



Investor presentation
3Q and 9M 2019 Results
December 3, 2019

credivalores
Credivalores - Crediservicios S.A.

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1 **Company Overview**

2 Recent Developments

3 3Q 2019 Results

4 Closing Remarks

5 Appendix

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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\$2.8 billion throughout the past 15 years of operations.



Considerable portfolio size of US\$429 million.



Broad geographic footprint. 101 branches and POS in retail locations; 120 customer centers across the country in alliance with national telecom companies.



Sizable exclusive sales force. More than 610 sales representatives and 1,016 external advisors.



Strong Capitalization. US\$90 million total equity.



Long-lasting partnerships with employers, utility companies, insurance companies and retailers granting us access to 7.6 million potential clients and 20,000 points of collection across the country.

Overview of Product Portfolio

(as of September 30, 2019)

tucrédito cv
Payroll loans

credi**1**uno
Credit Cards

credi**·**póliza
Insurance Financing

Managed portfolio ⁽¹⁾ <i>Thousand Million COP</i>	\$910 US\$262 mm	\$505 US\$145 mm	\$71 US\$20 mm
% of managed portfolio ⁽²⁾	61.1%	33.9%	4.7%
Average loan size <i>Million COP</i>	\$15,9 US\$4,559	\$2.6 US\$743	\$4.9 US\$1,412
Average term at origination	111 months	18 months	9 months
Number of clients ⁽³⁾	75,423	585,086	35,605
Average rate charged ⁽⁴⁾	22.9%	27.5%	27.0%
Average rate +Fees	30.9%	45.1%	31.1%
NPLs (%) ⁽⁵⁾	2.89%	11.59%	6.46%
Distribution/ collection partners	720 employers with > 3.2 million employees	8 agreements with utilities companies, retailers and telecom companies with > 4.4 million clients	Local and international insurance companies and brokers
Source of payment / guarantee	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 \$3,477.45 COP/USD as of October 1, 2019

(2) The remaining 0.3% of managed portfolio consists of \$4,321 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 September 2019 on note 7.2.3 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"> Branch network represents the largest channel for commercial activity 	<ul style="list-style-type: none"> Customer approached on site by exclusively trained and developed sales force
Product	<ul style="list-style-type: none"> Multiproduct portfolios / cross selling 	<ul style="list-style-type: none"> Specialized and customized products Collection and billing of credit card using utilities' infrastructure
Market segment	<ul style="list-style-type: none"> Middle and high income segments – Large average loan size – Standard credit analysis – Limited presence in small and mid-size cities 	<ul style="list-style-type: none"> Low and mid income segments – Small average loan size – Credit scoring according to product nature and clients' risk profile – Small and mid-size cities
Processes	<ul style="list-style-type: none"> Complex internal process and slow response times Additional documents required for analysis 	<ul style="list-style-type: none"> Agile processes and response time Complimentary information from alliances

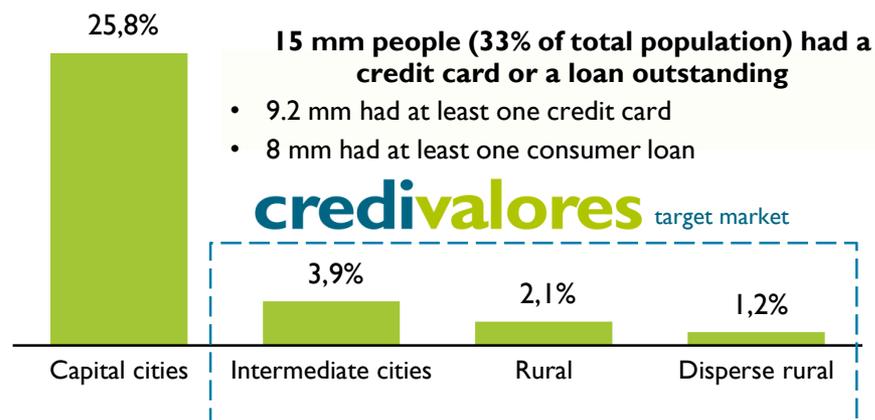
Potential client base = 79.2% of Colombia's population

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. 2017)



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

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Recent Developments (3Q 2019)

Growth and Profitability

- **Positive operational results and financial results in line with expectations:**
- **+11.3% (YoY) growth in total portfolio origination** (+49.3% in payroll loans)
- **Total NPLs at 5.85%, down from a 7.3% peak in March 2019**
- **+11.1% (YoY) growth in Net Interest Income**
- **+6.6% (YoY) in Gross Financial Margin**, still impacted by IFRS 9 adoption
- **+18.8% (YoY) in Operating Income** and **-64.3% (YoY) in Net Income** for the period

Improvements in Funding Profile

- **Corporate transformation completed:** from a Simplified Joint Stock Company to a Joint Stock Company. **Access to the domestic capital market.**
- **Use of local secured syndicated loan ⁽¹⁾ and portfolio transfers to BTG's mutual fund** to fund payroll loan origination in 2019.
- **Committed credit lines for COP\$273.8 Bn (US\$79 MM), 21% of them available** to use in the next 12 months. **Cash at hand of about US\$10 MM on a quarterly basis.**
- **Average life of total debt** at 2.4 years (domestic at 1.8 years and international at 2.5 years)
- **Foreign currency debt fully hedged** with NDFs, cross currency swaps and options.

Improved Balance Sheet Position

- **Equity/ assets ratio at 14.3% after COP\$12 Bn (US\$3.5 MM) capitalization.**
- **Leverage ratio (debt/ equity) at 4.5x.**
- **Covenant compliance as of September 2019**, according to the Description of the Notes.

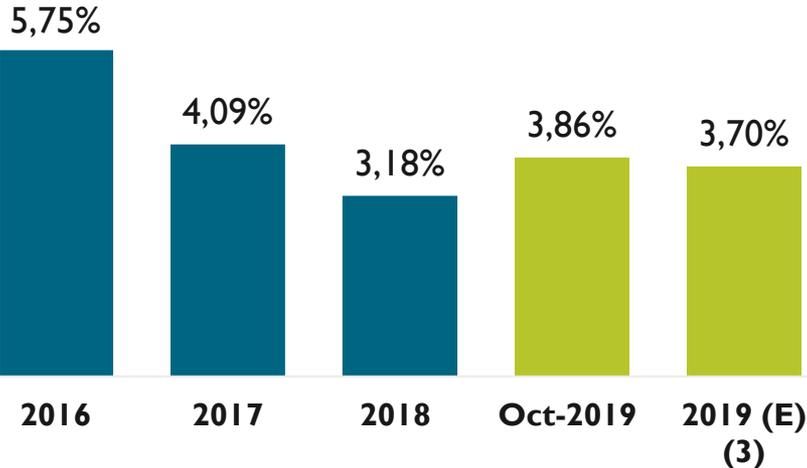
Loan Portfolio Quality

- **Recovery of credit card origination (+39.8% QoQ)** due to **technological improvements in the origination** and collection processes, including a **new digital underwriting platform** and a **new agreement with a utility company (EnerPereira)** adding more than **200,000 new clients** to our potential client base for credit card reaching more than 3.2 million clients.
- **Consolidation of leading competitive position in the payroll loan market increasing origination by 31% (QoQ)**
- **Improvements in vintage analysis** across all products maintaining **restrictive and conservative underwriting policies.**

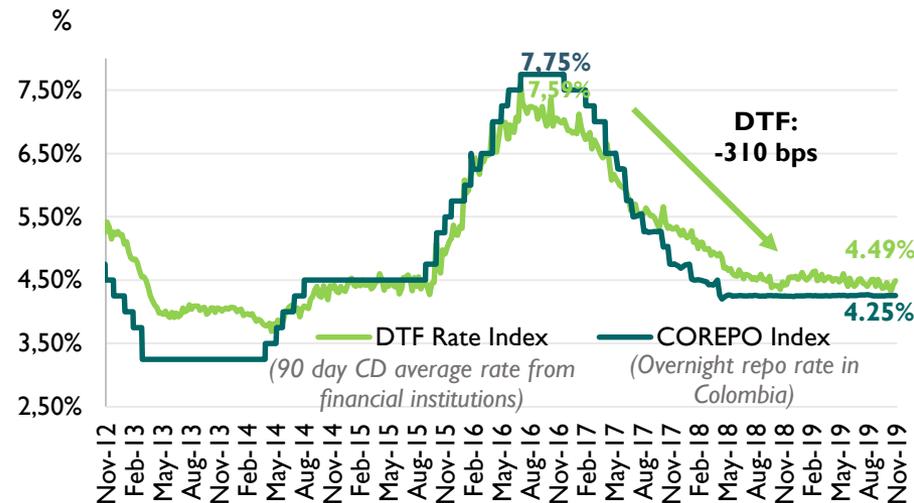
3Q 2019 Main Highlights - Macro Conditions

Inflation (1)

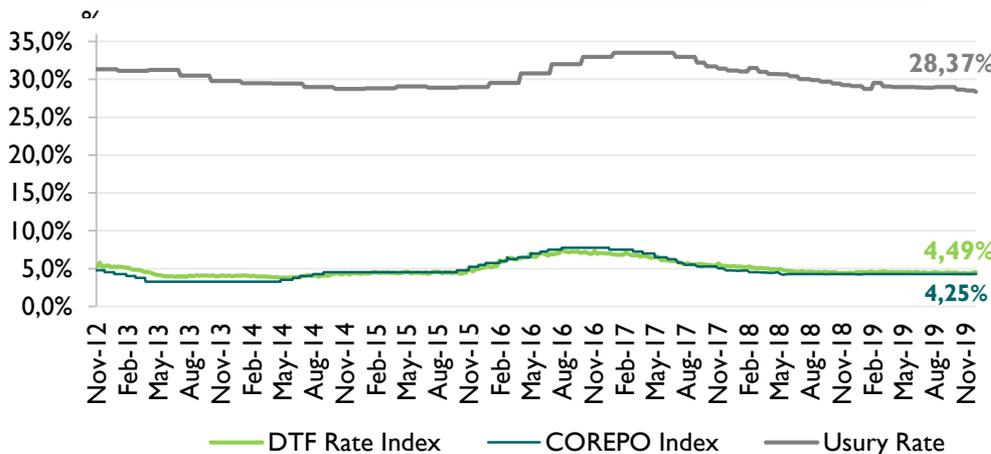
As % change, YOY



Interest Rates (1)



Usury Rate vs. Interest rates (2)



	2018	2019 (E)
DTF	4,54% (1)	4,62% (3)
GDP Growth	2,7% (1)	2,9% (3)

- **Changes in calculation period of usury rate (4), starting on September 1st, 2017 from quarterly to monthly basis**
- **The calculation formula remained unchanged: 1.5 x the average lending interest rate (5)**
- **Since the adoption of this measure, usury rate has declined 460 bps**

(1) Central Bank- Banco de la República website www.banrep.gov.co

(2) Colombian Superintendence of Finance.

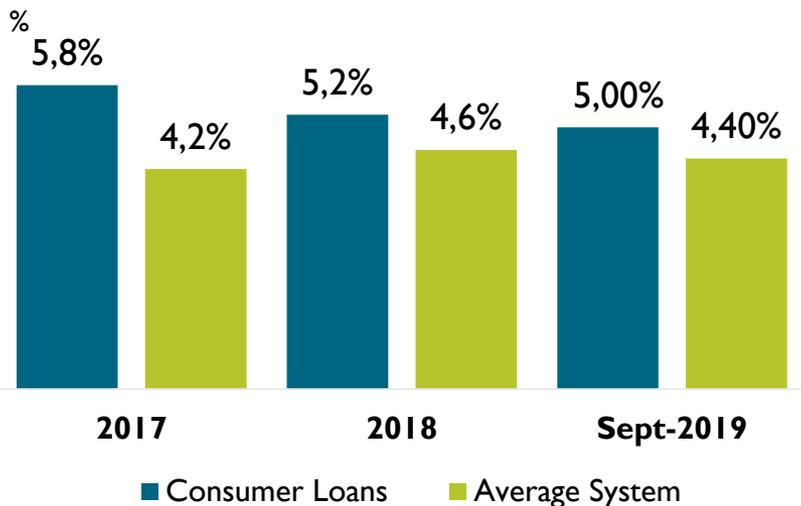
(3) Bancolombia. 3Q 2019 Update of Macroeconomic Projections (July 2019).

