CREDIVALORES-CREDISERVICIOS QUARTERLY RESULTS REPORT[1]

AS OF JUNE 30, 2018

Operator: Welcome to the Credivalores second quarter and first half 2018 results conference call. My name is Richard and I will be your operator for today's call**.**

At this time, all participants are in listen only mode. Later we will have a question and answer session. Please be aware that if you're in the web part only, you cannot interact verbally but still we can receive your questions via web.

Please note that this conference is being recorded.

I will now turn the call over to Patricia Moreno, Head of International Funding and Investor Relations. Mrs. Moreno, you may begin.

Patricia Moreno (Director of International Funding and Investor Relations):

Good morning and thank you for joining us today in our investor conference call to present our 2Q and first half 2018 results.

My name is Patricia Moreno, I am the Director of International Funding and Investor Relations, and here with me is Hector Chaves, our CFO. We will have a Q&A session at the end of this presentation. You will also be able to download the presentation from our Investor Relations website.

Credivalores at-a-glance

Credivalores is the leading non-banking financial institution in Colombia targeting mid-to low-income clients. We offer a diversified portfolio of consumer credit solutions with innovative collections channels through three main products: payroll loans, branded credit cards and insurance premium financing. The Company has a track record of over 15 years and more than 860,000 clients, having issued more than US$2.4 billion in loans.

As of June 2018, we had a managed loan portfolio of US$466 million and a broad geographic footprint with 86 branches and points of sale in retail locations and 120 customer centers across the country in alliance with telecom companies in Colombia. Our sizable exclusive sales force with more than 2,100 sales representatives, allows us to reach almost 80% of the municipalities in 34 cities in Colombia. We have consolidated a strong network for disbursements and collections through partnerships with more than 16,000 bank correspondents with a wide presence throughout the country.

As of the first half of 2018, we maintained a strong balance sheet position with a shareholders' equity of US$73 million.

Credivalores' business model is supported by four pillars including our unique collection channels that mitigate credit risk, the robust yield of our loan portfolio given our niche market,

[1] The following transcript should be read in conjunction with our Financial Statements as of June 30, 2018. Our Annual Financial Statements have been prepared in accordance with IFRS for non-financial entities.

our key partnerships with employers, retailers and utility companies granting us access to more than 7.6 million potential clients and our customer segment.

Credivalores' Client Base Breakdown

Our customer segment is comprised of those clients that traditional banks cannot or do not serve, more specifically mid- to low-income clients in Colombia's small and medium sized cities, where banks have a more limited presence.

About 75% of Colombian population, which stands at about 50 million people, corresponds to socio economic segments 1 through 3, with the lowest income levels especially in small and medium cities. Precisely, 89% of our client base corresponds to these segments with 70% of the loan portfolio in small and medium cities with populations between 200,000 and 2 million inhabitants.

By gender, we ensure equitable access to payroll loans, credit cards and insurance financing to men and women within the segments in which we are present. By age, there is a clear differentiation among our products. Whereas about 80% of clients of the insurance financing and the credit card products are younger than 55 years old, more than 50% of our clients under the payroll loan product are older than 55 years old.

Overview of Product Portfolio

Our innovative products are designed to appeal to our target market segment and mitigate repayment risk as you can see in the overview of our product portfolio.

− We manage a portfolio of US$466 million, out of which payroll loans represent almost 55%, credit cards almost 37% and insurance premium financing around 8%.

- We also operate a retail insurance business through which we have contacted 370,000 homes using our alliances with public utility companies issuing more than 35,000 insurance policies in 2017 becoming one of the leading distributors of micro insurance policies in the country.

− As we previously noted, the payroll loan product collections are made through monthly deductions from our clients' payrolls through a contract with the employer and an irrevocable mandate given by the borrower at subscription.

− For the credit card product, collections are made by adding the monthly installment of our credit card to the client's utility bills, which they are required to pay in full, achieving a higher priority of payment over any other consumer loan

− And finally, for the insurance financing product, the borrower of this product issues an irrevocable mandate to cancel coverage if installments are not paid on time.

