

CRÉDITO<sup>®</sup>  
REAL *day*

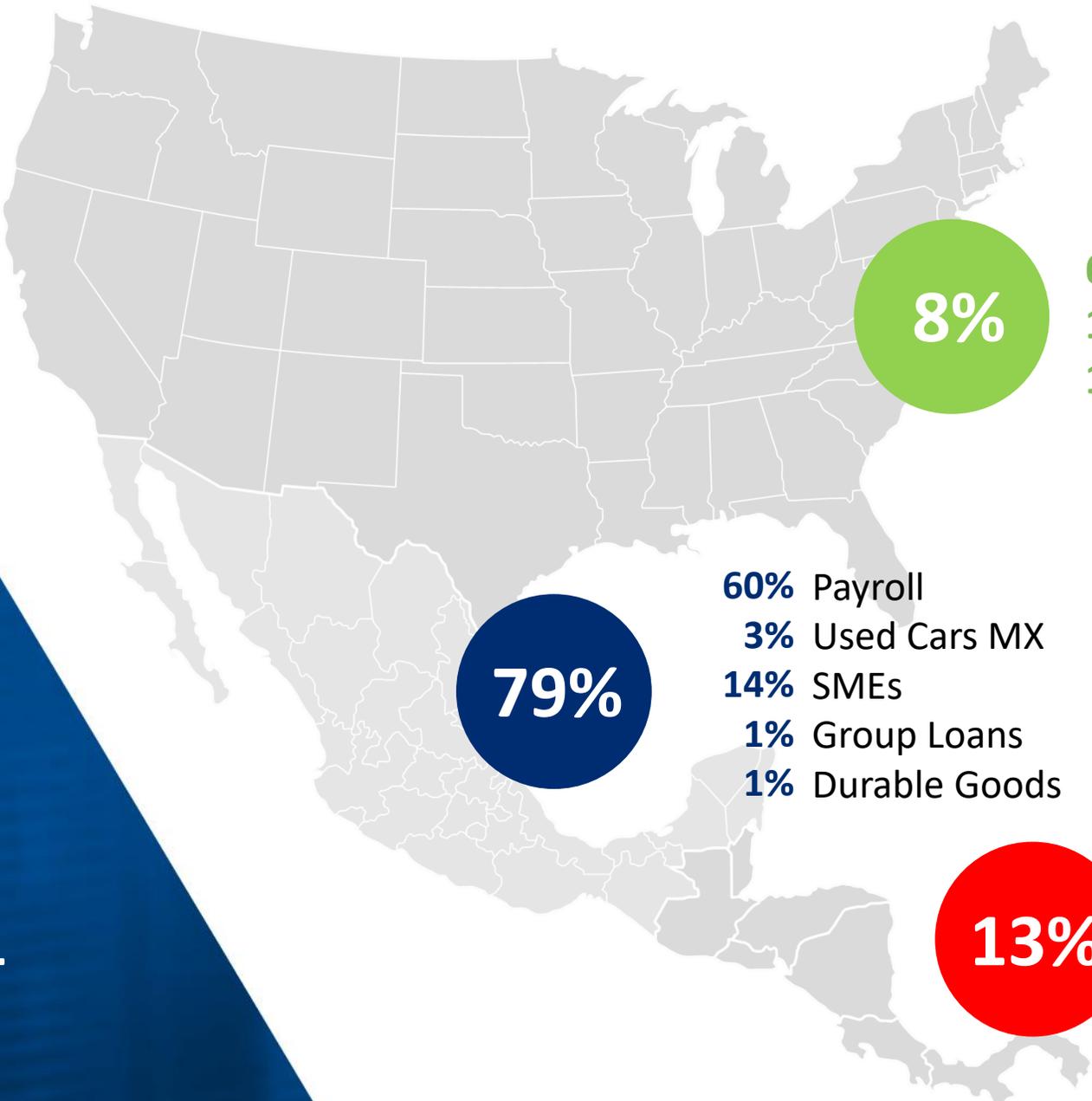


# 1 BUSINESS STRATEGY

## PROGRESS OF CRÉDITO REAL TOWARDS ITS TARGETS IN 2022

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| Investor Day   | 2014        | 2017                            | 2019                            |
|----------------|-------------|---------------------------------|---------------------------------|
| Customers      | 531,399     | 832,842                         | 913,668                         |
| Loan Portfolio | \$13,805    | \$29,015                        | \$43,472                        |
| NPL            | 1.9%        | 2.1%                            | 1.7%                            |
| Mix            | México 100% | México 77%<br>International 23% | México 79%<br>International 21% |
| Yield          | 26.2%       | 32.2%                           | 29.0%                           |
| NIM            | 20.3%       | 22.0%                           | 17.7%                           |
| Cost of Risk   | 1.9%        | 4.6%                            | 3.5%                            |
| ROA            | 6.9%        | 4.5%                            | 3.9%                            |
| ROE            | 24.7%       | 15.9%                           | 17.5%                           |
| Average TIIE   | 3.5%        | 7.1%                            | 8.4%                            |



