

Investor presentation
4Q and FY 2019 Results
April 24, 2020

credivalores
Credivalores - Crediservicios S.A.

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1 **Company Overview**

2 Recent Developments

3 4Q and FY 2019 Results

4 Closing Remarks

5 Covid-19 Action Plan and 2020 Outlook

6 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\$2.9 billion throughout the past 16 years of operations.



Considerable portfolio size of US\$485 million.



Broad geographic footprint. 97 branches and POS in retail locations; 130 customer centers across the country in alliance with national telecom companies.



Sizable exclusive sales force. More than 555 sales representatives and 950 external advisors.



Strong Capitalization. US\$86 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 December 31, 2019)

tucrédito cv
Payroll loans

credi**1**uno
Credit Cards

credi**·**póliza
Insurance Financing

Managed portfolio ⁽¹⁾ <i>Thousand Million COP</i>	\$938 US\$286 mm	\$577 US\$176 mm	\$70 US\$21 mm
% of managed portfolio ⁽²⁾	59.0%	36.3%	4.4%
Average loan size <i>Million COP</i>	\$16,3 US\$4,967	\$2.5 US\$764	\$5.7 US\$1,750
Average term at origination	113 months	18 months	9 months
Number of clients ⁽³⁾	73,068	617,555	31,688
Average rate charged ⁽⁴⁾	22.9%	27.5%	27.2%
Average rate + Fees	30.9%	45.2%	30.9%
NPLs (%) ⁽⁵⁾	3.08%	7.33%	5.42%
Distribution/ collection partners	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
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 \$3,277.14 COP/USD as of December 31, 2019

(2) The remaining 0.3% of managed portfolio consists of \$4,266 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 December 2019 on note 8.2.1 NPL calculation considers principal only.

Competitive Advantage and Target Market

	Traditional banks	 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

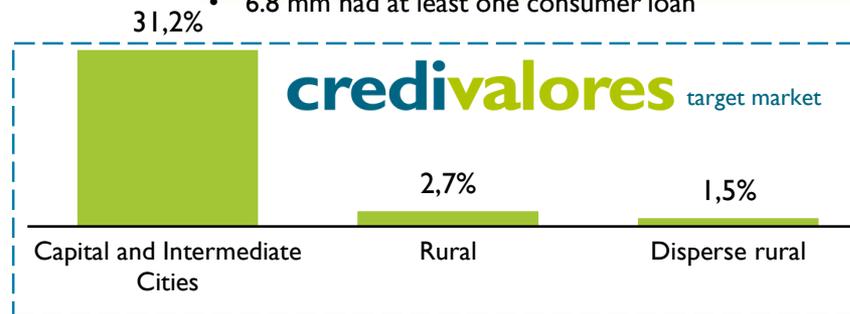


Focus on less penetrated small and intermediate cities

Population with access to credit, % of total inhabitants (Dec. 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 (4Q 2019)

Growth and Profitability

- **Positive operational and financial results YoY:**
- **+16.9% (YoY)** growth in **total portfolio origination** (+44% YoY in payroll loans)
- **+13.0% (YoY)** growth in **Net Interest Income**
- **+ 4.2% (YoY)** in **Gross Financial Margin**, in spite of higher net impairment due to IFRS 9 adoption
- **+31.0% (YoY)** in **Operating Income** and **-31.3% (YoY)** in **Net Income** for the period

Improvements in Funding Profile and Strong Cash Position

- **Access to the domestic capital market:** structuring and authorization to issue a securitization of payroll loan portfolio **for up to COP\$150 Bn (US\$46 MM)** during 2020.
- **Payroll loan origination** guaranteed through **local secured syndicated loan** ⁽¹⁾, recently increased to COP\$310 Bn (US\$95 MM), and **portfolio transfers to BTG's mutual fund**.
- **Committed credit lines for COP\$273.8 Bn (US\$84 MM)**, 14% of them **available**. **Cash at hand of US\$119 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 **3.4 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

- **Equity/ assets ratio at 13.3%** after COP\$12 Bn (US\$3.7 MM) capitalization.
- **Leverage ratio (debt/ equity) at 5.2x**.
- **Covenant compliance as of December 2019**, according to the Description of the Notes.

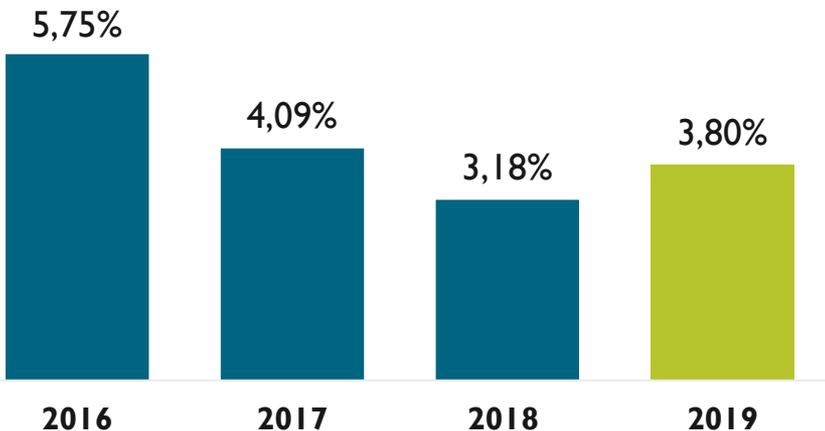
Loan Portfolio Quality

- **Significant improvement in total NPLs:** 4.7% in Dec-2019, down from 6.3% in Dec-2018,
- **Recovery of credit card origination** (+49.2% QoQ and +11.2% YoY) due to **technological improvements in the origination** and collection processes, including a **new digital underwriting platform** and a **new agreements with a utility companies** (Enerpereira y Electrohila) **increasing our potential client base by 21%**.
- **Consolidation of leading competitive position in the payroll loan market** (2.8% market share of total origination in the financial system in 2019).

2019 Main Highlights - Macro Conditions

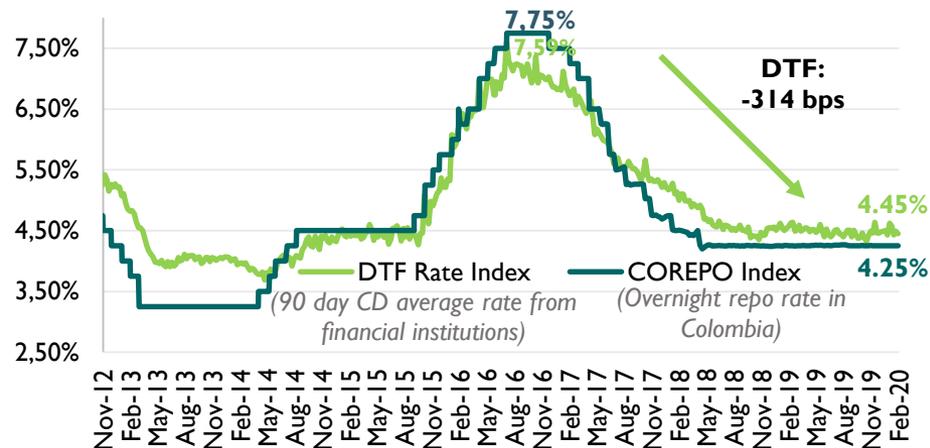
Inflation (1)

As % change, YOY

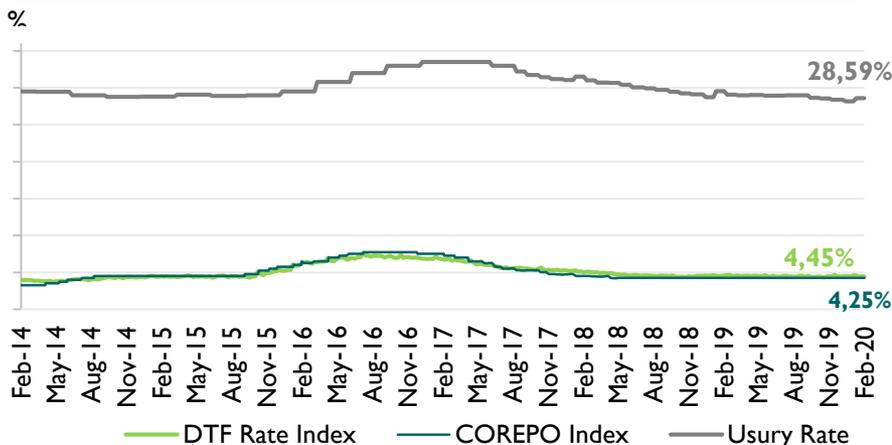


Interest Rates (1)

%



Usury Rate vs. Interest rates (2)



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

- **Changes in calculation period of usury rate (3), starting on September 1st, 2017 from quarterly to monthly basis**
- **The calculation formula remained unchanged: 1.5 x the average lending interest rate (4)**
- **Since the adoption of this measure, usury rate has declined 438 bps**

Source:

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

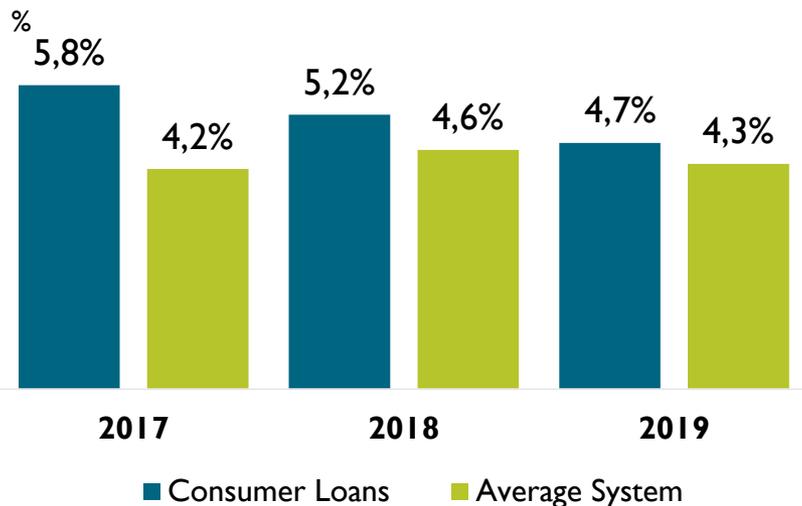
(2) Colombian Superintendence of Finance.

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

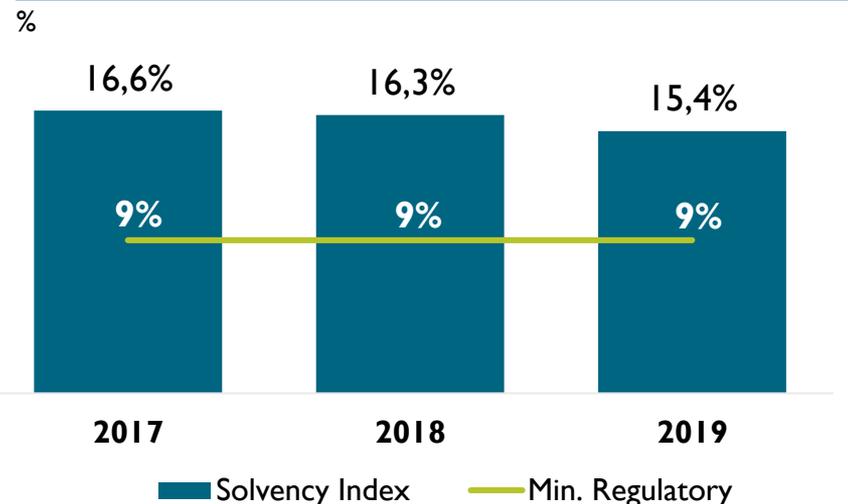
(4) Average interest rate paid by the borrowers and certified by the Superintendence of Finance based on the interest rates from microloans, consumer loans, small amount consumer loans. Those transactions not reflecting market conditions are excluded from the calculation.

