

**CRÉDITO
REAL**
Rebasa tus límites.

+

+

+

CORPORATE PRESENTATION 2Q13

September, 2013

Disclaimer

This presentation does not constitute or form part of any offer or invitation for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation contains statements that constitute forward-looking statements which involve risks and uncertainties. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition, and future events and plans of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.



Agenda

1

Crédito Real Outlook

2

Business model & Portfolio of products

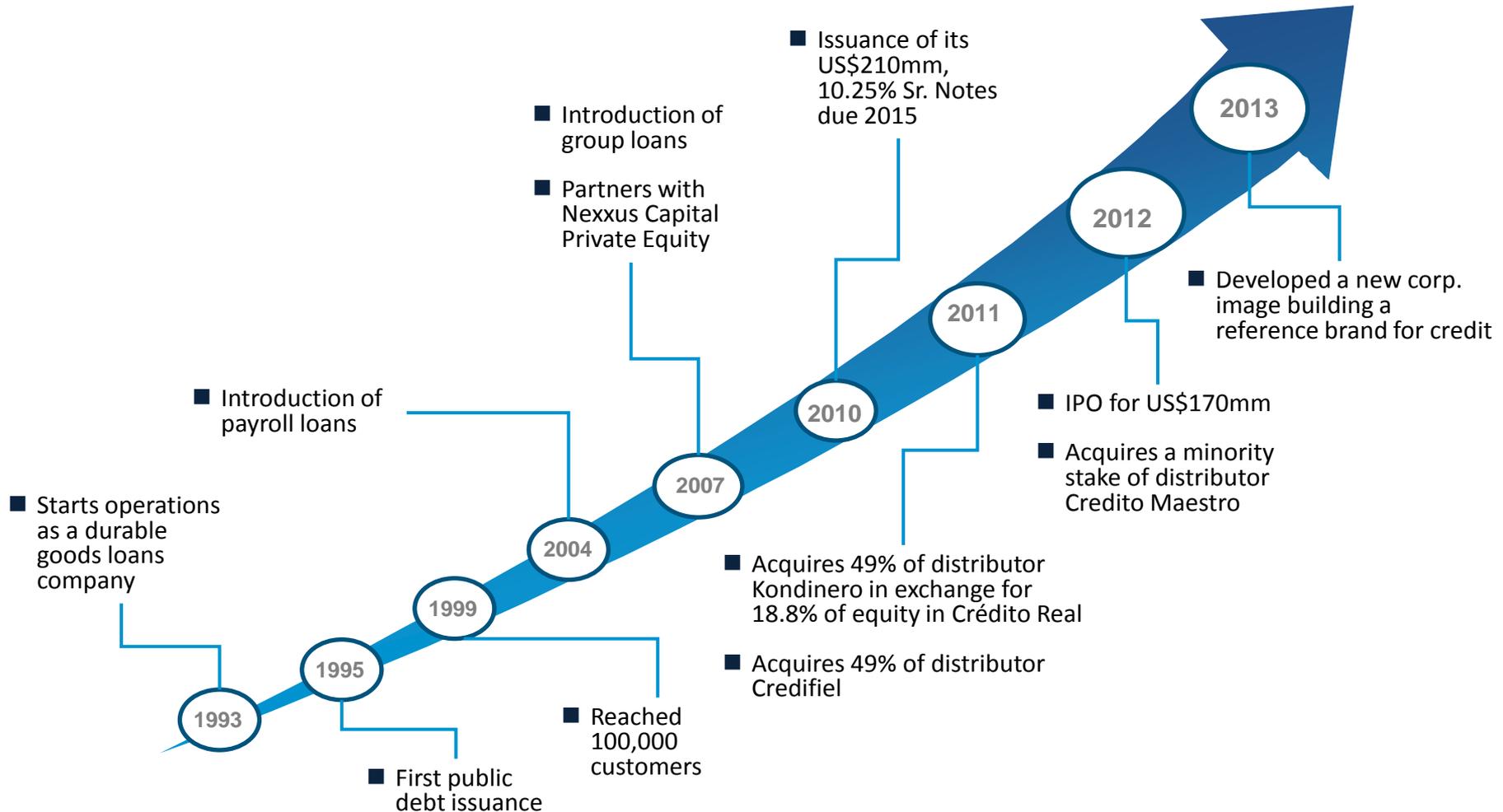
3

Financial results & Performance indicators

4

Value drivers

Our history in brief



Value drivers

1

Sustainable growth

Low risk products
Superior financial margins

2

Healthy loan portfolio

Lowest NPL's in the sector

3

Differentiated product platform

Flexibility vs banks
Diversified

4

Diversified funding sources

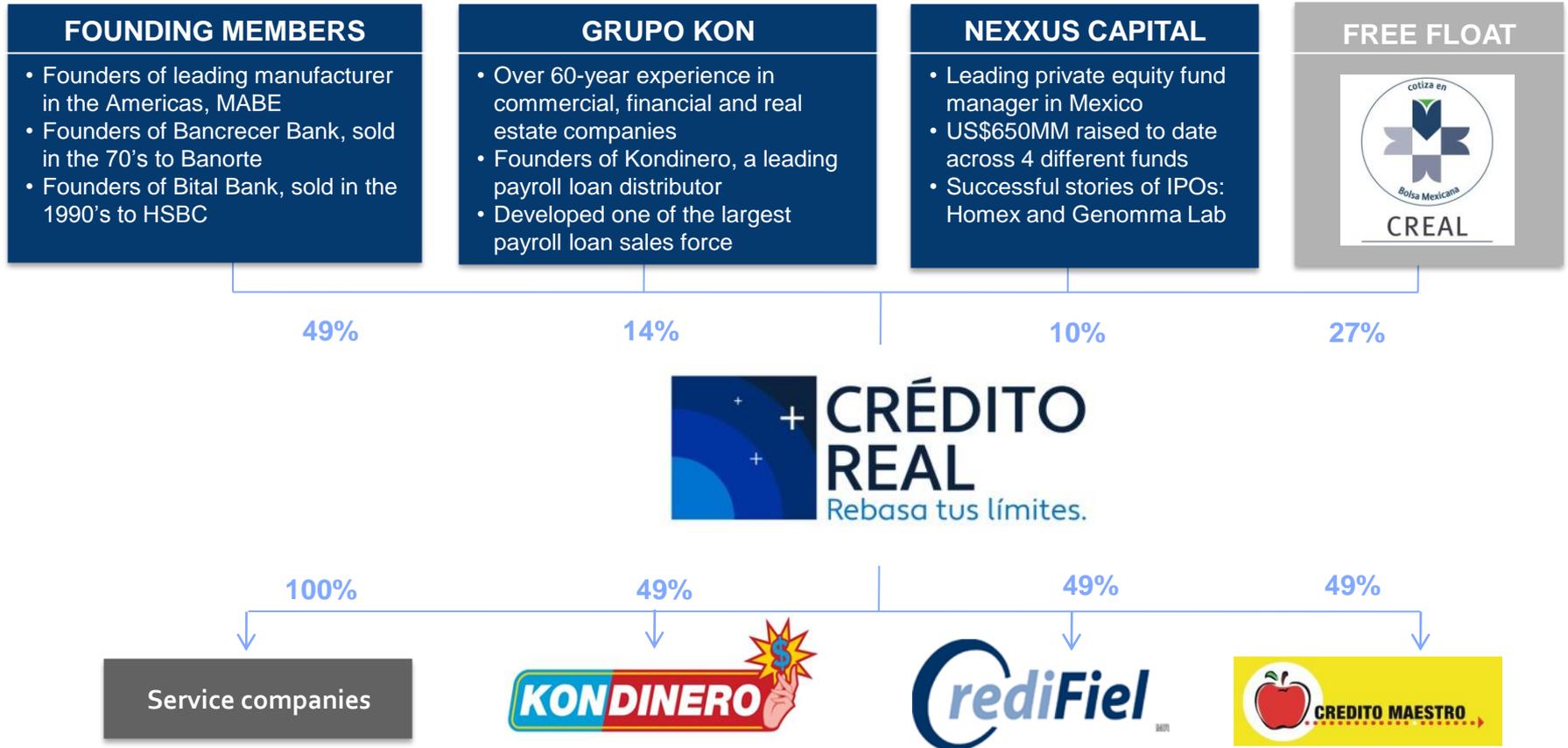