**8%**

- 6% Used Cars
- 1% Factoring
- 1% SME's

**79%**

- 60% Payroll
- 3% Used Cars MX
- 14% SMEs
- 1% Group Loans
- 1% Durable Goods

**13%**

- 11% Consumer (Instacredit)
- 2% Payroll

**INTERNATIONAL  
OPERATIONS**

## Demographic distribution by our clients

% of total loan portfolio



## LONG-TERM GROWTH OPPORTUNITIES

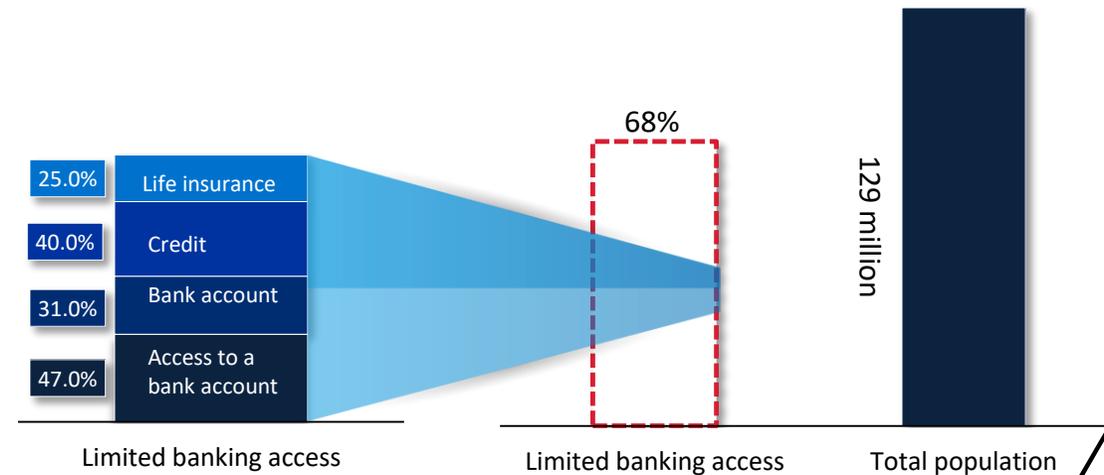


**+ 40 minutes**

Commute to a branch



**14 bank branches**  
For every 100,000 population

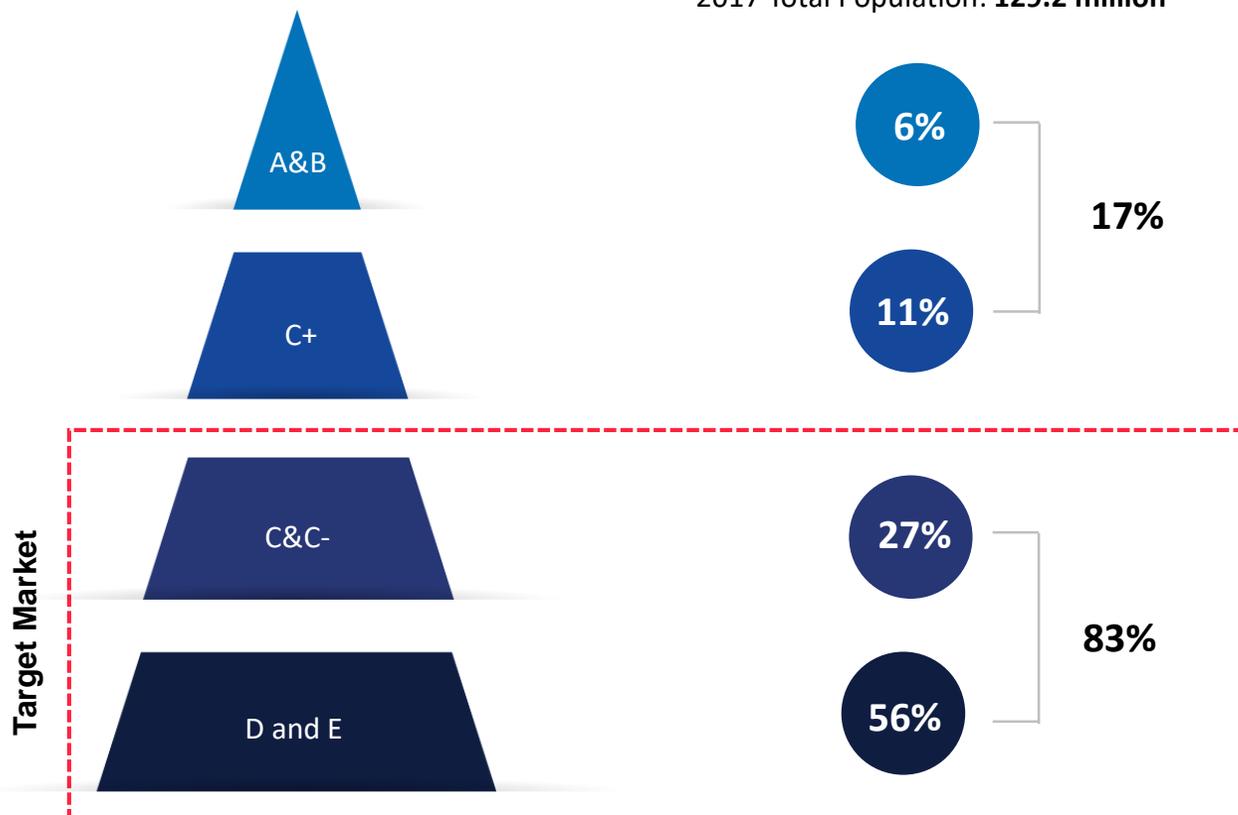


# LONG-TERM GROWTH OPPORTUNITIES

Market segments<sup>(1)</sup>

Percentage of total population

2017 Total Population: **129.2 million**



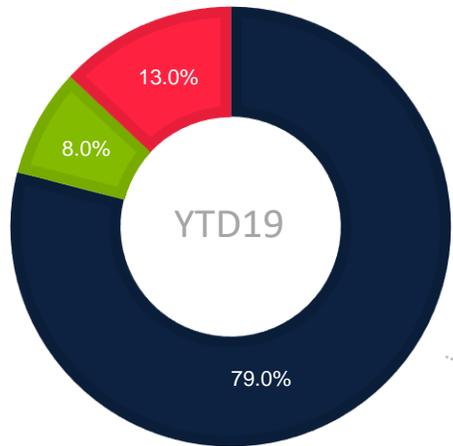
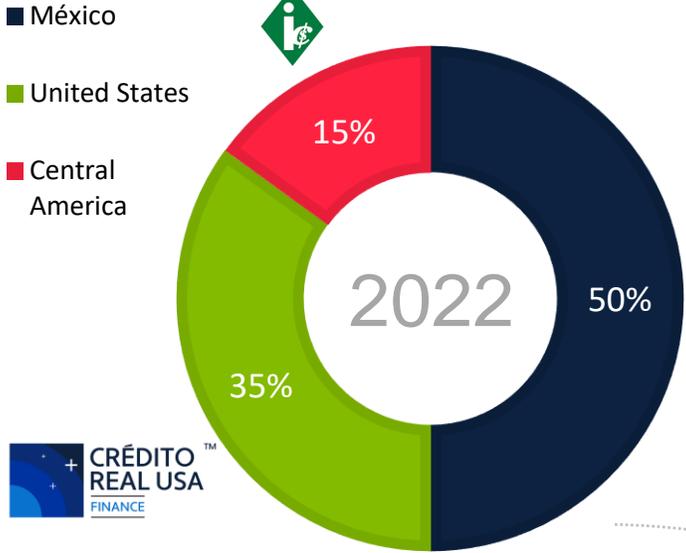
Players

CREAL<sup>(2)</sup>

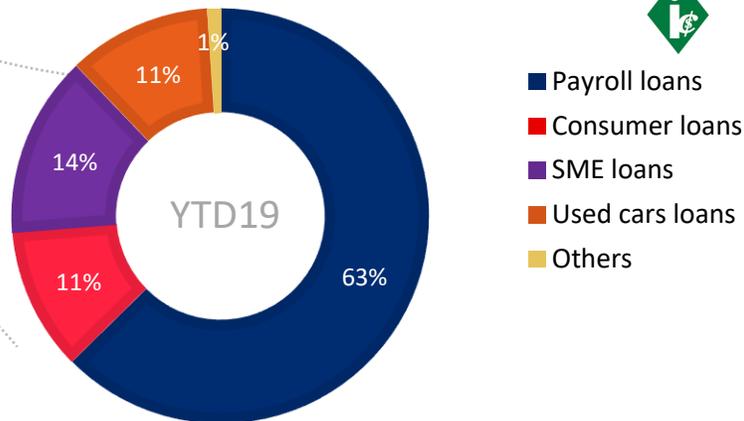
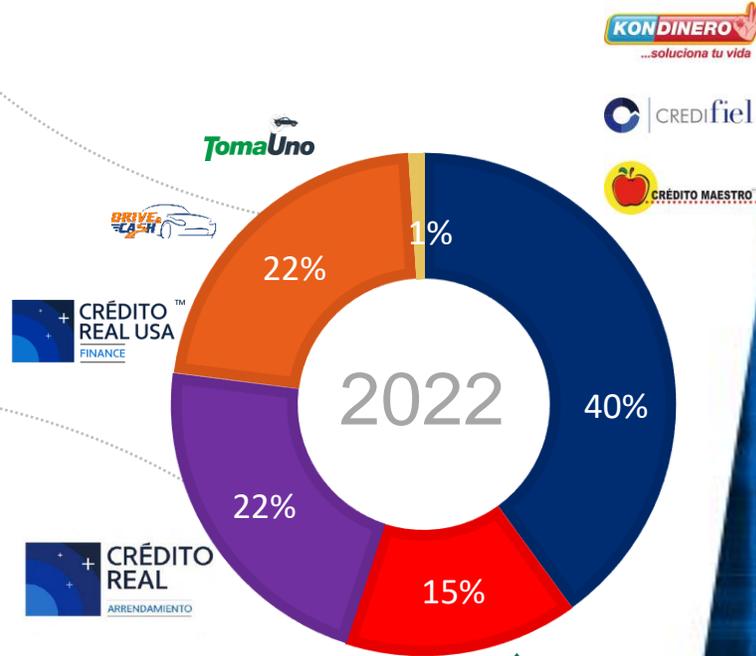


1) Market segments are defined based on monthly family income, in accordance with the categories established by AMAI: Segment E, from zero to Ps.2,699; Segment D, from Ps.2,700 to Ps.6,799; Segment C, from Ps.11,600 to Ps.34,999, Segment C+, from Ps.35,000 to Ps.84,999, Segment A and B, Ps.85,000 or more.  
 2) Source: AMAI based on cities with a population greater than 100,000 inhabitants

## Portfolio breakdown by region



## Portfolio breakdown by product



- Payroll loans
- Consumer loans
- SME loans
- Used cars loans
- Others

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**GEOGRAPHIC  
DIVERSIFICATION 2022**

# BUSINESS PLAN EXECUTION OVERVIEW AND CURRENT PORTFOLIO STRENGTHS

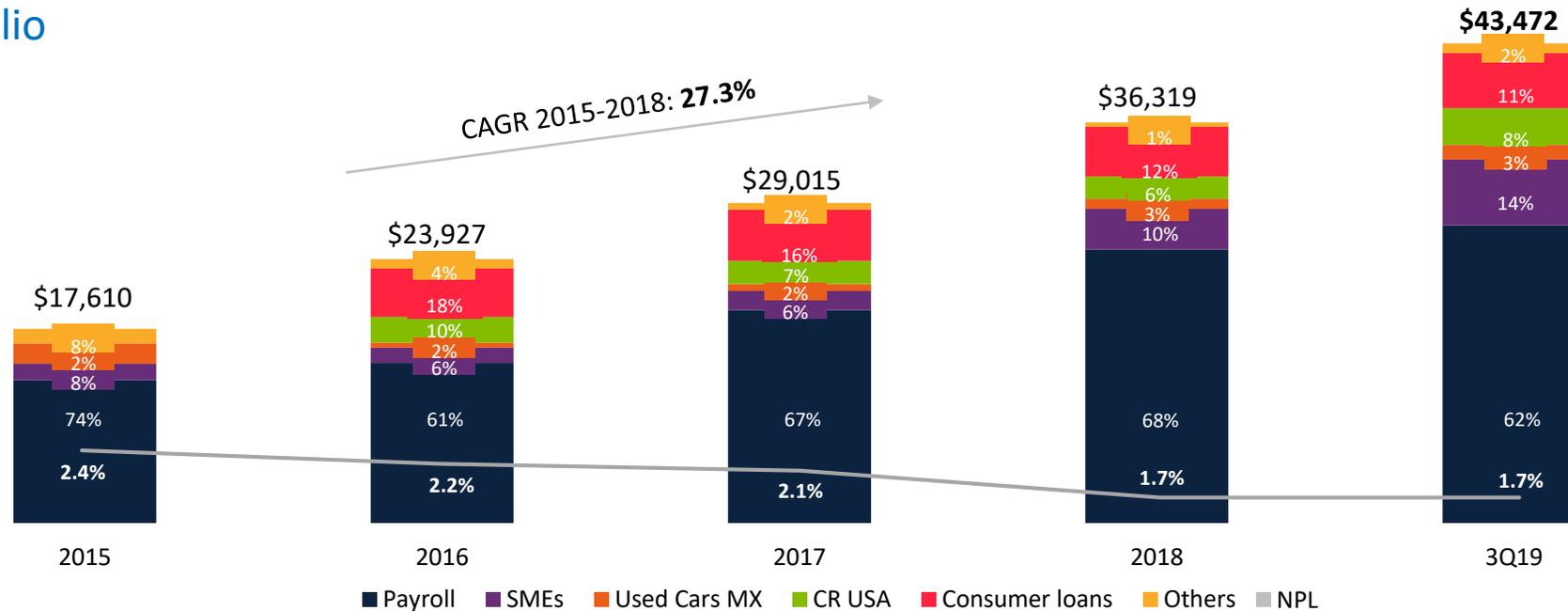


- Increase penetration
- Capitalization
- Expansion
- Asset quality
- Funding
- Efficiency

