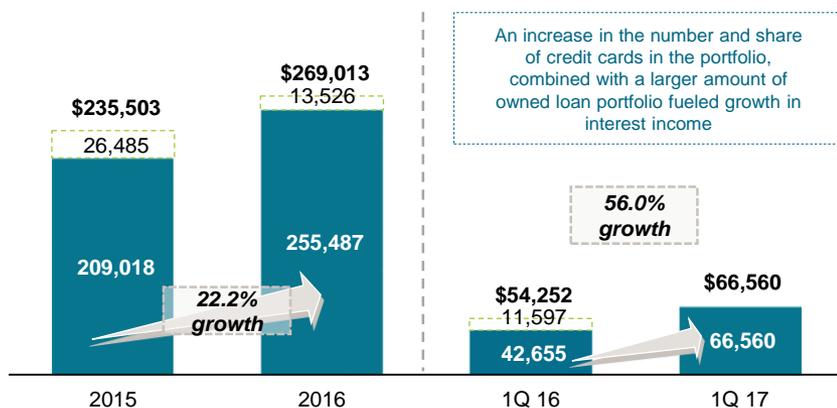
Highlights

- Through 2015, part of our funding strategy involved the sale of portions of our loan portfolio to financial institutions
- In 2016, we gradually reduced our portfolio sales in favor of a more sustainable and scalable funding strategy
- As a result, our revenues from portfolio sales decreased 49% (COP 12,959 million) in 2016 compared to 2015 on a reported basis
 - However, our recurring net income only decreased 27% (COP 5,041 million) during this same period
- The recurring pre-tax income for 1Q2017 showed significant improvement y-o-y after adjusting for portfolio sales and non-recurring items
 - Non-recurring items consist of FX differences and changes in the valuations of financial derivatives utilized for hedging purposes

Adjusted interest income and similar⁽¹⁾

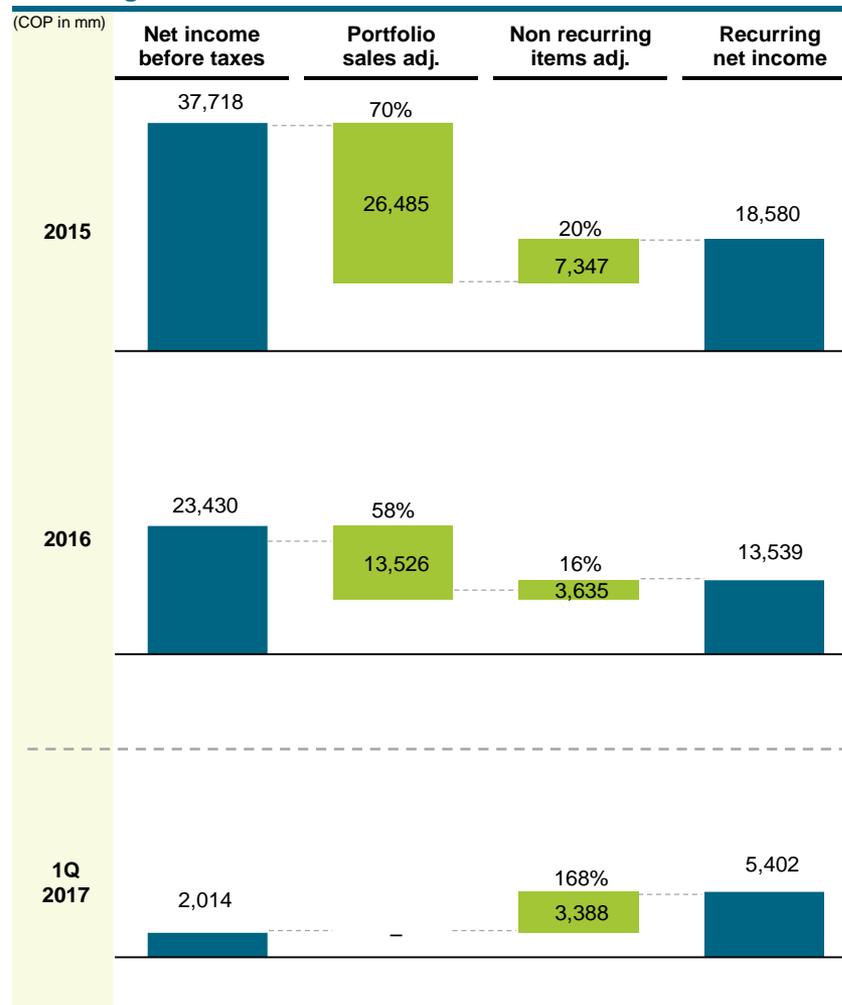
(COP in mm)

■ Interest income and similar □ Portfolio sales adj



Recurring net income⁽¹⁾⁽²⁾

(COP in mm)



4 Efficient pricing strategy has allowed us to enhance our net interest margin...

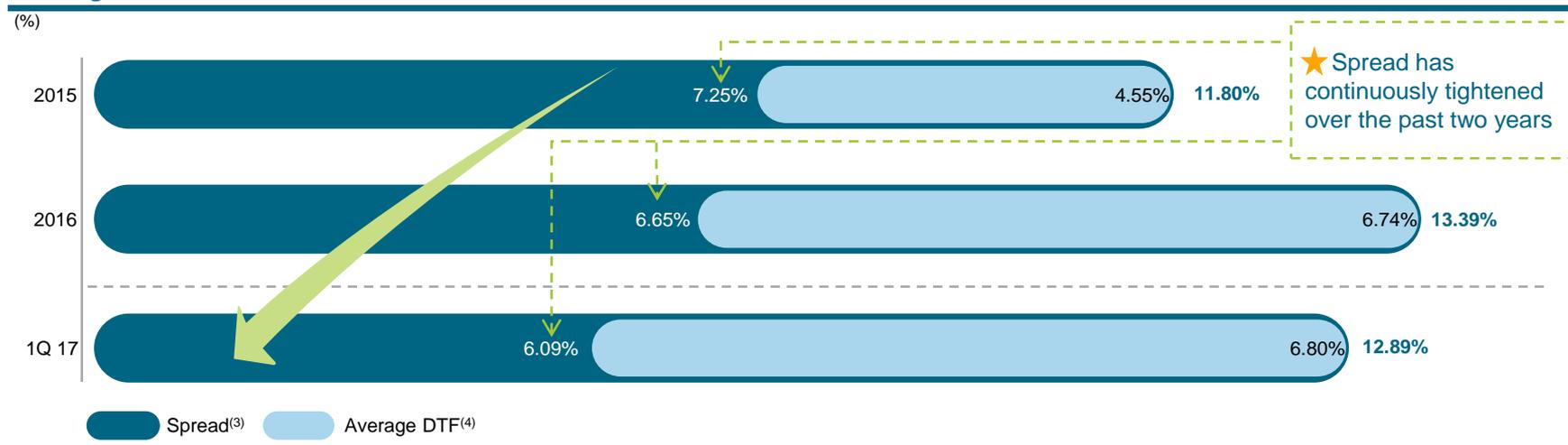
Highlights

- Funding costs have been recently affected by the rise in Colombia's short-term interest rate (219 bps from 2015 to 2016)
 - However, the spreads of Credivalores' borrowing costs have steadily compressed, mitigating impact of the rising rate environment
- After the reduction in the number of market participants in the payroll space, Credivalores was able to implement a more efficient pricing strategy enhancing margins and ability to charge fees
 - Our healthy fee ratio helps insulate our revenue stream and profitability from changes in market interest rates

Fee ratio⁽¹⁾⁽²⁾



Funding cost



Source: Company, S&P as of October 4th, 2016.

