

# EARNINGS RELEASE

3Q20

**CRÉDITO REAL**<sup>®</sup>

Beyond your limits

## CONTACT

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

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



**CREAL\***

# Update on the COVID-19 situation

## Action Plan

- + Safeguard the well-being of our employees and key operating metrics
- + Set in motion the BCP (“Business Continuity Plan”)
- + Prioritize asset quality over growth
- + Strong cash balance and liquidity position
- + Enhance capitalization: Limited share buy back & postpone dividend payments

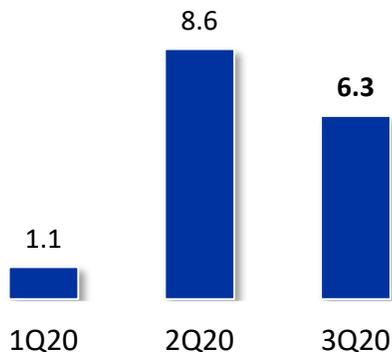
Business Model of Solid Resilience

Experienced Management with proven record

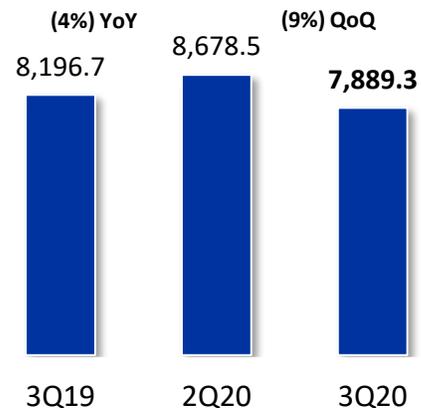
Best-in-class Capitalization

## COVID-19 Performance Metrics

(%) Portfolio with Relief Programs



Collection (MXN Mn)



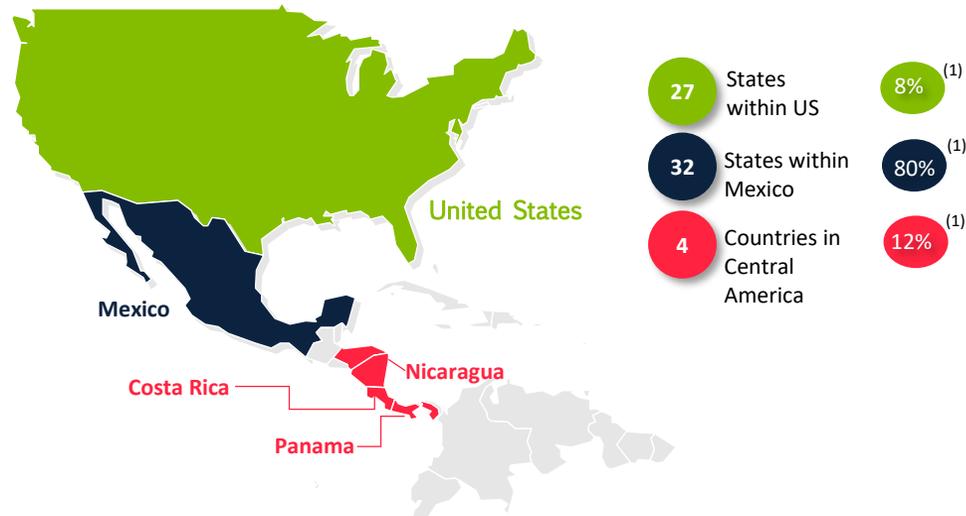
## Business Status In a Nutshell

	Product	Strengths	Actions Taken & Developments	NPL ratio
	Payroll	Centralized collection; Low % of Layoffs	+ Alternative loan offering (call center and digital media)	1.7%
	SMEs	Mostly “long standing relationships”	+ Customer liquidity assessments on a case-by-case basis + 100% origination through existing clients	0.6%
	Used Cars	Orientation to superior asset quality	+ Restrictive origination and selective credit approval policies	1.3%
	SMEs	Cutting-edge Technological platform	+ Government support programs and mentoring of clients	0.5%
	Used Cars	Formal documentation required	+ Government support and program relief for clients	0.8%
	Instacredit	Revamped operation	+ Partnerships with different country-wide chains	4.1%

## Key Company Highlights

- + A leading specialty finance company in Mexico with a growing international presence (United States and Central America).
- + Highly recognized by its product offering, designed specifically for our customer base which is underserved by the traditional banking sector.
- + Over 26 years of experience in understanding the credit profile of customers and in developing and refining proprietary underwriting standards.
- + Listed on the Mexican Stock Exchange since 2012, being actively a public debt issuer in Mexico and in international bond-markets since 1995 and 2010, respectively.

## Market presence

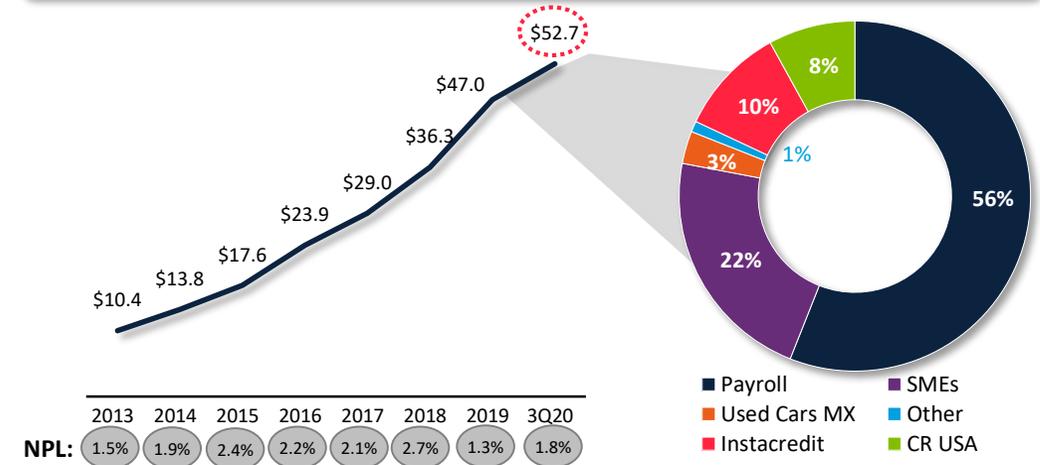


(1) Percentage of Total Portfolio as of 3Q20.

(2) Equity / Total portfolio

(3) Annualized administrative expenses + commissions and fees paid – depreciation expense / (Financial margin + commissions and fees charged + other income from operations) – depreciation expense

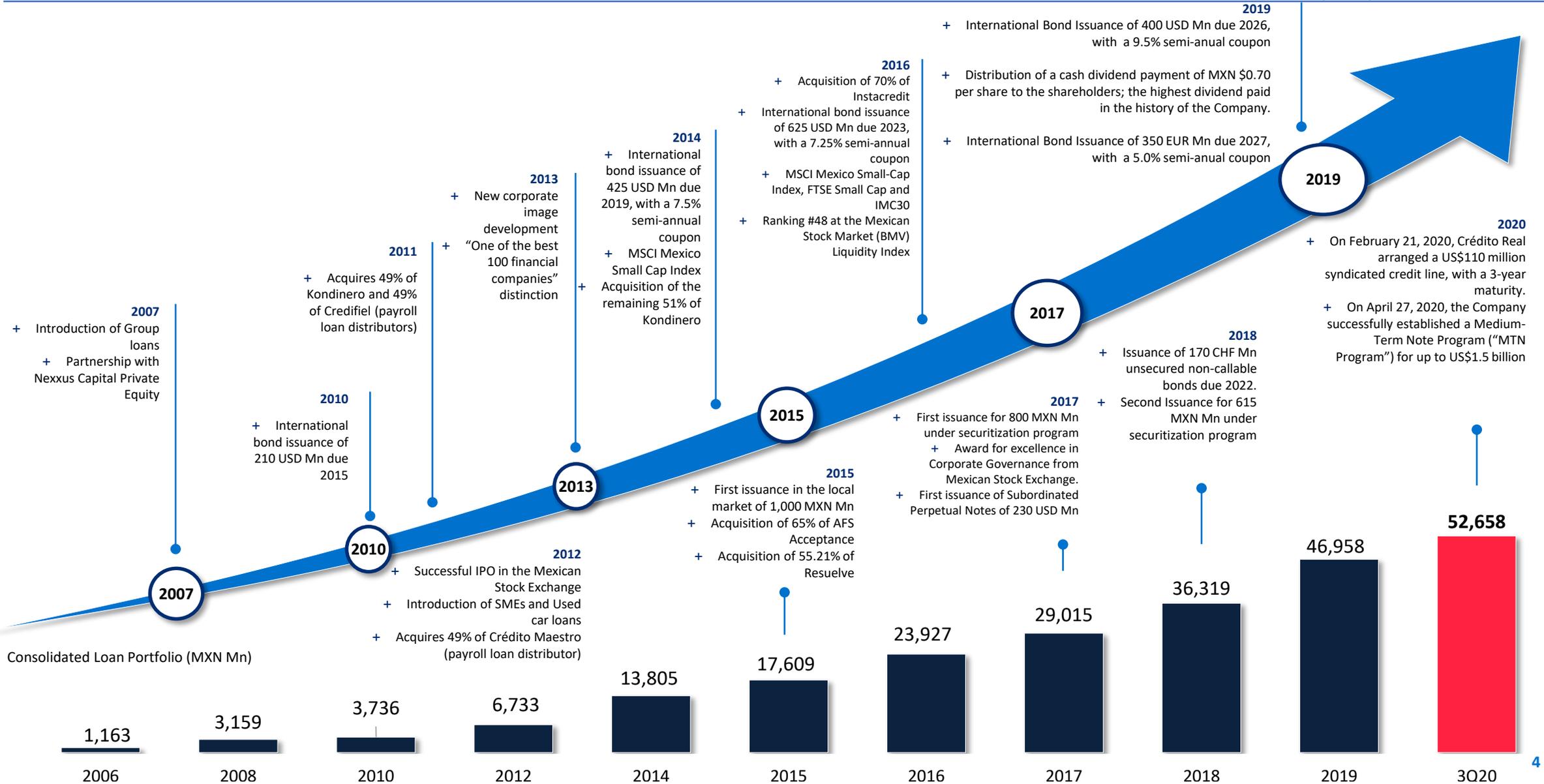
## Consistently Growing Total Portfolio



## Selected Financials

MXN Mn	2017	2018	2019	YTD'19	YTD'20	CAGR / Avg. '17-'19
<b>Income Statement</b>						
Interest Income	\$ 8,557	\$10,288	\$11,933	8,640.0	7,615.5	18.1%
Financial Margin	\$ 5,773	\$ 7,080	\$ 7,262	5,279.8	4,246.5	12.2%
Net income	\$ 1,661	\$ 1,955	\$ 1,980	1,552.9	635.7	9.2%
<b>Balance Sheet</b>						
Assets	\$42,238	\$49,562	\$61,592	57,392.4	73,850.3	20.8%
Debt	\$23,585	\$30,647	\$45,528	37,466.8	52,433.7	38.9%
Equity	\$14,768	\$15,809	\$16,064	16,483.9	17,779.4	4.3%
<b>Key Ratios</b>						
ROAA	4.5%	4.2%	3.6%	3.9%	1.2%	4.1%
ROAE	15.9%	12.9%	12.3%	12.9%	4.8%	13.7%
Capitalization	50.9%	43.5%	34.2%	37.7% <sup>(2)</sup>	33.8% <sup>(2)</sup>	42.9%
Efficiency	50.2%	42.4%	43.9%	43.3%	53.6% <sup>(3)</sup>	45.5%

