**CREDIVALORES-CREDISERVICIOS QUARTERLY RESULTS REPORT[1]**

**AS OF SEPTEMBER 30TH, 2017**

**David Seinjet (CEO):**

Good morning and thank you for joining us today in our second investor conference call this year.

My name is David Seinjet, I am the CEO of Credivalores-Crediservicios, and here with me is Patricia Moreno, our Director of International Funding and Investor Relations. We will present to you the financial and operating results for the third quarter of the year and the accumulated results as of the first nine months of 2017.

We will have a Q&A session at the end of this presentation. You will also be able to download the presentation from our new Investor Relations website.

Please join me in slide 3 to begin the presentation.

**Credivalores at-a-glance**

As you recall we are the leading non-bank 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 14 years and more than 788,000 clients, having issued more than US$2.3bn in loans. As of September 2017, we had a managed loan portfolio of US$416 million and a shareholders' equity of US$83 million.

Credivalores' business model is supported by 4 main pillars:

− The first pillar is our customer segment, 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.

− Our second pillar is our unique collection system, which depending on the product, collects payments through payroll deductions and utility bills to mitigate payment risk.

− The third pillar is the robust yield of our portfolio. Given our niche market, clients are more focused on the monthly installment amount and the highly competitive response times than on the effective interest rate charged, reducing price sensitivity.

− Finally, our fourth pillar includes our key partnerships with employers, retailers and utility companies and a proprietary sales force of more than 2,220 sales representatives. This integrated network gives us access to 7.6 million potential clients.

**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.

[1] The following transcript should be read in conjunction with our Financial Statements as of June 30th, 2017. Our Annual Financial Statements have been prepared in accordance with IFRS for non-financial entities.

− We manage a portfolio of US$416 million, from which 54.3% correspond to payroll loans, 37.4% to Credit Cards and 7.5% to insurance premium financing.

- We also operate a retail insurance business through which we have contacted 283,000 homes using our alliances with public utility companies issuing 28,065 insurance policies during the first nine months of 2017. Moreover we sold 31,649 insurance policies through our sales platform, 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 50 months among all products, the average interest rate is 25.6% (not including fees) and our NLPs are lower than those of the Colombian financial system.

Please join me in slide 6 to review the main highlights of the company in 2017.

**Opening Remarks**

In terms of funding during the third quarter of the year, we completed our debut transaction in the international bond market in July 2017 with the issuance of a US$250 million bond due July 2022. The proceeds of this issuance were used to prepay secured debt with local financial institutions, unsecured foreign currency debt and to serve the maturity of notes under the ECP Program in October 2017. In sum, we were able to extend the average life of our total debt from 1.4 years to 3.7 years.

In addition, since June 2016 we decided to suspend loan portfolio sales as a source of funding in order to strengthen our balance sheet position and we have very successful in offsetting the lost income with a more stable recurrent income as the portfolio on balance continue growing, as we will see further in the presentation. Finally, we have implemented a new risk management policy to mitigate the effects of financial risks in our P&L.

Regarding the rating agencies, in July 2017 S&P confirmed our B+ rating as international long-term foreign currency issuer and Fitch Ratings granted us this same rating for the first time.

During the third quarter of the year, our gross financial margin increased 39,7% as a result of higher interest income.

We continue to hold a leadership position as the largest non-bank financial institution in Colombia. After a large number of players in the payroll market disappeared between 2016 and 2017 Credivalores consolidated its leadership position in a market with ample growth potential. We had improvements in our cumulative results between June and September of this year reaching a 60.2% growth in loan origination, while our payroll loan interest rates were 52% above the average interest rates of those of the financial system. In addition we had a 3.9% growth in the owned and managed portfolios and a 67.4% growth in the operating income.

**9M 2017- Main Highlights- Macro Conditions**

Regarding the business environment in Colombia, inflation has been decreasing in the year and now the market consensus expects it to reach 4.0% by year end. 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. DTF, which is the short-term interest rate at which 36% of our portfolio is indexed to, has decreased 228 basis points since August 2016.

