

Costa Rica, San Isidro del General.  
16 September 2021  
**GG-2558-2021**

### TO WHOM IT MAY CONCERN

Coopealianza is a Costa Rican credit union with over 50 years of experience in Costa Rica's financial sector, focused on consumer products. We hold over 940M USD in assets, 50 branches, as well as the strongest associate base on the Costa Rican credit union sector, with over two hundred thousand associates.

From March 2017 to July 2019, we developed three projects in the Credit and Collections departments, alongside London Consulting Group. The objective was to design a process to adjust the Credit Granting Policy based on statistical grounds to allow the widening of new credit prospects viability while limiting credit risk, as well as to redesign the Credit Analysis process.

Change management, team dedication, side-by-side implementation, and the methodology implemented throughout the project phases were all key to achieve the defined goals, some of the highlights were:

#### Credit Granting Policy:

- Redesign of the credit regulation creation model, based on statistical analyses to evaluate each variable, reviewing over 30 credit policy variables:
  - 18% loan loss provisioning expense reduction by adjusting significant credit policy variables.
  - 4% increase in new credit placement by eliminating credit policy variables with no risk mitigation effect that limited new credit placement.
- Redesign of the credit request exceptions regulation:
  - 38% reduction in high-risk exception requests.
  - 26% reduction in response time for exception request by defining risk mitigating variables for each type of exception.
- Redesign of the associate's payment capacity calculation method:
  - 10% decrease in credit request analysis time.
  - 26% decrease in rejected requests linked to payment capacity.
  - 14% increase in average loan amount by creating an improved income quantification method.
  - 18% decrease in projected loan loss provisioning expense linked to a deficient payment capacity calculation.
- The new methodology enables the organization to perform bulk analyses to profile new associates for pre-approved credits.

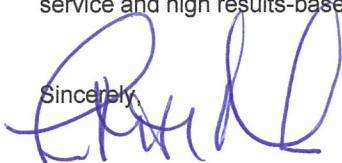
#### Credit analysis:

- Centralized the analysis of all incoming credit requests by implementing a Centralized Credit Analysis Unit (CCAU).
- Increased the Centralized Credit Analysis Unit credit request analysis capacity by 48% with an optimized headcount.
- Defined the ideal positions by branch with a 10% efficiency on customer service branches.
- Improved response times for credit analyses performed by the CCAU:
  - 14% improvement in public sector consumer products.
  - 40% improvement in private sector consumer products.
  - 23% improvement in corporate credits.
- Redesigned the property appraisal process achieving a 64% response time reduction.

Economic benefits achieved by the end of the project represent an annualized ROI of 4.6 to 1.

We are proud to recommend London Consulting Group as a professional company, with an excellent methodology, customer service and high results-based approach.

Sincerely,



*Francisco Montoya Mora*  
**General Manager**