



**Investor presentation**  
**IQ 2020 Results**  
**June 1, 2020**

**credivalores**  
Credivalores - Crediservicios S.A.

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## credivalores

Largest non-bank financial institution in Colombia for consumer lending to mid-to-low income population not served by traditional banks in small and intermediate cities



**Robust origination capabilities.** Proven expertise in the financial sector in Colombia having disbursed over US\$2.9 billion throughout the past 16 years of operations.



**Considerable portfolio size** of US\$393 million.



**Broad geographic footprint.** 90 branches and POS in retail locations; 120 customer centers across the country in alliance with national telecom companies.



**Sizable exclusive sales force.** Almost 550 sales representatives and 1,213 external advisors.



**Strong Capitalization.** US\$88 million total equity.



**Long-lasting partnerships** with employers, utility companies, insurance companies and retailers granting us access to 7.5 million potential clients and 20,000 points of collection across the country.

# Overview of Product Portfolio

(as of March 31, 2020)

**tu**crédito cv  
Payroll loans

credi**1**uno  
Credit Cards

credi**póliza**  
Insurance Financing

<b>Managed portfolio</b> <sup>(1)</sup> <i>Thousand Million COP</i>	<b>\$906</b> US\$223 mm	<b>\$617</b> US\$152 mm	<b>\$69</b> US\$17 mm
<b>% of managed portfolio</b> <sup>(2)</sup>	56.7%	38.7%	4.3%
<b>Average loan size</b> <i>Million COP</i>	<b>\$15,0</b> US\$3,679	<b>\$2.1</b> US\$529	<b>\$4.3</b> US\$1,052
<b>Average term at origination</b>	119 months	18 months	9 months
<b>Number of clients</b> <sup>(3)</sup>	74,194	638,621	31,259
<b>Average rate charged</b> <sup>(4)</sup>	22.8%	27.5%	27.6%
<b>Average rate +Fees</b>	30.8%	45.2%	32.5%
<b>NPLs (%)</b> <sup>(5)</sup>	3.74%	7.49%	3.81%
<b>Distribution/ collection partners</b>	613 employers with > 3.2 million employees	7 agreements with utilities companies, retailers and telecom companies with > 4.3 million clients	Local and international insurance companies and brokers
<b>Source of payment / guarantee</b>	Irrevocable authorization from employee to employer to deduct monthly loan installments from paycheck and wire them to CV	Monthly charges added to borrowers' utility bill, which is required to be paid in full	Irrevocable mandate to cancel coverage if unpaid installments. Insurance company reimburses CV for unused portion of policy

Source: Company filings.

(1) Figures converted at an FX rate of \$4,064.81 COP/USD as of March 31, 2020

(2) The remaining 0.3% of managed portfolio consists of \$4,241 mm in microfinance loans, a product that is being unwind since 2016.

(3) Number of clients includes only credit products

(4) Not including fees and commissions

(5) Includes NPLs between 60 and 360 days, as a percentage of total managed loan portfolio excluding NPL>360, as reported in financial statements as of March 2020 on note 5.1.1 NPL calculation considers principal only.



# Competitive Advantage and Target Market

	Traditional banks	credivalores Credivalores - Crediservicios S.A.S.
Commercial	<ul style="list-style-type: none"> <li>Branch network represents the largest channel for commercial activity</li> </ul>	<ul style="list-style-type: none"> <li>Customer approached on site by exclusively trained and developed sales force</li> </ul>
Product	<ul style="list-style-type: none"> <li>Multiproduct portfolios / cross selling</li> </ul>	<ul style="list-style-type: none"> <li>Specialized and customized products</li> <li>Collection and billing of credit card using utilities' infrastructure</li> </ul>
Market segment	<ul style="list-style-type: none"> <li>Middle and high income segments</li> <li>– Large average loan size</li> <li>– Standard credit analysis</li> <li>– Limited presence in small and mid-size cities</li> </ul>	<ul style="list-style-type: none"> <li>Low and mid income segments</li> <li>– Small average loan size</li> <li>– Credit scoring according to product nature and clients' risk profile</li> <li>– Small and mid-size cities</li> </ul>
Processes	<ul style="list-style-type: none"> <li>Complex internal process and slow response times</li> <li>Additional documents required for analysis</li> </ul>	<ul style="list-style-type: none"> <li>Agile processes and response time</li> <li>Complimentary information from alliances</li> </ul>

## Potential client base = 79.2% of Colombia's population

Total population as of November 2018: 45.5 million

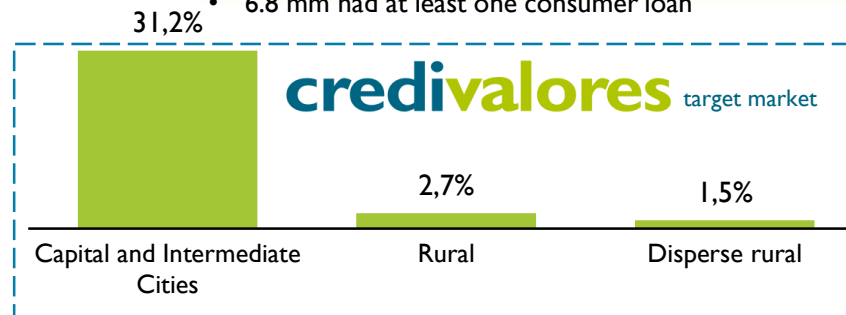


## Focus on less penetrated small and intermediate cities

Population with access to credit, % of total inhabitants (Dec. 2018)

**14 mm people (40.5% of total population) had a credit product outstanding**

- 8.9 mm had at least one credit card
- 6.8 mm had at least one consumer loan



Source: Company, Raddar CKG, DANE, Colombian Financial Superintendence

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# Recent Developments (IQ 2020)

## Growth and Profitability

- **Mixed operational and financial results YoY:**
- **+20.0% (YoY) growth in total portfolio origination** (+96% YoY in credit cards)
- **-30.8% (YoY) growth in Net Interest Income**
- **- 62.0% (YoY) in Gross Financial Margin**
- **Operating and Net Income Losses (YoY)** due to higher financial costs and net impairments

## Improvements in Funding Profile and Strong Cash Position

- **New 5NC3 8.875% note issued in feb-2020** for US\$300 MM (90 bps below inaugural bond)
- **Access to domestic capital market:** structuring and authorization to issue a securitization of payroll loan portfolio **for up to COP\$150 Bn (US\$37 MM)** during 2020.
- **Payroll loan origination** guaranteed through **local secured syndicated loan** <sup>(1)</sup>, recently increased to COP\$10 Bn (US\$76 MM), and **portfolio transfers to BTG's mutual fund.**
- **Committed credit lines for COP\$331 Bn (US\$81 MM)**, 45% of them available. **Cash at hand of US\$125 MM as of Mar-2020**, after the US\$300 MM bond issuance in Feb-2020.
- **Average life of total debt extended from 2.2 years** (domestic 2.1 years and foreign 2.2 years) in **Dec-2019 to 3.2 years** (domestic 1.8 years and foreign 3.4 years) in **Mar-2020.**
- **Foreign currency debt fully hedged** with NDFs, cross currency swaps and options.

## Improved Balance Sheet Position

- **Capital adequacy ratio (Equity/ assets- cash) at 13.9%.**
- **Leverage ratio (debt/ equity) at 5.0x.**
- **Covenant compliance as of March 2020**, according to the Description of the Notes.

## Loan Portfolio Quality

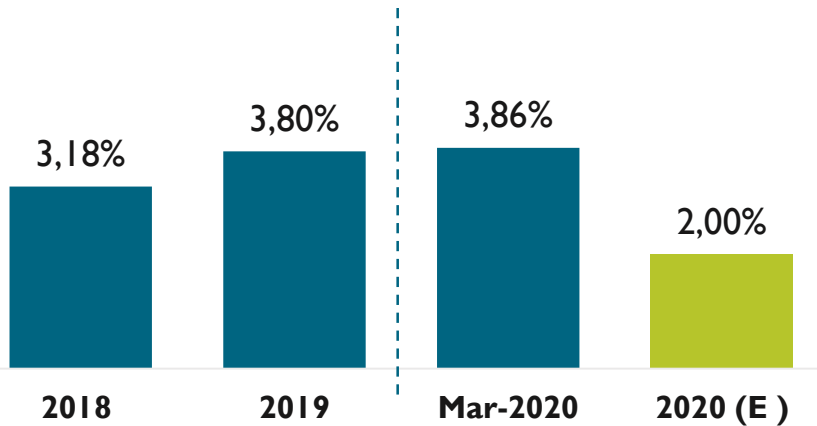
- **NPLs under control** at 5.2% as of Mar-2020.
- **Recovery of credit card origination** (+96% YoY) due to **technological improvements in the origination** and collection processes, including a **new digital underwriting platform** and **new agreements with utility companies increasing our potential client base by 21%.**
- **Consolidation of leading competitive position in the payroll loan market** (1.6% market share of total payroll loan origination in the financial system as of March 2020).



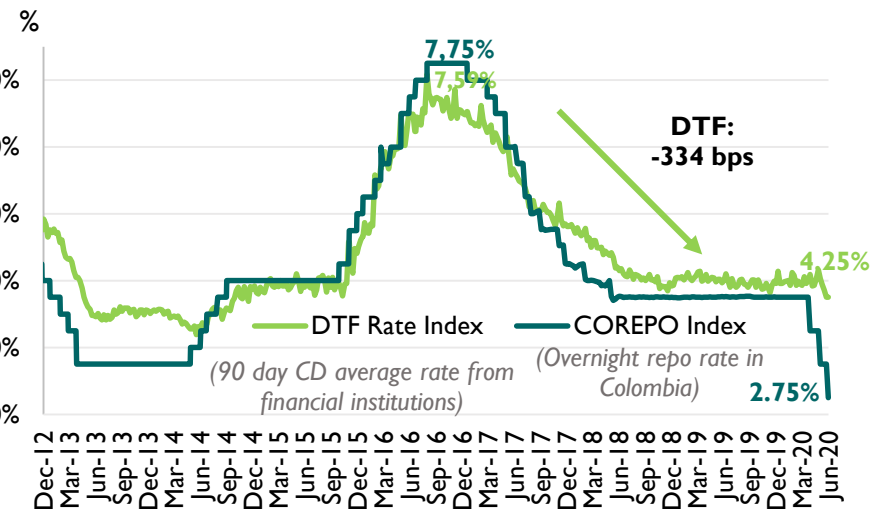
# IQ 2020 Main Highlights - Macro Conditions

## Inflation <sup>(1)</sup>

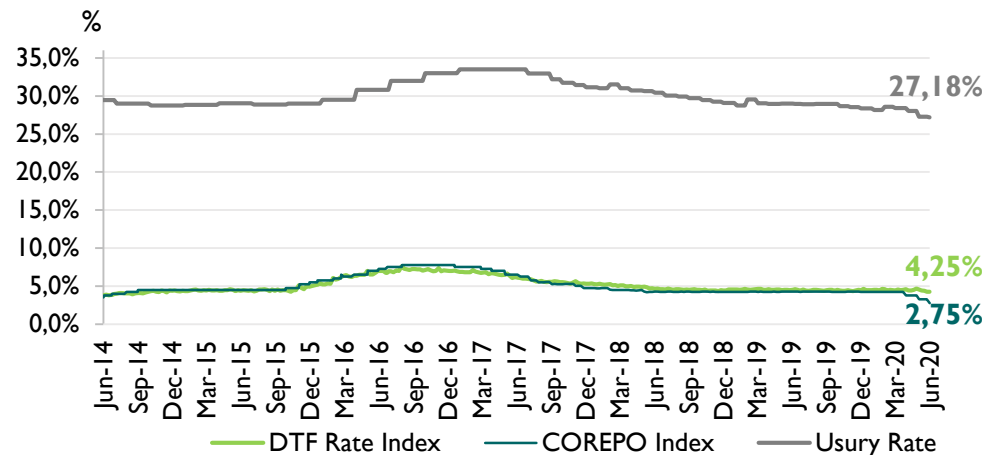
As % change, YOY



## Interest Rates <sup>(1)</sup>



## Usury Rate vs. Interest rates <sup>(3)</sup>



	2019	2020 (E)
<b>DTF</b>	4,54% <sup>(1)</sup>	2,0% <sup>(2)</sup>
<b>GDP Growth</b>	3,3% <sup>(1)</sup>	-2.4% <sup>(1)</sup>

- **Changes in calculation period of usury rate <sup>(4)</sup>, starting on September 1<sup>st</sup>, 2017 from quarterly to monthly basis**
- **The calculation formula remained unchanged: 1.5 x the average lending interest rate <sup>(5)</sup>**
- **Since the adoption of this measure, usury rate has declined 579 bps**

Source:

(1) Central Bank- Banco de la República website [www.banrep.gov.co](http://www.banrep.gov.co)

(2) Inflation Report. Central Bank. Analysts' forecasts.

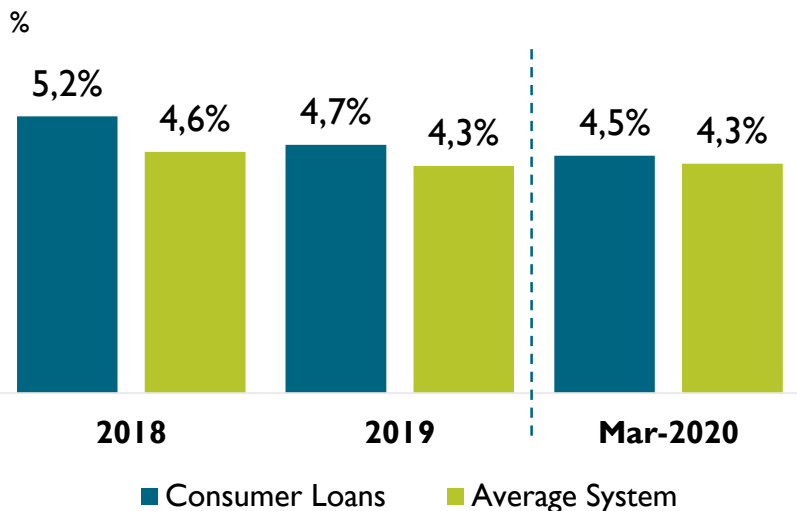
(3) Colombian Superintendence of Finance.

