

Beyond your limits

**Profit & Loss**

MXN Mn	4Q20	4Q19	(%) Var.	4Q19 Proforma	4Q20 <sup>(USD)</sup>	2020	2019	(%) Var.	2019 Proforma	2020 <sup>(USD)</sup>
Interest income	2,589.7	3,293.0	(21.4)	3,059.8	130.1	10,205.2	11,933.0	(14.5)	11,567.4	512.6
Interest expense	(1,207.1)	(1,310.9)	(7.9)	(1,214.0)	(60.6)	(4,576.1)	(4,671.1)	(2.0)	(4,649.9)	(229.9)
<b>Financial margin</b>	<b>1,382.7</b>	<b>1,982.0</b>	<b>(30.2)</b>	<b>1,845.8</b>	<b>69.5</b>	<b>5,629.2</b>	<b>7,261.9</b>	<b>(22.5)</b>	<b>6,917.5</b>	<b>282.7</b>
Net provision for loan losses	(558.0)	(351.3)	58.9	(349.9)	(28.0)	(1,926.8)	(1,306.6)	47.5	(1,300.8)	(96.8)
<b>Risk-adjusted margin</b>	<b>824.6</b>	<b>1,630.8</b>	<b>(49.4)</b>	<b>1,495.9</b>	<b>41.4</b>	<b>3,702.3</b>	<b>5,955.2</b>	<b>(37.8)</b>	<b>5,616.7</b>	<b>186.0</b>
Commissions and fees collected	21.7	104.1	(79.1)	195.3	1.1	137.3	515.7	(73.4)	694.3	6.9
Commissions and fees paid	(65.5)	(110.3)	(40.7)	(110.3)	(3.3)	(247.3)	(373.4)	(33.8)	(373.4)	(12.4)
Intermediation income	(110.8)	(42.1)	-	(42.1)	(5.6)	(79.1)	156.2	-	156.2	(4.0)
Other income from operations	364.9	37.1	-	307.8	18.3	1,067.3	126.7	-	983.1	53.6
Administrative and promotion expenses	(860.4)	(971.6)	(11.4)	(1,015.3)	(43.2)	(3,212.7)	(3,607.1)	(10.9)	(3,725.1)	(161.4)
Depreciation expense	(192.5)	-	-	(152.7)	(9.7)	(527.1)	-	-	(444.3)	(26.5)
<b>Operating result</b>	<b>(18.0)</b>	<b>647.8</b>	<b>-</b>	<b>678.6</b>	<b>(0.9)</b>	<b>840.6</b>	<b>2,773.3</b>	<b>(69.7)</b>	<b>2,907.5</b>	<b>42.2</b>
Income taxes	70.0	(186.0)	-	(194.1)	3.5	(104.6)	(735.9)	(85.8)	(779.7)	(5.3)
Income before participation in the results of subsidiaries	51.9	461.8	(88.8)	484.5	2.6	735.9	2,037.4	(63.9)	2,127.8	37.0
Participation in the results of subsidiaries, associates and non-controlling participation	63.4	(34.5)	-	(20.1)	3.2	15.0	(57.3)	-	(61.7)	0.8
<b>Net income</b>	<b>115.3</b>	<b>427.2</b>	<b>(73.0)</b>	<b>464.4</b>	<b>5.8</b>	<b>751.0</b>	<b>1,980.1</b>	<b>(62.1)</b>	<b>2,066.1</b>	<b>37.7</b>

