



3Q17

# Investor Presentation

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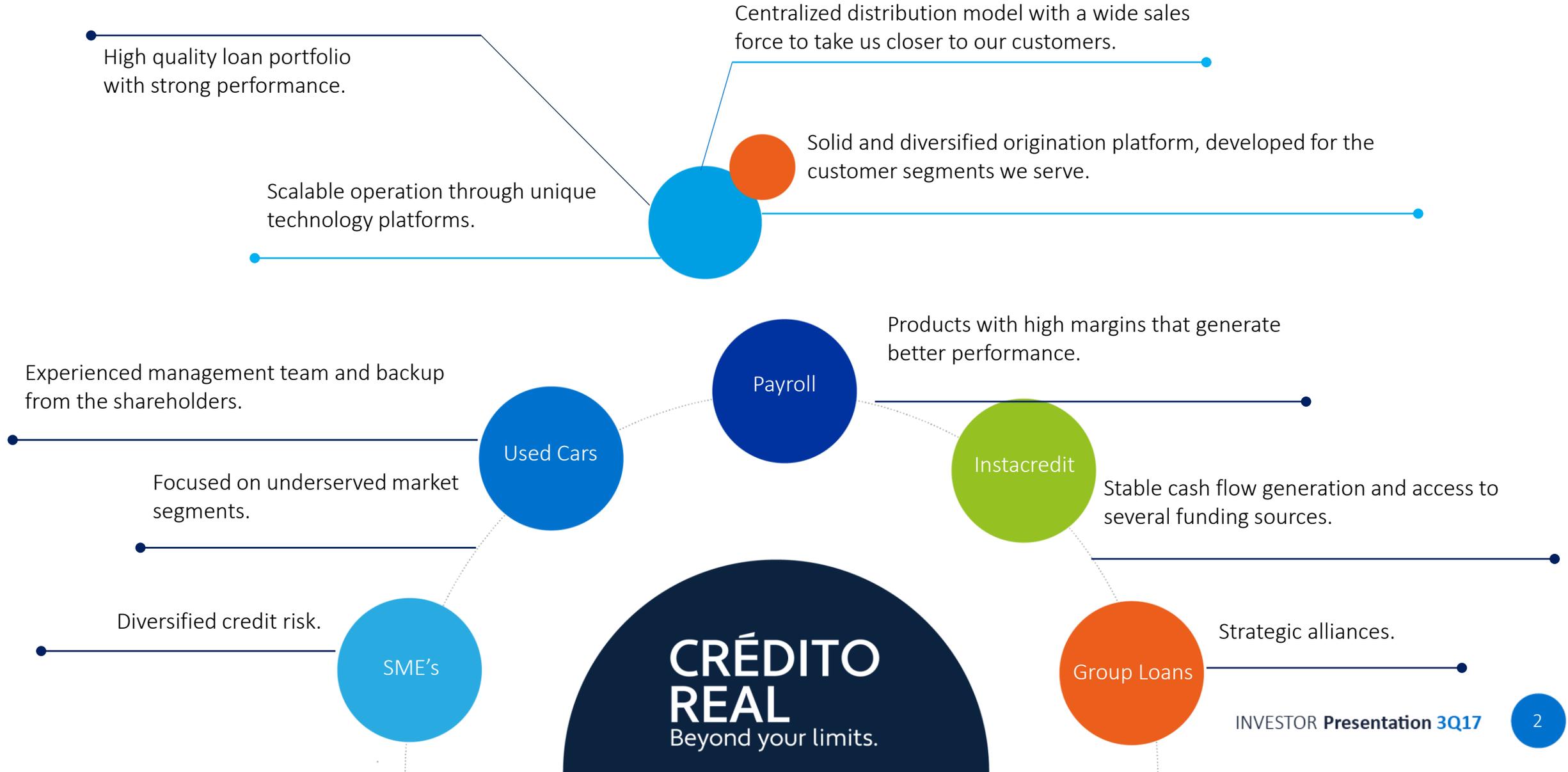
Investor Relations

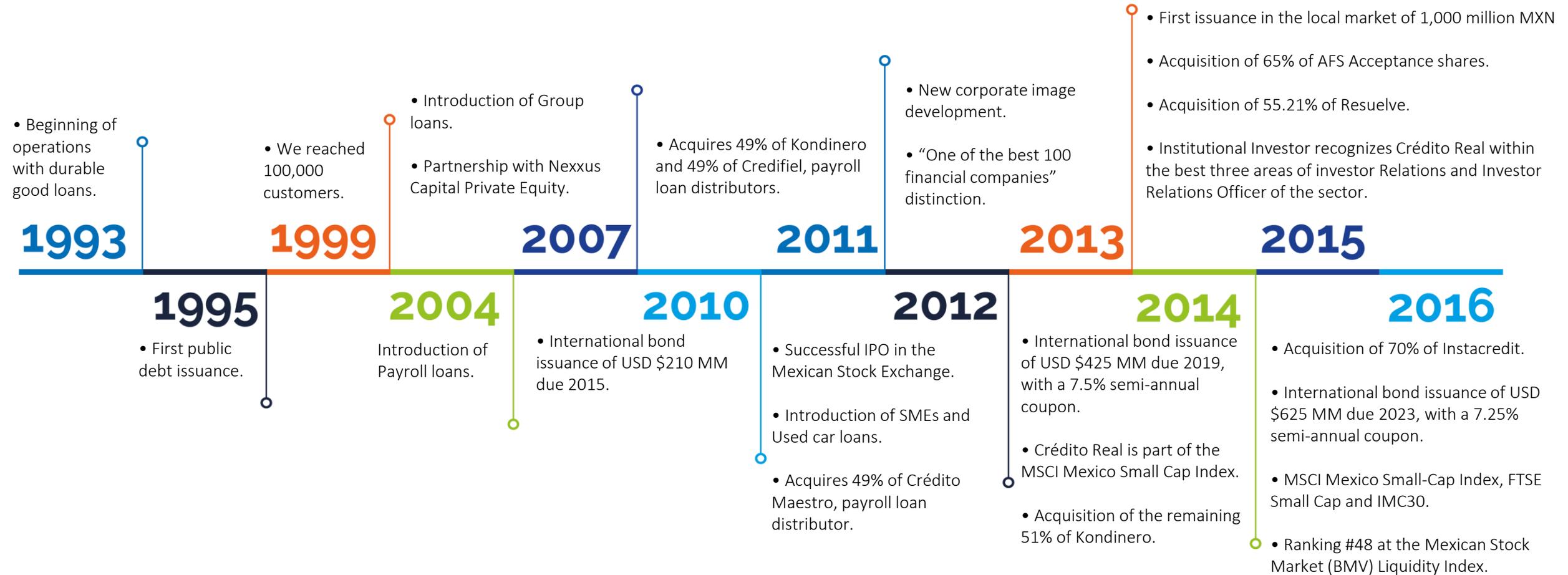
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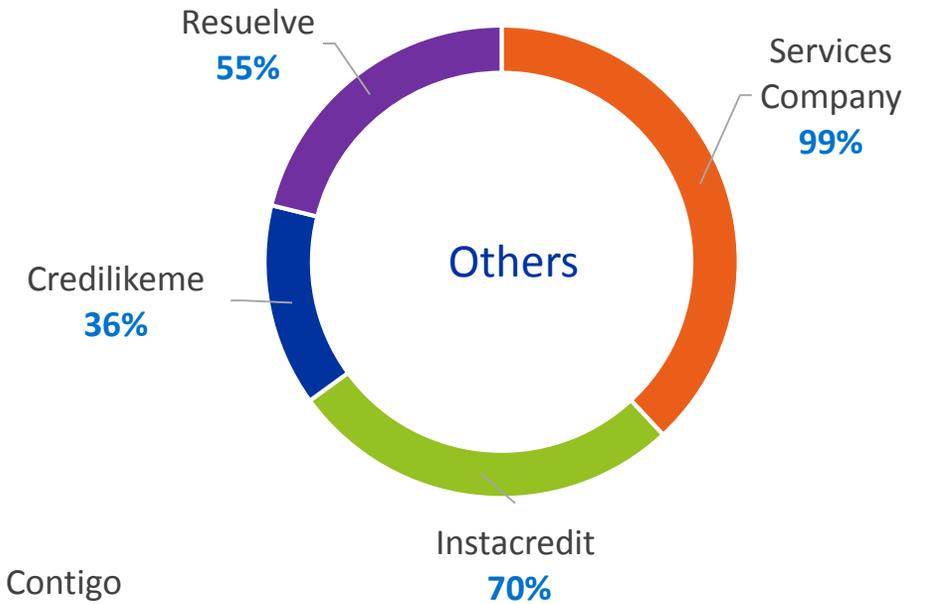
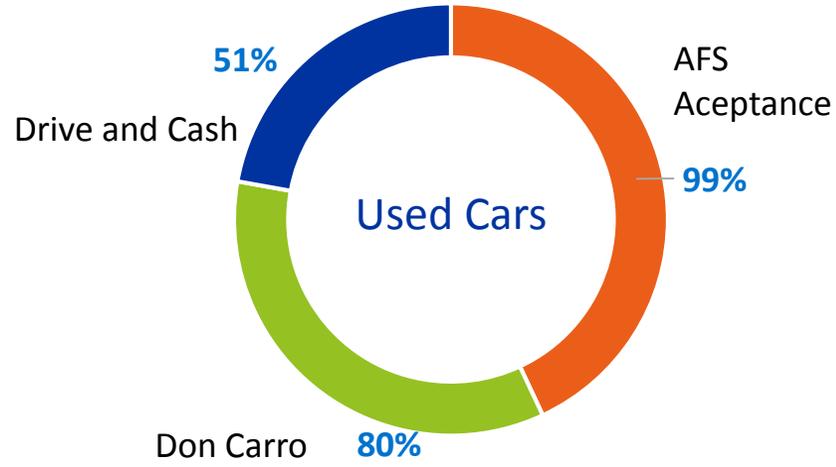
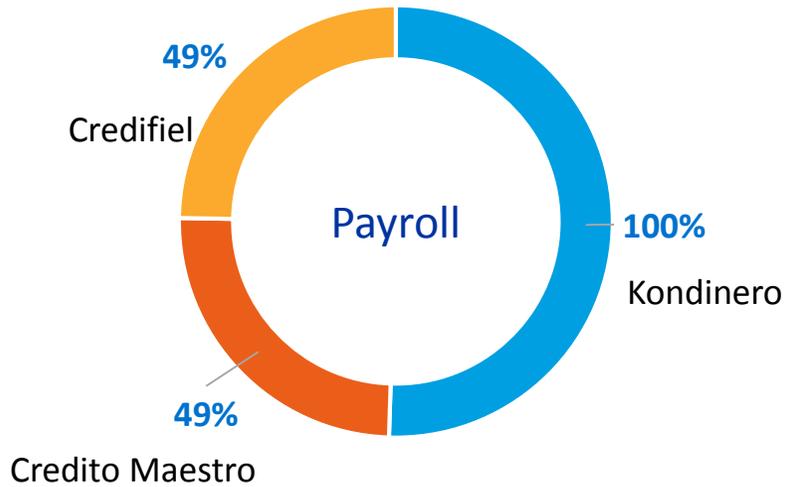