(4) Cap rate applicable to all loans in Colombia, calculated by the Superintendence of Finance.

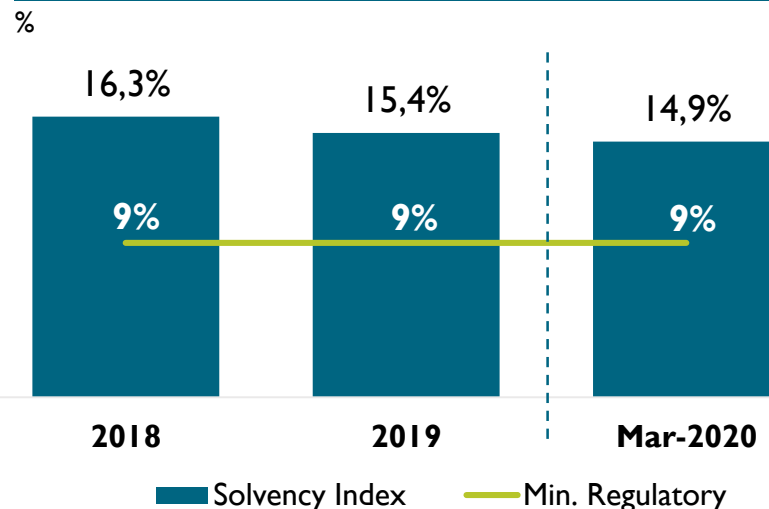
(5) Average interest rate paid by the borrowers and certified by the Superintendence of Finance based on the interest rates from microloans, consumer loans, small amount consumer loans. Those transactions not reflecting market conditions are excluded from the calculation.

# IQ 2020 Main Highlights - Macro Conditions

## NPLs Financial System (1)

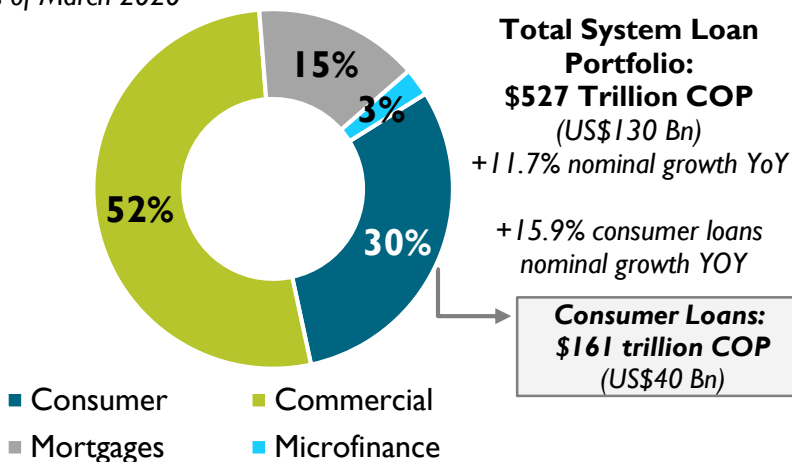


## Solvency Index Financial System (2)



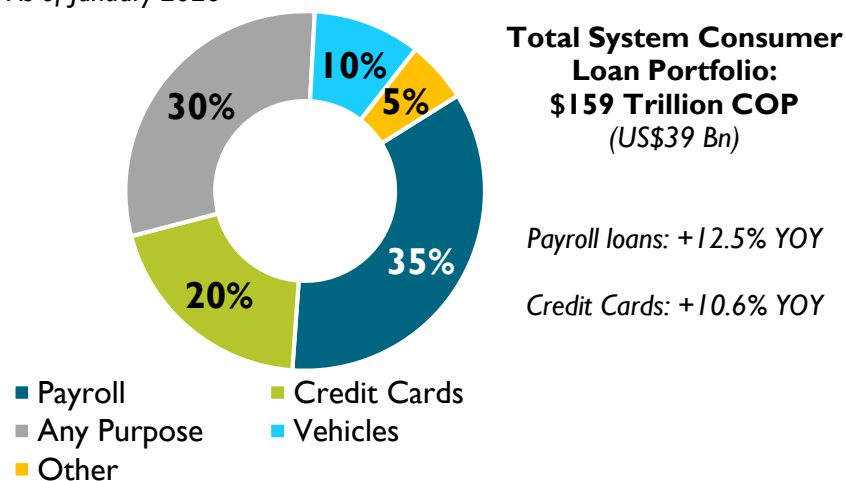
## Financial System Loans Portfolio by Type (3)

As of March 2020



## Consumer Loans Portfolio by Type (3)

As of January 2020



Source:

(1) Colombian Superintendence of Finance. Including write-offs.

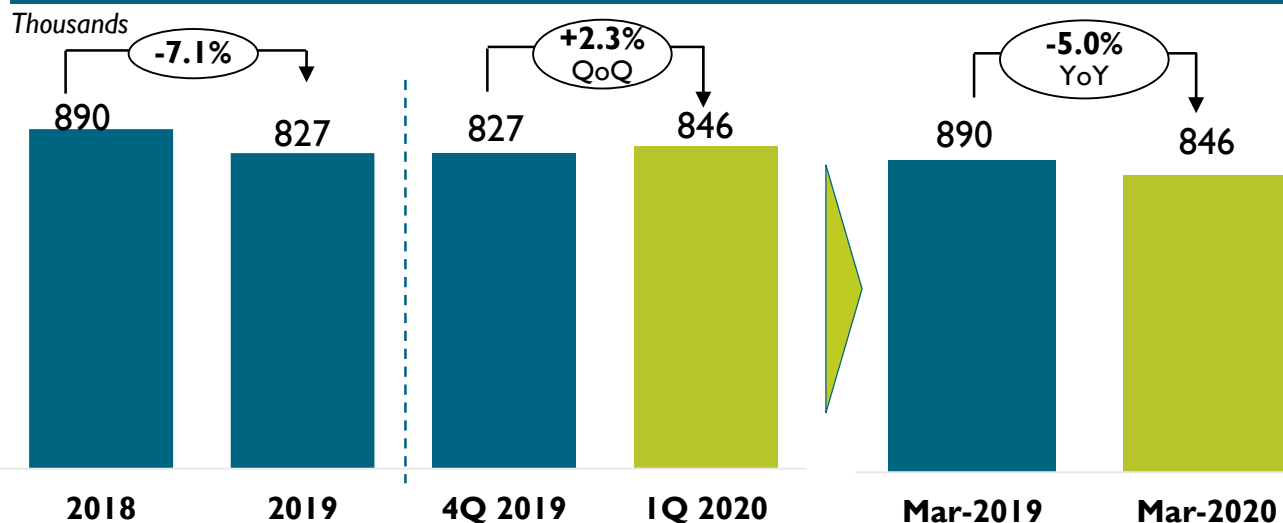
(2) Colombian Superintendence of Finance. Calculated as equity over weighted average assets.

(3) Colombian Superintendence of Finance. Latest available report on consumer loans portfolio by type.

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# IQ 2020 Operating Results

## Number of Clients (1)



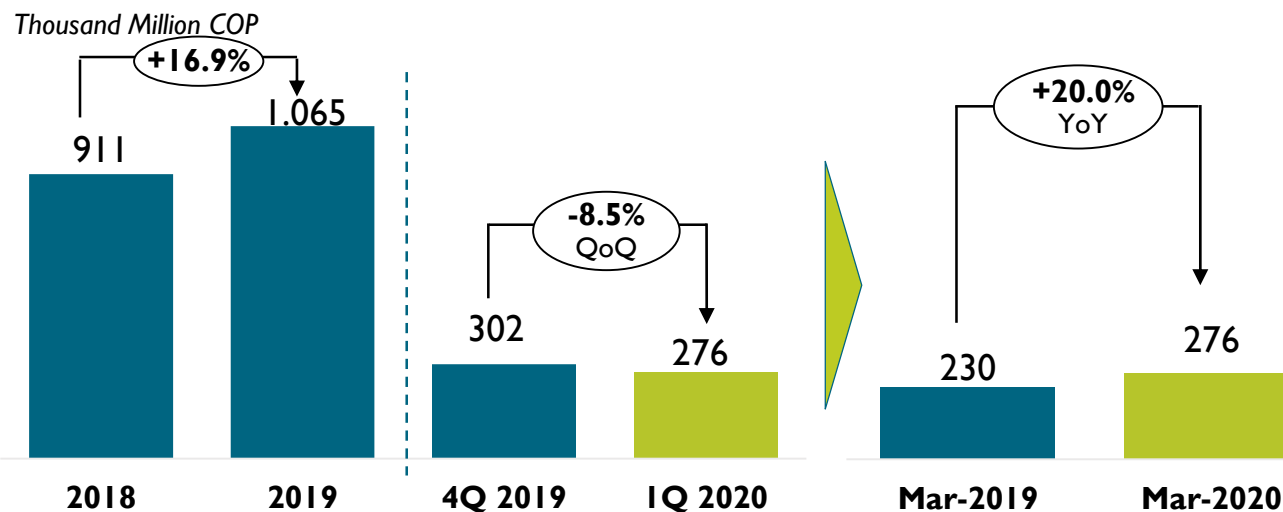
### QoQ client results due to:

- +1.5% in payroll loans
- +3.4% in credit cards
- 1.4% in insurance financing

**-5.0% (YoY)**

due to a decline in insurance financing (-25%) and payroll loans clients (-7.3%)

## Loan Portfolio Origination (2)



### QoQ disbursements results due to:

- 7.8% in payroll loans
- 8.6% in credit cards
- 12.2% in insurance financing

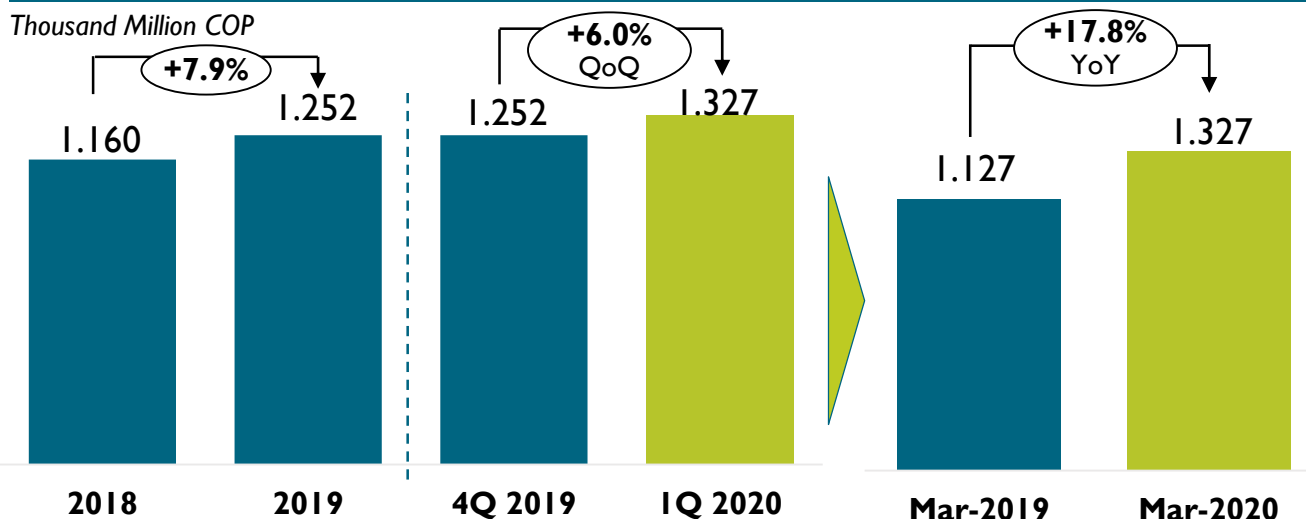
**+20% (YoY)**

due to a 96% growth in credit cards

# IQ 2020 Operating Results

## Owned Loan Portfolio (1)

Thousand Million COP

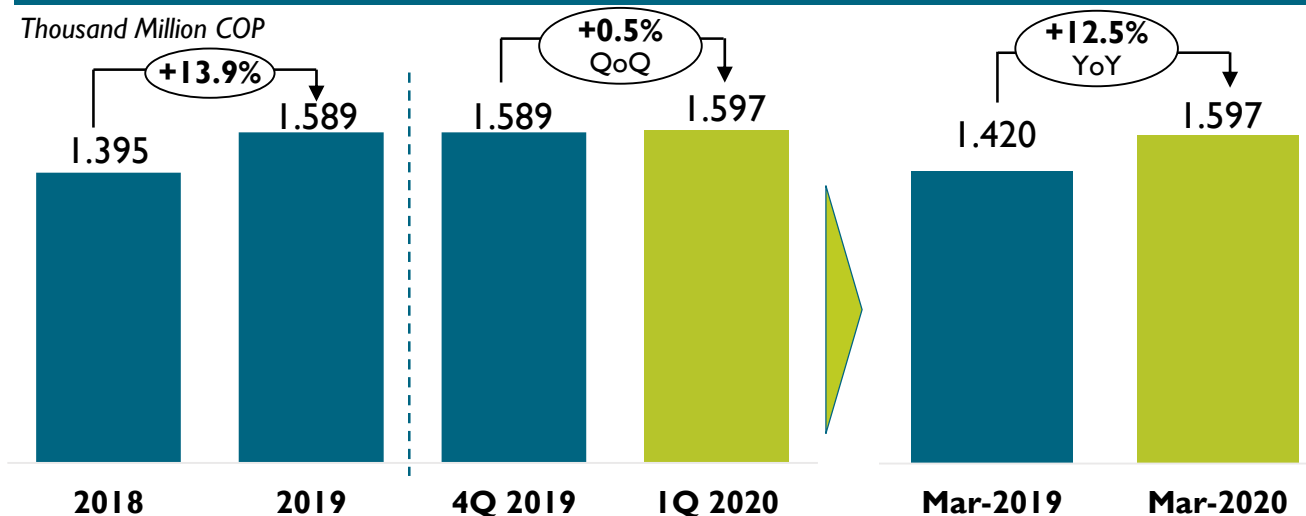


**QoQ owned portfolio results due to:**  
**+ 5.8% in payroll loans**  
**+6.9% in credit cards**  
**-0.5% in insurance financing**