(1) Excluding revenues derived from portfolio sales in order to better portray the company's current business model.
 (2) Calculated as income from commissions and fees divided by the sum of net interest income excluding transaction costs and fair value and income from commissions and fees.
 (3) Calculated as the simple difference between the total cost of funding and the average DTF for each year.
 (4) Benchmark interbank interest rate applicable to borrowing from and lending to the Colombian Central Bank in transactions denominated in pesos.

4 ...supported by a strong balance sheet...

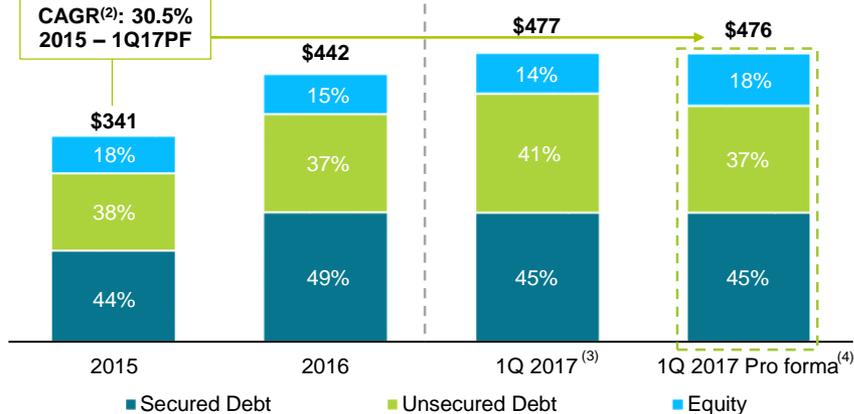
Shareholders' equity evolution

(US\$ in mm)

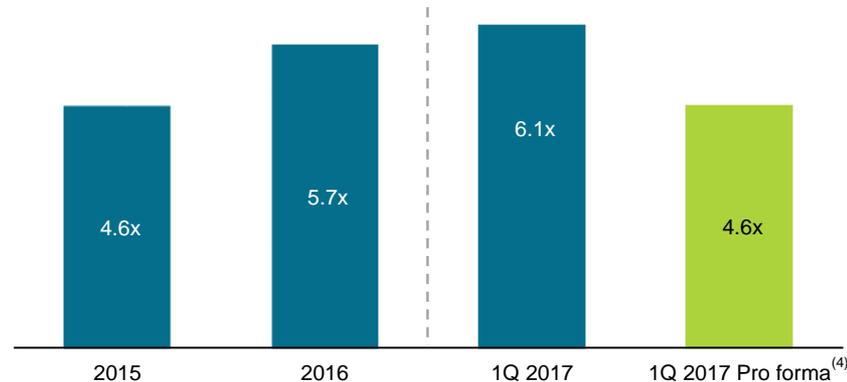


Capitalization evolution⁽¹⁾

(% of total capitalization, total figures in US\$ mm)

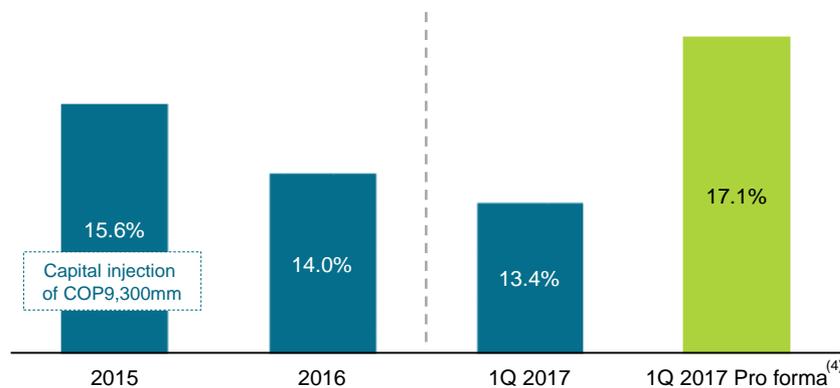


Leverage ratio (Debt/ Equity)



Solvency ratio (Equity/Assets)

(%)



Long-term policy of reinvesting 100% of profits

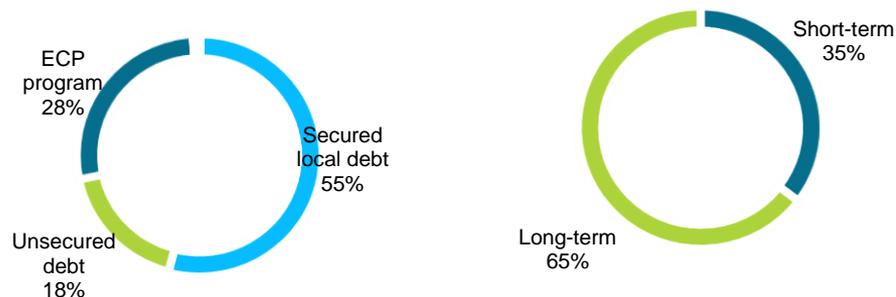
4 ...with a diversified funding base...

Financial creditors

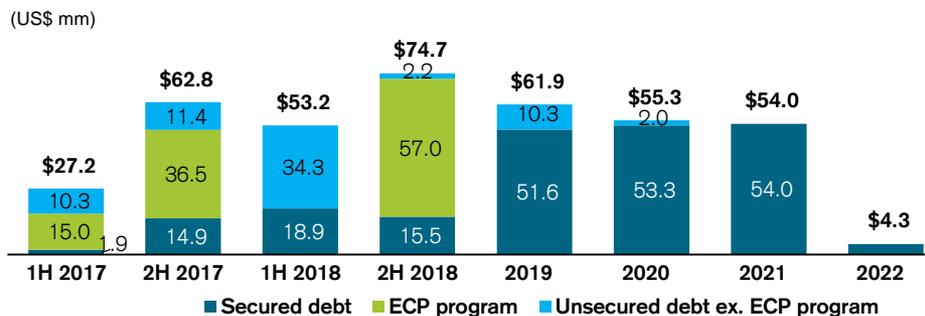
Long standing relationships with global and local financial institutions as well as multilateral agencies



Debt breakdown (as of 1Q 2017) (pro forma ⁽¹⁾)