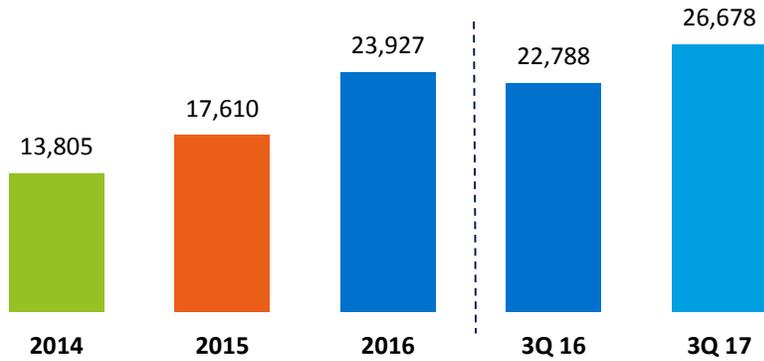
Credito Real is a leading financial institution in Mexico, with presence in the United States, Costa Rica, Panama and Nicaragua, focusing on consumer lending with a diversified business platform in the following main lines of business: payroll loans, small business loans, group loans, used car loans and personal loans through Instacredit. Credito Real offers its products mainly to low and middle-income segments of the population that have historically been underserved by other financial institutions. Credito Real stock is listed on the Mexican Stock Exchange under the ticker symbol "CREAL\*". (Bloomberg identification number is CREAL\* MM).