- These features allow us to have a well-diversified product portfolio with low concentration by loan size, geographical location and economic sector. The average term at origination is 57 months among all products, the average interest rate is 25.8% (not including fees) and our NLPs are lower than those of the Colombian financial system standing at 4.95% for the managed portfolio.

Please join me in slide 7 to review the main highlights of the company in the second quarter of 2018.

Opening Remarks

During this quarter we used the proceeds of the US$75 million reopening of the senior unsecured notes due July 2022 to prepay additional unsecured foreign currency debt under the ECP Program due in September 2018. Moreover, during the second quarter of 2018, we issued the XIII tranche under the ECP Program for US$40 million with a 3-year tenor. We also disbursed an additional amount under a secured syndicated loan with local financial institutions to fund loan origination during the year. As a result, the average life of our total debt stood at 3.5 years by the end of June 2018.

All of our foreign currency debt is hedged to Colombian pesos through derivative instruments including non-delivery forwards, cross currency swaps and options with international financial institutions.

Regarding the credit ratings, our international issuer rating by S&P and Fitch Ratings remained unchanged at B+ (stable).

Regarding our growth and profitability, during the first half of 2018 we experienced important improvements in operational and financial results compared to the same period of the previous year. Our managed and owned portfolios grew 16.1% and 21.3%, respectively year over year. These results compare well to the 4,9% portfolio growth of consumer loans of the financial system. On a year over year basis, our net interests income grew 11% and our operating income grew 22%. Our gross financial margin also improved by 3%. Finally, our net income of the period had a 223% growth compared to the first half of 2017.

We maintained a strong equity position to support the expected growth of our loan portfolio in 2018, which ranges between 1.7x to 2.0x the financial system. As of June 2018, our leverage ratio stood at 6.6x and our solvency ratio at 12.1% We are in compliance with all the covenants included in the Description of the Notes of our international bond.

2Q and 1H 2018- Main Highlights- Macro Conditions

Regarding the business environment in Colombia, inflation remains under control within the target of the Central Bank and market consensus expects to end 2018 with a 3.3% inflation rate. Interest rates have been decreasing since December 2016 when the Central Bank adopted an easing cycle considering lower economic growth expectations for the country in 2017 as a result of the impact of oil prices in the fiscal accounts. Therefore, DTF, which is the 90-day CDs average rate, and the overnight repo rate have decreased consistently since August 2016.

The reduction in interest rates from the Central Bank was not reflected completely in the interest rates from the financial system in 2017. Thus, in August 2017, the government announced changes in the calculation period of the usury rate from a quarterly to a monthly basis starting on September 1st, 2017. Although the calculation formula remained unchanged at 1.5 times the average lending interest rate from banks, the usury rate has decreased 306 basis points since the adoption of this measure. However, we have not had a similar adjustment in the average interest rate of our portfolio, since we maintain an important gap compared to the usury rate.

By the end of 2017 government officials and representatives from the banking sector have expressed publicly the need to deregulate the maximum interest rate for consumer loans among the low and middle-income part of the population in order to increase the access to financial services. However, no specific regulatory measures have been announced by the cabinet or representatives from President Duque, who was recently elected and appointed during August 2018.

The financial system in Colombia has witnessed an increase in the NPLs because of the slowdown in the economy with low growth rates in terms of loan portfolio balance.

As of June 2018, the average systems' NPLs stood at 4.94% and NPLs from consumer loans totaled 5.94%. The system remained well capitalized showing a solvency index of 16.4%, above the 9% minimum regulatory.

Out of the total loan portfolio of the financial system as of June 2018, about 29% were consumer loans totaling US$44 billion dollars. The consumer loan portfolio grew 4.9% year over year and payroll loans continued to represent the largest portion of this portfolio with a 36% share. Among the consumer loan portfolio, payroll loans and credit cards grew 9.9% and 5.6% year over year, respectively.

Now, please join me in slide 11 to review our second quarter and accumulated first half 2018 results.