The reduction in interest rates from the Central Bank has not been reflected completely in the interest rates from the financial system, resulting in social and political discomfort from many sectors. 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 182 basis points since the adoption of this measure.

Recently, 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.

The financial system in Colombia has witnessed an increase in the NPLs as a result of the slowdown in the economy. As of September, the average systems' NPLs stood at 4.5% and NPLs from consumer loans increased to 6,0%. The system as a whole remained well capitalized showing a solvency index of 16.3%, above the 9% minimum regulatory.

Out of the total loan portfolio of the financial system as of September, about 28% were consumer loans totaling US$41 billion. The consumer loan portfolio grew 11.2% 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 8.6% and 9.6% year over year, respectively.

Now, please join me in slide 10 to review our second quarter results.

**3Q 2017 and 9M 2017 Operating Results**

Our client base decreased by 0.7% between the second and the third quarter of the year and grew 6.2% between the first nine months of 2016 and the same period of 2017.

The loan portfolio origination grew 1.0% between the second and third quarter of 2017, with considerable increases in the origination across all products. Loan portfolio origination totaled $565 billion pesos during the first nine months of 2017 showing a 17.3% decrease compared to the same period of 2016. The main reason for this decrease in new loans was the restriction on liquidity during the last quarter of 2016 and the first quarter of 2017 due to the suspension of portfolio sales, which allowed us in the past to generate additional cash flows because of the upfront premiums received from sales. Furthermore, the transitory decrease in liquidity was also due to the US$33.5 million maturity of notes under the ECP

Program in March, 2017. Regarding our owned portfolio, which includes the portfolio on balance and free standing trusts, we had a 3.6% growth quarter over quarter and a 4.6% growth on a cumulative basis as of June 2017 reaching a total of $951 billion pesos. As most of you know, we decided to suspend sales of our payroll loans portfolio since June 2016. As a consequence, the payroll loan portfolio within the owned portfolio increased 4.7% quarter over quarter.

Regarding our owned portfolio, which includes the portfolio on balance and in free standing trusts, we had a 3.9% growth quarter over quarter and a 6.5% growth on a cumulative basis as of September 2017 reaching a total of $988 billion pesos. As you know, we decided to suspend sales of our payroll loans portfolio since June 2016. As a consequence, the payroll loan portfolio within the owned portfolio increased 7.5% quarter over quarter.

Following this same explanation, our managed loan portfolio, which includes our owned portfolio and the portfolio sales, increased by 3.9% quarter over quarter totaling $1.22 trillion pesos as of September. Furthermore, as you see in slide 11, the increase in the managed portfolio is explained mainly by the 6.3% increase in payroll loans between the second and the third quarter of 2017.

If we review our managed loan portfolio by product type in slide 12, we see that the payroll loan business increased its share of the total managed loan portfolio between the second and the third quarter of the year from $624 billion pesos to $664 billion pesos and also between the first nine months of 2016 and the same period of 2017. In contrast, the credit card business decreased its share of the managed loan portfolio in the same period from 38.4% to 37.4%

Our business model results in a high degree of portfolio diversification, minimizing concentration risk. Our payroll loan portfolio, which comprises 54.3% of our owned portfolio is highly diversified, minimizing concentration across geography and clients. Our top 25 clients represent only 0.5% of the portfolio and the average single exposure represents only 0.06% of the total portfolio.

In addition to our diversification, 85% of the payroll loan portfolio and 46% 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 23% 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.

In slide 13, we present our NPLs as of the third quarter of the year. We have been able to manage a trajectory of rapid growth of loan portfolio with a 23% growth rate (CAGR) over the last 10 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, were unchanged between June and September at 3.9%, due to the increase in the participation of the payroll loans in the total loan portfolio, as we previously explained. Our origination standards 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 from 74 months to 78 months and to increase the average loan size by 9%.

Our NPLs remain still below the Colombian financial system, even after including write-offs of loans greater than 360 days from commercial banks, in order to make the index comparable to Credivalores' figures, as we maintain a policy of not writing-off loans. As you see in slide 13, as of September of this year Credivalores had NPLs of 11.6%, which compares well to the 14.4% of the industry average when including write-offs.