2019 Main Highlights - Macro Conditions

NPLs Financial System (1)

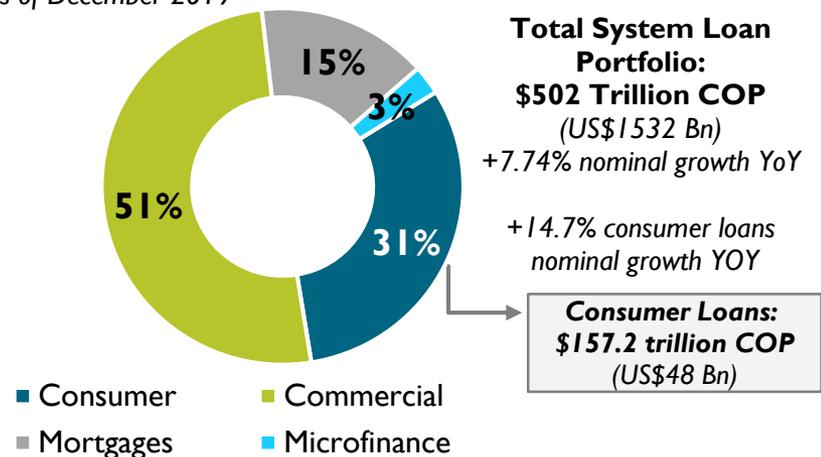


Solvency Index Financial System (2)



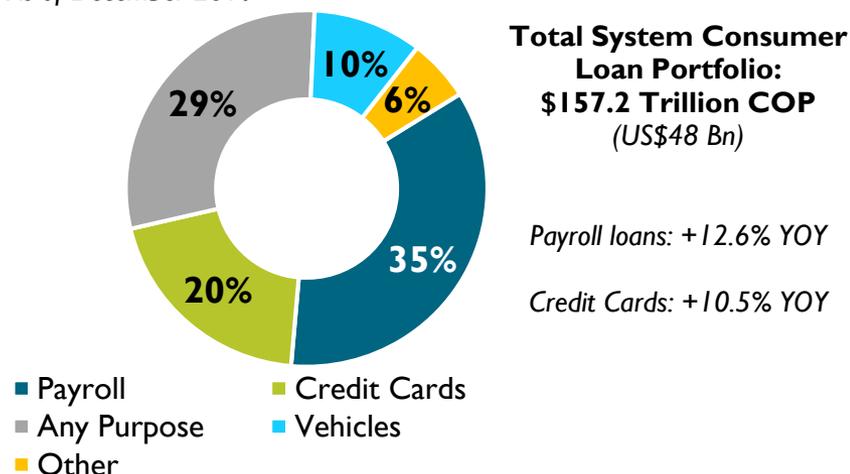
Financial System Loans Portfolio by Type (3)

As of December 2019



Consumer Loans Portfolio by Type (3)

As of December 2019



Source:

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

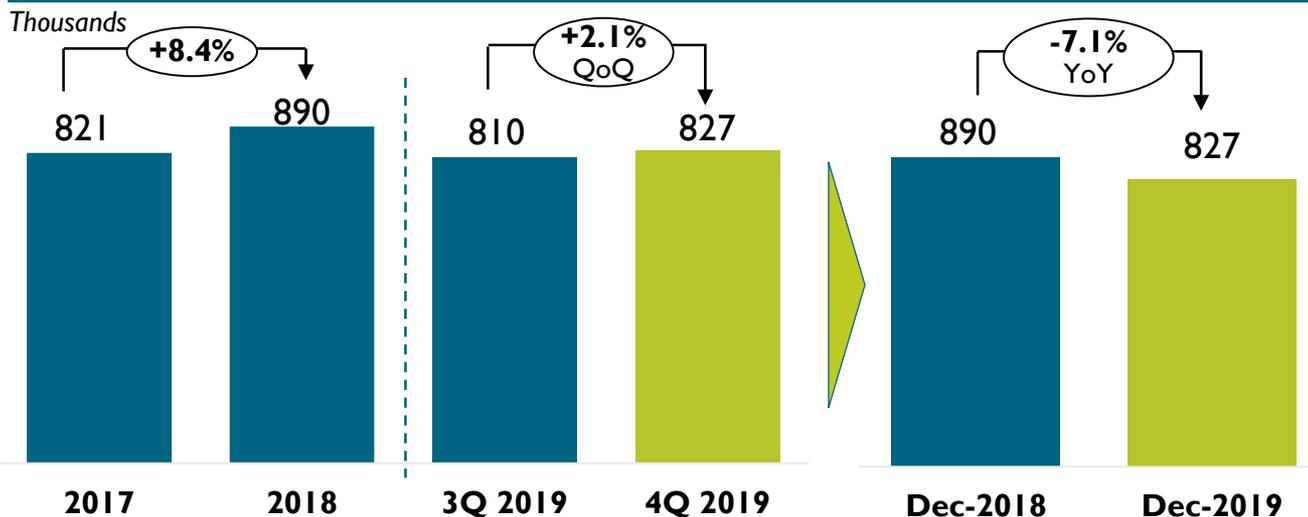
(2) Colombian Superintendence of Finance. Calculated as equity over weighted average assets.

(3) Colombian Superintendence of Finance.

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4Q and FY 2019 Operating Results

Number of Clients ⁽¹⁾



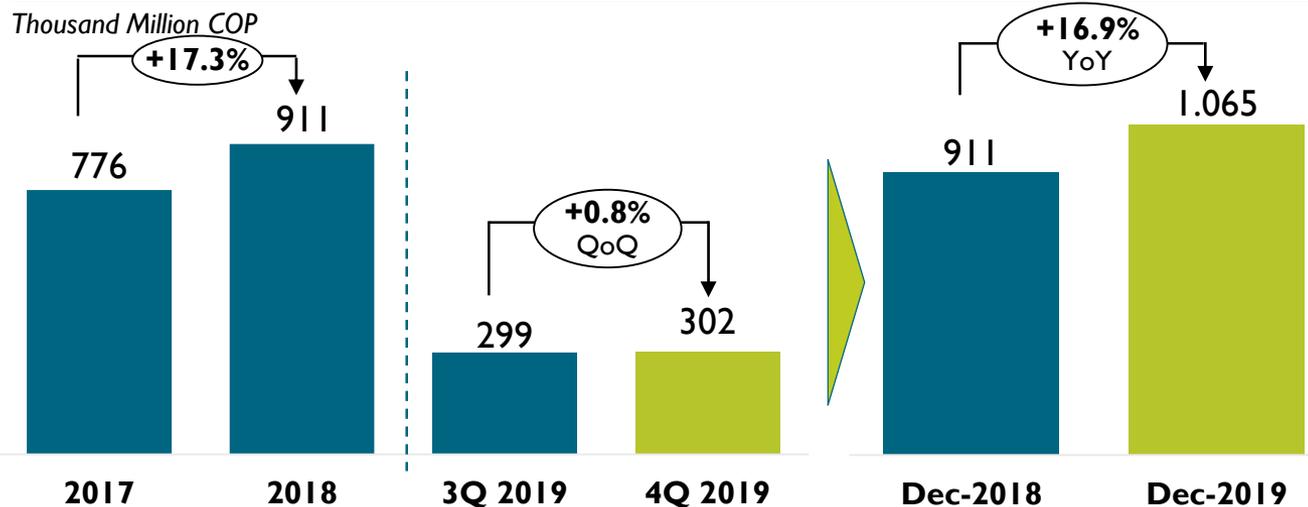
QoQ client results due to:

- 3.1% in payroll loans
- +5.5% in credit cards
- 11.0% in insurance financing

-7.1% (YoY)

due to a decline in insurance financing (-32%) and credit card clients (-4.6%)

Loan Portfolio Origination ⁽²⁾



QoQ disbursements results due to:

- 20.2% in payroll loans
- +49.2% in credit cards
- +11.9% in insurance financing

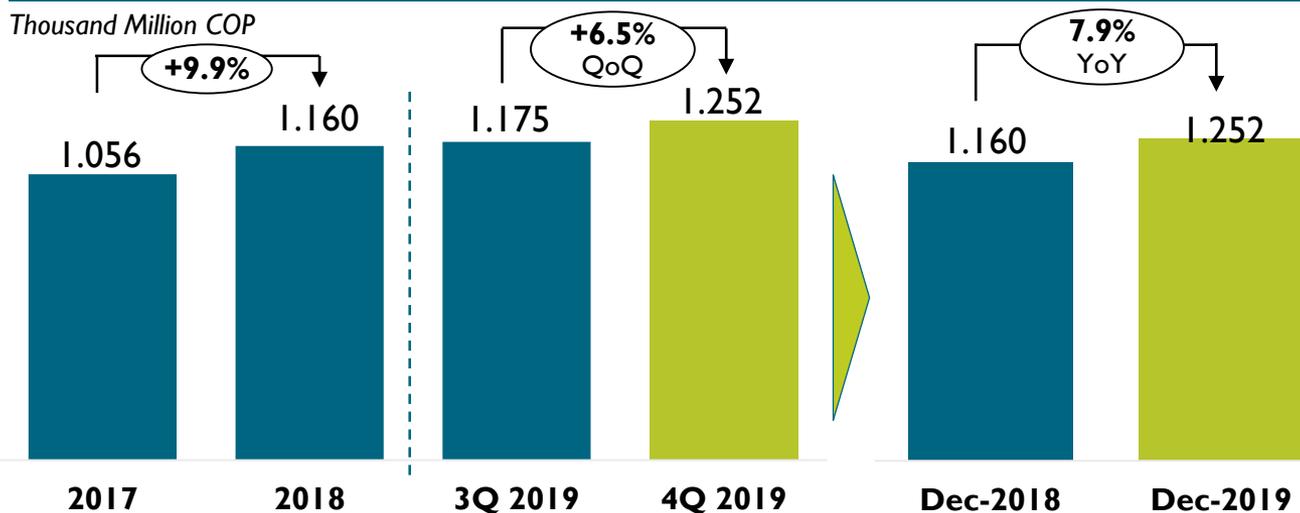
+16.9% (YoY)

due to a 44% and an 11% growth in payroll loans and credit cards

4Q and FY 2019 Operating Results

Owned Loan Portfolio (1)