Decreasing funding cost
Higher capitalization index

5

Qualified management and governance

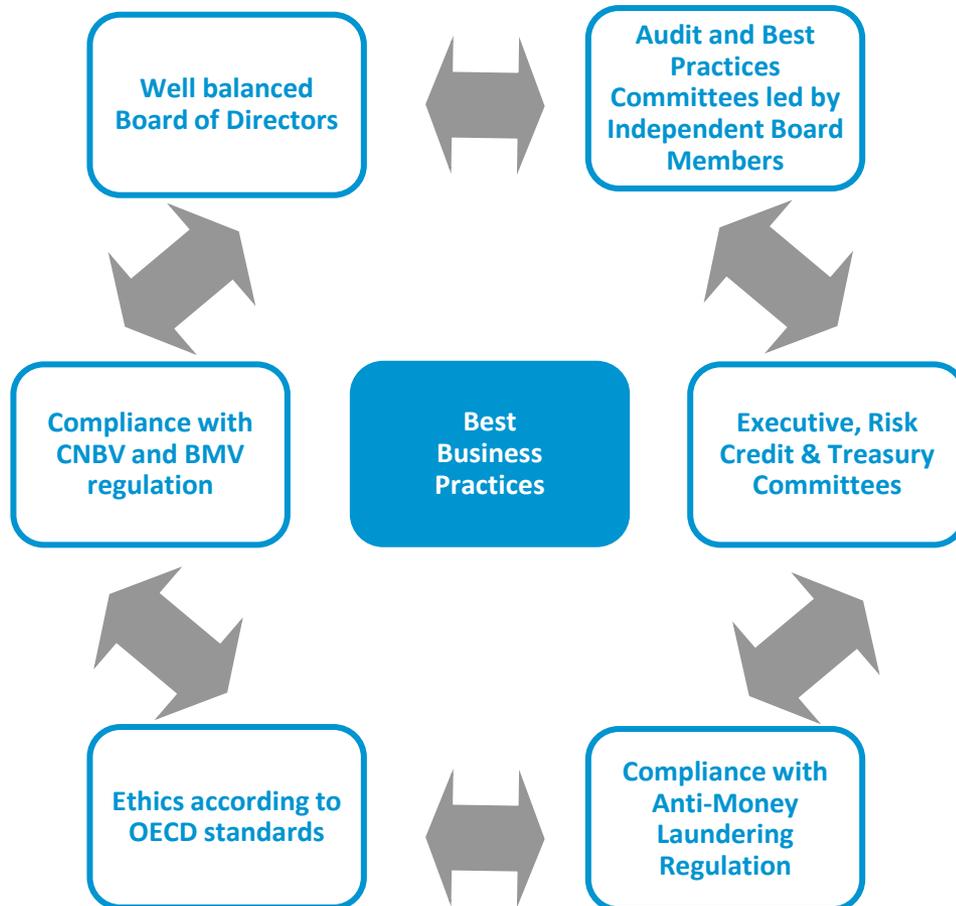
Banking background
Best Corporate Gov. practices

Corporate structure



Corporate Governance and Management Team

Corporate Governance and Compliance



Experienced Management Team

Angel Romanos - CEO

- Founder of Crédito Real
- CEO of the Company since inception
- MBA from Wharton School of Business

Lorena Cardenas - CFO

- CFO since 2008
- Previously acted as CFO for GMAC and Nortel Networks in Mexico, nearly 20 years of CFO experience
- MBA from University of Miami

Carlos Ochoa - COO

- COO since 2003
- 11 years with the Company, critical to the creation of Crédito Real's current operative model
- Master's degree in Economics and Finance from the University of Bristol

Luis Carlos Aguilar – Payroll Commercial Officer

- Payroll commercial officer since 2009
- 16 years with the Company, privileged knowledge of payroll industry in Mexico
- MBA from IPADE