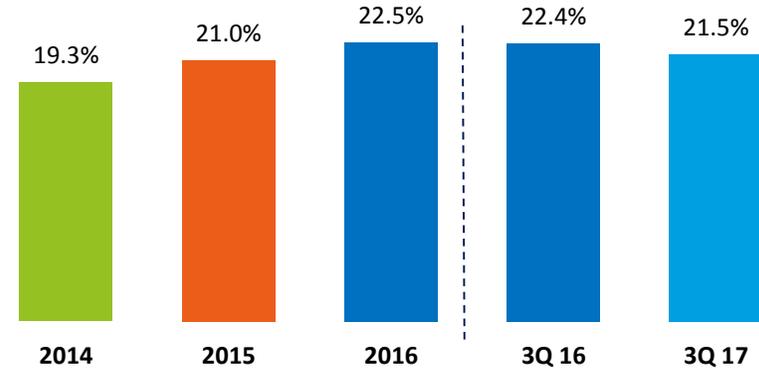
Ownership Percentage



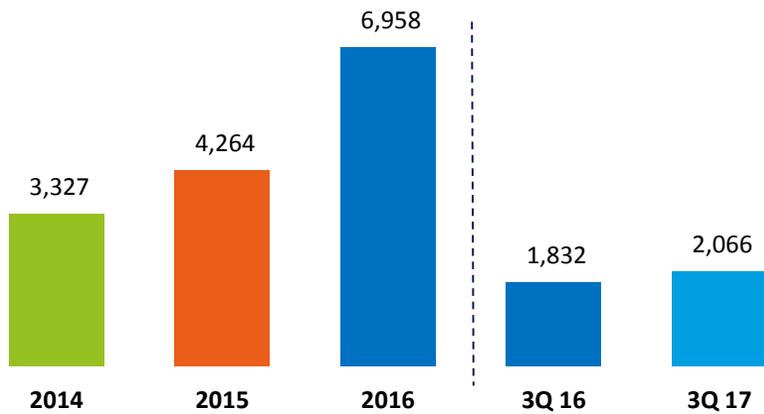
Loan Portfolio



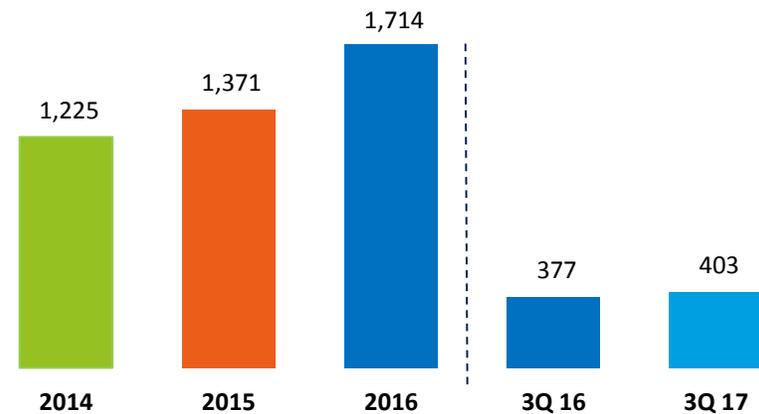
NIM %



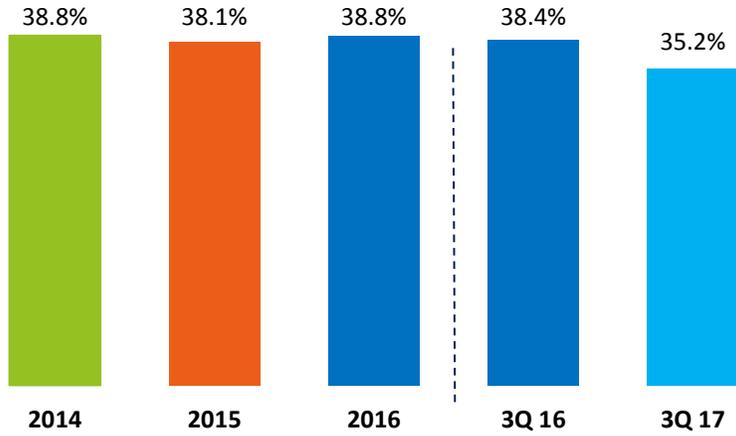
Interest income



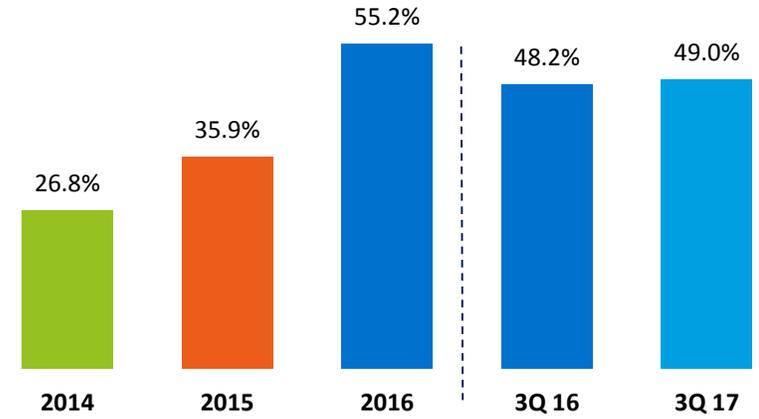
Net income



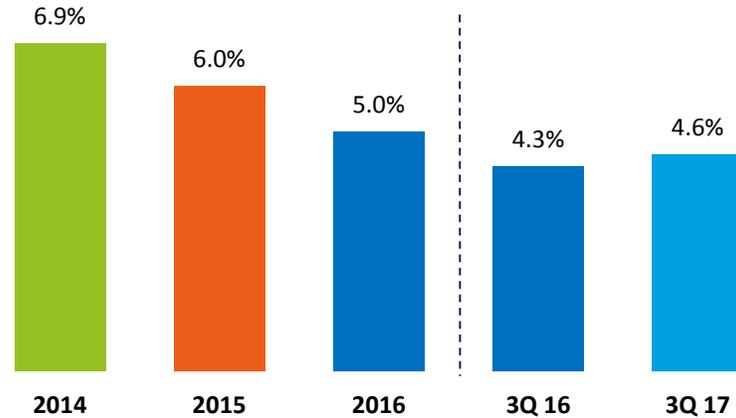
Capitalization



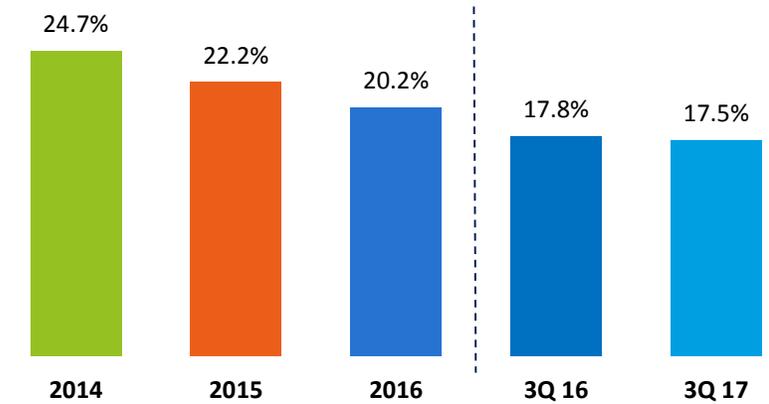
Efficiency



ROAA



ROAE



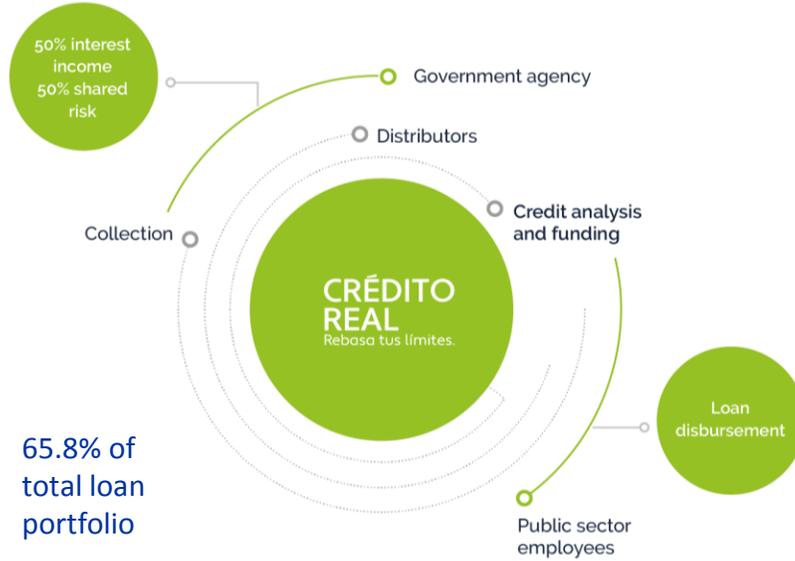
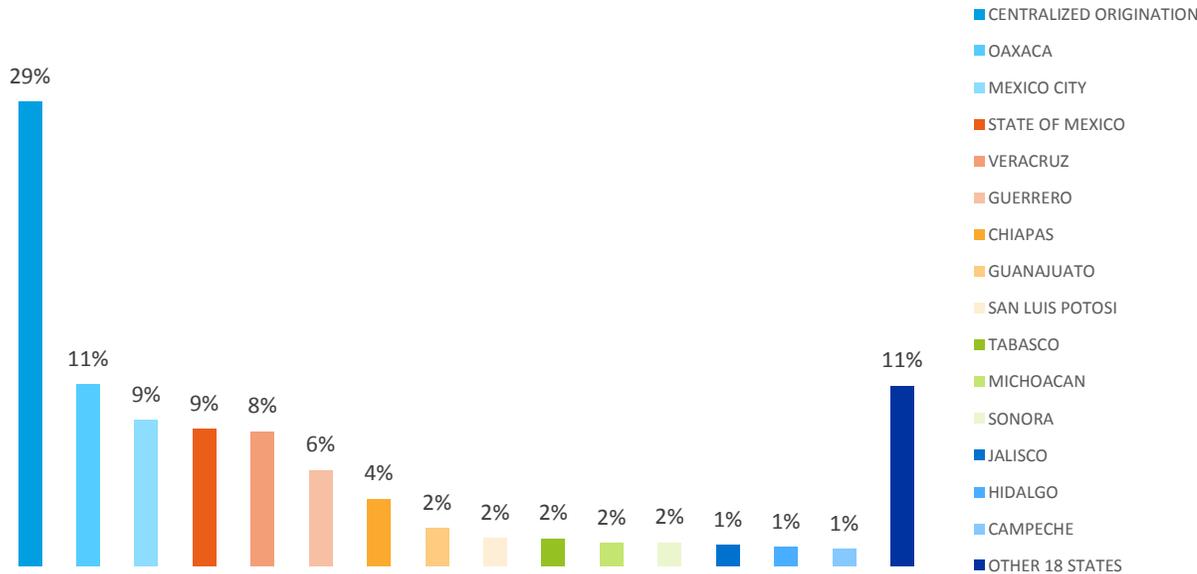
# CRÉDITO REAL

Beyond your limits.

