

Beyond your limits

Profit & Loss

Ps. million	2Q21	2Q20	(%) Var.	2Q21 (USD Mn) <sup>1</sup>	1H21	1H20	(%) Var.	1H21 (USD Mn) <sup>1</sup>
Interest income	2,744.4	2,399.8	14.4	137.9	5,548.7	5,092.2	9.0	278.7
Interest expense	(1,435.9)	(1,181.2)	21.6	(72.1)	(2,934.9)	(2,261.1)	29.8	(147.4)
<b>Financial margin</b>	<b>1,308.5</b>	<b>1,218.6</b>	<b>7.4</b>	<b>65.7</b>	<b>2,613.8</b>	<b>2,831.1</b>	<b>(7.7)</b>	<b>131.3</b>
Net provision for loan losses	(318.9)	(404.4)	(21.2)	(16.0)	(808.9)	(864.4)	(6.4)	(40.6)
<b>Risk-adjusted margin</b>	<b>989.6</b>	<b>814.2</b>	<b>21.5</b>	<b>49.7</b>	<b>1,805.0</b>	<b>1,966.7</b>	<b>(8.2)</b>	<b>90.7</b>
Commissions and fees collected	-	78.5	-	-	-	78.4	-	-
Commissions and fees paid	(66.2)	(55.1)	20.1	(3.3)	(145.6)	(119.2)	22.2	(7.3)
Intermediation income	(28.3)	1.9	-	(1.4)	(54.4)	63.2	-	(2.7)
Other income from operations	387.5	304.7	27.1	19.5	755.1	393.5	91.9	37.9
Administrative and promotion expenses	(931.9)	(785.1)	18.7	(46.8)	(1,826.6)	(1,557.6)	17.3	(91.8)
Depreciation expense	(115.2)	(154.6)	(25.5)	(5.8)	(231.0)	(154.6)	49.4	(11.6)
<b>Operating result</b>	<b>235.4</b>	<b>204.5</b>	<b>15.1</b>	<b>11.8</b>	<b>302.5</b>	<b>670.4</b>	<b>(54.9)</b>	<b>15.2</b>
Income taxes	(60.7)	(25.5)	-	(3.0)	(73.2)	(153.0)	(52.2)	(3.7)
Income before participation in the results of subsidiaries	174.7	179.0	(2.4)	8.8	229.3	517.5	(55.7)	11.5
Participation in the results of subsidiaries, associates and non-controlling participation	18.5	(47.7)	-	0.9	53.3	(80.7)	-	2.7
<b>Net income</b>	<b>193.2</b>	<b>131.4</b>	<b>47.1</b>	<b>9.7</b>	<b>282.6</b>	<b>436.8</b>	<b>(35.3)</b>	<b>14.2</b>

Balance Sheet

Ps. million	2Q21	2Q20	(%) Var.	2Q21 (USD Mn) <sup>1</sup>	4Q20	(%) Var.
Cash and cash equivalents	1,049.2	1,129.2	(7.1)	52.7	1,097.4	(4.4)
Investments in securities	2,423.3	1,801.1	34.5	121.7	1,091.7	-
Securities and derivatives transactions	2,491.1	6,500.7	(61.7)	125.1	1,964.5	26.8
Total performing loan portfolio	50,757.1	46,479.2	9.2	2,549.8	45,920.8	10.5
Total non-performing loan portfolio	1,997.1	695.0	-	100.3	1,589.1	25.7
Loan portfolio	52,754.2	47,174.2	11.8	2,650.1	47,509.9	11.0
Less: allowance for loan losses	2,446.5	1,708.1	43.2	122.9	2,031.6	20.4
Loan portfolio (net)	50,307.7	45,466.0	10.6	2,527.2	45,478.3	10.6
Factoring Loan Portfolio	-	1,957.1	-	-	701.4	-
Other accounts receivable (net)	8,409.5	7,499.5	12.1	422.5	8,677.9	(3.1)
Foreclosed assets (net)	1,417.5	25.6	-	71.2	1,343.1	5.5
Property, furniture and fixtures (net)	3,248.2	3,511.4	(7.5)	163.2	3,512.2	(7.5)
Long-term investments in shares	1,315.2	1,251.5	5.1	66.1	1,244.3	5.7
Debt insurance costs, intangibles and others	5,570.8	5,511.5	1.1	279.9	5,206.0	7.0
<b>Total assets</b>	<b>76,232.5</b>	<b>74,653.6</b>	<b>2.1</b>	<b>3,829.6</b>	<b>70,316.9</b>	<b>8.4</b>
Notes payable	3,490.3	1,013.5	-	175.3	761.0	-
Senior Notes payable	33,471.2	31,596.8	5.9	1,681.4	27,705.9	20.8
Bank loans and borrowings from other entities						
Short-term	11,308.5	9,835.6	15.0	568.1	13,780.3	(17.9)
Long-term	7,912.3	10,582.9	(25.2)	397.5	7,578.9	4.4
Total Bank loans	19,220.8	20,418.5	(5.9)	965.6	21,359.3	(10.0)
<b>Total debt</b>	<b>56,182.2</b>	<b>53,028.8</b>	<b>5.9</b>	<b>2,822.3</b>	<b>49,826.1</b>	<b>12.8</b>
Income taxes payable	22.5	313.0	(92.8)	1.1	323.9	(93.0)
Securities and derivatives transactions	-	-	-	-	619.7	-
Other accounts payable	806.8	905.4	(10.9)	40.5	1,691.2	(52.3)
Deferred taxes	1,697.3	2,550.5	(33.5)	85.3	1,787.4	(5.0)
<b>Total liabilities</b>	<b>58,708.8</b>	<b>56,797.7</b>	<b>3.4</b>	<b>2,949.3</b>	<b>54,248.4</b>	<b>8.2</b>
Capital stock	1,704.1	1,738.6	(2.0)	85.6	1,649.5	3.3
Perpetual notes	4,206.7	4,206.7	-	211.3	4,206.7	-
Retained earnings	9,627.5	9,660.2	(0.3)	483.6	9,407.9	2.3
Result from valuation of cash flow hedges, net	679.0	(174.7)	-	34.1	(1,054.0)	-
Cumulative translation adjustment	58.5	758.4	(92.3)	2.9	69.9	(16.3)
Controlling position in subsidiaries	965.1	1,230.0	(21.5)	48.5	1,032.3	(6.5)
Net income	282.6	436.8	(35.3)	14.2	756.4	(62.6)
<b>Total stockholders' equity</b>	<b>17,523.6</b>	<b>17,856.0</b>	<b>(1.9)</b>	<b>880.3</b>	<b>16,068.5</b>	<b>9.1</b>
<b>Total liabilities and stockholders' equity</b>	<b>76,232.5</b>	<b>74,653.6</b>	<b>2.1</b>	<b>3,829.6</b>	<b>70,316.9</b>	<b>8.4</b>