Our NPL coverage ratio, which has been traditionally around 90% of our managed portfolio and more than 100% of our own portfolio, showed a decrease in June and September 2017 due to an amendment to the contract with the FGA, which is the entity that acts as guarantor for loans of certain of our clients with higher risk profiles. Under this agreement, the cost of the guaranty is paid by the respective client and the amounts paid are held by a trust fund at the FGA and are considered part of our impairments to protect our portfolio in case of deterioration of loans.

With the amendment to the FGA, the time of reception of impairment claims has been temporarily extended resulting in lower impairment recovery, which in turn affected our NPL coverage ratio. For September 2017 we managed to increase this ratio to 85% for the managed portfolio and 94% for the owned portfolio. At these levels our NPLs coverage ratio remains above our calculation of loss given default, which stands at 75% for the NPLs over 60 days.

Our recovery rates for loans with over 180 days overdue as of September 2017 was 25.1%, reflecting our effective recovery processes, which also explain our policy of not writing-off loans.

**3Q 2017 and 9M 2017 Financial Results- Income Statement**

With regards to our financial results, we present our income statement in slide 15.

Our interest income, which includes interests, commissions and fees, grew 4.4% between the second and the third quarter of the year, mainly as a result of a 38.5% growth in interests and a 48.9% growth in commissions and fees. As for the cumulative results as of September 2017, interest income increased 25.6% year over year in spite of losing the revenues from portfolio sales, which represented 10% of interest income during the first nine months of 2016. If we adjust the year over year growth to exclude revenue from portfolio sales, we would have a 66.4% growth in interest income. In this way, we were able to fully offset the negative impact from not having revenue from portfolio sales during 2017.

The gross financial margin grew 12.2% between the second and third quarter of 2017 due to the increase in interest income and lower financial costs. However, the final quarterly result was affected by the large increase in net impairments resulting from the preparation to adopt IFRS 9 to value our loan portfolio starting in March, 2018. In cumulative terms as of September, 2017 gross financial margin grew 18.3% due to net interest income growth and higher net impairments.

The selling, general and administrative expenses, which are referred to as other expenses in our income statement, increased 5.0% between the second and third quarter of 2017 due to an increase in legal, insurance and tax related expenses, and higher depreciation and amortization expenses. In contrast, employee benefits decreased 12.2% quarter over quarter due to the outsourcing of the call center personnel at the customer service department. As of the first nine months of 2017, other expenses totaled $72 billion pesos growing 4.7% compared to the same period of 2016. The SG&A increase is in line with

Colombian inflation and is a result of important initiatives to improve operational efficiency and control expenses.

With regards to the operating income, we had a 42.4% increase quarter over quarter as a result of the reasons explained before. However, in cumulative terms our net operating income increased around 124 % due to the growth in the gross financial margin and lower expenses related to the call center personnel. Being able to obtain this growth in the operating income without having any revenues from portfolio sales, reflects a stronger, recurrent and more sustainable income stream for the company.

Now moving to the non-operating results in the income statement, during the third quarter of 2017, non-recurring items, which include foreign currency rate differences arising from the hedging position on debt and the valuation of forwards totaled $3 billion pesos resulting in $11 billion pesos of non-operating expenses as of the first nine months of 2017. Out of this result, only $1 billion pesos had an actual cash impact resulting from financial income from our cash balances and the accrual impact came from $8 billion from positive FX rate differences and $20 billion from forward valuations.

As you see in slide 17, the main impact on the P&L comes from the forward valuation of our hedging positions after the peso appreciated by 3.3% between June and September 2017.

As you see in slide 18, as of September 30th, 2017 we were 100% hedged to pesos in our foreign currency debt, including the US dollar bond issued in July 2017, either through natural hedge with US dollar deposits or through short-term forwards to hedge the monetization of proceeds.