**Balance Sheet**

MXN Mn	2020	2019	(%) Var.	2019 Proforma	2020 <sup>(USD)</sup>
Cash and cash equivalents	1,097.4	1,180.9	(7.1)	1,211.1	55.1
Investments in securities	1,172.2	1,294.4	(9.4)	1,365.4	58.9
Securities and derivatives transactions	1,964.5	-	-	-	98.7
Total performing loan portfolio	46,847.3	46,325.7	1.1	43,507.2	2,353.1
Total non-performing loan portfolio	872.3	632.7	37.9	632.7	43.8
Loan portfolio	47,719.6	46,958.4	1.6	44,139.9	2,396.9
Less: Allowance for loan losses	1,965.2	1,390.0	41.4	1,405.9	98.7
Loan portfolio (net)	45,754.4	45,568.4	0.4	42,734.0	2,298.2
Factoring portfolio	783.4	162.8	-	1,519.0	39.3
Other accounts receivable (net)	8,678.0	6,634.1	30.8	5,518.5	435.9
Foreclosed assets (net)	1,379.2	10.8	-	10.8	69.3
Property, furniture and fixtures (net)	3,232.3	625.3	-	3,509.9	162.4
Long-term investments in shares	1,244.3	1,273.6	(2.3)	1,197.5	62.5
Debt insurance costs, intangibles and others	5,206.0	4,841.5	7.5	4,847.7	261.5
<b>Total assets</b>	<b>70,511.7</b>	<b>61,591.7</b>	<b>14.5</b>	<b>61,913.9</b>	<b>3,541.8</b>
Notes payable (securitizations)	761.0	1,261.0	(39.7)	1,261.0	38.2
Senior notes payable	27,733.4	24,636.7	12.6	24,636.7	1,393.0
Bank loans and borrowings from other entities (short-term)	13,780.3	7,597.6	81.4	7,597.6	692.2
Bank loans and borrowings from other entities (long-term)	7,578.9	8,015.9	(5.5)	8,015.9	380.7
Total bank loans	21,359.3	15,613.5	36.8	15,613.5	1,072.9
<b>Total debt</b>	<b>49,853.7</b>	<b>41,511.2</b>	<b>20.1</b>	<b>41,511.2</b>	<b>2,504.1</b>
Income taxes payable	353.9	330.5	7.1	384.9	17.8
Securities and derivatives transactions	619.7	765.3	-	765.3	31.1
Other accounts payable	1,691.2	810.2	-	1,227.1	84.9
Deferred taxes	1,786.0	2,110.6	(15.4)	1,849.6	89.7
Total liabilities	54,304.5	45,527.8	19.3	45,738.1	2,727.7
Capital stock	1,649.5	1,852.4	(11.0)	1,852.4	82.9
Perpetual notes	4,206.7	4,206.7	(0.0)	4,206.7	211.3
Accumulated results from prior years	9,527.8	7,778.3	22.5	7,778.3	478.6
Result from valuation of cash flow hedges, net	(1,054.0)	(708.2)	48.8	(708.2)	(52.9)
Cumulative translation adjustment	72.1	5.5	-	5.5	3.6
Controlling position in subsidiaries	1,054.2	949.1	11.1	975.0	53.0
Net income	751.0	1,980.1	(62.1)	2,066.1	37.7
Total stockholders' equity	16,207.2	16,063.9	0.9	16,175.8	814.1
<b>Total liabilities and stockholders' equity</b>	<b>70,511.7</b>	<b>61,591.7</b>	<b>14.5</b>	<b>61,913.9</b>	<b>3,541.8</b>

**Financial Ratios**

	4Q20	4Q19	(%) Var.	4Q19 Proforma	2020	2019	(%) Var.	2019 Proforma
Total Yield	22.6%	-	-	30.4%	21.8%	-	-	29.9%
Yield	21.5%	29.1%	(7.6)	28.7%	21.1%	28.1%	(7.0)	28.8%
Net interest margin	11.5%	17.5%	(6.0)	17.3%	11.7%	17.1%	(5.4)	17.2%
Return on average loan portfolio	1.0%	3.8%	(2.8)	4.4%	1.6%	4.7%	(3.1)	5.1%
ROAA: return on average assets	0.6%	2.9%	(2.3)	3.1%	1.0%	3.6%	(2.5)	3.7%
ROAE: return on average stockholders' equity	2.7%	10.5%	(7.8)	11.3%	4.2%	12.3%	(8.0)	12.8%
ROAE: return on average stockholders' equity (excluding perpetual notes)	3.6%	14.2%	(10.6)	15.3%	5.5%	16.6%	(11.1)	17.2%
Debt to equity ratio	3.1x	2.6x	0.5	2.6x	3.1x	2.6x	0.5	2.6x
Debt to equity ratio (excluding perpetual notes)	4.2x	3.5x	0.7	3.5x	4.2x	3.5x	0.7	3.5x
Average cost of funds	9.4%	13.3%	(3.8)	12.3%	8.9%	12.8%	(3.9)	12.8%
Efficiency ratio	58.7%	45.6%	13.1	52.6%	54.9%	43.9%	10.9	51.5%
Capitalization ratio	31.6%	34.1%	(2.5)	34.3%	31.6%	34.1%	(2.5)	34.3%
Capitalization ratio (excluding perpetual notes)	25.1%	25.3%	(0.1)	27.1%	25.1%	25.3%	(0.1)	27.1%
Provisions for loan losses as a percentage of total loan portfolio	4.7%	3.0%	1.7	3.1%	4.0%	2.8%	1.3	2.8%
Allowance for loan losses as a percentage of total past-due loan portfolio	225.3%	219.7%	5.6	222.2%	225.3%	219.7%	5.6	222.2%
Total past-due loan portfolio as a percentage of total loan portfolio	1.8%	1.3%	0.5	1.4%	1.8%	1.3%	0.5	1.4%