2Q and 1H 2018 Operating Results

Our client base increased 1.1% between March 2017 and June 2018 and 8.7% between the first half of 2017 and the same period of this year. We have grown in the number of clients for all our products. However, during the first quarter of 2018 we decided to transfer an important amount of retail insurance clients to other counterparties in order to improve profitability in this product.

The loan portfolio origination or our disbursements increased 42.3% between March and June 2018, as a result of an important growth in payroll loans and credit cards due to the strategy implemented during the first quarter of the year extending the average term at origination of payroll loans from 88 to 89 months, increasing interest rates due to tenor and achieving a higher average loan size. We continued profiting from the increased debt capacity of pensioners after their pensions were adjusted by CPI during the first quarter of the year.

Loan portfolio origination totaled $456 billion pesos during the first half of 2018 exhibiting a 29.2% increase compared to the same period of 2017. During the first half of 2018 we had a large increase in disbursements across all products, but specially in payroll loans, as a result of a stronger liquidity position of the Company during 2018.

Regarding our owned portfolio, which includes the portfolio on balance and in free standing trusts, we had an 11.1% growth between the first and second quarter of 2018 and a 21.3% growth year over year reaching a total of $1.1 trillion pesos.

Our managed loan portfolio, which includes our owned portfolio and the payroll loan portfolio sales, also increased by 5.6% quarter over quarter totaling $1.36 trillion pesos as of June 2018.

The annual growth in the owned portfolio resulted in a 16.1% growth in the managed portfolio as a result of a large increase across all products but specially in payroll loans. As we suspended portfolio sales of our payroll loans since June 2016 our managed portfolio will eventually equal our owned portfolio. With these results we confirm our origination capabilities and the strong demand for loans in our market segment when compared to the 4.9% nominal growth of consumer loans in the Colombian financial system.

If we review our managed loan portfolio by product type, as of the end of the first half of 2018 payroll loans increased their participation between March and June to 54,8%, while credit cards and insurance financing decreased their share.

Our business model results in a high degree of portfolio diversification, minimizing concentration risk. Our payroll loan portfolio is highly diversified, minimizing concentration across geography and clients. Our top 25 clients represent only 0.7% of the portfolio and the average single exposure represents only 0.11% of the total portfolio.

In addition to our diversification, almost 86% of the payroll loan portfolio and 47% of the overall portfolio ultimately come from clients on the government's payroll, which increases the stability of their cash flows.

Geographically, Bogota represents only 24% of the portfolio and the remaining is well distributed among other regions and cities, as opposed to a 50% share that Bogota, the capital of Colombia, represents within the loan portfolio of traditional banks.

Regarding our NPL levels we have been able to manage a trajectory of rapid growth of loan portfolio with an 18% growth rate (CAGR) over the last 5 years, while still maintaining low rates of non-performing loans compared to the industry average. Our low NPL levels result from our enhanced proprietary underwriting standards and credit review systems.

Our NPLs, calculated between 60 and 360 days, increased between March and June 2018 from 4.5% to 4.95%, due to the general slowdown of Colombian economy which has affected the performance of the credit card business for all banking and non-banking financial institutions. Our origination standards for payroll loans remained focused on top credit profiles among government employees. These credit policies and the extension of the duration of our funding sources, allowed us to extend the duration of payroll loans to 89 months and to increase the average loan size by 1.4%.

Our NPLs remain still below the Colombian financial system, even after including write-offs of loans greater than 360 days from commercial banks. As of June 2018 Credivalores, had NPLs of 11% compared to the 15.0% of the industry average when including write-offs.

NPL coverage ratio of our managed portfolio and our owned portfolio, decreased between the first and the second quarter of this year to 109% for the managed portfolio and 122% for the owned portfolio, including FGA reserves. This was due to the increase in NPLs, especially in the credit card business, in spite of the increase in impairment expenses after the adoption of IFRS 9 during the first quarter of 2018.

Our recovery rates for loans with over 180 days overdue as June 2018 was 19.2%. The recovery rate has decreased from 25,2% in June 2017 to 19,2% this year due to the worsening of the economic situation of households as a result of tax reforms applicable during 2017 which have affected the payment capacity of our clients. However, we maintain high recovery rates of NPLs compared to market standards.

