

Beyond your limits

Profit & Loss

MXN Mn	1Q21	1Q20	(%) Var.	1Q20 Proforma	1Q21 (million dollars) <sup>1</sup>	4Q20	(%) Var.
Interest income	2,804.4	2,692.3	4.2	2,625.4	137.2	2,499.2	12.2
Interest expense	(1,499.0)	(1,079.9)	38.8	(1,083.4)	(73.3)	(1,207.1)	24.2
<b>Financial margin</b>	<b>1,305.4</b>	<b>1,612.5</b>	<b>(19.0)</b>	<b>1,542.1</b>	<b>63.9</b>	<b>1,292.1</b>	<b>1.0</b>
Net provision for loan losses	(490.0)	(459.9)	6.5	(342.7)	(24.0)	(743.9)	(34.1)
<b>Risk-adjusted margin</b>	<b>815.4</b>	<b>1,152.5</b>	<b>(29.3)</b>	<b>1,199.3</b>	<b>39.9</b>	<b>548.2</b>	<b>48.7</b>
Commissions and fees collected	-	-	-	-	-	21.7	(99.9)
Commissions and fees paid	(79.4)	(64.2)	23.7	(64.2)	(3.9)	(65.5)	21.2
Intermediation income	(26.1)	61.3	-	61.3	(1.3)	(110.8)	(76.4)
Other income from operations	367.6	88.7	-	386.9	18.0	394.9	(6.9)
Administrative and promotion expenses	(894.6)	(772.5)	15.8	(804.1)	(43.8)	(659.7)	35.6
Depreciation expense	(115.8)	-	-	(180.5)	(5.7)	(192.5)	(39.8)
<b>Operating result</b>	<b>67.1</b>	<b>465.9</b>	<b>(85.6)</b>	<b>598.8</b>	<b>3.3</b>	<b>(63.7)</b>	<b>-</b>
Income taxes	(12.5)	(127.5)	(90.2)	(167.3)	(0.6)	86.7	-
Income before participation in the results of subsidiaries	54.6	338.5	(83.9)	431.5	2.7	23.0	-
Participation in the results of subsidiaries, associates and non-controlling participation	34.8	(33.0)	-	(28.9)	1.7	97.7	(64.4)
<b>Net income</b>	<b>89.4</b>	<b>305.5</b>	<b>(70.7)</b>	<b>402.6</b>	<b>4.4</b>	<b>120.7</b>	<b>(25.9)</b>