**+ 17.8% (YoY)**  
 due to portfolio growth in payroll loans (+18%) and credit cards (25%)

## Managed Loan Portfolio (2)

Thousand Million COP



**QoQ managed portfolio results due to:**

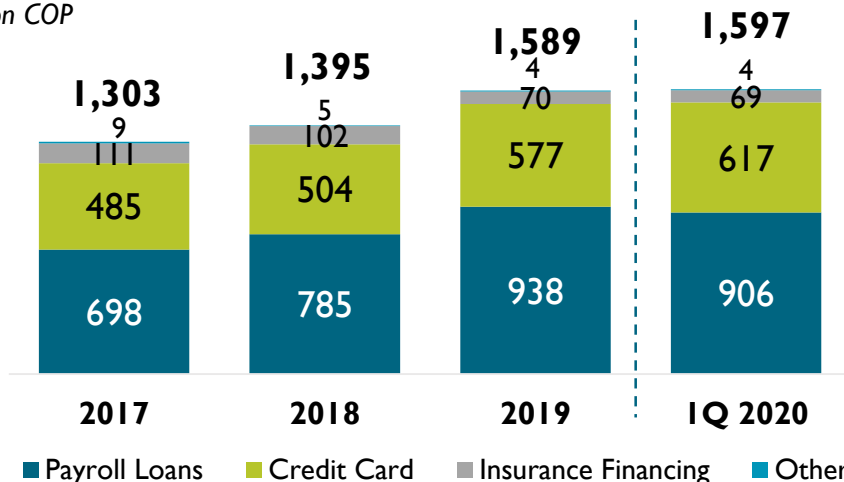
**-3.4% in payroll loans**  
**+6.9% in credit cards**  
**-0.5% in insurance financing**

**+12.5% (YoY)**  
 due to portfolio growth in payroll loans (+9%) and credit cards (+25%) to offset decline in insurance financing

# IQ 2020 Operating Results

## Managed Loan Portfolio by Product

Thousand Million COP

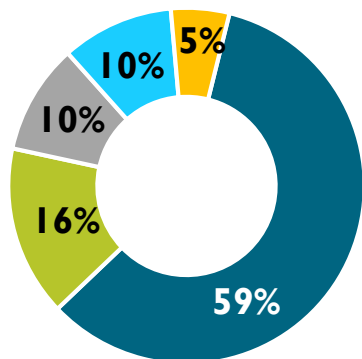


**Payroll loans represent the largest portion of the total portfolio**

As of March 2020 payroll loans represented (56.7%), credit cards (38.7%) and insurance premium financing (4.3%) of the total managed portfolio.

## Payroll Loans Breakdown

As of March 2020



**Top 25 clients**



**0.57%**  
of portfolio

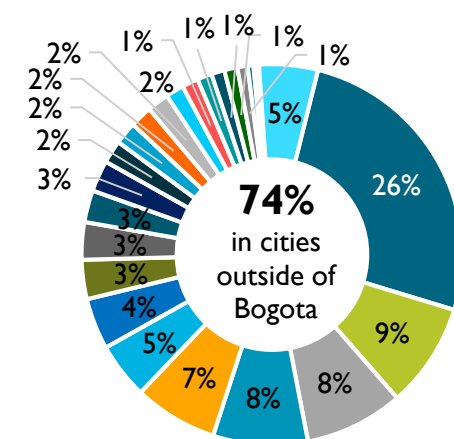
**0.087%**  
single client exposure

**84%**  
among retirees and government employees (1)

- Retirees
- Private Cos.
- Government
- Teachers
- Military

## Payroll Loan Portfolio Breakdown by Geography

As of December 2019

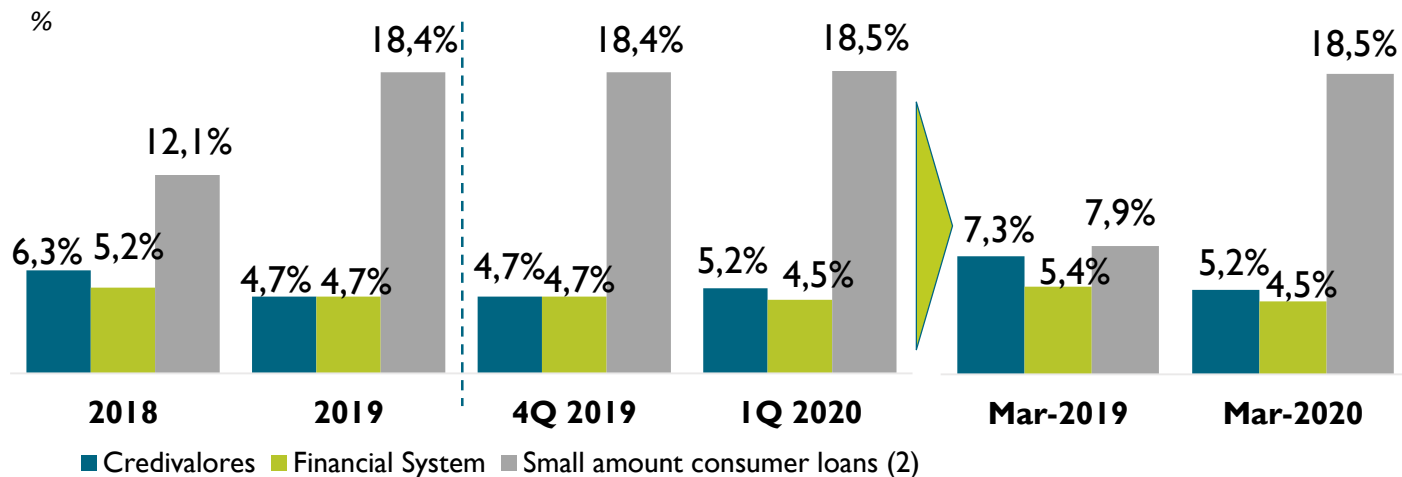


- Bogotá
- Cesar
- Valle del Cauca
- Santander
- Córdoba
- Risaralda
- Guajira
- Meta
- Sucre
- Caquetá
- Huila
- Cundinamarca
- Putumayo
- Arauca
- Antioquia
- Atlántico
- Bolívar
- Magdalena
- Tolima
- Norte de Santander
- Quindío
- Caldas
- Cauca
- Boyacá
- San Andrés
- Nariño
- Guaviare
- Other



# IQ 2020 Operating Results

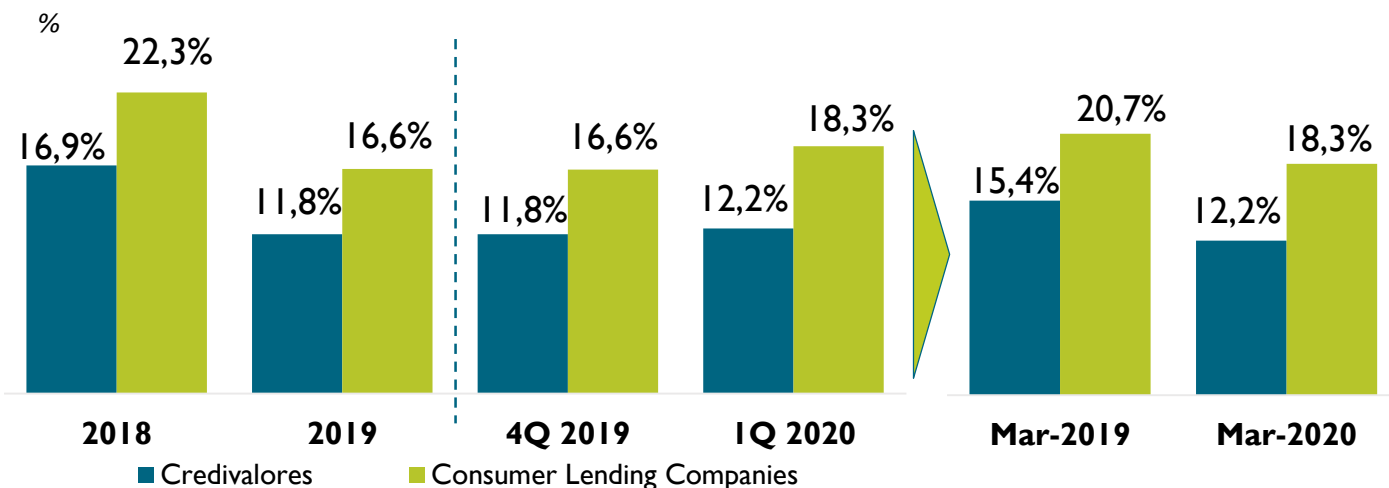
## NPLs Consumer Loans (1)



**NPLs under control and in line with the financial system due to:**

**Effectiveness of measures implemented in 4Q 2018 and IQ 2019 to control credit quality of the credit card business**

## NPLs Consumer Loans (Including Write-Offs) (3)



**Credivalores' NPLs, including write-offs, remain below the average NPLs of consumer lending companies operating in similar products and market segments**

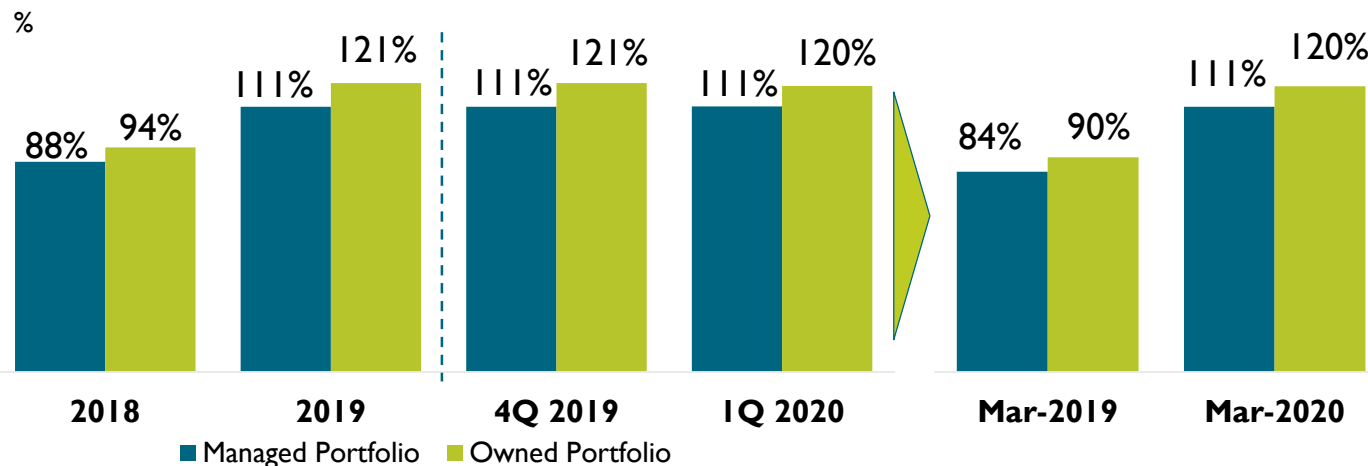
(1) Includes NPLs between 60 and 360 days, as a percentage of total managed loan portfolio excluding NPL>360, as reported in financial statements as of March 31, 2020 on note 5.1.1 NPL calculation considers principal only.

(2) Consumer loans of small amounts are defined by the Financial Superintendence as those consumer loans for up to 2 minimum wages (today about US\$478) and a maximum tenor of 36 months (information available as of January 31, 2020).

(3) Data from Consumer Lending Companies. Given Credivalores' past policy of not writing off loans, we calculate the equivalent ratio of the financial system for comparative basis. The Company adopted IFRS 9 in 2018 and as a consequence the Company started to write-off past due loans.

# IQ 2020 Operating Results

## NPLs Coverage Ratio (+60) <sup>(1)</sup>



**NPLs Coverage Ratio stable due to:**

**Higher net impairment expenses resulting from credit card portfolio growth and IFRS 9 adoption (expected loss model)**

## Measures adopted to control NPLs in the Credit Cards Business

- ✓ **Restrictive and conservative** underwriting policies.
- ✓ **Migration to direct billing under certain agreements with utility companies.**
- ✓ **Strengthening of the collections and risk areas and new management team** to implement changes in collection.
- ✓ **Development of new scoring models** for new origination and for portfolio management **to improve pricing strategy.**
- ✓ **Two new agreements with utility companies: Electrohuila and Enerpereira**, increasing the client base in the credit card business by 21% reaching 4.3 million potential clients.
- ✓ **New digital underwriting platform for credit card granting us access to clients with improved creditworthiness.**
- ✓ **Pre installed app in the cell phones financed (Huawei and Samsung)** to improve collection.