2Q and 1H 2018 Financial Results- Income Statement

With regards to our financial results, we start by presenting our income statement.

Our interest income, which includes interests, commissions and fees, increased 1.6% between the first and the second quarter of the year, mainly as a result of a 10.8% increase in commissions and fees and a 2.4% decline in interests. The performance of the interest income was affected by an increase in the share of payroll loans in the total portfolio, growing 23% quarter over quarter, as a result of our strategy to balance risk levels in the owned portfolio giving up a higher profitability from the credit card business. We expect to see an improvement in the interest income during the third quarter of the year since most of the origination took place during the last two months of the second quarter. Year over year, interest income grew 12.1% due to higher average portfolio balance and a 23.7% increase in commissions and fees, offsetting revenues from portfolio sales and other items. With these results, we were able to fully offset the negative impact from not having revenue from portfolio sales.

The gross financial margin decreased 19.9% between the first and the second quarter of 2018 due to an increase in financial costs resulting from the negative cost of carry of the resources from the reopening of the Notes due July 2022, larger net impairment expenses as a result of the adoption of IFRS 9 and the large growth of the portfolio quarter over quarter of about 11% recovering from the 1.6% decrease in portfolio during the first quarter of the year. Year over year, gross financial margin increased 3.0% due to higher net interest income which were offset by higher net impairment expenses due to the adoption of IFRS 9 during 2018, which implies also a change in the model to calculate portfolio impairments moving from incurred losses in the past to expected losses under IFRS.

The selling, general and administrative expenses, which are referred to as other expenses in our income statement, increased 1.2% between the first and the second quarter of 2018 due to an increase in depreciation and amortization expenses and employee benefits as a result of payments of annual performance bonuses. During the first half of 2018 other expenses totaled $47 billion pesos, 1,1% less than in the same period of 2017 as a result of the annual cost saving program implemented to improve operational efficiency and control expenses.

With regards to the operating income, quarter over quarter we experienced a 712% decrease due to the fall in the gross financial margin, as previously explained, and the slight increase in other expenses. On an annual basis, operating income grew 22.4% due to an improvement in gross financial margin and controlled SG&A expenses.

Now moving to the non-operating results in the income statement, during the second quarter of 2018, non-recurring items, which include foreign currency rate differences income for $37.4 billion pesos were offset by the negative valuation of hedging instruments for $42.3 billion pesos, resulting in non-operating expenses for $4.6 billion pesos. The valuation of hedging instruments includes the accumulated impact of the compensation of forwards every time the underlying obligation matures or is prepaid, which was the case for the US$12 million dollar notes prepaid in June 2018.

As of June 2018, 100% of our foreign currency debt was hedged to pesos through short-term forwards, cross currency swaps and options. In January 2018, we executed a cross currency swap to Colombian pesos on the principal and interests of US$250 million of the principal of the 9.75% notes with international counterparties. The hedge extends until 2022 and it was structured to allow Credivalores to actively manage the gap of its assets and liabilities during this period paying a floating rate in pesos indexed to the IBR overnight. Furthermore, in March 2018, we closed a call spread on the principal of the US$75 million reopening of the notes and a coupon only swap also indexed to the IBR overnight to hedge the corresponding interests payments until 2022.

Our net income before taxes and non-recurring items during the second quarter was considerably lower than during the first quarter of the year due to lower interest income and higher financial costs, which affected our gross financial margin and operating income. If we eliminate the impact of non-recurring items from our income statement, the net income before taxes would have reached $13 billion pesos as of June 2018.

When considering all the impacts from non-operating items, our net income before taxes exhibited a profit of $2 billion pesos in the second quarter of the year. Year over year, our net income before taxes showed an important recovery due to an increase in the operating income and the mitigated negative impact of FX rate differences in the P&L achieved from the hedging instruments put in place during the first quarter of the year.

During the second quarter of the year we had a net income of $7 billion pesos, also exhibiting an important recovery of more than 200% when compared to the first half of 2017.

1H 2018 Financial Results- Balance Sheet

With regards to our balance sheet, we present the main financial ratios for the first half of the year.

