Credivalores-Crediservicios S. A.
Financial Statements

For the nine months periods ended
September 30, 2024 (Unaudited) and December 31, 2023 (Audited)

CREDIVALORES -CREDISERVICIOS S. A.
STATEMENT OF FINANCIAL POSITION INTERIM
ENDED SEPTEMBER 30, 2024 (UNAUDITED) AND DECEMBER 31, 2023

(Stated in million of Colombian pesos)

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets			
Cash and cash equivalents	6	30.649	59.794
Financial assets at fair value measured against profits and losses			
Fair Value Investments	7.1	688	983
Derivatives Instruments	15	4.178	13.806
Total financial assets at fair value		**4.866**	**14.789**
Financial Assets at amortized cost			
Consumer loans	10	1.577.407	1.858.276
Impairment	10	(536.565)	(455.798)
Total Loan portfolio, net	10	**1.040.842**	**1.402.478**
Accounts receivable, net	11	202.506	257.284
Total Financial Assets at amortized cost		**1.243.348**	**1.659.762**
Current tax assets	20	44.813	41.476
Deferred tax assets, net	20	232.377	128.756
Property and equipment, net	12	110	301
Assets for right of use	13	6.889	9.289
Intangible assets other than goodwill, net	14	9.481	12.841
Investments in Equity	7.2	3.271	4.650
Investments in Associates and Affiliates	8	12.335	11.896
Total assets		**1.588.139**	**1.943.554**
Liabilities and equity			
Liabilities:			
Financial Liabilities At amortized cost			
Financial obligations	16	1.514.596	1.538.217
Other Lease Liabilities	13	7.190	9.349
Total Financial Liabilities At amortized cost		**1.521.786**	**1.547.566**
Employee benefits provisions	17	1.160	1.054
Other provisions	18	1.412	2.932
Accounts payable	29	53.694	91.120
Current tax liabilities	20	2.026	1.616
Other liabilities	21	34.812	25.560
Total liabilities		**1.614.890**	**1.669.848**
Equity:			
Share capital	22	225.324	225.324
Share Own	22	(12.837)	(12.837)
Treasury shares	22	12.837	12.837
Reserves	22	11.038	11.038
Additional paid-in capital	22	255.021	255.021
Other Comprehensive Income (OCI)	23	(1.871)	(161)
Accumulated result for previous years		(195.606)	(202.465)
IFRS convergence result		(21.910)	(21.910)
Net Income for the period		(298.747)	6.859
Total equity		**(26.751)**	**273.706**
Total liabilities and equity		**1.588.139**	**1.943.554**

The accompanying notes are an integral part of the financial statements.

CREDIVALORES -CREDISERVICIOS S. A.
STATEMENT OF INCOME INTERIM
PERIODS ENDED SEPTEMBER 30, 2024 (UNAUDITED) AND SEPTEMBER 30, 2023 (UNAUDITED)
(Stated in million of Colombian pesos)

	Notes	For the quarter (Unaudited) July 01 2024 to September 30, 2024	For the quarter (Unaudited) July 01 2023 to September 30, 2023	For the period (Unaudited) January 01 2024 to September 30, 2024	For the period (Unaudited) January 01 2023 to September 30, 2023
Interest Income and similar	24.1	**24.986**	**66.552**	**105.165**	**216.793**
Financial costs interest	16	(56.890)	(71.619)	(182.187)	(348.278)
Exchange rate differences		(9.092)	43.878	(107.458)	245.363
Revenue from contracts and other services with customers	24.2	4.134	14.306	16.699	53.860
Net Interest		**(36.862)**	**53.117**	**(167.781)**	**167.738**
Impairment of financial and condonation assets loan portfolio	10	(53.744)	(28.284)	(163.143)	(81.703)
Expense on accounts receivable provisions	11	(10.627)	(3.182)	(17.387)	(9.787)
Gross Financial Margin		**(101.233)**	**21.651**	**(348.311)**	**76.248**
Other Expenses					
Employee Benefits		(3.381)	(2.764)	(9.659)	(9.707)
Depreciation and amortization expense	12 y 14	(1.878)	(1.544)	(5.629)	(4.685)
Depreciation right of use assets	13	(464)	(981)	(1.486)	(2.048)
Other	25	(13.752)	(17.852)	(39.557)	(59.851)
Total Other expenses		**(19.475)**	**(23.141)**	**(56.331)**	**(76.291)**
Net operating Income		**(120.708)**	**(1.490)**	**(404.642)**	**(43)**
Financial Income					
Other Income	26.2	139	541	3.109	1.302
Financial Returns	26.1	48	1.816	232	6.133
Total Financial Income (Expenses)		**187**	**2.357**	**3.341**	**7.435**
Financial Cost					
Investment valuation at fair value		-	-	(433)	(3)
Financial expense		**-**	**-**	**(433)**	**(3)**
Net financial income (expense)		**187**	**2.357**	**2.908**	**7.432**
Net Income before income tax		**(120.521)**	**867**	**(401.734)**	**7.389**
Income tax	20	32.430	(112)	102.987	(1.557)
Net income for the period		**(88.091)**	**755**	**(298.747)**	**5.832**
Net earnings per share		**(11.046)**	**158**	**(37.461)**	**1.219**

The accompanying notes are an integral part of the financial statements.

CREDIVALORES -CREDISERVICIOS S. A.
STATEMENT OF OTHER COMPREHENSIVE INCOME INTERIM
PERIODS ENDED SEPTEMBER 30, 2024 (UNAUDITED) AND SEPTEMBER 30, 2023 (UNAUDITED)
(Stated in million of Colombian pesos)

	For the quarter (Unaudited)		For the period (Unaudited)	
	July 01 2024 to September 30, 2024	July 01 2023 a September 30, 2023	January 01 2024 to September 30, 2024	January 01 2023 to September 30, 2023
Net income for the period	(88.091)	755	(298.747)	5.832
Other comprehensive income				
Items that may be or are reclassified to profit or loss				
Shares	89	(2.354)	(940)	(2.388)
Unrealized gains (losses) from cash flow hedges:				
Valuation of financial derivatives Forwards	-	-	-	161
Valuation of financial derivatives Cross Currency Swaps	-	-	-	17.074
Valuation of financial derivatives Options	(842)	(1.296)	(1.402)	64.751
Income tax	282	761	632	(28.384)
Total other comprehensive income for the period	**(471)**	**(2.889)**	**(1.710)**	**51.214**
Total other comprehensive income	**(88.562)**	**(2.134)**	**(300.457)**	**57.046**

The accompanying notes are an integral part of the financial statements.

CREDIVALORES- CREDISERVICIOS S. A.
STATEMENT OF CHANGES IN EQUITY INTERIM
PERIODS ENDED SEPTEMBER 30, 2024 (UNAUDITED) AND SEPTEMBER 30, 2023 (UNAUDITED)
(Stated in million of Colombian pesos)

	Share capital	Additional paid-in capital	Treasury Shares	Reserves	Other Comprehensive Income (OCI)	IFRS convergence result	Retained earnings	Earnings for the period	Total
Balance as of December 31, 2022	**135.194**	**71.169**	**(12.837)**	**23.875**	**(49.470)**	**(21.910)**	**99.994**	**(302.459)**	**(56.444)**
Appropriation of earnings							(302.459)	302.459	-
Capitalization	90.129	183.850							273.979
Increases (decrease) in other comprehensive income					51.214				51.214
Net income for the period								5.832	5.832
Balance as of September 30, 2023	**225.323**	**255.019**	**(12.837)**	**23.875**	**1.744**	**(21.910)**	**(202.465)**	**5.832**	**274.581**
Balance as of December 31, 2023	**225.324**	**255.021**	**(12.837)**	**23.875**	**(161)**	**(21.910)**	**(202.465)**	**6.859**	**273.706**
Appropriation of earnings							6.859	(6.859)	-
Increases (decrease) in other comprehensive income					(1.710)				(1.710)
Net income for the period								(298.747)	(298.747)
Balance as of September 30, 2024 (Unaudited)	**225.324**	**255.021**	**(12.837)**	**23.875**	**(1.871)**	**(21.910)**	**(195.606)**	**(298.747)**	**(26.751)**

The accompanying notes are an integral part of the financial statements.

CREDIVALORES -CREDISERVICIOS S. A.
STATEMENT OF CASH FLOWS INTERIM
PERIODS ENDED SEPTEMBER 30, 2024 (UNAUDITED) AND SEPTEMBER 30, 2023 (UNAUDITED)

(Stated in million of Colombian pesos)

	Note	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Cash flows from operating activities			
Profit (Loss) after income tax		(298.747)	5.832
Reconciliation of profit (Loss) after income tax:			
Depreciation of property and equipment	12	102	65
Right-of-use depreciation of assets	13	1.487	2.048
Amortization of Intangible Assets	14	5.659	4.620
Amortization of expenses paid in advance	14	1.875	2.688
Amortization of Call Options Premiums	15	8.226	41.188
Increase in Impairment for Credit Portfolio	10	89.887	75.058
Amortization of Transaction Costs Liabilities		25.013	40.582
Increase in forgiveness	10	73.256	6.645
Impairment Accounts Receivable	11	17.741	9.788
Valuation of Derivative Financial Instruments		-	107.347
Portfolio valuation measured at fair value		-	381
Exchange adjustment in investments in associates	8	-	(25)
Interest causation of financial obligations		147.727	197.030
Difference in exchange by re-expression		107.379	(250.209)
Income Tax and Deferred Tax		(102.987)	1.557
Cash generated by operations			
Net change in operating assets and liabilities:			
Increase in the portfolio of capital and interest loans		207.357	62.119
Product from the sale of Credit Portfolio		(8.861)	(4.146)
Increase in Accounts Receivable		37.033	27.651
Acquisition of Intangible Assets	14	(1.172)	(1.607)
Increase in Prepaid Expenses		(3.020)	(2.632)
Increase (decrease) of other Intangible Assets		17	(40)
Increase (Decrease) of Accounts Payable		(38.356)	70.832
Employee Benefits Increase		106	106
Income tax paid		(2.927)	(6.103)
Increased Provisions		(1.520)	(545)
Increase in Other Liabilities		9.251	(6.906)
Net cash provided by operating activities		**274.526**	**383.324**
Net change in investment assets:			
Increase in investments in FIC'S financial instruments		295	459
Asset deregistration		126	-
Acquisition of property and equipment	12	(38)	(45)
Net cash provided for investment activities		**383**	**414**
Net change in operating activities			
Acquisition of financial obligations		918	173.145
Result in the maturity settlement of derivatives		-	35.450
Payment of financial obligations		(248.736)	(774.336)
Interest payment financial obligations		(55.071)	(225.287)
Increase by Payment Premiums Call Options		-	(48.227)
Exchange difference due to realization		81	4.846
Capitalization		-	273.980
Payment of financial leases		(1.245)	(1.970)
Net cash used for financing activities		**(304.053)**	**(562.399)**
Increase (decrease) in cash and cash equivalents		**(29.144)**	**(178.661)**
Difference in Cash Exchange and Cash Equivalents		(1)	1.239
Cash and cash equivalents at the beginning of the period		59.794	273.052
Cash and cash equivalents at the end of the period		**30.649**	**95.630**

The accompanying notes are an integral part of the financial statements.

NOTE 1. REPORTING COMPANY

Credivalores-Crediservicios S.A., (hereinafter "Credivalores", the "Company" or "CVCS"), is a stock company registered for business in Bogotá - Colombia, located at Carrera. 7 No. 76-35 P 7, and a website at www.credivalores.com.co. The Company was incorporated through Public Deed No. 420 dated February 4, 2003, drawn up before the Public Notary No.1 of the Circuit of Cali. The term of duration of the Company is twenty years as of the date of the aforementioned deed.

The merger of Crediservicios S.A. and Credivalores S.A. was registered through Public Deed No. 4532 on December 12, 2008. The merger was unanimously approved by the General Meeting of Shareholders of both companies on July 31, 2008, whereby it was determined that Crediservicios S.A. (the surviving company), would continue to legally exist after taking over Credivalores S.A. which would cease to exist (being dissolved but not liquidated). In addition, the equity of Credivalores S.A. was merged with that of Crediservicios S.A. by acquiring the assets and assuming the liabilities of both companies, as agreed on by both company's legal representatives.

This merger agreement was reported to the Colombian Superintendence of Industry and Commerce, which did not report any objections to the aforementioned process. Credivalores S.A. (the acquired company) was incorporated through Public Deed No. 1906 dated May 13, 2003, drawn up before the Public Notary No. 1 of the Circuit of Cali, and duly registered with the Chamber of Commerce of Cali on May 21, 2003, under Registry Number 3501 Book IX. Subsequently, the Company changed its name from Crediservicios S.A. to Credivalores-Crediservicios S.A.S, becoming a simplified stock corporation, by means of the Public Deed No. 529 dated February 27, 2009, drawn up before the Public Notary No. 1 of the Circuit of Cali.

Through Minutes No. 16 dated February 23, 2010, of the General Meeting of Shareholders, duly registered before the Chamber of Commerce on March 19, 2010; the Company became a simplified joint stock company with the name of Credivalores-Crediservicios S.A.S. under Registration Number 3074 of Book IX.

By public deed No. 3175 of notary No. 73 of Bogota D.C. as of June 28th, 2019, registered July 9th, 2019 under Number 02484244 Book IX, the company changed its name from CREDIVALORES - CREDISERVICIOS S. A. S. to CREDIVALORES - CREDISERVICIOS S. A. under the figure of a stock corporation.

The Company's business purpose is to originate consumer loans, including payroll deduction loans, to private individuals or legal entities, using both its funds and other sources of funding permitted by law. In carrying out these activities, the Company may:

a) Perform risk assessments,
b) Service and manage loans or lines of credit, including but not limiting the collection and registration of these obligations,
c) Purchase and sell loans, securities, and loan portfolios,
d) Borrow funds and enter into transactions allowing the Company to obtain the funds required to perform its corporate purpose,
e) Act as co-signer, guarantor, surety, or collateral provider to raise funds to finance its activities that may be undertaken, structured, or implemented through trust arrangements, and

Perform any other activities that are required as part of the Company's normal course of business, such as: (i) acquiring, encumbering, limiting the domain or disposing of fixed assets (ii) acquiring and using trade names, logos, trademarks, and other industrial property rights; (iii) investing in existing companies, or creating new ones, providing that these companies have the same or similar business activities as the Company or that should relate in any way to its corporate purpose; (iv) entering into partnerships or contracts with third parties to carry out its corporate purpose; (v) guaranteeing its own and third-party obligations.

The funds used by the Company for carrying out its business activities shall be lawfully sourced and therefore the Company shall be prohibited from raising money employing large-scale or regular deposits from individuals, under current legislation. The Company is not under the supervision of the Colombian Superintendence of Finance (Superintendencia Financiera de Colombia) since it is not considered to be a financial institution under Colombian legislation, nor is it allowed to carry out brokerage of instruments registered with the Colombian National Registry of Securities and Issuers (RNVE).

The Company is prohibited from raising money through large-scale and regular deposits from individuals, complying with the stipulations in the financial and exchange regulations.

At the end of the financial statements, Credivalores has agencies nationwide, as follows: Bogotá, Armenia, Barranquilla, Cali, Cartagena, Cúcuta, Ibagué, Manizales, Medellín, Santa Marta, Sincelejo, Valledupar.

Ongoing Business

Under the provisions of Articles 218 and 457 of the Commercial Code, such as Law 2069 of 2020 in its Article 4 paragraph 1 and Decree 854 of 2021 issued by the Ministry of Industry and Commerce, Credivalores has evaluated from the following perspectives the performance of the Company in recent months:

- Economic environment.
- Payment of obligations with third parties: payroll, suppliers, and tax national, district, and municipal entities, financial liabilities.
- Financial Forecasts.
- Ability to continue offering business model products.

It should be noted that according to the conceptual framework of the IFRS standards, in number 3.9 going concern hypothesis, Credivalores prepares and presents the financial statements with the understanding that it is an operational entity and will continue its activity within the foreseeable future. Therefore, the entity does not intend or need to liquidate or cease its business activity.

Credivalores, with the support of an Ad Hoc Committee of Bondholders, during the first quarter of 2024 will make an exchange offer for the 144A/Reg S bonds maturing in February 2025 whose objective is to strengthen its capital structure and contribute to the long-term financial sustainability of the company. Following the company's announcement that it would use the grace period to launch the offering, Fitch downgraded the long-term international issuer risk ratings in local and foreign currencies to C, the senior international debt rating to C/RR4 and the short-term IDRs to C. It also under the national short-term and long-term ratings to C(col), as well as the issuance of ordinary bonds guaranteed by the National Guarantee Fund to CCC+(col). Despite the support received from investors, the threshold defined to complete the exchange was not reached, so the Company proactively filed the petition before a Court in the United States to restructure all the bonds, which was approved by the Judge on July 2, 2024

During 2024, Credivalores developed different strategies to obtain the necessary liquidity for the development of the business Model Y has advanced negotiations to access two new lines of financing, which will be activated once the processes required under Chapter 11 are completed.

Economic overview

During 2023, the Colombian economy has faced significant challenges, evidencing a notable slowdown in several sectors, which has had an impact on results and contributions to the Gross Domestic Product (GDP). GDP growth is expected to be close to 1.2% this year, with OECD projections suggesting a figure close to 1.4% by 2024. However, some analysts expect growth below 1% in 2024, attributed to high levels of inflation in 2023, which are expected to persist above the Banco de la República's target range (3%-4%) in 2024.

The crisis is deepened by the all-time high in interest rates over the past 25 years. This situation has led to a significant slowdown in the demand for credit, both in the consumer and commercial/productive spheres. Asobancaria figures indicate that, in real terms, the consumer and commercial portfolios have experienced decreases of -10.5% and 5.3%, respectively, compared to November 2022.

Facing this situation and the need to fight inflation, the adjustment in the intervention rate was minimal in 2023, reaching a decrease of 13% in the month of December. Expectations for 2024 are more optimistic, anticipating that the intervention rate could be between 9% and 10%, according to macroeconomic projections by Bancolombia and its economic research group. However, the first months of 2024 will be crucial to assess the speed of this decline.