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

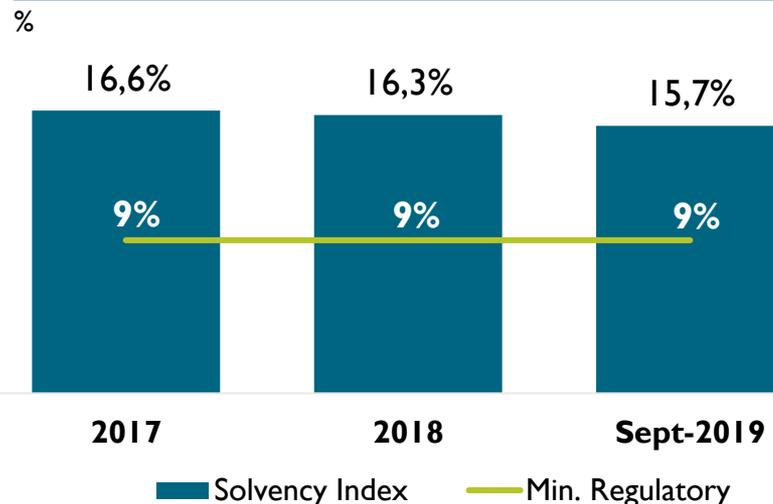
(5) Average interest rate paid by the borrowers and certified by the Superintendence of Finance based on the interest rates from microloans, consumer loans, small amount consumer loans. Those transactions not reflecting market conditions are excluded from the calculation.

3Q 2019 Main Highlights - Macro Conditions

NPLs Financial System (1)

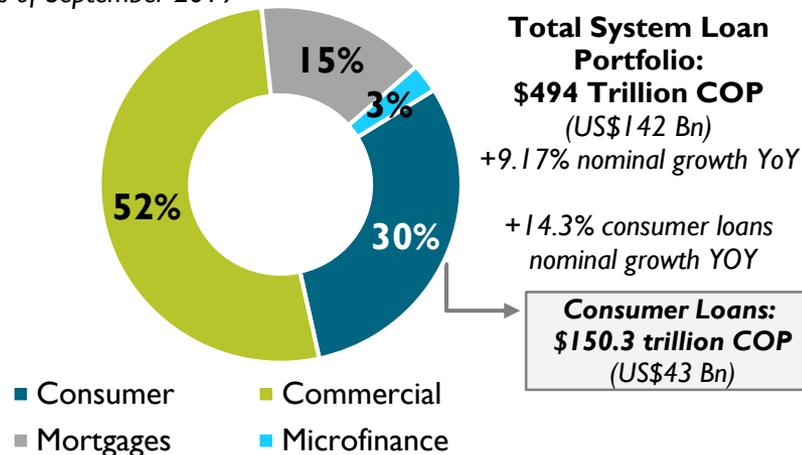


Solvency Index Financial System (2)



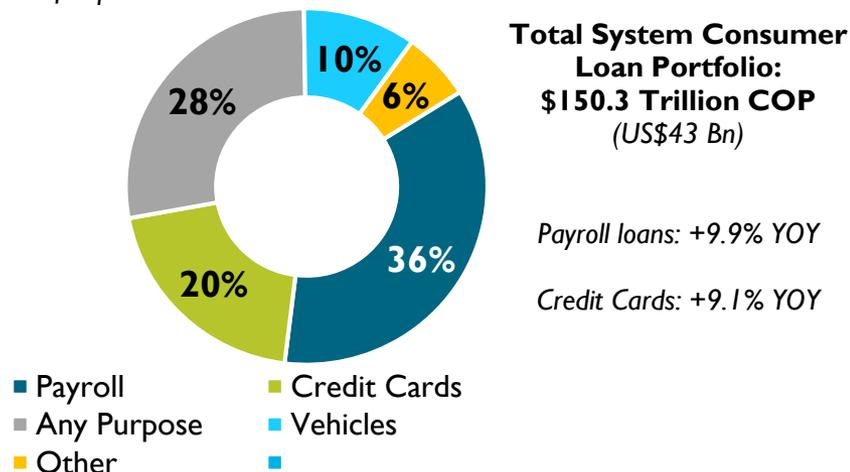
Financial System Loans Portfolio by Type (3)

As of September 2019



Consumer Loans Portfolio by Type (3)

As of September 2019



1 Company Overview

2 Recent Developments

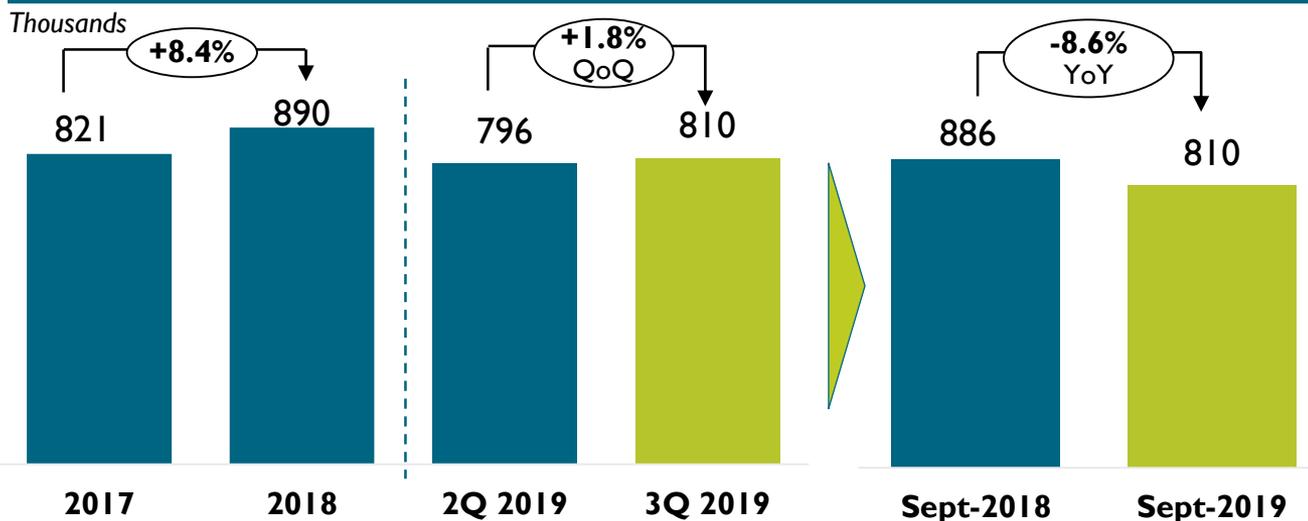
3 3Q 2019 Results

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3Q 2019 Operating Results

Number of Clients ⁽¹⁾



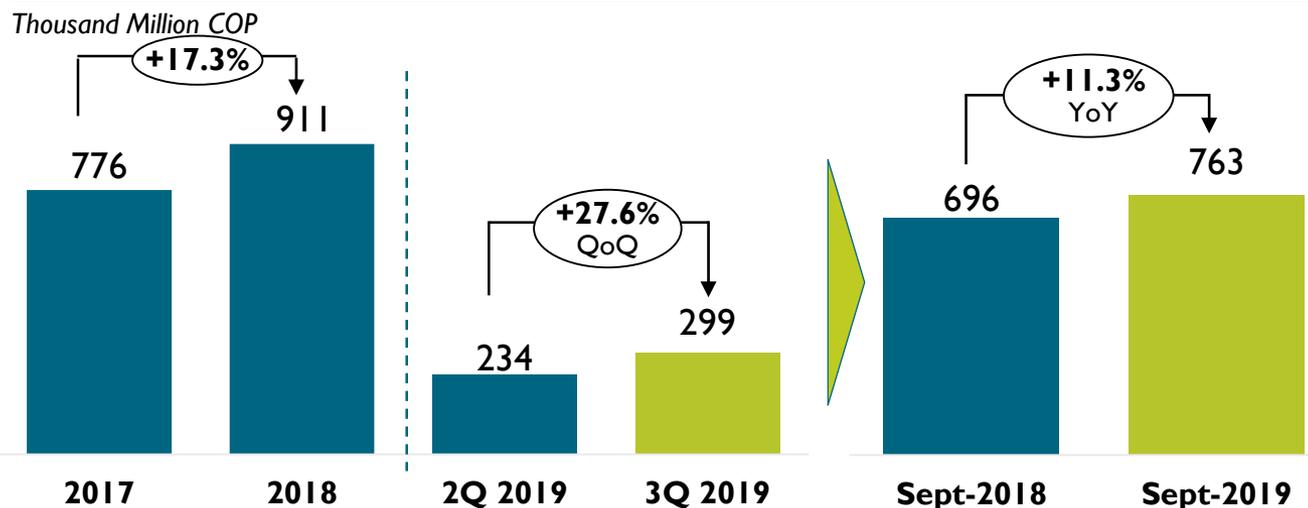
QoQ client results due to:

- 1.0% in payroll loans
- +2.9% in credit cards
- 2.5% in insurance financing

-8.6% (YoY)

due to a decline in insurance financing (-27%) and credit card clients (-8.3%)

Loan Portfolio Origination ⁽²⁾



QoQ disbursements results due to:

- +30.6% in payroll loans
- +39.8% in credit cards
- 18.5% in insurance financing

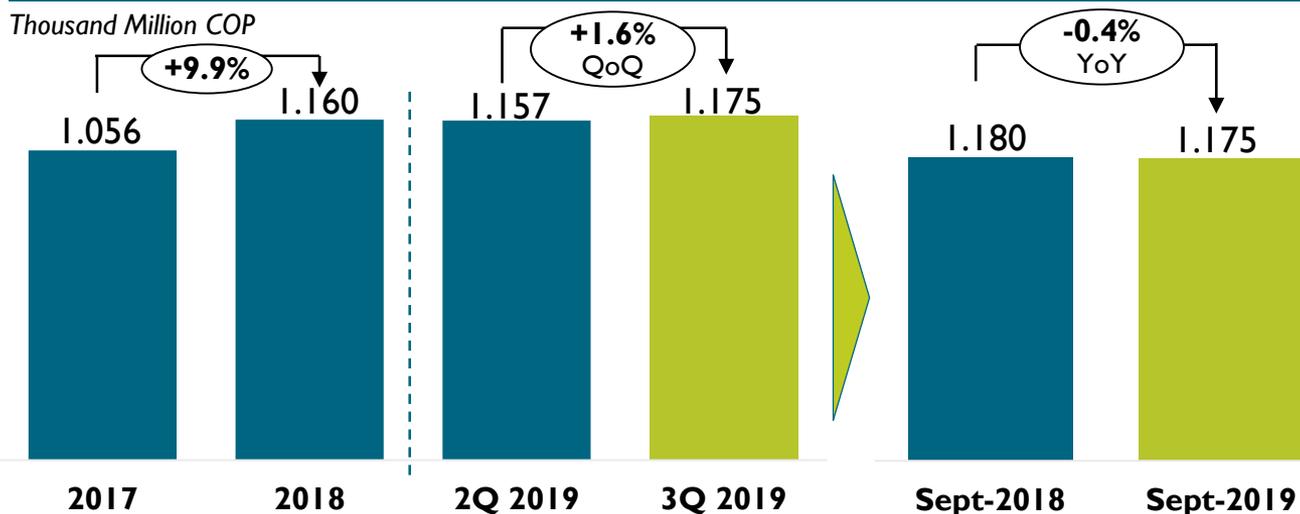
+11.3% (YoY)

due to a 49% growth in payroll loans to offset restrictions in origination in credit card and insurance financing

3Q 2019 Operating Results

Owned Loan Portfolio (1)

Thousand Million COP



QoQ owned portfolio results due to:

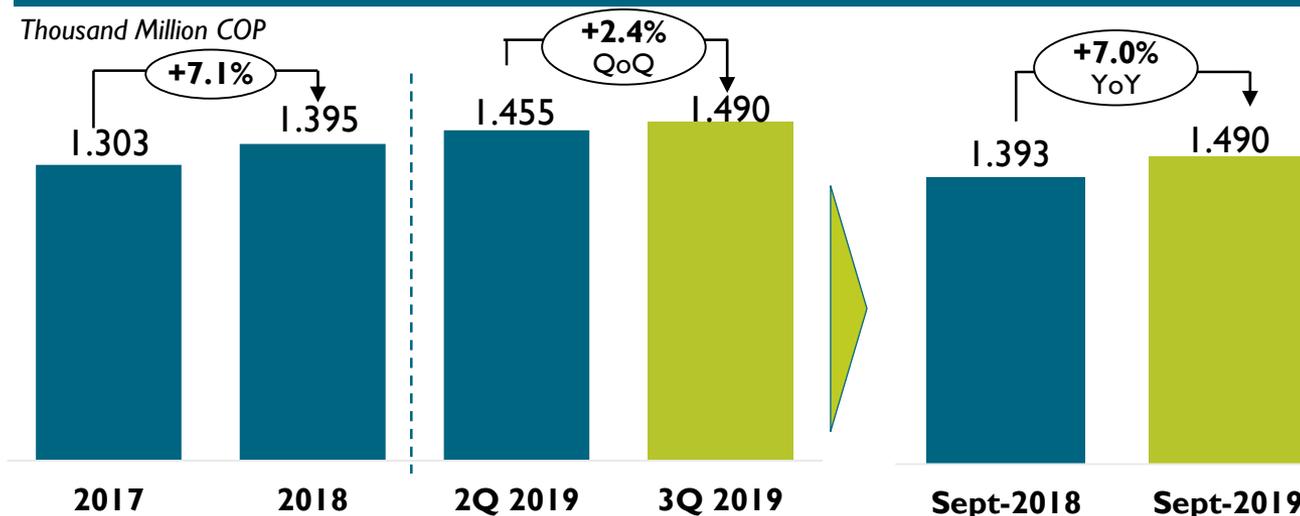
- + 1.5% in payroll loans
- +3.9% in credit cards
- 11.7% in insurance financing