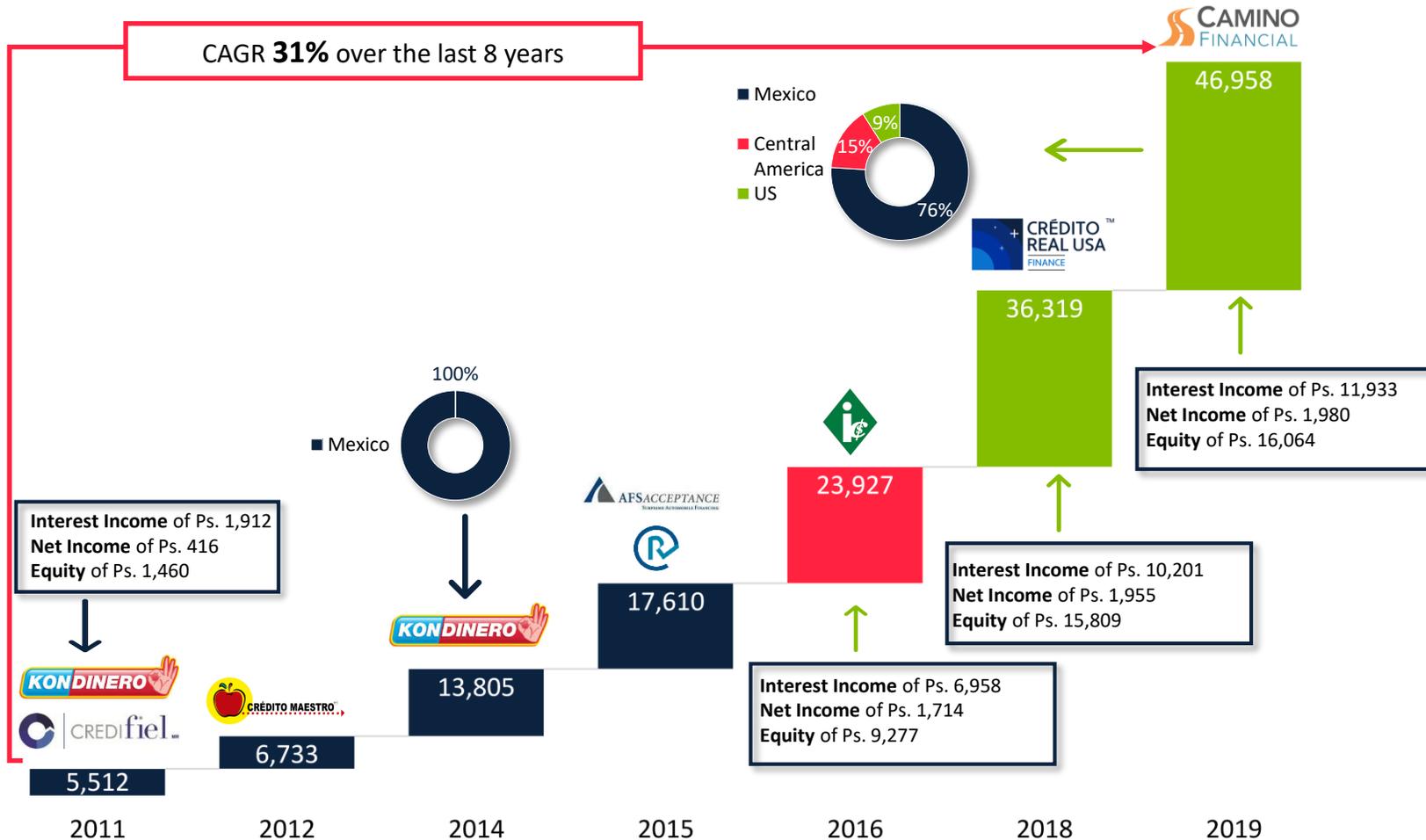
# Corporate History





# 1 Products

## Company's Evolution



## Products

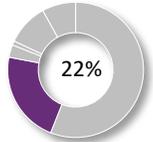
### Payroll

Payroll-deducted loans to public employees and pensioners



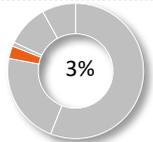
### SMEs

Non-revolving lines to fund working capital and investment activities, as well as leasing



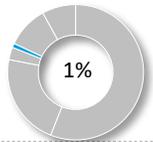
### Used Cars MX

Loans for used cars through strategic alliances with car dealers and internal salesforce



### Others

Integrated by Group Loans and Durable Goods



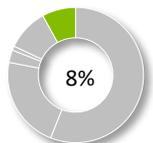
### Instacredit

Consumer Loans, Auto Loans, SMEs Loans and Home Equity Loans in Central America



### CR USA

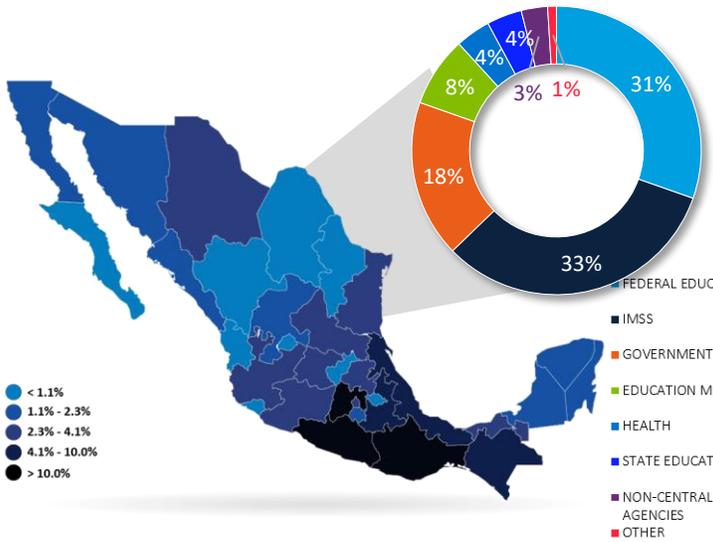
Loans for used cars and for SMEs through strategic partners



+ Profitable growth through our product diversification.

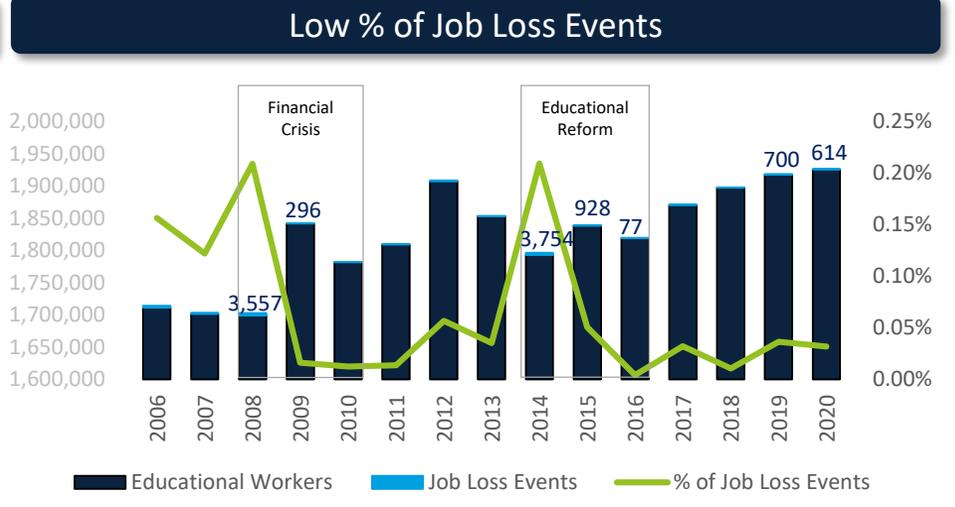
+ Sustained double-digit growth rates.

# Payroll

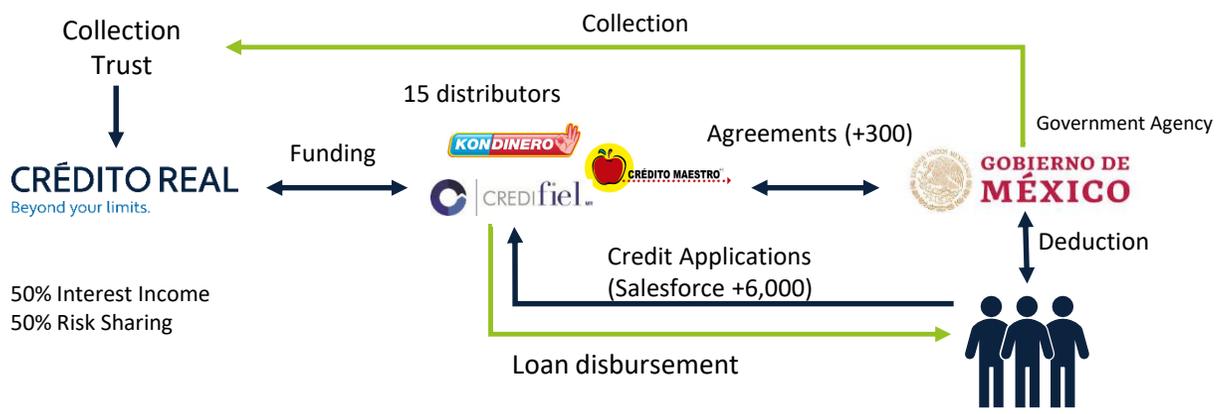


**Product overview**

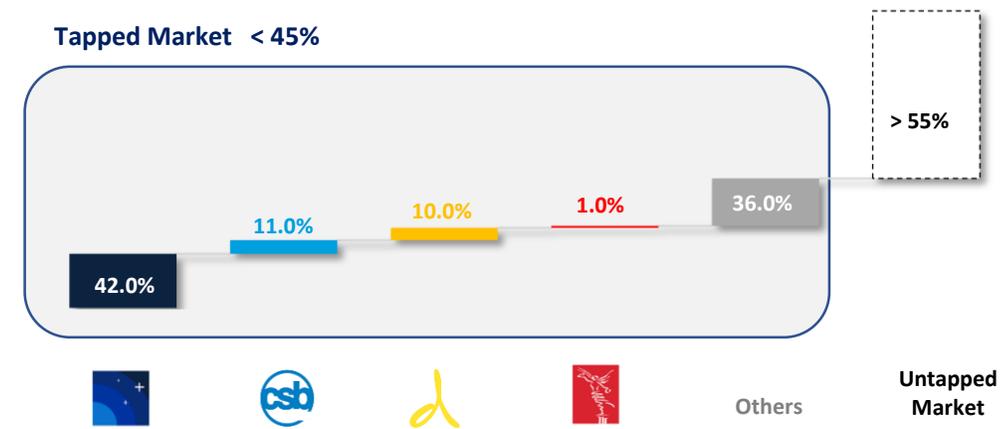
- + Personal loans granted mainly to unionized state and federal public-sector employees, retirees and pensioners
- Ps. 63,317
- Bi-weekly
- 40 months
- 464,559
- 54%
- 1.7%



## Origination and collection process



## Market Share



Source: Company estimates, based on AMDEN's information and financial reports as of 4Q19.