Jonathan Rangel – IR Officer

- Former IR Officer of Comerci, from 2010 to 2013
- Background in Genworth Financial (GE)
- MBA from IPADE, CFA Candidate Level III



Agenda

1

Crédito Real Outlook

2

Business model & Portfolio of products

3

Financial results & Performance indicators

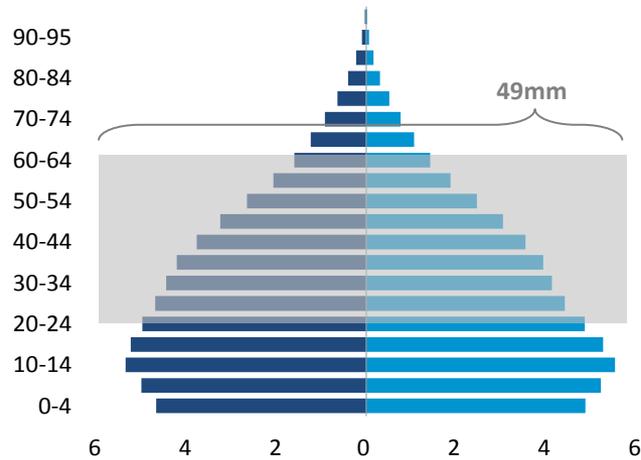
4

Value drivers

Market opportunity

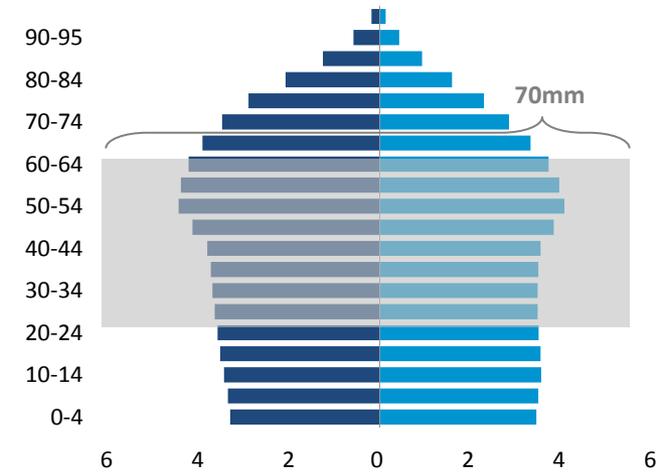
Positive trends in demographics

2010, Million people



By year 2050, active workforce population is expected to significantly increase

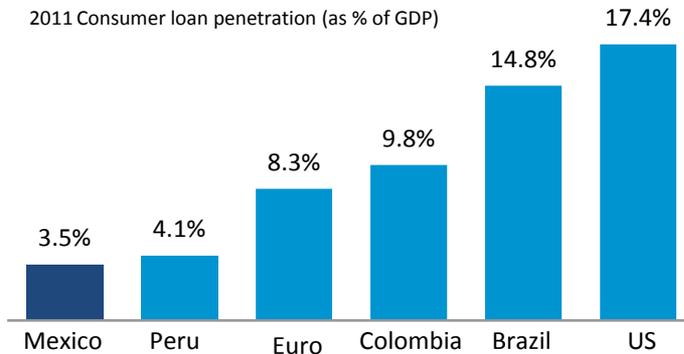
2050, Million people



Women Men

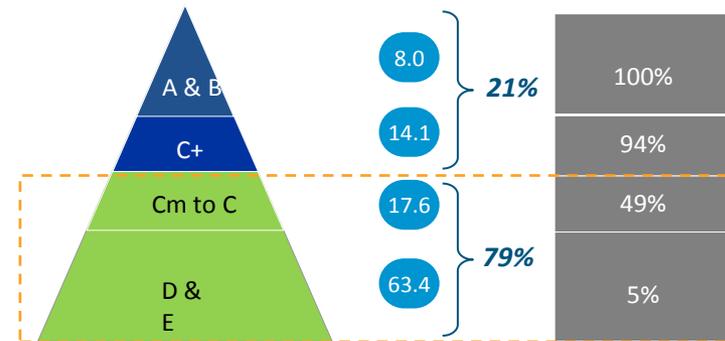
Low penetration of consumer credit

2011 Consumer loan penetration (as % of GDP)



Limited access to banking services

Population Segment Population (mm) Bancarization⁽¹⁾



2012

Source: Banco de Mexico, World Economic Outlook Database, CONAPO.

CGAP Financial Access Report 2010, Acción Institucional, AMAI.

Note: Population utilizing banking services.

Target Market

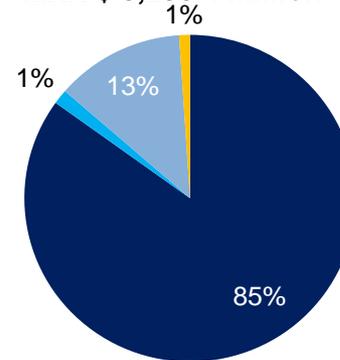
Differentiated business platform

Key Attributes

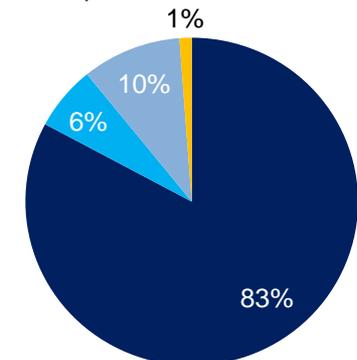
- **Tailor made products** with fixed interest, installments and payments
- **Scalable products model** with attractive risk -reward proposition
- **Base of costumers** over 4 million loans disbursed to over 2 million customers , 0.5 million active
- **Diversified nationwide** origination platform
- **Proprietary credit approval process**
- **High quality loan portfolio** with an average **NPL of 1.6%**