As previously stated, the company has decided to move ahead with a cross currency swap to hedge the coupons and principal of the international bond and as a consequence we have set up all the documentation and counterparties to execute this trade. The details of the execution of this trade will be disclosed on a timely manner once the hedge is completed.

If we eliminate the impact of non-recurring items from our income statement, our net income before taxes, would have reached $18 billion pesos on an accumulative basis as of September 2017, showing a 47.3% growth compared to the first nine months of 2016.

When considering all the impacts from non-operating items, our net income before taxes, as shown in our financial statements, exhibited a profit of $10 billion pesos in the third quarter of the year, which resulted in an accumulated profit of $6 billion pesos in the first nine months of 2017.

The net income for the period totaled $9 billion pesos in the third quarter of the year resulting in an accumulated net income of $4 billion in the first nine months of 2017.

**9M 2017 Financial Results- Balance Sheet**

With regards to our balance sheet, in slide 20 we present the main financial ratios.

Our shareholders' equity increased 28.5% between December 2016 and September 2017, totaling $243 billion pesos, after accounting for the US$18.3 million capitalization of April 2017.

Our leverage ratio of debt to equity increased to 5.1 times from the levels in December 2016 and June 2017 due to an increase in the debt balance while we applied the proceeds of the international bond to prepay secured local debt.

Our solvency ratio, calculated as equity to assets, also decreased to 15.4% as a result of the quarterly results.

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, resulted in 28% in September 2017, above the 13.5% level required by the covenant of the recent issuance of the US$250 million bond in July 2017.

In slide 21 we present the evolution of the composition of our capitalization.

Between June and September 2017, total capitalization increased 19.2%, due to the growth in unsecured debt from $551 billion pesos to $1.2 trillion pesos and the sharp reduction in secured debt due to the prepayment of almost all free standing trusts.

Our ratio of unencumbered assets to unsecured debt, calculated accordingly to the Description of the Notes of our US$250 million bond, stood at 120.6% and remains above the minimum 110%, required by the covenant of the international bond issued in July 2017.

Our average funding cost increased to 13.32% above the June 2017 levels due to the change in funding sources from peso to US dollar denominated debt. This resulted in an increase in the average spread over the DTF rate after considering the cost of hedging the FX risk. The change in funding sources was driven by the decision to extend the average life of debt and substitute cash inefficient and inflexible sources like the free standing trusts with local banks. The pricing strategy of our loan portfolio had been adjusted accordingly since June 2017 in anticipation of higher costs of funding.

**9M 2017 Debt Profile**

As you already know, on July 20th, 2017 we accessed the international bond market with our debt transaction pricing a US$250 million senior unsecured bond. The notes due July 27th, 2022 have a 9.75% coupon rate payable on a semi-annual basis. In addition, the notes issued have a call option (5NC3) for the issuer on and after July 2020. The bond has performed well for investors increasing in price up to 104% in past weeks.

The proceeds of the bond issuance were applied to prepay secured local debt with financial institutions mainly through free standing trusts and unsecured debt under our ECP Program. As of November 30th, 2017 we had prepaid $677 billion pesos or about US$231 million mainly of secured local debt, unsecured debt and to serve the maturity of US$36.5 million notes under the ECP Program in October 2017.

Below, we present the debt maturity profile before and after the bond issuance in July 2017. This transaction allowed us to extend the average life of our debt from 1.14 years to 3.7 years, in line with the average duration of our portfolio. In addition, we prepaid all existing secured debt with local banks, except for the IFC facility, which we will maintain until maturity in 2019. This transaction will allow us to change the capital structure dramatically towards long-term unsecured sources of funding, diversify our investor base and guarantee the availability of resources to continue growing.

**9M 2017 Financial Obligations**

Finally, we present the status of our financial obligations as of the first nine months of 2017.

Total financial obligations increased 17.6%  to $1.28 trillion pesos between December 2016 and September 2017 and 12.6% between June and September 2017.

As of September, 2017, 95% of the total debt was unsecured and only 5% was unsecured, represented only by the IFC facility. By currency as of the same date, 91% of our debt was denominated in US dollars and 9% in pesos, with 100% of the total debt hedged to pesos. By term, as of September, 2017 we had 30% of maturities in the short-term (less than 12 months) and 70% in the long-term.