Financial Ratios

	2Q21	2Q20	(%) Var.	1H21	1H20	(%) Var.
Total Yield	22.1%	21.8%	0.4	22.9%	22.0%	0.9
Yield	21.0%	19.8%	1.2	21.9%	21.2%	0.6
Net Interest Margin	10.0%	10.1%	(0.1)	10.3%	11.8%	(1.5)
Return on Average Loan Portfolio	1.5%	1.1%	0.4	1.1%	1.8%	(0.7)
ROAA: Return on average assets	1.0%	0.7%	0.3	0.8%	1.3%	(0.5)
ROAE: Return on average stockholders' equity	4.5%	2.8%	1.6	3.3%	4.9%	(1.6)
ROAE: Return on average stockholders' equity (excluding Perpetual Notes)	5.9%	3.7%	2.2	4.4%	6.5%	(2.0)
Debt to Equity Ratio	3.2x	3.0x	0.2			
Debt to Equity Ratio (excluding Perpetual Notes)	4.2x	3.9x	0.3			
Average cost of funds	10.2%	9.1%	1.1	10.8%	9.3%	1.5
Efficiency ratio	63.1%	62.1%	1.0	62.9%	55.4%	7.4
Capitalization Ratio (Loan portfolio)	33.2%	37.9%	(4.6)			
Capitalization Ratio (Total portfolio)	31.7%	34.4%	(2.7)			
Capitalization Ratio (Total portfolio and excluding Perpetual Notes)	24.1%	26.3%	(2.2)			
Provisions for loan losses as a percentage of total loan portfolio	2.4%	3.3%	(0.9)	3.1%	3.7%	(0.6)
Allowance for loan losses as a percentage of total past-due loan portfolio	122.5%	245.8%	-			
Total past-due loan portfolio as a percentage of total loan portfolio	3.8%	1.5%	2.3			