With rate conditions expected to improve, economic growth is expected to start recovering as the decline in the policy rate is reflected in interest rates on loans to the public. This scenario could encourage the arrival of direct investment in the country, improving performance and stimulating the growth of various economic sectors by the end of 2024.

In the case of the unemployment rate, despite the decrease recorded in the last quarter of 2023, it remains in a single digits, reaching 9% in November. However, a possible rebound is expected in early 2024 due to the marked slowdown experienced since the third quarter. The consolidation of the downward trend will depend on the productive sector resuming the path of growth and increasing productivity towards the end of next year.

Political uncertainty, combined with the aforementioned rate conditions, has been responsible for the decline in foreign direct investment as a percentage of GDP from 22% in pre-pandemic periods to approximately 18% today.

In the fiscal matter, Colombia is going through a period where initiatives to improve and increase tax collection are consolidated. However, the forecast is uncertain because the reform agenda implies an increase in public spending, while the increase in tax revenue is subject to cyclical effects associated with the growth of productive activity and the ability to supervise these activities, factors that are still uncertain in the current situation. There is a high risk of breaking the fiscal rule in the coming years, leading to an increase in public debt, the elimination of tax exemptions and possibly the need for new tax reforms to increase revenues and carry out the government's political agenda.

Given the inflationary scenario at the end of 2023, with an indicator of 9.28% in December, a 12.07% increase in the minimum wage was implemented. This measure will challenge both the public and private sectors, considering that the economic slowdown will impact performance and productivity in the first half of the year, as well as the ability to generate new jobs.

The exchange rate will continue to be a determining variable for the country's performance in 2024. Despite having narrowed the gap against the dollar with the region's economies, high volatility is anticipated until the downward dynamics of the Federal Reserve (FED) and the European Central Bank (ECB) rates prevail. This scenario will be crucial for Colombia to regain its attractiveness as an investment destination, as long as uncertainty in other aspects dissipates and remains on the expected growth path, with benchmark indicators converging towards the target ranges defined by the Central Bank.

Payment of obligations with third parties: payroll, suppliers, and fiscal entities of national, district and municipal order, financial obligations.

Credivalores, has been complying with the payment of the different obligations resulting from the operation and business in progress such as: payroll, suppliers, national, district and municipal tax obligations and financial obligations.

Ability to continue offering business model products.

Credivalores structured additional collateralized lines for the drawdown portfolio that allow the company to develop its operational activity during 2024.

NOTE 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

The financial statements of the company Credivalores Crediservicios S.A., have been prepared in accordance with the accounting and financial reporting standards accepted in Colombia, based on International Financial Reporting Standards (IFRS), together with their interpretations, conceptual framework, the conclusion rationale and the application guides authorized and issued by the International Accounting Standards Board (IASB) published in Spanish until 2018), excluding IFRS 17 on Insurance Contracts; and other legal provisions defined by government surveillance entities that may differ in some aspects from those established by other State control bodies), established in Law 1314 of 2009, regulated by Single Regulatory Decree 2420 of 2015 modified by Decree 2496 of 2015. They have been prepared based on historical cost.

Law 1314 of July 13, 2009 regulated the financial reporting, accounting and data security standards and principles accepted in Colombia and identified competent authorities, established the procedure for issuing the standards and determined the entities responsible for monitoring compliance. This law was regulated by means of the following decrees:

a) 2784 of December 28, 2012
b) 1851 of August 29, 2013
c) 3023 of December 27, 2013
d) 2267 of November 11, 2014

Decree 2615 dated December 17, 2014 came into effect on January 1, 2016. Decree 2615 contains the international accounting and financial reporting standards in force as of December 31, 2013 and their corresponding amendments issued by the International Accounting Standards Board IASB in force today. With this, the regulatory technical framework contained in the annex to Decree 2784 dated December 28, 2012 and Decree 3023 dated December 27, 2013 was revoked.

Credivalores reports comparative information from the immediately previous period for all values included in the current period's financial statements and includes comparative explanations, when necessary, to ensure the current period’s financial statements are understandable.

Credivalores Crediservicios includes item by item in its financial statements the balances of all the free-standing trusts, in accordance with the nature created for the development of its corporate purpose, always observing the conceptual framework for the preparation and presentation of financial information.

NOTE 3. JUDGMENTS AND CRITICAL ACCOUNTING ESTIMATES IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the implementation of accounting policies and reported amounts of assets and liabilities, and income and expenses.

Credivalores S.A. will disclose the nature and amounts of changes in accounting estimates that are significant and affect the current period or are expected to affect any impact in future periods. Information on the effect in future periods will not be disclosed if the estimate of the effect is not practical.

The financial statements, the significant judgments made by the administration in the application of the accounting policies of Credivalores and the main sources of estimation were the same as those applied to the financial statements for the year ended September 30, 2024.

3.1 IFRS 9 – FINANCIAL INSTRUMENTS

Credivalores applies IFRS 9 - Financial instruments as of January 1, 2018, according to the following models.

3.1.1 IMPAIRMENT MODEL

IFRS 9 – financial instruments, pose significant changes in the assessment of the impairment of financial instruments and, therefore, its associated risk. In particular, the standard proposes a new approach that pursues the identification of the significant increase of the risk of credit (SIRC) in an instrument before the identification of objective evidence of impairment (OEI).

From the above, the company has advanced in the construction of quantitative and qualitative criteria to identify the significant increase in the credit risk of an instrument. Although a quantitative criterion as the main principle is used to evaluate the (SIRC), qualitative criteria have also been developed in case that it is not possible to apply the quantitative criterion or that it cannot be used for specific financial assets.

Impairment related requirements are applied to financial assets measured at amortized cost and fair value with changes in other comprehensive income (FVOCI) whose business model remains to collect (contractual cash flows) and sell.

The expected credit loss model considers the prospective nature of loss tolerances for instruments, based on expectations of future behavior.

For the calculation of the expected loss of payroll and Credit Card products Credivalores has decided to use the Granular Amortization approach, considering the following aspects:

- Exposure and corresponding risk parameters are calculated individually for each period.
- Exposure and corresponding risk parameters are intended to be constant within each period, but may vary between periods of time.
- The calculation of the EP is individual by period.
- Calculations of PE12m and PE in life are performed by adding the individual PEs for each respective risk horizon (one-year, whole life).
- Frequency of payment fixed according to its depreciation: monthly, quarterly, semi-annual, annual, among others.
- The granular depreciation approach captures the dynamic behaviors of risk parameters at high granularity (more detailed).

Main sources of calculation

The central concept of impairment under the new IFRS 9 impairment model is based on a dual measurement approach that takes into consideration the current level of expected impairment of each loan, compared to initial recognition, and requires recognition of impairment over the difference between expected credit losses in 12 months, if no significant changes in risk have occurred since initial recognition; otherwise, a credit loss amount is recognized over the expected life of the financial instrument.

This model is complemented with stress analysis and scenarios with inputs that are not controlled by the Company, such as macroeconomic factors. To this end, the Company has developed a statistical model for the projection of PDs through neural networks in a univariate way:

1. Search for possible associations with macroeconomic variables: From the collection of information on macroeconomic variables that were considered, we went through the Principal Components Analysis (PCA) method and the Stepwise method

(STW) to find the possible associations of macroeconomic variables with each of the PD of the products, these were considered our explanatory variables.

2. Univariate projections: We project the PD and the macroeconomic variables associated, we do this in a univariate way through neural networks, in some macroeconomic variables we use classic methods such as ARIMA models. The argument of selection of the best model to make the projections of each series is the lowest value found with the root of the mean square error both in training and in the validation set (test), it is also important to highlight that models chosen are those where there is coherence in the projections.

The projected PD is considered as the PD of our BASE scenario, and this is precisely the target variable in multivariate scenarios. The fundamental argument for the PD to be projected in a univariate way is that by doing so we are doing it only with the information that the series keeps, that is, although we know that a series is the reflection of other variables, in principle we look for the information that only it gives us, to later observe how it is affected by macroeconomic variables.

3. Generation of scenarios: For Forward Looking models we must generate two scenarios in our projections of macroeconomic variables, one optimistic and one pessimistic. To achieve this, we rely on descriptive measures of each of the series, in this case the projected scenarios are given by the standard deviations that are needed to reach quartiles 25% and 75% of each of the macroeconomic series, understanding these points as critical values for both an optimistic and pessimistic scenario.

4. Multivariate adjustment: With the macroeconomic variables projected in the BASE scenario, a multivariate neural network is adjusted, understanding that the variables associated with each of the products are the explanatory variables and the response variable, that is, the PD is our explained variable. The best fit that is determined by the smallest root of the mean square error is our chosen neural network model. With this model and with the optimistic and pessimistic projections of the associated macroeconomic variables, we proceed to project each of the optimistic and pessimistic scenarios in a multivariate way.

The selected variables that determine the adjustment factor for each product are listed in the following tables:

- Variables Crediuno

Label	Variable Description
IPC_LAG3	Consumer price index to 3 lags
PIB_LAG3	Gross Domestic Product to 3 lags
PIB_TCA	Gross Domestic Product. Annual Growth Rate
TU	Maximum Rate Allowed
IPP	Producer price index
ITCR_USA	Real exchange rate index according producer price index - US bilateral
IPEXP	Exports price index, according to foreign trade
IPIMPORTO_LAG3	Imports price index, according to foreign trade
ICCP_LAG1	Heavy construction price index to 1 lag

Table 8: Selected Variables CrediUno

- Variables Tucredito

Label	Variable Description
ICCP	Heavy construction price index
IPC	Consumer price index
IPC_INF_ACT	Consumer price index. YTD Inflation
IPIMPORT_LAG3	Imports price index to 3 lags
ISE	Economic monitor index
ISE_EST	Economic monitor index, data affected by seasonal effect
ISE_EST_TC_AC	Economic monitor index, data affected by seasonal effect YTD
ITCR_USA	Real exchange rate index according producer price index - US bilateral
PIB_LAG1	Gross Domestic Product to 1 lag
PIB_TCA	Gross Domestic Product. Annual Growth Rate
TD	Unemployment rate
TRM_LAG1	Foreign exchange rate (COP/USD) to 1 lag
TU_LAG3	Maximum Rate Allowed to 3 lags
TU_VAR_LAG3	Maximum Rate Allowed Change to 3 lags

Table 9: Selected Variables Payroll (Tu Crédito)

3.2 Financial Assets Business Model

Credivalores makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The expected policies and objectives for the portfolio and the actual application of them In particular whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to Credivalores management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and its expectations about future sale activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how Credivalores stated objective for managing the financial assets is achieved and how cash flows are realized.

Credivalores Crediservicios S. A. seeks to maintain various sources of financing locally and internationally from the banking and capital markets.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, Credivalores considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Credivalores Crediservicios S.A.S. business model is based on granting consumer loans quickly through innovative products to middle- or low-income segments that are not served by the traditional financial system.

The Company has developed a diversified platform with collection channels designed to minimize the risk of default and optimize the quality of its loan portfolio (minimize NPL), including: payroll deduction loans (discounted from payroll payments), credit card (collecting via public utilities bills), and financing for insurance policy premiums (revocable insurance where the insurer returns the portion of the premium that was not used in case of default).

The business model focuses on building alliances and agreements for origination and distribution of each one of our products, thus guaranteeing growth. The company has more than 720 agreements with employers that can issue payroll loans, exclusive agreements with public utility companies for invoicing and collecting via credit card, and alliances with third parties and insurers for the origination of the Credipoliza product. The risk management systems are similar to those implemented by other Colombian financial entities and they take characteristics of the target market into consideration. These systems have been adjusted according to the experience and knowledge acquired over more than 14 years in the market.

This business model produces a portfolio of diversified products with limited geographic concentration and by loan amount.

The entity applies meaningful judgements to determine its business model to manage financial assets and to evaluate if the financial assets comply with the conditions established in the business model so they can be classified at fair value or at amortized cost. According to the aforementioned, some financial assets have been classified in investments at fair value and others at amortized cost. According to the business model the financial assets at amortized cost can be sold only in limited circumstances, such as when there are infrequent transactions, adjustments are made to the maturity structure of its assets and liabilities, when it is necessary to finance significant capital disbursements and when there are seasonal liquidity needs.

Investments in equity instruments at fair value have been classified with adjustments through profit or loss, considering that they are strategic investments for the company and, are expected to be sold in the near future.

Financial Assets at fair value

According to its business model the Company has determined that TuCrédito payroll deduction loans will be measured at fair value when they meet the following conditions:

1. Maximum term of 90 days as of the date of origination.
2. Highest rating based on its compliance score.

Financial Assets at amortized cost

The loan portfolio is classified at amortized cost when:

The loan portfolio is classified at amortized cost when it meets the following criteria: Credivalores Crediservicios S.A.S. business model is to hold these assets with the purpose of collecting their cash flows on specified dates, as per their contractual terms, and the contractual terms of the financial asset give rise on specified dates, to cash flows that consist of payments of principal and interest on the outstanding amount owed.

3.3 Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Variable lease payments

Some property leases contain variable payment terms that are linked to profit generated from a specific office. For individual offices, up to 100% of lease payments are based on variable payment terms. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs base for newly established offices. Variable lease payments that depend on profits are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed if a significant event or a significant change in the circumstances affecting this evaluation occurs.

3.4 Seasonal nature of income and expenses.

The nature of the most important operations of Credivalores Crediservicios S. A is mainly related to traditional activities that are not significantly affected by seasonal factors.

3.5 Income tax

The Company evaluates the recognition of liabilities due to discrepancies that may arise with the tax authorities on the basis of additional tax estimates that must be cancelled. The amounts provided for the payment of income tax are estimated by the administration based on its interpretation of current tax regulations and the possibility of payment.

Actual liabilities may differ from the amounts provisioned resulting in a negative effect on the Company's results and net position. When the final tax result of these situations is different from the amounts that were initially recorded, the differences impact the current income tax and deferred assets and liabilities in the period in which this fact is determined.

The Company evaluates the recoverability of deferred tax assets based on estimates of future tax results and the ability to generate sufficient results during periods in which such deferred taxes are deductible. Deferred tax liabilities are recorded according to estimates made of net assets that will not be tax-deductible in the future.

(Stated in millions of Colombian pesos)

3.6 Foreign Currency Items

The items expressed in U.S. dollars, which are part of the financial statement, are restated with the TCRM published by the Financial Superintendence of Colombia, as of September 30, 2024 it corresponds to $4.178,30 and as of December 31, 2023 it corresponds to $3,822.05.

NOTE 4 - ESTIMATIONS OF FAIR VALUE

The Company may employ internally developed models for financial instruments that do not have active markets. Said models are mostly based on generally standardized valuation methods and techniques. Valuation models are primarily used to assess equity instruments not listed on the stock exchange, derivatives, debt securities and other debt instruments for which markets were or have been inactive during the financial period. Some components of these models may not be observable in the market and are estimated from assumptions.

The output of a model is always an estimate or approximate value that cannot be determined accurately, and valuation techniques used may not fully reflect all the factors relative to Credivalores positions, therefore the valuations are adjusted if necessary to include additional factors, such as country risk, liquidity risks and counterparty risks.

Fair value hierarchy has the following levels:

- Level 1 entries are unadjusted prices quoted in active markets for assets or liabilities identical to those the entity can access on the measurement date.
- Level 2 entries are entries other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 entries cannot be observed for the asset or liability.

The fair value hierarchy in which the fair value measurement is fully classified is determined from the lowest level entry that is significant for fully measuring the fair value. For that, an entry's importance is evaluated with regard to the fair value measurement in its totality. Financial instruments quoted in markets considered inactive but valued in accordance with quoted market prices, quotes from price providers or alternative price sources supported by observable entries, are classified in Level 2. A fair value measurement that uses observable entries requiring significant adjustments based on unobservable entries is a Level 3 measurement. The evaluation of a particular entry's importance in measuring the fair value in its totality requires an opinion, considering specific factors of the asset or liability.

The determination of what constitutes “observable” requires a significant opinion from Credivalores. The Company considers observable data that market data that is already available, distributed or updated regularly by the price provider, is reliable and verifiable, has no property rights, and is provided by independent sources that participate actively in the reference market.

4.1 Fair Value Measurement on a Recurring Basis

Level 2 input data elements include: the prices quoted for similar assets or liabilities at active markets; the quoted prices for assets or liabilities that are identical or similar in markets which are not active; input data other than quoted prices that are observable for the asset or liability and input data corroborated by the market. According to the above, Credivalores values derivative financial instruments with input data from fair value level 2.

For fair value measurements classified in Level 3 of the fair value hierarchy, an entity shall provide quantitative information on the significant non-observable input data used in the fair value measurement.

The following table analyzes assets and liabilities (by class) within the fair value hierarchy, measured at fair value as of September 30, 2024 and December 31, 2023, on a recurring basis.

	September 30, 2024	**December 31, 2023**
ASSETS	**Level 3**	**Level 3**
Fair Value Investments	688	983
ASSETS	**Level 2**	**Level 2**
Derivative Trading Instruments		
Hedging derivatives		
Options	1.166	2.568
Prima Call	3.012	11.238
Total fair value assets	**4.866**	**14.789**

4.2 Fair value determination

The methodology applicable to instruments for Credivalores is:

4.2.1 **Forward valuation:** The derivative's fair value comes from an internal model. This model takes the exchange rate on the day after the valuation date and forecasts it to a future value using the devaluation curve through maturity date. After this the new forward market rate is compared to the agreed forward rate and the difference is expressed in present value using the IBR curve to calculate the derivative's fair value.

4.2.2 **Swap Valuation:** the reasonable value of the derivative comes from an internal model. The valuations of the Interest Rate Swaps (IRS) and the Cross-Currency Swaps (CCS) are performed assuming a long and a short position on a bond; including in each case the principal of the operation. For the projection and discount of the cash flows we use current rates, to calculate the reasonable value of the derivative financial instrument.

4.2.3 **Option Valuation:** The reasonable value of the derivative comes from an internal model. The valuation of an option on its expiry date is the maximum between the premium and the difference between the exercise price and the spot price. For the projection and discount of the cash flows we use the current rates, to calculate the reasonable value of the derivative financial instrument.

4.2.4 **Loan portfolio valuations:** Because these instruments do not have an active market, the Company has developed methodologies that employ market information for certain cases of unobservable data. The methodology seeks to maximize the use of observable data to arrive at the closest approximation of an initial price for assets and liabilities without an ample market.