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

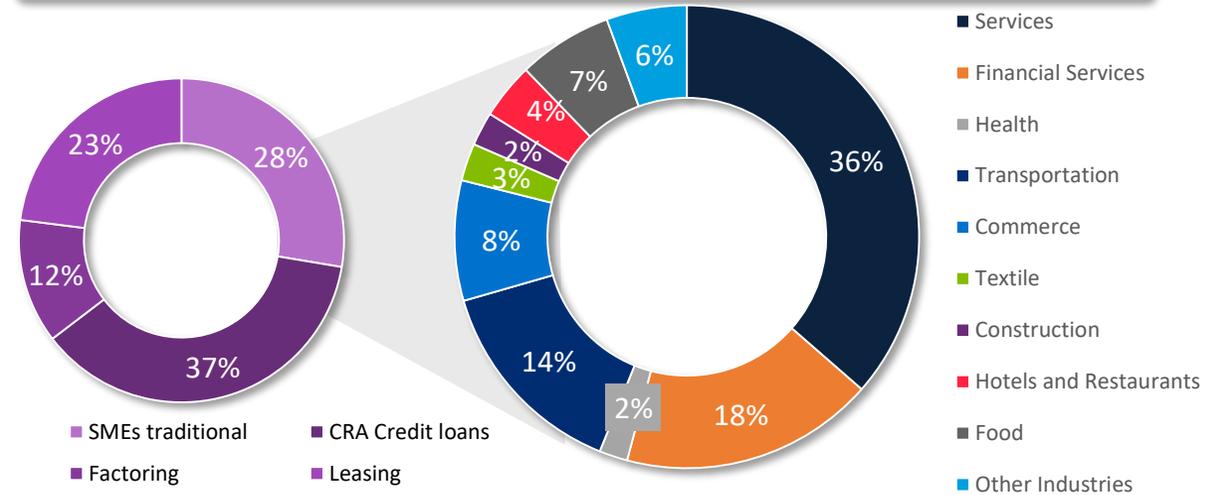
## Product overview

+ Providing financing sources to **small and medium businesses** for working capital requirements and investment activities as well as leasing



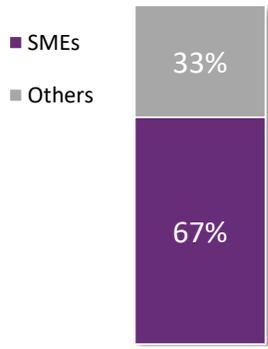
Presence throughout 22 states

## Portfolio composition



## Potential market

### Enterprises in Mexico



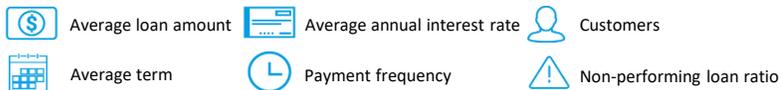
### SMEs penetration with traditional bank



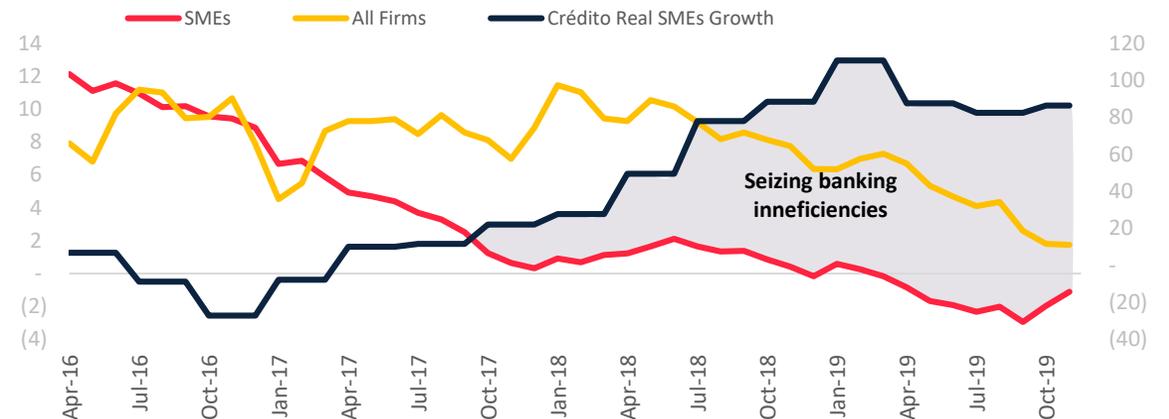
Source: INEGI

2019

2019

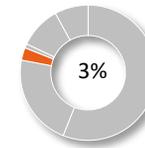


## Addressing segment opportunities



SMEs and All Firms lines represent Performing Commercial Banks Credit to Non-Financial Private Firms, while CREAL represent the SMEs loan portfolio growth

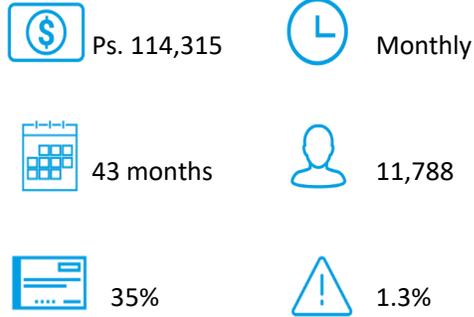
Source: BANXICO



### Product overview



+ Focused on financing **semi-new and used cars** through strategic alliances with a network of distributors that use their own sales force to promote our loans



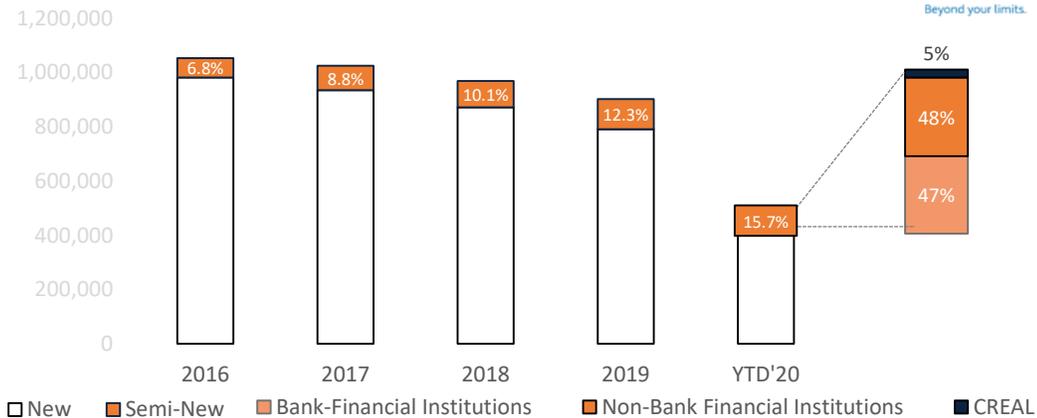
### Portfolio performance against the market

MX Mn



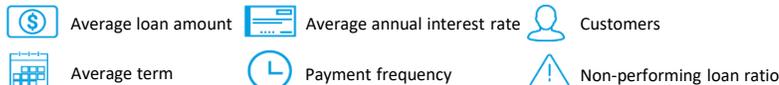
Source: CNBV

### Auto market development

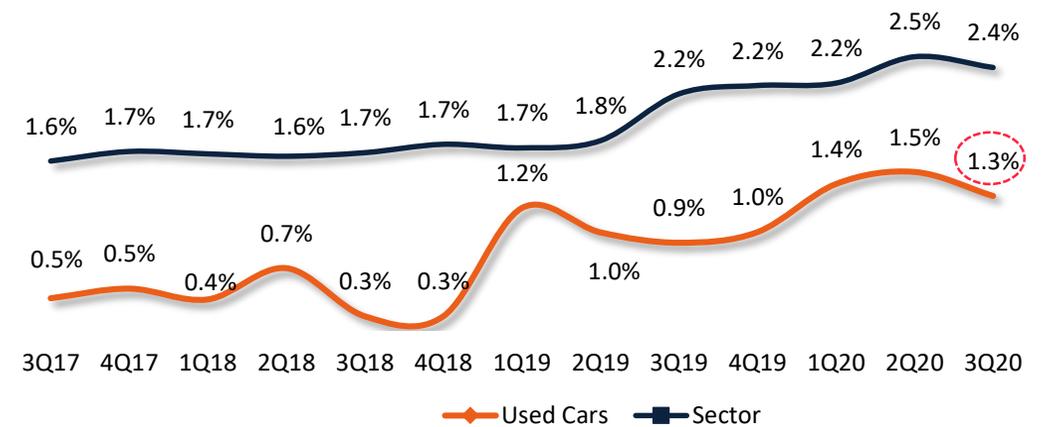


CRÉDITO REAL  
Beyond your limits.