- 0.4% (YoY)

due to payroll loans portfolio sales and a decline in portfolio balance in credit cards and insurance financing

Managed Loan Portfolio (2)

Thousand Million COP



QoQ managed portfolio results due to:

- +2.9% in payroll loans
- +3.9% in credit cards
- 11.7% in insurance financing

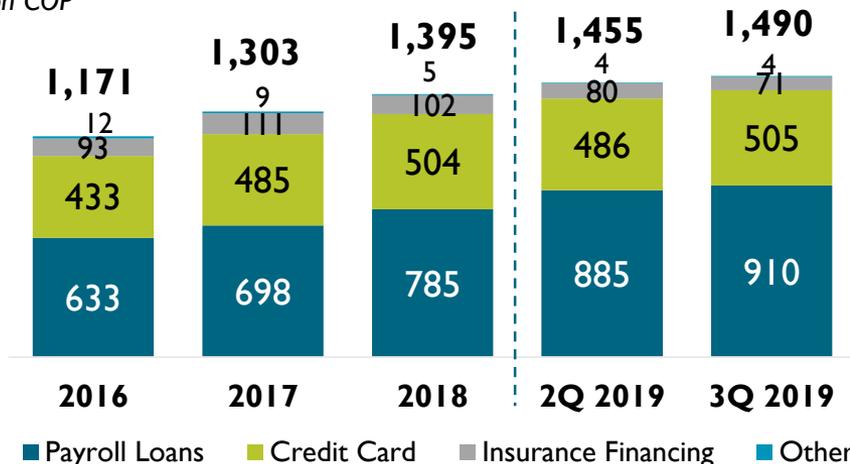
+ 7.0% (YoY)

due to portfolio growth in payroll loans (+19%) to offset decrease in credit cards and insurance financing

3Q 2019 Operating Results

Managed Loan Portfolio by Product

Thousand Million COP

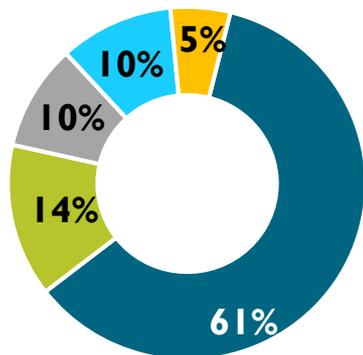


YoY payroll loans increased their participation within the total portfolio.

As of September 2019, the managed loan portfolio mix was the following: payroll loans (61.1%), credit cards (33.9%) and insurance premium financing (4.7%)

Payroll Loans Breakdown

As of September 2019



Top 25 clients **0.56%** of portfolio

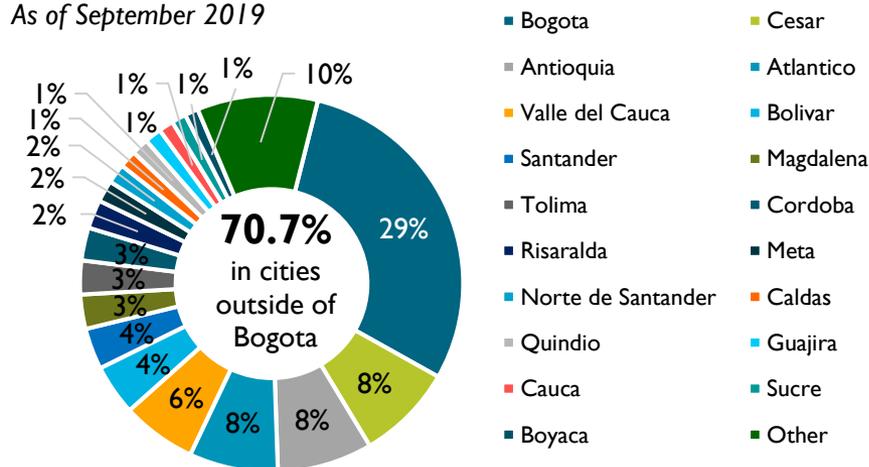
0.086% single client exposure

86% among retirees and government employees ⁽¹⁾

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

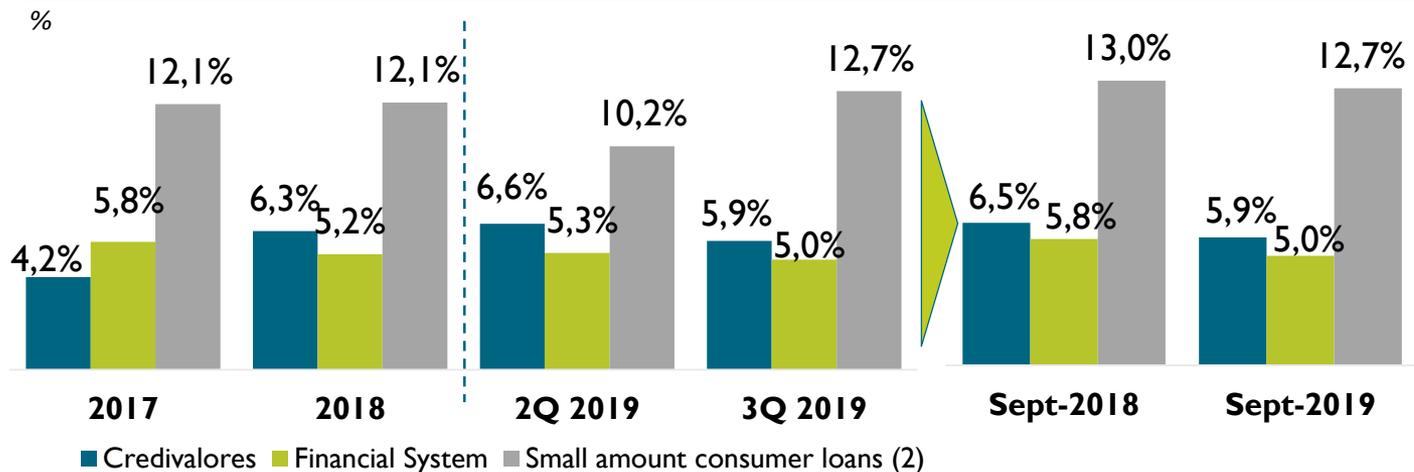
Payroll Loan Portfolio Breakdown by Geography

As of September 2019



3Q 2019 Operating Results

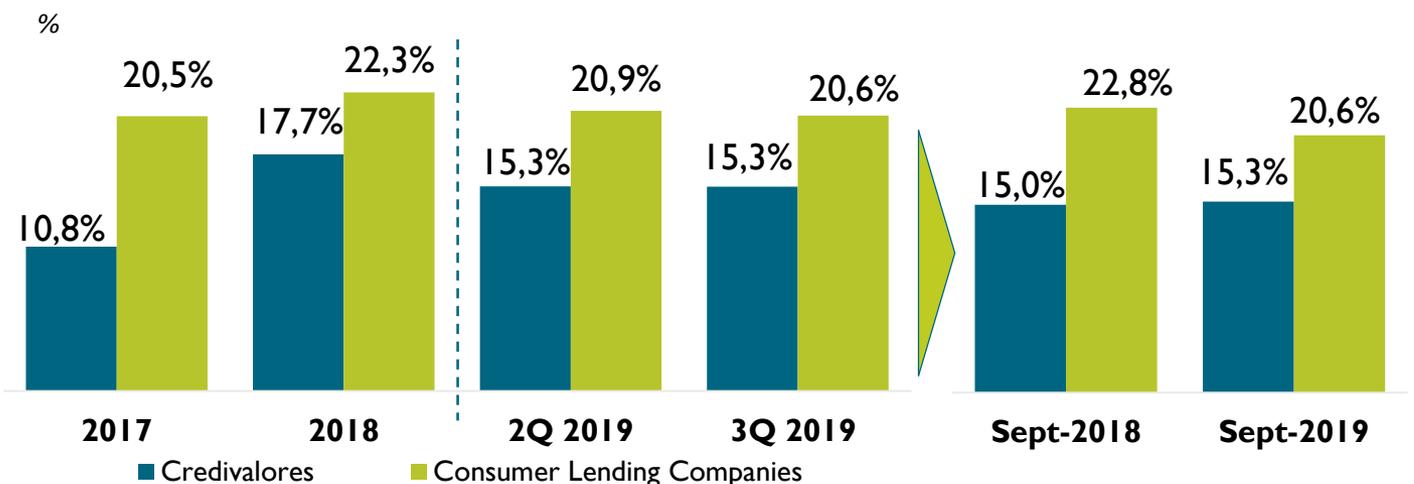
NPLs Consumer Loans ⁽¹⁾



NPLs under control and in a decreasing trend due to:

Effectiveness of measures implemented in 4Q 2018 and 1Q 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

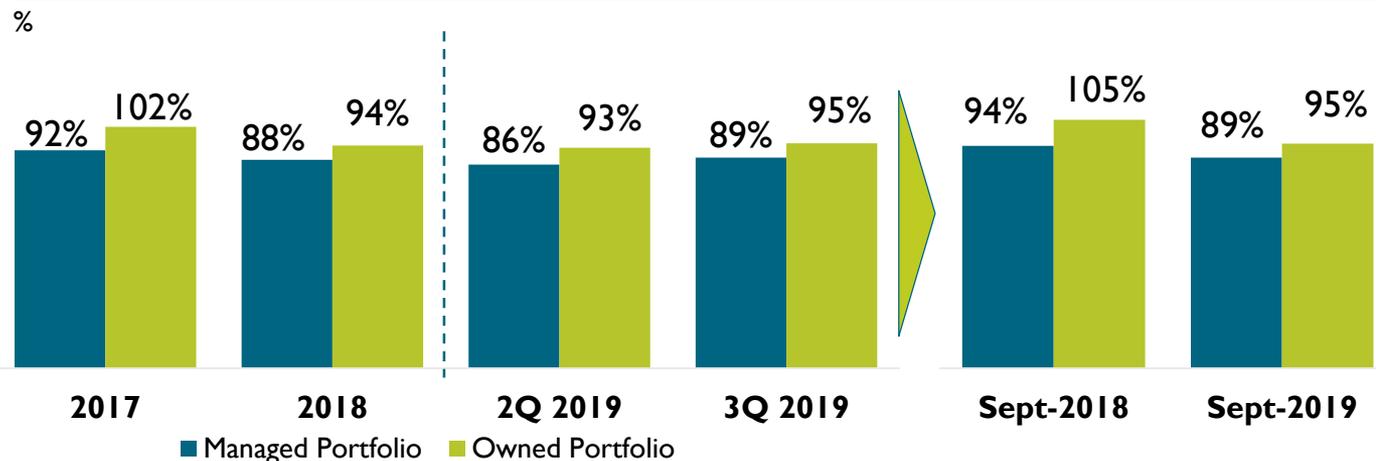
(1) Includes NPLs between 60 and 360 days, as a percentage of total managed loan portfolio excluding NPL>360, as reported in financial statements as of September 30, 2019 on note 7.2.3 NPL calculation considers principal only.

(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.

(3) Data from Consumer Lending Companies available as of July 2019. 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.