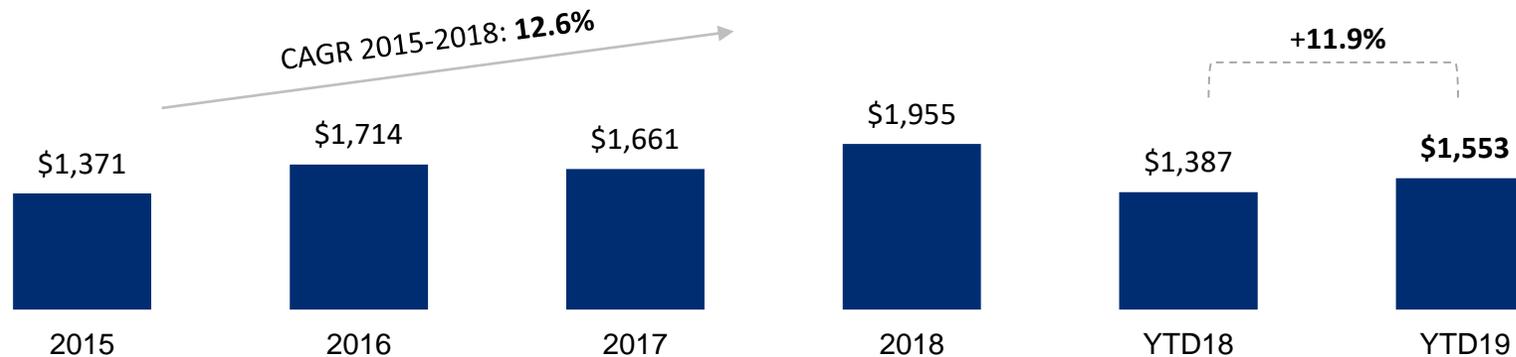
**Strategy key elements**

**Loan Portfolio's growth**  
**CAGR 2012-2018: 32.4%**  
**Annual growth as of 3Q19: 24.4%**  
**Target 2022: 15-20%**

## Loan Portfolio



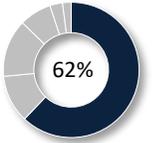
## Net Income



### Product Overview



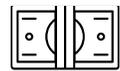
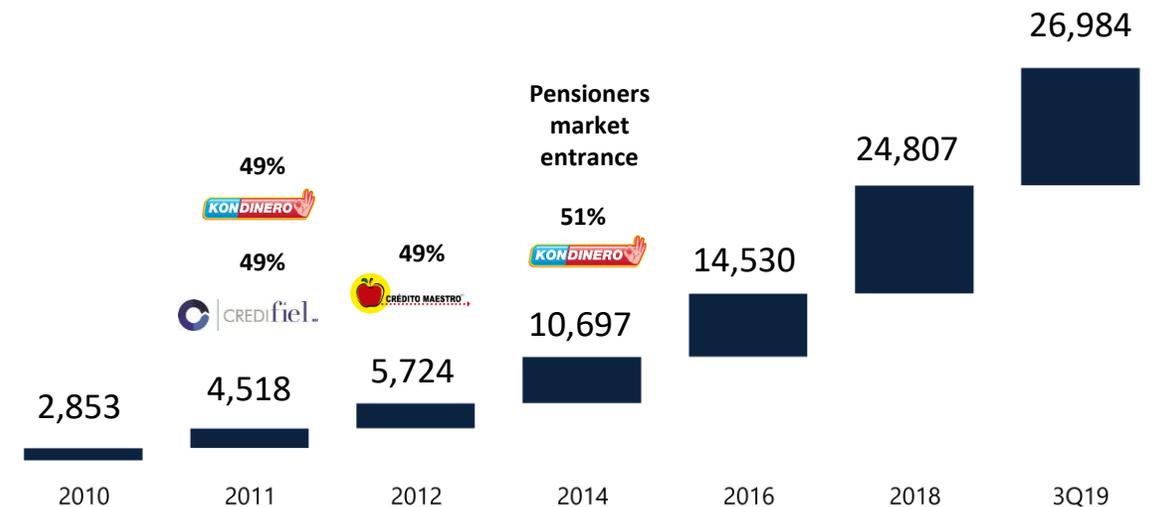
### PAYROLL



### KPI's

| YIELD | Cost of Risk | ROAA | NPL  |
|-------|--------------|------|------|
| 26.0% | 1.3%         | 6.6% | 1.4% |

### Payroll's progress



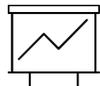
Average Loan Amount

Ps. 63,171



Average Term

40 months



Average Annual Interest Rate

56%



Payment Frequency

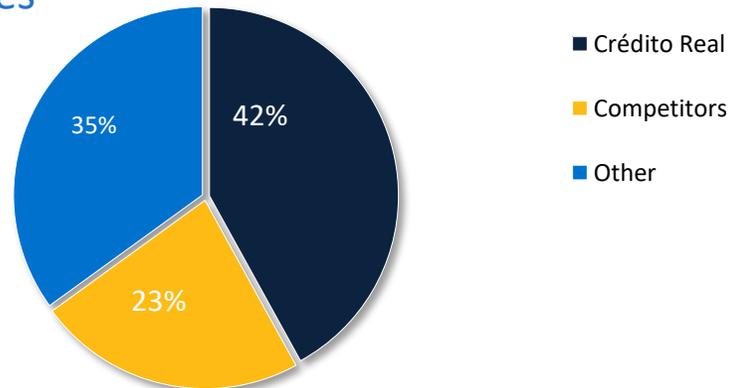
Bi-weekly



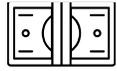
Customers

427,168

### Market Opportunities



### Traditional SMEs Product Overview



Average Loan Amount

**Ps. 4.0 million**



Average Term

**6 months**



Average Annual Interest Rate

**19%**

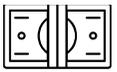


Payment Frequency

**Monthly**



### Leasing Product Overview



Average Loan Amount

**Ps. 8.4 million**



Average Term

**36 months**



Average Annual Interest Rate

**25%**

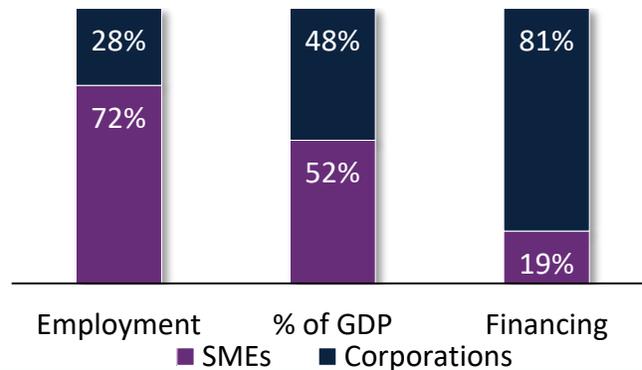


Payment Frequency

**Monthly**



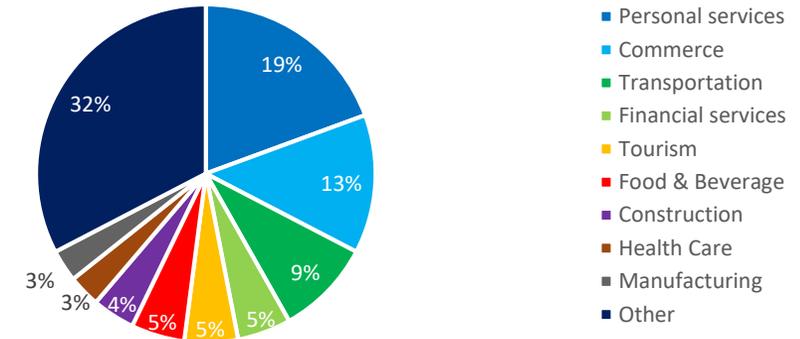
### Market Opportunities



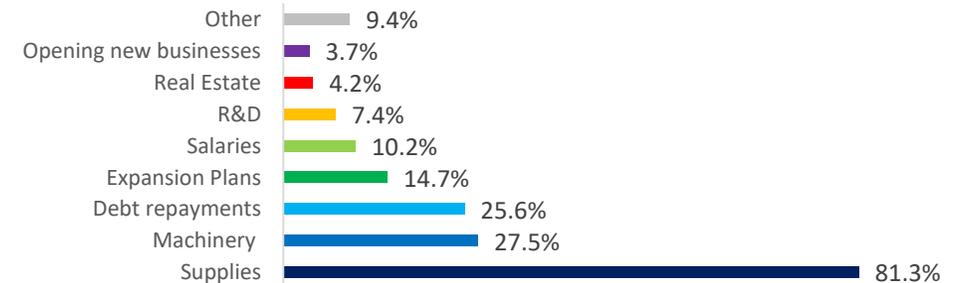
### KPI's

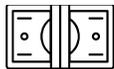
| Ratios | YIELD        | Cost of Risk | ROAA        | NPL         |
|--------|--------------|--------------|-------------|-------------|
| SMEs   | <b>14.0%</b> | <b>1.0%</b>  | <b>3.3%</b> | <b>0.5%</b> |