Source: AMDA



### Attractive low-risk business

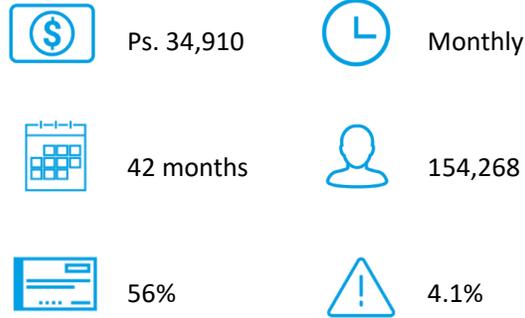


Source: CNBV

### Product overview



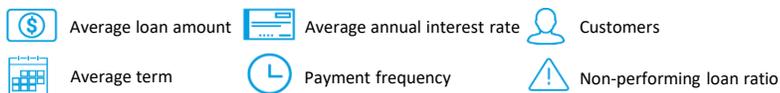
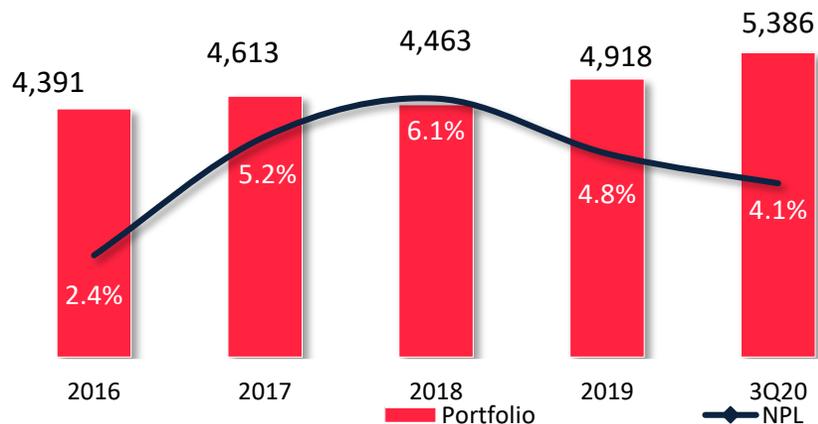
+ Consumer loans, SMEs loans, auto loans and mortgage loans granted in Costa Rica, Nicaragua and Panama



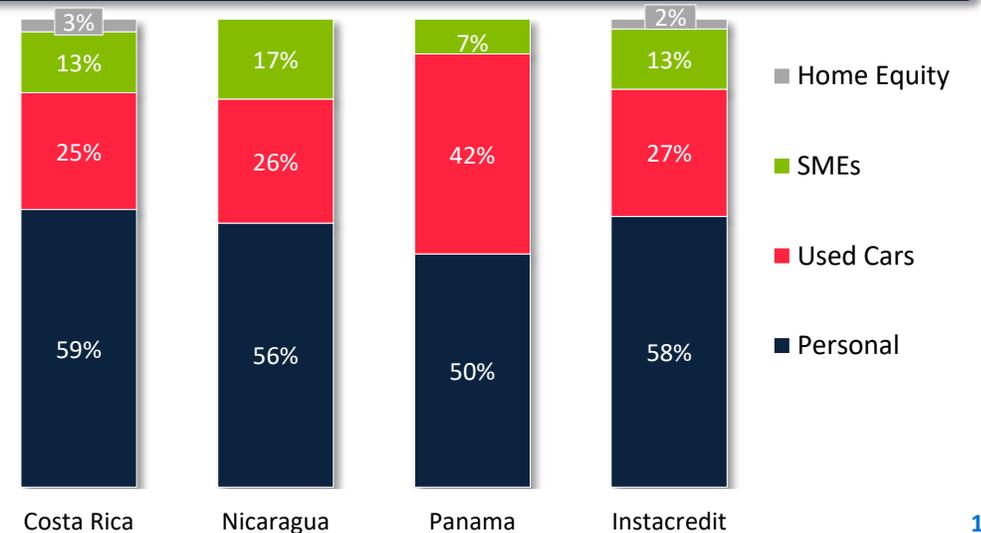
### Portfolio by product

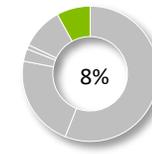
Products	Personal	Used Cars	Small Business	Home Equity
% Mix Portfolio	57.9%	27.2%	12.8%	2.1%
Customers	124,669	16,692	12,091	816
Avg. Loan Amount	\$20,637	\$72,328	\$47,197	\$115,266
Avg. Term	41 months	49 months	46 months	58 months
Avg. Interest Rate	59%	49%	57%	52%

### Portfolio evolution



### Geographic concentration by product





### 26 States



Headquarters

### Product overview

+ Financing of used cars through alliances with car dealers.



Ps. 257,343



Monthly



67 Months



10,512

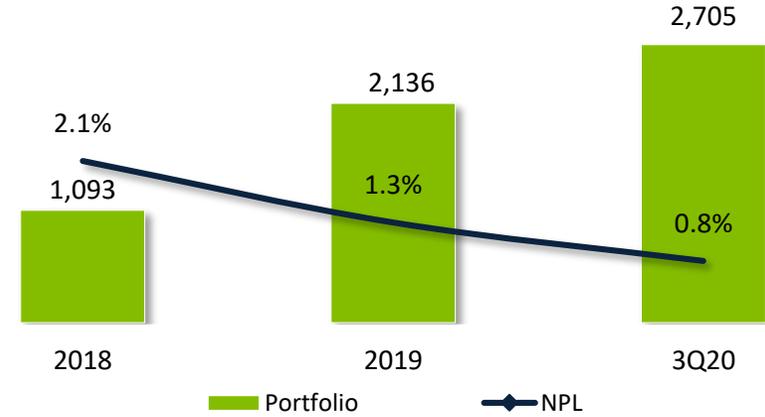


25%



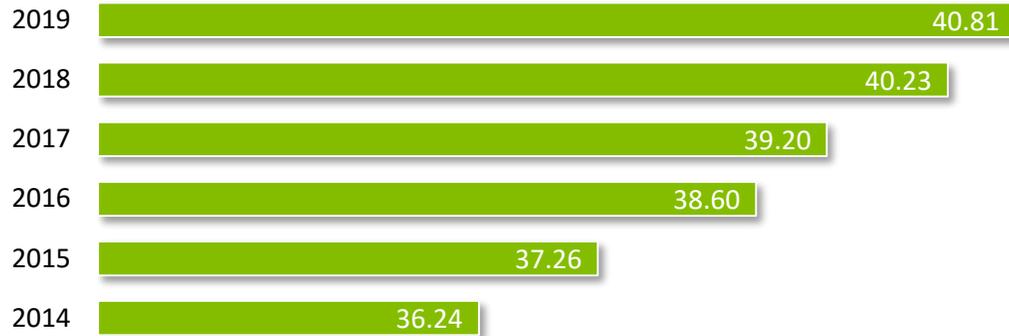
0.8%

### Portfolio evolution



### Used Cars rising market

In million



Source: Edmunds

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

### Used cars financing market gaining ground against new cars

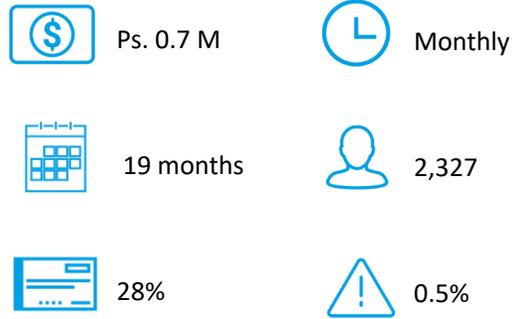


Source: Experian, State of the Automotive Finance Market, 4Q19.

## Product overview

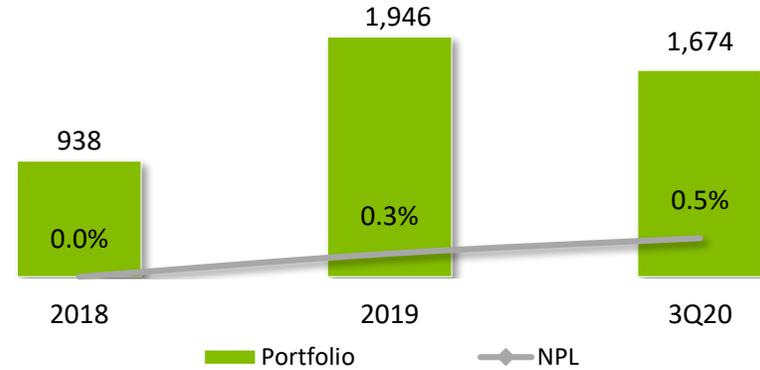


+ LOB (latin-owned-business) financing and factoring to SMEs.



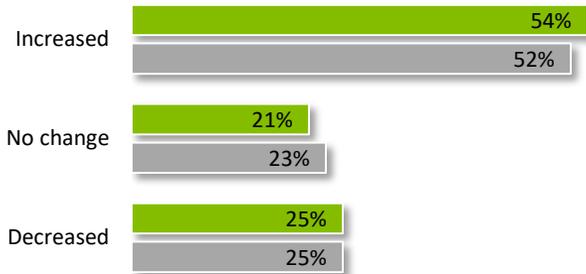
Headquarters

## Portfolio evolution

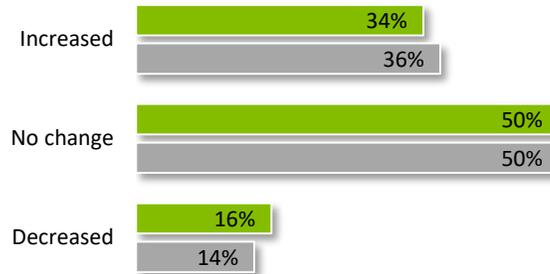


## Strong revenue and employment growth

### Revenue changed



### Employment change



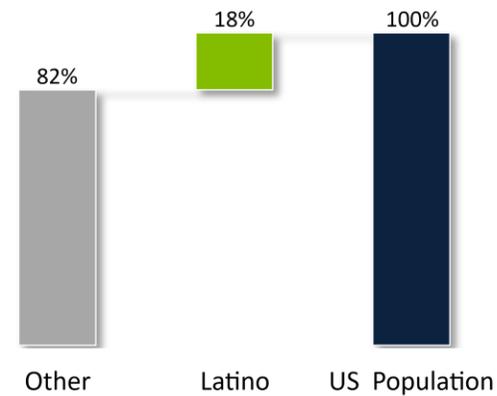
■ Non-latino owned ■ Latino-owned

■ Non-latino owned ■ Latino-owned



Source: 2018, Stanford Business, Latino-owned business Shining a light on national trends

