

Profit & Loss

<i>Ps. million</i>	1Q18	1Q17	% Var.	4Q17	% Var.
Interest Income	2,309.8	2,015.4	14.6	2,394.0	(3.5)
Interest Expense	(739.8)	(599.2)	23.5	(766.2)	(3.5)
Financial Margin	1,570.1	1,416.2	10.9	1,627.8	(3.5)
Provision for Loan Losses	(421.4)	(315.5)	33.6	(391.2)	7.7
Adjusted Financial Margin	1,148.6	1,100.7	4.4	1,236.6	(7.1)
Commissions and fees collected	182.1	203.1	(10.3)	227.2	(19.9)
Commissions and fees paid	(67.8)	(63.6)	6.7	(60.3)	12.5
Intermediation income	83.6	28.0	-	(1.6)	-
Other income from operations	62.9	98.5	(36.2)	143.8	(56.3)
Administrative and promotion expenses	(856.3)	(832.6)	2.8	(997.8)	(14.2)
Operating result	553.1	534.1	3.6	548.0	0.9
Income Taxes	(129.3)	(149.3)	(13.5)	(130.3)	(0.8)
Income before participation in the results of subsidiaries	423.9	384.7	10.2	417.7	1.5
Participation in the results of subsidiaries, associates and non-controlling participation	(1.2)	11.8	-	21.3	-
Net Income	422.7	396.5	6.6%	439.0	(3.7)

Balance Sheet

<i>Ps. million</i>	1Q18	1Q17	% Var.	4Q17	% Var.
Cash and cash equivalents	345.9	455.6	(24.1)	810.6	(57.3)
Investments in securities	1,004.6	714.9	40.5	356.3	-
Securities and derivatives transactions	776.6	276.0	181.3	1,920.9	(59.6)
Total performing loan portfolio	30,768.3	23,717.3	29.7	28,409.8	8.3
Total non-performing loan portfolio	587.6	516.7	13.7	605.2	(2.9)
Loan portfolio	31,355.9	24,234.1	29.4	29,015.0	8.1
Less: Allowance for loan losses	1,076.1	912.5	17.9	1,067.5	0.8
Loan portfolio (net)	30,279.8	23,321.6	29.8	27,947.5	8.3
Other accounts receivable (net)	4,688.8	3,828.2	22.5	4,803.1	(2.4)
Foreclosed assets (net)	-	-	-	3.3	-
Property, furniture and fixtures (net)	327.6	257.1	27.4	342.2	(4.3)
Long-term investments in shares	1,275.9	990.2	28.9	1,265.3	0.8
Deferred taxes (net)	-	-	-	329.80	-
Debt insurance costs, intangibles and others	4,132.8	4,035.2	2.4	4,458.5	(7.3)
Total assets	42,832.0	33,878.9	26.4	42,237.5	1.4
Notes payable (certificados bursatiles)	-	2,554.7	-	1,006.7	-
Senior notes payable	18,103.7	11,922.9	51.8	13,537.1	33.7
Bank loans and borrowings from other entities					
Short-term	1,216.4	4,749.7	(74.4)	2,927.9	(58.5)
Long-term	4,913.0	3,687.2	33.2	6,112.8	(19.6)
Total Bank Loans	6,129.4	8,436.9	(27.4)	9,040.6	(32.2)
Total Debt	24,233.1	22,914.5	5.8	23,584.5	2.8
Income taxes payable	336.2	290.1	15.9	407.1	(17.4)
Securities and derivative transactions	1,278.2	-	-	137.6	-
Other accounts payable	1,130.9	692.9	63.2	1,626.0	(30.5)
Deferred taxes	1,431.7	1,244.6	15.0	1,713.9	(16.5)
Total liabilities	28,410.0	25,142.2	13.0	27,469.2	3.4
Capital stock	2,131.0	2,102.2	1.4	2,122.8	0.4
Perpetual Notes	4,206.7	-	-	4,206.7	0.0
Accumulated results from prior years	7,225.0	5,655.5	27.8	5,575.5	29.6
Result from valuation of cash flow hedges, net	(181.1)	112.5	-	359.7	-
Cumulative translation adjustment	(137.6)	(113.6)	21.1	93.7	-
Controlling position in subsidiaries	755.3	583.6	29.4	748.9	0.9
Net Income	422.7	396.5	6.6	1,661.1	(74.6)
Total stockholders' equity	14,422.0	8,736.8	65.1	14,768.4	(2.3)
Total Liabilities and Stockholders' equity	42,832.0	33,878.9	26.4	42,237.5	1.4