Balance Sheet

MXN Mn	1Q21	1Q20	(%) Var.	1Q21 (million dollars) <sup>1</sup>	4Q20	(%) Var.
Cash and cash equivalents	414.6	1,919.4	(78.4)	20.3	1,097.4	(62.2)
Investments in securities	5,225.7	865.3	-	255.7	1,091.7	-
Securities and derivatives transactions	2,270.4	7,426.0	(69.4)	111.1	1,964.5	15.6
Total performing loan portfolio	49,826.2	48,898.1	1.9	2,437.7	45,920.8	8.5
Total non-performing loan portfolio	2,037.2	765.9	-	99.7	1,589.1	28.2
Loan portfolio	51,863.4	49,664.0	4.4	2,537.3	47,509.9	9.2
Less: Allowance for loan losses	2,393.2	1,678.3	42.6	117.1	2,031.6	17.8
Loan portfolio (net)	49,470.2	47,985.7	3.1	2,420.3	45,478.3	8.8
Factoring portfolio	-	165.9	-	-	701.4	-
Other accounts receivable (net)	8,576.3	7,158.5	19.8	419.6	8,678.0	(1.2)
Foreclosed assets (net)	1,339.7	24.8	-	65.5	1,343.1	(0.2)
Property, furniture and fixtures (net)	3,330.0	651.3	-	162.9	3,512.2	(5.2)
Long-term investments in shares	1,307.1	1,294.5	1.0	63.9	1,244.3	5.1
Debt insurance costs, intangibles and others	5,218.5	5,479.0	(4.8)	255.3	5,206.0	0.2
<b>Total assets</b>	<b>77,152.6</b>	<b>72,970.3</b>	<b>5.7</b>	<b>3,774.6</b>	<b>70,316.9</b>	<b>9.7</b>
Notes payable (securitizations)	1,170.2	1,128.0	3.7	57.3	761.0	53.8
Senior notes payable	33,858.7	31,271.4	8.3	1,656.5	27,705.9	22.2
Bank loans and borrowings from other entities (short-term)	12,406.6	8,770.9	41.5	607.0	13,780.3	(10.0)
Bank loans and borrowings from other entities (long-term)	9,424.7	9,674.6	(2.6)	461.1	7,578.9	24.4
Total bank loans	21,831.3	18,445.6	18.4	1,068.1	21,359.3	2.2
<b>Total debt</b>	<b>56,860.2</b>	<b>50,845.0</b>	<b>11.8</b>	<b>2,781.8</b>	<b>49,826.1</b>	<b>14.1</b>
Income taxes payable	40.5	322.5	(87.5)	2.0	323.9	(87.5)
Securities and derivatives transactions	-	-	-	-	619.7	-
Other accounts payable	1,270.6	540.8	-	62.2	1,691.2	(24.9)
Deferred taxes	1,778.4	2,125.4	(16.3)	87.0	1,787.4	(0.5)
Total liabilities	59,949.6	53,833.7	11.4	2,933.0	54,248.4	10.5
Capital stock	1,635.6	1,786.9	(8.5)	80.0	1,649.5	(0.8)
Perpetual notes	4,206.7	4,206.7	-	205.8	4,206.7	-
Accumulated results from prior years	10,230.5	9,898.1	3.4	500.5	9,407.9	8.7
Result from valuation of cash flow hedges, net	(157.3)	937.9	-	(7.7)	(1,054.0)	(85.1)
Cumulative translation adjustment	143.2	825.5	(82.7)	7.0	69.9	-
Controlling position in subsidiaries	1,055.0	1,176.3	(10.3)	51.6	1,032.3	2.2
Net income	89.4	305.4	(70.7)	4.4	756.4	(88.2)
Total stockholders' equity	17,203.0	19,136.7	(10.1)	841.6	16,068.5	7.1
<b>Total liabilities and stockholders' equity</b>	<b>77,152.6</b>	<b>72,970.3</b>	<b>5.7</b>	<b>3,774.6</b>	<b>70,316.9</b>	<b>9.7</b>

Financial Ratios

	1Q21	1Q20	(%) Var.	4Q20	(%) Var.
Total Yield	23.4%	-	-	21.9%	1.5
Yield	22.4%	22.3%	0.1	20.8%	1.6
Net interest margin	10.4%	13.4%	(2.9)	10.8%	(0.4)
Return on average loan portfolio	0.7%	2.5%	(1.8)	1.0%	(0.3)
ROAA: return on average assets	0.5%	1.8%	(1.3)	0.7%	(0.2)
ROAE: return on average stockholders' equity	2.1%	6.9%	(4.8)	2.9%	(0.8)
ROAE: return on average stockholders' equity (excluding perpetual notes)	2.9%	9.1%	(6.2)	3.8%	(0.9)
Debt to equity ratio	3.3x	2.7x	0.6	3.1x	0.2
Debt to equity ratio (excluding perpetual notes)	4.4x	3.4x	1.0	4.2x	0.2
Average cost of funds	11.2%	9.4%	1.9	9.4%	1.8
Efficiency ratio	62.5%	49.9%	12.7	47.8%	14.7
Capitalization ratio	31.4%	38.4%	(7.0)	31.4%	-
Capitalization ratio (excluding perpetual notes)	23.8%	30.1%	(5.0)	23.2%	0.6
Provisions for loan losses as a percentage of total loan portfolio	3.8%	3.7%	0.1	6.3%	(2.5)
Allowance for loan losses as a percentage of total past-due loan portfolio	117.5%	219.1%	-	127.8%	(10.3)
Total past-due loan portfolio as a percentage of total loan portfolio	3.9%	1.5%	2.4	3.3%	0.6