Attractive Product Mix

Loan Portfolio: 2Q13
MXN \$ 8,298.4 million



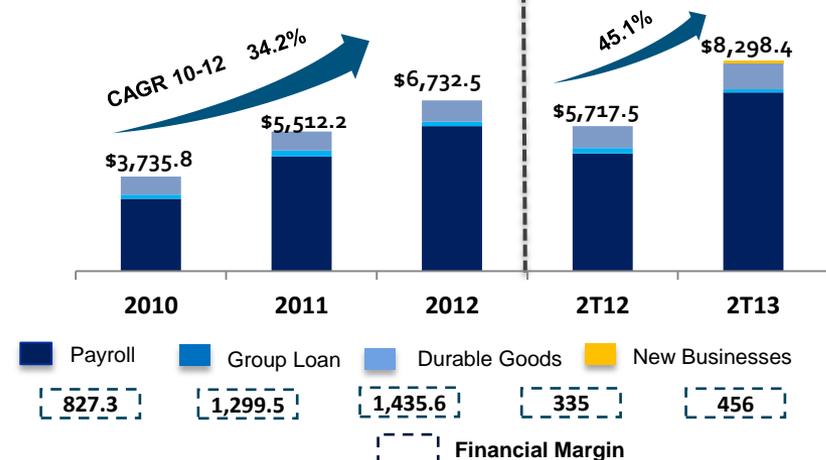
Interest Income: 2Q13
MXN \$ 630.2 million



■ Payroll ■ Group Loan ■ Durable Goods ■ New Businesses

Superior Loan Growth

Loan Portfolio, MXNmm



Payroll loans

Payroll Loans – Product Overview ¹

Description

- Personal loans for unionized government employees repaid through direct payroll

Market

- Unionized public employees C+, Cm, C and D+
- 7 million government employees
- Government payroll ~MXN \$65 billion
- 16.1% market penetration

Statistics

- Avg. loan amount – MXN \$ 20,616
- Avg. term – 34 months
- Avg. Annual interest rate – 50-65%
- Delinquency rate – 1.5%
- Customers – 341,888

Distribution Platform

- Sales forces of 30 distributors –
- Partnership with 3 leading loan underwriters

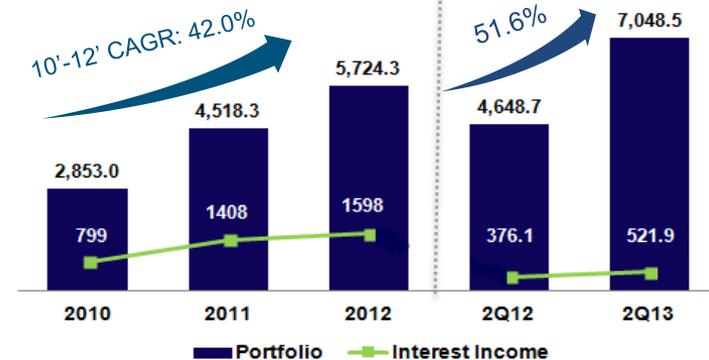


- Full nation-wide coverage

Strategy

- ✓ Increase market penetration
- ✓ Customer renewal and cross-selling
- ✓ Build new relationships with distributors / agencies
- ✓ Replicate business model:
 - + Customer Know-how + Portfolio Management
 - + Alignment of interests with distributors

Growth



Source: CNBV, Mexican Central bank, Brazilian Central bank, industry reports and company filings.

Notes:

1. Data as of June 30, 2013

2. Attributable to Crédito Real after distributors revenue/risk sharing agreements.

Durable goods loans

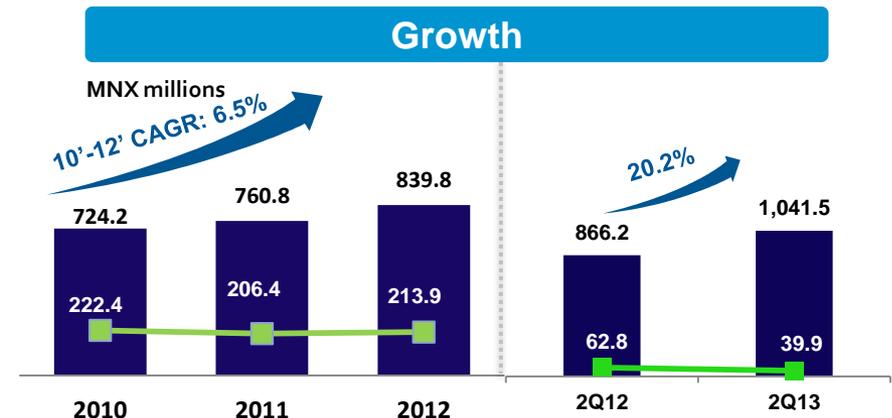
Durable Goods Loans – Product Overview ¹

Description	Loans to finance purchases of durable goods from selected retailers
Market	<ul style="list-style-type: none"> • B, C+, Cm, C and D • Low credit penetration on durable goods • High credit demand by retailers • Competition from credit cards and retailers
Statistics	<ul style="list-style-type: none"> • Avg. loan amount – MXN \$ 13,634 • Avg. term – 12 months • Annual interest rate – 40-50% • Payment frequency – Monthly • Delinquency rate – 2.4% • Customers –76,390
Distribution Platform	<ul style="list-style-type: none"> • Financing agreements with 43 independent retailers, operating 1,160 points of sale, in 124 cities in every state across the country

Strategy

- ✓ Focus on 2nd tier retail chains with no access to credit products
- ✓ Customer renewal and cross-selling
- ✓ Improve penetration of credit sales among existing retailers

Growth



Source: Crédito Real.