Thousand Million COP

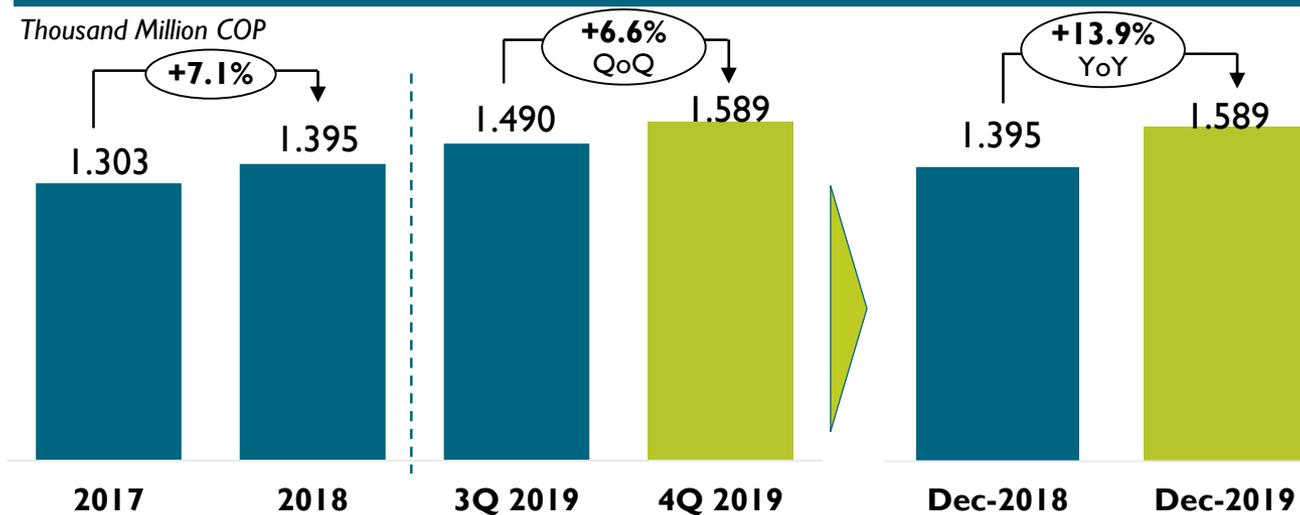


QoQ owned portfolio results due to:
+ 0.9% in payroll loans
+14.3% in credit cards
-1.4% in insurance financing

+ 7.9% (YoY)
 due to payroll loans portfolio sales and a decline in portfolio balance in insurance financing

Managed Loan Portfolio (2)

Thousand Million COP



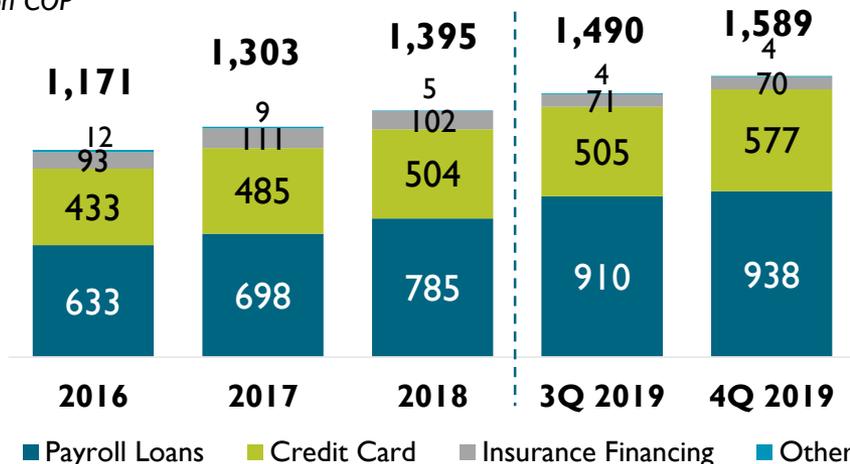
QoQ managed portfolio results due to:
+3.0% in payroll loans
+14.3% in credit cards
-1.4% in insurance financing

+13.9% (YoY)
 due to portfolio growth in payroll loans (+19%) and credit cards (+15%) to offset fall in insurance financing

4Q and FY 2019 Operating Results

Managed Loan Portfolio by Product

Thousand Million COP

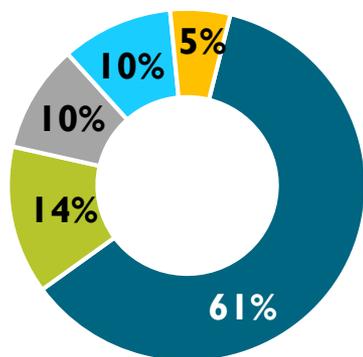


Payroll loans represent the largest portion of the total portfolio

As of December 2019 payroll loans represented (59.0%), credit cards (36.3%) and insurance premium financing (4.4%) of the total managed portfolio.

Payroll Loans Breakdown

As of December 2019



Top 25 clients **0.55%** of portfolio

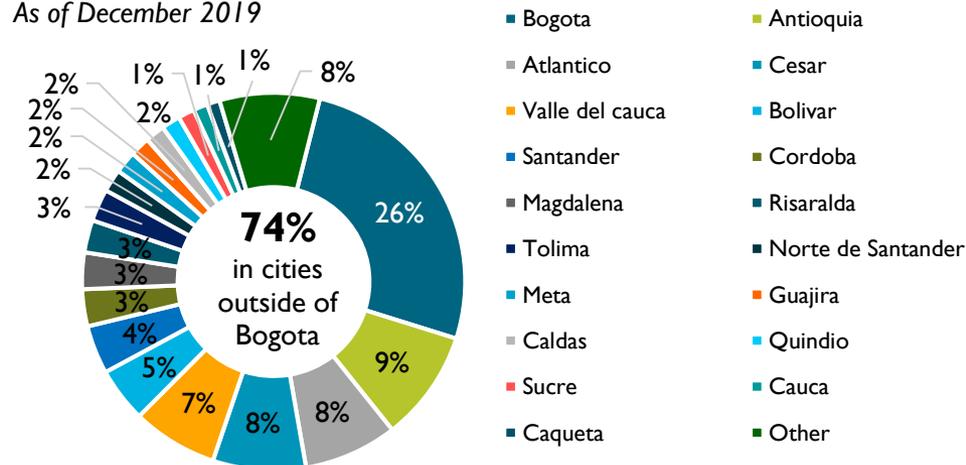
0.084% single client exposure

86% among retirees and government employees (1)

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

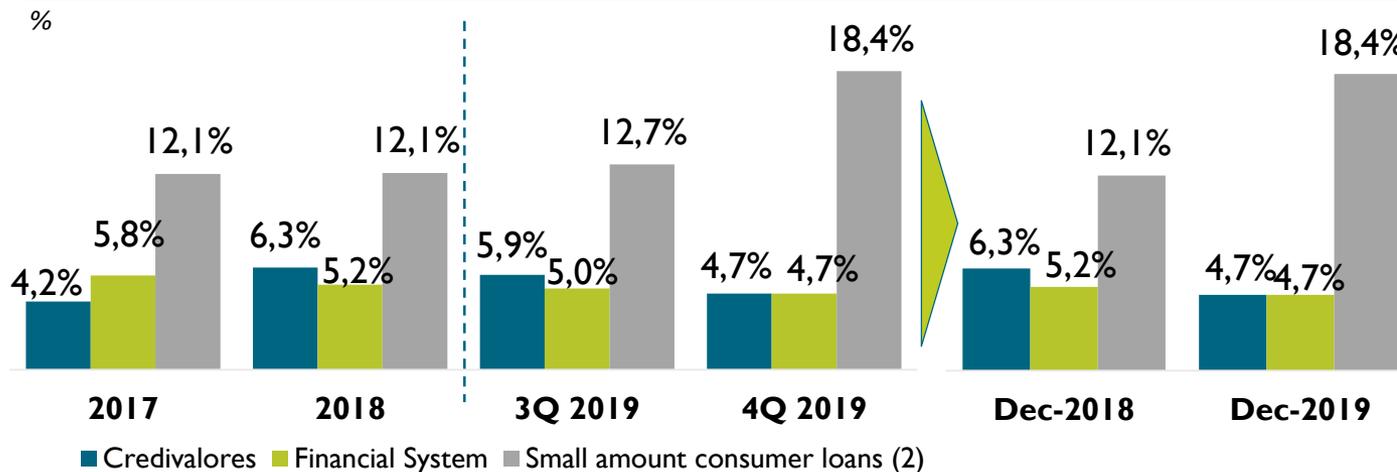
Payroll Loan Portfolio Breakdown by Geography

As of December 2019



4Q and FY 2019 Operating Results

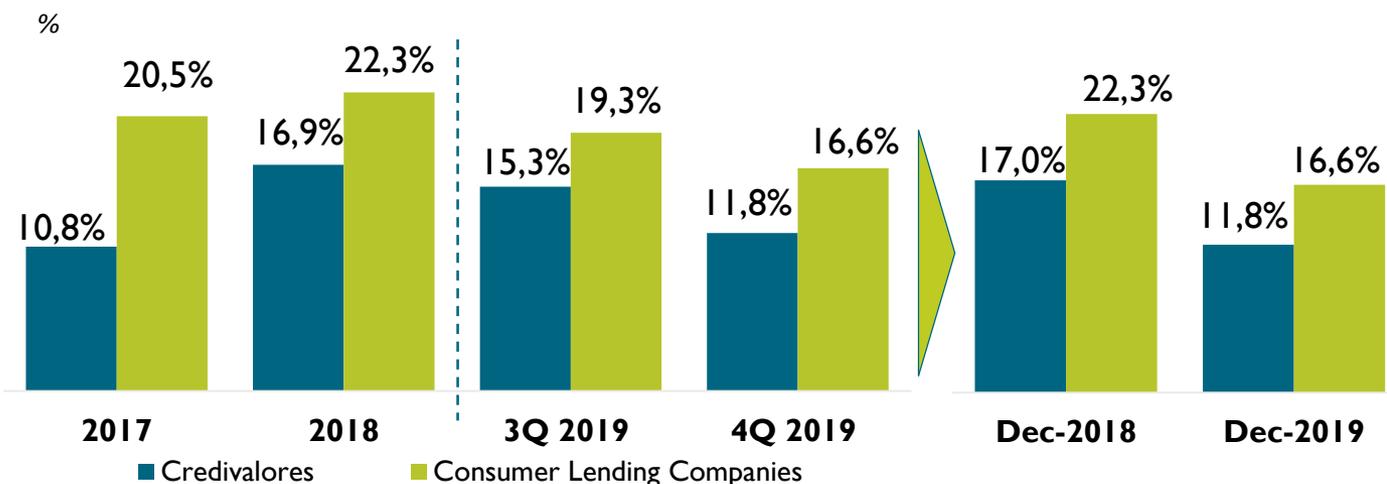
NPLs Consumer Loans (1)



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

Effectiveness of measures implemented in 4Q 2018 and 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