3Q 2019 Operating Results

NPLs Coverage Ratio (+60) ⁽¹⁾



NPLs Coverage Ratio decreased due to:

large increase in provisions in 1Q 2018 resulting from **IFRS 9 adoption**, which changed the provisions model (expected loss), and the gradual return to average historical levels of coverage ratio

Measures adopted to control NPLs in the Credit Cards Business

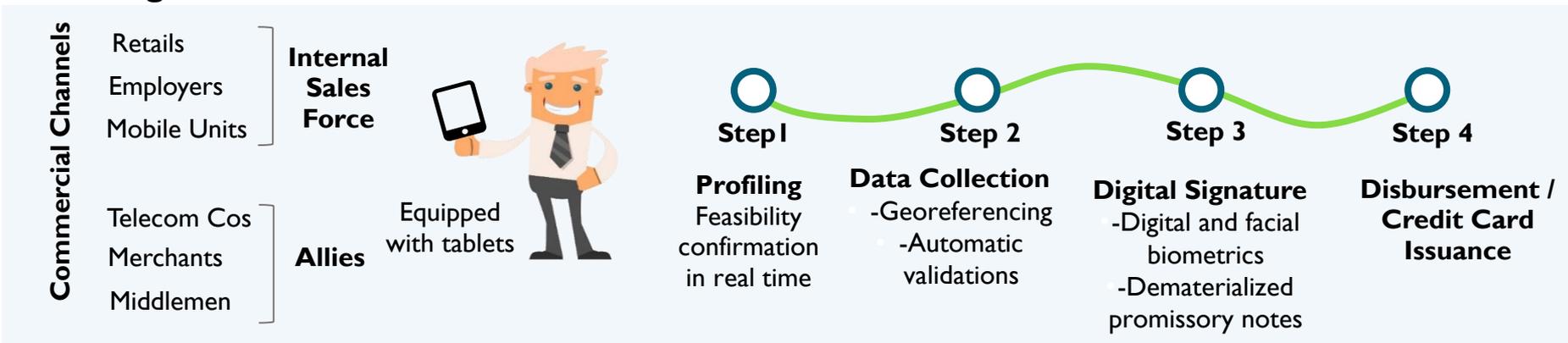
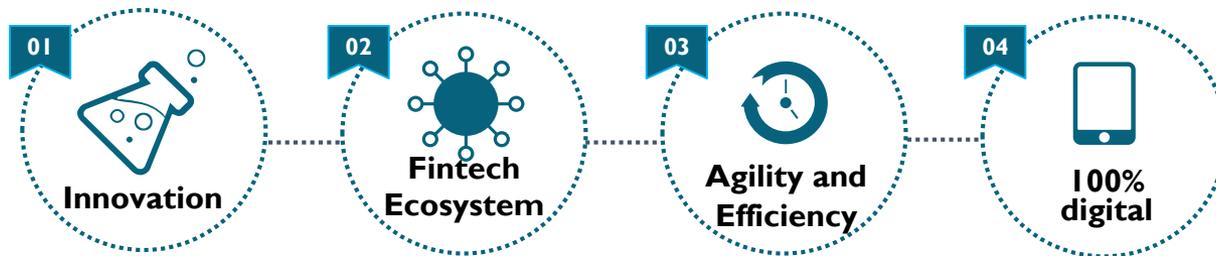
- ✓ **Restrictive and conservative** underwriting policies.
- ✓ **Migration to direct billing under certain agreements with utility companies.**
- ✓ **Strengthening of the collections and risk areas and new management team** to implement changes in collection.
- ✓ **Development of new scoring models** for new origination and for portfolio management **to improve pricing strategy.**
- ✓ **Two new agreements with utility companies: Electrohuila** (+360,000 new clients) **and Enerpereira** (+200,000 new clients), increasing the client base in the credit card business by 21% reaching 3.2 million potential clients.
- ✓ **New digital underwriting platform for credit card** and **pre installed app in the cell phones** financed (Huawei and Samsung) to improve collection.
- ✓ **Inclusion of NPLs targets** per product in the variable wage for **regional and zonal managers of the sales force.**

3Q 2019 Operating Results

Redesign and Digitalization of the Origination Process for Credit Cards



Credit Card Digital Origination



September 2019 (1):



100% digital origination platform for the credit card business

Productivity +45%

Response Time -47%

Origination Costs -37%

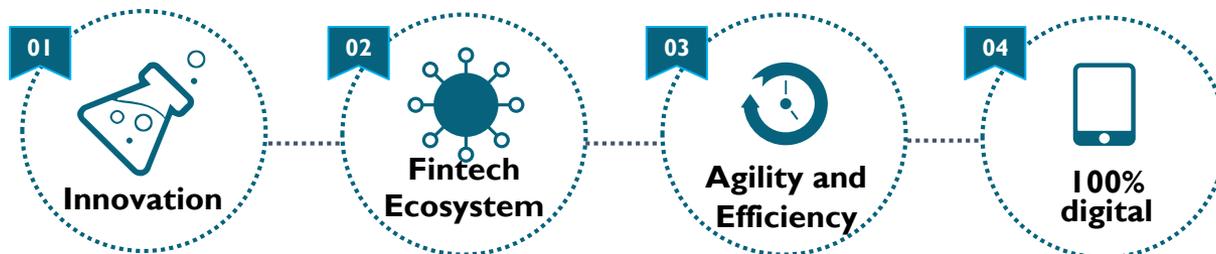
Clients Approved +109%

3Q 2019 Operating Results

Redesign and Digitalization of the Origination Process for Payroll Loans

tucrédito cv

**Payroll Loans Renewals
Digital Origination**



Commercial Channels

Self-service

Internal
Sales
Force

Call
Center



Push Strategy

Text messages sent to clients under pension funds agreements, including link to digital site

Offer for Renewal

- Personalized offer for payroll loan renewal
- No additional documentation required

Authentication

Client validates identity with ID at the digital site

Disbursement

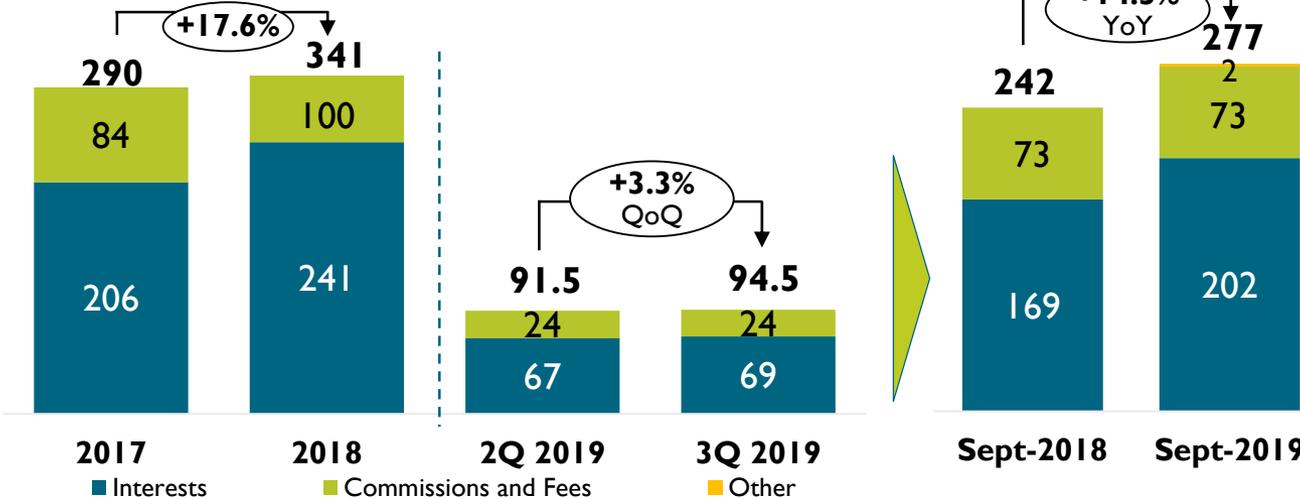
September 2019:

Launching of a 100% digital platform for the renewal of payroll loans among certain agreements with pension funds

3Q 2019 Financial Results- Income Statement

Interest Income (1)

Thousand Million COP



QoQ interest income results due to:

+2.4% in interests

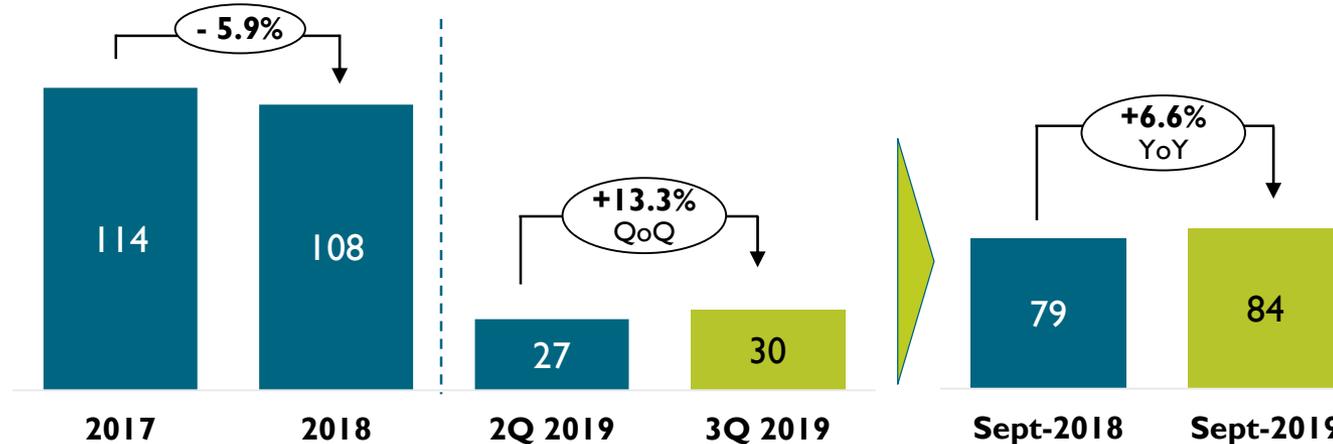
-2.4% in commissions and fees

+ 14.3% (YoY)

due to a 20% increase in interest income

Gross Financial Margin

Thousand Million COP



QoQ gross financial margin results due to:

+3.3% in interests and fees

+7.0% in financial cost

-23.1% in net impairments

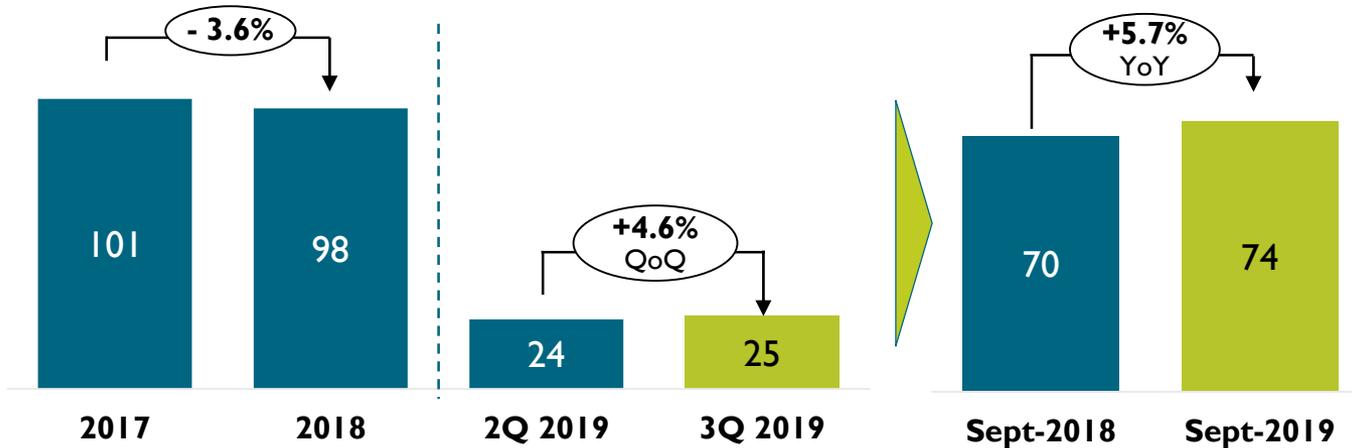
+6.6% (YoY)

due to higher net impairment expense (+59%) that offset the 21% increase in net interest income

3Q 2019 Financial Results- Income Statement

SG&A- Other Expenses ⁽¹⁾

Thousand Million COP



QoQ other expenses results due to:

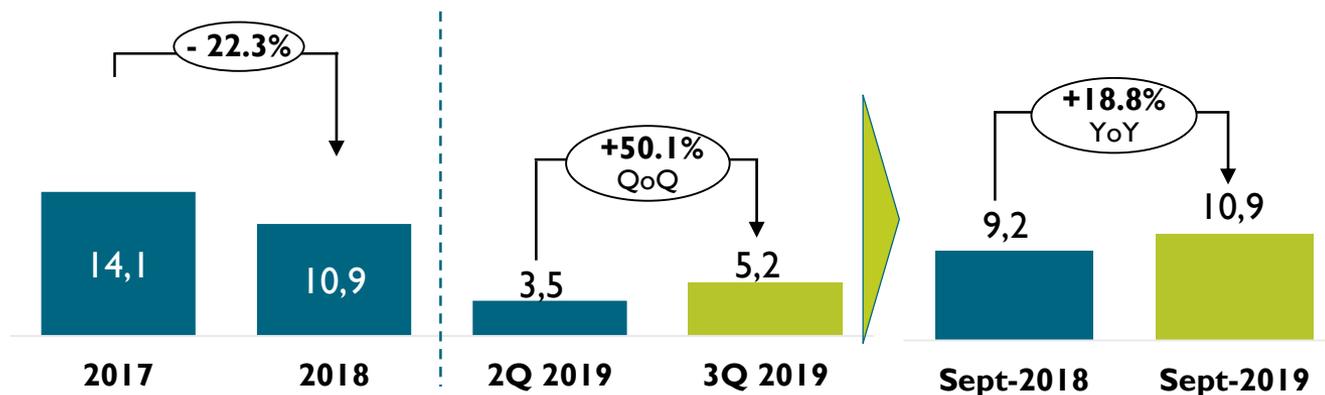
- +2.7% in employees benefits
- 9.2% in depreciation and amortization expenses
- +6.3% in legal, insurance and taxes expenses