Note:

1. Data as of June 30, 2012.

Group loans

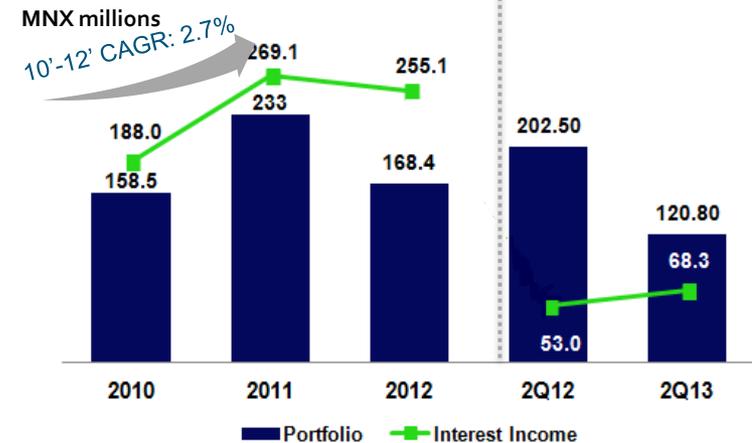
Group Loans – Product Overview ¹

Product Description	Loans to finance micro-business working capital requirements
Market	<ul style="list-style-type: none"> Women in suburban areas, D and E Potential market is 0.2% of GDP Market size 17 million people approx. 24% market penetration
Statistics	<ul style="list-style-type: none"> Avg. loan amount – MXN \$ 2,315 Avg. term – 3.5 months/14.1 weeks Avg. Annual interest rate – 90% - 110% Payment frequency – Weekly Delinquency rate – 2.6% Customers – 52,194 (13% of total)
Distribution Platform	<ul style="list-style-type: none"> Proprietary branch network under brand  <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>CREDEQUIPOS</p> <p>Key Metrics</p> <ul style="list-style-type: none"> 74 Branches 285 Promoters 67 Cities 20 States </div> <p>■ Denotes Group Lending presence</p>

Strategy

- ✓ Disciplined execution of the Bangladesh lending methodology
- ✓ Consolidate current suburban footprint by increasing the number of promoters per branch
- ✓ Customer renewal and cross-selling
- ✓ Disciplined growth strategy

Growth



Source: Crédito Real, IMF, Mix Market, Pro Desarrollo.

Note:

1. Data as of June 30, 2012.

Car loans & Small business loans

Semi New Cars Loans

Product Description

- Loans for Used cars

Target Markets

- C and C- segments

Product Statistics

- Ave. Loan amount – \$50,000 MXN
- Term – 12 to 24 months
- Annual interest rate – 24% - 30%
- Payment frequency – Monthly
- Income from Insurance
- GPS systems to secure cars

Distribution Channel

- Financing agreement with 5 distributor that has 6 brands and presence in 90 POS.

- Loan Portfolio of MXN \$40.5 million

C+R

Product Description

- Loans for working capital to independent professionals and ongoing small businesses

Target Markets

- C and C- segments
- Mexico City (1st Phase)

Product Statistics

- Loan amount – \$100,000 - \$750,000 MXN
- Terms – 3 – 36 months
- Annual interest rate – 28% - 32%
- Payment frequency – Monthly fixed payments

Distribution Channel

- One business center in Mexico City
- Own sales force

- Loan Portfolio of MXN \$47.0 million



Agenda

1

Crédito Real Outlook

2

Business model & Portfolio of products

3

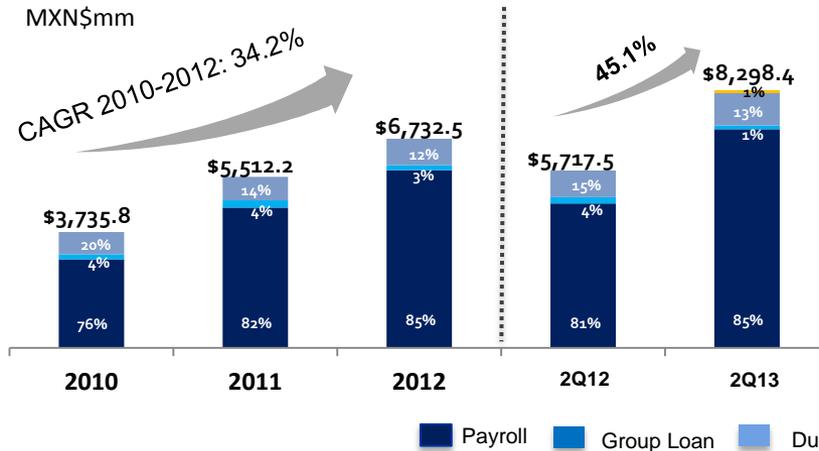
Financial results & Performance indicators