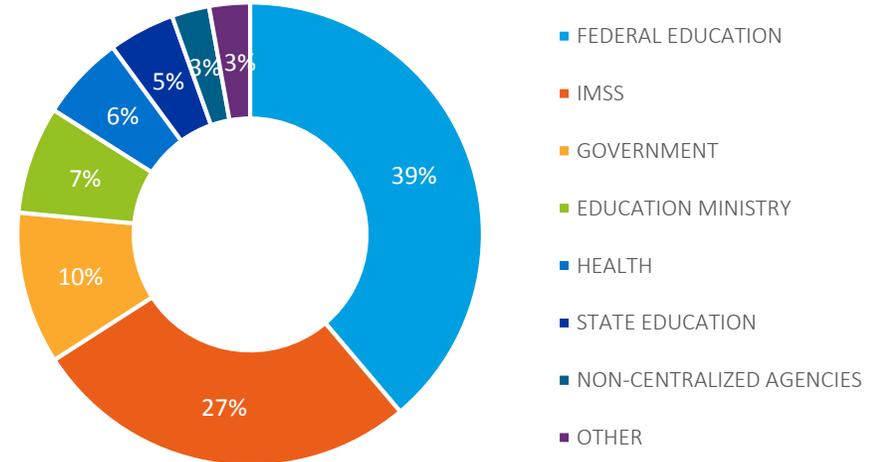
Personal loans granted mainly to unionized state and federal public-sector employees, retirees and pensioners.



## 3Q17 Payroll Portfolio by region



## 3Q17 Payroll Portfolio per Sector



- Description
- Average loan amount
- Average term
- Average annual interest rate
- Payment frequency
- Customers
- Turnover rate
- Non-performing loan ratio



Loans for small and medium businesses to finance working capital requirements and investment activities.

Credit origination is through our in house brand and “H Financieras”, which has been key in the business success. The SMEs sector has 351 customers, which we attend through a promoter scheme and a specialized operator.



MX \$4.8 million



3-36 months



17-48%



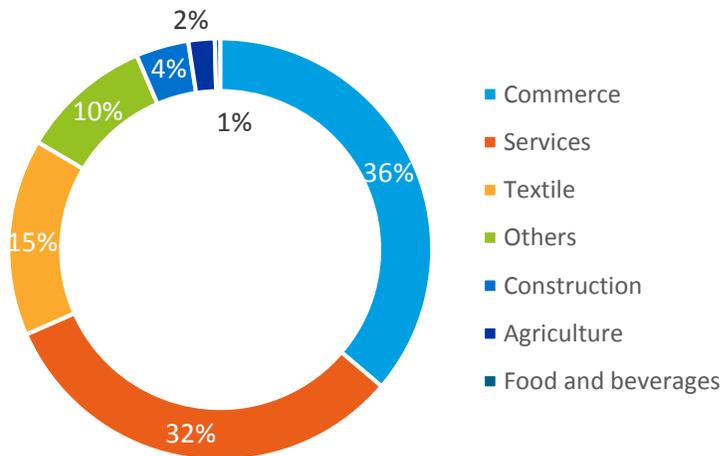
Monthly



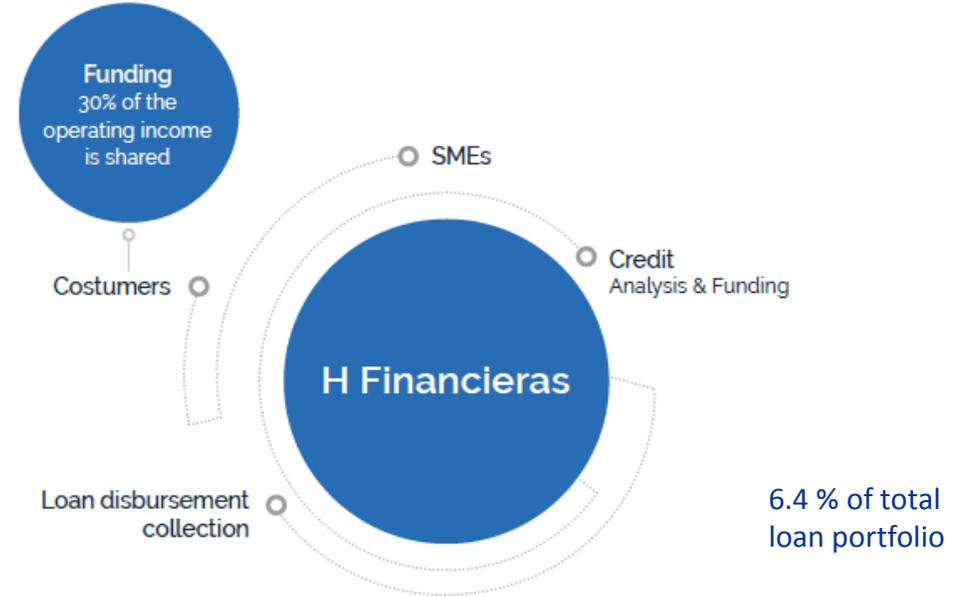
2.8%

**Current yield 22.4%**

## Diversified sector base



## Origination and collection process



Description



Average term



Payment frequency



Turnover rate



Average loan amount



Average annual interest rate



Costumers



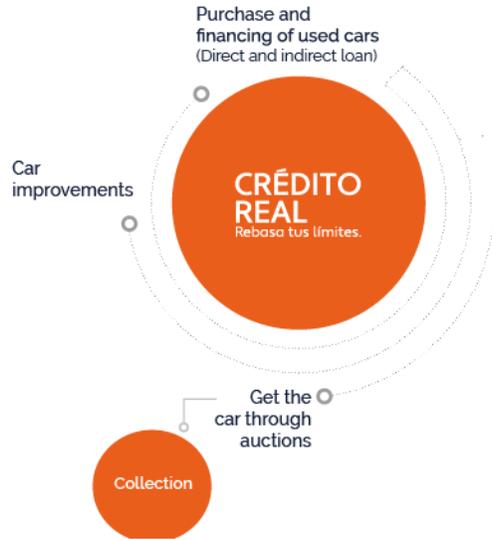
Non-performing loan ratio

## Used Cars USA

Loans for used cars, through our strategic partners with whom we have an equity participation of 99% with AFS Acceptance and 80% with Don Carro.

Don Carro has a distribution network of five lots, while AFS has 390+ distributors and licenses to operate in 32 states of the United States.