### Loan Portfolio distribution by sector



### Use of resources – SMEs market





Average Loan Amount

**Ps. 123,420**



Average Term

**40 months**

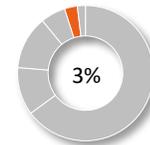


Average Annual Interest Rate

**35%**



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AUTOS

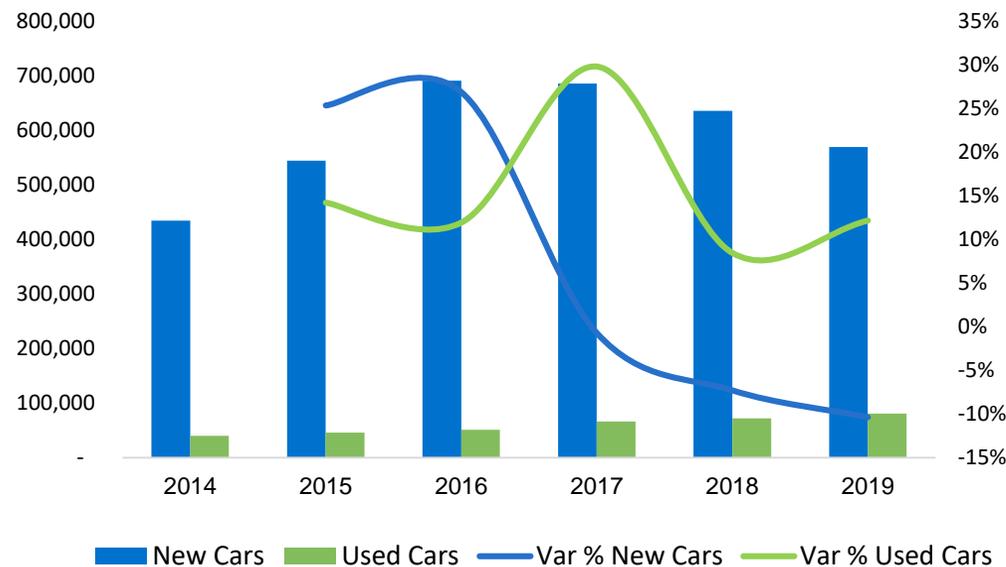


## KPI's

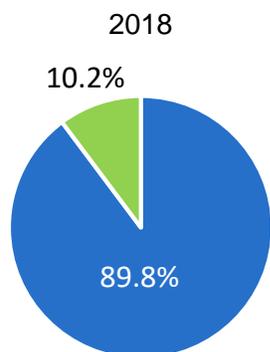
| YIELD        | Cost of Risk | ROAA        | NPL         |
|--------------|--------------|-------------|-------------|
| <b>32.0%</b> | <b>4.3%</b>  | <b>6.9%</b> | <b>0.9%</b> |

## Market in Mexico

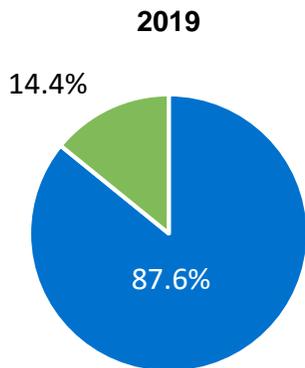
### New vs. Used Cars Loans



## Market Share by type of vehicle



■ New Cars ■ Used Cars



■ New Cars ■ Used Cars

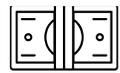
## Product Overview

- Used Cars
- Factoring
- SMEs
- Leasing



## KPI's

| YIELD        | Cost of Risk | ROAA        | NPL         |
|--------------|--------------|-------------|-------------|
| <b>29.0%</b> | <b>5.2%</b>  | <b>1.5%</b> | <b>1.0%</b> |



Average Loan Amount

**Ps. 305,460**



Average Term

**67 months**



Average Annual Interest Rate

**23%**



Payment Frequency

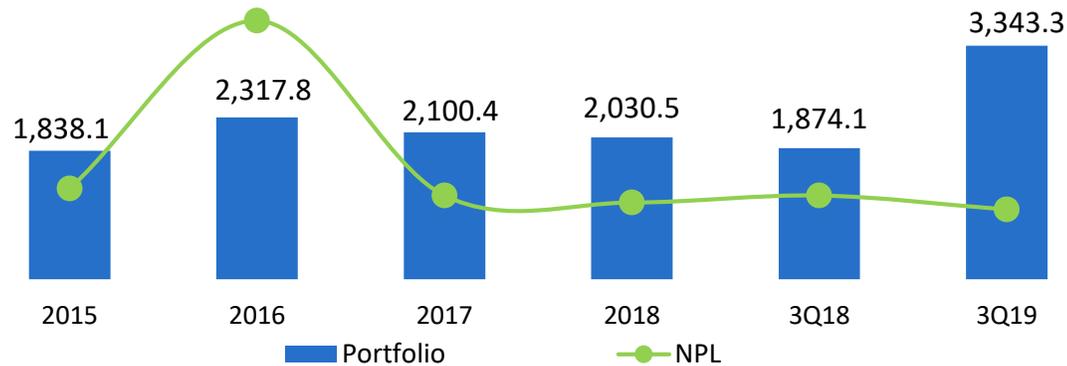
**Monthly**



Customers

**10,945**

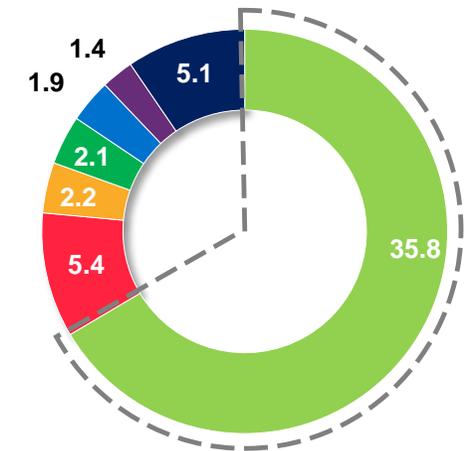
## Portfolio Progress

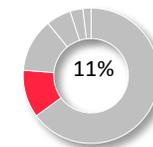


## Hispanics in USA

In millions

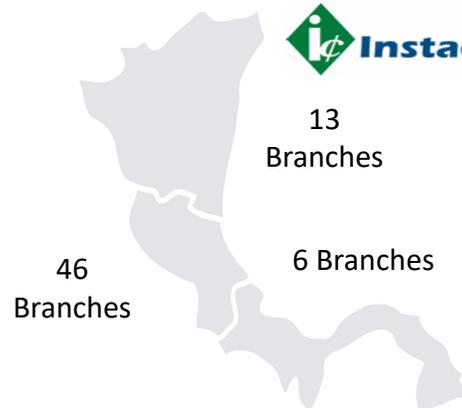
- Mexicans
- Puerto Ricans
- Salvadorans
- Cubans
- Dominicans
- Guatemalans
- Others





### Product Overview

- Consumer loans
- SMEs loans
- Auto loans
- Home equity loans



### KPI's

| YIELD        | Cost of Risk | ROAA         | NPL         |
|--------------|--------------|--------------|-------------|
| <b>65.0%</b> | <b>16.0%</b> | <b>10.0%</b> | <b>5.0%</b> |

### Market Opportunities



Attractive opportunities due to low credit penetration

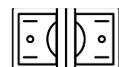
Costa Rica

Panamá

Nicaragua

### Portfolio Overview

| Products           | Personal | Used Cars | Small Business | Home Equity |
|--------------------|----------|-----------|----------------|-------------|
| % Mix Portfolio    | 51.9%    | 33.3%     | 12.1%          | 2.7%        |
| Customers          | 116,335  | 32,706    | 22,485         | 1,027       |
| Avg. Loan Amount   | 19,452   | 44,465    | 23,526         | 112,756     |
| Avg. Term          | 40       | 49        | 41             | 57          |
| Avg. Interest Rate | 61.6%    | 49.0%     | 56.5%          | 51.7%       |