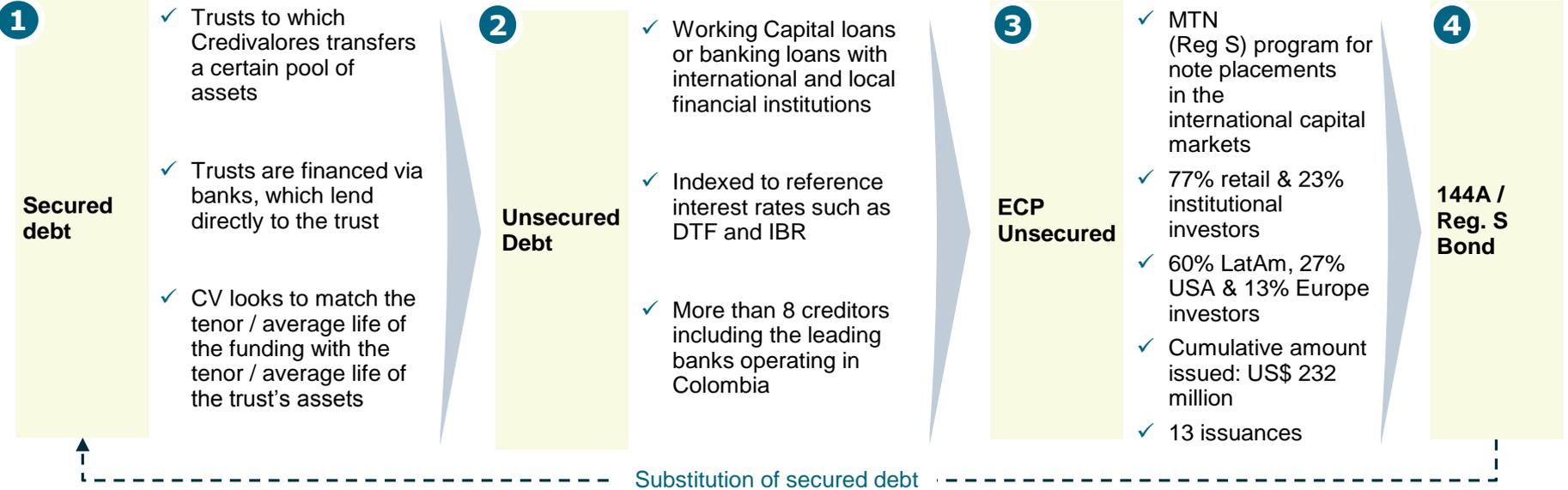


Debt maturity profile as of 1Q17 (pro forma ⁽¹⁾)

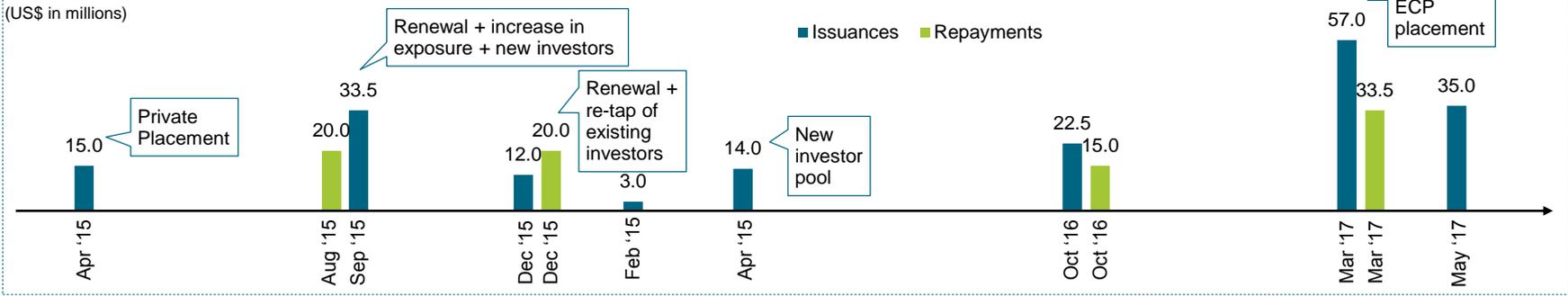


4 ...and with established funding sources, and a focus towards increasing unsecured funding

Main funding alternatives



Evolution of Euro Commercial Paper (ECP) program | 2015 – 2017YTD



5 Experienced management and globally recognized shareholders

Board of Directors

Juan Carlos Restrepo <i>Management team</i>	Rony Doron Seinjet <i>Seinjet family</i>	Jose Miguel Knoell 
Robert Rauch 	Gustavo Ferraro 	Lorena Cardenas <i>Independent member (ex-CFO of Crédito Real)</i>

+ 1 vacant position

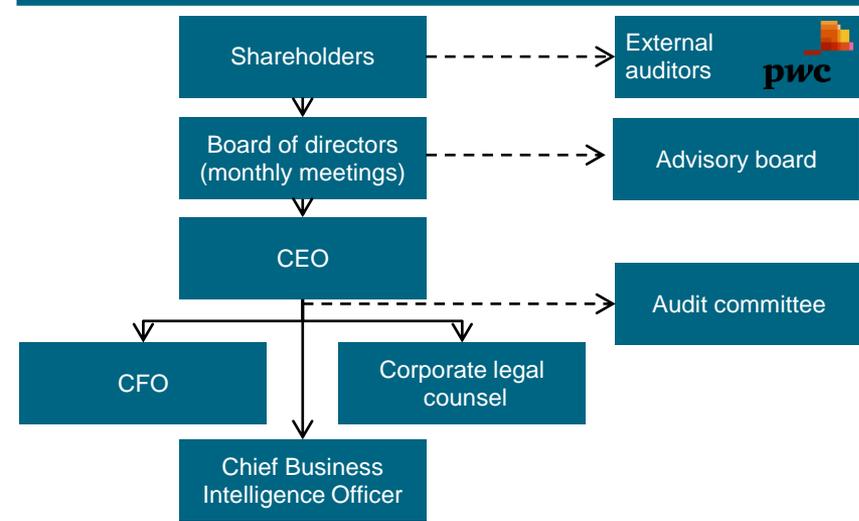
Key Management

David Seinjet <i>CEO</i>	<ul style="list-style-type: none"> Founder and President of Credivalores President of the Board of Directors at Grupo la Cabaña Over 20 years of experience in the financial sector
Jose Luis Alarcon <i>Chief Business Intelligence</i>	<ul style="list-style-type: none"> Over 10 years of experience in the banking sector Worked previously at UNIBANCO and MF Advisors
Juan Camilo Suarez <i>CFO</i>	<ul style="list-style-type: none"> Over 23 years of experience in the financial industry Previously CFO of Fiducoldex and Fiduciaria Central

Key committees

Shareholders assembly <ul style="list-style-type: none"> Annual meetings Main functions: elects Board members, approves changes to by-laws, approves primary capital injections, elects fiscal auditor 	Audit committee <ul style="list-style-type: none"> Three board members One independent permanent member Independent Guest/ Advisor 	Risk committee <ul style="list-style-type: none"> CEO, Credit/ Collections Approvals/ Operations Managers and Commercial Directors Two external members <ul style="list-style-type: none"> Hector Camargo (Consultant) Lilian Simbaqueba (CEO of Grupo Lisim International) 	Advisory board <ul style="list-style-type: none"> Santiago Perez (Former Chief Personal and SMEs Banking Officer at Bancolombia) Dario Gutierrez (Partner at Exponencial) Carlos I. Vargas (Chief Personal and SMEs Banking Officer at Banco GNB Sudameris Colombia)
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Components of internal Control



5 Experienced management and globally recognized shareholders (cont'd)

Key shareholders

<p>Crediholdings (Seinjet family) 35.01%</p>	<ul style="list-style-type: none"> ✓ Founders (Seinjet family) ✓ Involved in the sugar business since 1944 through Ingenio La Cabaña, with approximately 25,000 hectares and 4,000 employees <ul style="list-style-type: none"> – In 1998, La Cabaña began cogeneration from cane bagasse with an installed capacity of 45MW
<p>Gramercy 34.75% <i>(US\$5.8bn Assets under Management)</i></p>	<ul style="list-style-type: none"> ✓ Asset manager focused on investments in emerging markets ✓ Fund's strategies include, high yield and performing credit, equity, private equity and special situation investments ✓ Shareholders of Credivalores since 2014 through its private equity investments arm
<p>ACON 24.64% <i>(US\$5.3bn Assets under Management)</i></p>	<ul style="list-style-type: none"> ✓ Private Equity Firm focused on middle-market investments in Latin America ✓ Other investments include <ul style="list-style-type: none">  – Leading direct-to-consumer seller of home organization and houseware products in Mexico  – Leading waste management company in Colombia, operating under three business segments  – Leading supplier of specialized rigid plastic packaging to cosmetics and personal care industries in Colombia and Peru ✓ Shareholders of Credivalores since 2010

credivalores

Credivalores - Crediservicios S.A.S.