## 2020 Highlights

- On December 15, 2020, the Company held its [Ordinary Shareholders' Meeting](#). The Board of Directors approved, among others, the following points: i) the [cancellation of 7.5 million shares](#), acquired through the Company's buyback program, representing 1.98% of the Company's capital stock; and, ii) the [distribution of a dividend](#) payment of 0.75 pesos per share corresponding to 2019 fiscal year.
- On January 8, 2021, 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 BaFamsa, currently undergoing court-ordered liquidation, through a specific purpose vehicle with Promecap and an investment fund managed by Credit Suisse.
- On January 22, 2021, Crédito Real announced that it successfully completed the international issuance of [US\\$500 million Senior Notes due 2028](#), at an 8.00% semi-annual coupon, whose resources were partially used for refinancing a portion of the Company's existing debt. The 2028 Senior Notes have a 4-year call date under its \$1.5 billion Medium-Term Note Program.
- On January 25, 2021, pursuant to its funding strategy focused on the achievement of alternative funding sources under better credit terms as well as the strong commitment with ESG Factors, the Company announced the successful closing of a [credit line for US\\$100 million](#) and a 7-year term, with U.S. International Development Finance Corporation ("DFC"). The proceeds which will be used to grant credits for women-led SMEs.

## Summary of Operations

### Loan portfolio summary

	4Q20					4Q19					(% Var. Portfolio)
	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	Portfolio <sup>2</sup>	(%)	Customers	NPL's	Average Loan	
Payroll	29,402.8	57.3%	455,858	1.7%	64,500	28,242.3	59.9%	432,173	1.0%	65,350	4.1
SMEs <sup>3</sup>	12,112.8	23.6%	3,436	0.8% <sup>5</sup>	3,525,271	9,528.0	20.2%	2,930	0.4% <sup>5</sup>	3,251,865	27.1
Used Cars	3,907.4	7.6%	23,389	0.9%	167,062	3,537.1	7.5%	21,440	1.2%	164,975	10.5
Personal	4,994.7	9.7%	153,259	5.1%	32,590	4,918.0	10.4%	172,628	4.8%	28,489	1.6
Others <sup>4</sup>	926.4	1.8%	294,565	3.2%	3,145	895.9	1.9%	287,149	2.9%	3,120	3.4
<b>Total</b>	<b>51,344.1</b>	<b>100.0%</b>	<b>930,507</b>	<b>1.8%<sup>5</sup></b>	<b>55,179</b>	<b>47,121.2</b>	<b>100.0%</b>	<b>916,320</b>	<b>1.3%<sup>5</sup></b>	<b>51,424</b>	<b>9.0</b>

### Origination summary

	4Q20		4Q19		(% Var.)	2020		2019		(% Var.)
	Origination <sup>2</sup>	(%)	Origination <sup>2</sup>	(%)		Origination <sup>2</sup>	(%)	Origination <sup>2</sup>	(%)	
Payroll	1,056.4	14.1%	1,409.9	14.6%	(25.1)	4,673.8	14.9%	5,528.5	18.0%	(15.5)
SMEs <sup>3</sup>	2,752.3	36.8%	4,802.4	49.9%	(42.7)	14,097.6	44.8%	12,064.5	39.3%	16.9
Used Cars	820.4	11.0%	863.3	9.0%	(5.0)	2,427.6	7.7%	3,167.7	10.3%	(23.4)
Personal	848.8	11.3%	807.1	8.4%	5.2	2,817.3	9.0%	3,312.8	10.8%	(15.0)
Others <sup>4</sup>	2,005.2	26.8%	1,748.9	18.2%	14.7	7,438.3	23.6%	6,647.0	21.6%	11.9
<b>Total</b>	<b>7,483.0</b>	<b>100.0%</b>	<b>9,631.7</b>	<b>100.0%</b>	<b>(22.3)</b>	<b>31,454.6</b>	<b>100.0%</b>	<b>30,720.5</b>	<b>100.0%</b>	<b>2.4</b>

(1) Figures are expressed in millions of dollars at period-end exchange rate: \$19.9087

(2) Figures are expressed in millions of pesos.

(3) Includes Ps. 2,841.2 million of leasing and Ps. 783.4 million factoring registered in fixed assets and other accounts receivable, respectively in 2020; and, includes Ps. 162.8 million of factoring registered in other accounts receivable in 2019.

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

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

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