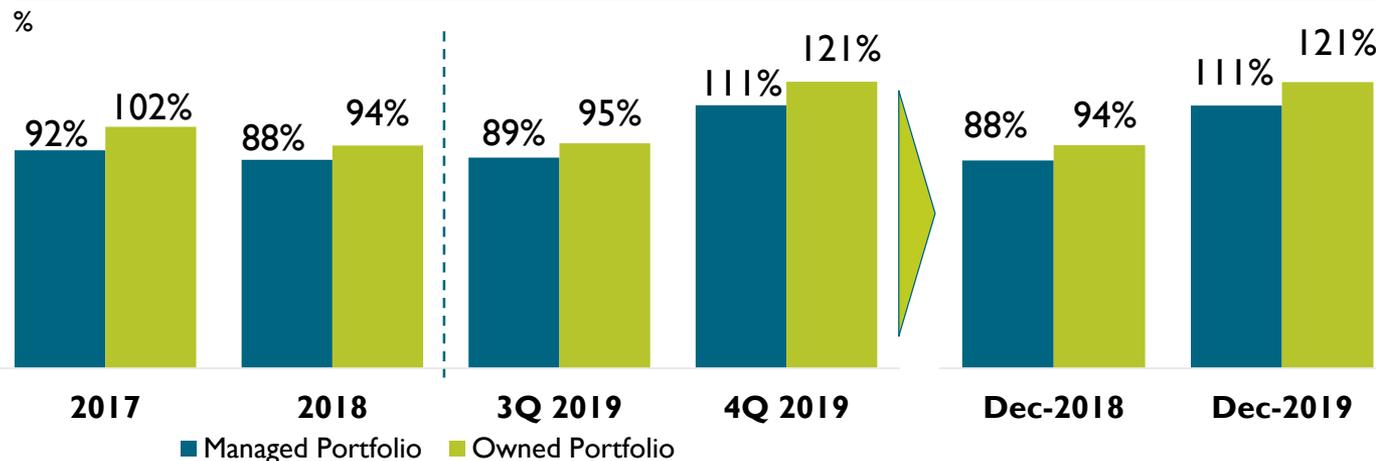
(1) Includes NPLs between 60 and 360 days, as a percentage of total managed loan portfolio excluding NPL>360, as reported in financial statements as of December 31, 2019 on note 8.2.1 NPL calculation considers principal only.

(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.

(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.

4Q and FY 2019 Operating Results

NPLs Coverage Ratio (+60) ⁽¹⁾



NPLs Coverage Ratio increased due to:

Decrease in past due loans +360 days due to write-offs and recoveries, while maintaining an **increase in provisions resulting from 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 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.**

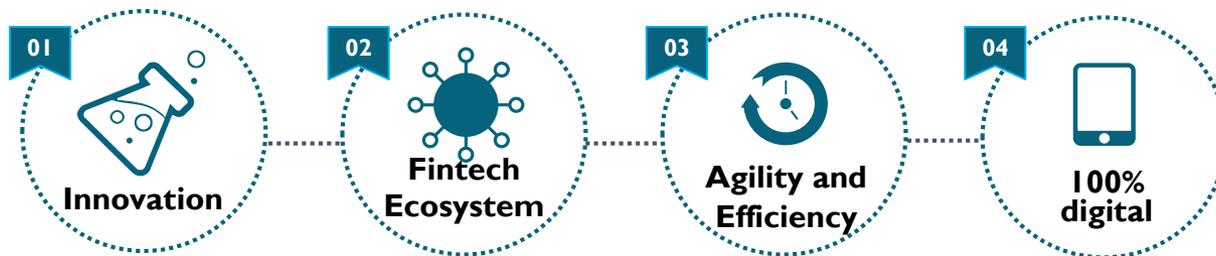
(1) Calculated as reserves (including impairments and FGA reserves) over NPLs of managed / owned loan portfolio. FGA (Fondo Nacional de Garantías de Antioquia) is an entity that acts as guarantor for loans of our clients. The cost of the guaranty is paid by the respective client. The amounts paid are 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.

4Q and FY 2019 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

Equipped with tablets



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

December 2019 (1):

100% digital origination platform for the credit card business



Productivity +51%

Response Time -49%

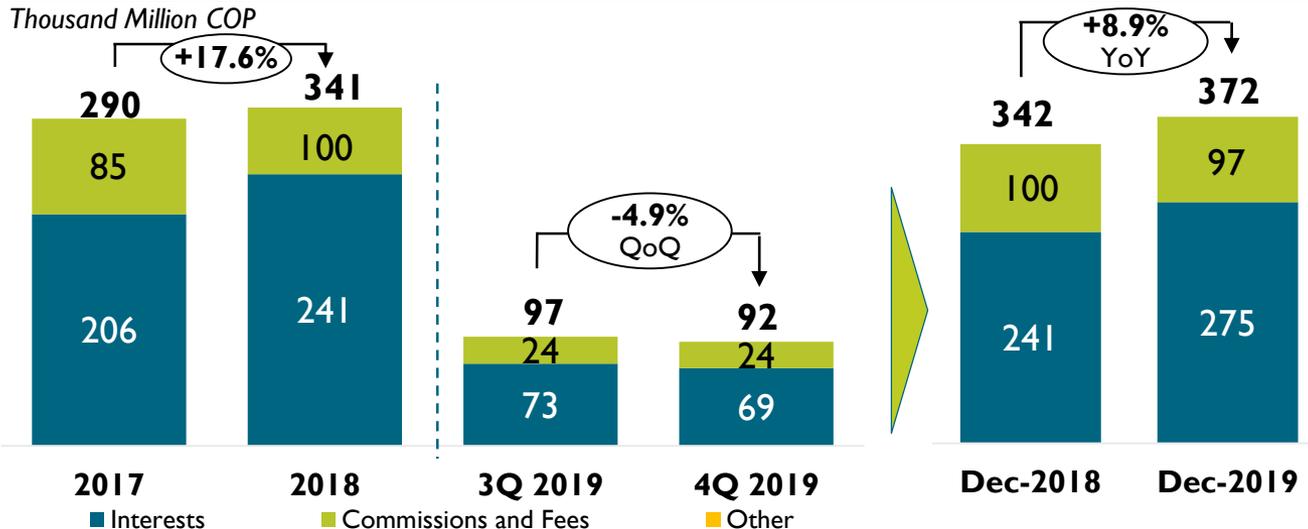
Origination Costs -37%

Clients Approved +159%

4Q and FY 2019 Financial Results- Income Statement

Interest Income (1)

Thousand Million COP

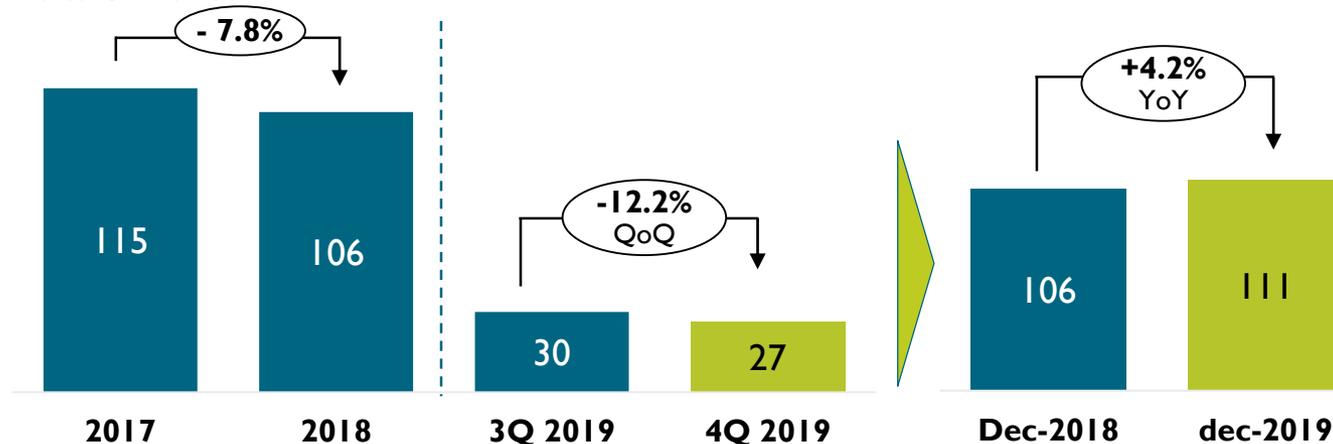


QoQ interest income results due to:

- 5.7% in interests
- 2.1% in commissions and fees
- + 8.9% (YoY)**
- due to a 14% increase in interest income

Gross Financial Margin

Thousand Million COP



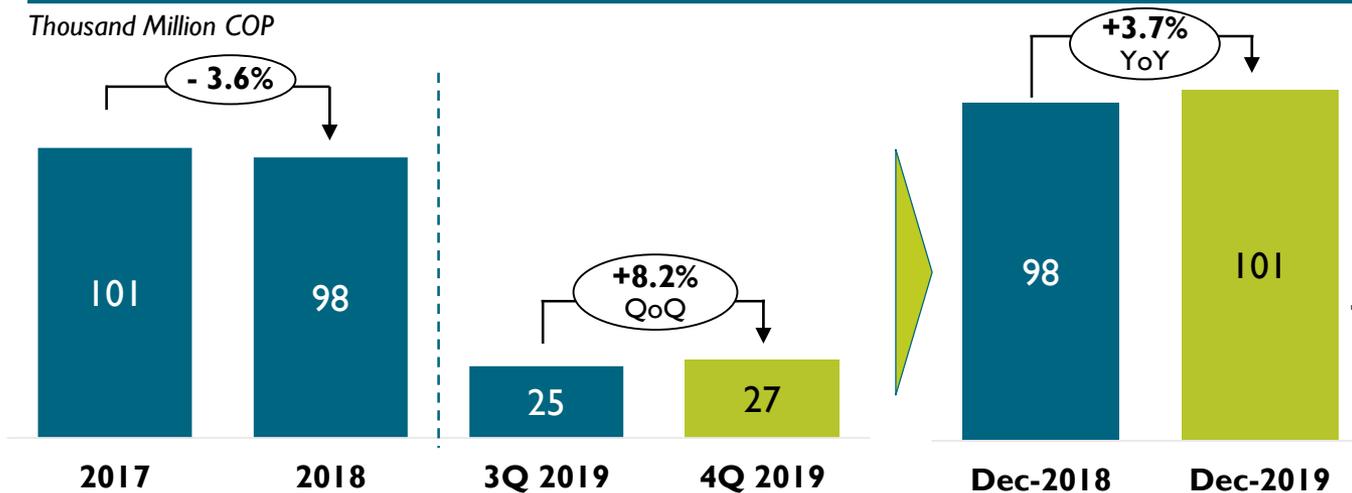
QoQ gross financial margin results due to:

- 4.9% in interests and fees
- 11.3% in financial cost
- +22% in net impairments**
- +4.2% (YoY)**
- due to higher net impairment expense (+34%) that offset the 13% increase in net interest income

4Q and FY 2019 Financial Results- Income Statement

SG&A- Other Expenses ⁽¹⁾

Thousand Million COP



QoQ other expenses results due to:

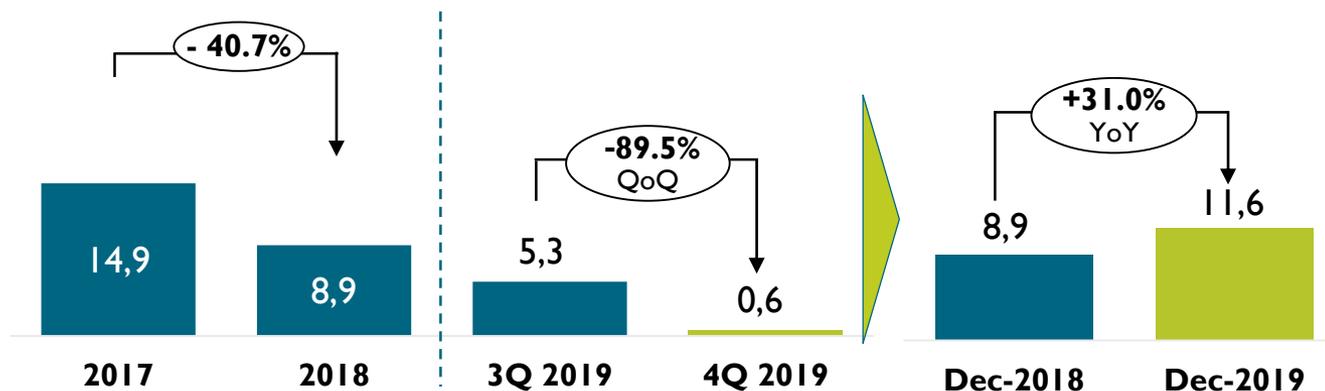
- 4.2% in employees benefits
- +5.5% in depreciation and amortization expenses
- +15.8% in legal, insurance and taxes expenses

+3.7% (YoY)

due to an increase in temporary services, fees and operating leases

Operating Income

Thousand Million COP



QoQ operating income due to:

- 12.2% in gross financial margin
- +8.2% in other expenses

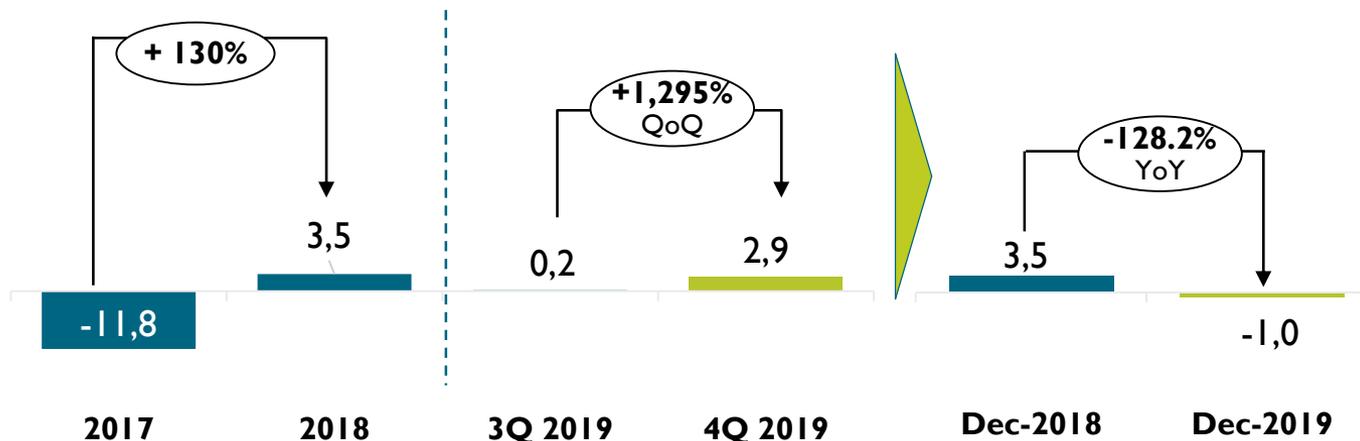
+31.0% (YoY)

due to a 13% increase in net interest income to offset higher net impairments and SG&A

4Q and FY 2019 Financial Results- Income Statement

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

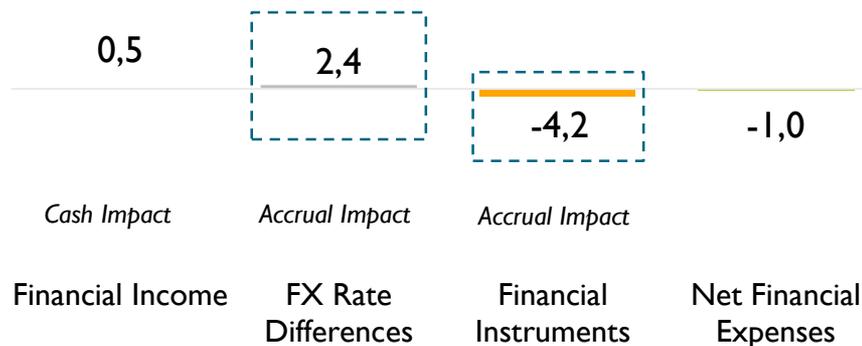
Thousand Million COP



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

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

Thousand Million COP



A 1% COP depreciation against USD (COP\$28 / USD) between 2018 and 2019 was mitigated in the P&L, due to the effectiveness of the hedging policy in place.

Source:

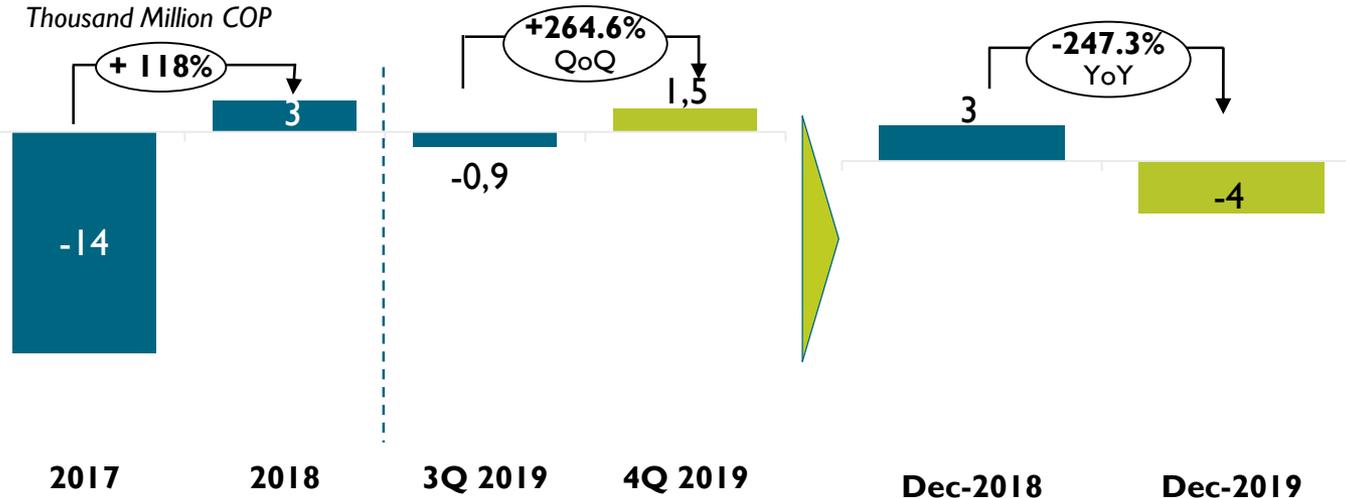
(1) Includes FX rate differences (income or expenses) arising from the hedging position on foreign currency debt and forward valuations (expenses/ income).

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

4Q and FY 2019 Financial Results- Income Statement

Non-Recurring Items

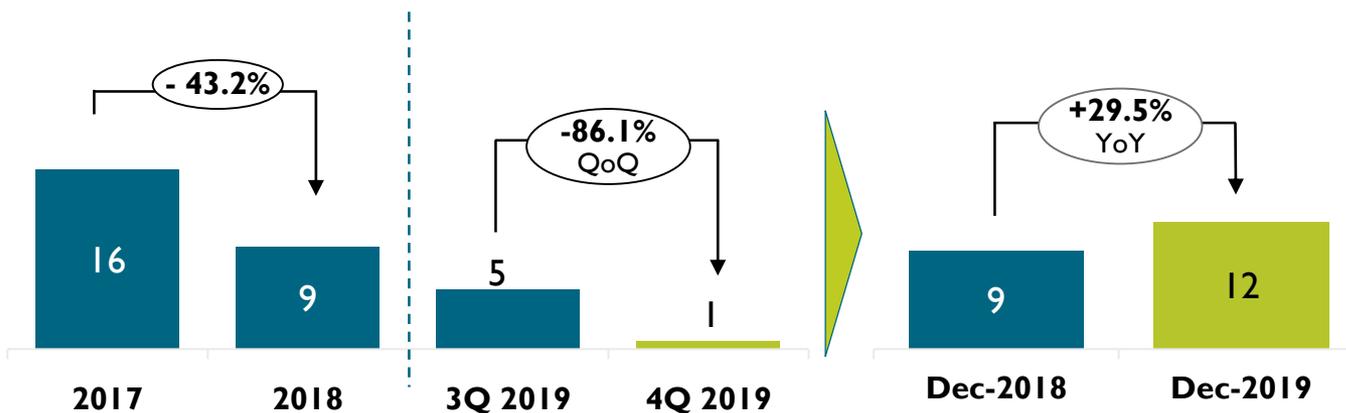
Thousand Million COP



Impact of non-recurring items due to lower financial income from exchange rate differences after hedging policy was fully implemented in March 2018

Net Income Before Taxes and Non-Recurring Items

Thousand Million COP

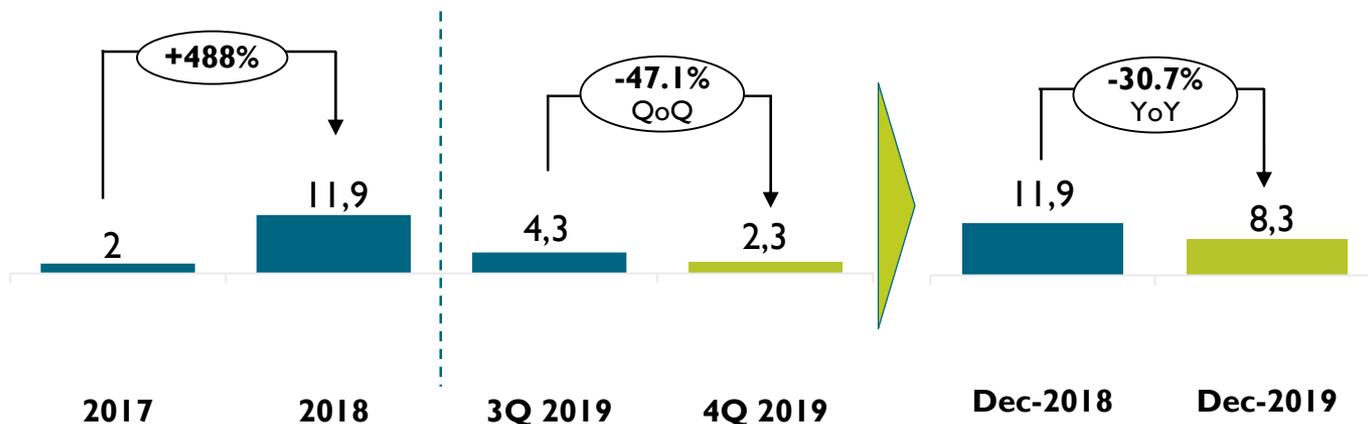


Net income before taxes and non-recurring items affected by lower financial income from exchange rate differences from before adopting hedging accounting

4Q and FY 2019 Financial Results- Income Statement

Net Income Before Taxes

Thousand Million COP



QoQ net income before taxes due to:

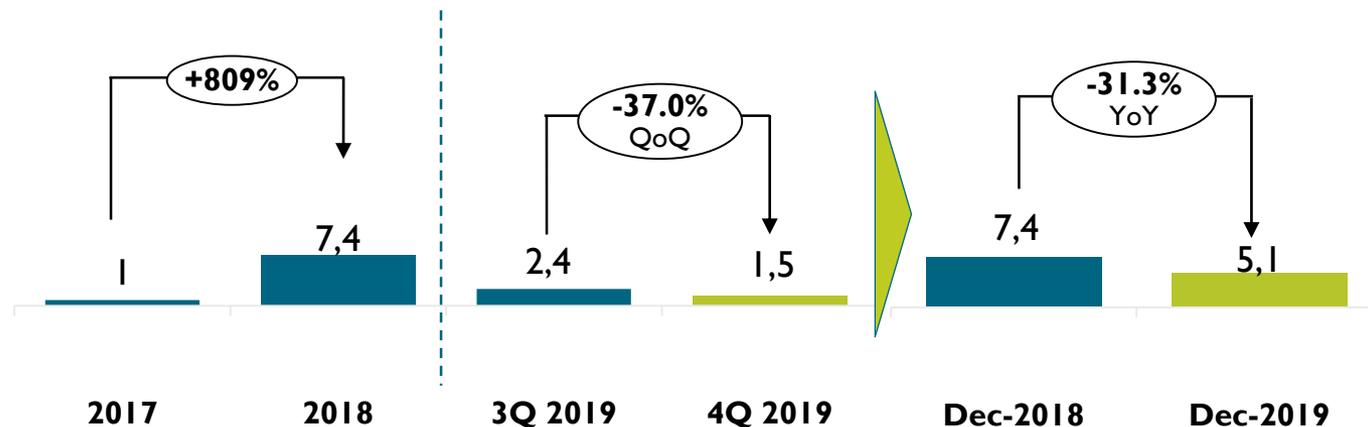
Lower operating income from lower net impairment

-30.7% (YoY)

due to higher non-operating net financial expenses

Net Income for the Period

Thousand Million COP



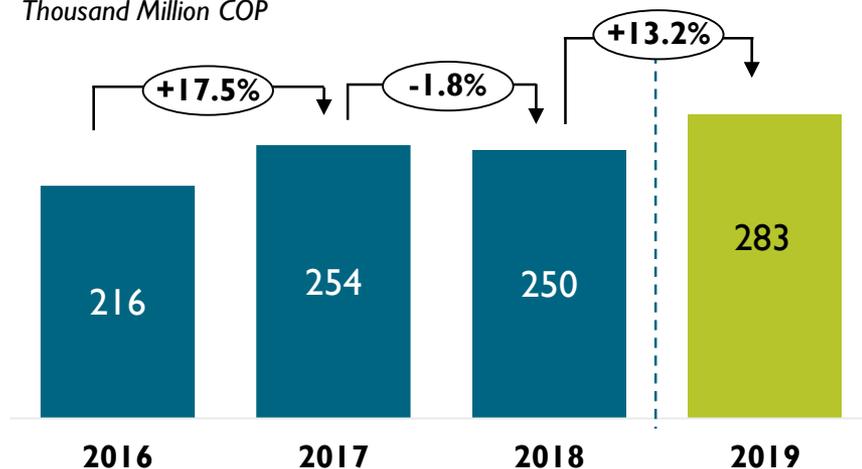
- 31.3% (YoY)

due to higher non-recurring items that offset the 31% increase in operating income

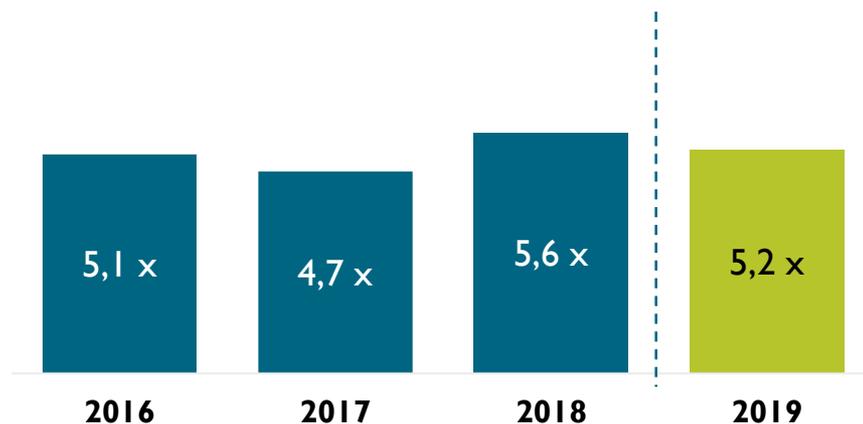
FY 2019 Financial Results- Balance Sheet

Shareholders' Equity Evolution

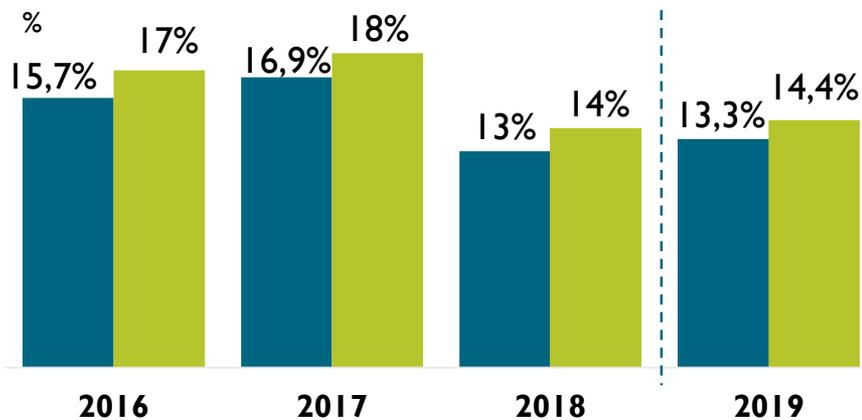
Thousand Million COP



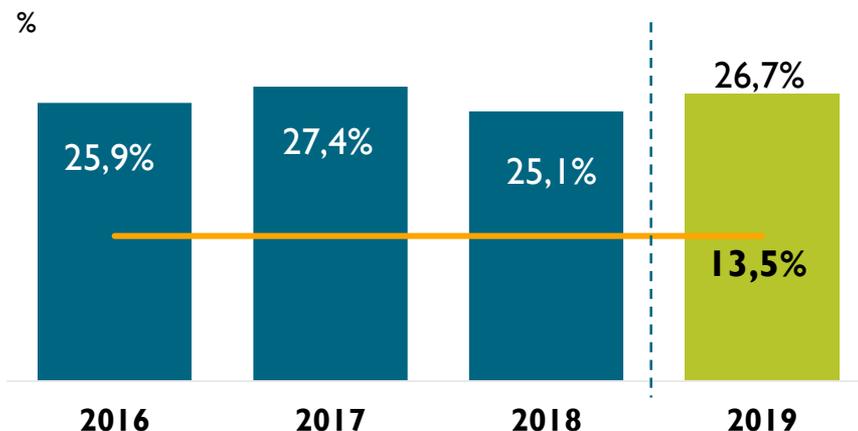
Leverage Ratio (Debt ⁽¹⁾ /Equity)



Solvency Ratio (Equity/ Assets)



Capitalization Ratio ⁽²⁾



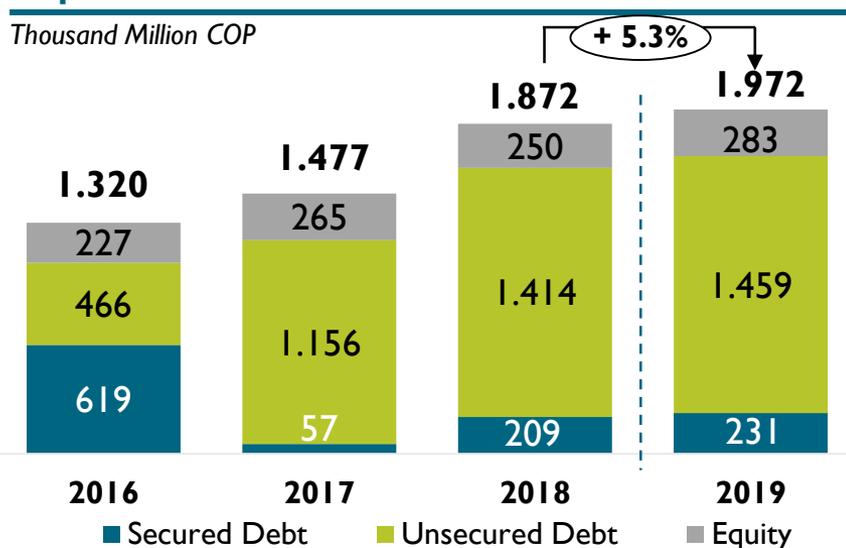
■ Equity/Assets ■ Equity/(Assets- Cash and Cash Equivalents)

— Covenant from I 44A / Reg S Bonds

FY 2019 Financial Results- Balance Sheet

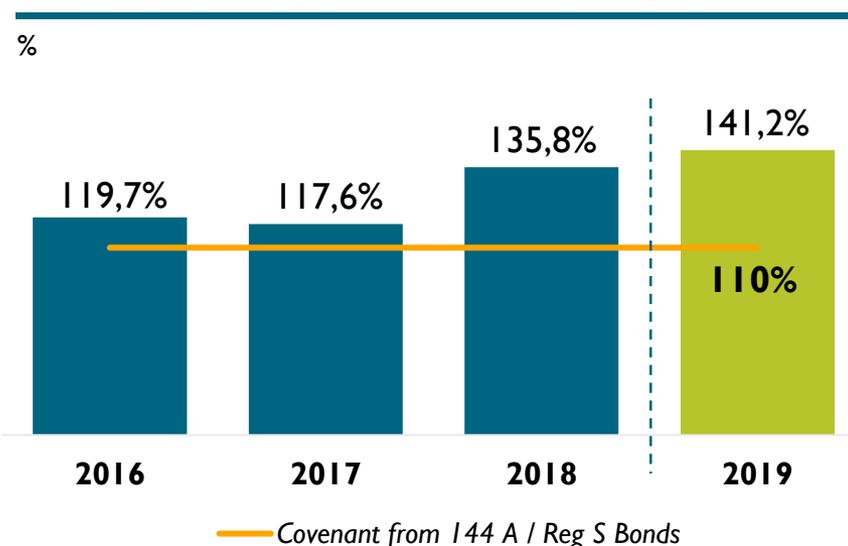
Capitalization Evolution ⁽¹⁾

Thousand Million COP



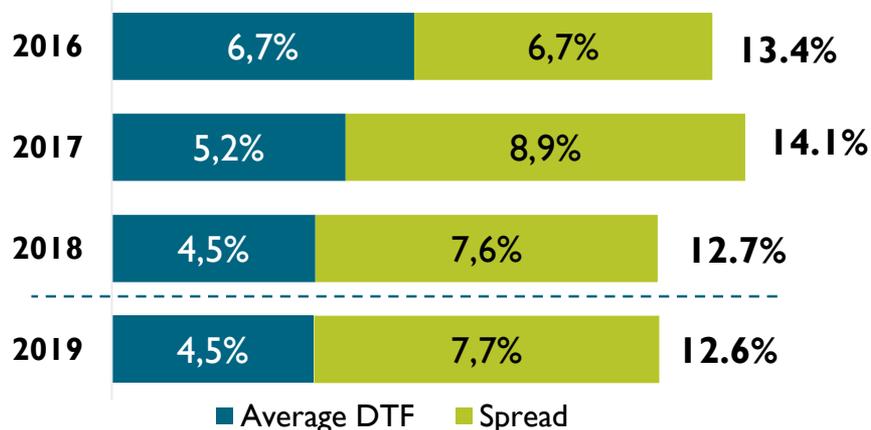
Unencumbered Assets / Unsecured Debt ⁽²⁾

%



Average Funding Cost ⁽³⁾ (%)

As of December 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.