The Company has implemented the following methodology to determine its loan portfolio´s Fair Value:

I. Discount Rate: Determined by product considering market´s appetite for such product, as well as the default risk involved

II. The model was built based on the following factors:

   a. Projected cash flows according to weighted average life for each product, using: Current Balance Average term to maturity, weighted average rate
   b. Calculate present value of cash flows projected as per described in a) discounted at the discount rate previously described.
   c. Present value determined as per described in b) represents the loan portfolio´s fair value.

4.2.5 Equity instruments: Credivalores has equity investments in Agrocañas, representing less than 20% of the company equity and that in mutual funds. In general, the company is not listed on any public securities market, and therefore its fair value is determined using the adjusted net asset value method. For mutual funds fair value is determined through valuation of investment portfolios managed by the Trust, which are subject to an active securities market.

Credivalores defined Level 3 financial instruments as those not traded in an active market, the following table provides information about valuation techniques and significant unobservable inputs when measuring assets and liabilities at recurrent fair value.

	Valuation technique	**Significant inputs (1)**
ASSETS		
Equity Instruments	Adjusted net asset value	- Current Balance - Average term to maturity - Weighted average Rate - Unit value

4.2.6 Derivative financial instruments

Derivative financial instruments and hedge accounting:

A derivative is a financial instrument in which value changes respond to changes in one or more variables denominated as an "underlying" (a specific interest rate, the price of a financial instrument, a listed commodity, a foreign currency exchange rate, etc.), that has an initial net investment smaller than would be required for other instruments that have a similar response to the mentioned variable and that is settled in a future date.

Credivalores trades in financial markets, forward contracts, future contracts, swaps and options that fulfil the definition of a derivative.

Financial assets and liabilities from transactions with derivatives are generally not offset in the statement of financial position. However, when there is a legal and exercisable right to offset the recognized values and Credivalores intends to be settle them on a net basis or to realize the assets and settle the liability simultaneously, derivatives are presented as net values in the statement of financial position.

Derivative transactions are initially recognized at fair value. Subsequent changes in the fair value are recognized in profit or loss, unless the derivative instrument is designated as a hedging instrument and, in this case, the accounting criteria will depend on the nature of the hedged item, as described below.

At the beginning of the hedging transaction, Credivalores formally documents the relationship existing between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedging relationship. It also documents its assessment, both initially as well as on a recurring basis, of whether the hedging relationship is highly effective in offsetting the changes in fair value or cash flows of the hedged items.

For fair value hedge of assets or liabilities and firm commitments, changes in the fair value of the derivative instrument are recognized in profit or loss, as well as any other change in the fair value of the asset, liability or firm commitment attributable to the hedge risk.

For cash flow hedge of a particular risk associated with a recognized asset or liability or a projected highly probable transaction, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income. The gain or loss relating to the portion that is not effective for hedging or that does not relate to the hedged risk is immediately recognized in profit or loss.

The values accumulated in other comprehensive income are transferred to profit or loss in the same period in which the hedged item is recognized in profit or loss.

Hedging of net investments in a foreign operation is recognized similarly to cash flow hedging: the effective portion of changes in fair value of the hedging instrument is recognized in other comprehensive income, and the ineffective portion of the changes in fair value of the derivative is recognized in profit or loss. The hedging instrument's gains or losses accumulated in equity will be recognized in profit or loss when the net investment in foreign operations is sold in whole or proportionally, if partially disposed of.

Credivalores defined Level 2 financial instruments as those not traded in an active market, the following table provides information about valuation techniques and significant unobservable inputs when measuring derivative assets and liabilities at recurrent fair value.

	Valuation technique	**Significant Inputs (1)**
ASSETS AND LIABILITIES **Trading derivatives**		
Derivative financial instruments	Discounted cash flow	- Price of the underlying asset - Currency curve by underlying asset - Exchange rate curve of the transaction currency - Implied exchange rate curves - Implied volatility matrices and curves Exchange rate curve of the transaction currency - Implied exchange rate curves - Implied volatility matrices and curves
ASSETS AND LIABILITIES		
Hedge derivatives		
Derivate financial instruments	Discounted cash flow	- Price of the underlying asset - Currency curve by underlying asset - Exchange rate curve of the transaction currency - Implied exchange rate curves - Implied volatility matrices and curves

(Stated in millions of Colombian pesos)

4.3 Determination of fair value of financial assets and liabilities recorded at amortized cost.

Below are the Company's assets and liabilities at fair value and their book value:

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Fair value	**Book Value**	**Fair Value Estimate**	**Book Value**	**Fair Value Estimate**
Assets				
Loan Portfolio (Gross)				
Consumer	1.577.407	1.212.753	1.858.276	1.493.769
Total	**1.577.407**	**1.212.753**	**1.858.276**	**1.493.769**
Liability				
Financial obligations	1.514.596	1.397.710	1.538.217	1.535.755
Total	**1.514.596**	**1.397.710**	**1.538.217**	**1.535.755**

The book value corresponds to the value at amortized cost. The fair value estimate does not include transaction costs.

4.4 Financial Instruments

Financial Assets

The Company classifies its financial assets into equity instruments, trading instruments, amortized cost investment instruments, credit instruments and accounts receivable.

At the time of initial recognition a financial instrument is measured at fair value plus any direct attributable transaction costs, which are not included if the instrument is classified at fair value through changes in profit or loss. Typically, the fair value at the initial time of recognition is the price of the transaction itself, that is, the amount to be paid or received.

Credivalores recognizes loans and accounts receivable, trading and investment securities and other assets or liabilities on their effective dates.

Purchases and sales of financial assets that are regularly carried out are recognized on the transaction date or on the date on which the Company is required to purchase or sell the asset.

Subsequently, the Company measures its financial instruments at fair value or amortized cost based on the established business model and the contractual terms of the corresponding financial asset or liability.

i. Amortized cost

Amortized cost is the cost of acquiring a financial asset or a liability plus or minus any capital repayments, cumulative amortizations (calculated using the effective interest rate method) with regard to any difference between the initial amount and the value repaid at maturity and minus any reduction for impairment.

ii. Fair value

Fair value is the amount to be received should the asset be sold or the amount to be paid for transferring a liability as part of a transaction between market participants on the date on which the measurement is made. The most

objective and commonplace definition of fair value is the price that would be paid in an active, deep and transparent market ("listed price" or "market price").
When such values are available CVCS determines the fair value of an instrument using the prices listed on an active market for that specific instrument. A market is considered active if listed prices are readily and regularly available and represent real transactions that are performed regularly on a stand-alone basis.

Should no active market exist for a specific financial instrument CVCS determines its fair value using valuation techniques. These valuation techniques include using recent market transactions between knowledgeable, willing parties carried out on an

arm’s length basis, should these exist, as well as the fair values of other financial instruments that are substantially the same, discounted cash flows and pricing models.
The valuation technique chosen makes use, to the maximum extent possible, of information obtained directly from the market, using the least amount of data estimated by CVCS, incorporating all those factors that would normally be considered by market participants for setting the price of such financial instruments and is consistent with generally accepted pricing methodologies.

Fair value estimates obtained from financial models are adjusted to consider other factors such as uncertainty on its risk or the liquidity model. Adjustments are included when CVCS believes that another market player uses these same estimates when determining the price of a transaction.

The Company´s business model includes payroll loans at fair value with changes in profit and losses, whereby the loans originated within the 90 days prior to the date of the financial statements are valued at fair value. In order to estimate the fair value of these loans, which could be sold to financial institutions at a market price, the Company evaluates the lending rate of these loans within the reference market to evaluate the rate at which other financial institutions considered as peers and comparable to the Company will be willing to invest their resources and hold the payroll loans within their balance sheet.

Considering the results from the evaluation of the rates, the Company evaluates four variables to obtain the value of the adjusted rate applicable to the transactions to sell loan portfolio, according to internal criteria:

- **i)** The multiplier, which compares the Company’s rate to the market rate.
- **ii)** The value of the premium paid in these businesses, which results from discounting the future values of a loan originated at Credivalores’ lending rate using the market rate.
- **iii)** The rate is adjusted by the transaction cost associated to the loan portfolio.
- **iv)** The cash flows associated to the insurance policies applicable to the loan are also valued.

The methodology followed by the Company, uses the last nine months reports from the Financial Superintendence as the source of information to determine the interest rate to discount the cash flows and complete the valuation of the final selling price of the loan portfolio.

The Company has determined that the fair value of the loan portfolio registered in its financial statements is type 3, since most of the criteria is internal.

4.4.1 Loans and receivables portfolio

The Company classifies its financial assets into the following measurement categories, based on their corresponding business model:

Classification of Financial Assets:			
Measurement	**Terms**	**Features**	**Valuation**
Fair value	0-90 days from origination	Current and best rated loans	Market price Tucredito
Amortized cost	0 days from origination onwards	Current and past-due portfolio	Incurred loss model (equivalent indexed rate)

4.4.1.1 Financial Assets at Fair Value

Credivalores Crediservicios S. A. S., in line with its business model, classifies its products according to the risk inherent in its portfolio. In general, its line of credit Tucredito (payroll deduction loans) is measured at fair value, given that its market niche is focused on placing “top-rated” loans.

Classification of “Tucredito” line of credit, based on the corresponding business model			
Item	**Tucredito portfolio segment**	**Measurement**	**Valuation**
1	Performing loans subject to sale	Fair value	Market price.
2	Best rated loans with terms of less than a year (originated loans less than 90 days prior)	Amortized cost	(Indexed rate equivalent to amortized cost).
3	Performing loans with terms of more than one year (originated loans with terms of more than 90 days)	Amortized cost	(Indexed rate equivalent to amortized cost).
4	Past due loans	Amortized cost	Incurred loss model based on the expected loss.

The policy established by the Company for measuring its loan portfolio, per the business model classification, is:

In line with its business model the Company has decided to measure the loans comprising the “Tucredito” line of credit at fair value based on the historical trading average since its loans are not impaired (and which, from their origination, are the best-rated 0 - 90-day loans) and since the Company has the possibility of selling them in the short term because of their excellent rating.

Unsold lines of credit, which were initially measured at fair value but which after 90 days of origination were impaired, will later be measured based on an indexed rate, which converts the amortized cost rate into an amount equivalent to their fair value.

4.4.1.2 Financial assets at amortized cost

Financial assets are classified at amortized cost only if the asset is kept within a business model whose objective is to maintain it to collect contractual cash flows and the contractual terms of the value give rise at specific dates to cash flows that are only payments of cash capital and interest on the outstanding principal capital; Interest income is recognized using the effective interest rate method.

The effective interest method is a method used to calculate the amortized cost of an asset and allocate the income or cost in interest during the relevant period. The effective interest rate is the discount rate at which the present value of estimated future cash payments or those received over the expected life of the financial instrument, or, as appropriate, in a shorter period, is equal to the net book value in the beginning.

To calculate the effective interest rate, the Company estimates the cash flows considering all the contractual terms of the financial instrument, including the transaction costs and the premiums granted minus the commissions and discounts, but without considering the future credit losses.

NOTE 5. RISK MANAGEMENT

Credivalores manages risk pursuant to the applicable regulations in the country and Credivalores internal policies.

Objective and general guidelines

Credivalores objective is to maximize returns for its investors, through proper risk management. The guiding principles of risk management of Credivalores are as follows:

a) Make risk management a part of every institutional process.
b) Specialization in consumer product niches.
c) Extensive use of continuously updated scoring models to ensure quality growth of consumer loans

5.1 Governance structure

Board

It is up to the Board of Directors of Credivalores Crediservicios S.A.:

1. Establish and oversee the Company's risk management structure
1. Approve the policies, processes and methodologies of granting, monitoring and recovery of the company's credits, in order to identify, measure and control the risks faced by the Company

- Approve exposures and limits to different types of risks.
- Point out the responsibilities and powers assigned to the positions and areas responsible for managing the different types of risk, in order to develop an environment of culture and risk control.
- Evaluate proposals for recommendations and correctives on management processes.
- Approve the internal control system, as well as evaluate the reports and management of the area responsible for such control.
- Request management, when deemed necessary and for evaluation, reports on the credit portfolio.

Risk Committee

The responsibilities of the Risk Committee are:

- Standardize the periodic monitoring of the company's main risk indicators and anticipate risky situations that have the potential to lose the value of CVCS' assets.
- Regularly review risk management policies and systems to reflect changes in market conditions and CVCS activities.
- Proposes to the Board changes or adjustments to existing policies and methodologies to mitigate and control the level of target risk.
- The comity of risk meets monthly and is made up of members invited, within which they are:

- President
- Head of Risks
- Collections Manager
- Director of Financial Planning
- Director of Analytics Models and Strategy
- Director of Operations and Technology
- Commercial Managers

The commit not only has the permanent participation of CV Managers, but experts and external specialists who advise the decisions made by this body.

Risk Headquarters

- Periodically present to committed risks the evolution of the different risk indicators and perform the necessary analyses for understanding and taking actions that mitigate and control the levels of risk.
- Manage and control compliance with approved policies and processes for risk management.
- Regularly review risk management policies and systems to reflect changes in market conditions and CVCS activities.Propose to the risk committee methodologies and adjustments to risk management policies
- Develop methodologies and models that allow the identification, measurement, control and monitoring of risks.

Internal Audit

1. Check the development of risk management in accordance with the comprehensive risk management manual,
2. Report to the audit committee and issue recommendations on the findings of the risk management process,

Financial Risk Management

The Company is exposed to the following risks related to the use of financial instruments:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operating Risk

Risk of money laundering

The financial statements do not include all financial risk management information and disclosures required in the annual financial statements; these financial statements should be read in conjunction with Credivalores annual financial statements as of September 30, 2024. There have been no changes to the risk management department or any risk management policies since September 30, 2024. There are no significant changes related to risk objectives, the corporate structure of the risk function and risk strategies in general compared to what was revealed in the last set of financial statements as of September 30, 2024.

5.2 Credit Risk

Credit risk is the risk of financial loss faced by Credivalores Crediservicios S.A., if a client or counterparty in a financial instrument does not meet its contractual obligations and originates mainly from the receivables to customers and the Company's investment instruments. The business model of Credivalores Crediservicios S.A, in its portfolio of credits differs from the rating of its products according to the inherent risk of its portfolio. During the nine-month period ended September 30, 2024, there were no significant changes in policies and how Credivalores handles credit risk.

The maximum exposure to credit risk of Credivalores, according to IFRS 7, is reflected in the book value of financial assets in the statement of financial position of Credivalores as of September 30, 2024 and December 31, 2023 as follows:

(Stated in millions of Colombian pesos)

	September 30, 2024 (Unaudited)	**December 31, 2023 (Audited)**
Cash and cash equivalents	30.649	59.794
Financial instruments net	4.866	14.789
Loan portfolios		
Consumer loans	1.577.407	1.858.276
Accounts receivable, net	202.506	257.284
Total financial assets with credit risk	**1.815.428**	**2.190.143**
Off-balance-sheet credit risk at nominal value		
Unpaid approved credits	978.143	957.060
Total exposure to off-balance-sheet credit risk	**978.143**	**957.060**
Total maximum exposure to credit risk	**2.793.571**	**3.147.203**

Credit Risk Model:

I. Transitions between stages

A financial asset is classified as a low credit risk asset based on the debtor's payment habits.

The first step in the methodology consist in evaluating a significant increase in credit risk by comparing the current status against a previous status of stage recognition of the loan.

If the financial asset loses its low credit risk condition or if changes in external environment results in a review of the condition, then this probably shows a significant increase in credit risk. Consequently, the financial asset will be analyzed to determine if there is a significant increase of credit risk (stage 2) or if the asset should be classified as stage 3.

Significant Increase in Credit Risk

When determining whether the credit risk (i.e. risk of default) of a financial instrument has increased significantly since initial recognition, Credivalores considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on Credivalores historical experience, expert credit assessment and forward-looking information.

The following criteria is used to determine if a significant increase in credit risk has occurred:

- Comparison of the remaining lifetime probability of default (PD) at the reporting date with the lifetime PD at initial recognition of the exposure.
- Qualitative aspects such as the rebuttable presumption of the norm and restructuring agreements are also considered.
- Qualitative criteria from analysts is also considered based on expert and supportable information.

Credivalores has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk of a particular financial instrument has increased significantly since initial recognition. The framework is aligned with Credivalores internal credit risk management process.

The criteria for determining whether credit risk has increased significantly will vary by portfolio and will include a backstop based on delinquency.

In certain instances, using its expert credit judgement and, where possible relevant historical experience, Credivalores may determine that an exposure has undergone a significant increase in credit risk if particular qualitative factors indicate so and those indicators may not be fully captured by its quantitative analysis on a timely basis. As a backstop, and as required by IFRS 9, Credivalores will presumptively consider that a significant increase in credit risk occurs no later than when an asset is more than 60 days past due.
Credivalores will monitor the effectiveness of the criteria used in identifying significant increases in credit risk through regular reviews to confirm that:

- The criteria are useful in identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes over 60 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable;

(Stated in millions of Colombian pesos)

- Exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and there is no unwarranted volatility in loss impairment from transfers between 12 month ECL and lifetime ECL measurements.

II. PI – Probability of noncompliance

Term structure of PI

Credit risk grades are the primary input in the determination of the term structure of PD for exposures. Credivalores collects performance and default information about its credit risk exposures analyzed by type of product and borrower, and by credit risk grade. For some portfolios, information purchased from external credit reference agencies may also be used.

Credivalores employs statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change because of the passage of time. This analysis includes the identification and calibration of the relation between changes in default rates as well as an in-depth analysis of the impact of certain other factors on the risk of default.

For stage 1 the PD estimates the probability that the credit will default in the next 12 months, while the PD in stage 2 is the result of the probabilities for the remaining life of the credit. The probability in Stage 3 is defined as 100%.

To determine the PD the company used statistical models to analyze and select the variables significant in predicting whether clients would reach default during a known period of time that is determined by the stage of the loan. For stage 1 the PD are evaluated for the next 12 months, loans on later stages are evaluated for the remainder of the loan lifetime. To estimate lifetime probability Credivalores calculates the 12-month PD and for each successive year for the loan lifetime the model estimates the PD conditioned to not having defaulted during previous years.