Finally, please join me slide 25 to present our closing remarks for the presentation.

**Closing Remarks**

Regarding our funding sources, during the third quarter of 2017, we prepaid all of our secured local funding through the issuance of unsecured US dollar bond.

The recent issuance of the international US dollar bond allowed us to: 1) extend the average life of our debt and increase our financial flexibility by releasing assets trapped in the secured Free Standing Trusts, and improve terms and conditions of unsecured facilities with local banks, 2) diversify the sources of funding to international capital markets, 3) reduce the amount of encumbered assets to support unsecured bondholders' position and improve our overall credit profile.

In relation to risk management and to prevent future impacts from exposure to FX risk in our debt, we have implemented a dynamic strategy to hedge and monitor this risk and we enhanced our policies to mitigate volatility in our P&L. The hedging structure for the international bond is under execution with sufficient credit lines approved to execute 100% of the trade.

On the capitalization front, we have a strong equity position to support the expected growth of our business after the recent capitalization from our one of our shareholders. This allowed us to stabilize our leverage and solvency ratios in the third quarter of 2017 and to meet the financial covenants from the bond issuance.

Lastly, our portfolio will grow this year within expectations, amid a challenging environment in Colombia. As mentioned before, we had improvements in cumulative results between June and September reaching a 60.2% growth in loan origination and a 67.4% growth in operating income.

As we explained throughout the presentation, 2017 and 2018 will be transitional years to recover profitability levels as we gradually substitute revenues from portfolio sales with interest income from on balance portfolio.

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

**Q&A Session**

**Operator:** And I do see that I have a question in queue from the phones.

Our question comes from Alvin Chew from Trend Capital Management. Please go ahead, your line is open.

**Alvin Chew:** Thank you for the presentations. A couple of questions. The first one is just to clarify the cost deal, FX hedging on the currency on debt exposure. Have you finalized documentation or you're still in the process of doing it? Because I noticed in your presentation that 100% of the FX debt is hedged now, right? That's what you stated. But at the same time you said that you are still finalizing documentation so I just want to clarify that the ISDAS and CSAs have been signed and this is finalized and hedging is closing, please. That's my first question.

**Patricia Moreno:** Ok. We are currently 100% hedged through NDFs and time deposits that we keep abroad, as we mentioned during the presentation. That's why we mentioned we have 100% of our debt hedged.

We have closed and finalized several ISDAs and CSAs with counterparties, so we are ready to execute subject to market conditions of course.

**Alvin Chew:** But the CSAs have been finalized?

**Patricia Moreno:** We have finalized ISDAs and we have sufficient credit lines to be able to close the total US$ 250 million under a cross-currency swap up to five years.

**Alvin Chew:** Ok. Got it. And then the next question is, are you still on track to reach a cost-income ratio of 55%? What are some of the measures that you are taking to reach this target?

**Patricia Moreno:** Could you repeat the question, please?

**Alvin Chew:** I think you have a target cost-income ratio of 55%, reaching a cost-income ratio of 55% from the current 61%, right? Are you still on track to reach that ratio and what measures are you taking?

**David Seinjet:** Hi. Yes. We are fully committed to implement strategies to be more efficient in our structure of operation. By year end, I'm not expecting to reach 55%. It's going to be a bit higher than that, but still we have some strategies that are being put in place. Actually, we have changed, as mentioned in the presentation, our customer service area. We decided to go for an outsourcing service provider, which is much more efficient than we were doing the process in-house. In terms of let's say the income we have been very successful in improving our price strategy. We developed a methodology to manage the pricing strategy, obviously taking into consideration risk profile per client, but we included another variable that it's by geographical region, so we have higher prices in those areas where we see or we feel that there is less presence of financial institutions. That allows us to have a more efficient pricing strategy. In terms of costs of funding, yes, it has gone up due to the new capital structure having close to 90% of our funding coming from US dollars that need be hedged. So if we take into consideration the strategies in pricing, we can offset the higher costs and we are putting in place strategies to keep reducing the operational cost of the company.