Average Loan Amount

**Ps. 28,719**



Average Term

**45 months**



Average Annual Interest Rate

**57%**



Payment Frequency

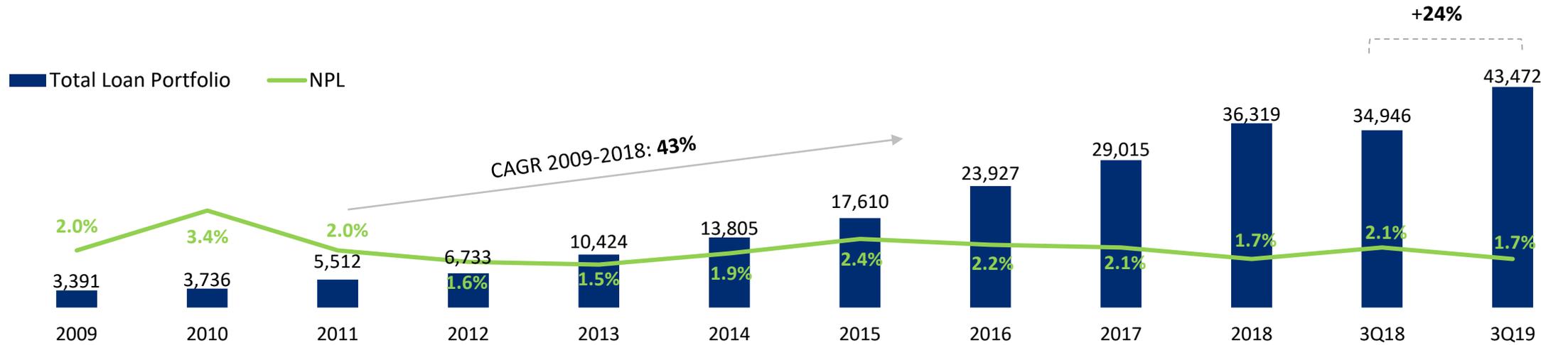
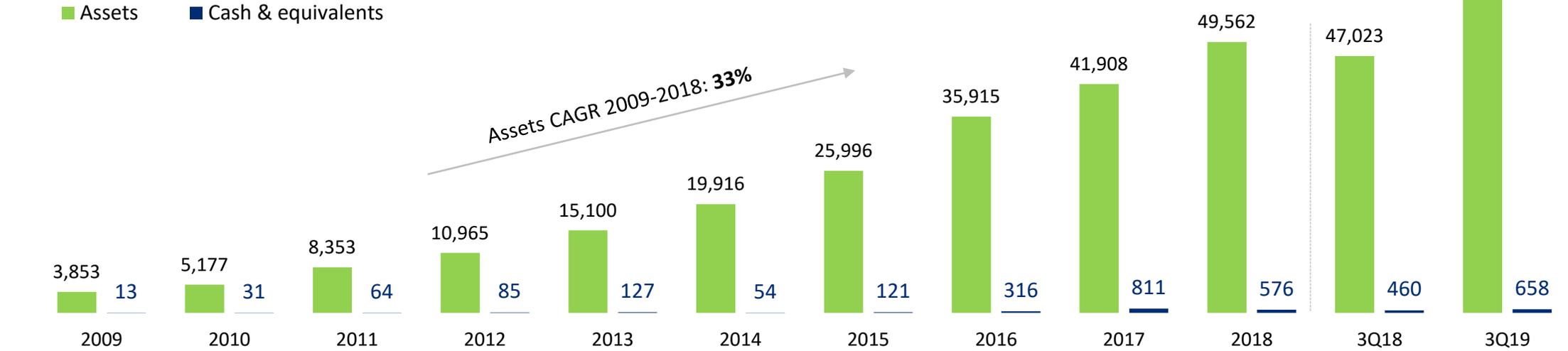
**Monthly**