Credivalores approach to incorporating forward-looking information into this assessment is discussed below.

Forward-Looking Information

Credivalores incorporates forward-looking information into its measurement of ECLs. Credivalores formulates a ‘base case’ view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on forecasts provided by economic experts and considering a forecast of multiple variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

The base case represents a most-likely outcome. It is aligned with information used by Credivalores for other purposes, such as strategic planning and budgeting. The other scenarios for Colombia represent more optimistic and more pessimistic outcomes. Credivalores has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The economic scenarios used as of September 30, 2024 include the following key indicators (among others) for Colombia for the years ending 31 December 2023 and September, 2024[1]:

	2024		
	Scenario A	**Scenario B**	**Scenario C**
Consumer Price Index	186,78	166,13	207,43
Consumer Price Index Full Year Variation	3,04	2,25	3,83
Import Price Index	113,92	112,66	115,17
Economic performance Index	121,24	121,94	120,55
Economic performance Index, data affected by seasonal effect	119,08	119,69	118,47
Economic performance Index, data affected by seasonal effect Full Year Variation	2,48	2,67	2,28
Real Exchange Rate Index (ITCR), according to PPI - Bilateral with the United States	169,92	167,05	172,79
Gross domestic product	237522,42	240379,61	234665,24
Gross Domestic Product Annual Growth Rate	1,77	1,95	1,60
Unemployment rate	9,96	9,90	10,02
Foreign Exchange rate (COP/USD)	$4.257,98	$4.209,60	$4.306,35
Usury rate	37,2%	36,9%	37,5%
Variation of the usury rate	-1,49	-1,42	-1,56
Consumer Price Index	176,30	155,66	155,66
Gross domestic product	235953,95	238811,14	238811,14

[1] Projections made internally by the planning area.

(Stated in millions of Colombian pesos)

Usury rate (Maximum interest rate)	37%	36%	36%
Producer Price Index	174,84	174,17	174,17
Export price index, according to foreign trade	175,55	176,82	176,82
Heavy Construction Price Index	100,65	97,68	97,68

Credit Risk Rating

Credivalores allocates each exposure to a credit risk grade based on a variety of data intended to be predictive of the probability of default and applying experienced credit judgment. Credivalores uses these grades with the purpose identifying significant increases in credit risk. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower and product.

Credivalores uses behavioral demographic and origination variables to estimate PD modeling them with a logistic regression that is periodically monitored to ensure its predictive capabilities and its stability. This monitoring for payroll loans and credit card models showed adequate predictive capabilities as well as stability regarding its inputs distributions (PSI). There was also a test run on average observed PD by rating of the last 2 years that ensure the actual events that are being predicted have not vary its behavior significantly and therefore concluding the models provide an adequate and reasonable prediction of PDs by rating.

Loan Portfolio

Payroll and Credit card loans
- Information collected internally about the behavior of customers.
- Demographic information of customers.
- Origination information of credits/customer.

III. PDI – Loss due to non-compliance

LGD is a measure of the potential loss if a default scenario occurs. To establish the LGD, Credivalores methodology uses historical information to measure the recoveries of loans that reach the default stage at present value. This allows Credivalores to have an adequate estimate of the losses it will incur when credits reach default stage. These calculations are done separately for payroll loans and credit cards to better reflect the fundamental differences in this product and therefore on its LGD.

IV. ED – Exposure at Default

EAD represents the amount owed from a counterparty at the time of a possible default. For stage 2 Credivalores incorporates in the analysis of the exposure at default the probability of payments and increase or decrease in exposure during the lifetime of the credit.

These probabilities are estimated using the historical information collected by the company and are grouped by type of product. The probabilities are constantly reviewed in order to accurately estimate them and calibrate them.

For payroll loans EAD will correspond to the full valuation of the assets at amortized cost. For credit cards, EAD will take into account the unused credit line when available as well the expected amortization, which allows to have a reliable estimate of the credit exposition at default.

V. Simplified Model

Credivalores uses a simplified roll rate model to estimate ECL of remnants of portfolio loans that represent less than 5% of balance sheet loans and that are consistently lowering its portfolio share.

I. Roll Rate Methodology

A method that uses a transition matrix to obtain the customer moratorium. This helps forecast future risk from defaults in a given time. By using this matrix, the behavior is reflected in order to determine in what period of time the accounts will be taken. These statements are determined by the number of overdue payments as defined.

For this model, first of all, the portfolio divided into two bands is evaluated.:
Credit Portfolio other products:

- ✓ Portfolio less than 90 days in arrears.

(Stated in millions of Colombian pesos)

- ✓ Portfolio greater than 90 days of default.

As part of this evaluation, the Company's Management has designated as a deteriorated portfolio the one with a default greater than 90 days since it is recurrent that in the company's business there are delays, but that these are regularized before 90 days for credit portfolio.

Then the monthly average of the portfolio is determined by age and the average values are weighted according to the rate of loss greater than 90 days in each case.
To calculate the PE of the impaired portfolio, the balance of the portfolio of each tranche is multiplied by the percentage of expected loss (Migration to greater than 360) determined in the previous step

I. ED – Exposure at default

ED represents the amount owed from a counterparty at the time of a possible default.

For payroll loans ED will correspond to the full valuation of the assets at amortized cost. For credit cards, ED will take into account the unused credit line when available as well the expected amortization, which allows to have a reliable estimate of the credit exposition at default.

Credit Risk Model: Other accounts receivable

Credivalores uses the simplified approach where Credivalores uses an impairment matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small amounts.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics like type of product purchased.

Loss impairment

The table below shows the loss impairment balances as of September 30, 2024:

		Stage 1	Stage 2	Stage 3	
Loan portfolio		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan consumer portfolio		23.758	5.874	506.933	536.565
Total loan portfolio	Ps.	**23.758**	**5.874**	**506.933**	**536.565**
Total loss impairment financial assets at amortized cost	Ps.	23.758	5.874	506.933	536.565
Total loss impairment	**Ps.**	**23.758**	**5.874**	**506.933**	**536.565**

The following table shows the balances of loss allowances as of December 31, 2023:

		Stage 1	Stage 2	Stage 3	
Loan portfolio		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan consumer portfolio		37.143	12.768	405.887	455.798
Total loan portfolio	Ps.	**37.143**	**12.768**	**405.887**	**455.798**
Total loss impairment financial assets at amortized cost	Ps.	37.143	12.768	405.887	455.798
Total loss impairment	**Ps.**	**37.143**	**12.768**	**405.887**	**455.798**

The table below shows for loans stage 3 individually assessed for ECL the gross amount and loss impairment balances as of September 30, 2024.

(Stated in millions of Colombian pesos)

	Gross Amount Registered		Impairment Recognized	
With recognized provision				
Consummer	Ps.	838.756	Ps.	506.933
Total	Ps.	838.756	Ps.	506.933

5.2.1 Monitoring and Control Process

The Company has an information system in place that provides daily indicators on the loan portfolio status to allow proper monitoring and timely decision-making.

The credit approval processes are connected to an engine managed by the risk area, which allows real-time adjustments to policy parameters to take immediate action where required in loan origination.

Each month the Risk Committee meets to evaluate the development of each product portfolio, analyzing the performance of each yield and applying corrective measures to credit processes or policies where necessary.

Below are the capital balances by default level:

As of September 30, 2024 (Unaudited)

Status	Tu Crédito	CrediUno	CrediPóliza	Total managed portfolio	On balance sheet Portfolio
CURRENT	328.503	269.811	26.204	624.518	554.065
1-30	10.256	30.988	31	41.274	40.159
31-60	5.251	4.285	10	9.546	9.098
61-90	3.388	5.053	7	8.448	8.167
91 - 180	9.655	43.563	207	53.425	52.413
181 - 360	14.685	76.569	64	91.318	90.645
> 360	145.927	291.535	7.551	445.013	444.867
Total	**517.664**	**721.805**	**34.074**	**1.273.543**	**1.199.413**

As of December 31, 2023 (Audited)

Status	Tu Crédito	CrediUno	CrediPóliza	Total managed portfolio	On balance sheet Portfolio
CURRENT	544.481	428.248	26.550	999.279	912.996
1-30	7.322	43.137	20	50.479	50.026
31-60	4.895	18.006	23	22.924	22.712
61-90	3.177	18.810	7	21.994	21.908
91 - 180	7.283	40.394	12	47.689	47.243
181 - 360	15.831	86.219	90	102.140	101.986
> 360	129.067	193.718	7.582	330.367	327.671
Total	**712.056**	**828.532**	**34.284**	**1.574.872**	**1.484.542**

The following detail is due to compliance with paragraph 5 requested by the FNG, which indicates the balance of the committed and uncommitted portfolio classified by height of arrears:

As of September 30, 2024 (Unaudited)

Status	Encumbered Loan Portfolio	Unencumbered Loan Portfolio	Total
CURRENT	327.283	297.235	624.518
1-30	7.494	33.780	41.274
31-60	3.689	5.857	9.546
61-90	4.528	3.920	8.448
91 - 180	40.234	13.191	53.425

(Stated in millions of Colombian pesos)

181 - 360	66.703	24.615	91.318
> 360	300.707	144.306	445.013
Total	**750.639**	**522.904**	**1.273.543**

As of December 31, 2023 (Audited)

Status	Encumbered Loan Portfolio	Unencumbered Loan Portfolio	Total
CURRENT	630.429	368.850	999.279
1-30	15.375	35.104	50.479
31-60	17.625	5.299	22.924
61-90	14.370	7.624	21.994
91 - 180	30.698	16.991	47.689
181 - 360	71.028	31.112	102.140
> 360	140.169	190.198	330.367
Total	**919.694**	**655.178**	**1.574.872**

5.3 Credit worthiness

The following is a breakdown of banks and other financial institutions that hold our savings and checking account deposits.

Entity	Type of Account	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Banco de Bogotá	Savings/Checking	1.521	2
Bancolombia	Savings/Checking	2.302	6.050
Banco De Occidente	Savings/Checking	8	11
Banco Santander USD		34	36
Available in Free-standing Trusts	Savings/Checking	23.944	49.316
		27.809	**55.415**

The following is a breakdown of creditworthiness as determined by independent credit rating agencies of all those major financial institutions in which the Company holds cash.

Long-term debt ratings are based on the following scale:

Item	Financial Institution	Short-term Rating	Rating Entity
1	Banco de Bogotá	AAA y BRC 1+	BRC Ratings – S&P Global S.A. SCV
2	Scotiabank Colpatria	AAA Y F1+	Fitch Ratings
3	Banco de Occidente	AAA Y F1+	Fitch Ratings
4	Bancolombia	AAA Y F1+	Fitch Ratings
5	Banco Santander	AAA Y F1+	Fitch Ratings

Cash and cash equivalents are held with banks and financial institutions through free-standing trust funds, which have ratings between AA- and AAA BCR + 1 from BRC Standard and Poor's.

The Company considers the credit ratings awarded to financial institutions with which it conducts treasury operations in the form of fiduciary assignments such as deposits or investments at sight which classify as cash equivalents. In order to establish a minimum margin risk exposure and ensure optimal resource management through periodic evaluations and measurements of the Company's exposure.

5.4 Market Risk

The Company has been able to meet its liquidity needs acquiring working capital and lines of credit from local, foreign and multilateral entities This implies the need for follow-up when exposed to variable interest rates (financial obligations indexed to local and/or foreign variable rates such as: DTF, IBR, UVR, LIBOR, PRIME, etc.), and to exchange-rate fluctuations due to devaluation or revaluation in the local currency (USD, EUR, etc.).

(Stated in millions of Colombian pesos)

Credivalores participates actively in the money, foreign exchange and capital markets, seeking to meet the needs of its clients in accordance with the policies and risk levels established. As such, it manages different financial-asset portfolios within the permitted risk levels and limits.

Market risk arises from the open positions of Credivalores investment portfolios in debt securities, derivatives and equity instruments recorded at fair value, due to adverse changes in risk factors such as interest rates and exchange rates of foreign currencies.

For analysis purposes, market risk has been broken down into price risk and/or interest and exchange-rate risk of financial obligations in the periods of capital-payment amortization, the point at which the risk materialized.

As of September 30, 2024 and December 31, 2023, Credivalores had the following financial assets and liabilities at fair value subject to trading risk:

Financial assets and liabilities at fair value exposed to trading risk held:	**September 30, 2024**	**December 31, 2023**
	(Unaudited)	**(Audited)**
Equity Instruments	688	983
Derivatives instruments	4.178	13.806
Total	**4.866**	**14.789**
Net Position	**4.866**	**14.789**

Methodology used to measure risk

Market risks are quantified through value at risk standard models.

The company uses the standard model for the measurement, control and management of market risk of interest rates and exchange rates at which the entity is exposed.

There are two scenarios under which Credivalores is exposed to market risks:

Interest rates

Credivalores financial obligations are exposed to this risk when financing is acquired at variable indexed rates that may be subject to volatilities and may affect the Company's financial margin.

Sensitivity Analysis

Taking into account Credivalores exposure to changes in the reference interest rate, a sensitivity analysis of the impact on financial obligations is included given the possible effect on the variable indexed interest rates in the third quarter of 2024. The following methodology was defined for the analysis:

1. Two scenarios were evaluated whereby indexed rates are affected by 20 BPS (increasing and decreasing indexed rates), which affect the future flows of Credivalores financial obligations indexed to the variable rate. Debt repayment is implicit in these scenarios, given their contractual frequency, taking them to maturity.

2. The flows corresponding to interest payment (accrual) were evaluated using equivalent rates.

3. The present value of the monthly interest payment was calculated, using as reference the 6-month IBR rate on an annual basis as of September 30, 2024 (9.156%).
4. Finally, the results of each scenario were compared to the base scenario, which corresponds to the projections of interest flows using the rates as of September 30, 2024 as reference.

The results are set out below:

Scenarios	**Total debt**
Debt Base Scenario (Reference Rates September 30, 2024)	169.006

(Stated in millions of Colombian pesos)

Scenario 1 - Effect of 20 Bps decrease in variable rate	168.763
Scenario 2 - Effect of 20 Bps increase in variable rate	169.248
Scenario Variation1 vs Base Scenario	**(243)**
Variation Scenario 2 vs Base Scenario	**243**

Exchange rate

Credivalores financial obligations are exposed to exchange rate risk when the present value of the liability positions presents volatilities due to the devaluation or revaluation of the funding acquired in another currency. This risk materializes at the moment when the payment corresponding to the amortization of principal and interest is made, due to trading in the currencies to be paid and recognition of the exchange rate difference.

Sensitivity Analysis

Considering Credivalores exposure to changes in the USD/ exchange rate, a sensitivity analysis of the impact on financial obligations is included given the possible effects of changes in the exchange rate in the third quarter of 2023. The following methodology was used for the analysis:

1. Two scenarios were evaluated in which the exchange spot rate is adjusted by 0.60% daily volatility (spots prices projected using Bloomberg's curve), generating revaluation and devaluation effect on the TRM as of September 30, 2024.
2. The amortization of principal and payment of interest on financial obligations are implicit in these scenarios, given their contractual periodicity and taking them to maturity.
3. The flows corresponding to interest payment (accrual) were evaluated using equivalent rates.
4. The present value of the monthly interest payment was calculated, using as reference the 6-month IBR rate on an annual basis as of September 30, 2024 (9.156%).
5. Finally, we compared the results of each scenario with the base scenario, which corresponds to the projected flows for payment of capital and interest using as reference the rates as of September 30, 2024.

The results are set out below:

Item	Total Debt
Initial Scenario (Balance as of September 30st, 2024)	1.144.207
Scenario 1 (Effect of revaluation)	1.136.728
Scenario 2 (Effect of revaluation)	1.151.686
Difference Scenario 1 vs. Initial Scenario	**(7.479)**
Difference Scenario 2 vs. Initial Scenario	**7.479**

(1) Volatility obtained from the daily average for the previous nine years, including 2024.

5.5 Liquidity Risk

The liquidity Risk is represented by the potential event of being unable to meet the expected outgoing cash flows on a timely and efficient manner, without affecting the normal course of business or the company´s financial position. Liquidity risk is related with having insufficient liquid assets and therefore having to incur in unusual or extra funding costs.

The company funding is based on short- and medium-term bank loans as well as bonds and commercial notes issued in the international capital markets. These funds are mainly used to leverage new loan origination according to Credivalores' business model. On the other hand, the Company's capacity to create positions regarding financial instruments available for sale (liquidity or loans) could be affected either by lack of market liquidity or because of sudden changes in interest rates and asset prices.

According to the Company´s funding model the liquidity risk includes among others, the ability to get short, medium- and long-term lines of credit, to keep low liquidity assets (such as loan portfolio) and face short-term unexpected stress situations.

In order to deploy a correct asset and liability management and assure the liquidity needed to operate the business, the Company has set the following guidelines to control the liquidity risk: i) In the short -term, cash flows associated to loan portfolio and liquid assets, short -term financial liabilities, and off balance financial positions in different time frames, allowing a permanent monitoring of the liquidity gap, ii) for the long-term assets and liabilities, the Company analyses its funding sources as well as the breakdown by type of source and those that are specifically associated to specific products.

Credivalores keeps at least 1.5 its operating expenses in liquid assets. The liquidity in the statement of financial position has the following components:

(Stated in millions of Colombian pesos)

- Inflows: Incoming flows associated to loan portfolio, and interest income associated to liquid assets.

- Outflows: Outgoing flows related to i) operating expenses, ii) new loan origination, and iii) ´ principal and interest from financial liabilities.

- Liquidity GAP: Difference between inflows and outflows according to:

    - Monthly cash flows associated to assets (liquid assets, loan portfolio).
    - Monthly projected cash flows related to financial liabilities and operating expenses

The Company determines its liquidity gap based on to the above-mentioned variables, and makes permanent follow up, as well as making any necessary adjustments according to the following ranges:

- ✓ 1 to 3 months
- ✓ 3 to 6 months
- ✓ 6 to 12 months
- ✓ 12 months +

Liquidity Risk Management

The company identifies its exposure to liquidity risk according to the markets where it operates, and the products and services offered to its customers. For such purpose the Company has analyzed the processes associated to treasury in order to design controls and strategies to reduce the impact.