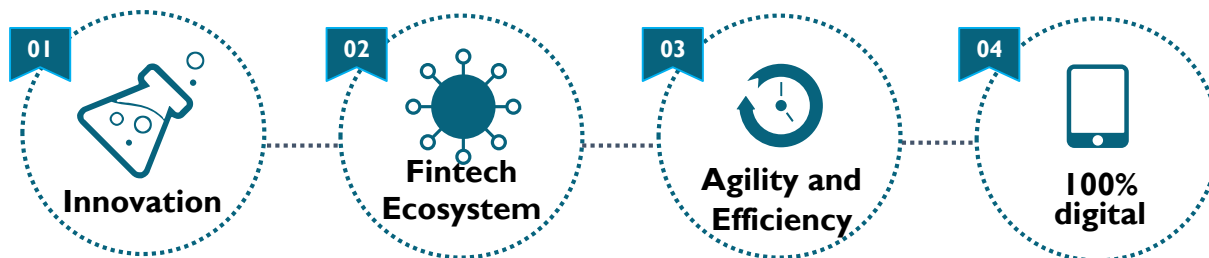
(1) Calculated as reserves (including impairments and FGA reserves) over NPLs of managed / owned loan portfolio. FGA (Fondo Nacional de Garantías de Antioquia) is an entity that acts as guarantor for loans of our clients. The cost of the guaranty is paid by the respective client. The amounts paid are held by a mercantile trust fund and are considered a reserve that we have established to protect our portfolio in case of deterioration of the loans granted.

# IQ 2020 Operating Results

## Redesign and Digitalization of the Origination Process for Credit Cards



### Credit Card Digital Origination



Commercial Channels

Retails  
Employers  
Mobile Units

Internal Sales Force



Telecom Cos  
Merchants  
Middlemen

Allies



**Step 1**  
Profiling  
Feasibility confirmation in real time

**Step 2**  
Data Collection  
-Georeferencing  
-Automatic validations

**Step 3**  
Digital Signature  
-Digital and facial biometrics  
-Dematerialized promissory notes

**Step 4**  
Disbursement / Credit Card Issuance

March 2020 (1):

100% digital origination platform for the credit card business



**Productivity +45%**

**Response Time -51%**

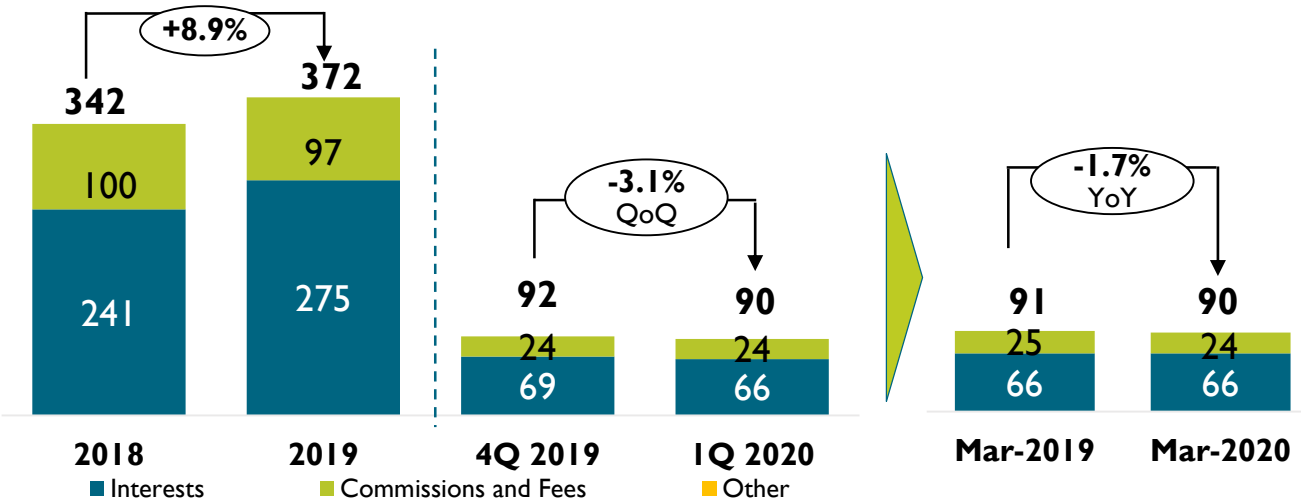
**Origination Costs -39%**

**Clients Approved +144%**

# IQ 2020 Financial Results- Income Statement

## Interest Income (1)

Thousand Million COP



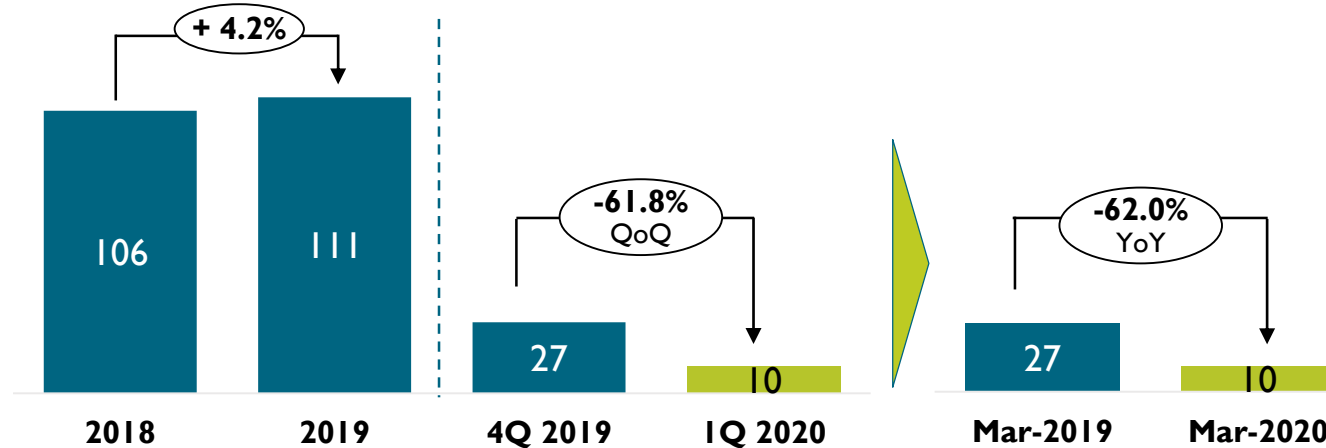
**QoQ interest income results due to:**

**-4.3% in interests**  
**+0.5% in commissions and fees**

**- 1.7% (YoY)**  
 due to a 6% decrease in commissions and fees

## Gross Financial Margin

Thousand Million COP



**QoQ gross financial margin results due to:**

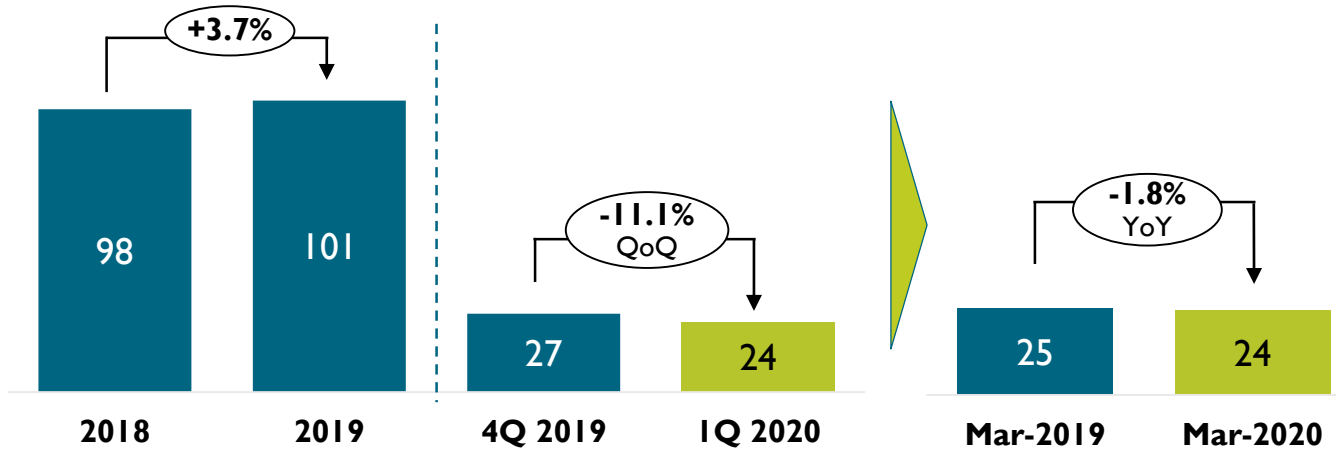
**-3.1% in interests and fees**  
**+29.3% in financial cost**  
**+27% in net impairments**

**- 62.0 (YoY)**  
 due to higher financial costs (+26%) and higher net impairment expenses (+17%)

# IQ 2020 Financial Results- Income Statement

## SG&A- Other Expenses <sup>(1)</sup>

Thousand Million COP



**QoQ other expenses results due to:**

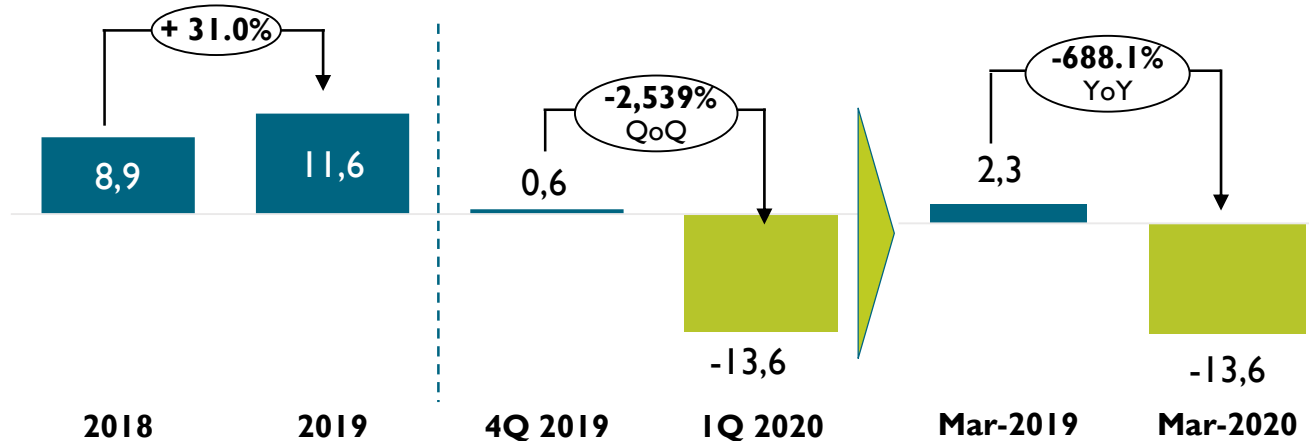
- +8.1% in employees benefits
- 13.2% in depreciation and amortization expenses
- 14.4% in legal, insurance and taxes expenses

**-1.8% (YoY)**

due to a decrease in temporary services, fees and operating leases

## Operating Income

Thousand Million COP



**QoQ operating income due to:**

**-61.8% in gross financial margin**

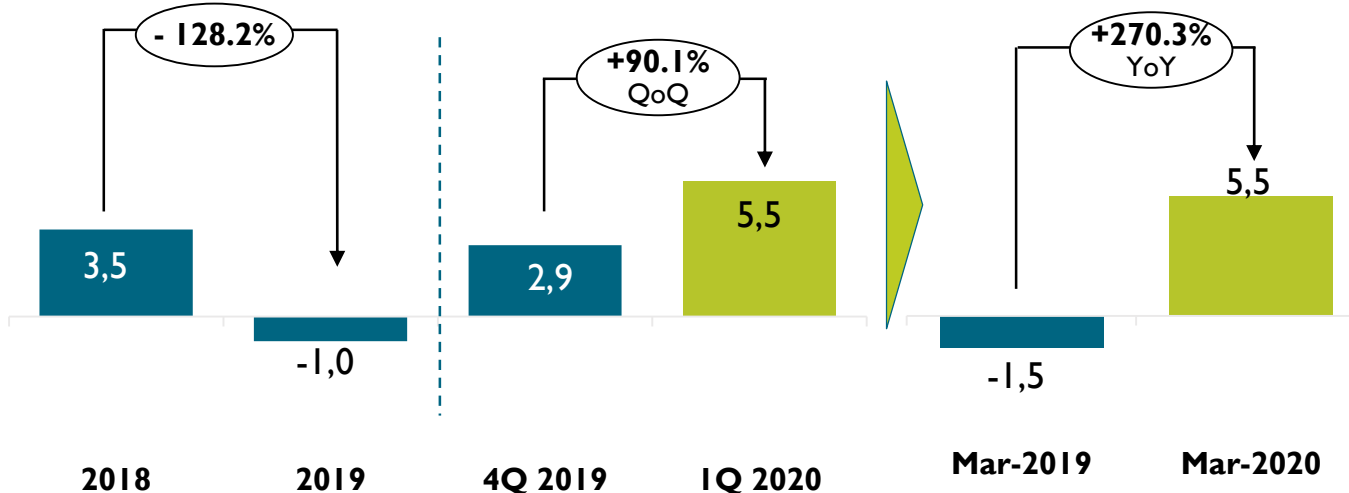
**-688.1% (YoY)**

due to a 31% decrease in net interest income and a 15% growth in net impairments and SG&A expenses

# IQ 2020 Financial Results- Income Statement

## Net Financial Income / Expenses (Non-Operating) <sup>(1)</sup>

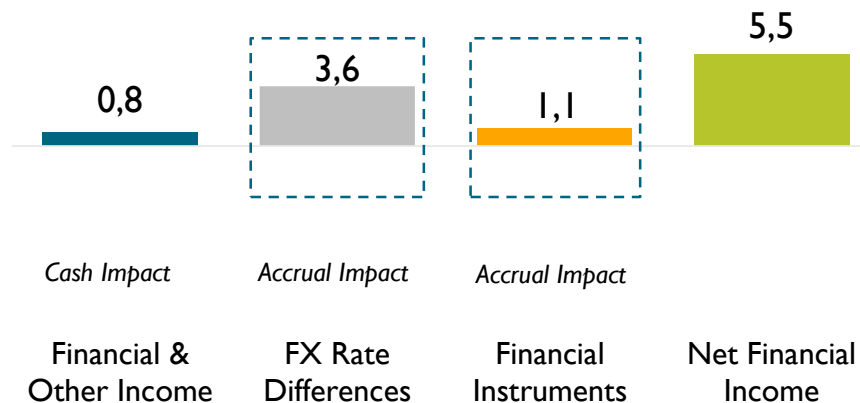
Thousand Million COP



100% of principal of foreign currency debt hedged to COP, including the 9.75% USD\$170 million bond due 2022 and the 8.875% USD\$300 million bond due 2025

## Net Financial Income / Expenses (Non-Operating) IQ 2020 <sup>(2)</sup>

Thousand Million COP



A 24% COP depreciation against USD (COP\$788 / USD) between Dec-2019 and Mar-2020 was mitigated in the P&L, due to the effectiveness of the hedging policy in place.