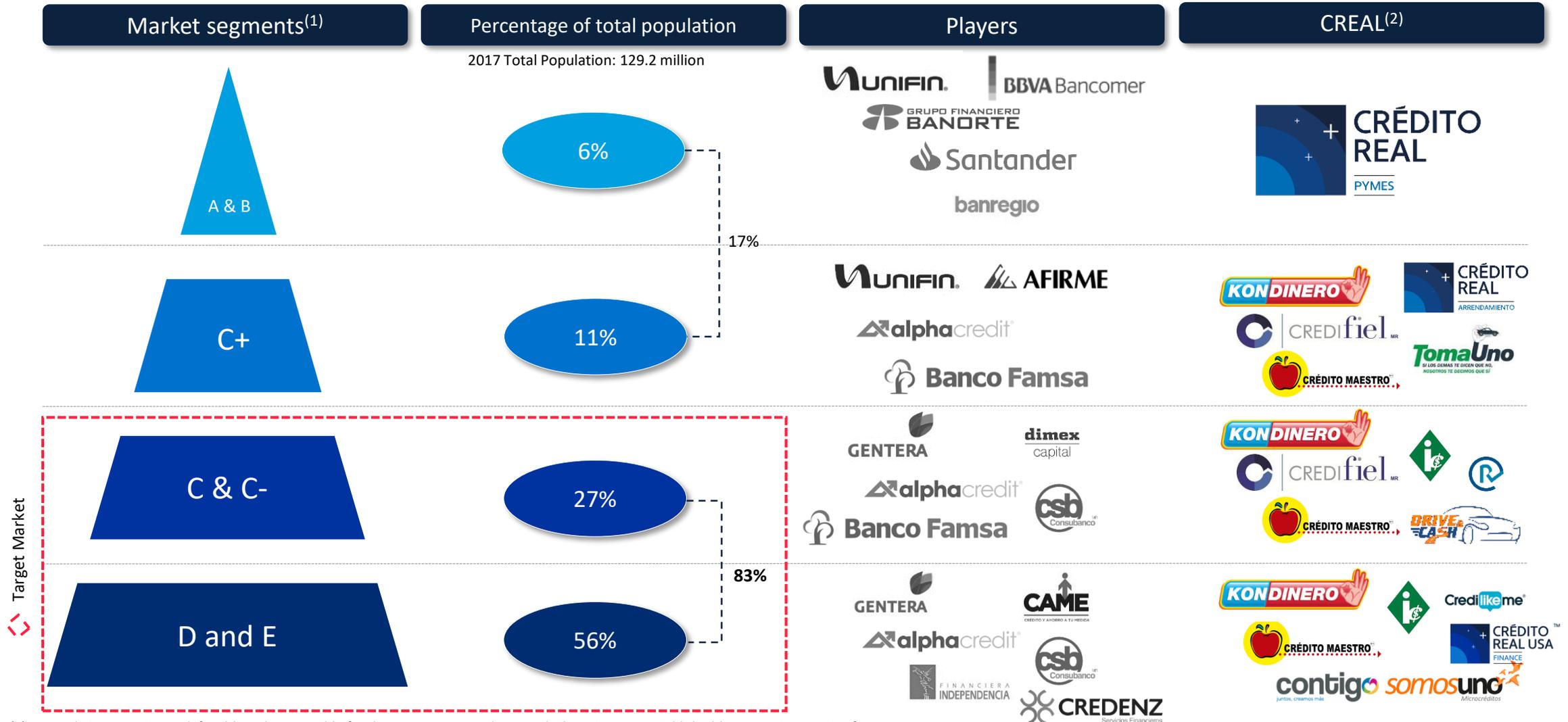
## Hispanics in the US



+ Biggest hispanic market outside Mexico with more than 60 million people, which represents a big **opportunity** to offer our financial services in the US.

Source: U.S. Census Bureau's as of 2018.

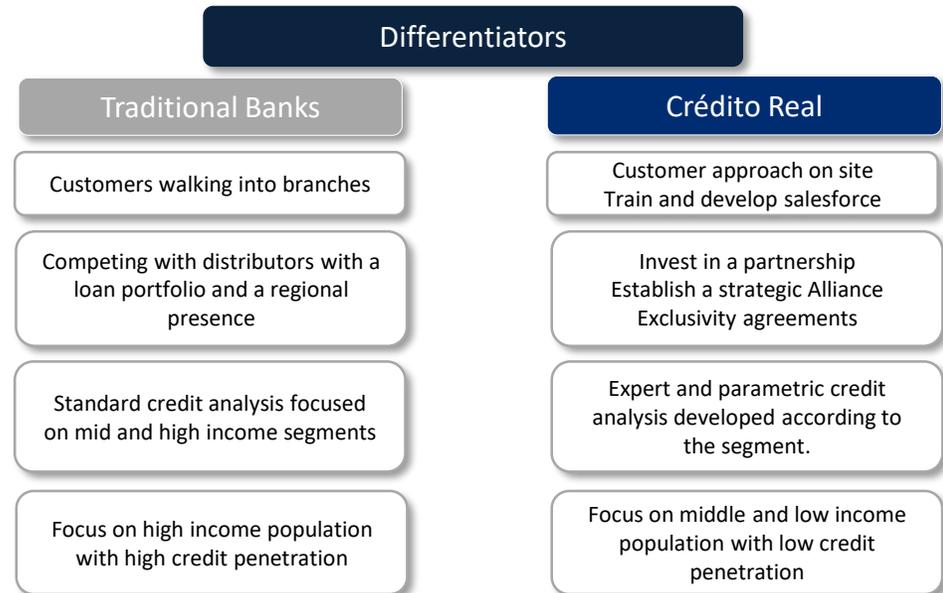
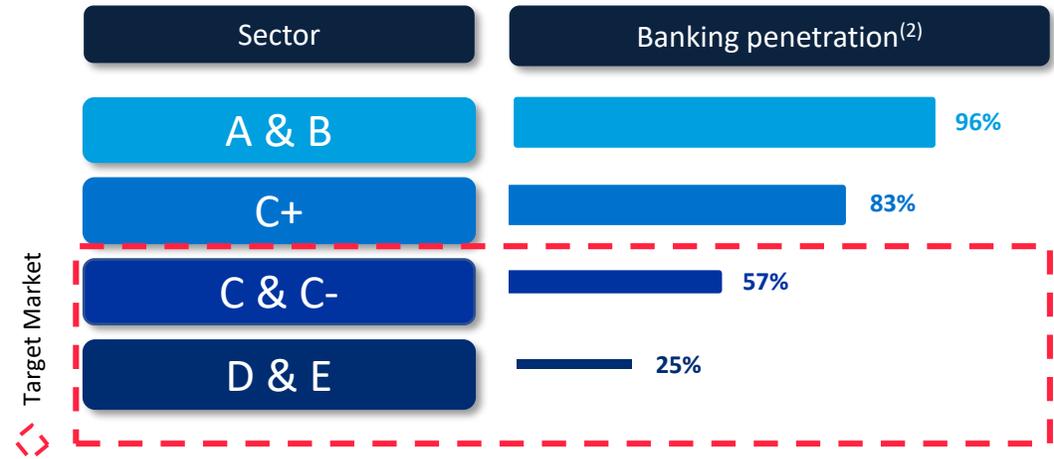
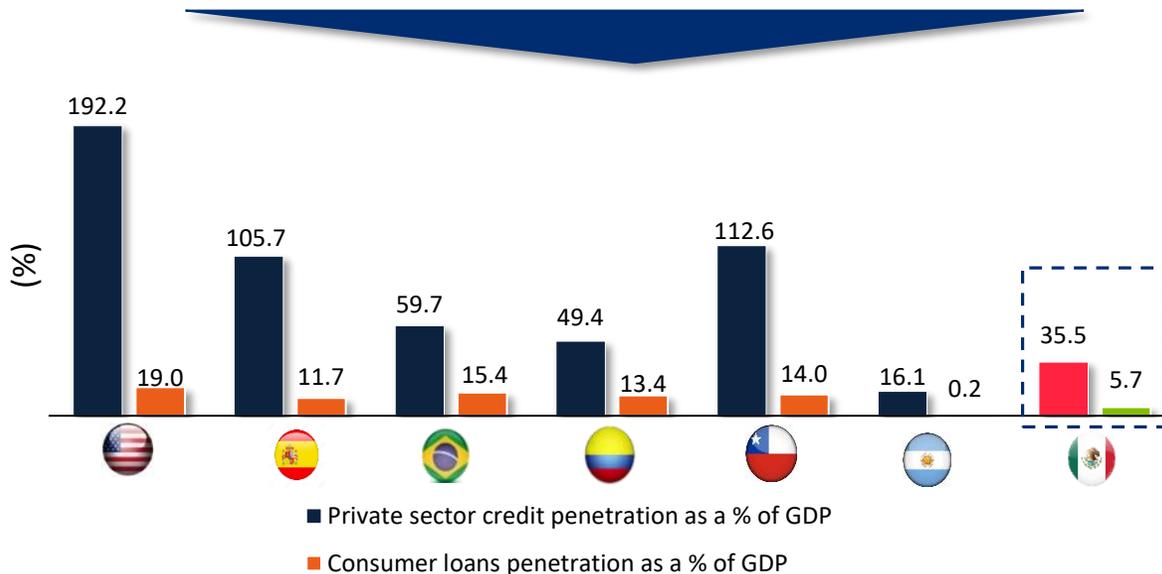
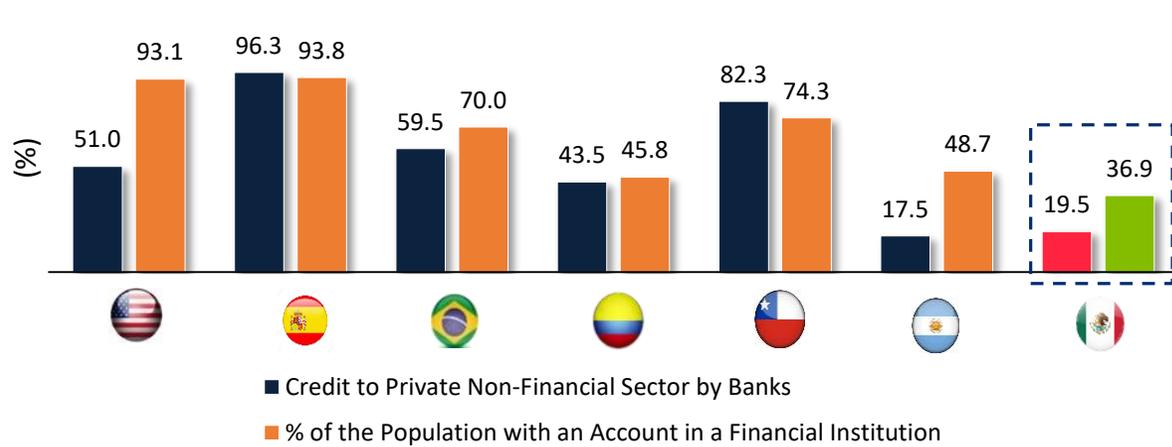
# Market opportunity – Focused on Underserved Segments(1/2)



(1) Market segments are defined based on monthly family income, in accordance with the categories established by AMAI: Segment E, from Ps.0.00 to Ps.2,699; Segment D, from Ps.2,700 to Ps.6,799; Segment C, from Ps.11,600 to Ps.34,999, Segment C+, from Ps.35,000 to Ps.84,999, Segment A and B, from Ps.85,000 or more.

(2) The market segments of Instacredit and Crédito Real USA are defined based on their average loan amount as of 3Q20.

# Market opportunity – Focused on Underserved Segments(2/2)



Source: CNBV, ENIF, BCRA, BCRB, SBIF, SBS, Superfinanciera de Colombia, IMF and World Bank.  
 Note: Serving an underpenetrated market date reported as of 2017. Bancarization reported as of 2013.