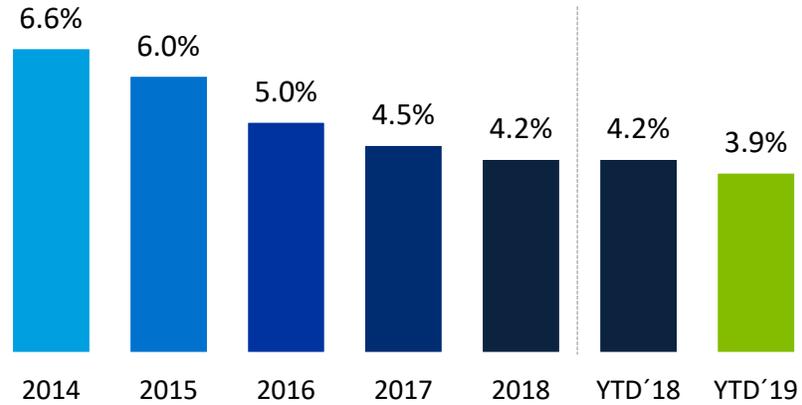
Customers

**172,553**

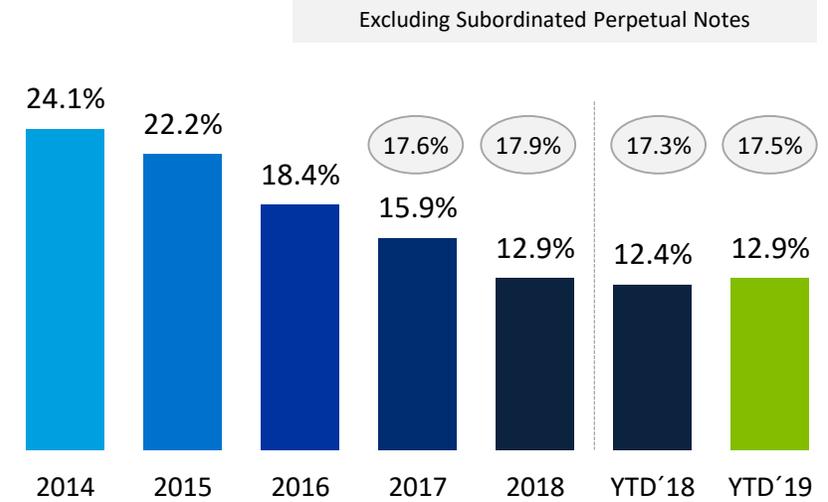
### Assets



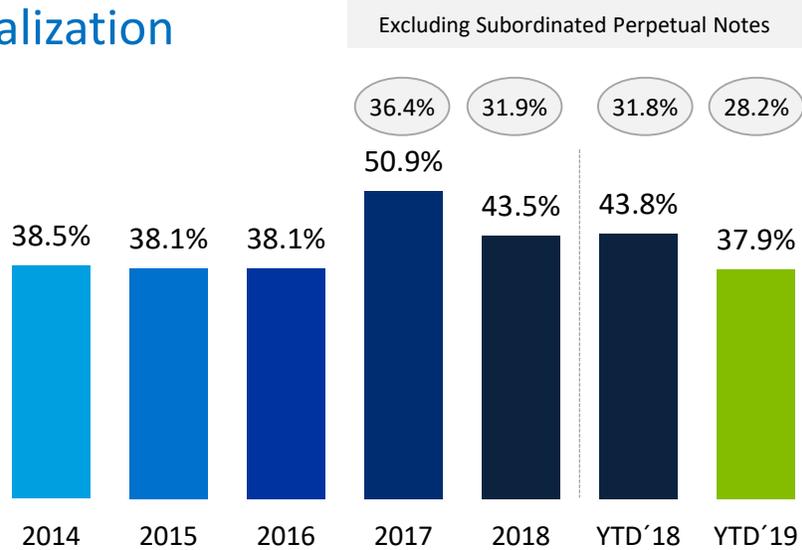
### ROAA



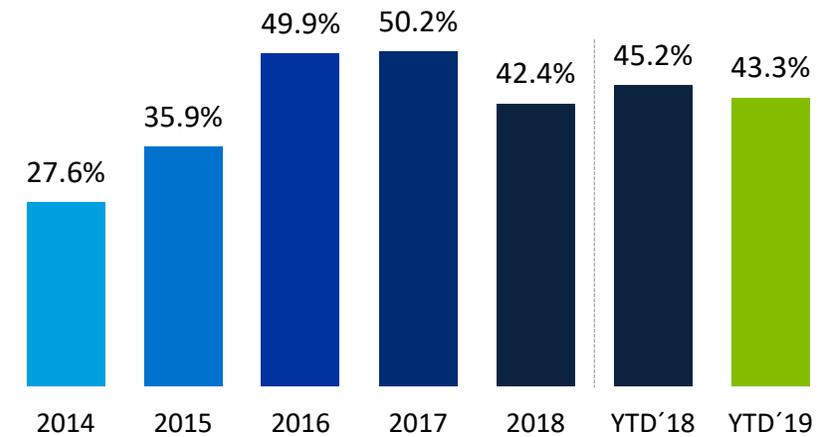
### ROAE



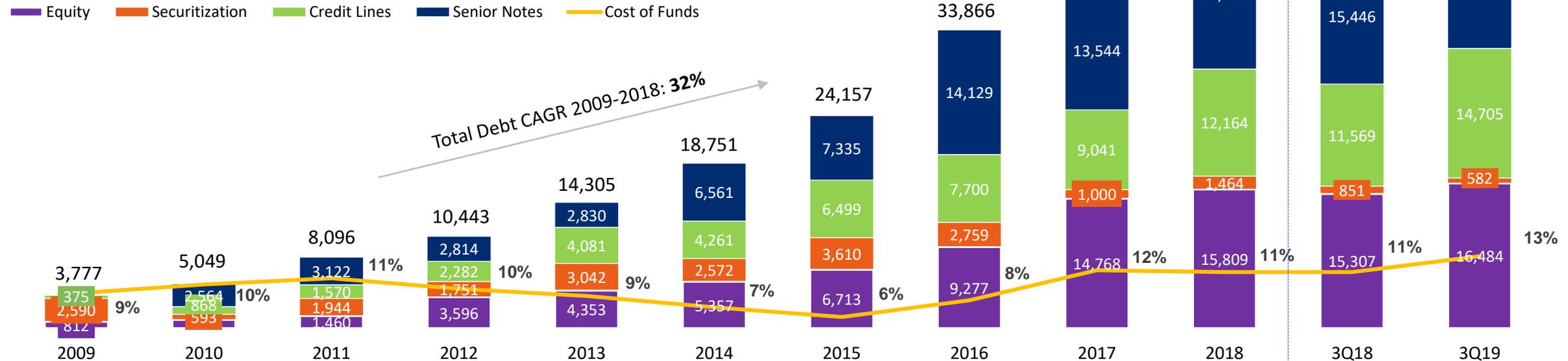
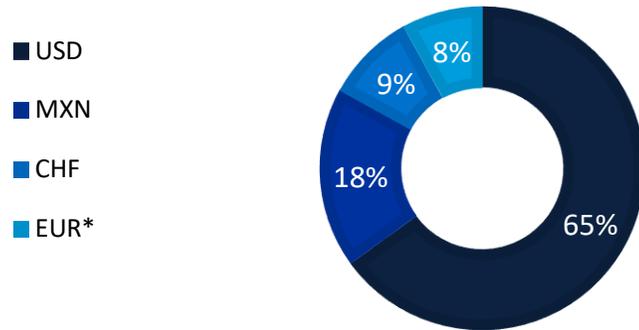
### Capitalization



### Efficiency



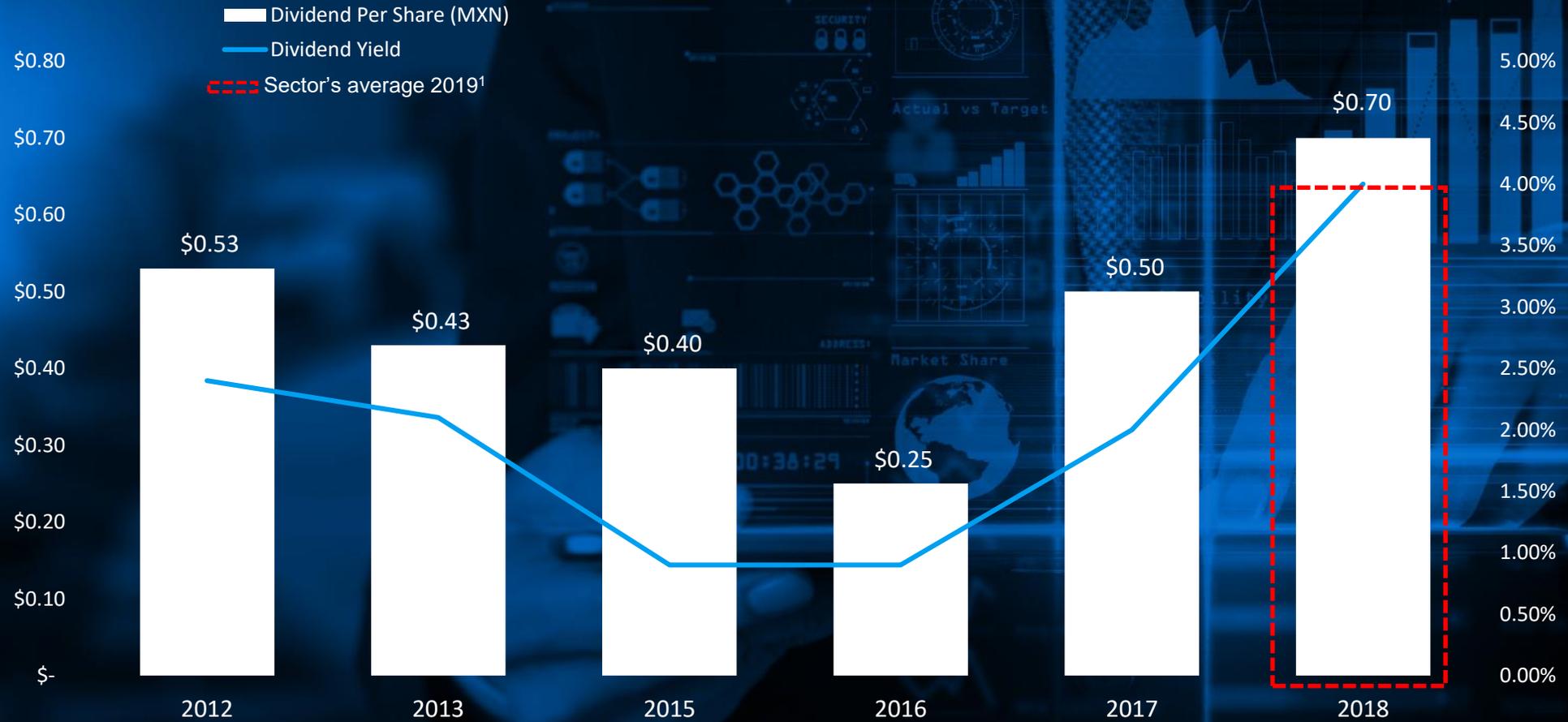
### Debt by currency



\*On October 1, 2019, Crédito Real issued EUR €350 million Senior Notes due 2027.

# GENERATING VALUE FOR SHAREHOLDERS

## Dividends



(1) Considering Genera, Unifin and Findep

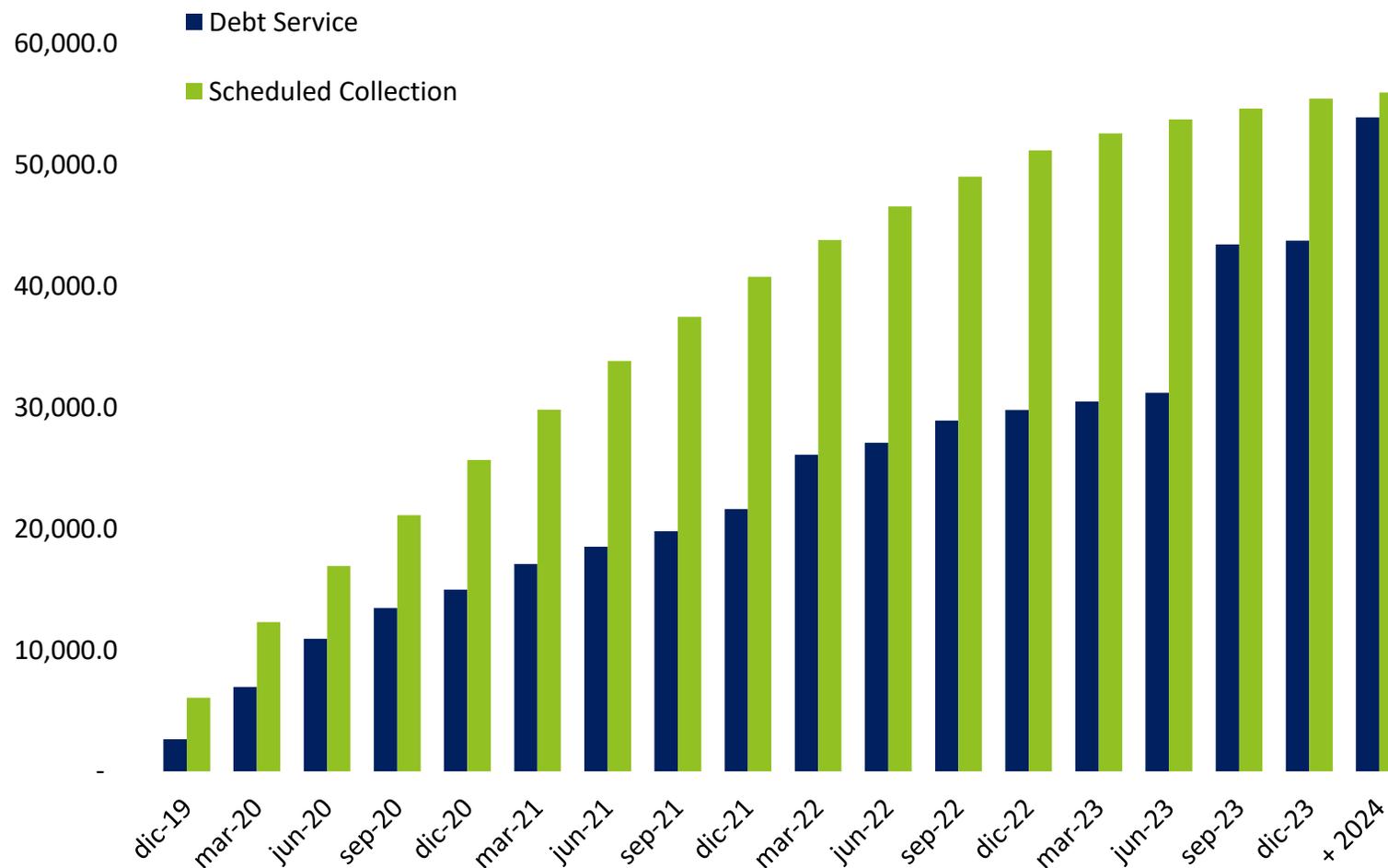
### Subsidiaries Return on Equity

|                | ROAE        |
|----------------|-------------|
| Payroll        | 6.5%        |
| Used Cars MX   | 51.2%       |
| CR USA         | 6.7%        |
| Consumer loans | 18.2%       |
| Others         | (17.8%)     |
| <b>ROE</b>     | <b>8.8%</b> |