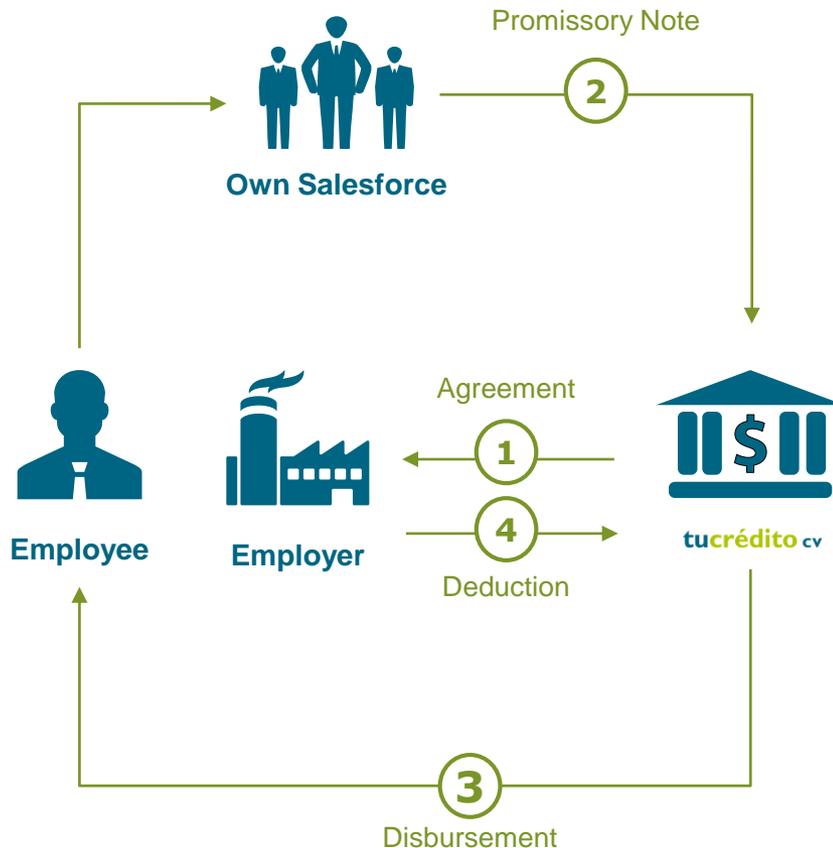


Appendix

Credivalores business model

Tucrédito

Structure | *Tucrédito*



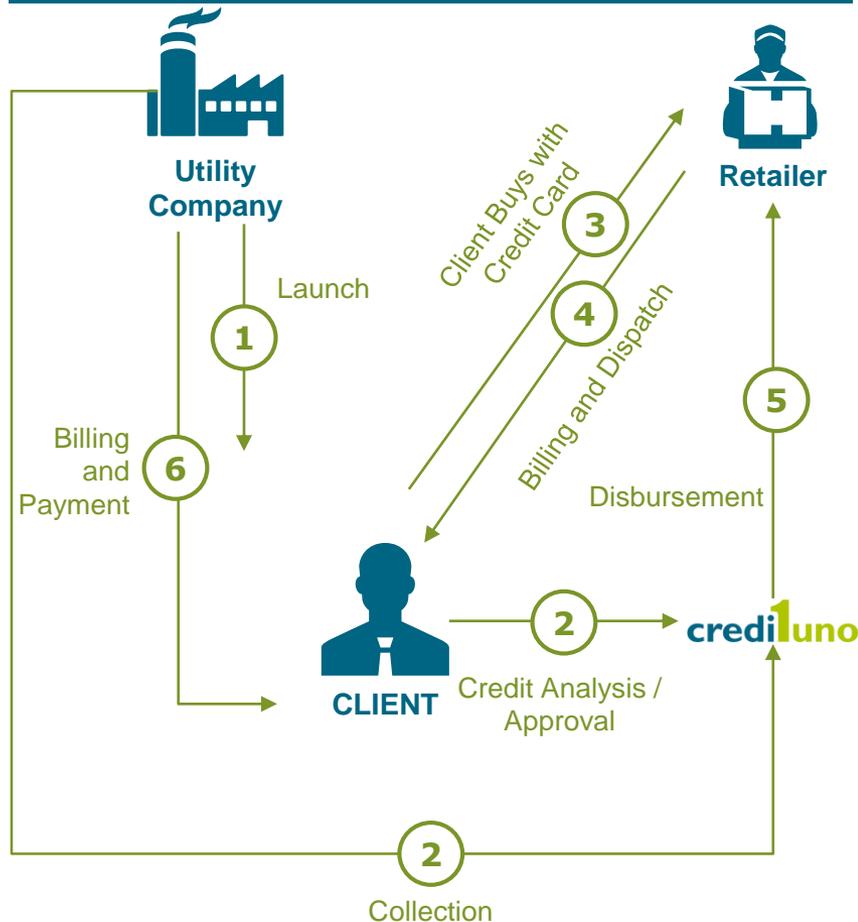
Key characteristics | *Tucrédito*

- Collection through payroll mitigates collection risk
- Irreversible payment mandate
- Reduces the documentation in order to determine labor stability of employee
- Fast Disbursement process
- Stable Regulatory Framework
- Simple analysis and process of approval
- 720 active agreements with employers, including public and private sector

Credivalores business model (cont'd)

Crediuno

Structure | Crediuno



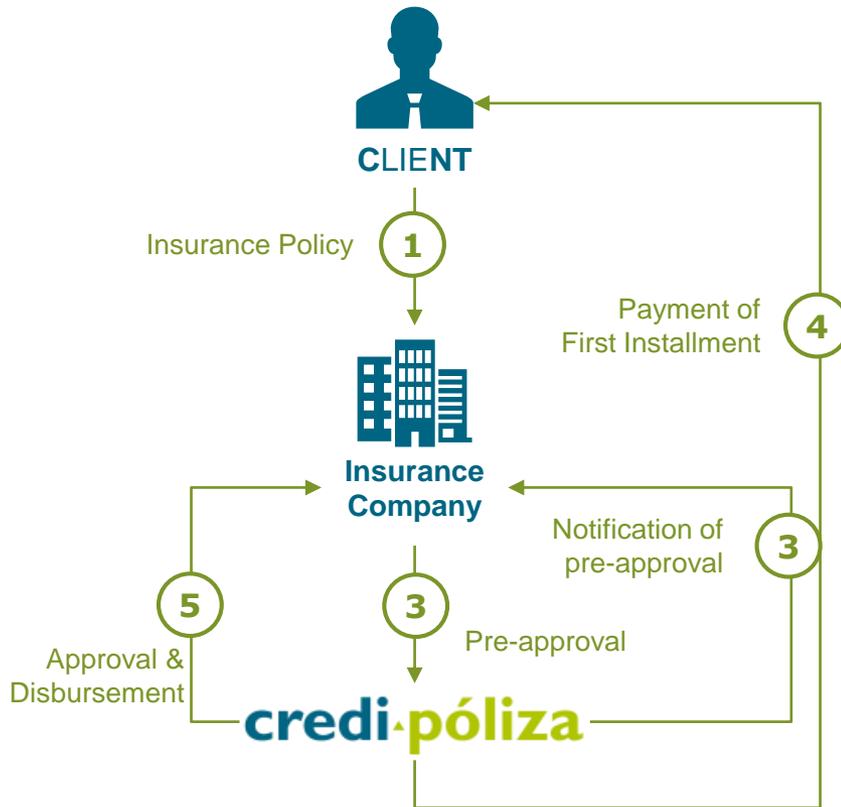
Key Characteristics | Crediuno

- Collection through utility bills (agreements with 8 utility companies)
- Reduces risk of collection
- Determination of payments according to maximum installments
- Substantial collection at low cost
- High coverage in medium sized cities
- High Interest Margin, high fees

