

26 October 2016

Launch of MotorCredit finance product

- **Successful launch of pioneering auto finance product MotorCredit, in partnership with Ecuador's largest financial institution Banco Pichincha**
- **An estimated A\$150m¹ of cars are sold through our websites each month, highlighting the significant potential of auto finance as a revenue stream**
- **New product offering will provide a complementary revenue stream, revolutionise used car financing in Latin America and accelerate the path to profitability**

Melbourne, Australia – 26 October 2016: LatAm Autos Limited (ASX: LAA) ("LatAm Autos" or the "Company") is pleased to announce the launch of MotorCredit, a new auto finance product. The product leverages off the dominant market position of the Company's Ecuadorean business patiotuerca.com and has been developed in conjunction with the largest financial institution in Ecuador, Banco Pichincha.

Auto finance products are being rolled-out initially through our Ecuadorean operations and will start generating revenues this quarter, and contribute material revenues in 2017. The Company also has an agreement with Mexican bank Credito Real where Motorcredit will also be implemented. Under the partnership agreement in Ecuador, LatAm Autos will be remunerated for origination and transaction execution services through its software platform. MotorCredit is expected to provide LatAm Autos immediate access to between 100-200 used car financings per month with Banco Pichincha alone with an average loan size of approximately US\$14,000. Additional loan processing capacity could increase this up to c.650 Ecuadorean monthly car financings based on the current listings and conversion factors on the websites of LatAm Autos. The MotorCredit auto finance product is initially focused on the provision of finance for used car purchases, with new car and other financing products to be rolled out in the future.

The introduction of the MotorCredit auto finance product adds further product depth to the Company's online marketplace platform and allows LatAm Autos to participate across a greater proportion of the motor vehicle purchase process.

MotorCredit has been developed specifically by LatAm Autos as a fully integrated mobile and desktop enabled product. MotorCredit will utilise a streamlined credit application process, powered by sophisticated credit algorithms. Customers of LatAm Autos will receive financing pre-approval within minutes to complete their purchases all within an integrated LatAm Autos platform.

Tim Handley, Executive Chairman, commented *"Lower interest rates and rising incomes across the Latin American region mean that access to car finance is a huge growth opportunity. Until now, our websites act primarily as marketplaces, and the addition of MotorCredit is the first step in LatAm Autos participating in the actual car purchasing transaction. Motorcredit will generate revenues by year end, and will accelerate our path to profitability."*

¹ Calculated by multiplying total leads, average car listing value and a conservative conversion factor

Strategic alliance with Banco Pichincha

Banco Pichincha and LatAm Autos have also signed a strategic alliance agreement to progress additional business opportunities. Banco Pichincha is Ecuador's largest private bank and has a presence in 6 key markets including Ecuador, Columbia, Peru, Panama, Miami and Spain with approximately 10,000 points of sale globally. The successful launch of MotorCredit in Ecuador will provide the platform for LatAm Autos to rapidly expand MotorCredit into other key markets in the short term.

Jorge Mejía Ribadeneira, Executive Director and Chief Executive Officer, commented *"We are particularly pleased to announce our strategic alliance with Banco Pichincha, the largest and most well known bank in Ecuador. The MotorCredit product has been custom designed for Latin American customers and provides an opportunity for LatAm Autos to capitalise on the rapid growth of car financings in the region. The release of MotorCredit with Banco Pichincha is the first step in a long-term strategic alliance, with preparations underway for the roll-out of MotorCredit into other Latin American markets in the near future."*

MotorCredit user interface

PATIOtuerca AUTOS Buscar en autos usados

Usados Nuevos Opiniones Avaluador Comparador Guías y consejos

Inicio > Usados > Quito > Autos > Hatchback(3 Puertas) > Volkswagen > Golf Gti

2014 Volkswagen Golf Gti \$43.500 Financiado

PMR Automotores
098796 **** Ver teléfono
Conectado

Me interesa ¿Podemos hablar?
Pedir más fotos Hacer oferta

Escriba al propietario del vehículo

ENVIAR MENSAJE

AGREGAR A FAVORITOS

Págalo en Cuotas
Este vehículo aplica a financiamiento con el Banco Pichincha. ¡Aplica ya!

Entrada Plazo

min. 30% \$21.750 meses 36

Cuota referencial \$1.200 /mes

APLICAR FINANCIAMIENTO

For more information, please contact:

Tim Handley
Executive Chairman
+61 3 9692 7222
investors@latamautos.com

About LatAm Autos (ASX: LAA)

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in six countries in Latin America – Mexico, Argentina, Ecuador, Peru, Panama and Bolivia. As early movers in the region's online auto classifieds industry, LatAm Autos is positioned to capitalise on the shift of auto classifieds advertising from traditional print media sources to online channels. For more information on LatAm Autos, please visit its website: www.latamautos.com.

Caution Regarding Forward-Looking Information

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including LatAm Autos' FY16 outlook, are also forward looking statements, as are statements regarding LatAm Autos' plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of LatAm Autos, which may cause actual results to differ materially from those expressed or implied in such statements. LatAm Autos cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that LatAm Autos' business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and LatAm Autos assumes no obligation to update such information. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.