### Collection (MXN Mn)

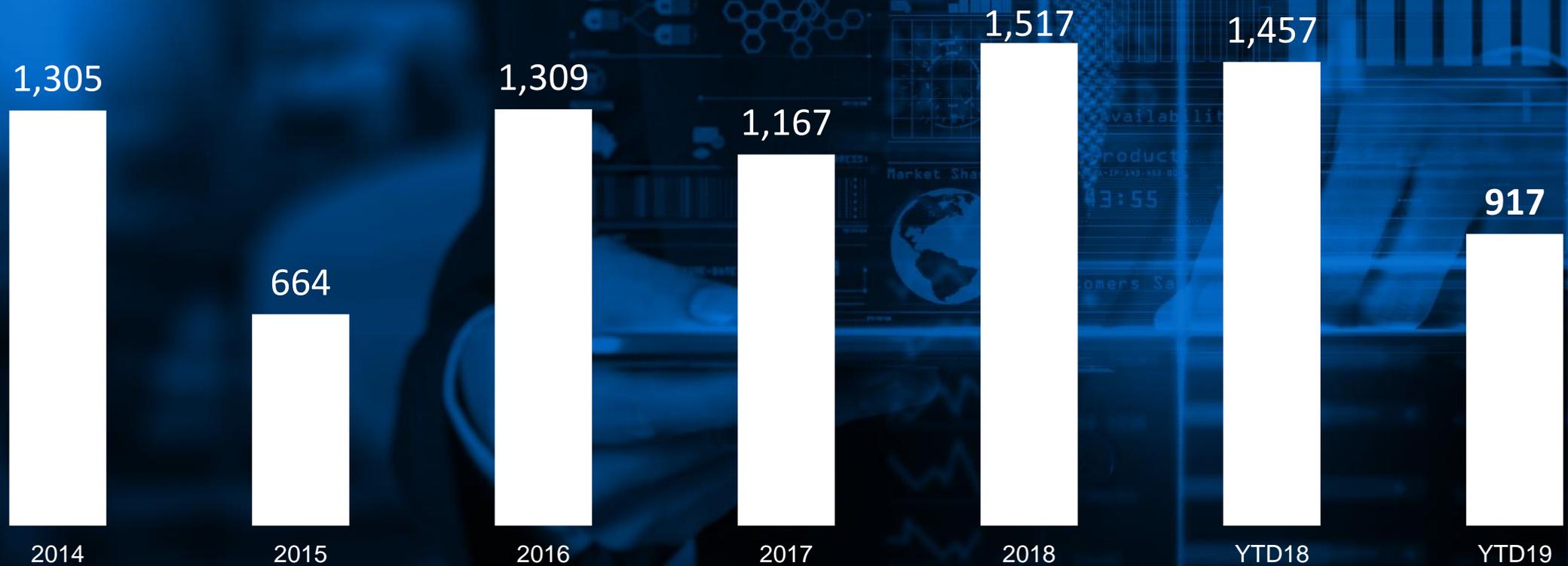
|                | 2018            | 9M19            |
|----------------|-----------------|-----------------|
| Payroll        | 9,423.9         | 7,481.6         |
| SMEs           | 3,411.7         | 3,821.6         |
| Used Cars      | 3,282.6         | 2,969.1         |
| Consumer loans | 4,204.8         | 3,232.5         |
| Others         | 6,694.8         | 5,260.3         |
| <b>Total</b>   | <b>27,017.8</b> | <b>22,765.1</b> |

### Liquidity profile



# ADEQUATE ASSET AND LIABILITY MANAGEMENT

Cash and cash equivalents (MXN Mn)



### 1 Portfolio Mix

|                           | Scenario A    |               | Scenario B    |               | Scenario C    |               |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                           | Portfolio     | %             | Portfolio     | %             | Portfolio     | %             |
| Payroll                   | 31,105        | 58.0%         | 32,178        | 60.0%         | 37,540        | 70.0%         |
| SMEs                      | 8,044         | 15.0%         | 10,726        | 20.0%         | 8,044         | 15.0%         |
| Used Cars MX              | 2,145         | 4.0%          | 1,609         | 3.0%          | 0             | 0.0%          |
| CR USA                    | 4,827         | 9.0%          | 2,681         | 5.0%          | 3,218         | 6.0%          |
| Instacredit               | 6,436         | 12.0%         | 5,363         | 10.0%         | 3,754         | 7.0%          |
| Others                    | 1,073         | 2.0%          | 1,073         | 2.0%          | 1,073         | 2.0%          |
| <b>Total</b>              | <b>53,629</b> | <b>100.0%</b> | <b>53,629</b> | <b>100.0%</b> | <b>53,629</b> | <b>100.0%</b> |
| <b>Yield</b>              | <b>30.5%</b>  |               | <b>30.0%</b>  |               | <b>29.7%</b>  |               |
| <b>NIM</b>                | <b>19.3%</b>  |               | <b>18.8%</b>  |               | <b>18.4%</b>  |               |
| <b>ROA</b>                | <b>4.0%</b>   |               | <b>3.9%</b>   |               | <b>3.8%</b>   |               |
| <b>ROE</b>                | <b>14.6%</b>  |               | <b>14.0%</b>  |               | <b>13.7%</b>  |               |
| <b>ROE (excluding PN)</b> | <b>19.2%</b>  |               | <b>18.5%</b>  |               | <b>18.0%</b>  |               |

# NIM OBSESSED

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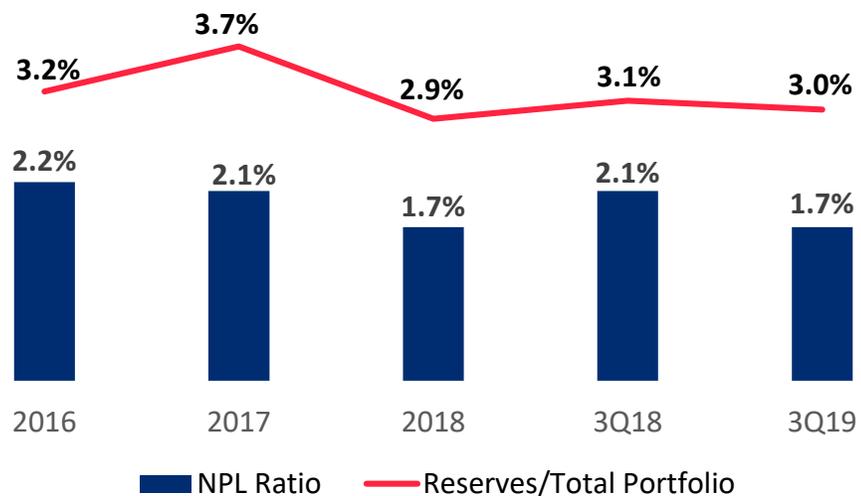
Used Cars  
Factoring  
SME's

## 2 Cost of Funds

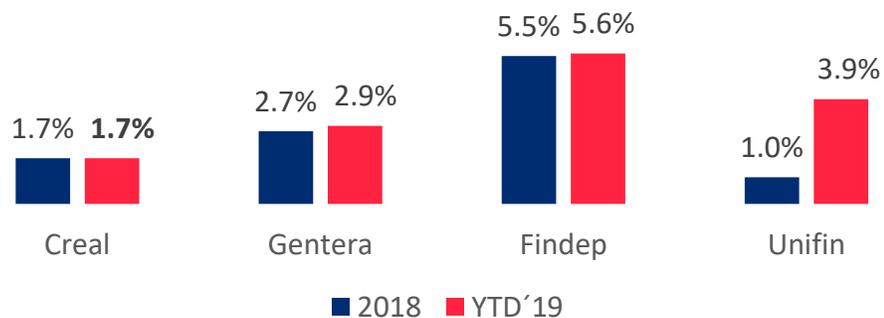
|               |              |
|---------------|--------------|
| Actual        | 13.3%        |
| New issuances | (0.5%)       |
| Estimated CoF | <b>12.8%</b> |

|                           | Scenario 1   | Scenario 2   | Scenario 3   |
|---------------------------|--------------|--------------|--------------|
|                           | -100 bps     | -50 bps      | -25 bps      |
| Interest rate cuts        | (0.3%)       | (0.2%)       | (0.1%)       |
| <b>CoF</b>                | <b>12.5%</b> | <b>12.6%</b> | <b>12.7%</b> |
| <b>NIM</b>                | <b>19.3%</b> | <b>19.1%</b> | <b>19.1%</b> |
| <b>ROA</b>                | <b>4.0%</b>  | <b>4.0%</b>  | <b>4.0%</b>  |
| <b>ROE</b>                | <b>14.6%</b> | <b>14.4%</b> | <b>14.3%</b> |
| <b>ROE (excluding PN)</b> | <b>19.2%</b> | <b>19.0%</b> | <b>18.9%</b> |