Financial Ratios

	1Q18	1Q17	% Var.	4Q17	% Var.
Yield	30.6%	33.5%	(2.9)	34.4%	(3.8)
Net Interest Margin	20.8%	23.5%	(2.7)	23.4%	(2.6)
Return on Average Loan Portfolio	5.6%	6.6%	(1.0)	6.3%	(0.7)
ROAA: Return on average assets	4.0%	4.5%	(0.6)	4.5%	(0.5)
ROAE: Return on average stockholders' equity	11.6%	17.6%	(6.0)	14.5%	(3.0)
ROAE: Return on average stockholders' equity (excluding Perpetual Notes)	15.8%	17.6%	(1.8)	17.6%	(1.8)
Debt to Equity Ratio	1.7	2.6	(94.2)	1.6	8.3
Average cost of funds	10.5%	10.1%	0.4	11.7%	(1.2)
Efficiency ratio	46.7%	49.9%	(3.2)	52.5%	(5.8)
Capitalization Ratio	46.0%	36.1%	9.9	50.9%	(4.9)
Provisions for loan losses as a percentage of total loan portfolio	5.3%	5.2%	0.1	5.4%	(0.1)
Allowance for loan losses as a percentage of total past-due loan portfolio	183.1%	176.6%	6.6	176.4%	6.8
Total past-due loan portfolio as a percentage of total loan portfolio	1.9%	2.1%	(0.3)	2.1%	(0.2)

1Q18 Highlights

- **Consolidated loan portfolio** increased by 29.4% to reach Ps. 31,355.9 million at the end of 1Q18, compared to Ps. 24,234.1 million recorded at the end of 1Q17.
- **Financial margin** increased 10.9% to Ps. 1,570.1 million in 1Q18, compared to Ps. 1,416.2 million recorded during 1Q17. Therefore, the Net Interest Margin stood at 20.8% in 1Q18.
- **Net income** for 1Q18 increased 6.6% over 1Q17, reaching Ps. 422.7 million, compared to Ps. 396.5 million during 1Q17.
- **ROAE** reached 11.6% during the quarter, whilst **ROAA** was 4.0%. Excluding the Perpetual Notes, **ROAE** reached 15.8%.
- 1Q18 **average cost of funds** rose to 10.5%, representing an increase of 40 bps. when compared to 10.1% in 1Q17.
- **Provision for loan losses** reached Ps. 421.4 million compared to Ps. 315.5 million in 1Q17; whilst the non-performing loan (NPL) ratio decreased from 2.1% in 1Q17 to 1.9% in 1Q18.
- The **efficiency ratio** decreased from 49.9% in 1Q17 to 46.7% in 1Q18.
- The **capitalization ratio** increased to 46.0% in 1Q18, from 36.1% in 1Q17. Excluding the Perpetual Notes, the capitalization ratio reached 32.6% in 1Q18.
- During the quarter, the share of **fixed rate debt** represented 56% of the total consolidated debt.
- On January 31st, we completed the issuance of CHF\$170 million **Unsecured Non-callable Bonds** due 2022, with an interest rate of 2.875% per annum.

Summary of Operations

Loan Portfolio Summary

	1Q18					1Q17					
	Portfolio ¹	%	Customers	NPL's	Average Loan	Portfolio ¹	%	Customers	NPL's	Average Loan	Var. % Portfolio
Payroll	21,226.6	67.7%	386,263	1.3%	54,954	15,177.2	62.6%	341,445	1.9%	44,450	39.9
SMEs	2,358.4	7.5%	437	1.0%	5,396,724	1,577.8	6.5%	273	3.0%	5,779,354	49.5
Used Cars MX	761.7	2.4%	6,242	0.4%	122,029	465.5	1.9%	5,383	1.5%	86,480	63.6
Used Cars USA	2,028.6	6.5%	8,629	0.7%	235,086	2,177.2	9.0%	10,257	2.9%	212,269	(6.8)
Instacredit	4,406.4	14.1%	183,863	5.0%	23,966	4,212.6	17.4%	166,958	2.4%	25,232	4.6
Others ³	574.3	1.8%	254,534	4.8%	2,256	623.7	2.6%	252,087	1.2%	2,474	(7.9)
Total	31,355.9	100.0%	839,968	1.9%	37,330	24,234.1	100.0%	776,403	2.1%	31,213	29.4

Origination Summary

	1Q18 Origination ²	%	1Q17 Origination ²	%	Var. %
Payroll	1,597.8	28.9%	1,155.0	24.9%	38.3
SMEs	1,082.0	19.5%	853.3	18.4%	26.8
Used Cars MX	476.3	8.6%	93.7	2.0%	-
Used Cars USA	382.7	6.9%	415.1	8.9%	(7.8)
Instacredit	700.2	12.6%	935.5	20.1%	(25.1)
Others ³	1,298.0	23.4%	1,195.1	25.7%	8.6
Total	5,537.0	100.0%	4,647.7	100.0%	19.1

(1) and (2) figures are expressed in millions of pesos.

(3) Others is integrated by Durable Goods and Group Loans

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The shares of Credito Real are listed in the Mexican Stock Exchange under the ticker "CREAL*".

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