## Origination and collection process



**Used Cars represents 9.6% of total loan portfolio**

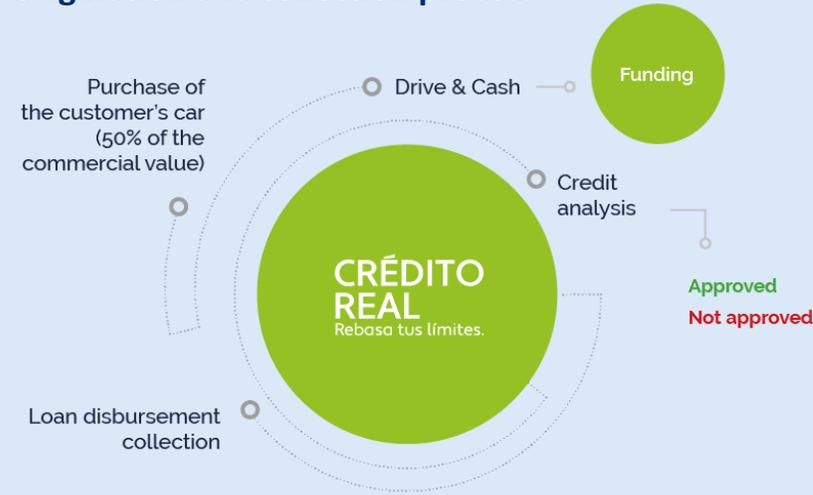
\$12,900 USD	48 months	20%-25% + commercial margin (30% -35%)
Biweekly	13,893	

# Used cars

## Drive and Cash

Through the acquisition of 51% of Drive & Cash, we offer financing to individuals and legal entities through cars and commercial vehicle warranty, with a distribution network of 28 branches located within 13 states in Mexico.

## Origination and collection process



MX \$105,608	12 months	35% - 60%
Monthly	<ul style="list-style-type: none"> <li>• Installation of GPS tracking device as insurance</li> <li>• Insurance income</li> <li>• Car invoice as loan collateral</li> </ul>	

# CRÉDITO REAL

Beyond your limits.



Instacredit offers financial services through personal loans, car loans, small business loans and home equity loans in Costa Rica, Nicaragua and Panama.



MX \$23,879



22-60 months



32% - 62%

**+480** promoters



178,558



5.4%

**Current yield 52.3%**

# Instacredit



## Products

	Personal	Used cars	Small business	Home equity
% Mix Portfolio	46%	41%	12%	1%
Customers	134,377	27,606	16,010	565
~Loan Amount (\$)	13,505	58,110	30,876	89,799
Average Term	36 months	46 months	33 months	56 months
~Interest Rate	60%	48%	53%	50%



Description



Average term



Payment frequency



Turnover rate



Average loan amount



Average annual interest rate



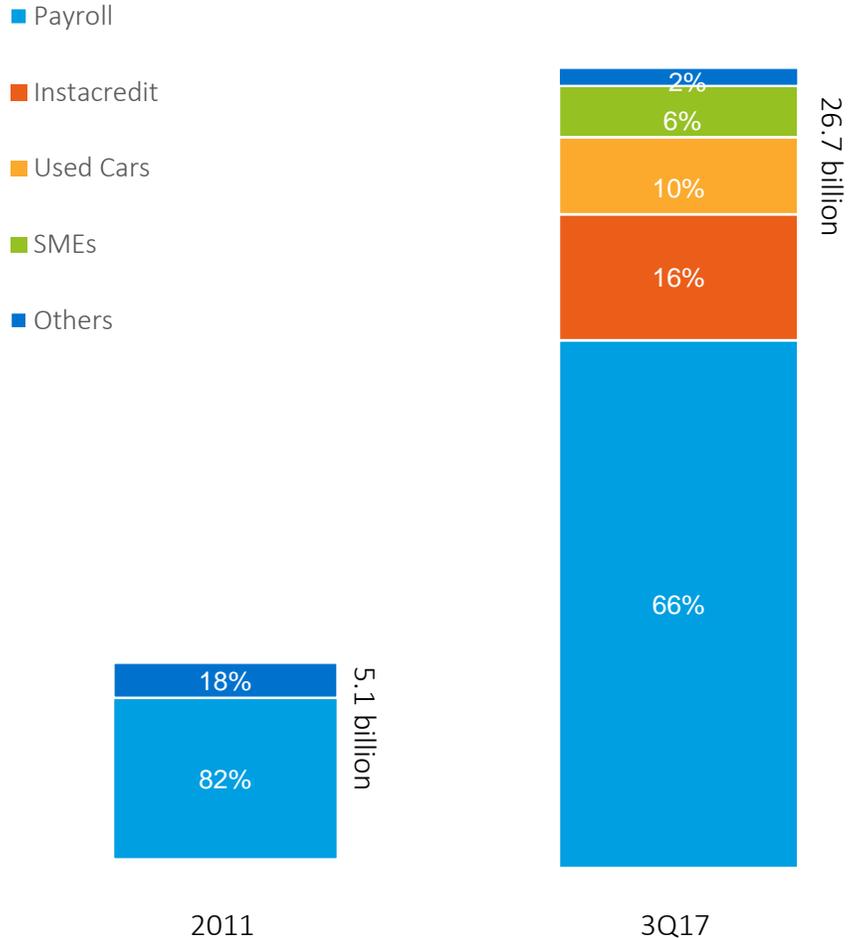
Customers



Non-performing loan ratio

# Diversified & Growing Loan portfolio

## Loan Portfolio Growth



## CAGR\*

Payroll	26%
Small business	20%
Used cars	21%
Instacredit	33%

## 3Q17

CAGR 12'-3Q17'	31%
ROE	17.5%
NPL	2.3%

\*CAGR based on 3Q11 portfolios or business consolidation date: SMEs Dec-13, Used Cars Dec-15, Insracredit Mar-16

## Proprietary members

Francisco Berrondo Lagos  
**Chairman**  
Non-executive

Iser Rabinovitz Stern  
**Member**  
Non-executive

José Eduardo Esteve Recolons  
**Independent Member**  
Non-executive

Ángel Francisco Romanos Berrondo  
**Member**  
Credito Real CEO

Allan Cherem Mizrahi  
**Member**  
Non-executive

Gilbert Sonnery Garreau-Dombasle  
**Independent Member**  
Non-executive

José Luis Berrondo Ávalos  
**Member**  
Non-executive

Gerardo Ciuk Díaz  
**Member**  
Non-executive

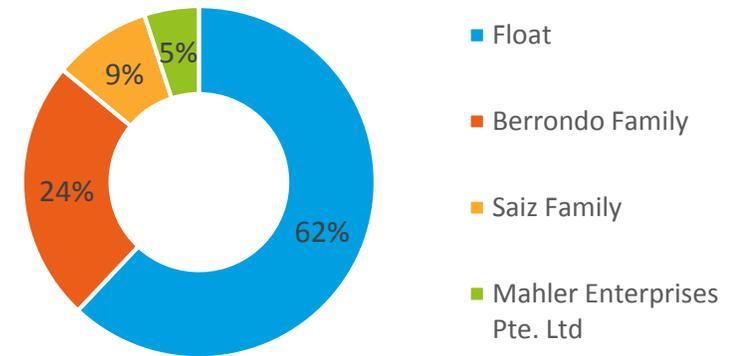
Enrique Alejandro Castillo Badiia  
**Independent Member**  
Non-executive

Moisés Rabinovitz Ohrenstein  
**Member**  
Non-executive

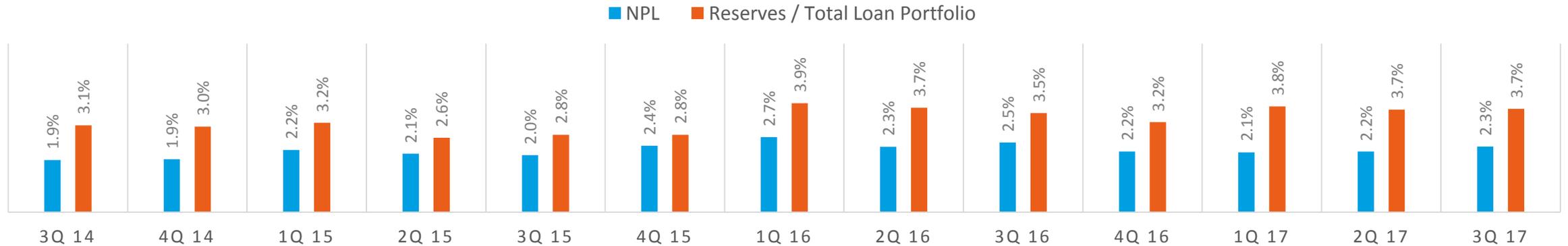
Juan Pablo Zorrilla Saavedra  
**Member**  
Executive

