

Profit & Loss

<i>Ps. million</i>	3Q18	3Q17	% Var.	3Q18 ¹ (USD)	YTD'18	YTD'17	% Var.	YTD'18 ¹ (USD)
Interest Income	2,562.0	2,065.8	24.0	136.8	7,465.7	6,110.8	22.2	398.7
Interest Expense	(833.0)	(669.5)	24.4	(44.5)	(2,428.9)	(1,924.1)	26.2	(129.7)
Financial Margin	1,728.9	1,396.3	23.8	92.3	5,036.8	4,186.8	20.3	269.0
Provision for Loan Losses	(472.0)	(354.9)	33.0	(25.2)	(1,348.3)	(951.9)	41.6	(72.0)
Adjusted Financial Margin	1,256.9	1,041.4	20.7	67.1	3,688.5	3,234.8	14.0	197.0
Commissions and fees collected	188.2	186.8	0.7	10.1	564.0	602.1	(6.3)	30.1
Commissions and fees paid	(55.9)	(54.6)	2.3	(3.0)	(177.8)	(174.3)	2.0	(9.5)
Intermediation income	31.4	126.4	(75.1)	1.7	81.1	109.5	(26.0)	4.3
Other income from operations	157.6	81.2	94.0	8.4	330.8	265.1	24.8	17.7
Administrative and promotion expenses	(941.4)	(806.1)	16.8	(50.3)	(2,704.5)	(2,419.7)	11.8	(144.4)
Operating result	636.8	575.1	10.7	34.0	1,782.0	1,617.6	10.2	95.2
Income Taxes	(156.4)	(159.3)	(1.8)	(8.4)	(437.5)	(398.0)	9.9	(23.4)
Income before participation in the results of subsidiaries	480.4	415.8	15.5	25.7	1,344.4	1,219.5	10.2	71.8
Participation in the results of subsidiaries, associates and non-controlling participation	25.0	(12.8)	-	1.3	42.8	2.6	-	2.3
Net Income	505.4	403.0	25.4	27.0	1,387.3	1,222.1	13.5	74.1

Balance Sheet

<i>Ps. million</i>	3Q18	3Q17	Var. %	4Q17	Var. %	3Q18 ¹ (USD)
Cash and cash equivalents	459.7	580.2	(20.8)	810.6	(43.3)	24.6
Investments in securities	997.7	740.9	34.7	356.3	-	53.3
Securities and derivatives transactions	-	-	-	1,920.9	-	-
Total performing loan portfolio	34,210.1	26,054.7	31.3	28,409.8	20.4	1,827.2
Total non-performing loan portfolio	736.3	623.2	18.1	605.2	21.7	39.3
Loan portfolio	34,946.4	26,677.9	31.0	29,015.0	20.4	1,866.5
Less: Allowance for loan losses	1,095.2	982.7	11.5	1,067.5	2.6	58.5
Loan portfolio (net)	33,851.2	25,695.2	31.7	27,947.5	21.1	1,808.0
Other accounts receivable (net)	5,486.3	3,839.2	42.9	4,803.1	14.2	293.0
Foreclosed assets (net)	-	9.7	-	3.3	-	-
Property, furniture and fixtures (net)	353.0	348.5	1.3	342.2	3.2	18.9
Long-term investments in shares	1,145.1	1,021.0	12.2	1,265.3	(9.5)	61.2
Deferred taxes (net)	-	-	-	329.8	-	-
Debt insurance costs, intangibles and others	4,730.8	4,196.0	12.7	4,458.5	6.1	252.7
Total assets	47,023.8	36,430.8	29.1	42,237.5	11.3	2,511.5
Notes payable (Securitizations)	850.9	3,463.1	(75.4)	1,006.7	(15.5)	45.4
Senior notes payable	15,446.0	11,583.9	33.3	13,537.1	14.1	825.0
Bank Loans and borrowings from other entities						
Short-term	6,851.8	3,401.5	-	2,927.9	-	366.0
Long-term	4,716.9	6,244.3	(24.5)	6,112.8	(22.8)	251.9
Total Bank Loans	11,568.7	9,645.8	19.9	9,040.6	28.0	617.9
Total Debt	27,865.6	24,692.7	12.8	23,584.5	18.2	1,488.3
Income taxes payable	367.7	302.1	21.7	407.1	(9.7)	19.6
Securities and derivative transactions	245.8	274.4	(10.4)	137.6	78.5	13.1
Other accounts payable	1,139.3	223.7	-	1,626.0	(29.9)	60.8
Deferred taxes	2,098.0	1,549.0	35.4	1,713.9	22.4	112.1
Total liabilities	31,716.3	27,041.9	17.3	27,469.2	15.5	1,694.0
Capital stock	2,142.6	2,130.8	0.6	2,122.8	0.9	114.4
Perpetual Notes	4,206.7	-	-	4,206.7	-	224.7
Accumulated results from prior years	6,978.1	5,543.9	25.9	5,575.5	25.2	372.7
Result from valuation of cash flow hedges, net	(161.1)	(17.5)	-	359.7	-	(8.6)
Cumulative translation adjustment	(118.3)	(109.3)	8.2	93.7	-	(6.3)
Controlling position in subsidiaries	872.1	618.8	40.9	748.9	16.5	46.6
Net Income	1,387.3	1,222.1	13.5	1,661.1	(16.5)	74.1
Total stockholders' equity	15,307.4	9,388.8	63.0	14,768.4	3.7	817.6
Total Liabilities and Stockholders' equity	47,023.8	36,430.8	29.1	42,237.5	11.3	2,511.5