Credivalores business model (cont'd)

Credipóliza

Structure | Credipóliza

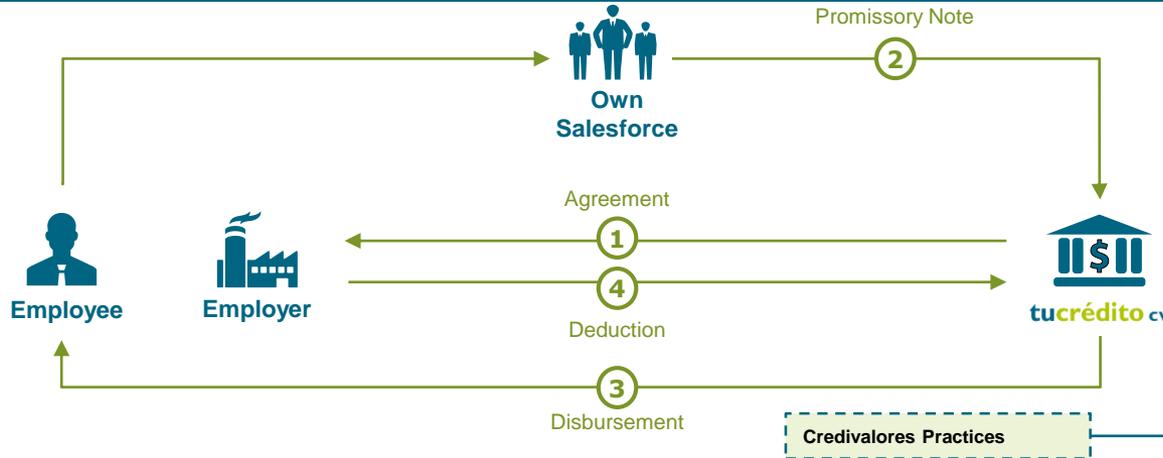


Key Characteristics | Credipóliza

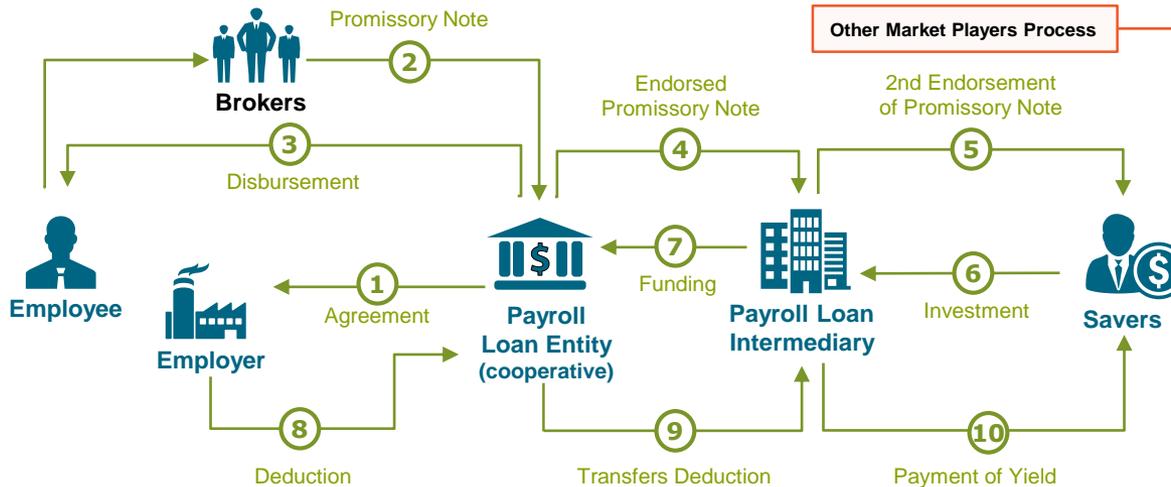
- Insurance company receives the complete amount upfront, while the client pays every month (e.g. policy is for 12 months, but financing is for 10 months)
- If the Client is 30 days overdue, the insurance policy is cancelled (and premium returned to Credivalores)
- Finances 100% of the insurance policy in equal installments
- Agreements with insurance companies
- National coverage
- Payment of installment a month in advance
- More flexibility in the approval of credit

Credivalores business model vs. peers

Structure



- Straightforward and transparent process
- Control of the overall business cycle (commercial, origination, portfolio management and collection)
- Credivalores has full responsibility for the risk



- Complex process without traceability
- It is not clear who is responsible for the risk

Credivalores business practices vs. peers

Company	Loan origination	Risk management	Financial structure ⁽¹⁾	Corporate structure
 Credivalores - Crediservicios S.A.S.	<ul style="list-style-type: none"> Self-origination of payroll loans No loan purchases from 3rd parties 100% of sales force under exclusive contract 548 sales reps under contract, with base salary plus performance-based bonus 	<ul style="list-style-type: none"> 100% of credit applications analyzed and approved by credit factory Risk Management Systems: <ul style="list-style-type: none"> Operational risk (SARO) Market Liquidity risk (SARLM) Credit risk (SARC) Anti Money Laundering (SARLAFT) 	<ul style="list-style-type: none"> Strong financial structure with over US\$85mm in equity <ul style="list-style-type: none"> Allows to absolve managed and controlled risks 100% of funding from institutional investors and capital markets Funding from multilateral agencies (IFC) No funding from sales of promissory notes to individuals 	<ul style="list-style-type: none"> 14 years of track record in the financial system Over US\$2.1 billion in loans disbursed and more than 786k clients Int'l shareholders with robust balance sheet experience Seasoned management team that oversees the whole business cycle Commercial strategy focused on payroll loan origination, that fosters having 100% control of the business cycle
Other competitors	<ul style="list-style-type: none"> Loan purchases to third party originators, mostly informal cooperatives Sales representatives under brokerage agreements External sales force with 100% of their income from commissions based on performance 	<ul style="list-style-type: none"> Loans approved by same cooperative that originates them without control of their policies and procedures No formal risk management systems No standard procedures No certified manuals and processes 	<ul style="list-style-type: none"> Weak balance sheet and risky financial structure due to low capitalization levels Lack of own liquidity to support gaps from operational flows Funding from individual/retail investors used for leveraging growth Transfers risk to the retail investors who funds their operations 	<ul style="list-style-type: none"> Lack of track record Local shareholders with limited balance sheet and support Inexperienced management team with fragmented responsibilities Commercial strategy focused on collecting funds from retail investors Business model based on intermediation and brokerage without control of the full business cycle