<sup>(1)</sup> US show figures as of 2016,

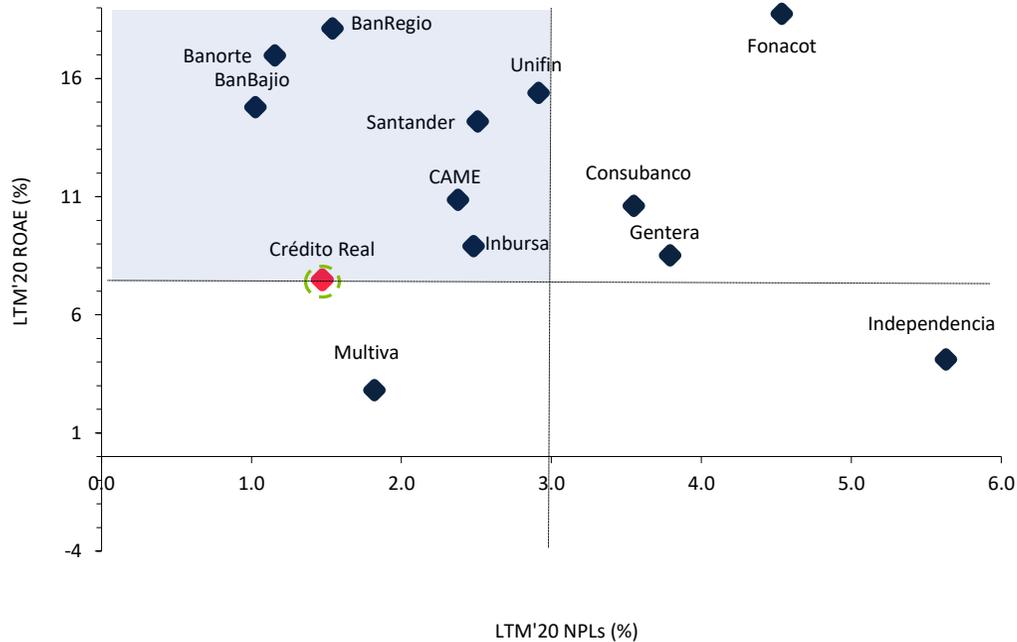
<sup>(2)</sup> Population utilizing banking services. Income level by bracket (approximate annual amount in US\$): "A/B" +108,400; "C+" 76,500; "Cm/C" 29,700; "D" 8,900; "E" 3,400.

# Main business lines for future growth

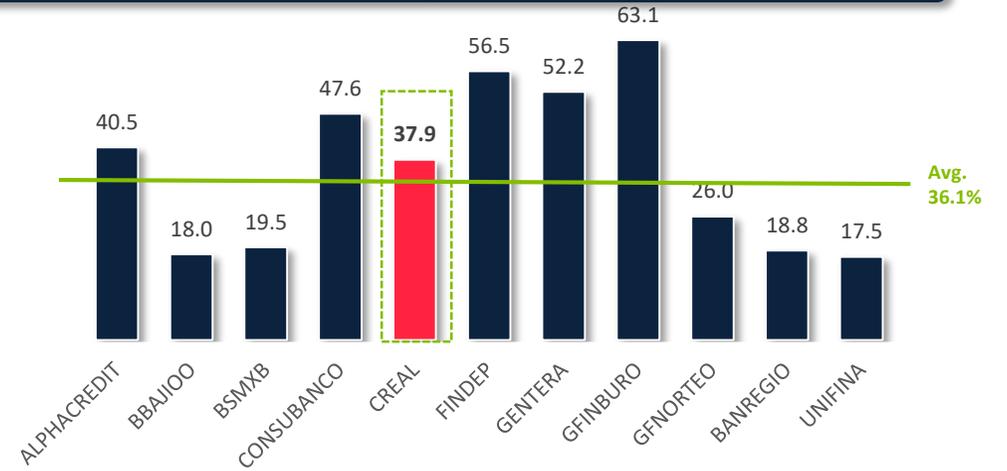
Product	Key Subsidiaries Ownership	Distribution Network	Annual Interest Rate	Customers	Avg. Loan Amount (Ps\$)	Strategy	Yield 2022
PAYROLL	100% 	15 distributors +6,000 reps	54%	464,559	65,317	Pensioners market development Focus on federal-level employees	30%
	49% 						
	49% 						
INSTACREDIT	70% 	46 branches in Costa Rica 13 branches in Nicaragua and 6 in Panama	56%	154,268	34,910	Efficiency in funding cost and general expenses Improvement in asset quality Expansion in Central America	56%
USED CARS MX	51% 	20 branches and agreements with 506 agencies in 32 States of Mexico	35%	11,788	114,315	Used Cars MX expansion Enlarge dealers network Increase competitive positioning	30%
							
CR USA	99% 	Three strategic alliances and +1,591 distributors in the US	26%	12,839	332,366	Grow dealers network New Crédito Real USA brand, expanding product offering Coupled with the enhancement in servicing and collection	25%
	27% 						
SMEs		Alliance with Fondo H CR Arrendamiento	22%	624	11.8 Million	Diversification of Fondo H portfolio Define new products sized for our clients Leasing and factoring	20%
	75% 						
Average yield							> 30%

## 2 Profitability – Defensive Competitive Positioning

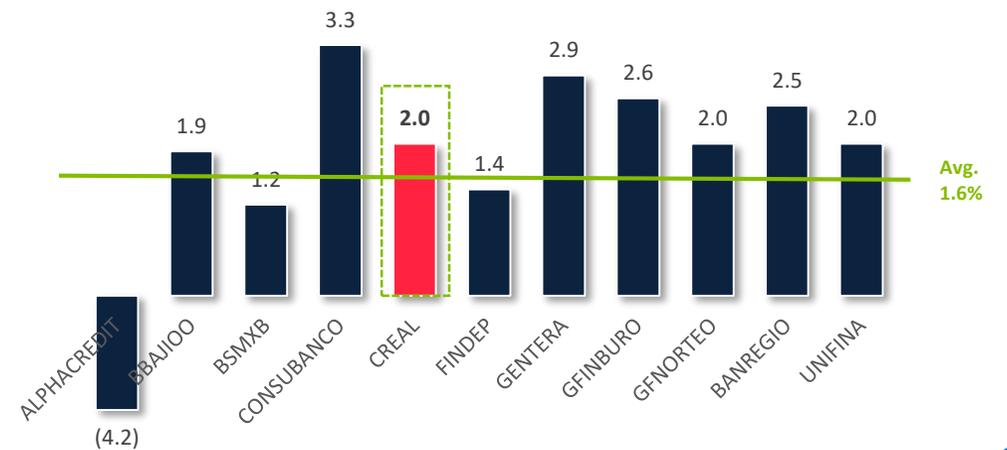
### Risk-return view<sup>(1)</sup>



### Solid capital base<sup>(2)</sup>



### Delivering bottom-line results (ROAA)<sup>(3)</sup>



Source: Crédito Real Research and last updated information filed with BMV – *Bolsa Mexicana de Valores*. Information as of 2Q20,

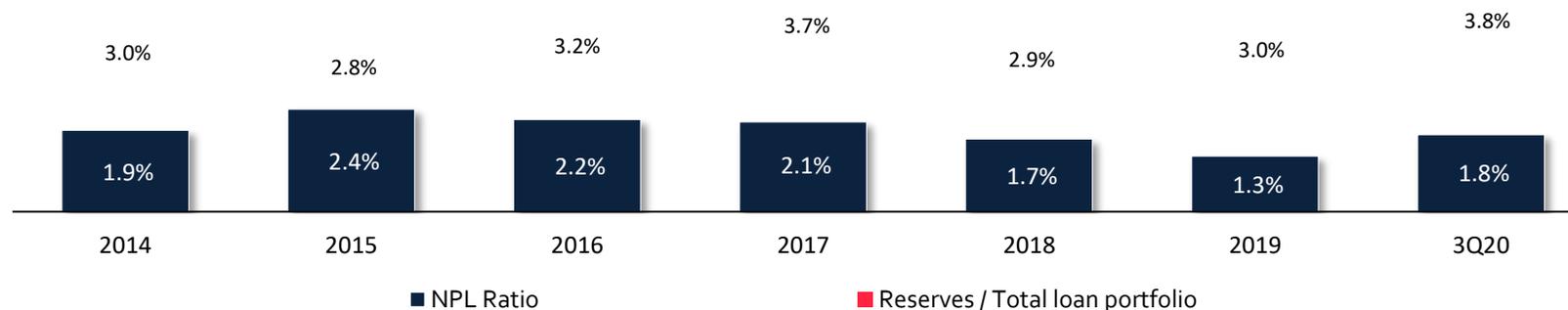
Notes:

(1) ROAE = LTM'2Q20 Net Income / Average Stockholders' Equity LTM'2Q20.

(2) Capitalization Ratio = 2Q20 Stockholders' Equity / 2Q20 Total Loan Portfolio

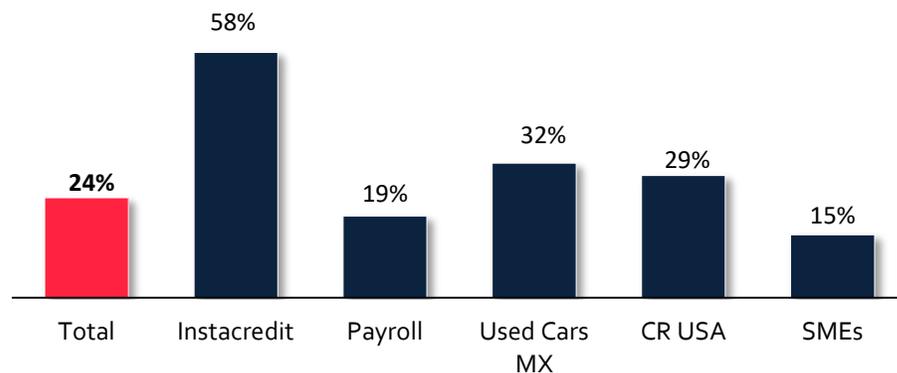
(3) ROAA = LTM'2Q20 Net Income / Average Assets LTM'2Q20.