Source:

(1) Includes FX rate differences (income or expenses) arising from the hedging position on foreign currency debt and forward valuations (expenses/ income).

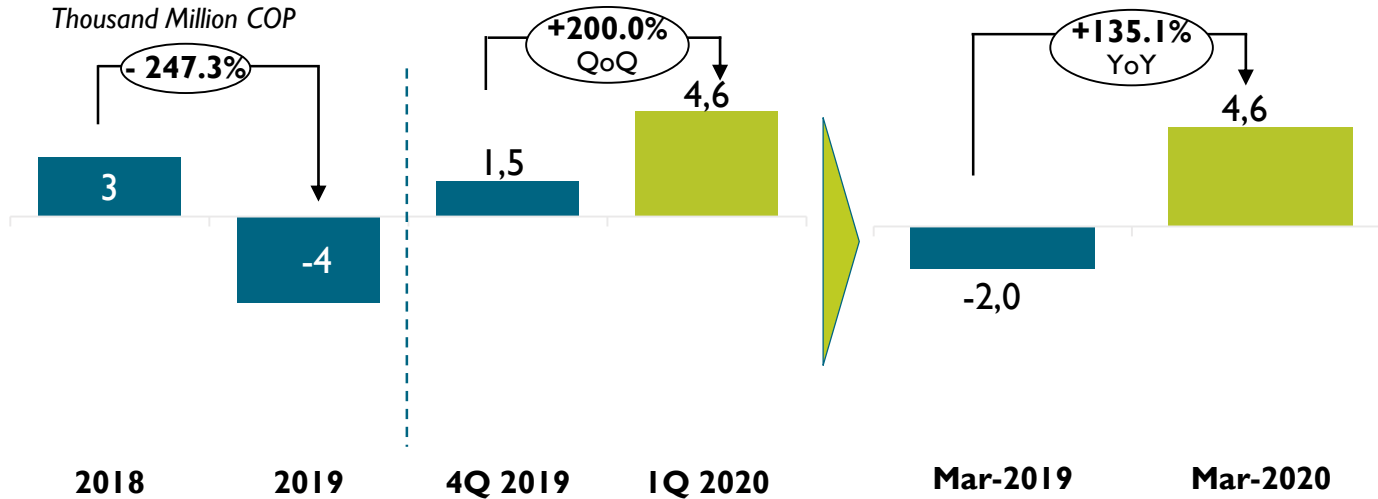
(2) FX rate differences (income or expenses) arising from the hedging position on foreign currency debt and forward valuations (expenses/ income).



# IQ 2020 Financial Results- Income Statement

## Non-Recurring Items

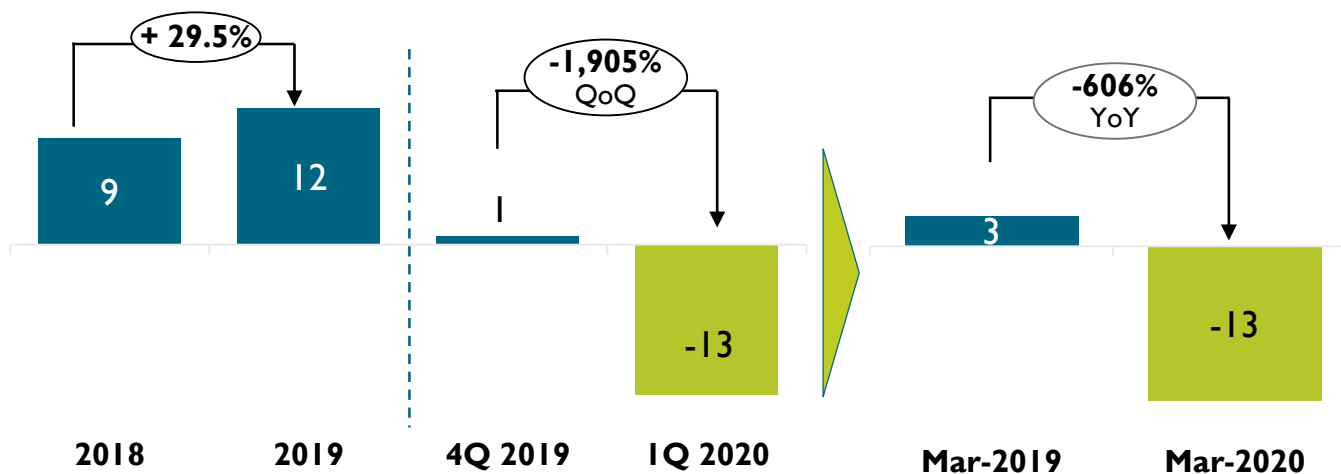
Thousand Million COP



**Positive impact of non-recurring items due to COP depreciation against USD, which resulted in income from the excess cash in USD and a higher valuation of foreign currency investments**

## Net Income Before Taxes and Non-Recurring Items

Thousand Million COP

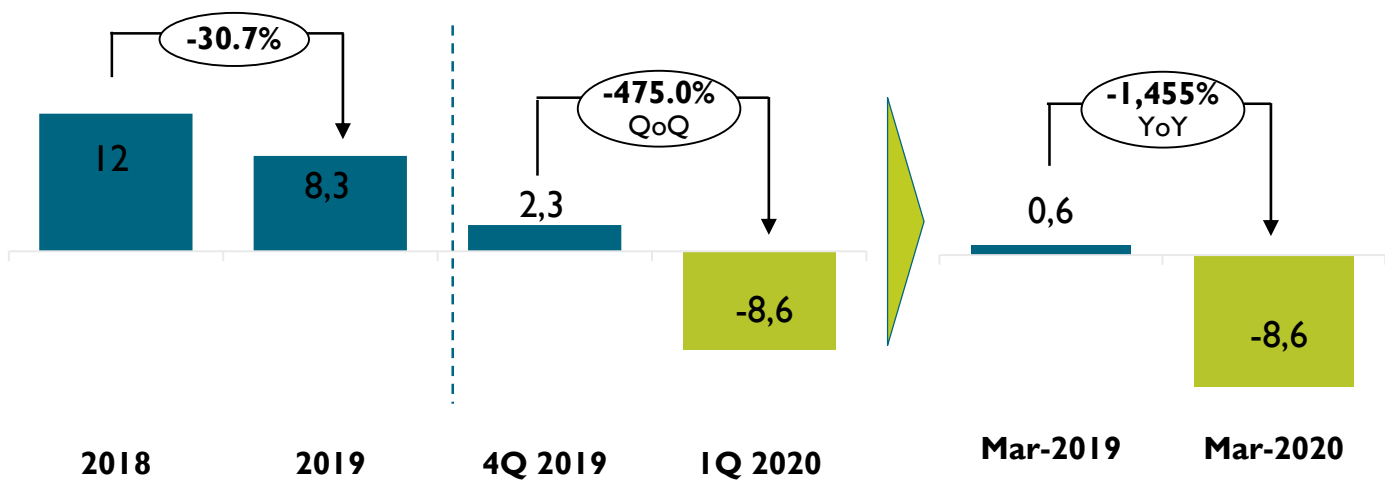


**Net income before taxes and non-recurring items affected by lower gross financial margin and operating income**

# IQ 2020 Financial Results- Income Statement

## Net Income Before Taxes

Thousand Million COP



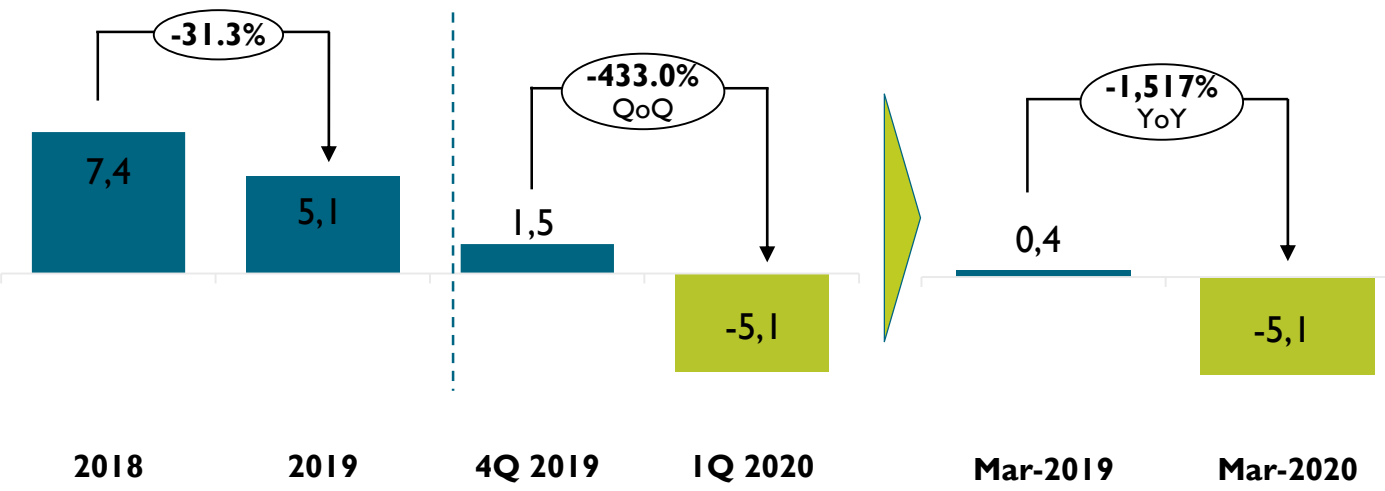
**QoQ net income before taxes due to:**

Lower operating income due to lower gross financial market

**-1,455% (YoY)**  
due to lower operating income from lower net interest income and lower gross financial margin

## Net Income for the Period

Thousand Million COP

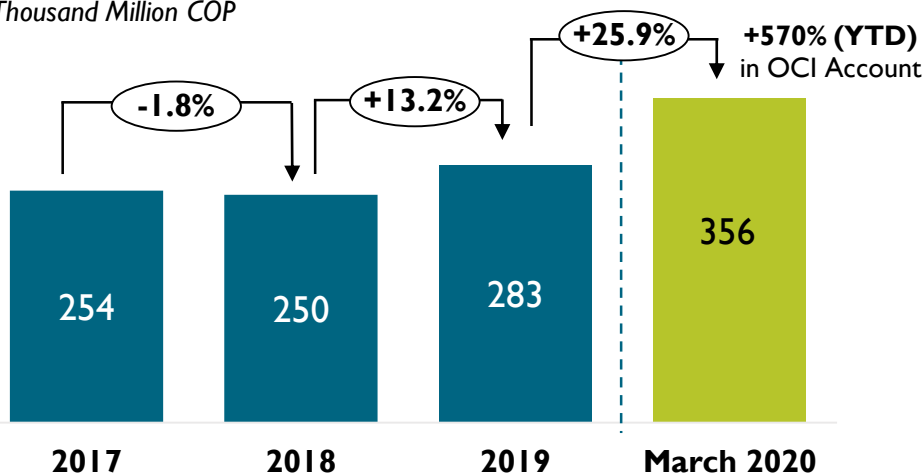


**-1,517% (YoY)**  
due to lower operating income partially offset by non-recurring income

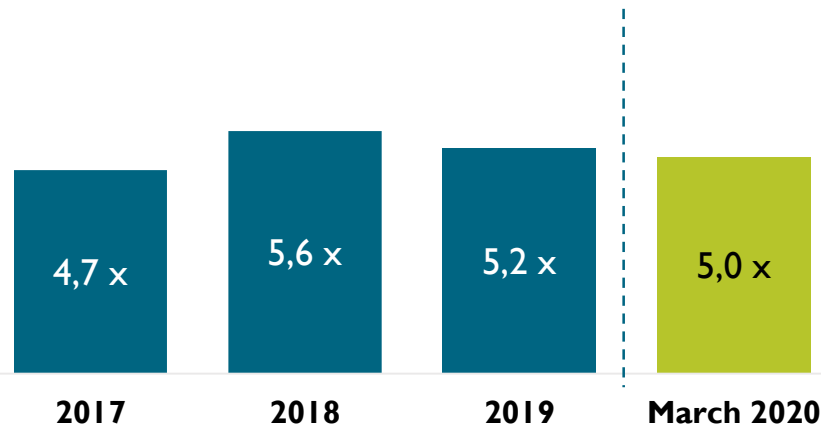
# March 2020 Financial Results- Balance Sheet