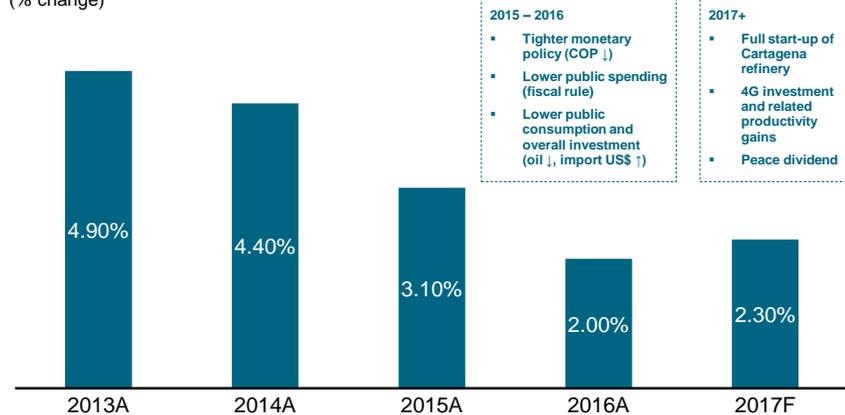
- In 2016, the payroll loan industry in Colombia came under regulatory scrutiny involving non-bank financial institutions
- These institutions typically bought loans originated by cooperatives and then sold the promissory notes associated with the payroll loans to retail investors not regulated by the Colombian Superintendency of Finance
- They faced severe structural problems, presenting significant liquidity issues and were intervened by the Superintendency of Corporations. In addition to unsustainable malpractice by these intermediary companies, the regulator in some cases found evidence of fraud in the purchase and sale of promissory notes
- Credivalores has a different business model, given that it directly originates its own loan portfolio, retains the risk and controls the entire credit cycle

Macroeconomic Environment

2016 oil / COP weakness, 2017+ 4G, high potential for employment gains

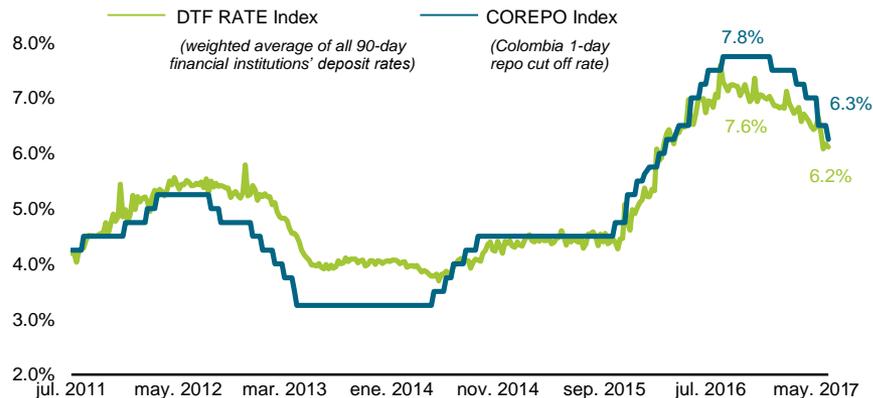
Real GDP Growth

(% change)



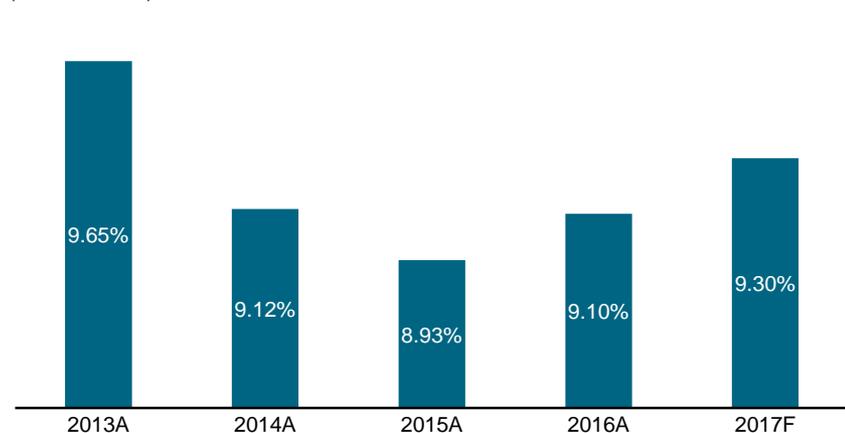
Interest Rates⁽¹⁾

(As of May 30, 2017)



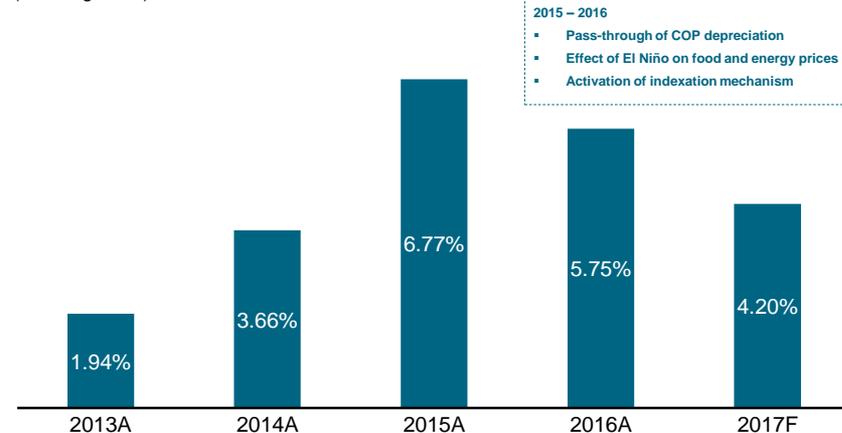
Unemployment

(% of labor force)



Inflation, CPI

(% change YoY)

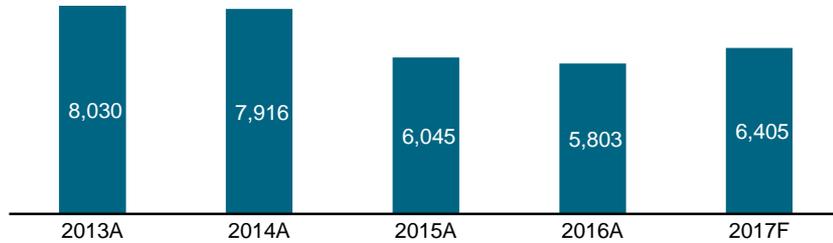


Macroeconomic Environment (cont'd)

High GDP/capita growth potential, room for further loan penetration

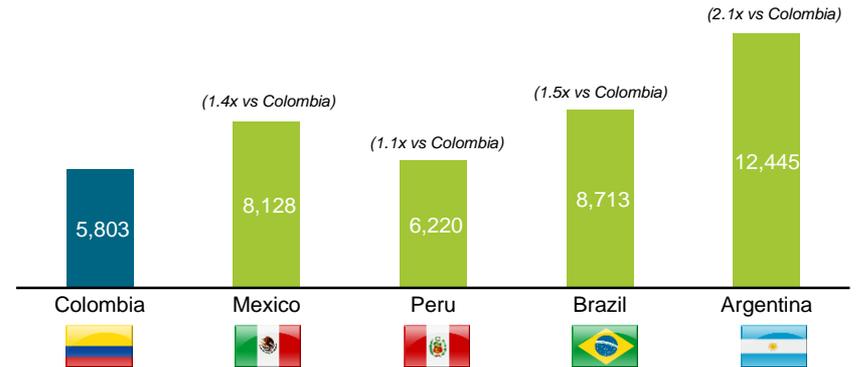
GDP per capita

(US\$)