Our shareholders' equity decreased 10.4% between June 2017 and June 2018, totaling $214 billion pesos. When comparing the results between December 2017 and June 2018, our shareholders' equity decreased 6.1% due to the variation of the other comprehensive income resulting from the mark-to-market of the derivative instruments related to the interest rate component. This result is temporary since the impact of derivative valuations on the OCI should be zero at the maturity of the hedging instruments.

Our leverage ratio of debt to equity stood at 6.6 times, due to additional debt issued in April under the ECP program for US$40 million and the decline in equity due to the movement in the OCI account of our Shareholders' equity. Our solvency ratio, calculated as equity to assets, declined to 12.1% compared to the 15.4% of December 2017 due to an 11,4% growth in assets and a 6,1% decline in equity due to the result of the OCI. Lastly, the capitalization ratio measured as the total shareholders' equity divided by net loan portfolio, which is defined as the owned loan portfolio less impairments of financial assets and the FGA reserve, totaled 21.6% as of June 2018 remaining above the 13.5% level required by the covenant of the 144 A / Reg S bond issuance.

With regards to the evolution of the composition of our capitalization, between December 2017 and June 2018, total capitalization increased 21.6%, due to the reopening of the 9.75% international bond, the issuance of notes under the ECP Program and the OCI impact in the shareholders' equity. Year over year, the capitalization increased 16.5%.

Our ratio of unencumbered assets to unsecured debt, calculated accordingly to the Description of the Notes of the offering memorandum of the bond, stood at 112.7%, above the minimum 110%, required by the covenant. This ratio was affected during the first half of 2018 by the partial disbursement of the secured syndicated loan with local financial institutions to fund the origination of payroll loans profiting from lower financial costs in pesos and convenient amortization schedules.

Our average funding cost was 12.84% during the first quarter of 2018 and 12,72% during the second quarter of the year. Our financial costs have benefited from a decrease in local interest rates including the DTF and IBR rates, as the interest payments of the international bond were indexed to the IBR overnight rate through the cross-currency swaps we executed during the first quarter of the year. As you also see in the graph below, spread over the DTF rate remained stable between the first and the second quarter of the year as a result of the change in funding sources from US dollar denominated debt to peso sources such as the syndicated secured loan for payroll loan origination.

1H 2018 Debt Profile

After the issuance of our 144A / Reg S notes last year, the bond has performed well for investors even under the recent sell-off of assets from emerging markets.

In terms of our financial obligations by source, the issuance of the 144 A/ Reg S notes in 2017 changed our funding structure by substituting domestic secured debt for foreign currency unsecured debt. As of June 2018, the 144A /Reg S notes represent 65% of our total financial obligations, the outstanding notes under the ECP Program represent 15%, the secured domestic sources represent 15.2% and the unsecured domestic sources represent 5% of the total financial obligations of the Company.

Below, we present the debt maturity profile before and after the bond issuance in July 2017. We have been able to extend the average life of our debt from 1.14 years in June 2017 to 3.5 years as of June 2018, in line with the average duration of our portfolio. As of the end of 2017, all secured debt with local financial institutions was prepaid, except for the IFC facility, which we will maintain until maturity in 2021. In addition, we completed two liability management transactions during the last quarter of 2017 and the first half of 2018, which allowed us to prepay US$80 million of notes under the ECP Program and extend debt duration through longer term issuances with more than 3 years average life. With these transactions we continue to improve the debt profile of Credivalores moving towards long-term unsecured sources of funding and a diversified investor base to support our growth.

1H 2018 Financial Obligations

Finally, we present the status of our financial obligations as of June 2018.

Total financial obligations increased 21% to $1.46 trillion pesos between December 2017 and June 2018 and 28% between June 2017 and June 2018, as a result of the issuances of the 144A / Reg S note and the ECP Program notes.

As of June 2018, 85% of total debt was unsecured and 15% was secured, represented by the IFC facility and a peso denominated syndicated loan with local financial institutions, which was disbursed to fund the portfolio origination during first half of 2018. By currency as of the same date, 83% of our debt was denominated in US dollars and 17% in pesos, with 100% of the total debt hedged to pesos. By term, 2% of maturities were due in less than 12 months and 98% were due in the long-term as result of the strategy to extend average life.