+5.7% (YoY)

due to an increase in D&A, temporary services, fees and technical assistance expenses

Operating Income

Thousand Million COP



QoQ operating income due to:

- +13.3% in gross financial margin
- +4.6% in other expenses

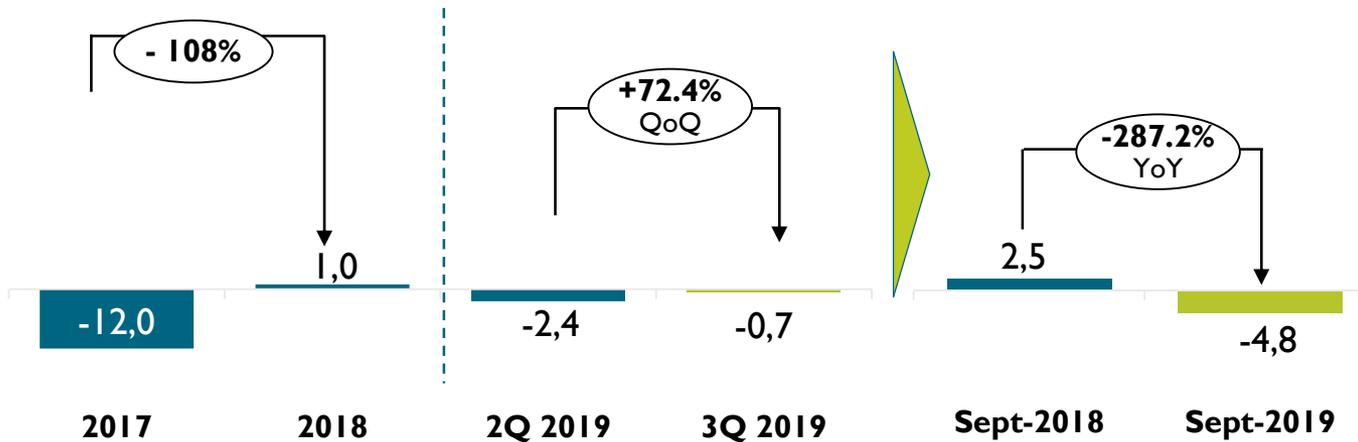
+18.8% (YoY)

due to an increase in interest income from guarantees, write-offs and payroll loan portfolio sales

3Q 2019 Financial Results- Income Statement

Net Financial Income / Expenses (Non-Operating) ⁽¹⁾

Thousand Million COP

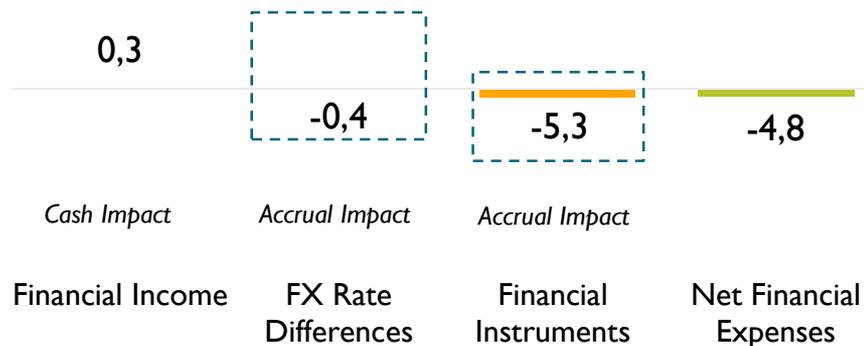


100% of principal of foreign currency debt, including the 9.75% USD\$325 million bond due 2022, hedged to COP.

However, non-operating financial expenses increased due to higher costs of transaction from payroll loan portfolio transfers

Net Financial Income / Expenses (Non-Operating) 9M 2019 ⁽²⁾

Thousand Million COP



An 8% COP depreciation against USD (COP\$256 / USD) between June and September 2019 was mitigated in the P&L, due to the effectiveness of the hedging policy in place.

Nonetheless, higher transaction costs from payroll loan portfolio transferred to financing structures, registered as higher non-financial expenses for financial instruments, increased the non-recurring items net impact in the P&L during 3Q 2019

Source:

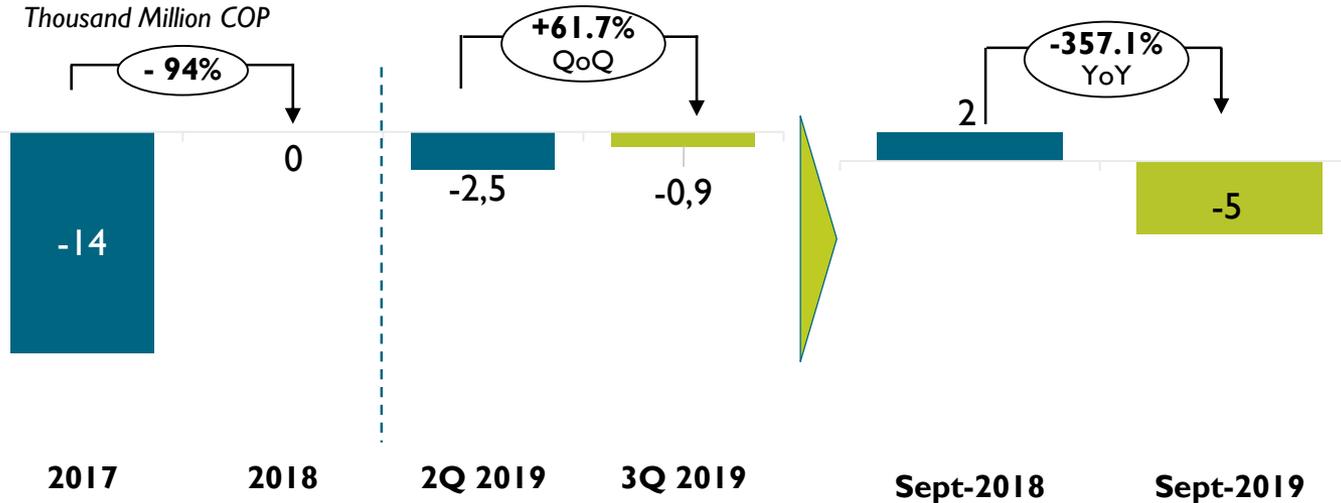
(1) Includes FX rate differences (income or expenses) arising from the hedging position on foreign currency debt and forward valuations (expenses/ income).

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

3Q 2019 Financial Results- Income Statement

Non-Recurring Items

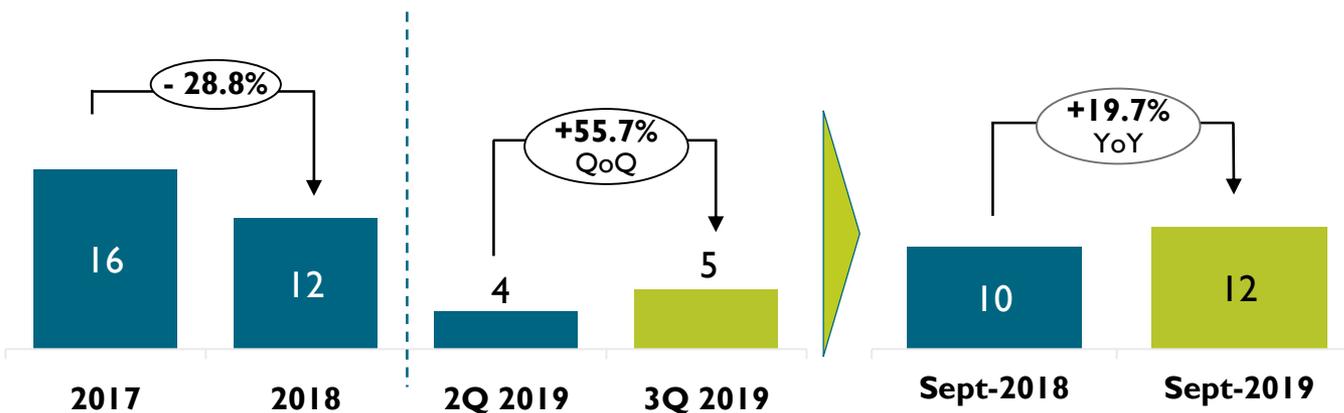
Thousand Million COP



Impact of non-recurring items due to the higher amortization expenses related to transaction costs from payroll loan portfolio transfers

Net Income Before Taxes and Non-Recurring Items

Thousand Million COP

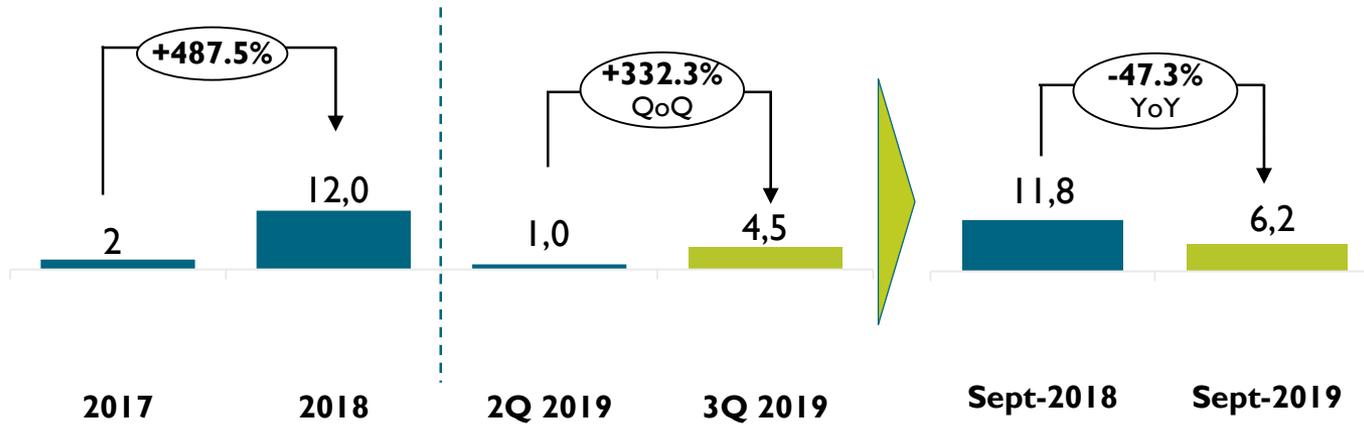


Net income before taxes and non-recurring items affected by higher amortization expenses from transaction costs related to payroll loan portfolio transfers

3Q 2019 Financial Results- Income Statement

Net Income Before Taxes

Thousand Million COP



QoQ net income before taxes due to:

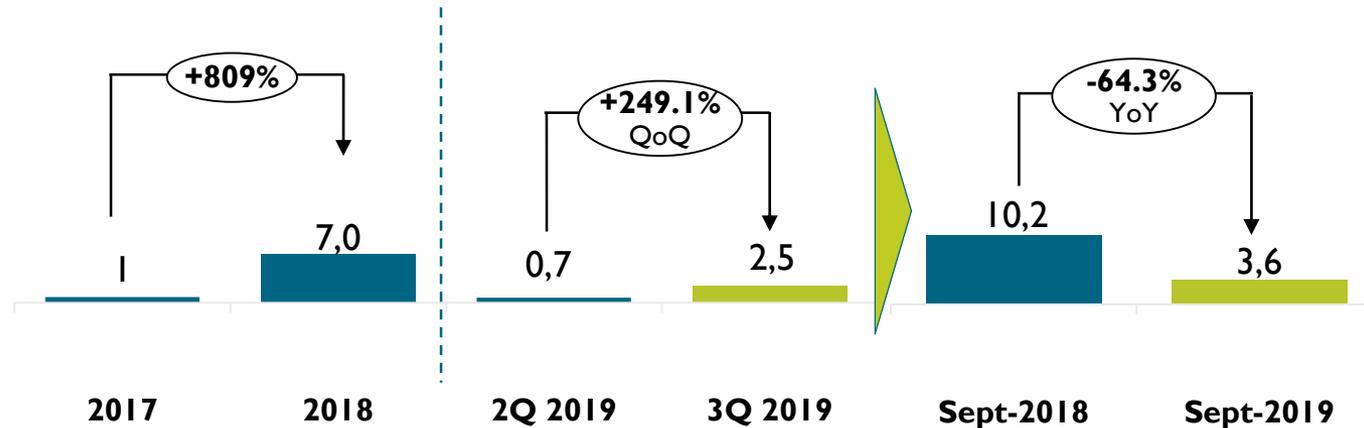
Improvements in operating income from higher interest income