## Improving levels of NPL while maintaining healthy reserves<sup>(1)</sup>



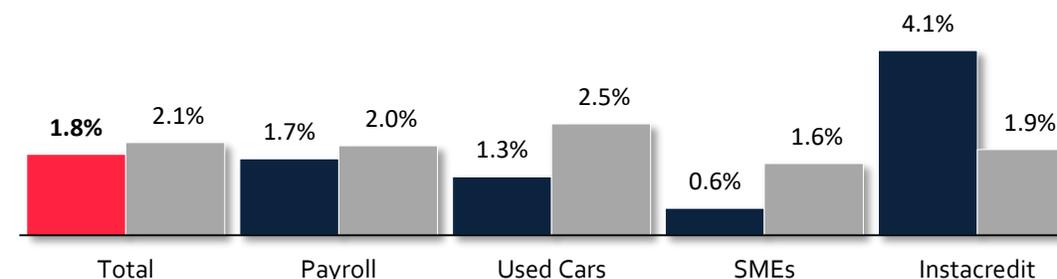
## Average yield breakdown by product

LTM'20



## NPL breakdown by product<sup>(2)</sup>

■ Credito Real ■ Banking Sector



+ Below the banking sector in most of our products

Source: Company filings, CNBV, SUGEF

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

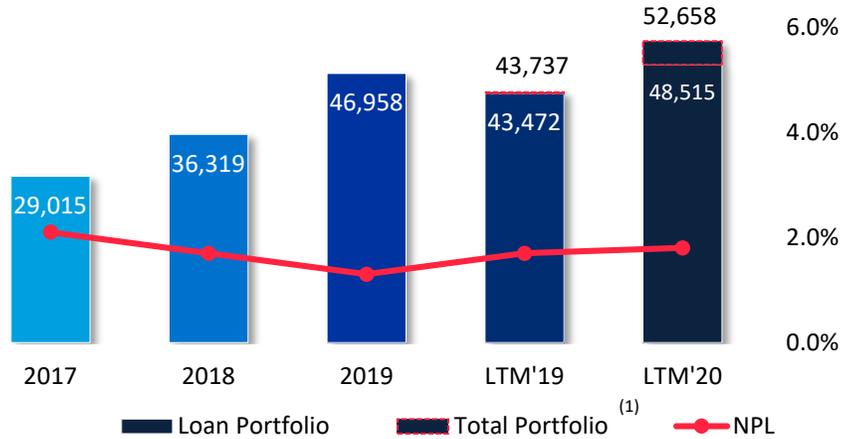
(2) As of 3Q20

# Key financial performance indicators

## Total portfolio

CAGR '17-'19: 25%

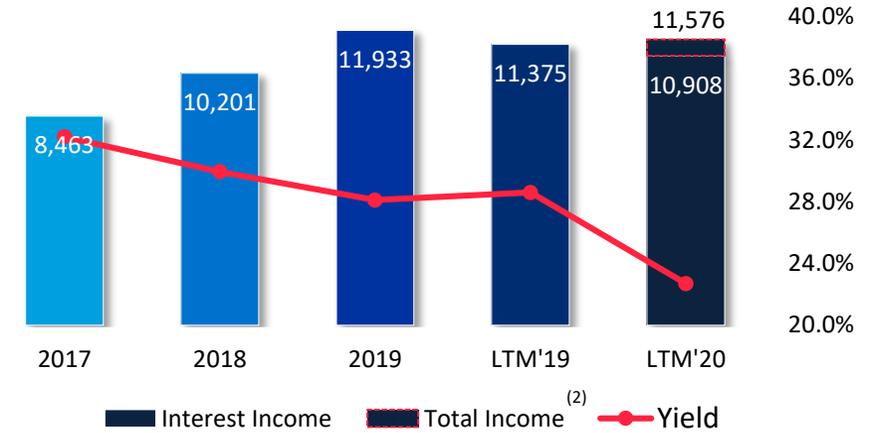
YoY Growth: **20%**



## Interest income

CAGR '17-'19: 21%

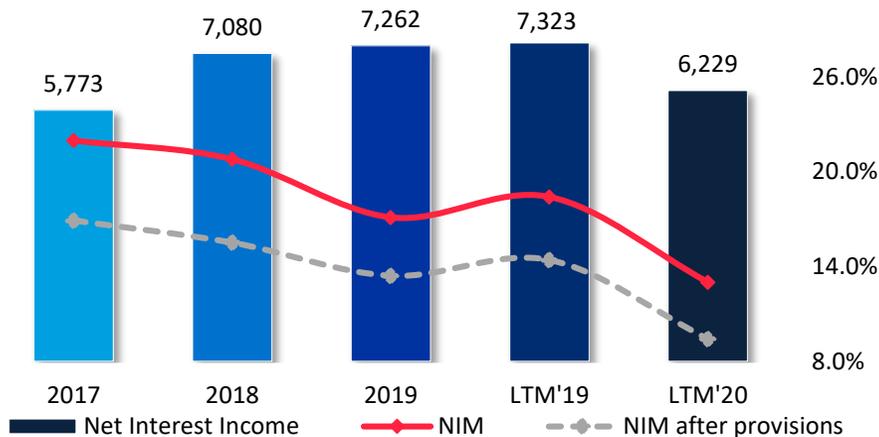
YoY Growth: **2%**



## Financial margin

CAGR '17-'19: 13%

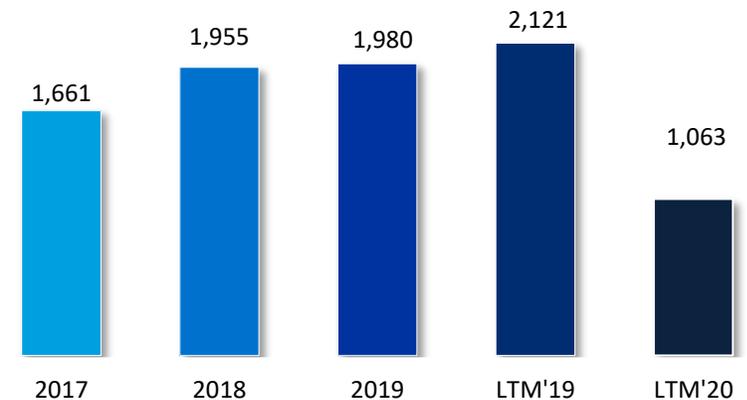
YoY Growth: **(15%)**



## Net income

CAGR '17-'19: 5%

YoY Growth: **(50%)**

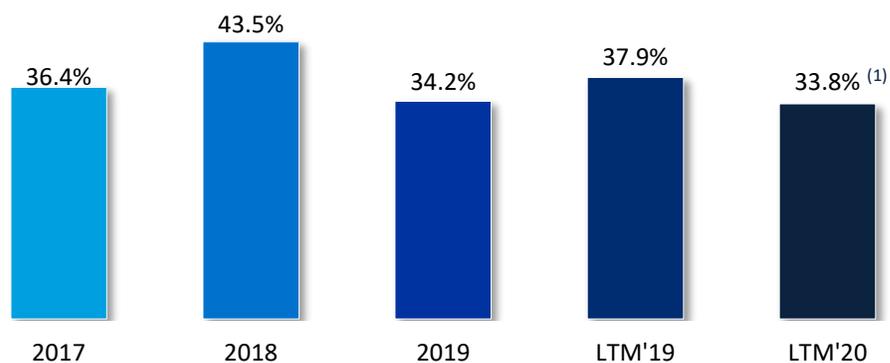


(1) Total Portfolio = Loan portfolio + Factoring portfolio + Leasing portfolio

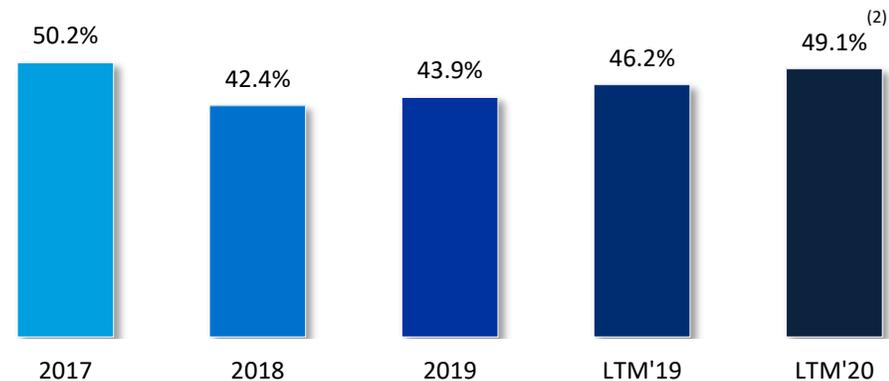
(2) Total income = Interest income + commissions charged + other income from operations

# Key financial performance indicators

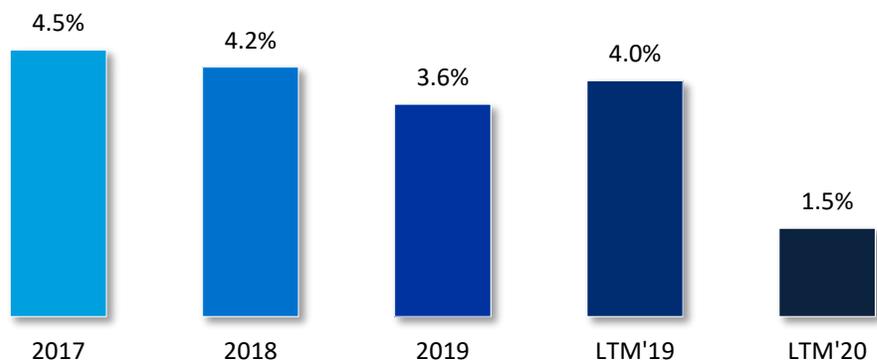
## Capitalization



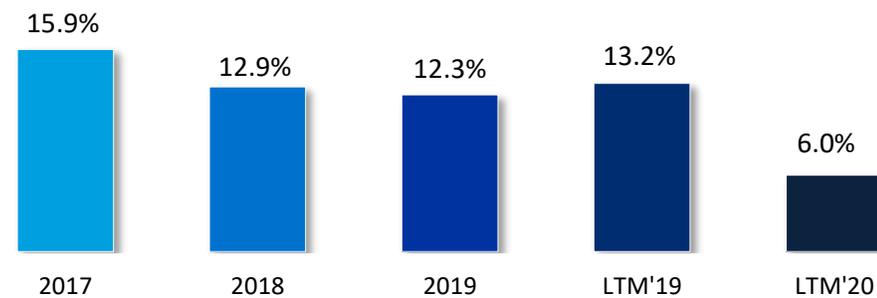
## Efficiency



## ROAA



## ROAE



(1) Equity / Total portfolio

(2) Annualized administrative expenses + Commissions and fees paid – Depreciation expense / Annualized total income (financial margin + commissions charged + other income from operations) – Depreciation expense.

