

CRÉDITO REAL[®]

Beyond your limits

Special Report #2

NPL performance

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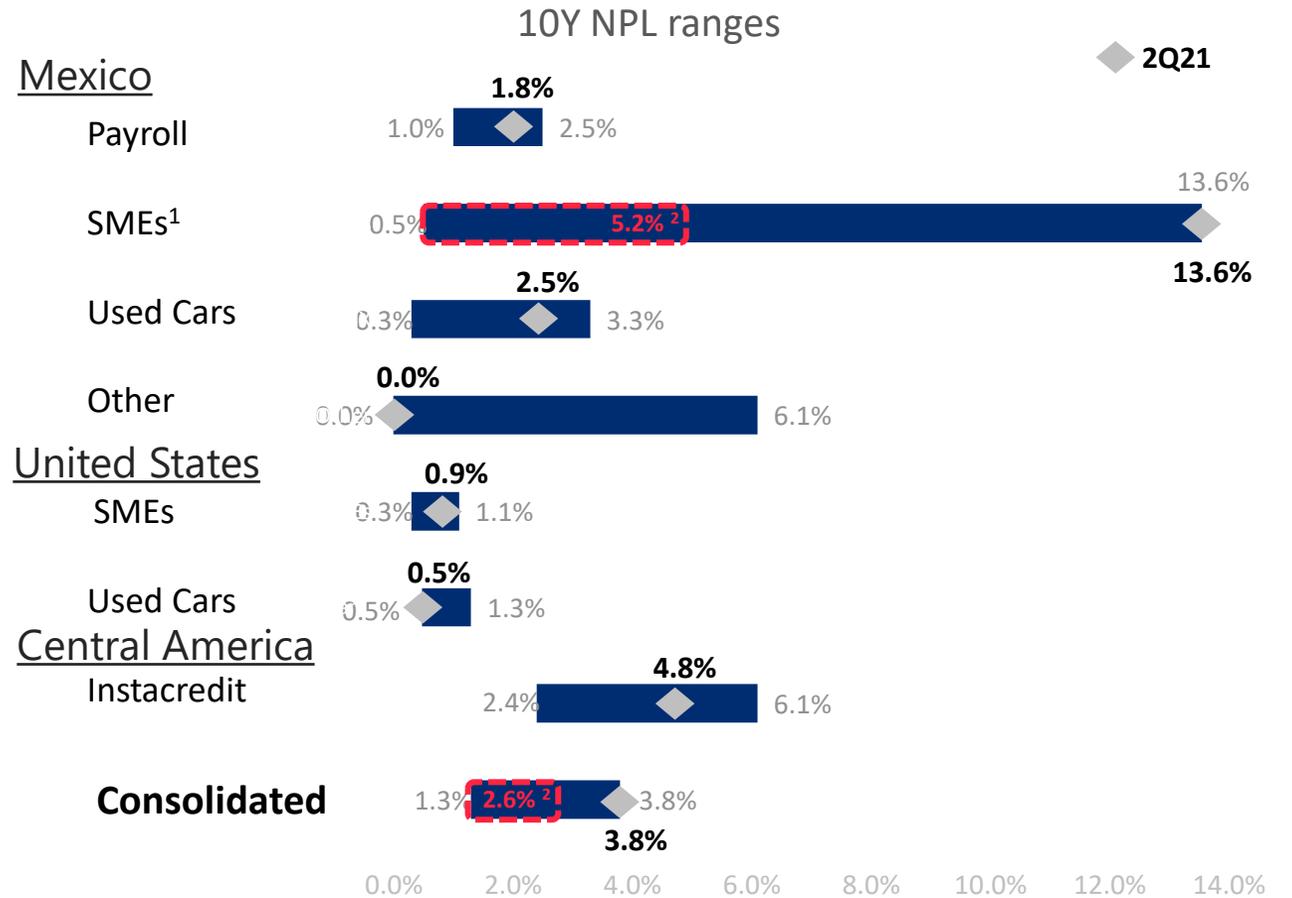
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CREAL*

Current NPLs across our different portfolios are well within the 10-year range (see Appendix). We have a proven track record of successfully managing NPLs: after a few spikes in individual portfolios in the last decade, the adopted policies have progressively returned those portfolios to normalized risk profiles.



(1) Since the 2Q20, CREAL Arrendamiento's operations are consolidated in Crédito Real's Financial Statements followed by an equity participation increase. As a result, the leasing portfolio is recorded in the fixed assets given its nature.

(2) NPL was significantly impacted by a non-performing loan in the SMEs segment which has been previously disclosed. Excluding this loan, the NPL ratio would be the one marked in red color.