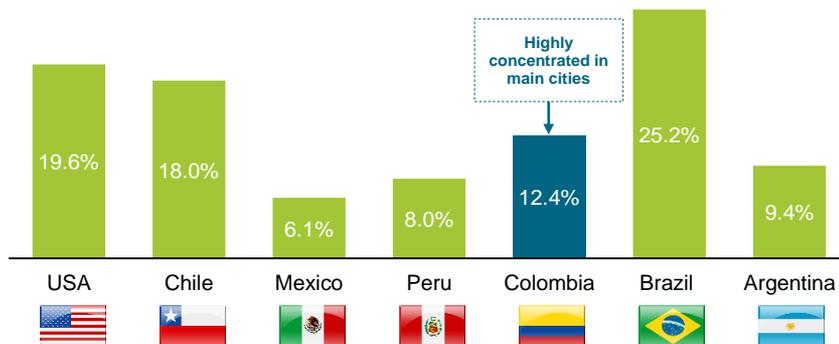
GDP per capita | LatAm Comparison

(2016, US\$ in thousands)



Consumer Loans / GDP

(2015)



GDP Growth Projections | LatAm Comparison

(Average 2017 – 2021, Source: IMF)



Regulatory Framework

Stable and developed framework for both payroll loans and credit cards

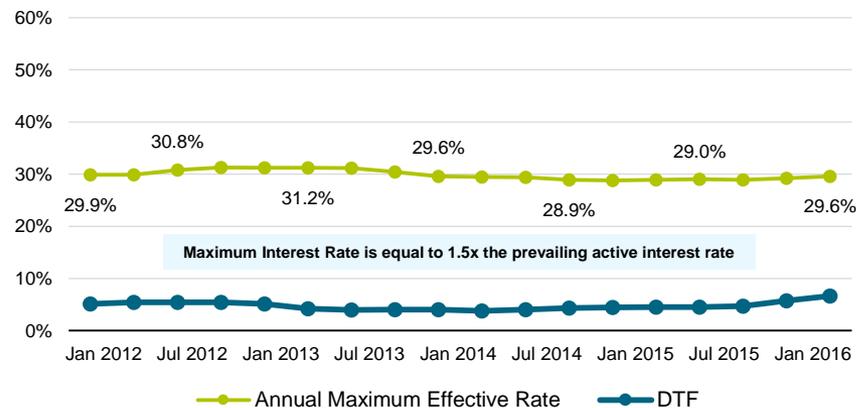
Payroll loans

- ✓ Business is supervised by the Superintendency of Corporations and the Superintendency of Industry and Commerce
- ✓ Colombia, unlike its peers (Mexico, Brazil) has a specific law that regulates payroll loans (Law 1527 / 2012)
- ✓ Payroll loans must fulfill the following conditions
 - Borrower must authorize his employer to discount the applicable monthly installment directly from the employee's paycheck (i.e. for the deduction to be subsequently wired to the respective lender)
 - The mandate (from the employee) to discount the monthly installment from his/her payroll is irrevocable
 - The applicable interest rate cannot exceed the maximum allowed by law (1.5x the prevailing active interest rate)
 - Discount (installment) cannot be greater than 50% of the borrower's net income (wage or pension) after application of discounts by law
- ✓ The employer is required to discount amounts owed and transfer them to the respective lender, as per the clients irrevocable instruction, otherwise, the employer becomes jointly liable
- ✓ The payroll loan discount "follows" the borrower even if the borrower changes job and, in case of job loss, it is re-activated once the borrower returns to the labor market
- ✓ The Unique Register of Payroll Operators, which is managed by the Ministry of Finance, has been in effect since January 2014

Credit Cards

- ✓ Superintendency of Corporations and the Superintendency of Industry and Commerce supervise Credivalores in Habeas Data regulation (Law 1266 / 2008), Personal Data protection (Law 1581 / 2012) and Consumer Protection (Law 1480 / 2011)
- ✓ Management Fees ("cuotas de administracion") are independent from, and additional to, interest rate charges; they are therefore not included in the interest rate calculation
 - Effective yields on the card segment are higher than the reported origination rate
- ✓ Utility companies are allowed to include in their bills additional charges (such as credit card charges from companies like Credivalores) as long as they are included in the agreement that the utility has signed with the users (Law 142 / 1994, Article 148)

Maximum Interest Rate



Income statement

COP millions	As of March 31,			As of December 31		
	2017 (\$ in millions) ⁽¹⁾	2017 (Ps in millions)	2016 (Ps in millions)	2016 (\$ in millions) ⁽¹⁾	2016 (Ps in millions)	2015 (Ps in millions)
Income Statement Data:						
Interest income and similar ⁽²⁾	23.1	66,560	54,252	93.4	269,013	235,503
Financial costs (interest)	(11.6)	(33,530)	(26,044)	(43.8)	(126,222)	(56,116)
Net interest and similar	11.5	33,030	28,208	49.6	142,791	179,387
Impairment of financial assets loan portfolio	(4.5)	(12,827)	(11,123)	(8.1)	(23,261)	(27,603)
Impairment of other accounts receivable	(0.1)	(333)	–	–	–	–
Gains from operating activities	6.9	19,870	17,085	41.5	119,530	151,784
Financial income						
Exchange Rete Differences	4.97	14,322	7,885	3.8	10,980	–
Loan portfolio impairment recoveries	0.1	183	58	0.2	558	1,574
Financial income	0.0	93	33	0.1	294	(70)
Total financial income	5.1	14,598	7,976	4.1	11,832	44,407
Total Financial Costs	6.2	(17,710)	(8,966)	5.1	(14,615)	(2,860)
Other income	3.0	8,635	9,476	3.3	9,553	353
Other expenses						
Employee benefits	(1.6)	(4,522)	(4,807)	(6.9)	(20,005)	(34,838)
Expense for depreciation and amortization	(0.3)	(921)	(922)	(1.3)	(3,824)	(1,609)
Other	(6.2)	(17,936)	(14,892)	(27.4)	(79,041)	(119,519)
Commissions	–	–	–	(1.2)	(3,491)	(49,032) ⁽³⁾
Other administrative expenses	–	–	–	(26.2)	(75,550)	(70,487)
Total other expenses	(8.1)	(23,379)	(20,621)	(35.7)	(102,870)	(155,966)
Net exchange rate differences and forward valuation ⁽⁴⁾	(1.1)	(3,388)	(1,081)	(1.3)	(3,635)	(7,347)
Net income before income tax	0.7	2,014	4,950	8.1	23,430	37,718
Income tax	(0.1)	(346)	(3,398)	(2.2)	(6,230)	(3,793)
Net income	0.6	1,668	1,552	6.0	17,200	33,925