Liquidity position

Determine the minimum amount of liquid assets (cash and cash equivalents, short-term liquid investments), in order to avoid any lacks that may affect the capacity to the outflows. The Financial Committee calculates and monitors the liquidity position on a weekly basis, considering cash flow projections for 7 and 15 days:

a) Green: liquid assets / outflows >= 105%
b) Yellow: liquid assets / outflows between 100 and 104%
c) Red: liquid assets / outflows <100%

In case there are any yellow or green situations, the Financial Committee defines any actions to be taken in order to assure the sufficient procurement of cash to operate on a normal basis.

The liquidity level results as of September 30, 2024 are set out below:

Item	Liquidity level
7 Days	32%
15 Days	33%
30 Days	31%

As of September 30, 2024, the liquidity level in the 7- and 15-day bands is above the upper limit defined in the Company's liquidity manual, constituting a green flag scenario and indicating that Credivalores has sufficient resources to operate normally.

Also, as is good practice, a third band is monitored, which allows for controlling of the liquidity level projected to 30 days. As of September 30, 2024, a green band scenario is recorded, indicating that Credivalores has ample liquidity to support its needs for normal operation.

Exposure to liquidity Risk

The Company monitors its liquidity position in order to determine how likely a liquidity stress can happen.

The following is a breakdown by time range for the Liquid Assets and the LRI (Liquidity Risk Indicator) for September 30, 2024 and December 31, 2023.

	September 30, 2024 (Unaudited)
	Subsequent Net Balances Available

Description	Liquid Assets Available at the End of the Period (1)	From 1 to 7 days (2)	From 8 to 15 subsequent days (2)	From 16 to 30 subsequent days (2)	From 31 to 90 subsequent days (2)
Cash	1	1	-	-	-
Banco de Bogotá	1.521	1.521	-	-	-
Bancolombia S. A.	2.302	2.302	-	-	-
Banco De Occidente	8	8	-	-	-
Banco Santander Uruguay	34	34	-	-	-
Alianza Fiduciaria	1.915	1.915		-	-
Cash at Free-Standing Trusts	23.944	23.944	-	-	-
Mutual Funds (*)	688	688	-	-	-
Bancolombia Free-standing	12	12			-
Fiducolombia Free-Standing Trusts	913	913	-	-	-
Total liquid assets	**31.338**	**31.338**	**-**	**-**	**-**

(*) This note includes cash and cash equivalents, and investments at fair value.

	December 31, 2023 (Audited)				
	Subsequent Net Balances Available				
Description	**Liquid Assets Available at the End of the Period (1)**	**From 1 to 7 days (2)**	**From 8 to 15 subsequent days (2)**	**From 16 to 30 subsequent days (2)**	**From 31 to 90 subsequent days (2)**
Cash	2	2	-	-	-
Banco de Bogotá	2	2	-	-	-
Bancolombia S. A.	6.050	6.050	-	-	-
Banco De Occidente	11	11	-	-	-
Banco Santander Uruguay	36	36	-	-	-
Alianza Fiduciaria	17	17	-	-	-
Cash at Free-Standing Trusts	50.205	50.205	-	-	-
Mutual Funds	983	983	-	-	-
Fiducolombia Free-Standing Trusts	3.471	3.471	-	-	-
Total liquid assets	**60.777**	**60.777**	**-**	**-**	**-**

(1) Liquid assets correspond to the sum of existing assets at the close of each period, which can be quickly converted to cash. In calculating liquid assets, all the listed investments, without exception, are computed at their fair exchange value on the date of the valuation (fair value).

(2) The balance corresponds to the residual value of the Company's liquid assets on days after closing the specific period. This balance is calculated as the difference between liquid assets and liquidity requirements. In turn, the liquidity requirement is the difference between the contractual revenue flows and contractual and non-contractual outflows in accordance with the Liquidity Risk Indicator (LRI) methodology.

Measurement of exposure to liquidity risk

Measuring the likelihood of the Company running out of liquid resources for its normal operation under normal market conditions requires the use of the tools described above: balance sheet liquidity, liquidity gap, and cash flow projection, to thereby quantify the degree of stress that the company's cash flow can bear to fulfill its normal operations without having to acquire additional resources.

Limit of liquidity risk exposure

Maximum exposure to liquidity risk is identified as the average time taken by the Company to carry out the liquidity financial operations (Guaranteed Loans, Portfolio Sales, Working Capital Loans, etc.) and generate the cash available for new loan origination.

The maximum exposure to liquidity risk is calculated weekly by the financial committee, considering projections for bands of 7 days, and 15 to 30 days.

In addition, to analyze the short- and medium-term liquidity requirements, the following indicators are considered:

(Stated in millions of Colombian pesos)

1) Net Liquidity/Credivalores + Free-standing Trust, where Net Liquidity is the sum of available cash and investments less long-term investments.

Lower limit: 2%; cannot be below the lower limit more than three times in a year

Exposure Limit Indicator 1 Sept-24	
Net Liquidity	30,649
Assets (Credivalores + Free-standing Trust) (Portfolio)	1,040,841
Indicator 1	**2,9%**

2) Net Liquidity/Liabilities (Free-standing Trust + Credivalores)

Lower limit: 2%; cannot be below the lower limit more than three times in a year

Exposure Limit Indicator 2 Sept-24	
Net Liquidity	30,649
Liabilities (Credivalores + Free-standing Trust)	1,510,418
Indicator 2	**2,0%**

In the nine-month period ended September 30, 2024, there was no significant change in liquidity risk or in the way Credivalores manages this risk.

Credivalores has performed an analysis of the consolidated maturities of financial assets and liabilities both derivatives and non-derivatives, showing the following remaining contractual maturities.

September 30, 2024 (Unaudited)

Assets	**Less than one month**	**From one to six months**	**From six to twelve months**	**More than one year**	**Total**
Cash due from banks and equivalents	30.649	-	-	-	30.649
Equity Instruments at fair value	688	-	-	-	688
Financial Assets at amortized cost (*)	90.484	463.295	581.769	554.020	1.689.568
Total assets	**121.821**	**463.295**	**581.769**	**554.020**	**1.720.905**

Liabilities	**Less than one month**	**From one to six months**	**From six to twelve months**	**More than one year**	**Total**
Financial Liabilities at amortized cost (*)	35.662	1.180.718	91.253	319.931	1.627.564
Total Liabilities	**35.662**	**1.180.718**	**91.253**	**319.931**	**1.627.564**

(*) This disclosure includes the calculation of projected interest.

December 31, 2023 (Audited)

Assets	**Less than one month**	**From one to six months**	**From six to twelve months**	**More than one year**	**Total**
Cash due from banks and equivalents	59.794	-	-	-	59.794
Equity Instruments at fair value	983	-	-	-	983
Financial Assets at amortized cost (*)	74.791	380.306	471.742	1.222.743	2.149.582
Total assets	**135.568**	**380.306**	**471.742**	**1.222.743**	**2.210.359**

(Stated in millions of Colombian pesos)

Liabilities	**Less than one month**	**From one to six months**	**From six to twelve months**	**More than one year**	**Total**
Financial Liabilities at amortized cost (*)	177.995	186.499	316.483	1.244.039	1.925.016
Total Liabilities	**177.995**	**186.499**	**316.483**	**1.244.039**	**1.925.016**

(*) This disclosure includes the calculation of projected interest.

NOTE 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and demand deposits with original maturities of 90 days or less from the date of acquisition, which are subject to an insignificant risk of changes to their fair value and that are used by the Credivalores to handle short-term commitments.

Cash and cash equivalent balances encompass the following as of September 30, 2024, and December 31, 2023:

	September 30, 2024 (Unaudited)	**December 31, 2023 (Audited)**
Cash	1	2
Banks (6.2)	27.809	55.415
Mutual funds (6.1)	2.839	4.377
	30.649	**59.794**

As of September 30, 2024, and December 31, 2023, there were no restrictions on bank accounts.

As of September 30, 2024, there are 6 reconciliation items with a net value of $3, as of December 2023 there are 17 reconciliation items with a net value of $5.

6.1 Following is a breakdown of positions in money market funds (trust rights) by Credivalores and the Free-Standing Trust:

	September 30, 2024 (Unaudited)	**December 31, 2023 (Audited)**
Fiduciaria Bancolombia – Own	12	-
Alianza Fiduciaria – Own	1.915	17
Collective Investment Funds in Free Standing Trust	912	4.360
Total	**2.839**	**4.377**

Collective investment funds are in Free Standing Trust, below is the detail to September 30, 2024 and December 31, 2023.

	September 30, 2024	**December 31, 2023**
Investment Free Standing Trust Coomeva	10	889
Investment Free Standin Trust Crediservicios - 2374	-	9
Investment Free Standin Trust Sindicado - 8273	-	3.446
Investment Free Standin Trust Crediuno Recaudador - 4581	634	16
Investment Free Standin Trust Coomeva - 108217	268	-
Total	**912**	**4.360**

6.2 The following is the breakdown of owned bank accounts:

	September 30, 2024 (Unaudited)	**December 31, 2023 (Audited)**
Own bank accounts	3.865	6.099
Bank accounts in Free Standing Trust (1)	23.944	49.316

(Stated in millions of Colombian pesos)

Total	**27.809**	**55.415**

(1) A Below is the detail of bank accounts in Free-Standing Trust:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Free-Standing Trust Coomeva - 108217	365	256
Free-Standing Trust System Group - 15746	19	27
Free-Standing Trust System Group -15747	58	66
Free-Standing Trust Tu Credit Sindicado - 8273	11	5.123
Free-Standing Trust UBS 15209	364	4.876
Collection Credit Payroll - 14604	38	4.996
Collection - Crediservicios - 2374	18.164	27.666
Collection - Crediuno Recaudador - 4581	4.895	6.305
Free-Standing Trust Recaudo - UBS 15260	30	1
Total	**23.944**	**49.316**

The average profitability with cut to September 30, 2024 is 18.91% and for December 31, 2023 it was 30.42%.

The following is the credit rating of the fund managers of Free-Standing Trusts:

Manager	Sept-24	Dec-23	Rating Agency
Fiduciaria Bancolombia	AAA Y F1+	AAA Y F1+	Fitch Ratings
Fiduciaria la Previsora	F AAA/2, BRC 1+	AAA	BRC Investor Services S. A. SCV
Fiduciaria la Occidente	N/A	AAA	BRC Investor Services S. A. SCV

Cash equivalents correspond to mutual and money market funds where the Company and the Free-Standing Trust have a direct ownership of shares and rights. These funds invest in short term paper and offer a slightly higher yield than a savings account and are classified as cash equivalents since the company can withdraw and deposit funds at any time, as funds are at sight.

NOTE 7. FINANCIAL INSTRUMENTS

The balance of investments measured at fair value is comprised of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Collective Investment Funds (7.1)	688	983
Equity instruments (7.2)	3.271	4.650
	3.959	**5.633**

7.1 At fair value with changes in results

Investments at fair value correspond to equity participations in money market funds that offer easy access to resources at low risk, held in trusts which are rated from AA- to AAA by local rating agencies BRC Standard and Poor's and/or Fitch Ratings Colombia

Issuer	Type of Fund	Minimum Investment	Minimum Balance	Return Sept, 2024	Annual Return 2023	As of September 30, 2024	As of December 31, 2023
BTG Pactual I Clase Z	Closed	5.000.000	2.000.000	149,95925%	40,51%	659	955
Collective Investment Fund	Closed	200.000	200.000	9,00300%	14,04%	24	24
Credicorp Capital	At sight	-	-	8,560%	-	5	4
TOTAL						**688**	**983**

(Stated in millions of Colombian pesos)

7.2 Equity instruments

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Agrocaña Shares	3.271	4.650
	3.271	**4.650**

The Company holds a 5.03% stake in the share capital of Agrocañas S.A., with 3,300 shares outstanding as of September 30, 2024. These are not listed on the stock exchange and are therefore measured at cost, the variations are recorded with changes in Equity. No sales are expected in the next 12 months.

NOTE 8. INVESTMENTS IN ASSOCIATES

The detail of the investments in associates is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Inverefectivas S.A (a)	12.335	11.896
	12.335	**11.896**

1. Credivalores holds a 25% ownership in Inverefectivas S.A. This Company was incorporated in accordance with the legislation of Panama, and has 4,000 shares issued, of which Credivalores owns 1,000 shares with an intrinsic value of FIX 2.952,15 expressed using the TRM of 4.178,30 as of September 30, 2024. according to the last certification received on March 31, 2024.

(a)

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Share of ownership interest	**Book Value**	**Share of ownership interest**	**Book Value**
Associates				
Inverefectivas S.A.	25%	12.335	25%	11.896
		12.335		**11.896**

The movement of investments in the associates account is shown below for the period ended September 30, 2024, and December 31, 2023:

Associate	**September 30, 2024**	**December 31, 2023**
Balance at the beginning of the period	**11.896**	**14.945**
Adjustments for exchange differences with changes in the ORI	1.068	(3.074)
Adjustment for valuation method of participation	(629)	25
Period-end balance	**12.335**	**11.896**

NOTE 9. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that have not yet matured and that have not suffered impairment losses is assessed on the basis of the ratings granted by external bodies or, if they do not exist, on the basis of internal categorizations defined based on the characteristics of the counterparties:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash and cash equivalents		
AAA	27.809	55.412
AA	-	3
Total Cash and Cash Equivalents	**27.809**	**55.415**

	September 30, 2024	December 31, 2023

Equity instruments (shares)		
Financial assets at fair value through other comprehensive income		
Financial sector	3.271	4.650
Total equity instruments	**3.271**	**4.650**

NOTE 10. LOAN PORTFOLIO, NET

Financial assets at amortized cost on the statement of financial position are classified as consumer portfolio and microcredit. Following is a description of the portfolio of Credivalores as of September 30, 2024 and December 31, 2023:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Consumer	1.577.407	1.858.276
Impairment	(536.565)	(455.798)
Total financial assets at amortized cost	**1.040.842**	**1.402.478**
Total loan portfolio, net	**1.040.842**	**1.402.478**

The Financial Position Statement includes a net portfolio held in Free-standing trusts totaling $ 676.509 as of September 30, 2024 and $ 829.365 as of December 31, 2023. Credivalores classified portfolio by product in accordance with the days of default.

The loan portfolio delivered in administration to the autonomous estates, the capital is shown below for the nine-month period ended September 30, 2024 and for the year ended December 31, 2023:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Free Standing Trust Sindicado – 8273	159.999	203.603
Free Standing Trust Sistemgroup - 15746	298.015	177.382
Free Standing Trust UBS O'Connor Gramercy – 15209	218.495	303.520
Free Standing Trust Libranzas - 14604	-	144.859
	676.509	**829.365**

The Free-Standing Trust Libranzas - 14604 was settled at the end of July 2024.

During the nine-month period of 2024, portfolio sales worth $172,278 were made and during 2023 they amounted to $157,089.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
BAN100	172.278	139.193
BTG Fondo Crédito	-	2.998
Banco Agrario de Colombia SA	-	1.622
BTG Fondo Credivalores I	-	62
BTG Activos Alternativos	-	13.214
	172.278	**157.089**

The movement of the provision for the impairment of financial assets by loan portfolio is provided below for the period ended September 30, 2024 and 2023.

(Stated in millions of Colombian pesos)

	September 30,	
	2024	**2023**
	(Unaudited)	**(Audited)**
Initial Balance	455.798	372.608
Impairment of the period charged against to profit or loss	89.887	75.058
Write-offs	(9.120)	(15.574)
Closing balance	**536.565**	**432.092**

El siguiente es el movimiento de la provisión por deterioro de los activos financieros por cartera de créditos durante el periodo terminado al 30 de septiembre de 2024 y al 31 de diciembre de 2023, con fines comparativos:

	September 30, 2024	**December 31, 2023**
	(Unaudited)	**(Audited)**
Initial Balance	455.798	372.608
Impairment of the period charged against to profit or loss	89.887	104.496
Write-offs	(9.120)	(21.306)
Closing balance	**536.565**	**455.798**

Expenditure on provisions and write-offs of loan portfolio

	September 30, 2024	**September 30, 2023**
	(Unaudited)	**(Unaudited)**
Expenditure for the provisions period	89.887	75.058
Forgiveness	73.256	6.645
Total	**163.143**	**81.703**

Below we present a breakdown of the loan portfolio in the balance sheet with all components:

As of September 30, 2024 (Unaudited)

Type	**Principal**	**Transaction costs**	**Accrued Interest**	**Commissions**	**Impairment**	**Total**
Consumer loans	1.199.413	44.197	322.145	11.652	(536.565)	**1.040.842**
Total financial assets at amortized cost	**1.199.413**	**44.197**	**322.145**	**11.652**	**(536.565)**	**1.040.842**

At December 31, 2023 (Audited)

Type	**Principal**	**Transaction costs**	**Accrued Interest**	**Commissions**	**Impairment**	**Total**
Consumer loans	1.484.542	75.985	258.586	39.163	(455.798)	1.402.478
Total financial assets at amortized cost	**1.484.542**	**75.985**	**258.586**	**39.163**	**(455.798)**	**1.402.478**

The distribution of maturities of Credivalores gross loan portfolio is the following:

September 30, 2024 (Unaudited)

	Up to 1 year	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Consumer	240.084	686.442	230.533	420.348	1.577.407
Total Gross Loan Portfolio	**240.084**	**686.442**	**230.533**	**420.348**	**1.577.407**

December 31, 2023 (Audited)

	Up to 1 year	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Consumer	244.239	628.598	323.935	661.504	1.858.276
Total Gross Loan Portfolio	**244.239**	**628.598**	**323.935**	**661.504**	**1.858.276**

(Stated in millions of Colombian pesos)

The distribution of maturities of Credivalores principal only loan portfolio is the following:

September 30, 2024 (Unaudited)

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Consumer	175.266	539.524	184.190	374.563	1.273.543
Total Principal Only Loan Portfolio	**175.266**	**539.524**	**184.190**	**374.563**	**1.273.543**

December 31, 2023 (Audited)

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Consumer	274.795	511.467	279.163	509.447	1.574.872
Total Principal Only Loan Portfolio	**274.795**	**511.467**	**279.163**	**509.447**	**1.574.872**

Below is the breakdown of Credivalores managed loan portfolio, which includes the loan portfolio on balance and the portfolio sold but still managed by the Company:

	As of September 30, 2024 (Unaudited)		
Type	**Principal Loan**	**Sold**	**Total**
Consumer	1.199.413	74.130	1.273.543
Total Financial Assets at amortized cost	**1.199.413**	**74.130**	**1.273.543**

	As of December 31, 2023 (Audited)		
Type	**Principal Loan**	**Sold**	**Total**
Consumer	1.484.542	90.330	1.574.872
Total Financial Assets at amortized cost	**1.484.542**	**90.330**	**1.574.872**

Overdue but not impaired

As of September 30, 2024, and December 31, 2023, a summary of the overdue portfolio by days past due is as follows:

	Consumer	Total	Consumer	Total
Performing loans	554.065	554.065	912.996	912.996
Overdue but not impaired	49.257	49.257	72.738	72.738
Non-performing loans under 360 days	151.224	151.224	171.137	171.137
Non-performing loans over 360 days	444.867	444.867	327.671	327.671
	1.199.413	**1.199.413**	**1.484.542**	**1.484.542**

NOTE 11. ACCOUNTS RECEIVABLE, NET

The detailed information of accounts receivables as of September 30, 2024 and December 31, 2023 is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Debtors (11.1)	64.087	98.075
Economically Related Parties (11.2)	14.059	32.967
Asficredito (11.6)	60.788	75.967
Payments on behalf of clients (11.3)	30.867	26.238
Others accounts receivable (11.4)	39.952	30.623
Shareholders	1.815	1.815
Impairments for doubtful accounts (11.5)	(9.062)	(8.401)
	202.506	**257.284**

11.1 The balance of the debtors account as of September 30, 2024 amounts to $64.087 and as of December 31, 2023 amounts to $98.075, mainly corresponds to outstanding portfolio collection balances from the free-standing trusts and utilities and claims of guarantees to FGA and administrative collection management expenses, the decrease is mainly due to the payment of the collection, below is the detail:

(Stated in millions of Colombian pesos)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ESP	38	167
Insurance	6	10
FGA	18.985	50.787
Owns	29.581	32.122
Free-Standing Trust (a)	15.477	14.989
	64.087	**98.075**

(a) Below is the detail of the assets:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Syndicated	9.613	6.662
Free Standing Trust UBS O'Connor Gramercy	3.738	3.876
Libranza II	204	4.313
Free Standing Trust Sistemgroup	1.922	138
	15.477	**14.989**

11.2 The following is the detail with economically related parties:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Finanza inversiones S. A. S.	-	19.825
Ingenio la cabaña S. A.	2.681	2.410
Inversiones Mad capital S. A. S.	11.378	10.732
	14.059	**32.967**

The change in the balance of Finanza Inversiones S.A. corresponds to the net of the balance from the account receivable to the account payable.