Asset quality trends

+ Following the 2020 economy-wide risk bump, our NPLs are already trending downward in most portfolios. Only exceptions are payroll (which kept a conservative risk profile) and SMEs (which was skewed by a single, outlier loan). Additionally, the Company has continued to be conservative in risk management with a 3.1% cost of risk and a 122.5% coverage ratio as of 1H21.

+ Preliminary results YTD suggest that end-of-year consolidated portfolio NPL is likely to be around **3.2%** and **3.8%**. Consequently, NPLs are not deteriorating, but trending to improve (according to our 2021 Guidance).

+ The Company recently authorized a significant divestment of the SME's portfolio.

MXN Mn	2020		1H21	
	Loan portfolio	NPL	Loan portfolio	NPL
Mexico				
Payroll	29,402.8	1.7%	32,184.1	1.8%
SMEs ¹	7,397.3	10.1%	8,325.3	13.6%
Used Cars	1,360.8	2.6%	1,537.1	2.5%
Other	926.4	3.2%	1,460.4	0.0%
Central America				
Instacredit	4,805.3	5.3%	4,989.5	4.8%
United States				
SMEs	1,091.0	1.1%	1,474.9	0.9%
Used Cars	2,526.4	0.8%	2,782.9	0.5%
CREAL Consolidated	47,509.9	3.3%²	52,754.2	3.8%²

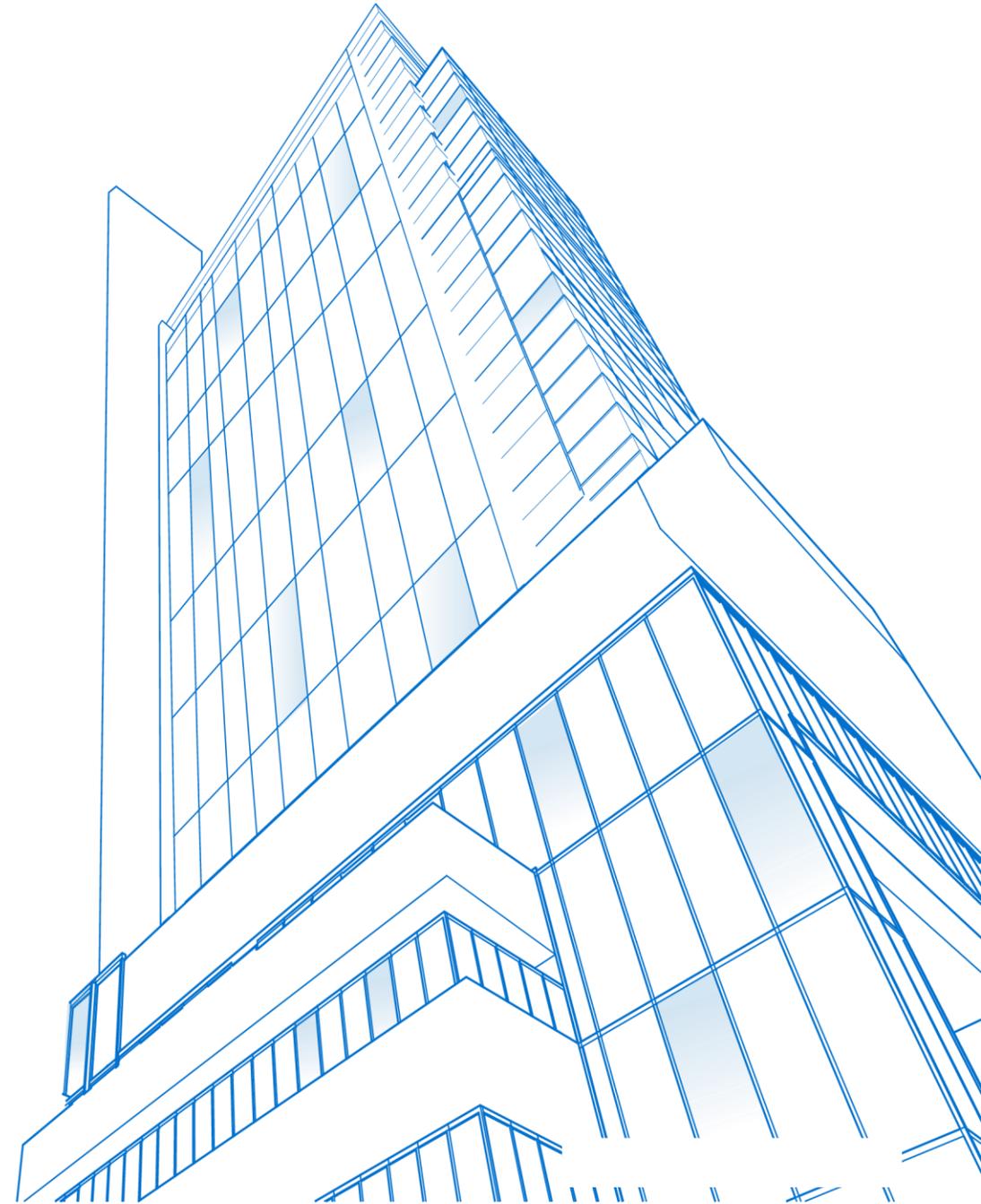
(1) In 2020 the leasing and factoring portfolios which amounted to 2,841.2 MXN Mn and 783.4 MXN Mn are excluded as they are registered in Fixed Assets and Other Accounts Receivable. In 1H21, the leasing portfolio which amounted 2,558.6 MXN Mn is excluded as it is recorded under Fixed Assets.