Raúl Alberto Farías Reyes  
**Independent Member**  
Non-executive

## Shareholders structure



## Stable levels of NPLs with sufficient reserves (1)



## Average NPLs comparison

Product	Credito Real**	Banking Sector*
Payroll	1.5%	6.2%
SME	2.8%	1.8%
Used Cars	1.2%	0.6%
Instacredit	5.4%	2.1% (2)
Others	10.7%	-
Total	2.3%	2.7%

- Selective with distributors and government entities
- Specialized collection management
- Income and risk shared with distributors
- Loan structure to reduce default risk
- Regional footprint

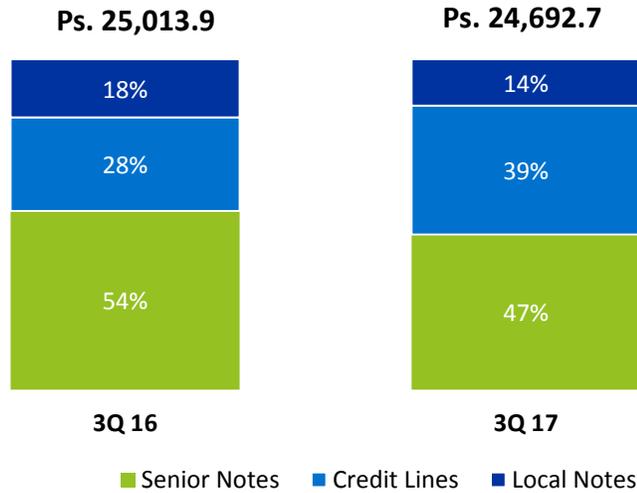
\*Company filings presented to CNBV as of December 31, 2016, except Financiera Independencia and Unifin which were obtained from public filings.

\*\* 3Q17 average.

(1) Reserves calculated as end of period allowance for loan losses divided by total loan portfolio

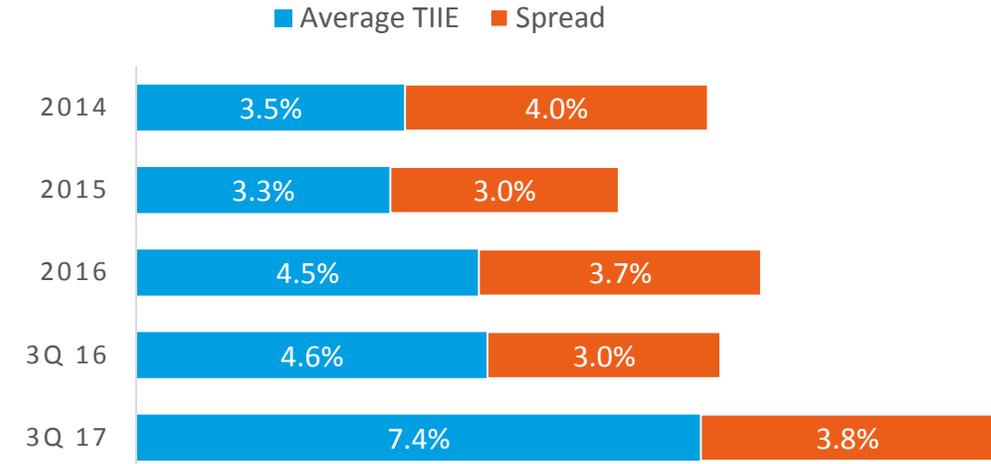
(2) Metric: Costa Rica's Non-banking financial sector Total loan portfolio. Average LTM ended on December, 2016. Source BCCR

**Debt profile**

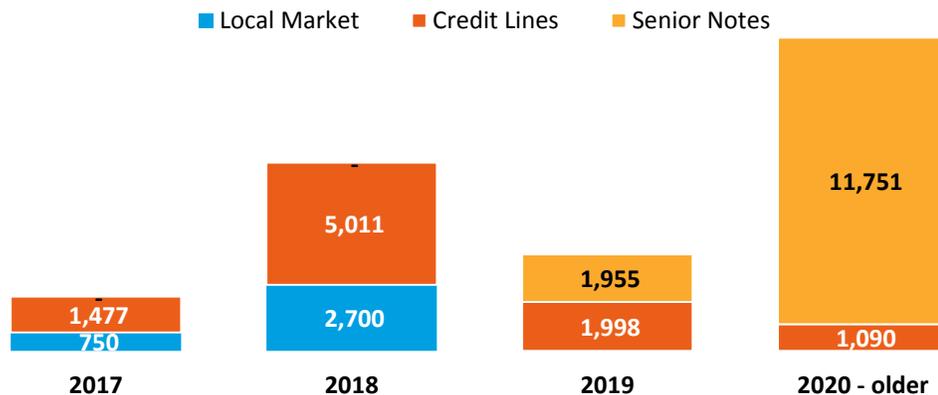


**Diversified funding sources**

**Improving funding cost**



**Debt maturity schedule as of 3Q17<sup>(1)</sup>**



**Market risks**

Interest Rate Risk

Around 52% of Credito Real's consolidated debt is fixed

Asset & Liabilities duration

Assets	Liabilities
1.7 years	3.3 years

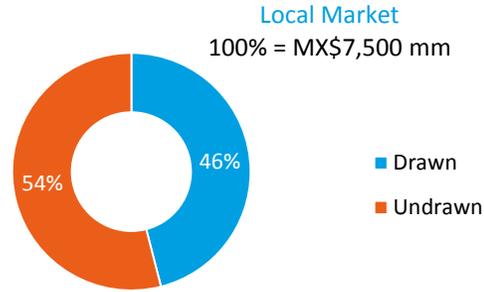
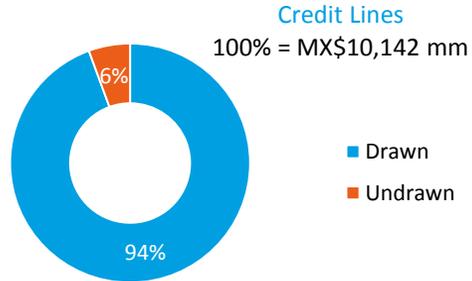
FX Risk

None FX risk

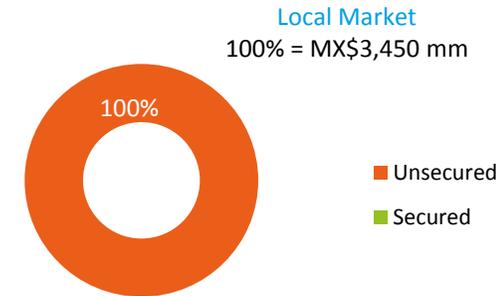
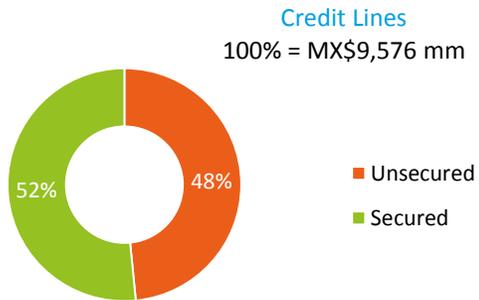
Assets in USD: 15.9 million