Now, please join me in slide 26 to present our closing remarks for the conference call.

Closing Remarks

With regards to our closing remarks, in terms of our funding sources we continue developing new sources of funding to diversify our investor base through loans in pesos, with multilateral entities and international banks. We believe these new sources of funding will allow us to maintain the average life of debt above 3 years to mitigate the refinancing risk.

On the risk management side, the new dynamic risk management strategy implemented in 2017 will allow us to maintain a dynamic hedge on our foreign currency rate and interest rate exposure, while maintaining a minimum impact in our P&L.

We adopted IFRS 9 during the first quarter of 2018. The main impacts of this adoption were reflected in the financial statements as of March 2018 and included: higher impairment expenses for $47 billion pesos or about US$16 million, which were reflected in the shareholders´ equity as first time IFRS adoption effects and some $22 billion pesos (US$7.5 million) reduction in loan portfolio due to write-offs, which resulted from the impairment tests. Moreover, we will experience variations in the OCI account of the shareholders´ equity due to derivatives valuations under IFRS 9. Regarding the asset quality we expect to stabilize the NPLs by year end, specially of our credit card business, through several initiatives which include the strengthening of the collections and risk areas and a new collections software, changes in processes for early and preventive collection and restrictive and more conservative origination policies for the credit card business.

Our strong balance sheet position, consolidated funding structure and leading market position will support the expected managed portfolio growth between 1.7x ad 2.0x the financial system in 2018.

We are already experiencing the benefits from adjustments in our cost structure, especially in our administrative expenses, due to the annual cost saving program. This will improve efficiency ratios between 57% and 58% for 2019.

This concludes our presentation for today. We will now open the call for a Q&A session.

Q&A Session

Operator: Thank you. We will now begin the question and answer session.

First, we will go with the audio questions and then we will read and answer questions coming from the web.

If you have a question, please press * and 1 on your touchtone phone.

If you wish to be removed from the queue, please press the # sign.

If you're using a speaker phone, you may need to pick up the handset first, before pressing the numbers.

Once again, if you have a question please press * and 1 on your touchtone phone.

The first question comes from Alvin Chew, from Trend Capital. Please go ahead.

Alvin Chew: Hi, Patricia. Good morning. I have two questions. One, can I ask you to comment a little bit more on the unencumbered assets to unsecured debt ratio? Right now, is 13%, which is pretty close to the covenants pressure levels. That's my first question. Could you comment a little bit more on how you see this ratio trending for the remaining of the year?

The second question is on your local currency indicator loan. Can we have some details as to how much was that loan and whether the company intends to do similar local currency loans in the future? Thank you.

Patricia Moreno: Regarding the first question, we also explained during the quarterly call for the first quarter results that our minimum level of the 110% was going to be taken, was going to be protected, but since we were profiting from lower costs in terms of funding, we were using the syndicated secured loan facility that we have with local financial institutions to fund payroll loan origination during the first half of 2018. That's the reason the ratio went to 112.7%. We consider that this is the minimum that we are going to maintain for the rest of the year. What is going to happen with this facility is that it's going to start amortizing on a monthly basis. It already started amortizing since we did the disbursements in March, so what we will see by the end of the year is that it will not go below this level that you see as of June.

Regarding your second question, could you repeat it please?

Alvin Chew: I just want to ask about details of the local currency syndicated loan, how much is it and whether the company intends to raise it in the future.

Patricia Moreno: No. What we have tried to do with local financial institutions after the bond was issued last year is to move from secured sources to unsecured sources. The facility that we disbursed during the first half of 2018 was already in place when we issued the bond. We prepaid it all by the end of 2017, but it is a revolving facility, so we had up to 200 billion pesos to disburse, which is the amount already included in these calculations of the ratio as of June 2018. There is no more availability under this line, and that was also a reason for us to take all of what was available for the first half of 2018. We do not intend to increase the amount of secured facilities that we have available with financial institutions going forward. This is convenient for us in terms of costs. As you saw in the presentation, we were able actually to maintain our cost of funding during the first and the second quarter of this year because of a better balance, a better mix between pesos and dollars in the sources of funding, but going forward probably only this and the IFC facility, which is already amortized, will be the only sources of secured funding that we will have available.