-47.3% (YoY)

due to higher net impairment expenses and higher non-operating net financial expenses

Net Income for the Period

Thousand Million COP



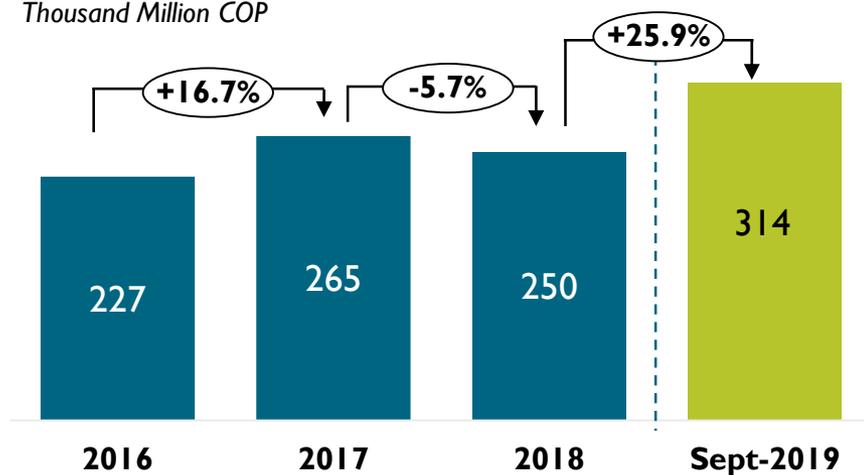
- 64.3% (YoY)

due to the impact of higher net impairment expenses in the operating income and higher non-recurring items

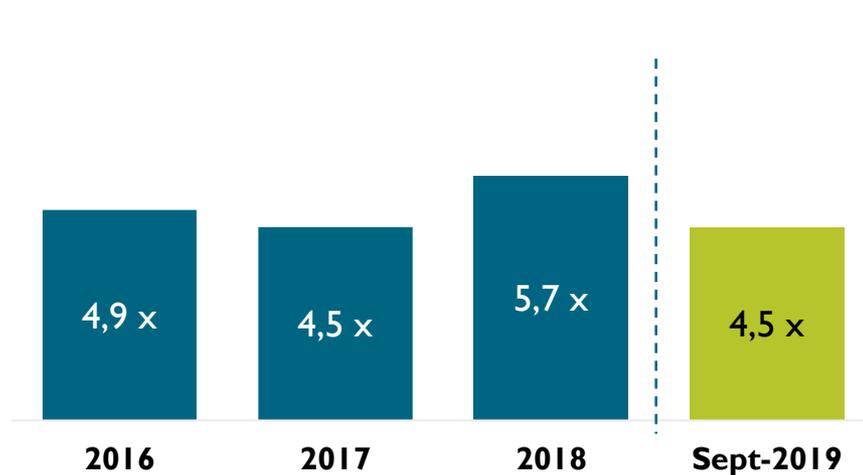
9M 2019 Financial Results- Balance Sheet

Shareholders' Equity Evolution

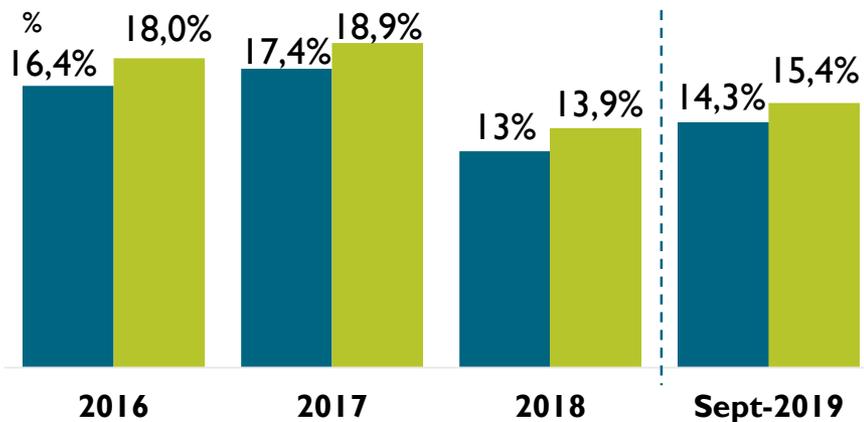
Thousand Million COP



Leverage Ratio (Debt ⁽¹⁾ /Equity)

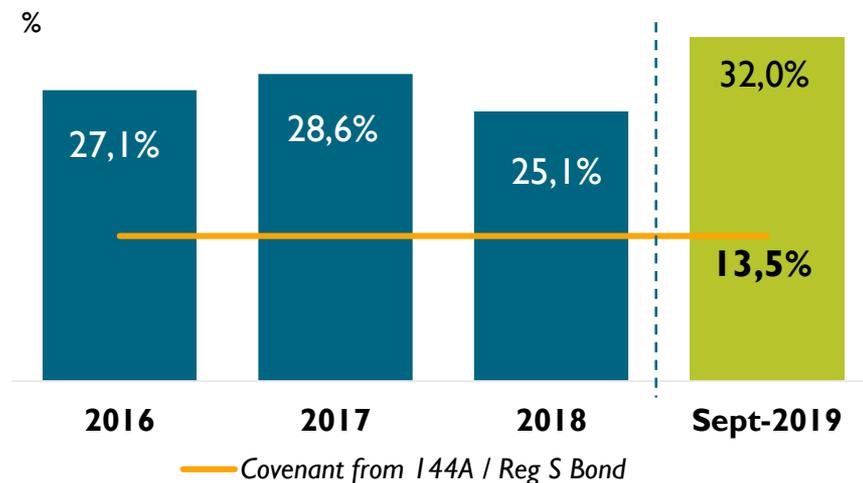


Solvency Ratio (Equity/ Assets)



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

Capitalization Ratio ⁽²⁾



Source:

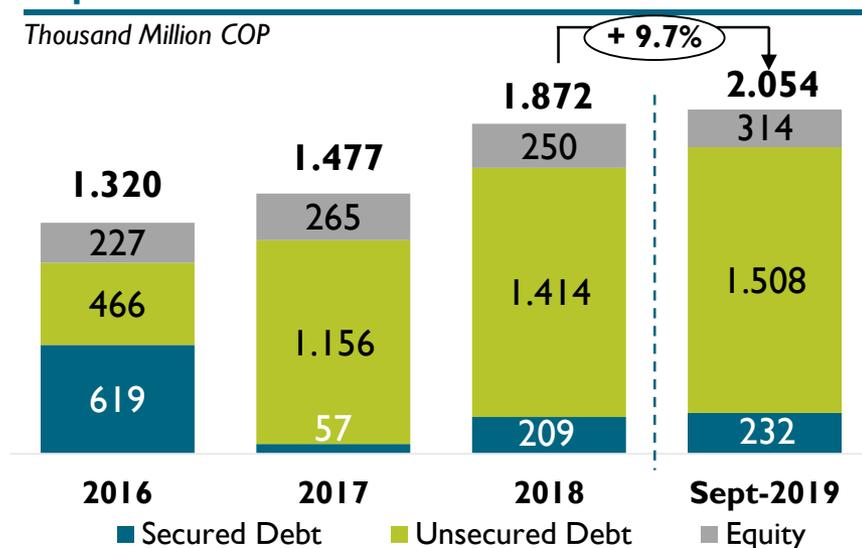
(1) Calculated based on Financial Obligations net of transaction costs and Net Obligations under hedging obligations.

(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").

9M 2019 Financial Results- Balance Sheet

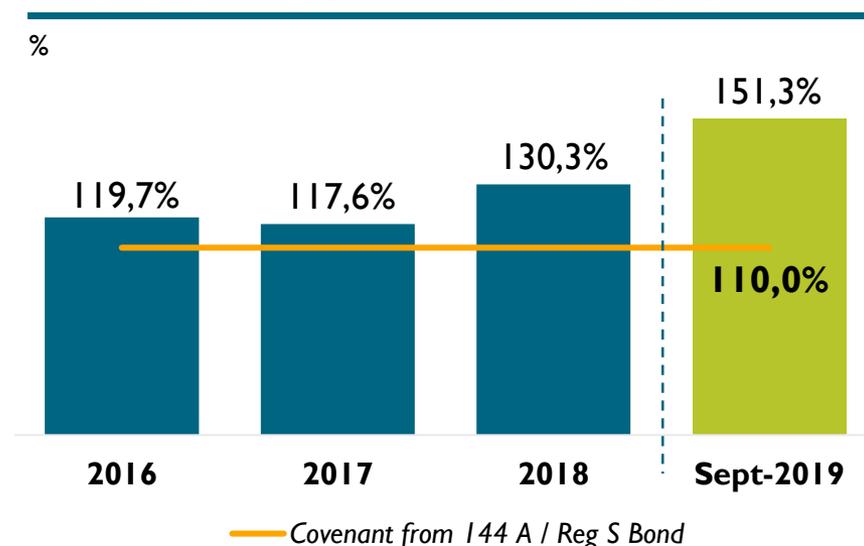
Capitalization Evolution ⁽¹⁾

Thousand Million COP



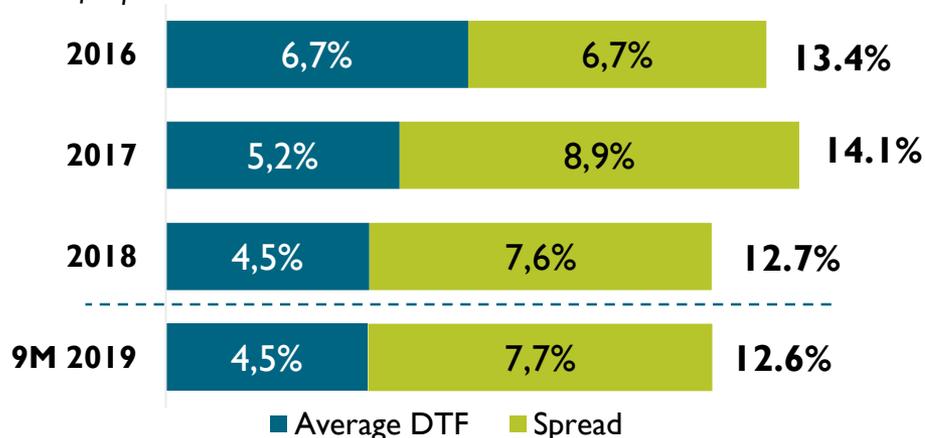
Unencumbered Assets / Unsecured Debt ⁽²⁾

%



Average Funding Cost ⁽³⁾ (%)

As of September 2019



- **Cost of funding remains controlled due to:**
- **Higher participation of domestic debt** with lower average interest rates than USD denominated debt.
- **Lower central bank's rate** since 2018 and controlled inflation rate, resulted in a stable IBR rate during 2019 to maintain lower costs of funding in 2019.
- **Lower cost of hedging through forwards** given the COP depreciation against USD throughout 2019

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.

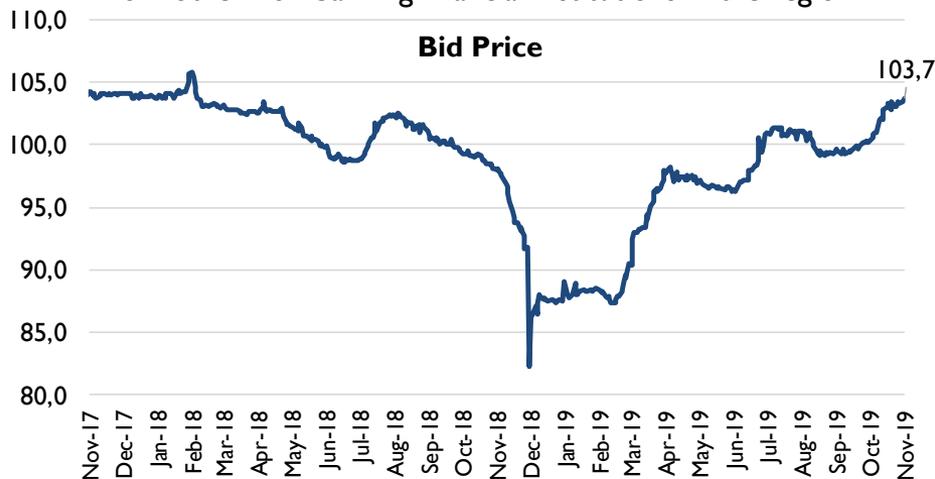
Unsecured Indebtedness, means any Indebtedness other than Secured Indebtedness, including Net Obligations under Hedging Obligations. 24

(3) Not including transaction costs and fees.