## Shareholders' Equity Evolution

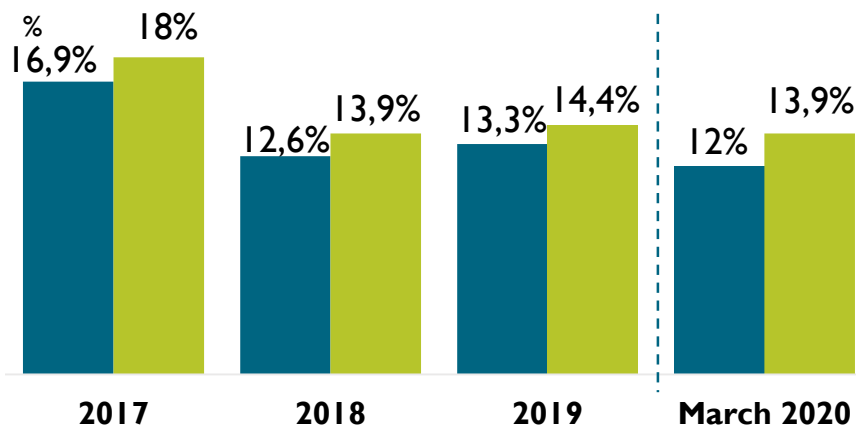
Thousand Million COP



## Leverage Ratio (Debt <sup>(1)</sup> /Equity)

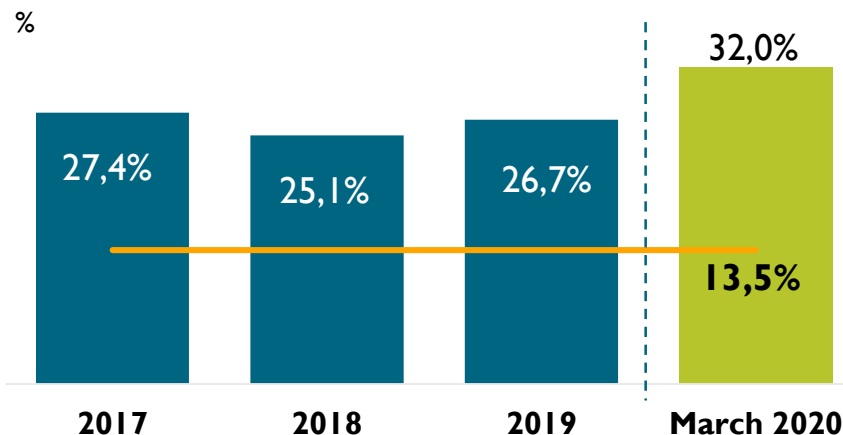


## Solvency Ratio (Equity/ Assets)



■ Equity/Assets ■ Equity/(Assets- Cash and Cash Equivalents)

## Capitalization Ratio <sup>(2)</sup>



Source:

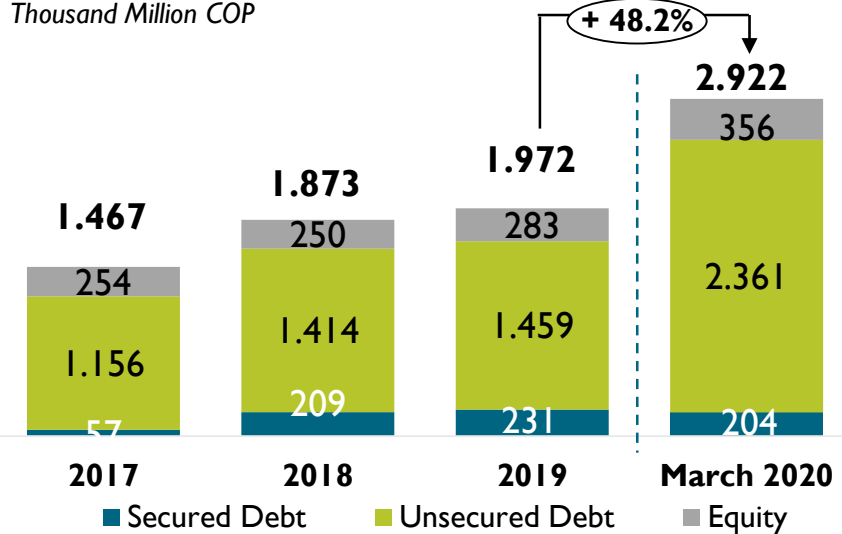
(1) Calculated based on Financial Obligations net of transaction costs and Net Obligations under hedging obligations.

(2) Calculated as total shareholders' equity divided by net loan portfolio (defined as owned loan portfolio less impairment of financial assets and FGA reserve) (as defined under "Description of the Notes of the Offering Memorandum").

# IQ 2020 Financial Results- Balance Sheet

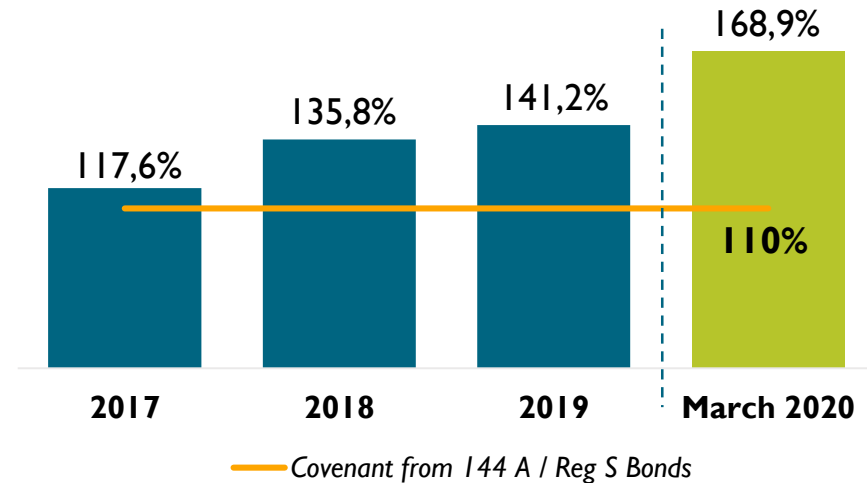
## Capitalization Evolution (1)

Thousand Million COP



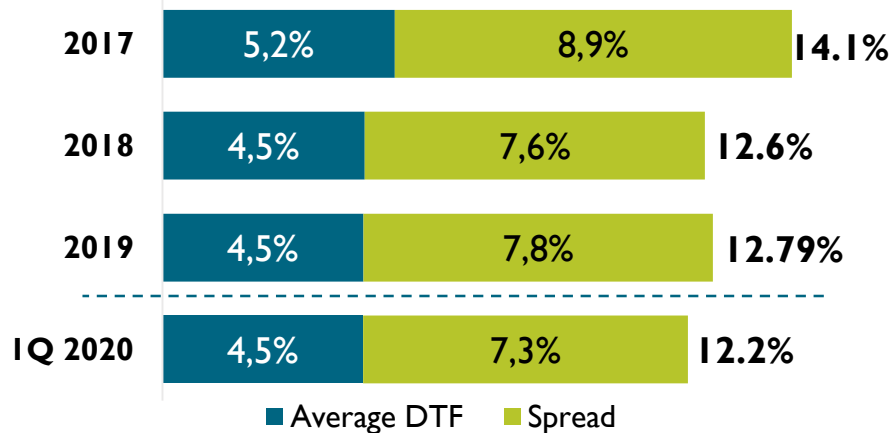
## Unencumbered Assets / Unsecured Debt (2)

%



## Average Funding Cost (3) (%)

As of March 2020



### Lower funding cost due to:

- ✓ Lower reference interest rate since 2018 has resulted in a stable IBR rate.
- ✓ Lower cost of hedging through cross currency swaps indexed to IBR on our USD denominated debt, which accounts for 74% of our total debt.

Source:

(1) Including the FX impact on secured and unsecured financial debt denominated in USD and expressed in COP.

(2) Unencumbered Assets defined as Total Assets less intangible assets, net deferred tax assets and any other assets securing other indebtedness.

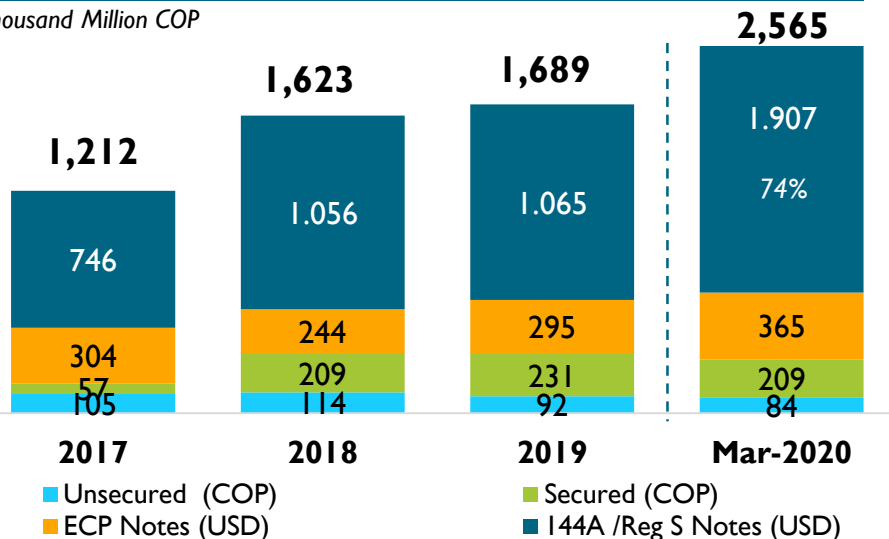
Unsecured Indebtedness, means any Indebtedness other than Secured Indebtedness, including Net Obligations under Hedging Obligations. 23

(3) Not including transaction costs and fees.

# Debt Profile- March 2020

## Financial Obligations by Source (Principal) (1)

Thousand Million COP

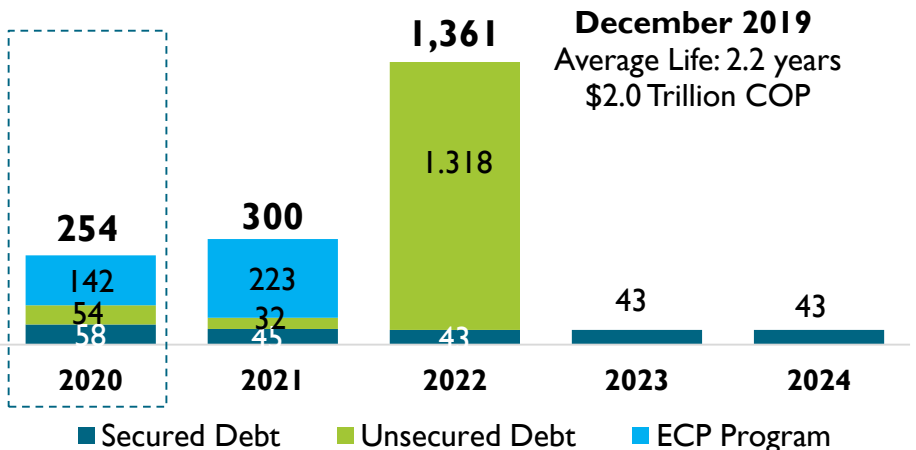


2017 2018 2019 Mar-2020

- Unsecured (COP)
- ECP Notes (USD)
- Other (USD)
- Secured (COP)
- 144A /Reg S Notes (USD)

## Debt Maturity Profile (2)

Thousand Million COP

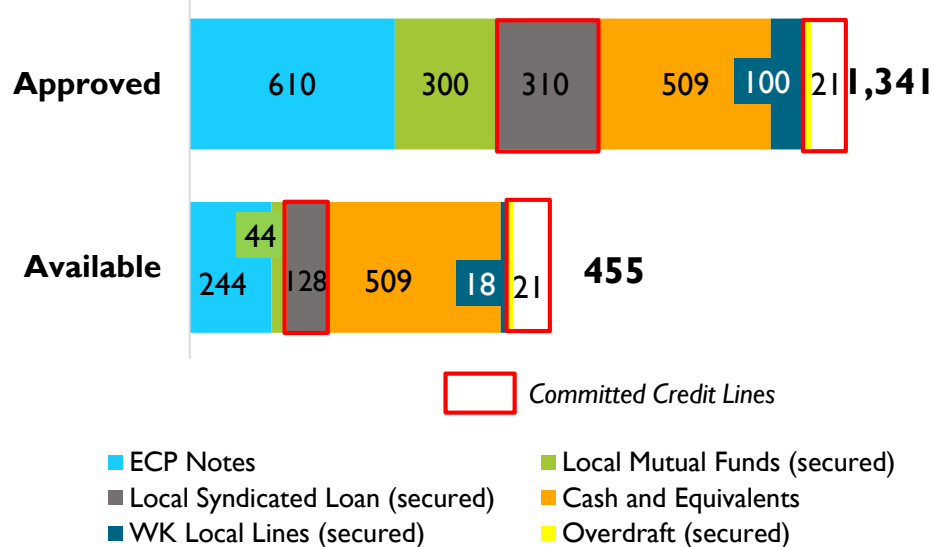


2020 2021 2022 2023 2024

credivalores

## Sources of Funding for 2020- As of March 31, 2020

Thousand Million COP



Committed Credit Lines

- ECP Notes
- Local Mutual Funds (secured)
- Local Syndicated Loan (secured)
- Cash and Equivalents
- WK Local Lines (secured)
- Overdraft (secured)

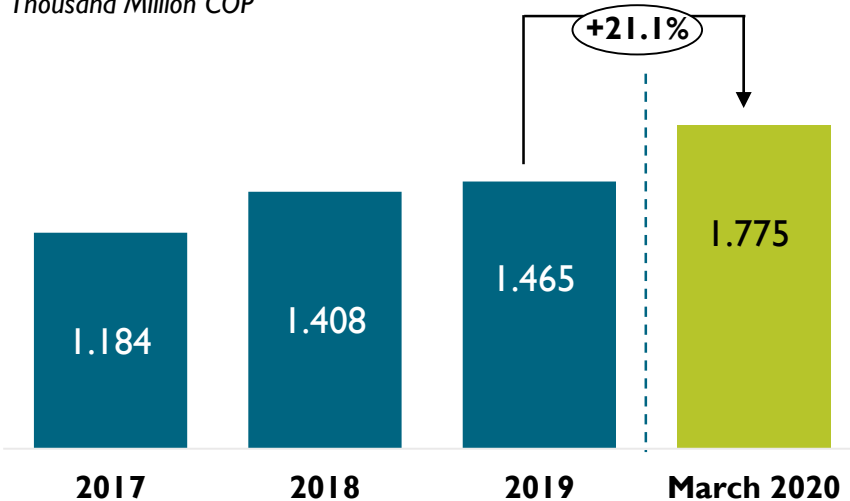
(1)Gross of transactions costs and Net Obligations under Hedging Obligations, which reflect the FX impact on financial debt. USD denominated debt converted to COP using the FX rate at the end of each period.