(2) The NPL has been impacted by an specific loan within the SMEs portfolio. Excluding this loan, NPL would have reached 1.8% and 2.5% in 2020 and 2Q21, respectively.

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Appendix



MXN Mn	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		1H21		AVG.	
	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	Loan portfolio	NPL	NPL	
Mexico																								
Payroll	4,518.3	2.1%	5,724.3	1.4%	8,165.6	1.6%	10,697.1	1.9%	12,953.0	2.5%	14,530.4	2.0%	19,307.8	1.2%	24,807.4	1.1%	28,242.3	1.0%	29,402.8	1.7%	32,184.1	1.8%	2.7%	
SMEs ¹	n.a.	n.a.	n.a.	n.a.	865.6	0.5%	1,318.3	3.0%	366.6	2.7%	460.8	1.5%	1,746.1	1.3%	3,676.7	0.7%	7,419.7	0.5%	7,397.3	10.1%	8,325.3	13.6%	3.7%	
Used Cars	n.a.	n.a.	n.a.	n.a.	60.6	2.3%	360.3	0.3%	1,838.1	1.1%	2,778.6	3.3%	613.6	0.5%	917.7	0.3%	1,401.0	1.0%	1,360.8	2.6%	1,537.1	2.5%	1.6%	
Other	993.8	1.3%	1,008.2	2.4%	1,331.7	1.7%	1,429.2	1.5%	1,333.1	2.5%	858.8	1.6%	634.5	3.6%	424.1	6.1%	895.9	2.9%	926.4	3.2%	1,460.4	0.0%	2.4%	
Central America																								
Instacredit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,390.7	2.4%	4,612.7	5.2%	4,462.7	6.1%	4,918.0	4.8%	4,805.3	5.3%	4,989.5	4.8%	4.7%	
USA																								
Used Cars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,471.4	1.3%	2,317.8	3.7%	2,100.4	1.2%	1,092.7	2.0%	2,136.0	1.3%	2,526.4	0.8%	2,782.9	0.5%	0.7%	
SMEs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	937.7	0.0%	1,945.5	0.3%	1,091.0	1.1%	1,474.9	0.9%	0.8%	
CREAL²	5,512.1	2.0%	6,732.5	1.6%	10,423.5	1.5%	13,804.9	1.9%	17,609.6	2.4%	23,927.0	2.2%	29,015.1	2.1%	36,319.0	1.7%	46,958.4	1.3%	47,509.9	3.3%	52,754.2	3.8%	2.2%	

- (1) Since the 2020, CREAL Arrendamiento's operations are consolidated in Crédito Real's Financial Statements followed by an equity participation increase in the Company. In 2020 the leasing and factoring portfolios which amounted to 2,841.2 MXN Mn and 783.4 MXN Mn are excluded as they are registered in Fixed Assets and Other Accounts Receivable. In 1H21, the leasing portfolio which amounted 2,558.6 MXN Mn is excluded as it is recorded under Fixed Assets.
- (2) The NPL has been impacted by a specific loan within the SMEs portfolio. Excluding this loan, NPL would have reached 1.8% and 2.5% in 2020 and 2Q21, respectively.

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Crédito Real is a leading financial institution in Mexico, with presence in the United States, Costa Rica, Panama, Nicaragua and Honduras, focusing on consumer lending with a diversified business platform in the following main lines of business: payroll loans, small business loans, used car loans, consumer loans through Instacredit and group loans. Crédito Real offers its products mainly to low and middle-income segments of the population that have historically been underserved by other financial institutions. The Company's stock is listed on the Mexican Stock Exchange under the ticker symbol “CREAL*[®]”. (Bloomberg identification number is CREAL*:MF)



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