Alvin Chew: Thank you, Patricia.

Operator: Thank you. Our next question comes from Mariana Villalba, from NN Investment Partners. Please go ahead.

Mariana Villalba: Hi, Patricia. Thanks for the presentation and for taking our questions. My first question is: how does this funding for portfolio growth look like for the second half of 2018? Will you have to raise more funding either through the ECP program or through banks? I understand that the secured facility is at this point not available anymore so that's not a source. Are there any other sources you will need, or we will see it stabilized throughout the rest of the year?

The second question is on the NPLs. You had a guidance of 4% in March, as you reaffirmed in the last call and this number looks a bit far away from that. It doesn't seem that you'll go back to the 4%. That sounds a bit odd because we see some signs regarding the Colombian economy and actually while the consumer loans in the system decreased quarter over quarter, year levels increased. Those are my two questions.

Patricia Moreno: Well, regarding the funding for the growth of the company, we have local sources that we call working capital loans with local financial institutions that we can use for temporary needs. Actually, we have no major amortizations of capital or major payments in the rest of the year or in 2019, so that's why we can use all of these sources for growth.

We're also structuring currently a loan with an international bank in foreign currency - not in pesos - that will fund also a partial need that we'll have by the end of 2018, but basically, we are at this moment fully funded and also for the first quarter of 2019. That's what is actually included in our cash flow, so no major or additional needs for an international transaction in the capital markets, for example.

Regarding NPLs, yes. We have given you in the past a guidance of 4% for year end. We have seen a larger deterioration of the portfolio of credit cards than we expected at the beginning of the year, basically responding to the performance of the Colombian economy and the situation of households I explained during the call. What we expect is to be able to stabilize NPLs by year end to levels more closely to 4.5%, which are levels still above our expectations, but below the current level, which is 4.95%.

We will of course have to focus more on the origination of payroll loans, which in turn means that we will be originating less credit cards, which will result probably in an impact on interest income, because payroll loans have an average interest rate lower than our credit card business, but that's the way we believe we can maintain a good composition in terms of risk for our total portfolio.

Mariana Villalba: Ok. Thank you.

Operator: Thank you. We have no further questions at this time. Now we'll answer the questions coming in from the web.

Patricia Moreno: Yes. We have several questions in the web. I'm going to read them one by one.

The first question is from Edgar, from BD Capital. The balance of the portfolio sold has increased with respect to the first quarter of 2018. Is it planned to continue financing with this modality?

We have actually stopped selling our payroll loan portfolio since June 2016 and that's why we have been able to offset completely the interest income coming from this source of funding and that was the case for 2016. During 2017 and 2018 we have not increased the amount of portfolio sold to other counterparties. Let me double check what we are presenting in the financial statements. It could be a result of adjustments or movements in the balance that we have of portfolio sold, but in general that's what I would tell you, Edgar.

We have another question from Nelson from BD Capital. What is the target solvency ratio you have in place at Credivalores? Is there any additional capital injection contemplated in the near term?

No, there is no additional capital injection in the near future. Our target solvency ratio or the one that we have always maintained as a general guidance is 13% or 13.5% at the minimum, so currently what you see of course is a 12%. That was the movement basically because of the OCI performance that we had. We explained that this is a result of the valuations of the derivative instruments that we have outstanding because of the component of the interest rate. This is something temporary over time and not necessarily an implication for us to do a capitalization.

There's another question in the website from Nelson, from BD Capital. When will the new collection software be implemented? Is this for credit cards only?

It's being implemented right now. We will see results probably for the last quarter of 2018. It's focused on the credit card business, but it will contemplate also the collections for the payroll loans and the insurance premium financing, but the initial objective is to tackle the collections problem that we have had with credit cards during the second quarter of the year.

At this moment we have no other questions, operator.

Operator: Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.