Financial Ratios

	3Q18	3Q17	% Var.	YTD'18	YTD'17	% Var.
Yield	29.9%	31.9%	(2.0)	30.9%	32.6%	(1.7)
Net Interest Margin	20.2%	21.5%	(1.4)	20.8%	22.3%	(1.5)
Return on Average Loan Portfolio	5.9%	6.2%	(0.3)	5.7%	6.5%	(0.8)
ROAA: Return on average assets	4.4%	4.6%	(0.2)	4.2%	4.6%	(0.5)
ROAE: Return on average stockholders' equity	13.3%	17.5%	(4.2)	12.4%	17.9%	(5.5)
ROAE: Return on average stockholders' equity (excluding Perpetual Notes)	18.5%	17.5%	0.9	17.3%	17.9%	(0.6)
Debt to Equity Ratio	1.8	2.6	(81.0)	1.8	2.6	(81.0)
Debt to Equity Ratio (excluding Perpetual Notes)	2.5	2.6	(12.0)	2.5	2.6	(6.0)
Average cost of funds	12.0%	11.2%	0.8	11.3%	10.8%	0.6
Efficiency ratio	45.4%	49.0%	(3.6)	45.2%	48.8%	(3.6)
Capitalization Ratio	43.8%	35.2%	8.6	43.8%	35.2%	8.6
Capitalization Ratio (excluding Perpetual Notes)	31.8%	35.2%	(3.4)	31.8%	35.2%	(3.4)
Provisions for loan losses as a percentage of total loan portfolio	5.3%	5.2%	0.1	5.1%	4.8%	0.4
Allowance for loan losses as a percentage of total past-due loan portfolio	148.8%	157.7%	(8.9)	148.8%	157.7%	(8.9)
Total past-due loan portfolio as a percentage of total loan portfolio	2.1%	2.3%	(0.2)	2.1%	2.3%	(0.2)

3Q18 Highlights

- **Consolidated loan portfolio** increased by 31.0% to reach Ps. 34,946.4 million at the end of 3Q18, compared to Ps. 26,677.9 million recorded at the end of 3Q17.
- **Financial margin** increased 23.8% to Ps. 1,728.9 million in 3Q18, compared to Ps. 1,396.3 million recorded during 3Q17. Therefore, the **Net Interest Margin** stood at 20.2% in 3Q18.
- **Net income** for 3Q18 increased 25.4% over 3Q17, reaching Ps. 505.4 million, compared to Ps. 403.0 million during 3Q17.
- **ROAE** reached 13.3% during the quarter, whilst **ROAA** was 4.4%. Excluding the Perpetual Notes, **ROAE** reached 18.5%.
- **3Q18 average cost of funds** rose to 12.0%, representing an increase of 80 bps. when compared to 11.2% in 3Q17.
- **Provision for loan losses** reached Ps. 472.0 million compared to Ps. 354.9 million in 3Q17; whilst the **non-performing loan (NPL) ratio** decreased from 2.3% in 3Q17 to 2.1% in 3Q18.
- The **efficiency ratio** decreased from 49.0% in 3Q17 to 45.4% in 3Q18.
- The **capitalization ratio** increased to 43.8% in 3Q18, from 35.2% in 3Q17. Excluding the Perpetual Notes, the **capitalization ratio** reached 31.8% in 3Q18.
- During the quarter, the share of **fixed rate debt** represented 41.5% of the total consolidated debt.

Summary of Operations

Loan Portfolio Summary

	3Q18					3Q17					
	Portfolio ²	%	Customers	NPL's	Average Loan	Portfolio ²	%	Customers	NPL's	Average Loan	Var. % Portfolio
Payroll	24,195.1	69.2%	399,836	1.2%	60,513	17,562.3	65.8%	366,928	1.5%	47,863	37.8
SMEs	3,214.6	9.2%	516	2.5%	6,229,862	1,707.1	6.4%	351	2.8%	4,863,416	88.3
Used cars MX	846.8	2.4%	7,634	0.3%	110,921	596.2	2.2%	5,376	0.4%	110,909	42.0
Used Cars USA	1,874.1	5.4%	8,565	1.2%	218,814	1,971.8	7.4%	8,517	1.4%	231,518	(5.0)
Instacredit	4,400.0	12.6%	180,723	7.3%	24,347	4,263.8	16.0%	178,558	5.4%	23,879	3.2
Others ³	415.8	1.2%	265,683	6.1%	1,565	576.7	2.2%	258,565	7.0%	2,230	(27.9)
Total	34,946.4	100.0%	862,957	2.1%	40,496	26,677.9	100.0%	818,295	2.3%	32,602	31.0

Origination Summary

	3Q18		3Q17		% Var.	YTD'18		YTD'17		% Var.
	Origination ²	%	Origination ²	%		Origination ²	%	Origination ²	%	
Payroll	1,669.4	26.2%	1,455.7	31.1%	14.7	4,775.6	27.1%	3,941.6	28.5%	21.2
SMEs	1,437.2	22.6%	649.4	13.9%	-	3,769.1	21.4%	2,138.2	15.4%	76.3
Used Cars MX	588.3	9.2%	56.3	1.2%	-	1,495.8	8.5%	271.1	2.0%	-
Used Cars USA	447.1	7.0%	374.6	8.0%	19.4	1,245.6	7.1%	1,085.8	7.8%	14.7
Instacredit	790.8	12.4%	798.0	17.1%	(0.9)	2,231.5	12.7%	2,562.6	18.5%	(12.9)
Others ³	1,436.4	22.6%	1,341.2	28.7%	7.1	4,088.8	23.2%	3,841.8	27.8%	6.4
Total	6,369.3	100.0%	4,675.2	100.0%	36.2	17,606.4	100.0%	13,841.1	100.0%	27.2

(1) Figures are expressed in millions of dollars at period-end exchange rate: \$18.7231.

(2) Figures are expressed in millions of pesos.

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

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