4

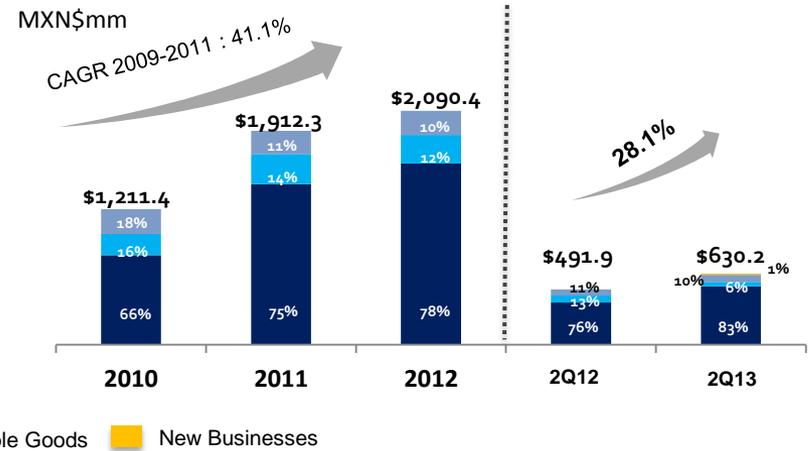
Value drivers

Financial Performance

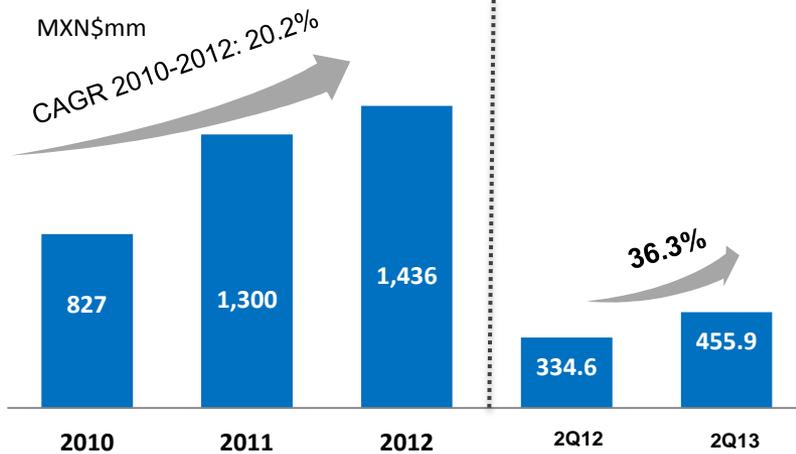
Total Loan Portfolio



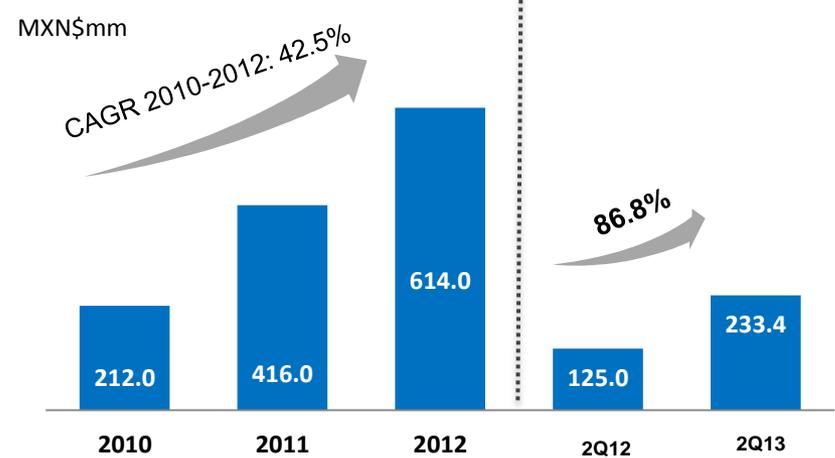
Interest Income



Financial Margin

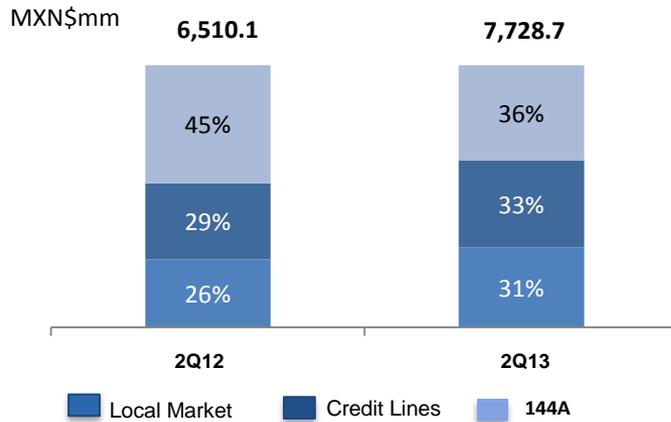


Net Income

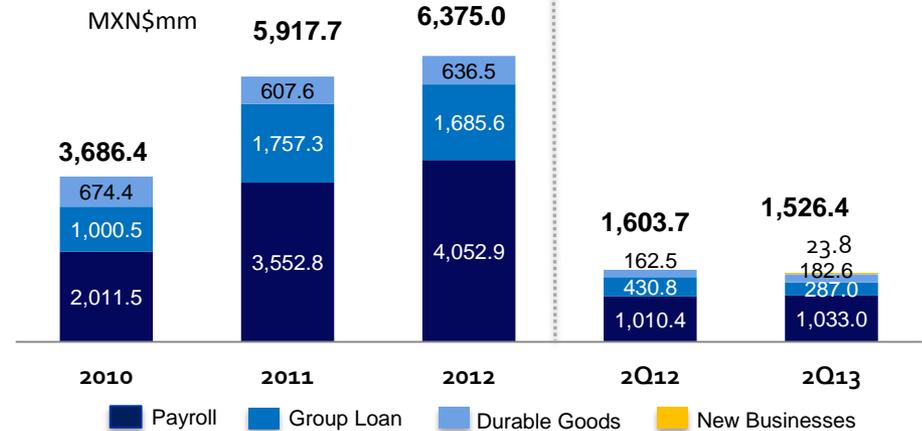


Diversified sources of funding

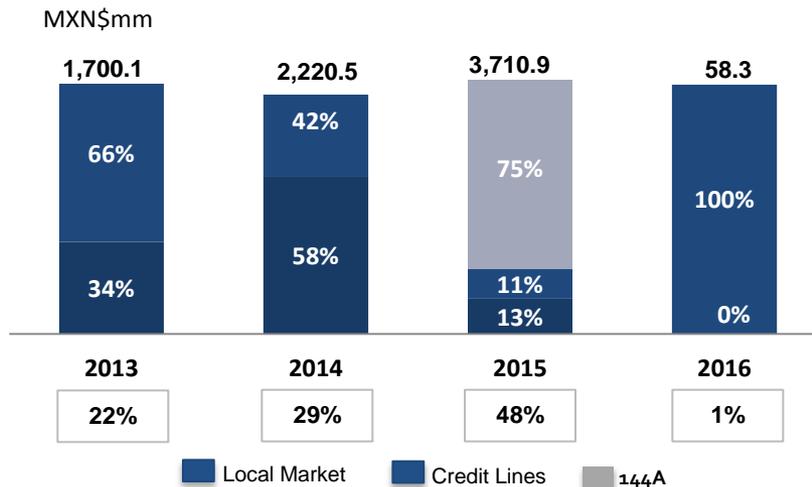
Debt Profile



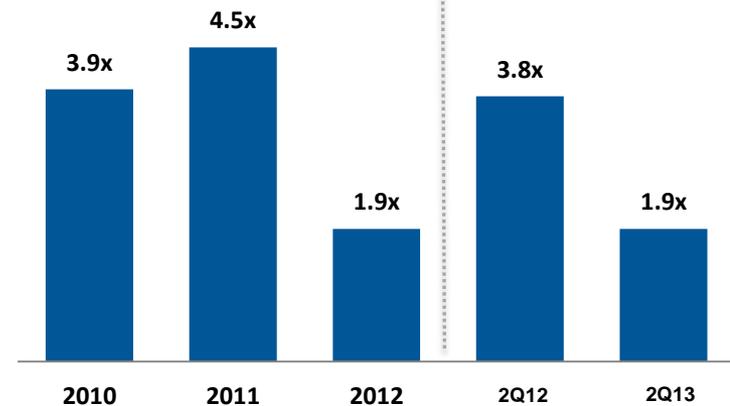
Collection



Debt Maturity Schedule as of 2Q13

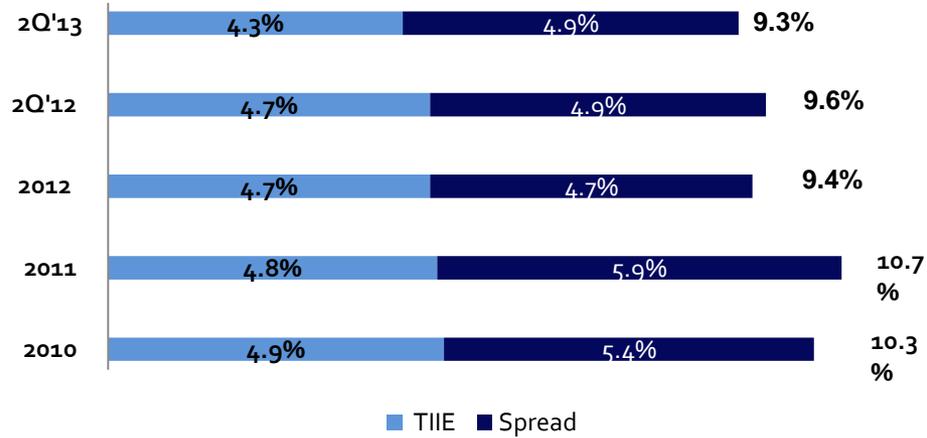


Debt / Equity Ratio



Funding Cost

Improving Funding Cost