Notes:  
(1) Debt does not include FX effect and accrued interests

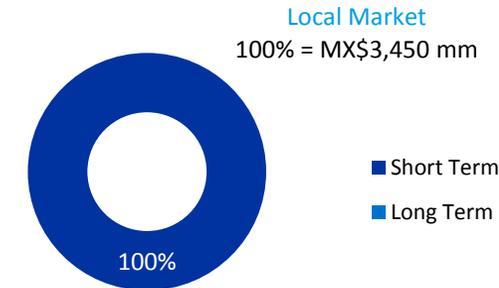
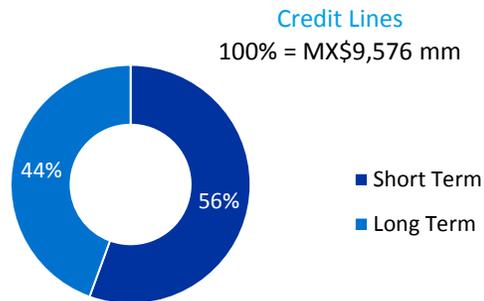
## Drawn vs. Undrawn



## Secured vs. Unsecured (1)

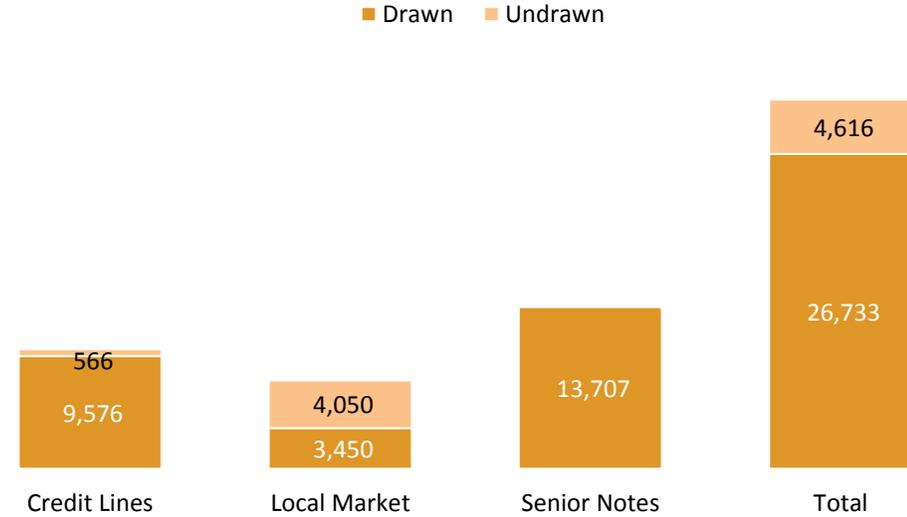


## Term (2)



# Diversified funding sources

## Total Debt<sup>(3)</sup>



## Other Considerations

- Authorized credit line capacity of MX\$10,142 mm (MX\$566.5 mm of available credit lines)
- \*Cash and equivalents of MX\$1,321.1 mm as of September 30, 2017
- Funding program in the Mexican Market of MX\$7,500 mm (MX\$4,050 mm available)
- US \$625 mm @ 7.25% 144/Reg S Senior Unsecured Notes due 2023
- Total Shareholders Equity amounts to MX \$9,388.8 mm

Notes: Information as of September 30, 2017

- (1) 15.9% of the loan portfolio is pledged to guarantee credit facilities.
- (2) Short term refers to amortization under 1 year. Medium term ranges from 1 to 5 years.
- (3) Does not include de Fx effect and accrued interests.

		Yield 3Q17	*Yield 2021
	<b>Payroll</b>	<ul style="list-style-type: none"> <li>• Pensioners market development</li> <li>• Effect of acquiring 51% of Credifiel and Credito Maestro</li> </ul>	30.8% 35%
	<b>Small business</b>	<ul style="list-style-type: none"> <li>• Increase sales reps</li> <li>• Increase origination through brokers</li> <li>• Diversification of Fondo H portfolio</li> </ul>	22.4% 19%
	<b>Used cars</b>	<ul style="list-style-type: none"> <li>• Drive &amp; Cash expansion</li> <li>• Enlarge dealers network in Mexico and USA</li> <li>• USA-Latino market with Don Carro</li> <li>• Increased competition in Mexico and the USA</li> </ul>	24.5% 33%
	<b>Instacredit*</b>	<ul style="list-style-type: none"> <li>• Efficiency in funding cost and general expenses</li> <li>• Expansion in Central America</li> </ul>	52.3% 60%
	<b>Average yield</b>		32.2% 38%
	<b>ROA</b>	<ul style="list-style-type: none"> <li>• Expected ROA 3.5% - 5%</li> <li>• Expected ROE 15% - 20%</li> </ul>	4.6% 7%

\* Calculated in US Dollars

## Loan Portfolio Summary

	3Q17					3Q16					
	Portfolio <sup>1</sup>	%	Customers	NPL's	Average Loan <sup>2</sup>	Portfolio <sup>1</sup>	%	Customers	NPL's	Average Loan <sup>2</sup>	Chg. % Portfolio
Payroll	17,562.3	65.8%	366,928	1.5%	47,863	14,305.3	62.8%	354,699	2.4%	40,331	22.8
SMEs	1,707.1	6.4%	351	2.8%	4,863,416	1,398.4	6.1%	390	2.5%	3,585,752	22.1
Used Cars	2,568.1	9.6%	13,893	1.2%	184,848	2,622.7	11.5%	14,634	2.5%	179,220	(2.1)
Instacredit	4,263.8	16.0%	178,558	5.4%	23,879	3,632.6	15.9%	157,458	2.7%	23,070	17.4
Others	576.7	2.2%	258,565	7.0%	2,230	829.4	3.6%	251,563	1.5%	3,297	(30.5)
<b>Total</b>	<b>26,677.9</b>	<b>100.0%</b>	<b>818,295</b>	<b>2.3%</b>	<b>32,602</b>	22,788.5	100.0%	778,744	2.5%	29,263	17.1

## Origination Summary

	3Q17		3Q16		Chg. %	YTD'17		YTD'16		Chg. %
	Origination <sup>1</sup>	%	Origination <sup>1</sup>	%		Origination <sup>1</sup>	%	Origination <sup>1</sup>	%	
Payroll	1,455.7	31.1%	1,155.1	25.2%	26.0	3,941.6	28.5%	3,744.0	28.2%	5.3
SMEs	649.4	13.9%	1,028.6	22.5%	(36.9)	2,138.2	15.4%	2,798.2	21.0%	(23.6)
Used Cars	430.8	9.2%	474.1	10.4%	(9.1)	1,356.9	9.8%	1,551.9	11.7%	(12.6)
Instacredit	798.0	17.1%	850.3	18.6%	(6.1)	2,562.6	18.5%	2,142.2	16.1%	19.6
Others	1,341.2	28.7%	1,068.1	23.3%	25.6	3,841.8	27.8%	3,057.4	23.0%	25.7
<b>Total</b>	<b>4,675.2</b>	<b>100.0%</b>	4,576.2	100.0%	2.2	<b>13,841.1</b>	<b>100.0%</b>	13,293.8	100.0%	4.1