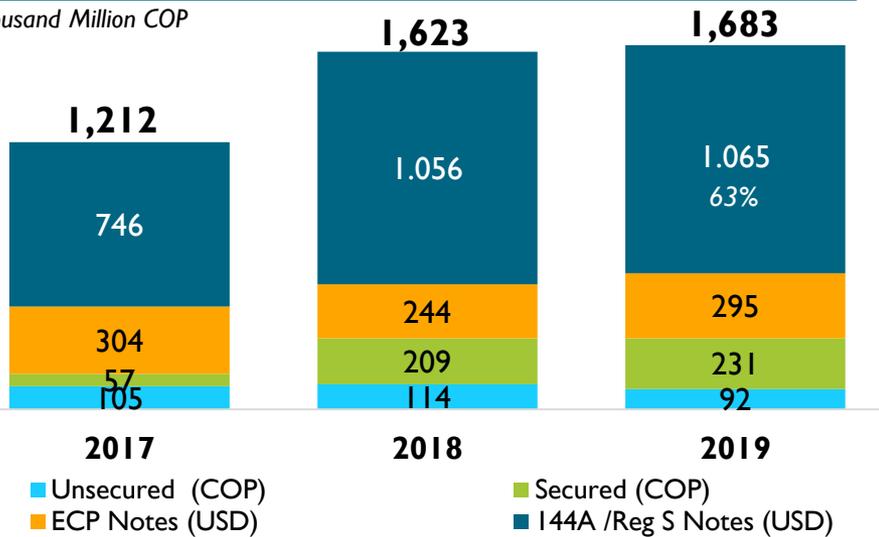
Unsecured Indebtedness, means any Indebtedness other than Secured Indebtedness, including Net Obligations under Hedging Obligations. 23

(3) Not including transaction costs and fees.

Debt Profile- December 2019

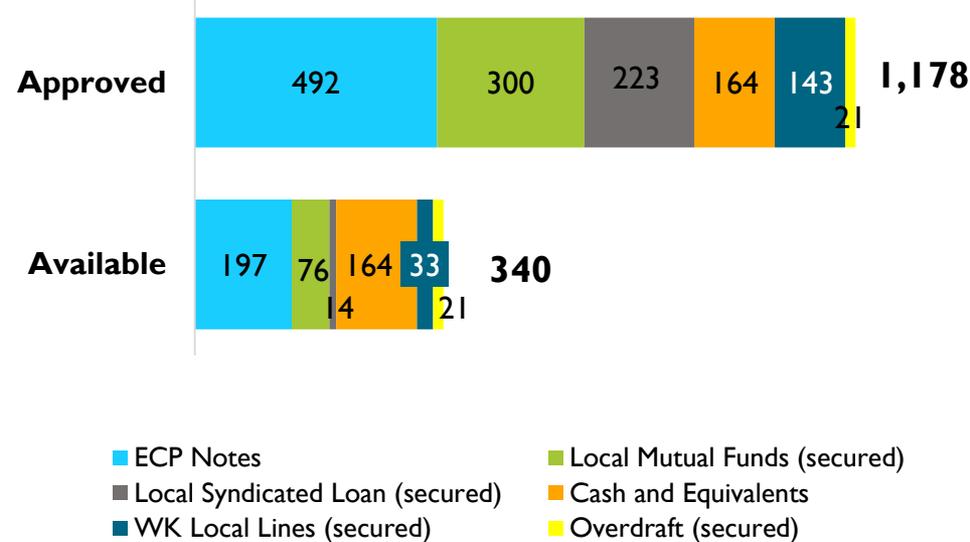
Financial Obligations by Source (Principal) ⁽¹⁾

Thousand Million COP



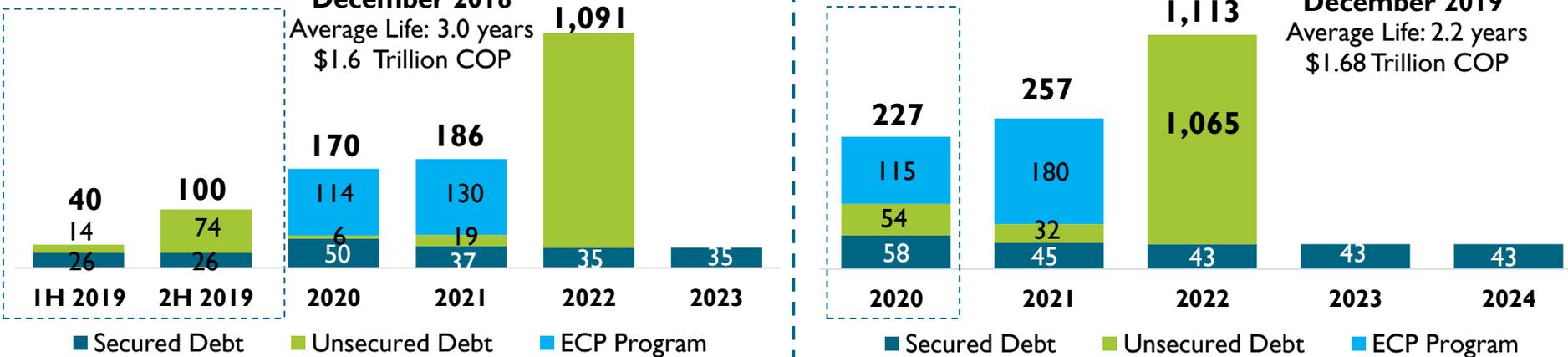
Sources of Funding for 2020

Thousand Million COP



Debt Maturity Profile ⁽²⁾

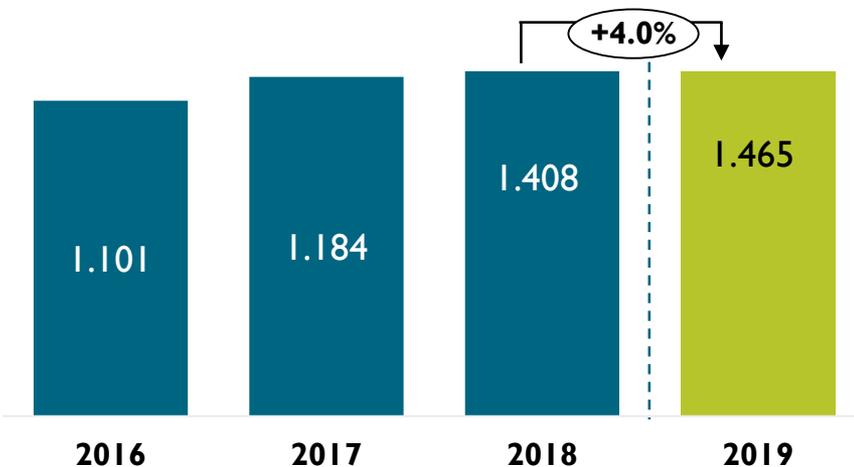
Thousand Million COP



Financial Obligations- December 2019

Net Financial Obligations (1)

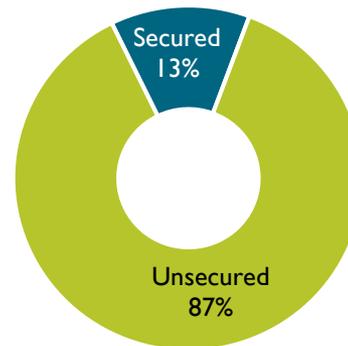
Thousand Million COP



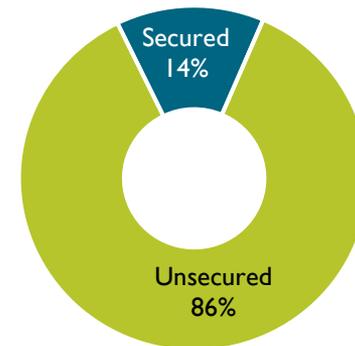
By Type

%

December 2018



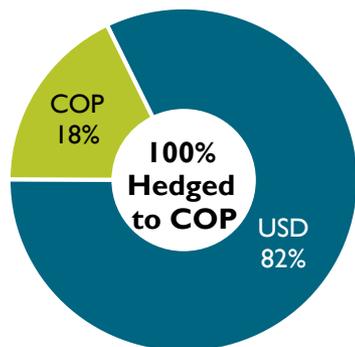
December 2019



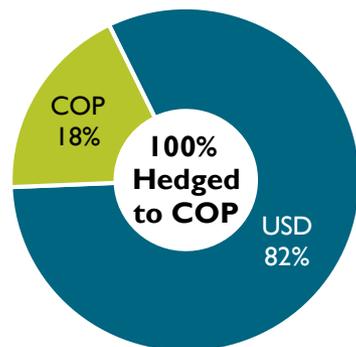
By Currency

%

December 2018



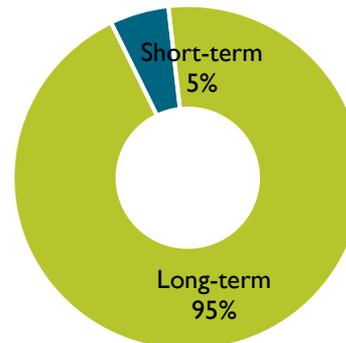
December 2019



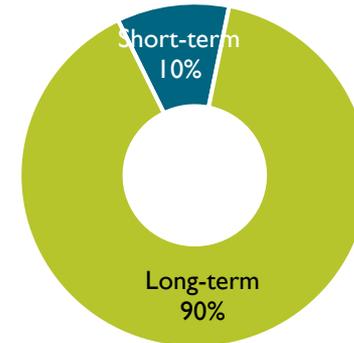
By Term

%

December 2018



December 2019



Source:

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

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Closing Remarks

Risk Management and Asset Quality

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

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\$46 MM)** in the local capital market in **2020**.
- **Average life of debt estimated to remain above 3.0 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

- **New commercial channels with an increased participation in total origination** (telephone sales, mobile units and digital payroll loan origination) will represent more than 40% of loan origination in 2020.

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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 24th- May 11th), excess capacity went on vacations including staff hired through temporary employment agencies.
- **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.