## 1Q21 Highlights

- On January 8th, the Company announced [the joint-acquisition and full settlement of a package of credit rights and collection rights](#), as well as trust rights, held by Ba Famsa, through a SPV with Promecap and an investment fund managed by Credit Suisse.
- On January 22nd, Crédito Real announced that it completed the international issuance of [US\\$500 million Senior Notes 2028](#), at an 8.00% semi-annual coupon, whose resources were partially used for refinancing debt.
- On January 25th, pursuant to its funding strategy focused on the achievement of alternative funding sources, the Company announced the closing of a [credit line for US\\$100 million](#) and a 7-year term, with [U.S. International DFC](#). The proceeds will be used to [support women-owned businesses](#).
- On March 18th, the Company decided to [separate the positions of CEO and Chairman](#) from its single holder, Ángel Romanos. In this sense, Carlos Ochoa (who had been serving as Deputy CEO and CFO) will take Ángel's position as CEO of the Company while the latter will continue, under a 100% strategical role, to work hand-in-hand with Carlos to deliver incremental value to our stakeholders drawing from a [bolstered corporate governance](#). It is also relevant to note that as a part of these efforts, the Board will absorb the functions previously conducted by our executive committee.
- On April 20th, [CRUSAFin](#), our US-based near-prime auto-lending subsidiary, [issued approximately US\\$130 million](#) worth of notes through an [ABS structure](#). Levering its solid financials and strong operating performance, this transaction was pursued by CRUSAFin to bolster growth by enhancing both its cost-of-funding and capital structure. We view this deal, CRUSAFin's first-ever offering in the capital markets, as very successful, for the coupon turned out lower than estimated and the demand came in at over 4x oversubscription.
- On April 22nd, the Company successfully [renewed a US\\$50 million credit facility with BNP Paribas](#). The renewal was made for a one-year period and provides for better interest rate conditions than the prior loan.
- On April 23rd, the Company held its [Ordinary Shareholders' Meeting](#) where the results for the fiscal year ended 31, 2020, among other were approved.

## Summary of Operations

### Loan portfolio summary

	1Q21					1Q20					(%). Var. Portfolio
	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	
Payroll	31,768.0	58.1%	471,487	1.7%	67,378	28,432.7	57.1%	442,569	1.1%	64,245	11.7
SMEs <sup>3</sup>	12,519.3	22.9%	3,544	12.0% <sup>5</sup>	3,532,525	10,703.4	21.5%	3,307	0.5% <sup>5</sup>	3,236,595	17.0
Used Cars	4,073.0	7.4%	23,931	1.5%	170,198	4,050.5	8.1%	23,149	1.8%	174,974	0.6
Personal	5,160.8	9.4%	155,321	4.2%	33,227	5,993.1	12.0%	171,268	4.7%	34,992	(13.9)
Others <sup>4</sup>	1,184.6	2.2%	348,430	4.0%	3,400	647.2	1.3%	267,496	4.3%	2,420	83.0
<b>Total</b>	<b>54,705.7</b>	<b>100.0%</b>	<b>1,002,713</b>	<b>3.9%<sup>5</sup></b>	<b>54,558</b>	<b>49,826.9</b>	<b>100.0%</b>	<b>907,789</b>	<b>1.5%<sup>5</sup></b>	<b>54,888</b>	<b>9.8</b>

### Origination summary

	1Q21 Origination <sup>2</sup>	(%)	1Q20 Origination <sup>2</sup>	(%)	(%) Var.
Payroll	2,342.3	28.9%	1,225.3	15.2%	91.2
SMEs <sup>3</sup>	1,940.9	24.0%	3,150.6	39.0%	(38.4)
Used Cars	650.7	8.0%	714.4	8.8%	(8.9)
Personal	908.2	11.2%	919.6	11.4%	(1.2)
Others <sup>4</sup>	2,251.6	27.8%	2,066.0	25.6%	9.0
<b>Total</b>	<b>8,093.7</b>	<b>100.0%</b>	<b>8,076.0</b>	<b>100.0%</b>	<b>0.2</b>

(1) Figures are expressed in millions of dollars at period-end exchange rate: \$20.4400

(2) Figures are expressed in millions of pesos.

(3) Includes Ps. 2,842.3 million from the leasing portfolio registered in fixed assets. The Ps. 632.7 million factoring portfolio, previously recorded in other accounts receivable, as of this quarter is registered in loan portfolio due to recommendation from the Company's external auditor. In 1Q20, the factoring portfolio amounted Ps. 165.9 million.

(4) Integrates by Group Loans and Durable Goods. Includes strategic alliances.

(5) Related to loan portfolio which excludes the leasing portfolios previously detailed.

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