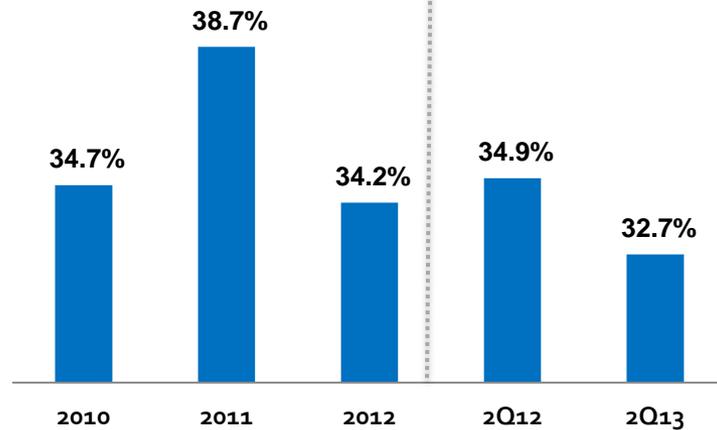


Funding Strategy Focus

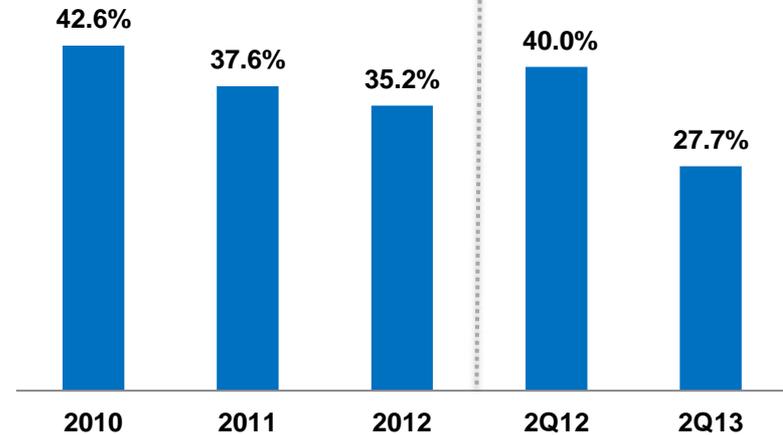


Performance metrics

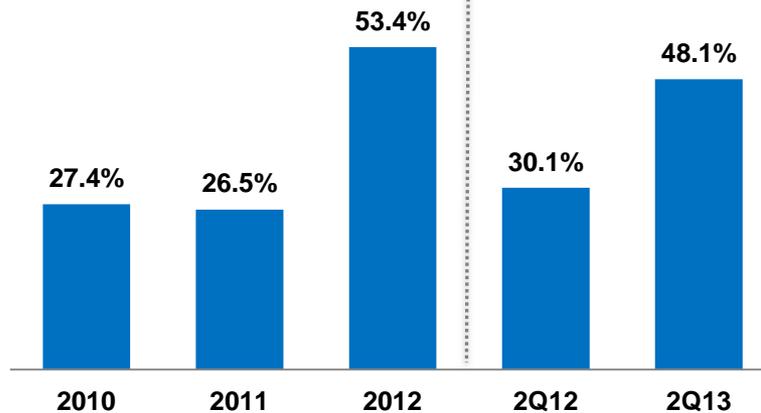
Yield ¹



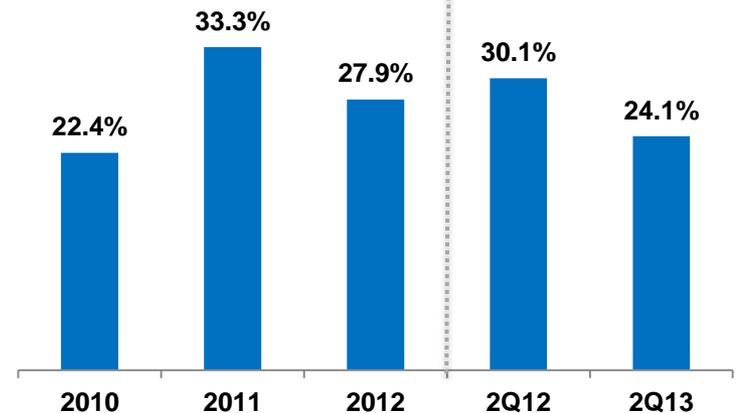
Efficiency Ratio ²



Capitalization



ROAE



Source: Crédito Real.

Notes:

1. Calculated as: Interest Income / Average Earnings Assets.

2. Efficiency index consists of administrative and promotion expenses for the period divided by the sum of (a) financial margin and (b) the difference between (i) commissions and fees collected and (ii) commissions and fees paid for the period.