Balance sheet

COP millions	As of March 31,		As of December 31		
	2017 (\$ in millions) ⁽¹⁾	2017 (Ps in millions)	2016 (\$ in millions) ⁽¹⁾	2016 (Ps in millions)	2015
Balance Sheet Data					
Cash and cash equivalents	75.4	217,248	42.7	122,964	110,078
Total financial assets	8.6	24,664	9.1	26,155	49,295
Total loan portfolio, net	324.0	933,314	331.2	953,874	774,486
Consumer loans	356.3	1,026,300	362.5	1,044,230	819,497
Microcredit loans	4.8	13,924	5.2	14,835	40,933
Impairment	(37.1)	(106,910)	(36.5)	(105,191)	(85,944)
Accounts receivable, net	73.6	211,874	65.8	189,482	126,618
Total financial assets at amortized cost	397.6	1,145,188	397.0	1,143,356	901,104
Investments in associates and affiliates	3.1	9,062	3.3	9,408	31,240
Current tax assets	1.3	3,652	1.0	2,799	13
Deferred tax assets, net	5.2	14,893	4.9	13,982	5,764
Property and equipment, net	0.3	872	0.4	1,017	1,462
Intangible assets other than goodwill, net	9.7	28,060	10.0	28,836	26,904
Total assets	501.2	1,443,639	468.2	1,348,517	1,125,860
Forwards instruments	5.8	16,805	5.9	16,958	–
Financial obligations	–	1,181,547	376.7	1,084,974	806,886
Employee benefits	0.4	1,072	0.4	1,198	1,459
Other provisions	0.0	84	0.4	1,021	1,975
Accounts payable	14.3	41,315	16.5	47,633	83,746
Current tax liabilities	2.3	6,690	1.6	4,503	3,368
Other liabilities	1.1	3,176	1.1	3,107	52,475
Total liabilities	434.2	1,250,689	402.5	1,159,394	949,909
Shareholders equity	67.0	192,950	65.7	189,123	175,951
Total liabilities and equity	501.2	1,443,639	468.2	1,348,517	1,125,860

Management team

- David Seinjet**
CEO
- President and founder of Credivalores since 2003
 - Also President of the board of Grupo La Cabaña, a significant agroindustrial holding company in Colombia
 - Business Administration from Bentley College
 - Senior Management Degree from the Universidad ICESI

- Juan Camilo Suarez**
Controller, Planning Director and CFO
- Joined Credivalores in March 2017 as Controller, Planning Director and CFO
 - Has more than 23 years of experience in the finance industry and in Investment Banking
 - Previously CFO of Fiducoldex and Fiduciaria Central
 - Also worked as Investment Banking Manager at Fondae and Financial Manager for LatAm at Welch Allyn and American Glass products
 - Expertise in NIIF, USGAAP, the Colombian financial regulatory framework and risk management
 - Degree in Economics from Universidad de los Andes
 - Masters in Finance from Universidad de los Andes and an Executive MBA candidate from the same university

- Luz Stella Navarro**
Internal Audit
- Joined Credivalores in September 2015 as Internal Audit
 - Has more than 20 years of experience in the finance industry, banking and trust management (fiduciaria) businesses
 - Previously Audit Manager at KPMG
 - Also worked as Assistant Manager for Audit, Compliance, Management Information and Budget at HSBC
 - Degree in Accounting specialized in Finance and International Business from the Universidad de la Sabana
 - Masters Degree professor in Data Storage and Financial Audit at the Universidad Militar and at the Universidad Central

- José Luis Alarcón**
Chief Business Intelligence Officer
- Appointed Chief Business Intelligence Officer in May 2013
 - Previously held several positions at Unibanco and Banco Solidario Holding in Ecuador, including Business Intelligence Manager, Risk Manager and Statistics and Studies Manager
 - Engineering degree in Economics and Financial Science from the Escuela Politécnica Nacional in Ecuador
 - Masters degree in Banking Management and a Master degree in Applied Statistics from Universidad de Alicante, Carlos III de Madrid and Autónoma de Barcelona

- Maria Patricia Moreno**
Director International Funding and Investor Relations
- Joined as Director of International Funding and Investor Relations on February 2017
 - Has more than 12 years of experience in the financial service industry
 - Served as Head of Funding and Investor Relations at Emgesa and Codensa, power generation and electricity distribution companies of the Enel Group
 - Previously, worked as a Deputy Director of External Funding of the Ministry of Finance and Public Credit of Colombia and as a Senior Advisor
 - Worked as Fixed Income Manager at Citivalores-Citibank Colombia
 - Bachelor's degree in Finance and International Relations from Externado University and minor degree in Finance and Capital Markets from La Sabana University
 - Candidate for the Executive MBA from Universidad de los Andes

- Mauricio Caballero**
Technology
- Appointed Technology Director (CTO) in January 2015
 - Has more than 15 years of experience in IT for the financial services sector
 - Previously Senior IT Director at HSBC
 - Also worked developing Vision software at Banco Tequendama
 - Systems Engineer from Escuela Colombiana de Ingeniería

- Marcela Caicedo**
Operations and Human Resources
- Joined Credivalores in November 2016 to lead efficiency and cost reduction projects for our management
 - Has more than 20 years of experience as manager of operational and IT areas, as leader of restructuring and merging processes in previous organizations and as an expert on managing massive and individual channels for client service
 - Degree in Industrial Engineering from Javeriana University and holds a
 - Green Belt certification on the Six Sigma Methodology

Key committee members

Advisory board

- Santiago Perez Moreno**
External Advisor
- Chief Personal and SMEs Banking Officer at Bancolombia⁽¹⁾ since 1989
 - Has more than 35 years of experience in the financial sector, with main focus on consumer banking
 - Responsible for the retail banking operation of Bancolombia in 11 countries in Latin America, including credit cards, loans and microfinance
 - Has lead multiple projects such the merge between BIC and Banco de Colombia, the launch of virtual banking platform and AmEx in Colombia
 - Member of the board of directors of several companies in the financial and non-profit sector
 - Bachelor's degree in Economic Sciences and MBA from IESE (Spain)

- Dario Gutierrez Cuartas**
External Advisor
- Partner at Exponencial Banca de Inversion
 - Has more than 26 years of experience in the finance industry and in investment banking
 - Previously CEO of Factoring Bancolombia and Fiduciaria Corfinsura, head of the capital markets department of Corfinsura
 - Has occupied multiple positions in the private and public sector such Ministry of Economic Development and the National Corporation for tourism
 - Member of the board of Directors of several companies in the financial and non-profit sector
 - Lawyer with an MBA from Universidad de los Andes

- Carlos Ivan Vargas**
External Advisor
- Chief Personal and SMEs Banking Officer at Banco GNB Sudameris Colombia
 - Has more than 36 years of experience in the financial sector
 - Responsible for the retail banking operation of GNB Sudameris, including payroll loan, credit cards and loans
 - Consolidated payroll loan as the lading product in the portfolio of GNB Sudameris
 - Member of the board of directors of several companies in the financial sector
 - Experience as professor of Sales and Strategic Planning at U. del Valle, ICESI, EAFIT and U. Libre
 - Bachelor's degree in Economic Sciences from Universidad del Valle

Risk Committee

- Lilian Simbaqueba**
- CEO of Grupo Lisim International
 - Has worked for more than 20 years at Grupo LISIM, advising entities on the management of their credit risks
 - Her experience covers companies in more than 16 countries in the financial, public utilities, and telecom sector; with high exposure to credit risk
 - Some of the accounts covered include Bancolombia, World Bank, Visa, Une-Tigo, Movistar and Hyundai
 - Bachelor's degree in Computer Sciences from Konstanz University (Germany) and MBA from Universidad de los Andes

- Hector Camargo Salgar**
- Has worked for 15 years as advisor of credit risk management
 - His experience covers companies in 9 countries in the financial and retail sector
 - Some of the accounts covered include HSBC, Davivienda, AV Villas, Banco Bice, Banco de Occidente and Santander
 - Previously worked for 27 years in corporate banking and risk management positions in different banks, in Colombia
 - Chief Risk Officer at Citibank (Andean Region), Banco de Colombia and Banco Santander Colombia, Corporate Chief Officer at Banco Santander Colombia
 - Bachelor's degree in Economic Sciences and Master in Economic Sciences from Florida State University