(2) For comparison reasons, USD denominated debt was converted to COP\$ using the FX rate of \$4,054.54 COP/USD applicable as of April 1st, 2020, in line with the FX rate used in the Financial Statements as of March 31st, 2020 for the same purpose.

# Financial Obligations- March 2020

## Net Financial Obligations <sup>(1)</sup>

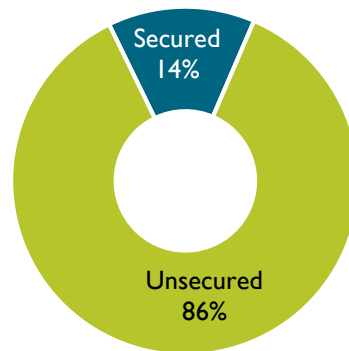
Thousand Million COP



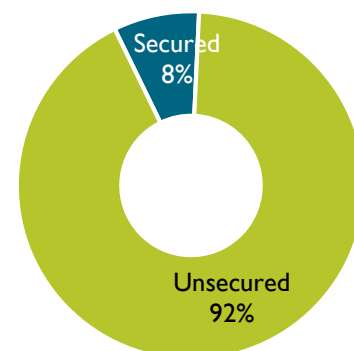
## By Type

%

### December 2019



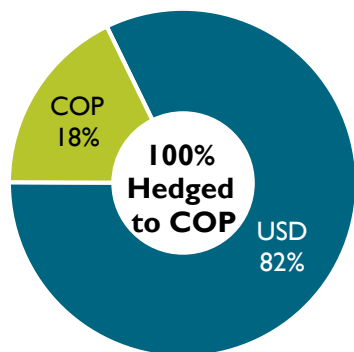
### March 2020



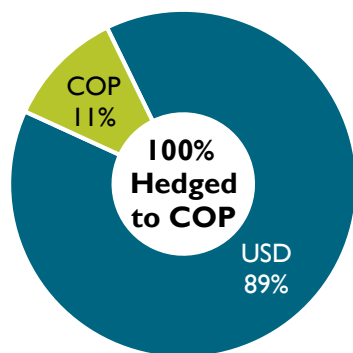
## By Currency

%

### December 2019



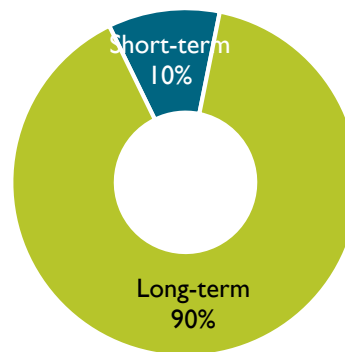
### March 2020



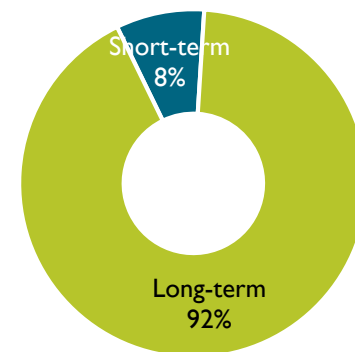
## By Term

%

### December 2019



### March 2020



Source:

(1) Net of transaction costs and Net Obligations under Hedging Obligations.



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# Closing Remarks

## Risk Management, Asset Quality and Financial Results

- **NPLs under control**, resulting from **technological developments in the origination and collection processes** from digital platforms, especially in the credit card business while maintaining more restrictive and conservative underwriting policies.
- **Increase in net impairment expense** due mainly to **credit card portfolio growth**.
- **100% of foreign currency debt** hedged to pesos.
- **YoY net income** decreased mainly due to the **increase in the cost of funding** resulting from the **US\$300 MM bond issuance in February** and the **negative carry** of the proceeds of this issuance.

## Strong Liquidity Position and Funding Sources

- **Strong liquidity position** and **funding sources available** to meet **2020 debt amortizations** and to **fund the operation**.
- **Approval** in place to issue a **securitization** of payroll loans for up to **\$150 BnCOP (US\$37 MM)** in the local capital market in **2020**.
- **Average life of debt remains above 3.2 years** to mitigate refinancing risks.
- **New agreements** with **utility companies** (Electrohuila and EnerPereira) increasing the client base for credit cards by **21%** and **geographical expansion to new regions with no previous presence** (Valledupar, Antioquia, Florencia, Popayán and Manizales).

## Development of new origination channels

- **100% of origination for payroll loan** and **insurance premium financing** is currently completed through **telephone sales**.
- **Credit card origination through self-service digital platform** scheduled to be **launched in June 2020**.
- **Commercial force** has been able to **meet the 2020 revised budget for loan portfolio balance and loan origination** under national quarantine conditions due to **non-conventional channels**.

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## Operations and IT



- **Infrastructure:** broad use of community working tools to coordinate administrative and commercial staff working from home and quick identification of critical suppliers for the continuity of business in alternate locations (call centers, collection networks, new laptops and telephone lines, remote accesses and VPNs, software licenses, etc.).
- **Operational Costs:** resize of operations and IT staff, according to new expectation in originations, postponement/cancellation of projects, digital transformation projects prioritized.

## Human Resources and Administration



- **Total staff:** resize of all areas during national quarantine (March 24<sup>th</sup>- July 1<sup>st</sup>), 77% of staff doing home office.
- **Continuity of Business:** given the exemption applicable to the financial services sector under the obligatory national quarantine decree, we developed protocols for our staff working at our offices to guarantee business continuity, including: social distancing, hygiene stations, disinfection of work stations and buildings, mandatory use of masks, work shifts, constant internal communications regarding self-care, hand wash and obligation to report any symptoms or suspicion of contagion.

## Collection Channels and Credit Risk



- **Financial relief measures for clients (by demand):**
  1. **Payroll Loans:**
    - ✓ Individual client (only for current and less than 30 days past due loans): grace period of up to 2 months, extendable for 2 additional months, extension of tenors to reduce discounted amount from the payroll or the pension.
  2. **Credit Cards:**
    - ✓ Restrictive underwriting policies, higher scores, reduction in total approved amounts.
    - ✓ Grace period of up to 2 months, extendable for 2 additional months for current and less than 30 days past due loans and restructuring alternatives of loans for clients more than 30 days past due (lower rate, extended tenors, reduction of collection charges).
    - ✓ Collection of installments through utility bills could be delayed for up to three months, depending on measures applied by region, affecting cash flow of the company.

## Financial and Liquidity Position



- **Strong Liquidity Position:** US\$125 MM of cash at hand as of Mar-2020 after the US\$300 MM bond issuance in Feb-2020. Credivalores will monitor market conditions to decide whether to prepay or not the US\$40 MM ECP Note due Apr-2021.
- **Sources of Funding:** renewal of local syndicated loan for payroll loan origination for COP\$310 Bn (US\$ 76 MM) in Apr-2020, WK lines for COP\$18 Bn (US\$4 MM) and overdraft line for COP\$20.8 Bn (US\$5.1 MM). Approvals in place to issue a securitization of payroll loans for up to COP\$150 Bn in the local capital market once market conditions change.
- **Hedging Instruments:** principal and interest on the 9.75% bond due 2022 and the 8.875% bond due 2025 are hedged until maturity through different instruments, as shown below:

### 9.75% bond due 2022

Hedging Instrument	Trade date	Maturity Date	Call Option Strike (CV Buys)	Call Option Strike (CV Sells)	Average Interest rate in COP	Allocated Amount (USD)
Cross Currency Swap	24-Jan-18	27-Jul-22				US\$95,315,000
Coupon Only Swap	22-Mar-18	27-Jul-22				US\$75,000,000
Call spreads <sup>(1)</sup>	22-Mar-18	25-Jul-22	\$2,849.01	\$4,300.00		US\$75,000,000
<b>IBR + 9.18%</b>						<b>US\$170,315,000</b>

### 8.875% bond due 2025

Hedging Instrument	Trade Date	Maturity Date	Call Option Strike (CV Buys)	Call Option Strike (CV Sells)	Average Interest rate in COP	Allocated Amount (USD)
Cross Currency Swap	7-Feb-20	7-Feb-25				US\$100,000,000
Coupon Only Swap	7-Feb-20	7-Feb-25				US\$100,000,000
Coupon Only Swap	7-Feb-20	7-Feb-25				US\$50,000,000
Coupon Only Swap	7-Feb-20	7-Feb-25				US\$50,000,000
Call spread <sup>(1)</sup>	7-Feb-20	7-Feb-25	\$3,415.00	\$4,500.00		US\$200,000,000
<b>IBR + 7.47%</b>						<b>US\$300,000,000</b>

# COVID-19 Action Plan

## Origination and Business Development



- **Origination Costs:** resize of commercial force, closing of branches and points of sales of TIGO during national quarantine, suspension of new hirings and reduction of marketing costs.
- **Product Origination and Dynamics:**
  1. **Payroll Loans:** defensive asset under current market uncertainty given that more than 86% of our payroll loan portfolio is originated among pensioners and government officials. Given mobilization restrictions, telephone originations by our sales force have surged by 50% since March 2020, mainly for loan renewals, using data analytics from our Data Warehouse.
  2. **Credit Cards:** expected to be the most affected by COVID-19. Sales force is using telephone sales to activate delivered but unused credit cards, which will increase average loan portfolio and commissions and fees.
  3. **Insurance Premium Financing:** expected to be impacted by COVID-19 as clients decide to cancel insurance policies given change in economic and employment conditions. Life and burial insurance policies remain still attractive for clients.

Pipeline of Digital Transformation Projects



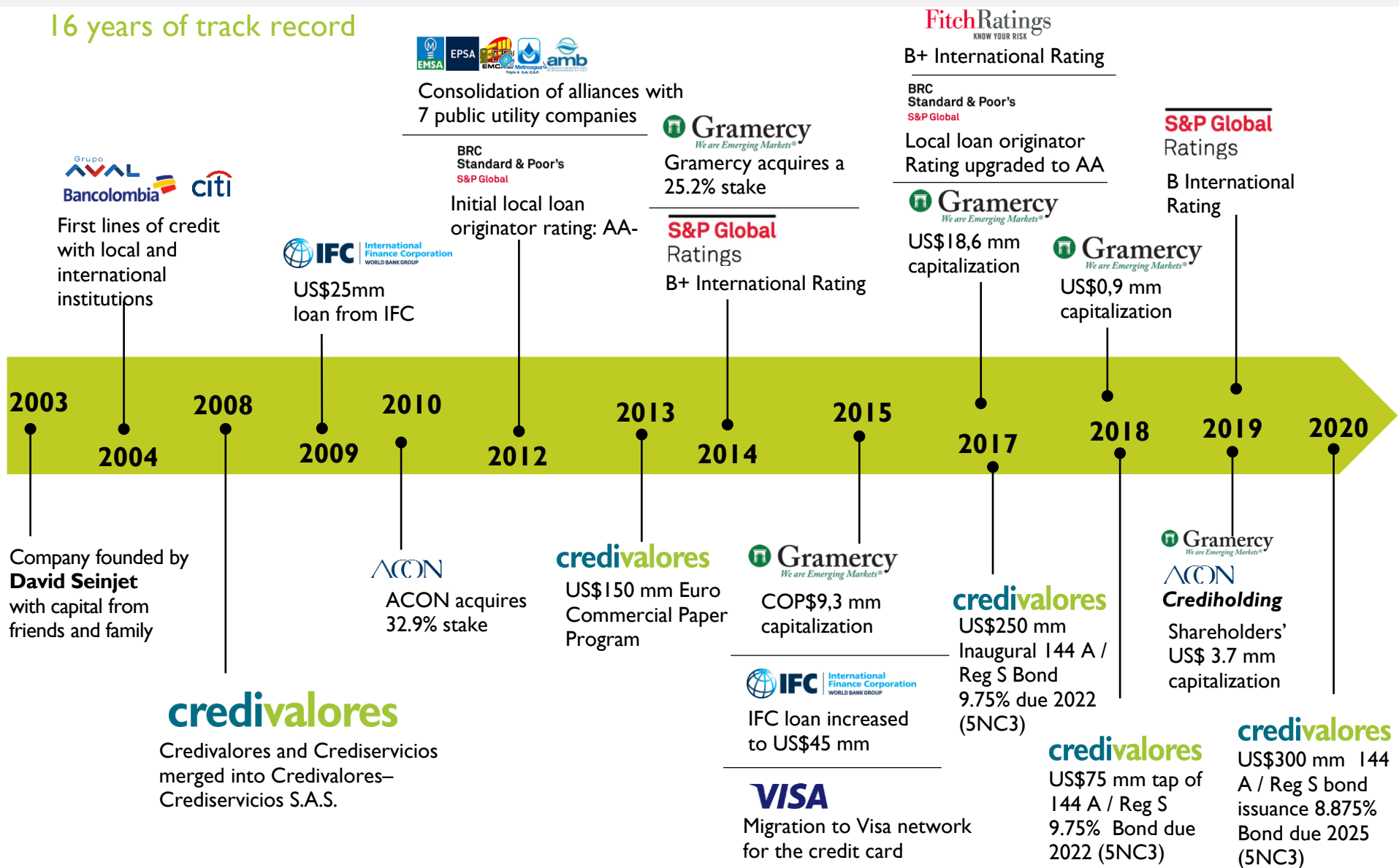
	<b>Pre-COVID 19</b>	<b>Post-COVID 19 Base Scenario <sup>(1)</sup></b>
<b>Managed Loan Portfolio Growth vs. 2019</b>	<b>+22% to 26%</b> <i>About COP\$1.9 trillion</i>	<b>+12 to 18%</b> <i>About COP\$1.8 trillion</i>
<b>Loan Origination Growth vs. 2019</b>	<b>+27% to 32%</b> <i>About COP\$1.4 trillion</i>	<b>+ 5% to 6%</b> <i>About CO4\$1.1 trillion</i>
<b>NPLs</b>	<b>5.3% - 5.5%</b>	<b>6.5% - 7.0%</b>
<b>Operating Income vs. 2019</b>	<b>+ 20% to 25%</b>	<b>-32% to -15%</b>
<b>Efficiency Ratio</b>	<b>46% - 44%</b>	<b>50% - 53%</b>
<b>Equity / Assets</b>	<b>~14.5%</b>	<b>~ 13.0%</b>
<b>Capitalization Ratio</b>	<b>~26%</b>	<b>~ 26%</b>