Debt Profile- September 2019

I44 A / Reg S Bond Issuance

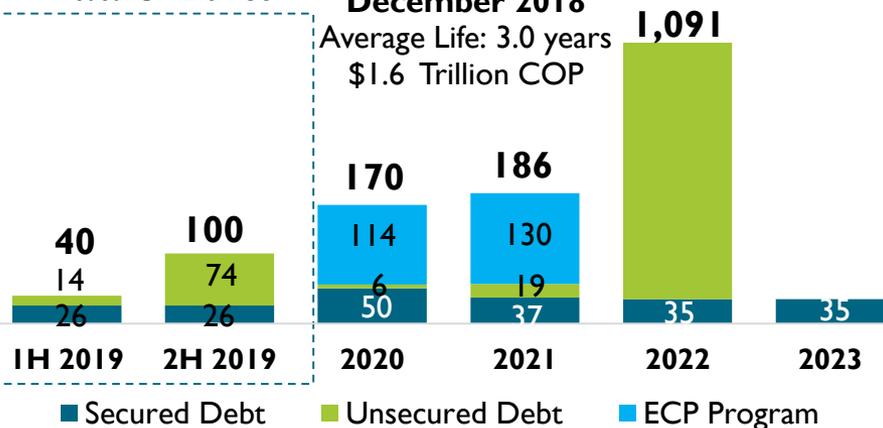
Credivalores' bond price recovery in line with price performance from other non-banking financial institutions in the region



Debt Maturity Profile (2)

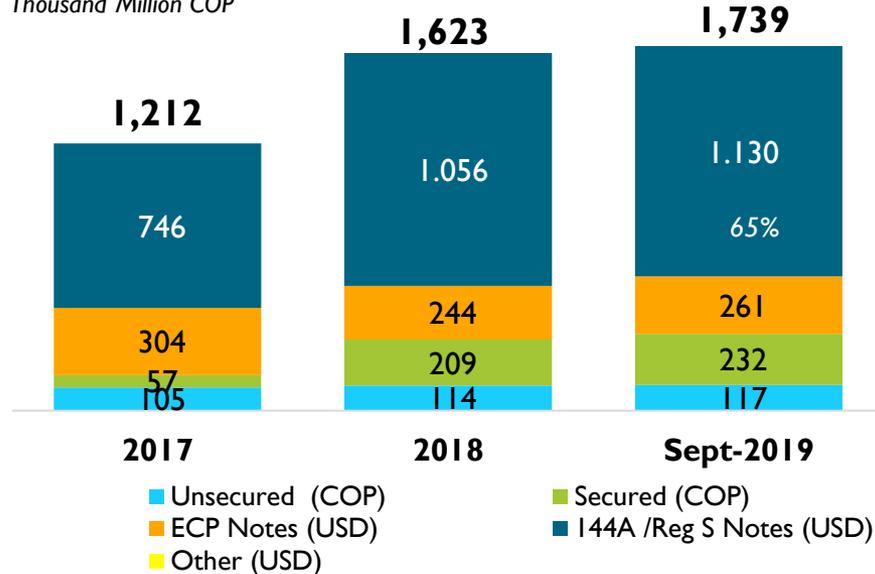
Thousand Million COP

December 2018
Average Life: 3.0 years
\$1.6 Trillion COP

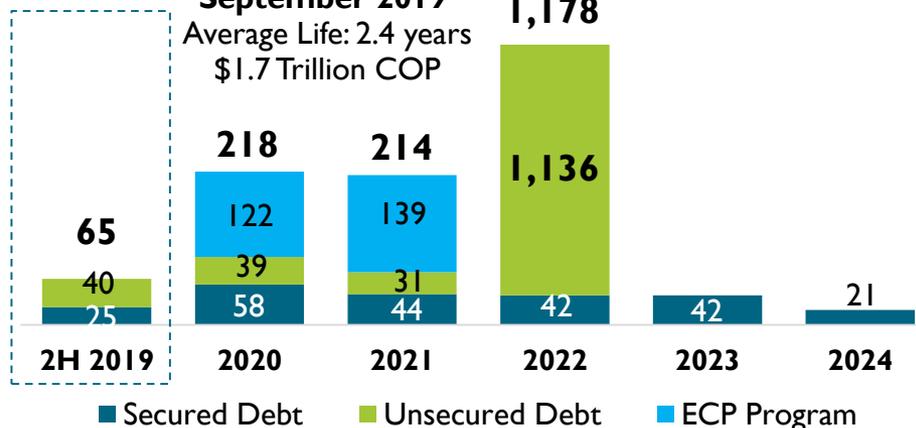


Financial Obligations by Source (Principal) (1)

Thousand Million COP



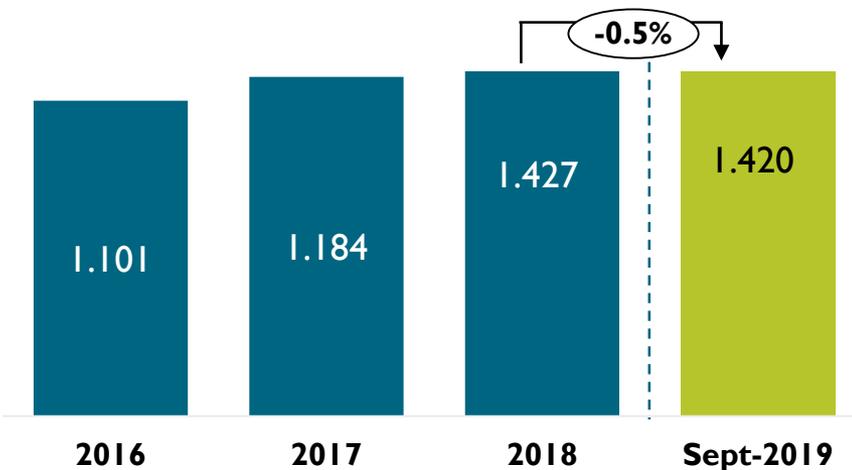
September 2019
Average Life: 2.4 years
\$1.7 Trillion COP



Financial Obligations- September 2019

Net Financial Obligations ⁽¹⁾

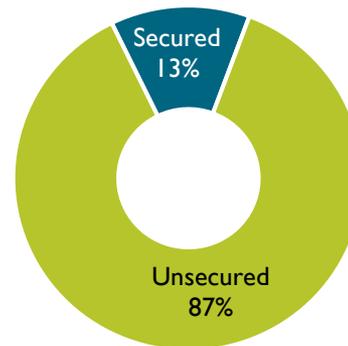
Thousand Million COP



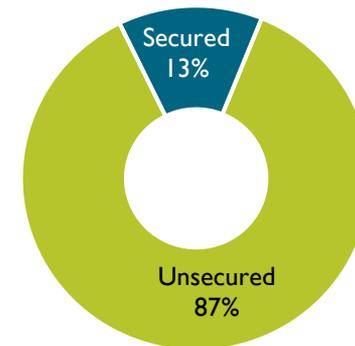
By Type

%

December 2018



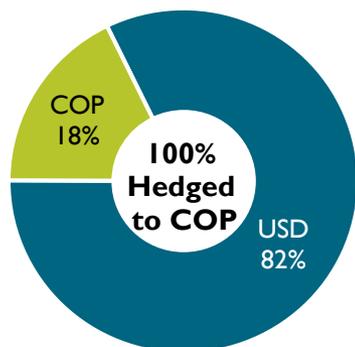
September 2019



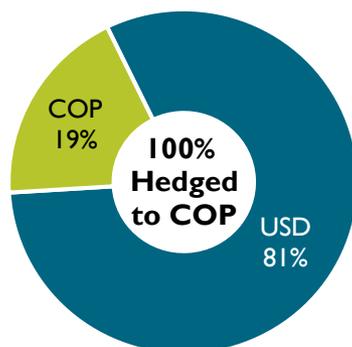
By Currency

%

December 2018



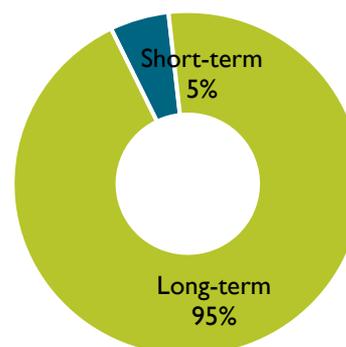
September 2019



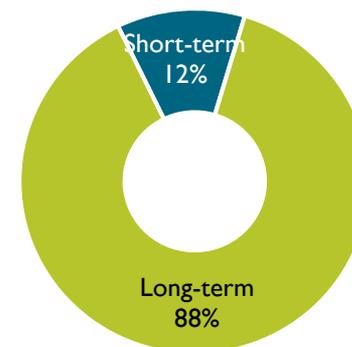
By Term

%

December 2018



September 2019



Source:

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

1 Company Overview

2 Recent Developments

3 3Q 2019 Results

4 Closing Remarks

5 Appendix

Initiatives for Digital Innovation



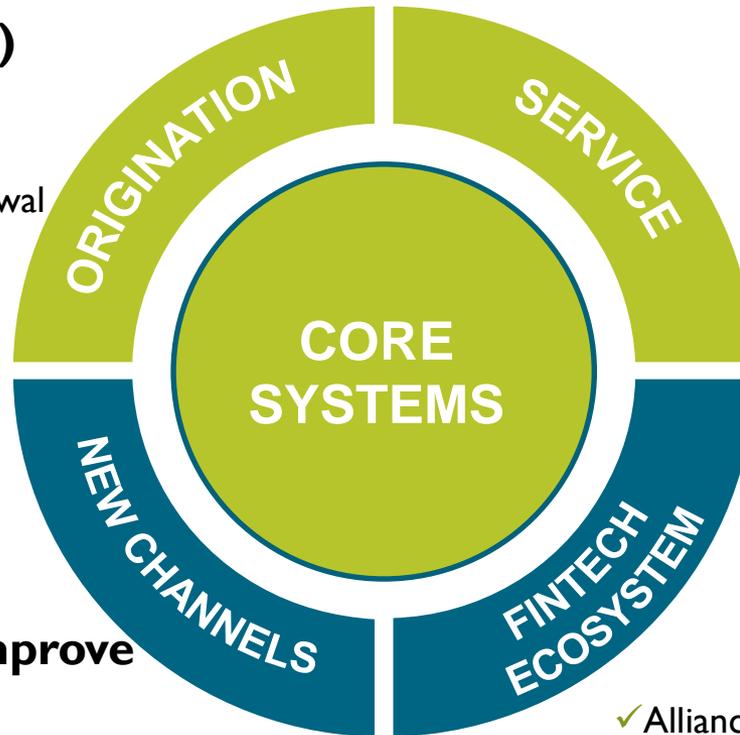
100% digital (2019)

- ✓ Facial and touch biometrics
- ✓ 12 min credit card issuance
- ✓ Self-service payroll loans renewal (September-2019)



Partnerships to improve origination

- ✓ Digital marketplace for our products
- ✓ Alliances with medium and small merchants



Omnichannel (2019)

Web-App for all products

- ✓ Consultations
- ✓ Transactions
- ✓ Marketing
- ✓ Value added for the client: personal finances

Chat Bots in Social Media



Fintechs as Allies

- ✓ Alliances with existing Fintechs to speed up the learning curve and adopt best practices (*app in financed mobiles with TIGO*)
- ✓ Optimize the R&D process and get access to state of the art solutions for our clients

Closing Remarks

Risk Management and Asset Quality

- **Increase in net impairment expense due to IFRS 9 adoption in 2018.**
- **Improvement in NPLs coverage ratio and NPLs in payroll loans and credit cards, resulting from technological developments in the origination and collection processes** from digital platforms, while maintaining more restrictive and conservative underwriting policies.
- **100% of foreign currency debt** hedged to pesos.

Funding Sources, Macro Environment and 2019 Expectations

- **Funding sources available (\$273.8 BnCOP)** to meet **2H2019 debt amortizations** (\$65 BnCOP) related to local revolving lines **and to fund growth.**
- **Structuring of a securitization of payroll loans for up to \$150 BnCOP (US\$43 MM) in the local capital market, expected to price within the next 3 months.**
- **Average life of debt estimated to remain above 2.5 years** to mitigate refinancing risks.
- **More stable macro environment** in Colombia for 2019 (3.3% GDP Growth, inflation +/- 4% and stable political environment) and growth expectation for consumer lending (+8%).
- **Positive business environment in 2019 in Colombia** with private spending leading GDP growth and consumer lending growing at 14.3% (YoY).
- **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

- **New commercial channels with an increased participation in total origination:**
- **Telephone sales:** from 1% in IQ 2019 to 10% in Oct-2019, -39% in cost /million.
- **Mobile units:** from 8% in IQ 2019 to 16% in Oct-2019, alternative channel for credit card origination in rural and disperse areas.
- **Digital payroll loan renewal:** 1% in Oct-2019, expectation of quick adoption from clients.
- In 2020, **new channels will represent 35% of loan origination** reducing costs/million by 10%.