## 2Q21 Highlights

- Crédito Real's **net income** significantly increased QoQ as well as YoY, totaling Ps. 193.2 million in 2Q21, compared to Ps. 89.4 million in 1Q21 and Ps. 131.4 million in 2Q20 (+116.1% QoQ and +47.1% YoY). In addition to macro recovery effects, the strategy adopted at the beginning of the year – refocusing our capital allocation on portfolios of larger resiliency and better risk-adjusted returns before COVID-19 challenges – provided a significant impulse for these results.
- 2Q21 collections** reached pre-pandemic levels, well **above the Ps. 8 billion mark**: a record-high collection for pandemic times, equivalent to a 7% increase QoQ. Higher collections and improved operating dynamics in most segments, coupled with the right risk-mitigation approach and the Company's strategic focus on the best performing segments of our business, have enabled the NPL ratio to decrease to 3.8% in 2Q21, from 3.9% in 1Q21.
- During the quarter, the Company has **successfully refinanced approximately Ps. 5 billion** (or ~US\$250 million) of its debt maturities for 2021. This includes the credit lines with BNP, Banorte, BBVA, Citibanamex, Mifel, Multiva, Santander, among others. Moreover, total debt decreased QoQ to Ps. 56,182.2 million in 2Q21, from Ps. 56,860.2 million in 1Q21, as positively reflected in the **debt-to-equity ratio decreasing to 3.2x** in 2Q21, from 3.3x in 1Q21.
- During the year, **the Company has repurchased 10.8 million shares** at market price, through its **stock buyback program**, which accounts for approximately **2.9% of the total outstanding shares**. The foregoing, with the aim to strengthen the Company's positioning in the stock market given its stock's current market valuation.
- On June 28<sup>th</sup>, the Company announced, **for second consecutive year**, that it was included in the **"S&P/BMV Total Mexico ESG Index"**. This evidences the recognition of the Company's leadership in ESG (acronym for "Environmental, Social and Governance"). Out of the 186 companies listed on the BMV, only 29 are distinguished with inclusion in such index. **Crédito Real is the only non-bank financial institution** included in this index.
- On June 30<sup>th</sup>, the Company held its Annual Ordinary Shareholders' Meeting where **the postponement of the 2019 dividend payment** was approved.

## Summary of Operations

### Loan portfolio summary

	2Q21					2Q20					
	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	(%) Var. Portfolio
Payroll	32,184.1	58.2%	478,556	1.8%	67,252	28,995.4	55.8%	446,155	1.8%	64,990	11.0
SMEs <sup>3</sup>	12,358.8	22.3%	3,676	11.6% <sup>5</sup>	3,362,025	12,613.2	24.3%	3,181	0.4% <sup>5</sup>	3,965,166	(2.0)
Used Cars	4,320.0	7.8%	23,584	1.2%	183,173	4,038.6	7.8%	21,791	1.1%	185,335	7.0
Personal	4,989.5	9.0%	162,805	4.8%	30,647	5,793.9	11.2%	159,178	1.3%	36,399	(13.9)
Other <sup>4</sup>	1,460.4	2.6%	407,124	0.0%	3,587	501.7	1.0%	257,367	5.9%	1,949	-
Total	55,312.8	100.0%	1,075,745	3.8% <sup>56</sup>	51,418	51,942.9	100.0%	887,672	1.5% <sup>5</sup>	58,516	6.5

### Origination summary

	2Q21			2Q20			1H21			1H20		
	Origination <sup>2</sup>	(%)	(%) Var.	Origination <sup>2</sup>	%	(%) Var.	Origination <sup>2</sup>	(%)	(%) Var.	Origination <sup>2</sup>	%	(%) Var.
Mexico												
Payroll	1,489.0	20.1%	64.0	908.1	11.4%	64.0	3,831.3	24.7%	79.6	2,133.5	13.3%	79.6
SMEs	1,747.3	23.6%	(62.6)	4,673.6	58.7%	(62.6)	3,688.3	23.8%	(52.9)	7,824.2	48.8%	(52.9)
Used Cars	859.8	11.6%	-	248.5	3.1%	-	1,510.5	9.7%	56.9	962.9	6.0%	56.9
Personal	1,028.2	13.9%	97.2	521.5	6.6%	97.2	1,936.5	12.5%	34.4	1,441.1	9.0%	34.4
Others	2,284.9	30.8%	42.0	1,609.6	20.2%	42.0	4,536.5	29.3%	23.4	3,675.6	22.9%	23.4
Total	7,409.4	100.0%	(6.9)	7,961.3	100.0%	(6.9)	15,503.0	100.0%	(3.3)	16,037.3	100.0%	(3.3)

(1) Figures are expressed in millions of dollars at period-end exchange rate: \$19.9062

(2) Figures are expressed in millions of pesos.

(3) Includes Ps. 2,558.6 million and Ps. 2,811.6 million from the leasing portfolio in 2Q21 and 2Q20, respectively, registered in fixed assets. Also, the factoring portfolio, which is included in the loan portfolio since the 1Q21, amounted Ps. 391.1 million in 2Q21, compared to Ps. 1,957.1 million in 2Q20.

(4) Includes Group Loans and Durable Goods, as well as strategic alliances.

(5) Related to loan portfolio which excludes the leasing portfolio in 2021; and, leasing and factoring portfolios in 2020, previously detailed.

(6) It is worth noting that this metric was significantly impacted by a non-performing loan in the SMEs segment, excluding this loan, the NPL ratio would be 2.5% (as clarified in item #5, the NPL figure does not include the leasing portfolio).

## Investor Relations Contacts

**Renata González Muñoz** Telephone: 52 (55) 5228 9753 Email: [rgonzalez@creditoreal.com.mx](mailto:rgonzalez@creditoreal.com.mx)

**Eduardo Hanono Gómez** Telephone: 52 (55) 5340 5200, Ext. 2182 Email: [ehanono@creditoreal.com.mx](mailto:ehanono@creditoreal.com.mx)

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