(1) Figures are expressed in millions of pesos

(2) figures are expressed in pesos

<b>Financial Ratios</b>	<b>3Q17</b>	<b>3Q16 Recurring</b>	<b>% Var Recurring</b>	<b>3Q16</b>	<b>% Var.</b>	<b>YTD'17</b>	<b>YTD'16 Recurring</b>	<b>% Var Recurring</b>	<b>YTD'16</b>	<b>% Var.</b>
Yield	31.9%	32.6%	(0.7)	37.8%	(5.9)	32.6%	30.9%	1.7	32.8%	(0.2)
Net Interest Margin	21.5%	22.4%	(0.9)	27.6%	(6.1)	22.3%	22.5%	(0.1)	24.3%	(2.0)
Return on Average Loan Portfolio	6.2%	6.7%	(0.5)	10.5%	(4.2)	6.5%	7.4%	(0.9)	8.8%	(2.2)
ROAA: Return on average assets	4.6%	4.3%	0.3	6.8%	(2.2)	4.6%	4.9%	(0.2)	5.8%	(1.1)
ROAE: Return on average stockholders' equity	17.5%	17.8%	(0.3)	27.4%	(9.9)	17.9%	19.8%	(1.9)	23.2%	(5.3)
Debt to Equity Ratio	2.6	2.9	(0.3)	2.8	(0.2)	2.6	2.9	(0.3)	2.8	(0.2)
Average cost of funds	11.2%	9.6%	1.6	9.6%	1.6	10.8%	8.1%	2.7	8.1%	2.7
Efficiency ratio	49.0%	48.2%	0.8	48.2%	0.8	48.8%	52.8%	(4.0)	49.7%	(0.9)
Capitalization Ratio	35.2%	38.4%	(3.2)	39.3%	(4.1)	35.2%	38.4%	(3.2)	39.3%	(4.1)
Provisions for loan losses as a percentage of total loan portfolio	5.2%	5.0%	0.2	5.0%	0.2	4.8%	3.2%	1.6	3.2%	1.6
Allowance for loan losses as a percentage of total past-due loan portfolio	157.7%	142.2%	15.5	142.2%	15.5	157.7%	142.2%	15.5	142.2%	15.5
Total past-due loan portfolio as a percentage of total loan portfolio	2.3%	2.5%	(0.2)	2.5%	(0.1)	2.3%	2.5%	(0.1)	2.5%	(0.1)

<i>Ps. million</i>	3Q17	3Q16	4Q16	% Var vs 3Q16	% Var vs 4Q16
Cash and cash equivalents	580.2	524.3	315.8	10.7	83.7
Investments in securities	740.9	3,204.0	992.7	(76.9)	(25.4)
Securities and derivatives transactions	0.0	1,504.4	2,466.9	(100.0)	(100.0)
Commercial loans					
Total performing loan portfolio	26,054.7	22,223.8	23,410.0	17.2	11.3
Commercial loans					
Total non-performing loan portfolio	623.2	564.6	517.0	10.4	20.5
<b>Loan portfolio</b>	<b>26,677.9</b>	<b>22,788.5</b>	<b>23,927.0</b>	<b>17.1</b>	<b>11.5</b>
Less: Allowance for loan losses	982.7	802.9	767.5	22.4	28.0
Loan portfolio (net)	25,695.2	21,985.5	23,159.6	16.9	10.9
Other accounts receivable (net)	3,839.2	3,941.2	3,577.3	(2.6)	7.3
Foreclosed assets (net)	9.7	0.0	28.0	-	65.2
Property, furniture and fixtures (net)	348.5	257.1	262.1	35.6	32.9
Long-term investments in shares	1,021.0	907.4	1,057.8	12.5	(3.5)
Debt insurance costs, intangibles and others	4,196.0	4,006.3	4,055.2	4.7	3.5
<b>Total assets</b>	<b>36,430.8</b>	<b>36,330.3</b>	<b>35,915.4</b>	<b>0.3</b>	<b>1.4</b>
Notes payable (certificados bursatiles)	3,463.1	4,407.2	2,759.2	(21.4)	25.5
Senior notes payable	11,583.9	13,513.7	14,129.3	(14.3)	(18.0)
Bank loans and borrowings from other entities					
Short-term	3,401.5	3,414.7	5,051.7	(0.4)	(32.7)
Long-term	6,244.3	3,678.3	2,648.3	69.8	135.8
Total Bank Loans	9,645.8	7,093.0	7,700.1	36.0	25.3
<b>Total Debt</b>	<b>24,692.7</b>	<b>25,013.9</b>	<b>24,588.5</b>	<b>(1.3)</b>	<b>0.4</b>
Income taxes payable	302.1	154.7	236.3	95.3	27.9
Securities and derivative transactions	274.4	0.0	0.0	-	-
Other accounts payable	1,772.7	2,204.9	1,813.3	(19.6)	(2.2)
<b>Total liabilities</b>	<b>27,041.9</b>	<b>27,373.5</b>	<b>26,638.0</b>	<b>(1.2)</b>	<b>1.5</b>
Capital stock	2,130.8	2,114.4	2,110.4	0.8	1.0
Accumulated results from prior years	5,543.9	4,448.4	4,378.6	24.6	26.6
Result from valuation of cash flow hedges, net	(17.5)	279.5	229.4	(106.3)	(107.6)
Cumulative translation adjustment	(109.3)	112.3	167.6	-	-
Controlling position in subsidiaries	618.8	633.4	677.2	(2.3)	(8.6)
Net Income	1,222.1	1,368.7	1,714.0	(10.7)	(28.7)
<b>Total stockholders' equity</b>	<b>9,388.83</b>	<b>8,956.8</b>	<b>9,277.4</b>	<b>4.8</b>	<b>1.2</b>
<b>Total Liabilities and Stockholders' equity</b>	<b>36,430.8</b>	<b>36,330.3</b>	<b>35,915.4</b>	<b>0.3</b>	<b>1.4</b>

<i>Ps. millions</i>	<b>3Q17</b>	<b>3Q16 Recurring</b>	<b>% Var Recurring</b>	<b>3Q16</b>	<b>% Var.</b>	<b>YTD'17</b>	<b>YTD'16 Recurring</b>	<b>% Var Recurring</b>	<b>YTD'16</b>	<b>% Var.</b>
Interest Income	2,065.8	1,832.0	12.8	2,125.0	(2.8)	6,110.8	4,826.0	26.6	5,119.0	19.4
Interest Expense	669.5	570.9	17.3	570.9	17.3	1,924.1	1,316.6	46.1	1,316.6	46.1
Financial Margin	<b>1,396.3</b>	1,261.1	10.7	1,554.1	(10.2)	4,186.8	3,509.5	19.3	3,802.5	10.1
Provision for Loan Losses	(354.9)	(286.1)	24.1	(286.1)	24.1	(951.9)	(541.5)	75.8	(541.5)	75.8
Adjusted Financial Margin	<b>1,041.4</b>	975.0	6.8	1,268.0	(17.9)	3,234.8	2,968.0	9.0	3,261.0	(0.8)
Commissions and fees collected	186.8	138.4	35.0	138.4	35.0	602.1	393.1	53.2	393.1	53.2
Commissions and fees paid	54.6	72.3	(24.5)	162.6	(66.4)	174.3	206.8	(15.7)	297.1	(41.3)
Intermediation income	126.4	225.2	(43.9)	225.2	(43.9)	109.5	302.2	(63.8)	302.2	(63.8)
Other income from operations	81.2	4.4	-	103.7	(21.7)	265.1	218.2	21.5	317.5	(16.5)
Administrative and promotion expenses	806.1	805.1	0.1	805.1	0.1	2,419.7	2,115.5	14.4	2,115.5	14.4
Operating result	<b>575.1</b>	465.6	23.5	767.6	(25.1)	1,617.6	1,559.2	3.7	1,861.2	(13.1)
Income Taxes	159.3	119.6	33.2	210.6	(24.3)	398.0	401.2	(0.8)	492.1	(19.1)
Income before participation in the results of subsidiaries	415.8	346.0	20.2	557.0	(25.3)	1,219.5	1,158.0	5.3	1,369.1	(10.9)
Participation in the results of subsidiaries, associates and non-controlling participation	(12.8)	30.6	(142.0)	30.6	(142.0)	2.6	(0.4)	-	(0.4)	-
Net Income	<b>403.0</b>	376.5	7.0	587.6	(31.4)	1,222.1	1,157.6	5.6	1,368.7	(10.7)

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