1 Company Overview

2 Recent Developments

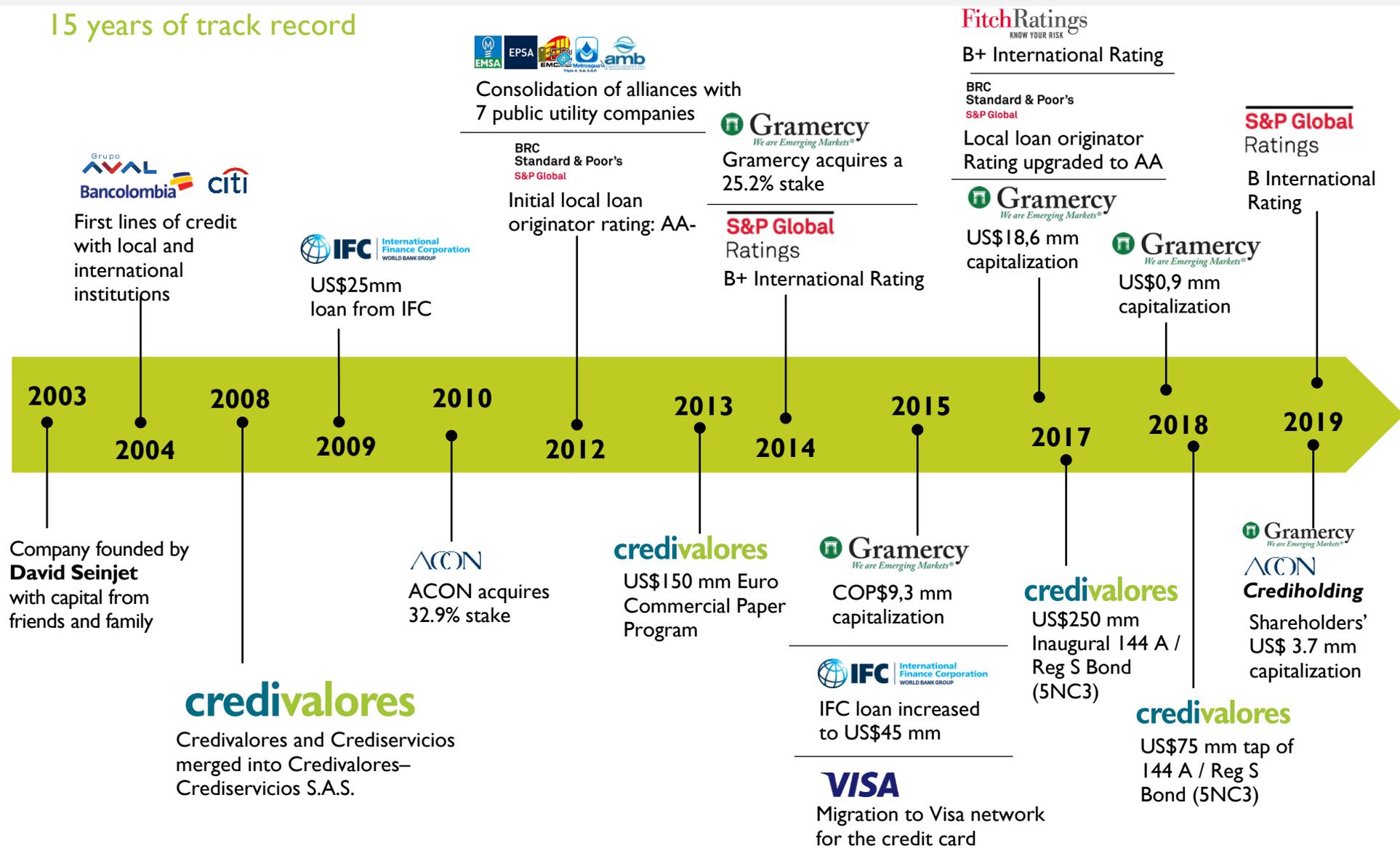
3 3Q 2019 Results

4 Closing Remarks

5 Appendix

Credivalores History

15 years of track record



Source: Company.

Shareholders' Structure

Simplified ownership structure

(as of September 30, 2019)



Key Shareholders

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

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

Jose Luis Alarcon *Chief Innovation Officer*

- Engineer in Economics and Financial Science from Escuela Politécnica Nacional in Ecuador, Master in Banking Management and Master in Applied Statistics from Universidad de Alicante and Carlos III de Madrid with more than 15 years of experience in banking.
- He previously worked as Business Intelligence Manager, Risk Manager and Statistics and Studies Manager at Unibanco and MF Advisors with operations in Ecuador, Peru and Guatemala.

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.

Marcela Caicedo *Chief Operations Officer*

- Industrial Engineer from Universidad Javeriana and Six Sigma Green Belt with more than 20 years of experience in banking and operations administration as manager of operational and IT areas, leader of restructuring and M&A processes and expert on managing massive and individual channels for clients.
- She previously worked in senior positions at Protección, ING and Banco Colpatria.

Juan Guillermo Barrera *Chief Commercial 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.

Stable Regulatory Framework for Payroll Lending

	 Colombia	 Mexico	 Brazil
Country rating	<ul style="list-style-type: none"> ■ BBB- / BBB / Baa2 	<ul style="list-style-type: none"> ■ BBB+ / BBB+ / A3 	<ul style="list-style-type: none"> ■ BB- / BB- / Ba2
Level of regulation	<ul style="list-style-type: none"> ■ High ■ Law No.1527 of 2012 (Payroll Loans Law) ■ Max. 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"> ■ 140 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, maximum 50% of the client's net wage 	<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

Income statement

Million COP	As of September 30,			As of December 31	
	2019 (Million US\$) ⁽¹⁾	2019 (Million COP)	2018 (restated) (Million COP)	2018 (Million US\$) ⁽¹⁾	2018 (Million COP)
Income Statement Data:					
Interest income and similar	79.7	277,135	242,360	98.0	340,948
Financial costs (interest)	(41.9)	(145,686)	(133,771)	(46.3)	(160,957)
Net interest and similar	38.0	131,449	108,589	51.9	179,991
Impairment of financial assets loan portfolio	(13.6)	(47,403)	(29,754)	(13.6)	(47,432)
Loan portfolio impairment recoveries	–	–	–	–	–
Impairment of other accounts receivable	–	–	–	(1.8)	(6,114)
Gross Financial Margin	24.2	84,046	78,835	36.4	126,445
Other income	0.3	1,166	646	0.3	908
SG&A					
Employee benefits	(3.5)	(12,103)	(13,687)	(5.1)	(17,623)
Expense for depreciation and amortization	(1.4)	(5,041)	(4,634)	(2.1)	(7,409)
Other	(16.4)	(57,127)	(51,949)	(20.9)	(72,607)
Total Other Expenses	(21.4)	(74,271)	(70,270)	(28.1)	(97,639)
Operating Income	3.1	10,941	8,565	8.3	28,806
Financial income					
Exchange Rate Differences	0.01	(42)	8,274	2.5	8,638
Financial Instruments	–	–	–	–	–
Financial income and Other Income Recovery	0.1	624	448	0.1	2,524
Total financial income	0.17	582	8,722	2.7	11,162
Financial Expense					
Exchange Rate Differences	–	–	–	–	–
Financial Instruments	(1.5)	(5,335)	(6,183)	(8.3)	(28,943)
Total financial expense	(1.5)	(5,335)	(6,183)	(8.3)	(28,943)
Net Financial Income (Costs)	(1.4)	(4,753)	2,539	(5.1)	(17,781)
Net income before income tax	1.8	6,188	11,750	3.4	11,933
Income tax	(0.7)	(2,554)	(1,582)	(1.3)	(4,581)
Net income for the period	1.0	3,633	10,167	2.1	7,352

(1) Solely for the convenience of the reader, Colombian peso amounts have been translated into U.S. dollars at the FX rate as of October 1, 2019 of \$3,477.45 COP/USD

Balance Sheet

Million COP	As of September 30,		As of December 31		
	2019 (US\$ Million) ⁽¹⁾	2019 (Million COP)	2018 (US\$ Million) ⁽¹⁾	2018 (Million COP)	2017 Restated (Million COP)
Balance Sheet Data					
Cash and cash equivalents	43.0	149,436	56.1	195,085	121,948
Total financial assets at fair value	102.9	357,338	58.3	202,857	39,025
Total loan portfolio, net	337.8	1,174,755	328.6	1,142,524	1,052,671
Consumer loans	389.0	1,352,702	373.7	1,299,476	1,166,501
Microcredit loans	1.7	5,923	1.9	6,461	14,250
Impairment	(52.9)	(183,870)	(47.0)	(163,413)	(128,080)
Accounts receivable, net	113.4	394,398	95.1	330,651	183,511
Total financial assets at amortized cost	451.2	1,569,153	423.6	1,473,175	1,236,182
Investments in associates and affiliates	3.2	11,093	3.0	10,366	37,485
Current tax assets	4.7	16,215	3.5	12,059	8,191
Deferred tax assets, net	4.0	13,935	4.2	14,433	13,042
Property and equipment, net	0.4	1,282	0.2	788	913
Intangible assets other than goodwill, net	21.5	74,667	22.4	77,642	62,862
Total assets	630.7	2,193,119	571.2	1,986,378	1,519,648
Derivative instruments	14.5	50,545	7.7	26,762	17,686
Financial obligations	487.4	1,695,062	451.8	1,564,108	1,167,146
Employee benefits	0.4	1,351	0.3	1,096	1,154
Other provisions	0.3	896	0.1	343	302
Accounts payable	19.5	67,691	27.6	95,897	60,444
Current tax liabilities	0.8	2,948	0.6	2,197	1,100
Other liabilities	17.3	60,227	13.3	46,298	6,983
Total liabilities	540.3	1,878,720	499.4	1,736,701	1,254,815
Shareholders equity	90.4	314,399	71.8	249,677	264,833
Total liabilities and equity	630.7	2,193,119	571.2	1,986,378	1,519,648

(1) Solely for the convenience of the reader, Colombian peso amounts have been translated into U.S. dollars at the FX rate as of October 1, 2019 of \$3,477.45 COP/USD

9.75% US\$250 million Bond due July, 2022

Issuer	Credivalores- Crediservicios S.A.S.
Ranking	Senior Unsecured
Credit Rating	B+ (S&P) / B+ (Fitch)
Format	144 A / Regulation S
Principal	US\$250 million
Structure / Maturity	5NC3 / July 27, 2022
Coupon	9.75% (30/360) / Semi-annual
Yield / Price	10% / 99.035
Optional Redemption	Make Whole T + 50bps prior to July 27, 2020 \$104.875 on and after July 27, 2020 \$102.438 on and after July 27, 2021
Use of Proceeds	Refinancing of existing indebtedness (including mostly secured debt) and general corporate purposes
Minimum Denomination	US\$200,000 x US\$1,000
Settlement Date	July 27, 2017
Listing	Singapore Stock Exchange
Governing Law	New York
Joint Bookrunners	Credit Suisse and BCP Securities
Paying agent and Trustee	The Bank of New York
ISIN	144 A US22555LAA44 Reg S USP32086AL73
CUSIP	144A 22555L AA4 Reg S P32086 AL7

9.75% US\$75 million retap due July, 2022

Issuer	Credivalores- Crediservicios S.A.S.
Ranking	Senior Unsecured
Credit Rating	B+ (S&P) / B+ (Fitch)
Format	Regulation S
Original Principal	US\$250 million
Retap Amount	US\$75 million
New Principal Outstanding	US\$325 million
Structure / Maturity	5NC3 / July 27, 2022
Coupon	9.75% (30/360) / Semi-annual
Yield / Price	8.625% / 104,079%
Optional Redemption	Make Whole T + 50bps prior to July 27, 2020 104.875% on and after July 27, 2020 102.438% on and after July 27, 2021
Use of Proceeds	Refinancing of existing indebtedness and general corporate purposes
Minimum Denomination	US\$200,000 x US\$1,000
Settlement Date	February 14, 2018
Listing	Singapore Stock Exchange
Governing Law	New York
Initial Purchaser	BCP Securities
Paying agent and Trustee	The Bank of New York
ISIN	Reg S (reop) USP32086AN30
CUSIP	Reg S (reop) P32086 AN3

credivalores



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<https://credivalores.com.co/InvestorRelations>