In June 2024, Ingenio la Cabaña reported that it was admitted to the business reorganization process before the Superintendence of Companies.

The effective interest rates on interest-generating receivables were as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Finanza Inversiones	DTF + 9.41%	DTF + 9.41%
Ingenio la Cabaña	IBR + 8%	IBR + 8%
Mad Capital	DTF + 5%	DTF + 5%

11.3 The following is a breakdown of payments by client account:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Life Insurance Payroll deduction loans	13.249	12.248
Crediuno Insurance	7.001	7.117
Tigo Insurance	63	205
Credipoliza Insurance	577	579
SG Portfolio Insurance	9.977	6.089
	30.867	**26.238**

11.4 The following is the detail of the other accounts receivable account

(Stated in millions of Colombian pesos)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
To third parties	34.100	30.380
Account Preservation	5.841	223
Advances to Employees	11	20
	39.952	**30.623**

11.5 The movement in the provision for impairment of other accounts receivable is provided below:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at start of period	(8.401)	(8.211)
Deterioration (1)	(17.387)	(12.988)
Write-off	17.080	12.798
Balance at end of period	**(9.062)**	**(8.401)**

(1) The impairment analysis of other receivables is performed annually as of December 31 of each year.

11.5.1. Detail Impairment

As of September 30, 2024, the amount of the impairment provision for accounts receivable amounts to $9.062. Changes in the impairment provision of accounts receivable are described in the following table:

Third Party	Impairment	%
Asficredito	7.588	12.5%
Staggered Collective Portfolio	814	21.8%
Embargoes	660	11.3%
Total	**9.062**	

Increases in impairment provision of receivables have been included in the "other expenses" line of the income analysis. Amounts charged to the provision account are usually written off when there is no expectation of receiving additional cash.

The Company does not maintain any guarantee as collection insurance.

11.6 Balances arising from the development of the business collaboration agreement

NOTE 12. PROPERTY AND EQUIPMENT, NET

The Company's property, plant and equipment as of September 30, 2024 and December 31, 2023, respectively, are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Transportation equipment	117	279
Office equipment and accessories	1.821	1.806
Computer equipment	388	388
Network and communication equipment	1.807	1.785
Assets in financial lease	4.354	4.354
Subtotal	**8.487**	**8.612**
Accumulated depreciation	(8.377)	(8.311)
Total	**110**	**301**

The breakdown for equipment movement is shown below:

(Stated in millions of Colombian pesos)

	December 31, 2023 (Audited)	Purchases	Write-offs	September 30, 2024 (Unaudited)
Transportation equipment	279	-	(162)	117
Office equipment and accessories	1.806	15	-	1.821
Electronic equipment	388	-	-	388
Network and communication equipment	1.785	22	-	1.807
Assets in financial lease	4.354	-	-	4.354
	8.612	**37**	**(162)**	**8.487**

	December 31, 2022	Purchases	Write-offs	September 30, 2023	Purchases	Write-offs	December 31, 2023
Transportation Equipment	117	-	-	117	162	-	279
Office equipment and accessories	1.771	22	(5)	1.788	18	-	1.806
Electronic equipment	388	-	-	388	-	-	388
Network and communication equipment	1.761	23	-	1.784	1	-	1.785
Assets in financial lease	4.354	-	-	4.355	-	(1)	4.354
	8.391	**45**	**(5)**	**8.432**	**181**	**(1)**	**8.612**

The following is the depreciation movement as of September 30, 2024 and December 31, 2023, respectively:

	December 31, 2023 (Audited)	Depreciation	Write-offs	September 30, 2024 (Unaudited)
Transport equipment	121	32	(36)	117
Office equipment and accessories	1.699	50	-	1.749
Electronic equipment	1.292	7	-	1.299
Telecommunications equipment	846	13	-	859
Assets in financial lease	4.353	-	-	4.353
	8.311	**102**	**(36)**	**8.377**

	December 31, 2022	Depreciation	Write-offs	December 31, 2023
Transport equipment	117	4	-	121
Office equipment and accessories	1.643	60	(4)	1.699
Electronic equipment	1.279	13	-	1.292
Telecommunications equipment	826	20	-	846
Assets in financial lease	4.353	-	-	4.353
	8.218	**97**	**(4)**	**8.311**

All equipment of Credivalores is duly protected with current insurance policies. To protect its property and equipment, the Company took out insurance policies with Beckley International Insurance Colombia and Chubb de Colombia as of September 30, 2024 and December 31, 2023, which cover the risks of theft, fire, lightning strikes, explosions, earthquakes, strikes, revolts, etc. Property and equipment include the values of furniture, computer equipment and improvements to rented property, which are used in the Company's normal course of business.

The Company's own property and equipment as listed above, are not in any way encumbered neither have they been delivered as collateral to guarantee any kind of obligation. The Company has also taken out insurance policies to protect these assets.

NOTE 13. PROPERTIES BY RIGHT OF USE

Below is the plant and equipment properties that the Company has as of September 30,2024 and December 31, 2023, respectively:

(Stated in millions of Colombian pesos)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets		
Properties, Plant and Equipment (Right of Use)	6.889	9.289
Deferred tax asset	105	21
Liabilities		
Other financial liabilities - lease of use		
Non-current	(7.190)	(9.349)
Net	**(196)**	**(39)**

Properties and equipment include rights to use leases, in which the Company is the tenant, whose values are shown below:

	2023	2022
As of December, 31		
Cost	9.753	9.251
Accumulated Depreciation	(464)	(7.230)
Net cost	**9.289**	**2.021**

Period	September, 2024 (Unaudited)	December, 2023 (Audited)
Balance at the beginning of the year	9.289	2.021
Additions	573	9.507
Retreats	(1.486)	-
Depreciation charge	(1.487)	(2.239)
Balance at the end of the year	**6.889**	**9.289**

Period	September, 2024	December, 2023
Cost	8.801	9.753
Accumulated Depreciation	(1.912)	(464)
Net cost	**6.889**	**9.289**

The maturities of financial leases range from 3 to 5 years.

In relation to the rights of use recorded in the property, plant and equipment accounts, financial leasing liabilities have been recorded which are included in other financial liabilities and which as of September 30, 2024, have the following balances:

Lease liabilities	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Opening Balances	**9.349**	**2.179**
Additions	573	9.507
Payments	(1.246)	(2.337)
Withdraws	(1.486)	-
Ending Balances	**7.190**	**9.349**

13.1Statement of Results

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Depreciation fee - usage asset	1.487	2.239
Interest expense on lease liabilities	582	395

(Stated in millions of Colombian pesos)

Variable lease expenses	159	631
	2.228	**3.265**

Variable Leases

Credivalores determined variable leases, based on the landlord's preponderance in the disposal and use of the asset, in this classification are the points of sale located in the chain warehouses.

NOTE 14. INTANGIBLE ASSETS, NET

Below we present the company's other intangible assets as of September 30, 2024, and December 31, 2023, respectively:

September 30, 2024 (Unaudited)

	Initial Balance	Additions	Amortization	Closing Balance
Software Licenses	1.074	1.172	1.457	789
Acquired Trademarks	4.760	-	1.785	2.975
Database	6.447	-	2.417	4.030
Other	223	3.020	1.875	1.368
Total	**12.504**	**4.192**	**7.534**	**9.162**

December 31, 2023 (Audited)

	Initial Balance	Additions	Amortization	Closing Balance
Software Licenses	1.441	1.832	2.199	1.074
Acquired Trademarks	7.140	-	2.380	4.760
Database	17.409	-	10.962	6.447
Contracts	13.054	-	13.054	-
Other	484	2.633	2.894	223
Total	**39.528**	**4.465**	**31.489**	**12.504**

In 2023, a database sale operation was carried out for $10,000 and for exclusivity contracts $11,777.

Disputed rights, the variation corresponds to the collection of the portfolio included in this item:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Disputed rights	319	337
Total	**319**	**337**

The movement of amortization expenses for the period was as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Depreciation of brands	1.785	2.380
Amortization of exclusivity contracts, databases and licenses	3.874	26.215
Subtotal	**5.659**	**28.595**
Consultancies, free-standing trusts commissions, contributions	1.662	175
Investors	-	1.988
Fees	-	119
Insurance	213	612
Total	**1.875**	**2.894**

Brands, Databases and Exclusivity Contracts

Based on the end of 2018 and 10-year projections adjusted to the performance of the business unit up to that date, the intangibles were prepared in the evaluation and valuation of intangibles through the construction of discounted cash flow projections.

When the value of the discounted projections was obtained, the cash flow was evaluated on an aggregate basis, and then the tangible assets on the balance sheet were discounted from the total business value, to identify the residual value against the estimated market value of the business. The difference in values, according to the economic and accounting literature, gave rise to the residual value of intangibles. The estimated projections for 2018 remain within the range according to the results obtained at the end of 2018 to 2024 in line with commercial expectations for placement and collection, in accordance with the dynamics of growth, margin contribution and expense efficiency.

(Stated in millions of Colombian pesos)

Therefore, the Appraiser's conclusion is that an adjustment should not be generated in the initially estimated valuation, nor should an impairment adjustment be included in the recorded value of CREDIUNO's intangibles, since it is evident that the estimated results remain in the acceptable range compared to the projection even with the effects of the pandemic.

During 2024, offers on the portfolio were materialized without generating detriment for the entity, it is expected during 2024 to maintain this dynamic generating rewards in terms of projected profits from the operation within the initially estimated and projected range.

NOTE 15. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Movements for hedge accounting and investments in derivatives are provided below:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Prima Call	3.012	11.238
Hedge Options (15.1)	1.166	2.568
Total	**4.178**	**13.806**

Credivalores holds derivative financial instruments to hedge foreign currency risk exposure.

Hedging Operations

Credivalores activities are exposed to financial risks including liquidity risk, foreign currency risk and interest rate risks. Therefore, the administration and the Board of Directors have approved and implemented a financial risk management policy to mitigate the negative effects of financial market uncertainty and volatility on the company's financial performance. The financial risk management policy establishes the use of a wide variety of financial derivatives to cover the risks inherent in exchange rate fluctuations and the interest rate of financial obligations in currencies other than Colombian Pesos.

Credivalores has developed a hedging policy against financial risks to mitigate the effects that these risks may have on the income statement. In development of this policy, the main objective to minimize the effects of the exchange rate on the liabilities in foreign currency that the company currently has. To achieve this objective CVCS has contracted different types of derivatives such as: Exchange Rate Forward, Cross Currency Swap, Cupon Only Swap and Options. The Management constantly monitors the results of this strategy and its effectiveness to adopt timely actions and corrective measures in favor of results. Effectiveness is measured retrospectively using the hypothetical derivative method. Equally, the methodologies for valuation at market prices have been adopted in accordance with the practices used by the Colombian financial system and international practices, with sources of information from price providers accepted by national regulators.

In accordance with the guidelines of this policy, the following is the list of derivative instruments implemented and in force as of September 30, 2024 to hedge foreign currency risks and interest rate risks of financial obligations denominated in foreign currency (2025 Credits and Notes Due 2028):

Operaciones de Cobertura Vigentes

Type of instrument	Position of Credivalores	Type of Option	Amount covered in USD	Effective date	Strike Price COP	Compliance
Call Option	Seller	European	3.907.373	10/10/2024	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	10/10/2024	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	13/11/2024	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	13/11/2024	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	12/12/2024	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	12/12/2024	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	13/01/2025	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	13/01/2025	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	13/02/2025	4.585	Non-Delivery

(Stated in millions of Colombian pesos)

Call Option	Buyer	European	3.907.373	13/02/2025	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	13/03/2025	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	13/03/2025	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	11/04/2025	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	11/04/2025	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	13/05/2025	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	13/05/2025	5.085	Non-Delivery
Call Option	Seller	European	3.907.373	12/06/2025	4.585	Non-Delivery
Call Option	Buyer	European	3.907.373	12/06/2025	5.085	Non-Delivery

15.1 Derivate Financial Instruments Options

The activities carried out by Credivalores generated significant positions in the derivatives portfolio, performing transactions for hedging purposes where the underlying assets are exchange rates and interest rates. Options are contracts between two parties, one of them has the right but not the obligation, to carry out an operation of purchase or sale according to previously agreed terms.

The company closed operations with options as derivative financial instruments to manage and mitigate the fluctuations in the fair value of the debt in the P&L. The options are measured through cash flow coverage.

Detail of derivative with options financial instruments and their accounting is as follows:

	Fair value			
ASSETS	**September 30, 2024 (Unaudited)**		**December 31, 2023 (Audited)**	
	Nominal Amount USD	**Fair Value**	**Nominal Amount USD**	**Fair Value**
Call spread premium option	0.3	1.166	1	2.568
Total forward contracts for hedging – assets	**0.3**	**1.166**	**1**	**2.568**

The derivative financial instrument is maintained to hedge the foreign currency risk exposure until maturity.

Transactions in derivatives with options cover the debt position of the disbursements of the PA Credivalores O'Connor and Gramercy credit, derivatives that as of September 2024 have an aggregate nominal value of US 35,166,357.

These financial instruments are valued under the methodology and market value provided by the counterparties, the type of measurement is cash flow.

The Company will maintain derivative financial instruments, to cover the foreign currency risk exposure until maturity, which corresponds to the expiration of the Notes that are being covered by this instrument. The objective and strategy of the administration is to analyze and evaluate the appropriate method for the valuation of financial instruments, depending on the type of operation and negotiation carried out.

NOTE 16. FINANCIAL OBLIGATIONS

Below, we present the balances of financial obligations:

	September 30, 2024 (Unaudited)	**December 31, 2023 (Audited)**
144 A / Reg S Bonds (1)	880.786	805.688
ECP Program Notes (1)	135.813	124.233
Financial obligations in Free-standing Trust (2)	233.359	412.652
Promissory notes national banks	51.813	97.242
Local Ordinary Bonds - FNG Partial Guarantee	95.940	95.940
Transaction Costs	(28.743)	(32.860)
	1.368.968	**1.502.895**

The balances of the financial obligations of Credivalores and the Free-standing Trust of which it is the settlor at the cut-off of September 30, 2024 and December 31, 2023, correspond to obligations contracted with financial institutions in the country and obligations in the foreign capital market. Short-term obligations are loans that must be paid between September 2024 and September 2025 and long-term loans that mature after September 2025, respectively:

(Stated in millions of Colombian pesos)

(1) Increase generated by variation in TRM.
(2) Decrease generated by payments of obligations

Credivalores, in use of the 30-day grace period granted by this obligation, did not make the payment on the maturity date of coupon 8 on February 07, 2024, during this grace period, the Company advanced negotiations with an Ad Hoc committee of bondholders hand in hand with financial and legal advisors in the United States in order to launch an exchange offer and vote on a Restructuring Plan of the obligation, this launch had an opening date of March 7, 2024 and a closing date of April 3, 2024, the restructuring agreement was filed for approval in a New York court on May 16, 2024. On July 2, 2024, the New York Judge approved the restructuring of the bonds, however, on August 30, 2024, Credivalores filed a request with the Superintendence of Companies to take advantage of a business reorganization plan, thus suspending the process of issuing the new notes and closing the transaction.

a) Short-term financial obligations.

Credivalores has short-term financial obligations, during the periods ended September 30, 2024 and December 31, 2023 for a value of $1.250.997 and $279.689, respectively. The measurement of liabilities financial instruments of financial obligations is valued at low amortized cost as established by IFRS 9.