COVID-19 Action Plan

Financial and Liquidity Position



- **Strong Liquidity Position:** US\$119 MM of cash at hand as of Mar-2020 after 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\$ 95 MM) in Mar-2020, WK lines for COP\$33 Bn (US\$10 MM) and overdraft line for COP\$20.8 Bn (US\$6.3 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 ⁽¹⁾	22-Mar-18	25-Jul-22	\$2,849.01	\$4,300.00		US\$75,000,000
IBR + 9.18%						US\$170,315,000

8.875% bond due 2025

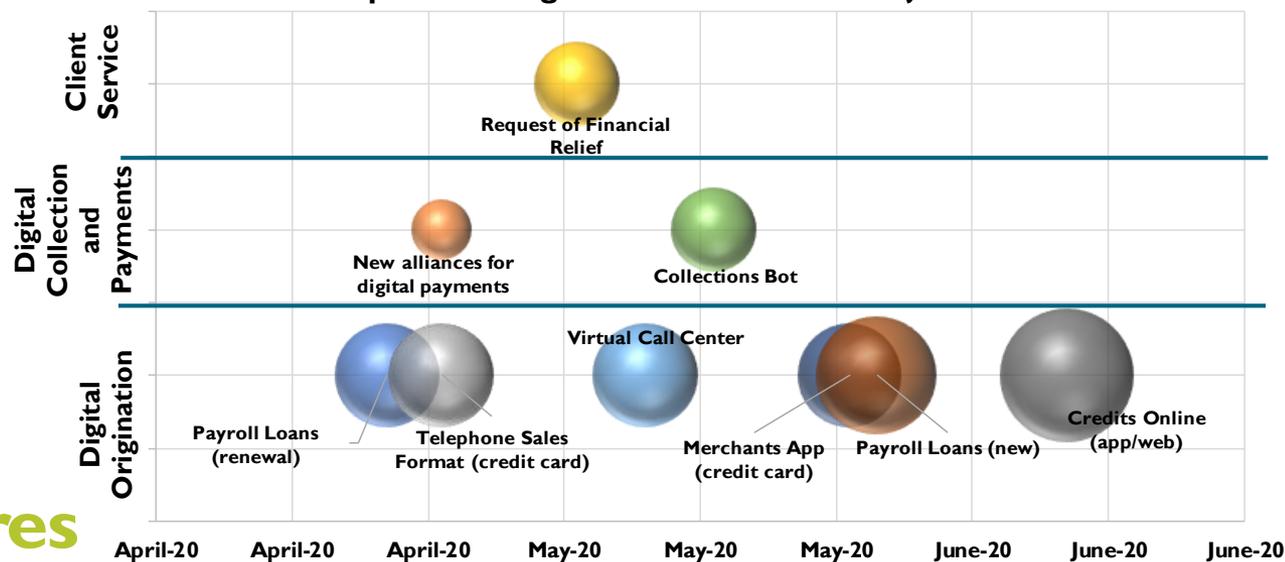
Hedging Instrument	Trade Date	Maturity Date	Call Option Strike (CV Buys)	Call Option Strike (CV Sells)	Average Interest rate in COP	Allocated Amount (USD)
Cross Currency Swap	7-Feb-20	7-Feb-25				US\$100,000,000
Coupon Only Swap	7-Feb-20	7-Feb-25				US\$100,000,000
Coupon Only Swap	7-Feb-20	7-Feb-25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

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

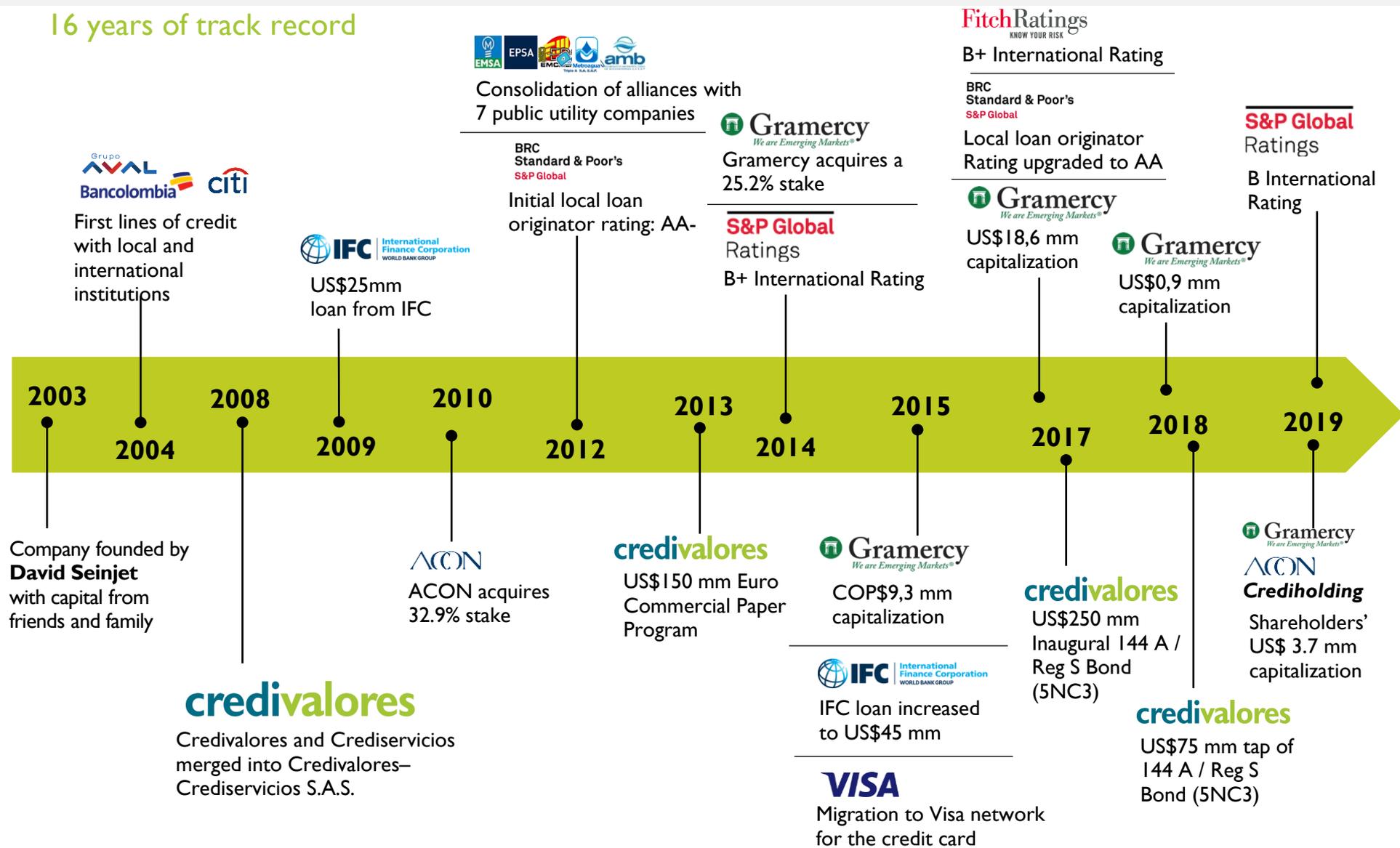


	Pre-COVID 19	Post-COVID 19 Base Scenario ⁽¹⁾
Managed Loan Portfolio Growth vs. 2019	+22% to 26% <i>About COP\$1.9 trillion</i>	+12 to 18% <i>About COP\$1.8 trillion</i>
Loan Origination Growth vs. 2019	+27% to 32% <i>About COP\$1.4 trillion</i>	+ 5% to 6% <i>About COP\$1.1 trillion</i>
NPLs	5.3% - 5.5%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

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Credivalores History

16 years of track record



Source: Company.

Shareholders' Structure

Simplified ownership structure

(as of December 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

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

	 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 December 31,		
	2019 (Million US\$) ⁽¹⁾	2019 (Million COP)	2018 (restated) (Million COP)
Income Statement Data:			
Interest income and similar	113.6	372,189	341,713
Financial costs (interest)	(58.5)	(191,824)	(182,112)
Net interest and similar	55.0	180,365	159,601
Impairment of financial assets loan portfolio	(19.3)	(63,321)	(47,432)
Loan portfolio impairment recoveries	–	–	–
Impairment of other accounts receivable	–	(6,495)	(6,114)
Gross Financial Margin	33.7	110,549	106,055
Other income	0.7	2,357	451
SG&A			
Employee benefits	(4.9)	(15,953)	(17,623)
Expense for depreciation and amortization	(2.1)	(6,774)	(7,409)
Depreciation of right of use of assets	(0.5)	(1,694)	
Other	(23.5)	(76,871)	(72,607)
Total Other Expenses	(30.9)	(101,292)	(97,639)
Operating Income	3.5	11,614	8,867
Financial income			
Exchange Rate Differences	0.13	412	8,638
Financial Instruments	–	–	–
Financial income and Other Income Recovery	0.1	472	467
Total financial income	0.99	3,247	9,556
Financial Expense			
Exchange Rate Differences	–	–	–
Financial Instruments	(1.3)	(4,240)	(6,039)
Total financial expense	(1.3)	(4,240)	(6,039)
Net Financial Income (Costs)	(0.3)	(993)	3,517
Net income before income tax	2.5	8,264	11,933
Income tax	(1.0)	(3,212)	(4,581)
Net income for the period	1.5	5,052	7,352

Balance Sheet

Million COP	As of December 31,		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	50.0	163,851	59.5	195,085	121,948
Total financial assets at fair value	72.9	238,869	67.4	220,743	39,025
Total loan portfolio, net	377.8	1,237,974	348.6	1,142,524	1,052,671
Consumer loans	434.8	1,424,890	396.5	1,299,476	1,166,501
Microcredit loans	1.8	5,931	2.0	6,461	14,250
Impairment	(58.8)	(192,847)	(49.9)	(163,413)	(128,080)
Accounts receivable, net	117.8	386,189	100.9	330,651	183,511
Total financial assets at amortized cost	495.6	1,624,163	449.5	1,473,175	1,236,182
Investments in associates and affiliates	3.3	10,963	3.2	10,366	37,485
Current tax assets	4.1	13,542	3.7	12,059	8,191
Deferred tax assets, net	3.4	11,053	4.4	14,433	2,526
Property and equipment, net	0.4	1,159	0.2	788	913
Assets of right of use	1.8	5,902			
Intangible assets other than goodwill, net	16.4	53,892	18.2	77,642	62,862
Total assets	647.9	2,123,394	606.1	1,986,377	1,509,132
Derivative instruments	9.8	32,188	8.2	26,762	17,686
Financial obligations	501.5	1,643,578	477.3	1,564,108	1,167,146
Employee benefits	0.3	1,105	0.3	1,096	1,154
Other provisions	0.1	476	0.1	343	302
Accounts payable	30.6	100,273	29.3	95,897	60,444
Current tax liabilities	0.4	1,244	0.7	2,197	1,100
Other liabilities	18.9	61,833	14.1	46,298	6,983
Total liabilities	561.7	1,840,697	429.9	1,736,701	1,254,815
Shareholders equity	86.3	282,697	76.2	249,677	254,317
Total liabilities and equity	647.9	2,123,394	606.1	1,986,378	1,509,132

(1) Solely for the convenience of the reader, Colombian peso amounts have been translated into U.S. dollars at the FX rate as of December 31, 2019 of \$3,277.14 COP/USD

credivalores



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Credivalores Investor Relations Website



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