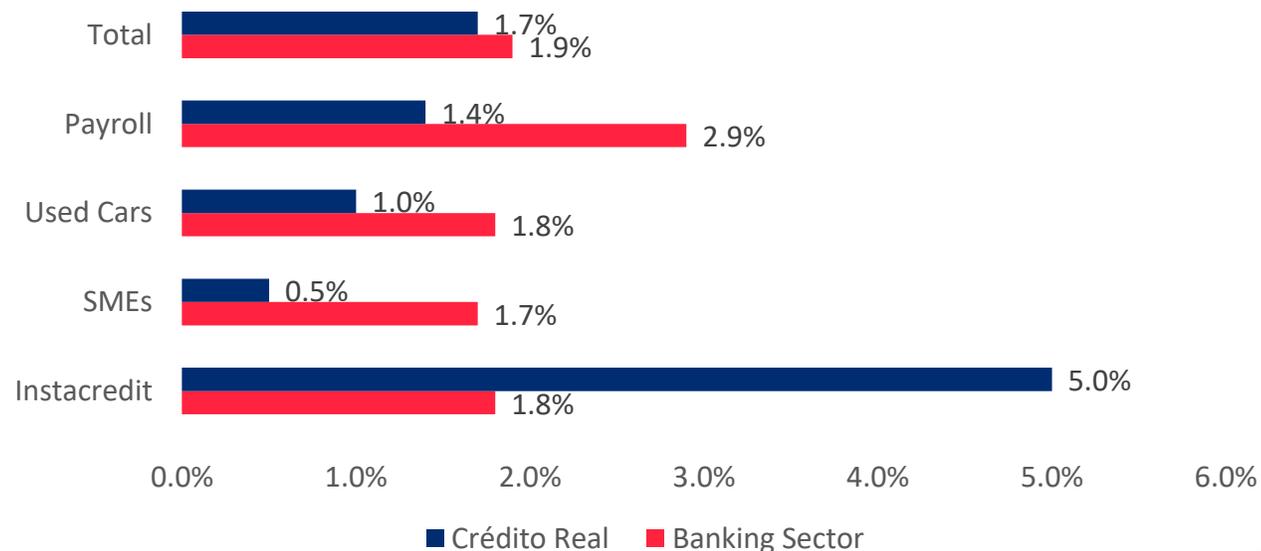
CRÉDITO REAL *day*<sup>®</sup>



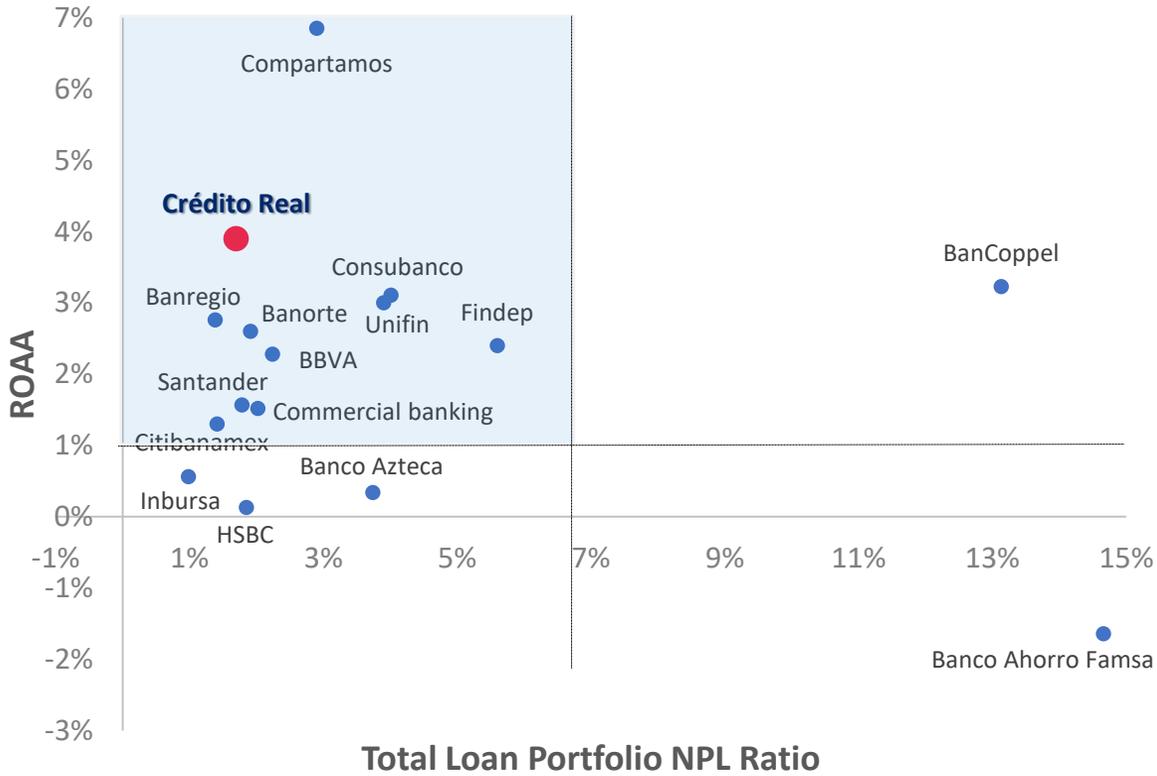
### NPLs ratios comparison



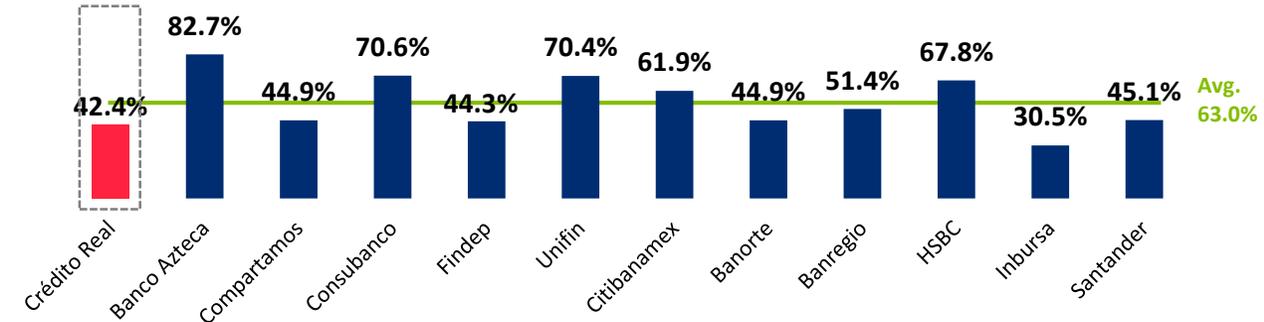
### Average NPLs comparison by product in 3Q19



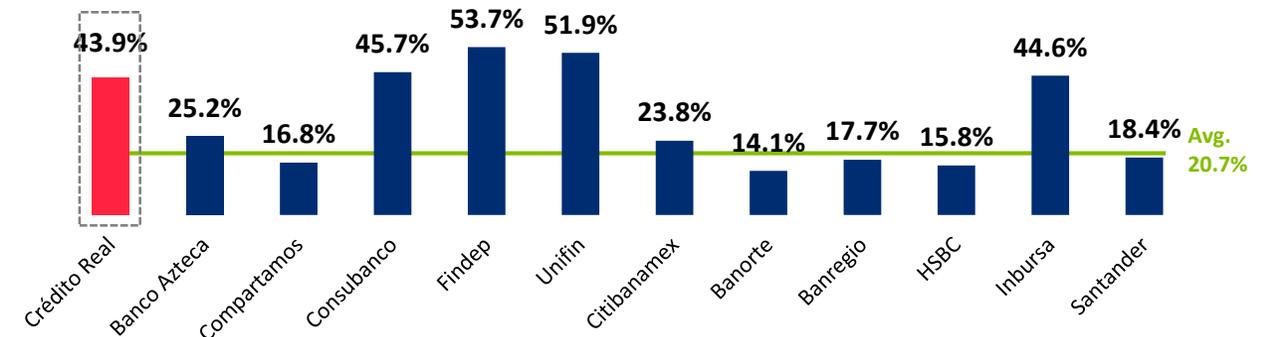
### ROAA & Consumer Loan Portfolio NPL Ratio



### Efficiency Ratio



### Capitalization Ratio



## Traditional Banks



Customers walking into branches



Competing with distributors with a loan portfolio and a regional presence



Standard credit analysis focused on mid - and high - income segments



Focus on high-income population with high credit penetration

# STRENGTHS AND OPPORTUNITIES

## Differentiators Crédito Real vs Traditional Banks

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## Crédito Real



Customer approach on site  
Train and develop sales force



Invest in partnerships  
Establish strategic Alliance  
Exclusivity agreements



Expert and parametric credit analysis  
(developed according to segment)



Focus on middle and low income population with low credit penetration

# CLOSING STATEMENTS





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