Entity	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee
	September 30, 2024					December 31, 2023				
Own financial obligations										
Banco de Bogotá	1.400	IBR+7,75%	29	COP	No	3.850	IBR+7,75%	30	COP	No
Banco de Occidente	8.753	IBR+5,00%	213	COP	No	8.860	IBR+5%	93	COP	No
Banco de Occidente	-	-	-	-	No	278	IBR+8%	3	COP	No
Bancolombia	4.542	IBR+11,75%	86	COP	No	4.544	IBR+11,75%	5	COP	No
Bancolombia	1.234	IBR+7,95%	20	COP	No	1.238	IBR+7,95%	1	COP	No
Bancolombia	776	IBR+11,8%	16	COP	No	4.960	IBR+11,8%	7	COP	No
Finanza Inversiones (USD) (a)	153.205	SOFR+12,21%	38.791	USD	No	140.142	SOFR+10,21%	16.002	USD	No
Finanza Inversiones (USD) (a)	6.458	20%	2.831	USD	No	5.907	20%	1.690	USD	No
144 A/Reg. S Bonds coupon 8.875% due 2025 (d)	880.786	8,88%	89.461	USD	No	-	-	-	USD	No
Ordinary Local Bonds with Partial Guarantee FNG (e)	95.940	9,10%	5.077	COP	No	95.940	9,10%	2.972	COP	No
Subtotal	1.153.094		136.524			265.719		20.803		

Entity	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee
	Septembert 30, 2024					December 31, 2023				
Free-Standing Trust										
Free-Standing Trust Sindicado	8.280	IBR+5,50%	140	COP	Si	13.970	IBR+5,50%	88	COP	Si
Free-Standing Trust Credivalores UBS O'Connor (f)	60.440	SOFR+11,50%	1.654	USD	Si	-	-	-	USD	Si
Free-Standing Trust A&P Sistemgroup	29.183	23,83%	1.040	COP	Si	-	-	-	COP	Si
Subtotal	97.903		2.834			13.970		88		
Total Short-Term Obligations	**1.250.997**		**139.358**			**279.689**		**20.891**		

b) Long-term obligations

The Company had long-term financial obligations during the periods ended September 30, 2024 and December 31, 2023 totaling $271.270 and $1.328.603 in capital, respectively. Associated costs incurred in the acquisition of loans are classified as transaction costs pending IFP amortization for the periods ended September 30, 2024 and December 31, 2023, valued at $28.743 and $32.860, respectively. The measurement of financial liability instruments for financial obligations is valued at amortized cost, as per IFRS 9.

The total balance of financial obligations for the periods ended September 30, 2024 and December 31, 2023 is $1.552.267 and $1.608.292 respectively, which will be paid off as described above.

Entity	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee
	September 30, 2024					December 31, 2023				

(Stated in millions of Colombian pesos)

Own financial obligations										
International Notes (ECP Program) (b)	135.557	10,00%	3.841	USD	No	123.999	10,00%	380	USD	No
International Notes (ECP Program) (b)	256	12,50%	9	USD	No	234	12,50%	0	USD	No
Bonds 144 A/Reg. S 8.875% due 2025 (d)	-	-	-	USD	No	805.688	8,88%	28.403	USD	No
Subtotal	135.815		3.850			929.921		28.783		

Entity	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee	Capital Balance	Interest Rate	Interest Balance	Coin	Guarantee
	September 30, de 2024					December 31, 2023				
Free-Standing Trust										
Free-Standing Trust TU Crédito Sindicado	135.455	IBR+5,50%	2.419	COP	Si	158.712	IBR+5,50%	1.041	COP	Si
Free-Standing Trust Credivalores Payroll	-	-	-	COP	Si	111.247	IBR+8,00%	372	USD	Si
Free-Standing Trust Credivalores UBS O'Connor (f)	-	-	-	USD	Si	93.269	SOFR+11,50%	1.391	COP	Si
Free-Standing Trust A&P Systemgroup	-	-	-	COP	Si	35.454	19,71%	536	COP	Si
Subtotal	135.455		2.419			398.682		3.340		
Total Long-Term Obligations	**271.270**		**6.269**			**1.328.603**		**32.123**		
Transaction Cost of Amortizing IFP	(28.743)		-			(32.860)		-		
Accounts receivable Related parties	(124.555)		-			(90.229)		-		
Total Financial Obligations	**1.368.969**		**145.627**			**1.485.203**		**53.014**		
Total Financial Obligations	1.514.596					1.538.217				

Financial obligations in self-employed assets that are guaranteed are detailed in Note 10 Net loan portfolio.

- The item for rights of use for the periods ended September 30, 2024 and December 31, 2023 correspond to $7.190 and $9.349 respectively.

Obligations stated in foreign currency

Entity	Nominal Value as of September 30, 2024 (Unaudited)		Nominal as of Value December 31, 2023 (Audited)	
Finanza Inversiones (a)	38	159.663	38	146.049
ECP Program Notes (b)	32	135.815	32	124.233
Notes 144 A / Reg S (d)	211	880.786	211	805.688
Total	**USD 281**	**COP 1.176.264**	**USD 281**	**COP 1.075.970**

(a) Finanza Inversiones

The loans that make up this item were disbursed between August 2022 and March 2023, maturing in November 2024.

The account receivable to Finanza Inversiones discloses the accounts receivable, which have been offset in the statement of financial position and are therefore presented separately for understanding. See note 28. Related Parties.

(b) ECP Program notes

The Euro Commercial Paper Program ("ECP Program") has a quota of up to US$150,000,000.

Of the notes that were cancelled in December 2023, a balance of USD 61,200, coupon of 12.5%, remained due on December 20, 2028.

A new note maturing on December 20, 2028, was issued in December 2023, for an amount of US 32,443,137, 10% coupon with quarterly payments, annual principal payments of 25% starting in the second year.

The resources of this line of financing are used to pay existing debts.

(Stated in millions of Colombian pesos)

(c) Free-Standing Trust Payroll Credivalores:

On January 31, 2022, Credivalores closed a credit line committed to Citibank Colombia for an amount of 290,000 million pesos, which was structured through a trust without recourse to Credivalores. This facility is backed by a portfolio of drafts, with an initial revolving period of 24 months and subsequent amortization of the capital depending on the portfolio, to achieve an average life of the facility of around 5.6 years. At the end of December 2022, $169,939 million pesos of the total amount committed to this facility had been disbursed. At the end of December 2023, it has a capital balance of 111,247, at the end of September the obligations of the autonomous patrimony have a balance of zero $ 0, they were canceled in the liquidation of the same in the month of July.

(d) Notes 144 A/Reg. S 8.875% due 2025

February 2024 coupon, caused unpaid, as indicated in note (b) **Notes 144A/Reg S**

CVCS decided to make an issue of ordinary Notes under the 144A / Reg S format in the international capital market with a maturity date of February 7, 2025, for an amount of US300,000,000 with a coupon of 8.875% and a yield of 9%. These Notes pay interest due semi-annually on February 7 and August 7 of each year, beginning August 7, 2020

Below are the payments of the coupons of the issuance of 144A/Reg S notes with coupons 8.875% and maturity in 2025 since its issuance:

Principal	Coupon	First Coupon Payment - 07/08/2020	Second Coupon Payment - 07/02/2021	Third Coupon Payment - 07/08/2021	Fourth Coupon Payment - 07/02/2022	Fifth Coupon Payment - 07/08/2022
268.000.000	8,875%	11.892.500	11.892.500	11.892.500	11.892.500	11.892.500
	Total in USD	**11.892.500**	**11.892.500**	**11.892.500**	**11.892.500**	**11.892.500**
	FX Rate	3.775,95	3.543,28	3.949,33	3.962,68	4.337,28
	Total in Million Pesos	**44.905.485.375**	**42.138.457.400**	**46.967.407.025**	**47.126.171.900**	**51.581.102.400**

Principal	Coupon	Sixth Coupon Payment - 07/02/2023
268.000.000	8,875%	11.892.500
	Total in USD	**11.892.500**
	FX Rate	4.669,74
	Total in Million Pesos	**55.534.882.950**

Principal	Coupon	Seventh Coupon Payment - 07/08/2023
210.800.000	8,875%	9.354.250
	Total in USD	**9.354.250**
	FX Rate	4.144,79
	Total in Million Pesos	**38.771.401.858**

In May 2023 Credivalores received and cancelled bonds in the amount of US57,200,000, as a result, as of September 30, 2024, the new outstanding amount of the 144 A/Reg S Notes due 2025 and coupon of 8.875% is US210,800,000.

Credivalores, in use of the 30-day grace period granted by this obligation, did not make the payment on the maturity date of coupon 8 on February 07, 2024, during this grace period, the Company advanced negotiations with an Ad Hoc committee of bondholders hand in hand with financial and legal advisors in the United States in order to launch an exchange offer and vote on a Restructuring Plan of the obligation to be presented in a New York court during the following months. This release had an opening date of March 7, 2024, and a closing date of April 3, 2024.

(Stated in millions of Colombian pesos)

Covenants

The Notes 144A/Reg S due 2025 prospect contains certain restrictive covenants, which among other things, limit our ability to (i) take additional debt, (ii) make dividend payments, redeem capital and make certain investments, (iii) transfer and sell assets, (iv) enter into any type of agreement that could limit the ability of subsidiaries to pay dividends or make capital distributions, (v) create collateral or pledge assets, (vi) consolidate, merge or sell assets and (vii) transact with affiliates. The "Indenture" contract governing the Notes contains traditional default events.

At the end of June 2024, the Company did not take on additional debt as a result of the financial ratios that must be measured to indicate whether or not the Company may incur additional debt.

(e) Fondo Nacional de Garantías

On August 26, 2021, CV issued the first tranche of its inaugural domestic bond issuance of ordinary bonds with a partial guarantee from the FNG in the Colombian debt capital market. The total amount of the issuance, authorized by the Financial Superintendence of Colombia in September 2021, is $160,000 million pesos and in August 2021 the Company placed the first tranche of bonds for an amount of $52,900 billion pesos with a 3-year term an 9.10% coupon.

The placement of the first tranch had an over-demand of 1.51 for the amount initially offered, which was 35,000 million pesos. Subsequently, on September 23, 2022, Credivalores placed the second tranch of the issuance of ordinary bonds with partial guarantee of the FNG for an amount of 43,040 million pesos maintaining the same maturity date and coupon of the issuance of the first lot. Therefore, at the end of September 2022, the total balance of ordinary bonds with partial guarantee of the FNG issued by Credivalores was 95.940 million.

As of December 31, 2023, Credivalores' ordinary bond issuance has an irrevocable partial guarantee from the FNG covering 70% of the principal and interest and was rated 'AA (col)' by Fitch Ratings Colombia in May 2023. The proceeds from the placement of the first and second lots of Credivalores' ordinary bond issuance allowed the bank to support the growth of its operation in Colombia by financing the disbursements of drawdown and credit card loans.

Obligations in Free-standing Trusts Expressed in Foreign Currency

On May 13, 2022, Credivalores signed a new line of credit committed for US$100 million with two international funds (O'Connor UBS and Gramercy), structured through a Free-standing Trust, which will be backed by a portfolio of the credit card product as collateral for the loan. The facility has a term of 36 months with an availability period of 12 months from its signature and capital amortization from month 24 from signing, to achieve an average life of the facility of around 2.54 years. Each of the disbursements of this loan will be covered in Colombian pesos through operations with derivative financial instruments at maturity.

	Nominal Value as of September 31 de 2024 (Unaudited)		**Nominal Value as of December 31 de 2023 (Audited)**	
Entidad	**Nominal value USD**	**Fair value COP**	**Nominal value USD**	**Fair value COP**
UBS O'Connor Gramercy	14	60.440	24	93.269
Suma	**14**	**60.440**	**24**	**93.269**

As of September 2024, Credivalores presents current covenants on the obligations it maintains with the Syndicated Free-standing trust, BTG, Free-standing Trust UBS O'Connor Gramercy 15209 and the international bond. The status of the ratios to be measured is as follows:

- **Free standing Trust Syndicated and BTG:** all the indicators of this facility calculated in relation to the company's equity are in an Unfulfilled status as of October 2024 due to the fact that the aforementioned item closed in negative figures in the aforementioned period. In these facilities, the only indicator met at the cut-off was the ratio of provisions to the non-performing portfolio for the Syndicated Free-standing Trust, which yielded a result of 90%, being in line with the minimum limit required in this ratio.

- **Free standing Trust UBS:** all indicators of this facility are in an Unfulfilled status as of October 2024 due to difficulties in accessing funding sources and the negative equity with which the company closed in the period.

- **Notes 144A / Reg S Bond:** The financial indicators calculated for this facility are in an Unfulfilled status as of October 2024 due to different movements in the company's assets and the negative equity with which the company closed in the period, this consequently means that the company cannot take on new debt until the indicators are corrected.

(Stated in millions of Colombian pesos)

unless the indebtedness is framed within activities of the ordinary course of business. Notwithstanding the foregoing, the Company has not taken on new debt and, on the contrary, its financial liabilities have been reduced.

- **IFP Financial Cost**

The funds received from loans acquired from financial institutions are used for portfolio origination and to handle various lines of working capital, which helps to maintain a degree of liquidity for the Company. The loans are represented by promissory notes wherein both parties establish the payment conditions, including maximum amount, amount, interest rate and duration.

The financial cost of financial obligations for the periods ended September 30, 2024, and 2023:

	September 30, 2024 (Unaudited)	**September 30, 2023 (Unaudited)**
Free-standing trusts (a)	43.437	86.807
Foreign currency obligation	37.460	37.028
Financial cost Derivatives	8.228	110.487
Issuance of foreign bonds	61.058	66.793
Issuance of local bonds	6.410	6.406
Amortization Transaction costs	25.013	40.582
Interest for liabilities for lease and finance lease agreements	581	175
Total	**182.187**	**348.278**

(a) In accordance with the nature of each autonomous patrimony and in accordance with its conditions, the corresponding presentation is made for each type and its respective currency of origination:

	September 30, 2024 (Unaudited)		**September 30, 2023 (Unaudited)**	
Free-Standing Trust	**Financial cost**	**Coin**	**Financial Cost**	**Coin**
Free-Standing Trust TU Sindicado – 8273	19.726	COP	29.732	COP
Free-Standing Trust Libranza – 14604	8.965	COP	32.338	COP
Free-Standing Trust UBS O'Connor Gramercy – 15209	5.269	USD	4.971	USD
Free-Standing Trust Systemgroup – 15746	9.477	COP	19.766	COP
	43.437		**86.807**	

NOTE 17. EMPLOYEE BENEFITS

Under Colombian labor law and based on labor conventions employees are entitled to short-term benefits such as: wages, holidays, statutory bonuses, severance payment, and interest on severance pay.

Below is a breakdown of employee benefit payments as of September 30, 2024, and December 31, 2023:

	September 30, 2023 (Unaudited)	**December 31, 2023 (Audited)**
Severance interest	25	43
Pension Funds	110	-
Salary	-	1
Legal premium	105	-
Layoffs	288	370
Holidays	632	640
Total	**1.160**	**1.054**

The current component of employee benefits must be paid within the twelve months following the reporting period.

(Stated in millions of Colombian pesos)

The company within its compensation policies has no post-employment benefits.

NOTE 18. OTHER PROVISIONS

Credivalores provisions as of September 30, 2024, and December 31, 2023, respectively are provided below.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Litigations subject to executive proceedings (1)	835	835
Other provisions (2)	577	2.097
	1.412	**2.932**

(1) Contingencies with probability of probable occurrence:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Labor processes	400	400
Actions for Nullity and Restoration of Rights (SIC Proceedings)	435	435
Total	**835**	**835**

The movement of legal and other provisions are provided below for the periods ended September 30, 2024, and December 31, 2023:

	Legal provisions	Other provisions	Total Provisions
Balance held on December 31, 2023 (Audited)	**835**	**2.097**	**2.932**
Increase in provisions during the period	-	1.369	1.369
Utilization	-	(2.889)	(2.889)
Balance held on September 30, 2024 (Unaudited)	**835**	**577**	**1.412**

	Legal provisions	Other provisions	Total provisions
Balance held as of December 31, 2022	**801**	**2.227**	**3.028**
Recovered provisions	34	(130)	(96)
Balance held as of December 31, 2023	**835**	**2.097**	**2.932**
Recovered provisions	-	(1.520)	(1.520)
Balance held as of September 30, 2024	**835**	**577**	**1.412**

Provisions correspond mainly to labor, civil and administrative processes filed by third parties against Credivalores, on which provisions were recognized as of September 30, 2024, in an amount of $835 and 2023, $835 it is not possible to determine a disbursement schedule for these provisions due to the diversity of processes in different instances. However, Credivalores does not expect significant changes to the amount provisions because of the outflows applicable to each proceeding. The expected time of resolution is uncertain since each proceeding is taking place in different instances.

(2) The third-party balance of other provisions is detailed below:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
D.F King New York.	-	10
Muñoz AYA S. A. S.	37	47
Caja de sueldos de policía	2	-
PWC Contadores y auditores S.A.S	507	-
Fiduciaria Bancolombia	-	393
Experian Colombia sa	31	434
Activar Valores S. A. S.	-	1.213
	577	**2.097**

(Stated in millions of Colombian pesos)

NOTE 19. ACCOUNTS PAYABLE

Below, we detail the balance of accounts payable has Credivalores September 30, 2024, and December 31, 2023, respectively:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Leases	249	32
Suppliers (19.1)	70	10
Commission and fees	4.893	5.610
Withholdings and labor contributions	2.549	719
Other accounts payable (19.3)	26.684	72.987
Costs and expenses payable (19.2)	19.249	11.762
	53.694	**91.120**

19.1 Corresponds to invoices caused by suppliers for commissions and fees.

19.2 Costs and expenses payable

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Technical Service Providers	2.833	4.660
Contract assigments	17	-
Fiduciary Services	10.656	3.455
Maintenance	3.959	6
Representation and public representation expenses	884	16
Collection Services	895	175
Foreign Currency Invoices	5	3.450
	19.249	**11.762**

19.3 Other accounts payable

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Third party administrative payments	1	-
MC Pending collection to apply	2	2
Against Visa vrol positions	-	9
Crediuno Disbursements	-	17
Credipoliza Withdrawals	4	-
Transient	57	-
Payroll Loan Disbursement CDS	-	767
Crediuno Refunds	-	3.622
Payroll Loan CDS Refund	148	6.528
Collection in favor of third parties	12.089	10.257
Visa C1 disbursement agreement	2.097	18.699
Different	12.343	33.086
	26.684	**72.987**

NOTE 20. CURRENT AND DEFERRED TAX LIABILITIES

The current and deferred income tax expense will be recognized in each of the interim accounting periods, based on the best estimate of the tax rate expected for the annual accounting period.