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# Credivalores History

16 years of track record

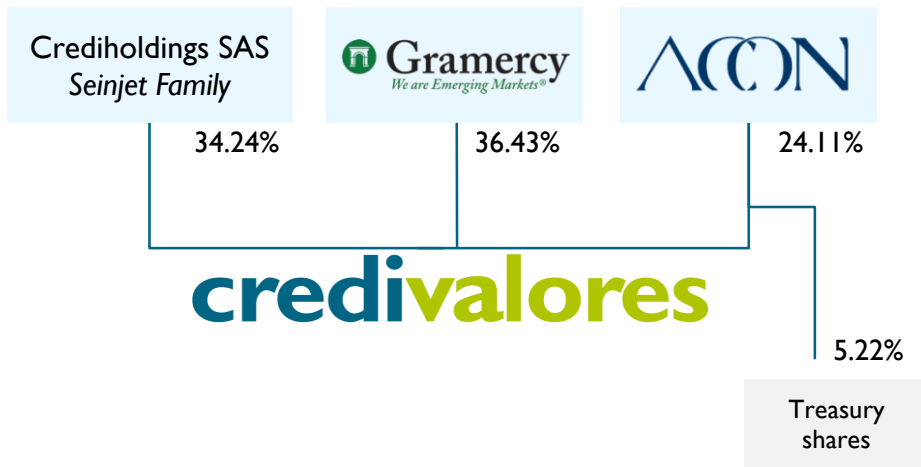


Source: Company.




# Shareholders' Structure

## Simplified ownership structure

(as of March 31, 2020)



## Key Shareholders

<p><b>Crediholdings (Seinjet family)</b> 34.15%</p>	<ul style="list-style-type: none"> <li>✓ Founding family</li> <li>✓ Involved in the sugar business since 1944 (Ingenio La Cabaña)</li> </ul>
<p><b>Gramercy</b> (US\$5.8bn AUM) 36.36%</p>	<ul style="list-style-type: none"> <li>✓ Asset manager focused on investments in emerging markets</li> <li>✓ High yield and performing credit, equity, private equity and special situation investments</li> <li>✓ Shareholders of Credivalores since 2014 through its private equity investments arm</li> </ul>
<p><b>ACON</b> (US\$5.3bn AUM) 24.04%</p>	<ul style="list-style-type: none"> <li>✓ Private equity Firm focused on middle-market investments in Latam, including:                             <ul style="list-style-type: none"> <li> <b>BetterWare</b> Mexico Home organization and houseware products</li> <li> <b>GRUPO SALA</b> Colombia Waste Management</li> <li> <b>AMFORAPACKAGING</b> Colombia and Peru Rigid plastic packaging for cosmetics and personal care</li> </ul> </li> <li>✓ Shareholders of Credivalores since 2010</li> </ul>

# Highly Experienced Management Team

## Principal Officers

### **David Seinjet** *Chief Executive Officer*

- Founder and President of Credivalores
- Chairman at Grupo la Cabaña
- Bachelor of Business Administration from Bentley College and EMBA from Universidad ICESI. More than 20 years of experience in managing and providing strategic direction to companies in the real state and financial sectors.

### **Hector Chaves** *Chief Financial Officer*

- Economist from Universidad Externado and Finance Specialist from Universidad de los Andes with more than 20 years of experience in the banking and financial sector in Colombia as CFO and CRO, leader of strategic committee and Board member.
- He previously worked at senior positions at BCSC, Helm Bank and Bogota Stock Exchange

### **Juan Guillermo Barrera** *Chief Commercial and Business Development Officer*

- Bachelor of Business Administration from Universidad EAFIT, Economist Specialist from Universidad de los Andes and Executive MBA from IE with more than 22 years of experience in the financial, treasury, capital markets, private banking and corporate sectors.
- He previously worked in senior positions at Grupo Bancolombia, Valores Bancolombia, Capicol and Puntos Colombia.

### **Patricia Moreno** *Chief Funding and Investor Relations Officer*


- Bachelor in Finance and International Relations from Universidad Externado, Capital Markets Specialist from Universidad Sabana and Executive MBA from Universidad de los Andes with more than 15 years of experience in debt capital markets and corporate finance in the corporate and financial sectors.
- She previously worked as Head of Funding and Investor Relations at Codensa and Emgesa (Enel Group Companies), Fixed Income Manager at Citibank and Deputy Director of External Funding at the Ministry of Finance and Public Credit.

## Principal Officers

### **Juan Camilo Mesa** *Chief Risk Officer*

- Engineer from Escuela de Ingeniería de Antioquia, Economist Specialist from Universidad de los Andes and Master of Science in Risk Management from NYU with more than 10 years experience developing and executing credit, market and operational risk models.
- He previously worked as Head of Credit Risk and CRO at Tuya S.A., a leading credit card business in Colombia focused in low and middle income population.

# Stable Regulatory Framework for Payroll Lending

	 <b>Colombia</b>	 <b>Mexico</b>	 <b>Brazil</b>
<b>Country rating</b>	<ul style="list-style-type: none"> <li>■ BBB- / BBB / Baa2</li> </ul>	<ul style="list-style-type: none"> <li>■ BBB+ / BBB+/ A3</li> </ul>	<ul style="list-style-type: none"> <li>■ BB- / BB- / Ba2</li> </ul>
<b>Level of regulation</b>	<ul style="list-style-type: none"> <li>■ High</li> <li>■ Law No.1527 of 2012 (Payroll Loans Law)</li> <li>■ Max. interest rate (usury rate)</li> </ul>	<ul style="list-style-type: none"> <li>■ Low</li> </ul>	<ul style="list-style-type: none"> <li>■ Medium</li> </ul>
<b>Main clients</b>	<ul style="list-style-type: none"> <li>■ Government sector, Private corporations and pensioners</li> </ul>	<ul style="list-style-type: none"> <li>■ Government sector and pensioners</li> </ul>	<ul style="list-style-type: none"> <li>■ Government sector and pensioners</li> </ul>
<b>Origination</b>	<ul style="list-style-type: none"> <li>■ Per regulation, free access to all employers without the need of intermediaries or unions</li> </ul>	<ul style="list-style-type: none"> <li>■ Unions are relevant for the loan origination process</li> </ul>	<ul style="list-style-type: none"> <li>■ Through third parties (distributors)</li> </ul>
<b>Operating costs</b>	<ul style="list-style-type: none"> <li>■ Lower (no need for distributors or intermediaries)</li> </ul>	<ul style="list-style-type: none"> <li>■ Higher (distributors are required to reach the unions)</li> </ul>	<ul style="list-style-type: none"> <li>■ Commission is paid to distributors</li> </ul>
<b>Maximum tenor offered</b>	<ul style="list-style-type: none"> <li>■ 140 months</li> </ul>	<ul style="list-style-type: none"> <li>■ 60 months</li> </ul>	<ul style="list-style-type: none"> <li>■ 96 months</li> </ul>
<b>Interest rates</b>	<ul style="list-style-type: none"> <li>■ Controlled for everyone</li> </ul>	<ul style="list-style-type: none"> <li>■ Unrestricted</li> </ul>	<ul style="list-style-type: none"> <li>■ Controlled for pensioners</li> </ul>
<b>Limit to client's indebtedness</b>	<ul style="list-style-type: none"> <li>■ Yes, maximum 50% of the client's net wage</li> </ul>	<ul style="list-style-type: none"> <li>■ No</li> </ul>	<ul style="list-style-type: none"> <li>■ Yes</li> </ul>
<b>Players</b>	<ul style="list-style-type: none"> <li>■ Banks, cooperatives and non-bank originators</li> </ul>	<ul style="list-style-type: none"> <li>■ Government agencies, banks and non bank originators</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial institutions, pension funds and insurance companies</li> </ul>

# Income statement

Million COP	As of March 31,		
	2020 (Million US\$ ) <sup>(1)</sup>	2020 (Million COP)	2019
<b>Income Statement Data:</b>			
Interest income and similar	22.3	89,543	91,126
Financial costs (interest)	(14.5)	(59,023)	(47,014)
<b>Net interest and similar</b>	<b>7.5</b>	<b>30,520</b>	<b>44,112</b>
Impairment of financial assets loan portfolio	(5.0)	(20,279)	(17,335)
Loan portfolio impairment recoveries	–	–	–
Impairment of other accounts receivable	(0.0)	(73)	–
<b>Gross Financial Margin</b>	<b>2.5</b>	<b>10,168</b>	<b>26,777</b>
<b>Other income</b>	<b>0.1</b>	<b>433</b>	<b>200</b>
SG&A			
Employee benefits	(1.0)	(4,160)	(4,167)
Expense for depreciation and amortization	(0.4)	(1,504)	(1,590)
Depreciation of right of use of assets	(0.1)	(428)	–
Other	(4.5)	(18,117)	(18,906)
<b>Total Other Expenses</b>	<b>(6.0)</b>	<b>(24,209)</b>	<b>(24,663)</b>
<b>Operating Income</b>	<b>(3.3)</b>	<b>(13,608)</b>	<b>2,314</b>
Financial income			
Exchange Rate Differences	0.9	3,570	156
Financial Instruments	–	–	–
Financial income and Other Income Recovery	0.1	411	294
<b>Total financial income</b>	<b>1.0</b>	<b>3,981</b>	<b>450</b>
Financial Expense			
Exchange Rate Differences	–	–	–
Financial Instruments	(0.3)	1,077	(2,133)
<b>Total financial expense</b>	<b>(0.3)</b>	<b>1,077</b>	<b>(2,133)</b>
<b>Net Financial Income (Costs)</b>	<b>(1.4)</b>	<b>5,491</b>	<b>(1,683)</b>
<b>Net income before income tax</b>	<b>(2.1)</b>	<b>(8,555)</b>	<b>631</b>
Income tax	0.8	3,449	(271)
<b>Net income for the period</b>	<b>(1.3)</b>	<b>(5,101)</b>	<b>360</b>

# Balance Sheet

Million COP	As of March 31,		As of December 31		
	2020 (US\$ Million) <sup>(1)</sup>	2020 (Million COP)	2019 (US\$ Million) <sup>(1)</sup>	2019 (Million COP)	2018
<b>Balance Sheet Data</b>					
Cash and cash equivalents	125.2	509,103	40.3	163,851	195,085
<b>Total financial assets at fair value</b>	<b>177.2</b>	<b>722,654</b>	<b>58.8</b>	<b>238,869</b>	<b>220,743</b>
<b>Total loan portfolio, net</b>	<b>322.8</b>	<b>1,312,001</b>	<b>304.6</b>	<b>1,237,974</b>	<b>1,142,524</b>
Consumer loans	372.4	1,513,904	350.5	1,424,890	1,299,476
Microcredit loans	1.4	5,839	1.5	5,931	6,461
Impairment	(51.1)	(207,742)	(47.4)	(192,847)	(163,413)
<b>Accounts receivable, net</b>	<b>108.4</b>	<b>440,800</b>	<b>95.0</b>	<b>386,189</b>	<b>330,651</b>
<b>Total financial assets at amortized cost</b>	<b>431.2</b>	<b>1,752,801</b>	<b>399.6</b>	<b>1,624,163</b>	<b>1,473,175</b>
Investments in associates and affiliates	3.3	13,563	2.7	10,963	10,366
Current tax assets	3.6	14,719	3.3	13,542	12,059
Deferred tax assets, net			2.7	11,053	14,433
Property and equipment, net	0.2	1,003	0.3	1,159	788
Assets of right of use	1.3	5,475	1.5	5,902	
Intangible assets other than goodwill, net	12.9	52,424	13.3	53,892	77,642
<b>Total assets</b>	<b>755.7</b>	<b>3,071,742</b>	<b>522.4</b>	<b>2,123,394</b>	<b>1,986,377</b>
<b>Derivative instruments</b>			<b>7.9</b>	<b>32,188</b>	<b>26,762</b>
<b>Financial obligations</b>	<b>607.5</b>	<b>2,469,188</b>	<b>404.3</b>	<b>1,643,578</b>	<b>1,564,108</b>
Employee benefits	0.2	957	0.3	1,105	1,096
Other provisions	0.2	860	0.1	476	343
Accounts payable	36.5	148,525	24.7	100,273	95,897
Current tax liabilities	0.2	744	0.3	1,244	2,197
Deferred tax liabilities (net)	4.7	18,944			
Other liabilities	18.9	76,650	15.2	61,833	46,298
<b>Total liabilities</b>	<b>668.1</b>	<b>2,715,878</b>	<b>452.8</b>	<b>1,840,697</b>	<b>1,736,701</b>
<b>Shareholders equity</b>	<b>87.5</b>	<b>355,874</b>	<b>69.5</b>	<b>282,697</b>	<b>249,677</b>
<b>Total liabilities and equity</b>	<b>755.7</b>	<b>3,071,742</b>	<b>522.4</b>	<b>2,123,394</b>	<b>1,986,378</b>



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