Agenda

1

Crédito Real Outlook

2

Business model & Portfolio of products

3

Financial results & Performance indicators

4

Value drivers

Value drivers

1

Sustainable growth

Low risk products
Superior financial margins

2

Healthy loan portfolio

Lowest NPL's in the sector

3

Differentiated product platform

Flexibility vs banks
Diversified

4

Diversified funding sources

Decreasing funding cost
Higher capitalization index

5

Qualified management and governance

Banking background
Best Corporate Gov. practices

Strategy to increase stock liquidity

US \$0.3 M
share
turnover

Market maker (UBS) with aligned incentives and objectives

Two-side active share buyback program

IR plan to strengthen relations with the *sell-side* and the *buy-side*:

- ✓ Constant presence in broker conferences and ND roadshows
- ✓ Commitment of top management (CEO, CFO)
- ✓ Use of IR tools to keep assertive communication with investor community (*Quarterly calls, Web page, Media program*)

US \$1M
share
turnover

CREAL* share - Upside potential

	CREAL	COMPARC	FINDEP	GFNORTE	SANMEX
Price	21.45	24.47	4.60	80.20	36.06
Target Price (median)	30.15	25.00	4.70	95.10	41.82
Market Cap (Billion MXN)	8.0	39.8	3.3	223.5	244.4
P/E multiple 13E	8.1	20.0		15.4	14.8
P/B multiple	2.1	4.7	1.2	2.2	2.4
ROE	26%	26%	-4%	15%	17%
PEG ratio	0.4	1.3		0.9	1.2

Defensive vs Mexican Market



Source: Bloomberg, data as of September 5th 2013

Top holders

- CAPITAL RESEARCH GLOBAL INVESTOR
- FRANKLIN TEMPLETON INVESTMENT
- GRUPO FINANCIERO BBVA BANCOMER
- CAPITAL RESEARCH GLOBAL INVESTOR
- ARTISAN PARTNERS HOLDINGS LP
- BLACKROCK GROUP LIMITED
- GRUPO FINANCIERO BBVA BANCOMER
- TEACHERS ADVISORS INC
- ARTISAN GLOBAL FUNDS PLC
- GRUPO FINANCIERO BBVA BANCOMER
- ALLIANCEBERNSTEIN LP
- BERNSTEIN SANFORD & COMPANY INC
- GRUPO FINANCIERO BBVA BANCOMER
- EURO PACIFIC ASSET MANAGEMENT
- PRINCIPAL FONDOS DE INVERSION SA
- BLACKROCK FUND ADVISORS
- ALBERT D MASON

CRÉDITO REAL

Rebasa tus límites.

IR Contact:

+52 (55) 53405200 ext. 9753

investor_relations@creditoreal.com.mx

jorangel@creditoreal.com.mx

+

+

+

CONSUMO

NÓMINA

MICROCRÉDITOS

PYMES

AUTOS

Financial Information

Figures in Ps million

	2010	2011	2012	Var 2012 2011	2Q '13	2Q'12	Var 2Q'13 2Q'12	1H '13	1H '12	Var 1H'13 1H'12
Profit & Loss										
Interest Income	\$1,211	\$1,912	\$2,090	9%	\$630	\$492	28%	\$1,243	\$1,001	24%
Interest Expense	\$384	\$613	\$655	-7%	\$174	\$157	-11%	\$344	\$313	-10%
Financial Margin	\$827	\$1,300	\$1,436	10%	\$456	\$335	36%	\$899	\$688	31%
Allowances for Loan Losses	\$227	\$309	\$273	12%	\$107	\$75	-43%	\$186	\$152	-22%
Commissions and Fees Paid	\$91	\$61	\$69	-13%	\$18	\$16	-13%	\$34	\$36	8%
Other Income	\$20	\$18	\$21	14%	\$3	\$5	-45%	\$6	\$10	-41%
Administration Expenses	\$314	\$466	\$480	-3%	\$121	\$128	5%	\$241	\$236	-2%
Result before income tax	\$216	\$482	\$633	32%	\$213	\$121	75%	\$445	\$273	63%
Income tax	\$4	\$102	\$144	-41%	\$40	\$19	-115%	\$96	\$53	-81%
Income from equity investments	\$0	\$36	\$125	244%	\$61	\$22	175%	\$104	\$40	158%
Net Income	\$212	\$416	\$614	48%	\$233	\$125	87%	\$453	\$260	74%
Balance Sheet										
Cash & Securities	\$476	\$318	\$432	36%	\$287	\$220	30%	\$287	\$220	30%
Performing Loan Portfolio	\$3,610	\$5,403	\$6,626	23%	\$8,163	\$5,607	46%	\$8,163	\$5,607	46%
Non Performing Loan Portfolio	\$126	\$109	\$107	-2%	\$136	\$110	23%	\$136	\$110	23%
Allowances for Loan Losses	\$126	\$131	\$141	8%	\$156	\$135	15%	\$156	\$135	15%
Total Assets	\$5,177	\$8,353	\$10,965	31%	\$12,355	\$8,574	44%	\$12,355	\$8,574	44%
Total Debt	\$4,024	\$6,636	\$6,847	3%	\$7,729	\$6,510	19%	\$7,729	\$6,510	19%
Other Liabilities	\$128	\$256	\$522	103%	\$632	\$343	84%	\$632	\$343	84%
Total Shareholders' Equity	\$1,025	\$1,460	\$3,596	146%	\$3,994	\$1,721	132%	\$3,994	\$1,721	132%
Key Ratios										
ROA	4.7%	6.1%	6.4%	0%	7.8%	5.9%	2%	7.8%	6.2%	2%
ROE	23.1%	33.4%	24.3%	-9%	24.1%	30.1%	-6%	23.9%	32.7%	-9%
NPLs / Total Loan Portfolio	3.4%	2.0%	1.6%	0%	1.6%	1.9%	0%	1.6%	1.9%	0%
Efficiency	42.6%	37.6%	35.2%	-6%	27.7%	40.0%	-31%	27.8%	36.3%	-8%