For the end of the third quarter ended September 30, 2024, the company did not record current income tax expense, since tax losses from previous years are presented and in accordance with article 188 of the National Tax Statute, as of taxable year 2021 the percentage of presumptive income is zero (0%) of the liquid assets of the last day of the immediately preceding taxable year.
Credivalores' effective tax rate with respect to its operations for the periods with a cut-off date of September 30, 2024 and September 30, 2023 was 26% and 21%, respectively, presenting an increase of 5% mainly due to non-deductible expenses.

(Stated in millions of Colombian pesos)

NOTE 21. OTHER LIABILITIES

Below the detail of other liabilities:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Commission commercial force	-	11
Checks pending collection	4	181
Collection to be applied SG	1.531	-
Portfolio collection in participation	6.842	-
Collections of managed loan portfolios	3.616	5.775
Collections pending application (21.1)	15.182	10.209
Values received for third parties (21.2)	7.637	9.384
Total Other liabilities	**34.812**	**25.560**

21.1 Collection to apply

In this line, the collection received in the bank accounts, pending to be applied to the portfolio products, such as Payroll, Credit Card, Credipoliza, Tigo.

21.2 Values received for third parties

Below the detail of other Values received for third parties

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
FGA guarantees collections	2.733	3.637
Free-standing trusts collections (21.2.1)	4.904	5.747
	7.637	**9.384**

21.2.1. Collection of portfolio of free-standing trusts

It corresponds to the collection of the portfolio of the products delivered in administration to the **free-standing trusts** with which Credivalores has an administration contract, paid to the bank accounts pending application to the credits.

NOTE 22. EQUITY

Capital

Credivalores objective is to safeguard its capacity to continue as a business enterprise and maintain a financial structure that optimizes the cost of capital and maximizes returns for shareholders. The Company's capital structure encompasses and includes the subscribed capital, retained earnings and reserves.

Capital management objectives are met by managing the portfolio as authorized by law and maintaining a consistent pace of generating profits from its structural revenue (portfolio interests and returns on investments) which results in institutional strengthening and provides the Company an opportunity to maintain its dividend distribution policy among its shareholders.
For the reporting periods, Credivalores indeed complied with the required minimum capital in the relation of solvency required by legal provisions and mandatory investments.

Authorized, and Paid in Capital

The subscribed and paid-up capital of Credivalores as of September 30, 2024, and December 31, 2023 is 225,324 represented by 7,974,923 shares, each with a par value of 28,254; respectively.

Credivalores-Crediservicios S.A.

Shareholder	September 30, 2024 Number of shares	%	December 31, 2023 Number of shares	%
Acon Consumer Finance Holdings S de RL	954.197	11.96%	954.197	11.96%
Crediholding S.A.S.	1.642.121	20.59%	1.642.121	20.59%
Lacrot Inversiones 2014 SLU	3.342.093	41.91%	3.342.093	41.91%
Acon Consumer Finance Holdings II S L	201.887	2.53%	201.887	2.53%
Davalia gestión de Activos S.L	1.594.985	20.00%	1.594.985	20.00%
Treasury shares	239.640	3.01%	239.640	3.01%

(Stated in millions of Colombian pesos)

Total	**7.974.923**	**100%**	**7.974.923**	**100%**

The number of shares authorized, issued and outstanding as of September 30, 2024 and December 31, 2023, is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Number of authorized shares	7.974.923	7.974.923
Subscribed and paid shares	7.974.923	7.974.923
Nominal value	28.254	28.254
Subscribed and paid capital (nominal value)	225.324	225.324
Paid-in capital	255.021	255.021
Total capital plus premium	**480.345**	**480.345**

According to minutes 71 held on May 24, 2023, $273,980 are capitalized for a total value of $85,888 per share, of which $28,254 corresponds to the par value and $57,634 to the premium in share placement.

The following is a breakdown of the basic earnings per share:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Ordinary shares	2.278.169	2.278.169
Preferred shares	5.696.754	5.696.754
Repurchased treasury shares	239.640	239.640
Total earnings per share	**(37.461)**	**860**

As per the Company´s bylaws, both common and preferred stock have the same decision power and rights, and the preference of those shares is given by its hierarchy in the payment of dividends when declared by the Assembly and by the preferred right in the reimbursement in case of liquidation.

September 30, 2024 (Unaudited)

Share capital							
Name of Entity	**Preference shares A**	**Preference shares B**	**Preference shares C**	**Treasury Shares**	**Common Shares**	**Total**	**%**
Crediholding S. A. S.	1.642.121					1.642.121	20,59%
Lacrot Inversiones 2014 S.L.U.	260.325		923.665	563.119	1.594.984	3.342.093	41,91%
Acon Colombia Consumer Finance Holdings, s.l.	118.363	835.834				954.197	11,96%
Acon Consumer Finance Holdings II, S.L.	17.720		184.167			201.887	2,53%
Davalia Gestión de Activos SL	-				1.594.985	1.594.985	20,00%
Treasury shares	239.640					239.640	3,01%
Total	**2.278.169**	**835.834**	**1.107.832**	**563.119**	**3.189.969**	**7.974.923**	**100%**

December 31, 2023 (Audited)

Share capital							
Name of Entity	**Preference shares A**	**Preference shares B**	**Preference shares C**	**Treasury Shares**	**Common Shares**	**Total**	**%**
Crediholding S. A. S.	1.642.121					1.642.121	20,59%
Lacrot Inversiones 2014 S.L.U.	260.325		923.665	563.119	1.594.984	3.342.093	41,91%
Acon Colombia Consumer Finance Holdings, s.l.	118.363	835.834				954.197	11,96%
Acon Consumer Finance Holdings II, S.L.	17.720		184.167			201.887	2,53%
Davalia Gestión de Activos SL	-				1.594.985	1.594.985	20,00%
Treasury shares	239.640					239.640	3,01%
Total	**2.278.169**	**835.834**	**1.107.832**	**563.119**	**3.189.969**	**7.974.923**	**100%**

(Stated in millions of Colombian pesos)

Treasury shares

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Treasury Shares Reserve	12.837	12.837
(Treasury Shares)	(12.837)	(12.837)
Total	**-**	**-**

The CVCS General Shareholders' Meeting on July 2 of 2014, decided to establish a special reserve in the amount of $12,837 for the reacquisition of 239,640 shares. This reserve is in accordance with Articles 396 and 417 of the Commercial Code.

Reserves

Equity reserves as of September 30, 2024, and December 31, 2023, were comprised of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Legal reserve (1)	11.017	11.017
Reserve to repurchased treasury shares	12.837	12.837
Occasional reserves	21	21
Total Reserves	**23.875**	**23.875**

Legal reserve

The Company is obliged to appropriate as a legal reserve 10% of its annual net profits, until the balance of the reserve is equivalent to 50% of the subscribed capital. The reserve is not distributable prior to the liquidation of the Company but may be used to absorb or reduce losses. Appropriations made more than the 50% are freely available by the general assembly.

Other reservations

The other appropriate reserves directly from the accumulated profits can be considered as reserves of free availability by the General Meeting of Shareholders.

NOTE 23. OTHER COMPREHENSIVE INCOME (OCI)

We present the detail below:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial instruments measured at fair value	**(3.093)**	**(2.154)**
Shares	(3.093)	(2.154)
Financial Instruments	**1.168**	**2.569**
Financial instruments Options	1.168	2.569
Tax	**54**	**(576)**
Income tax OCI	54	(576)
Total	**(1.871)**	**(161)**

NOTE 24. REVENUE

Below, is a detail of revenue for the period ended September 30, 2024, and 2023:

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	2023	2024	2023
Interest	24.986	66.552	105.165	216.793
Subtotal Interests (24.1)	**24.986**	**66.552**	**105.165**	**216.793**
	For the quarter		**For the period**	

	(Unaudited)		(Unaudited)	
	2024	2023	2024	2023
Revenue from customer contracts (24.2)	4.134	14.306	16.699	53.860
	29.120	**80.858**	**121.864**	**270.653**

24.1 Interest

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	2023	2024	2023
CrediUno interest (24.1.1)	2.770	4.736	9.318	14.625
CrediPoliza interest	-	-	1	1
TuCrédito loan interest (24.1.1)	1.406	2.978	5.742	11.957
Tigo loan interest	87	515	492	2.410
SG Free-standing Trusts loan interest	2.142	825	6.074	2.670
TuCrédito transaction costs	(9.859)	(5.481)	(25.053)	(14.212)
CrediPoliza transaction costs	-	-	-	(1)
CrediUno transaction costs	(2.455)	(4.167)	(7.865)	(10.663)
Fair value TuCredito	-	-	-	(381)
Sub-total Consumer loans	**(5.909)**	**(594)**	**(11.291)**	**6.406**
CrediPoliza late payment interest	22	14	49	53
TuCrédito late payment interest	237	216	726	739
SG Free-standing Trusts late payment interest	126	180	374	567
Consumer loan defaults	**385**	**410**	**1.149**	**1.359**
Joint operation interest	-	-	-	18
Subtotal Joint operation interest	**-**	**-**	**-**	**18**
Financial returns	952	1.468	3.548	4.333
BTG Pactual Financial returns	7	10	137	(159)
Current interests, Free-standing Trust (24.1.1)	12.060	40.312	50.752	128.578
Other income, Free-standing Trust	487	1.780	2.385	7.864
Current interests left off-balance	11.866	22.550	49.624	64.248
Premium for portfolio sale (24.1.2)	5.138	616	8.861	4.146
Other	**30.510**	**66.736**	**115.307**	**209.010**
Total Interests	**24.986**	**66.552**	**105.165**	**216.793**

24.1.1 The variations shown in these accounts correspond to the credits managed by the trusts, which at the product level show a decrease, however, in the Current Interest PA account it denotes the increase in causation. In Q3, the interest associated with Crediuno portfolio decreased due to the sale of the portfolio of this product.

24.1.2 This line corresponds to the recording of the net result of portfolio sales to third parties. For it period shows a decrease, due to the fact that the portfolio under administration has been handed over to the Free-standing Trust.

24.2 Revenue from customer contracts

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	2023	2024	2023
Returned fee	-	4	1	25
Certification	-	9	-	62
Administration Fee – Plus Life Insurance	-	250	9	929
Shared Financial Consultancy	24	686	70	7.028
Financial Consultancy - voluntary insurance	34	245	164	900
Internal fee	53	329	274	1.196
Administration fee – credit card (24.2.1)	453	6.679	3.415	26.306
Financial Consultancy – Debtor Life Insurance	818	1.864	3.765	5.925
Collection fees	2.752	4.240	9.001	11.489
	4.134	**14.306**	**16.699**	**53.860**

24.2.1 The variation of this item corresponds mainly to the Crediuno management fee and the advance commission, which decreased in 2024 compared to 2023 due to the decrease in placement.

(Stated in millions of Colombian pesos)

NOTE 25. OTHER EXPENSES

At the end of each period, movements corresponded to:

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	**2023**	**2024**	**2023**
Fees (25.1)	4.292	5.000	10.880	14.820
Tax	2.971	4.209	10.389	12.207
Electronic data processing	1.443	1.947	4.593	4.980
Technical assistance	1.309	462	2.310	4.181
Commissions	751	1.206	2.644	6.201
Insurance	427	192	1.391	671
Transport	534	426	1.449	2.124
Public services	594	892	1.815	2.788
Other (25.2)	511	775	1.609	1.726
Leases	117	630	516	2.094
Janitorial and Security services	133	190	445	688
Publicity and advertising	51	100	172	393
Fines and awards (25.3)	387	333	413	817
Cost of representation	93	(25)	169	65
maintenance and repairs	46	210	254	484
Office supplies	36	91	211	312
Travel expenses	41	30	145	144
Check risk central	5	159	36	744
Adaptation and installation	7	18	66	27
Legal expense	3	3	27	1.365
Temporary Services	1	-	3	2
Yields Invertors	-	1.004	15	3.013
Publicity and advertising	-	-	5	5
	13.752	**17.852**	**39.557**	**59.851**

25.1 Fees

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	**2023**	**2024**	**2023**
Legal advice	2.940	3.214	7.920	8.310
Tax audit and external audit	294	318	677	662
Fees and commissions	211	832	1.008	4.662
Board of Directors	29	14	71	14
Financial advice	818	622	1.204	1.172
	4.292	**5.000**	**10.880**	**14.820**

25.2 Other

This line contains expenses for affiliations and contributions, building administration, petty expenses, among others.

25.3 Fines and penalties

Corresponds to fines and penalties against Credivalores, materialized in seizures or as provisions for legal contingencies.

NOTE 26. NET FINANCIAL INCOME

Below is the detail of financial (net) costs, for the periods ended September 30, 2024, and 2023:

(Stated in millions of Colombian pesos)

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	**2023**	**2024**	**2023**
Financial performances (26.1)	48	1.816	232	6.133
Financial income (26.2)	139	541	3.109	1.302
Total Financial Income	**187**	**2.357**	**3.341**	**7.435**

26.1 Corresponds to the returns generated by investments in financial institutions in which Credivalores has invested its resources.

26.2 Mainly corresponds to recovery of expenses of previous years and recovery of punished portfolio.

	For the quarter (Unaudited)		For the period (Unaudited)	
	2024	**2023**	**2024**	**2023**
Sickness Leave	-	25	2	29
Tax refund	-	-	-	6
Other	2	160	3	164
Recovery from previous exercises	10	157	2.644	715
Portfolio Recovery	120	146	454	334
Profit on sale of assets	7	53	6	54
	139	**541**	**3.109**	**1.302**

NOTE 27. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Credit commitments

During ordinary business, Credivalores provides loan portfolio as guarantees to its funding sources, in which it irrevocably agrees to pay them in the event the client is unable to meet its obligations, with the same credit risk for loan portfolios.

Loan extension commitments represent unused portions of authorizations to extend credits as loans. With regard to the credit risk on commitments to extend lines of credit, Credivalores is potentially exposed to losses in an amount equal to the total unused commitments, if the unused amount were to be withdrawn in its totality; However, the amount of the loss is less than the total amount of the unused commitments because the majority of loan extension commitments are contingent once the client can maintain specific credit rating standards. Credivalores monitors the maturity dates of those credit limit commitments because long-term commitments have a higher credit risk than short-term commitments.

The following is a breakdown of unused lines of credit commitments and guarantees on September 30, 2024, and December 31, 2023:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Unpaid approved credits	**978.143**	**678.182**

Legal contingencies

The following are the contingencies with a probability of remote occurrence:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Civil proceedings	44	44
Total	**44**	**44**

NOTE 28. RELATED PARTIES

The Company's Board of Directors and Senior Management, in their role as governing bodies, are fully aware of the responsibility related to managing the various risks to which the Company is exposed; likewise, they are fully aware of the Company’s processes and business structure so as to be able to provide support and adequate monitoring and follow-up.

(Stated in millions of Colombian pesos)

The Company's related parties are as follows:

1. Shareholders with participation, control or joint control over the company, or who have significant influence over Credivalores.

2. Members of the Board of Directors: The principal and alternate members of the Board of Directors, together with their related parties, key management personnel: includes the Company President and Vice Presidents, who are the people who participate in the planning, direction and control of the entity.

3. Associated Companies: Companies in which Credivalores has significant influence, which is generally considered when it owns a stake between 30% and 50% of its capital.

The most representative balances as of September 30, 2024, and December 31, 2023 with related parties are included in the following charts, with headings for definitions of the related parties recorded in the previous sections.

	Members of the Board of Directors (a) September 2024	**Members of the Board of Directors (a) December 2023**
Accounts payable	-	112
Operating expenses	23	206

	September 2024		**December 2023**	
	(Unaudited)		**(Audited)**	
	Accounts receivable	**Accounts Payable**	**Accounts receivable**	**Accounts Payable**
Shareholders				
Crediholding S. A. S.	1.815	-	1.815	-
Accounts Receivable and Other Transactions				
Ingenio la Cabaña S. A. (b)	4.298	-	3.411	-
Inversiones Mad Capital S. A.	11.378	-	10.733	-
Finanza Inversiones S. A. S. (a)	-	85.229	20.555	73.512
Ban100	183	5.711	321	57.862
Asficrédito	60.788	44	75.967	-
Stock Investments				
Agrocañas	3.271	-	4.650	-
Inverefectivas S.	12.335	-	11.896	-
Total	**94.068**	**87.066**	**129.348**	**131.374**

(a) As of December 2023, an amount of $163,741 was disclosed under the heading of accounts payable, the correct value is $73,512 which includes the compensation of accounts receivable. Read this note with note 16 on financial obligations - *Own obligations expressed in foreign currency.*

(b) Ingenio la Cabaña reported in the course of 2024 that it requested admission to the reorganization process, Law 1116.

Some of the entities included herein are presented as related parties in application of the provisions of IAS 24 – Related parties, although they are not associates, the inclusion is derived from the transactions carried out with them.

Compensation received by key management personnel is comprised of the following:

Item	**September 30, 2024**	**December 31, 2023**
	(Unaudited)	**(Audited)**
Salaries	1.742	1.747
Short-term Employee benefits	715	458
Total	**2.457**	**2.205**

a. Members of the Board of Directors (principals and alternates, along with their related parts) as of September 30, 2024:

Directors

No.	Names
1	Vacant
2	David Seinjet Neirus
3	Gustavo Adrián Ferraro
4	Luis Maria Blaquier
5	Juan Manuel Trujillo Sanchez
6	Carlos Eduardo Meza
7	Martín Kontarovsky

Legal Representatives

Position	Names
Manager	Jaime Francisco Buritica
Alternate	Liliana Arango Salazar

NOTE 29. SUBSEQUENT EVENTS

On August 30, 2024, Credivalores filed an application to be admitted to the business reorganization process before the Superintendence of Companies, Law 1116 Business Insolvency Regime. At the time of these financial statements, the response from said entity is not known.