**Alvin Chew:** OK. But the cost-income ratio would still be around 60%, right? At year end.

**Patricia Moreno:** Yes. It will be above the 55%. We are on track of probably to be able to meet that target by next year, but this year it will be around 60%.

**Alvin Chew:** Ok. Just one last question. On NPLs, could you provide us with a breakdown of the latest NPL ratios by product? What's the NPL ratio for payroll loans and what's the NPL ratio for credit cards?

**Patricia Moreno:** If you go to the presentation, actually on page 4, when we present the overall portfolio…

**Alvin Chew:** Ok, I see it. Alright.

**Patricia Moreno:** You have there the NPLs by product, so we have a 3.2% in payroll loans, 4.92% for the credit cards and 3.16% for the insurance financing.

**Alvin Chew:** Is the company seeing a pickup in NPLs, given the slowdown in growth in Colombia still pretty… there's not a significant pickup in the economy. I've seen in recent months a pickup in NPLs. What trends are you seeing in NPLs?

**David Seinjet:** We are expecting NPLs in the credit card business to go up, even though we're not expecting total NPLs to go higher than 4%. We did some adjustments in underwriting policies for those risk profiles of clients that have higher risk levels. We implemented the additional charge of warranties by the FGA to cover those additional expenses that we are going to be incurring by higher NPL levels, even though we have been much disciplined in focusing our growth in payroll loans. Payroll loans are not sensitive in terms of economic growth.

Basically, we have been focusing in 85% of the portfolio of payroll loans in government employees. Government employees are not sensible to change in economic trends, so we see that if we can manage to continue growing faster the portfolio in payroll loans, keep a higher growth control over credit cards [unintelligible] the NPL levels that we presented in the last conference call.

**Alvin Chew:** Ok, good. Thank you, David. Thank you, Patricia.

**Operator:** And thank you. I am standing by for phone questions. If you have a phone question, please press * then 1 and we will give you a moment to queue up.

Speakers, I do not have any further phone questions. Do you have any web questions?

**Patricia Moreno:** Yes, we do have one from Alvin. I don't know if you want to go ahead and answer it here. The question from him is if we could explain why we have higher net impairments and how this resulted in higher growth of financial margin. It's not like higher net impairments are… that having higher growth financial margin is a consequence of higher net impairments. We just included as part of the explanation of higher growth financial margin. We have a very important growth in interest, income and also in commission and fees that was offset partially by these higher net impairments. The reason we have higher net impairments in September 2017 compared to September 2016 is the amendment in the contract with the FGA. As we mentioned during the presentation, we are able now to claim on a more periodical basis our reserves at the FGA. That was not something that we used to do in the past, so now those reserves that used to be set aside at the FGA passed on to our balance sheet as part of our provisions, our impairments in our own balance sheet. That's why we see these higher net impairments in our financial statements and this is also in preparation, as we mentioned also during the presentation, of the requirements that we are going to have under IFRS 9, which is for us obligatory to adopt in 2018 to be able to value our loan portfolio, so we are preparing for those requirements of higher impairments that we are going to have and that’s why during the third quarter of 2017 you see this increase in impairments.

**Operator:** And this is the operator confirming I do not have any more phone questions. Before we conclude, do you have any web questions do you need to address?

**Patricia Moreno:** We also received a question regarding our rating, now that as you probably know Colombia got downgraded from Standard and Poor’s yesterday one notch to BBB-. We received a call yesterday from S&P confirming that our rating remains stable at B+ internationally and our outlook is also stable. This is something that we wanted to share with you because probably many of you might have this question and we have not received specific reasons. However, Standard & Poor’s has confirmed that they will release a press release today mentioning several issuers they rate in Colombia and some of them might be affected by this decision on the sovereign rating. Some of us, like Credivalores, will maintain our current ratings.

**Operator:** And thank you. We will now conclude. We thank you ladies and gentlemen for joining us.