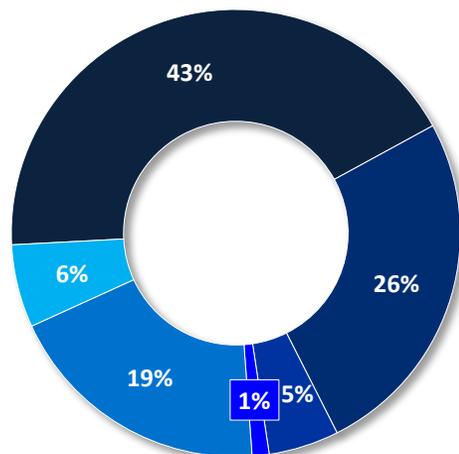
# 3 Focus on maintaining diversified funding sources

## Capital structure

Adjusted Capitalization | 70,213.1 MXN Mn

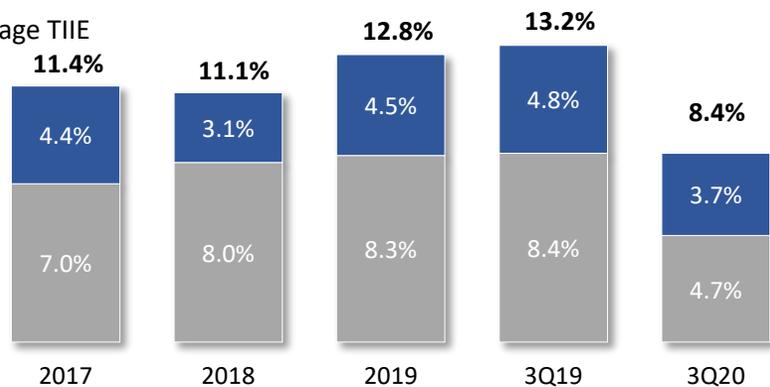
- Senior Notes
- Credit Lines
- Development Banks
- Securitizations
- Equity
- Hybrid

24.0%<sup>(1)</sup>



## Cost of funds

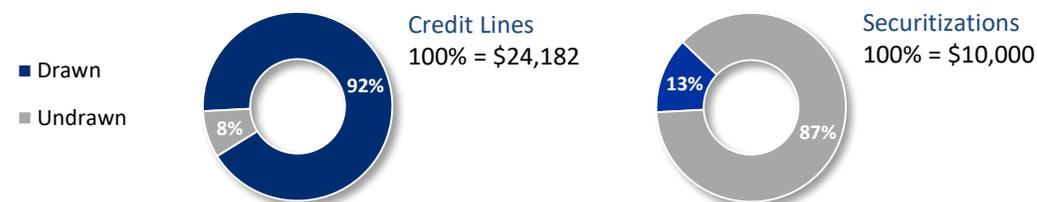
- Spread
- Average TIIE



## Consolidated debt status

MXN Mn

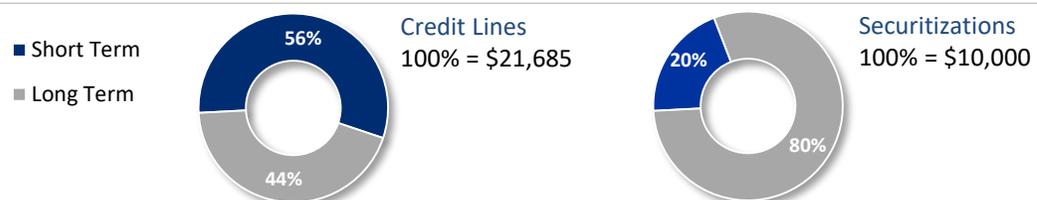
### Drawn vs. Undrawn



### Secured vs. Unsecured



### Term<sup>(2)</sup>



## Market risks

Interest Rate Risk

% of Crédito Real's consolidated debt is fixed

Asset & Liabilities duration

Assets  
1.5 years

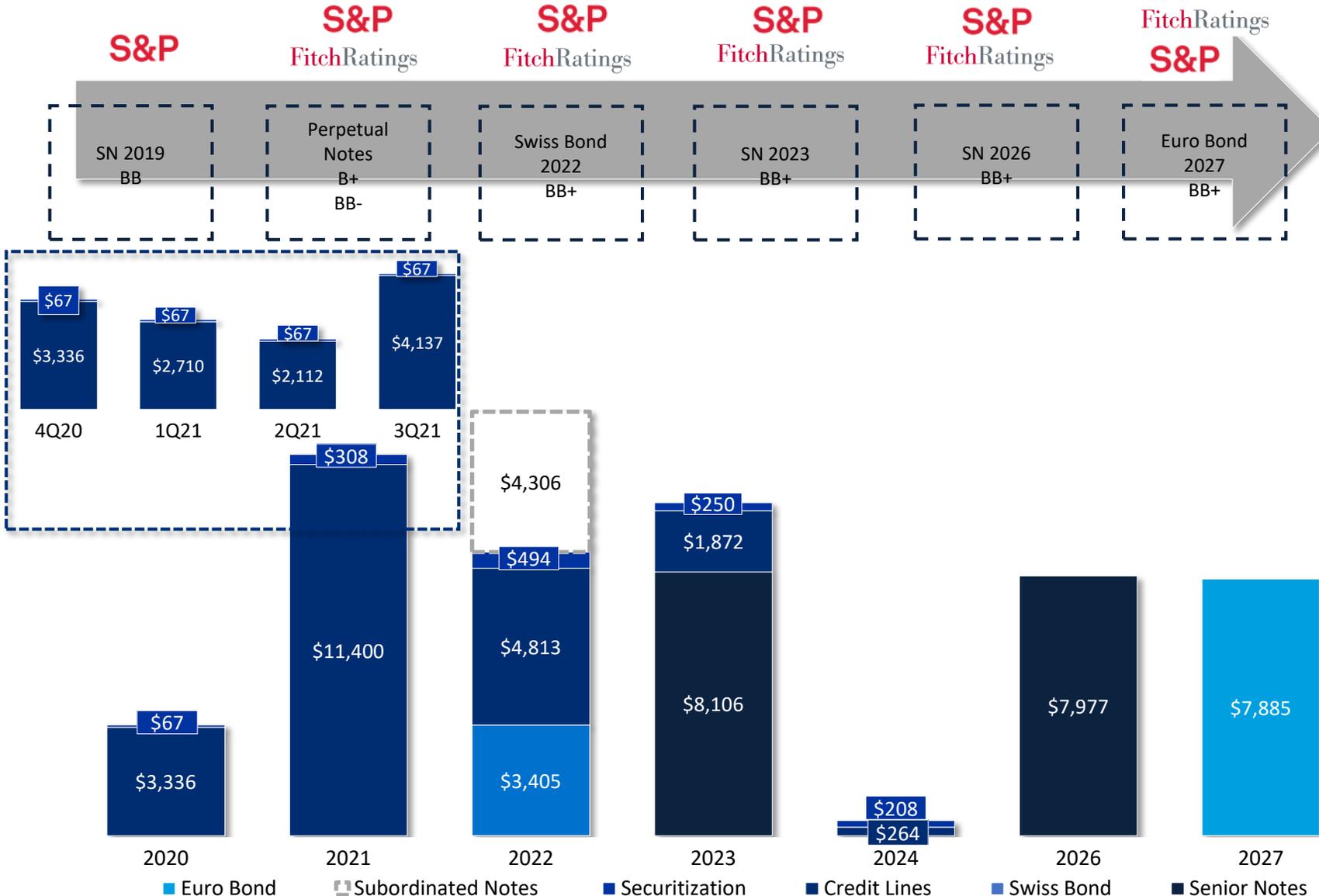
Liabilities  
3.1 years

Assets in USD: +100 million

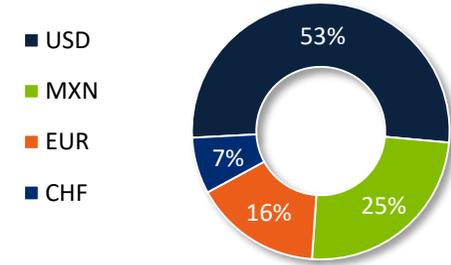
(1) Hybrid plus Equity as percentage of total Assets

(2) Short term refers to amortization under 1 year. Long term ranges from 1 to 5 years.

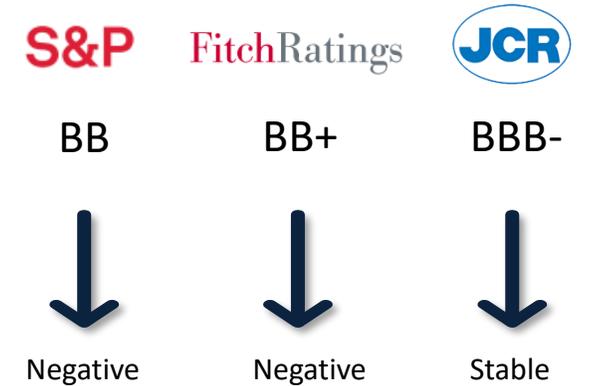
# Debt Profile



## Debt by currency



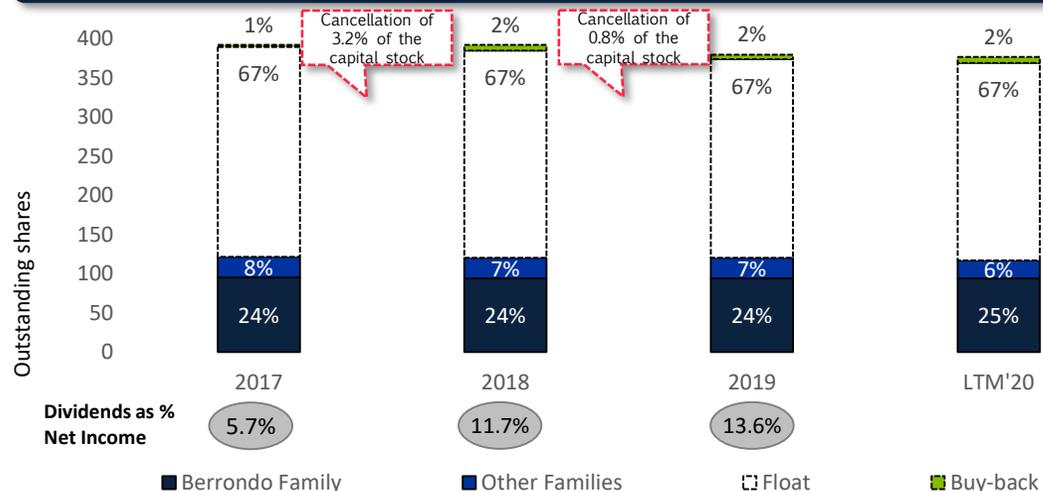
## Global scale ratings



(1) All the figures represent only the notional and exclude accrued interests and mark-to-market of hedges. Debt converted using US\$ 1 / Ps\$22.1438 as of September 30, 2020.

# 4 Strong Corporate Governance and Experienced Management Team

## Shareholder structure



## Governance highlights

- + Listed on Mexican stock exchange (BMV:CREAL\*) with a market cap of ~186 USD Mn<sup>(1)</sup>
- + Founding members well-known and reputable in the Mexican business community (founders of leading manufacturer in the Americas, MABE)
- + Our management have a proven expertise on the sector
- + 50% of Crédito Real's Board is integrated by independent members



## Management team

<b>Ángel Romanos</b> <b>CEO</b> 26 years in CR	<b>Carlos Ochoa</b> <b>Co-CEO / CFO</b> 24 years in CR	<b>Felipe Guelfi</b> <b>Business Officer</b> 3 years in CR
<b>Jose Juan González</b> <b>COO</b> 11 years in CR	<b>Luis Carlos Aguilar</b> <b>Commercial Officer for Payroll Loans</b> 24 years in CR	<b>Claudia Jolly</b> <b>General Treasurer</b> 22 years in CR
<b>Luis Calixto López</b> <b>General Counsel</b> 19 years in CR	<b>Adalberto Robles</b> <b>Human Resources Officer</b> 11 years in CR	<b>Luis Berrondo</b> <b>M&amp;A Officer</b> 5 years in CR
<b>Pablo Bustamante</b> <b>Comptroller</b> 3 years in CR	<b>Hector Huelgas</b> <b>Internal Audit Officer</b> 3 years in CR	

## Key committees



<sup>(1)</sup> As of September 30, 2020

# Appendix



# Profit & Loss

Ps. million	3Q20	3Q19	(%) Var.	3Q19 Proforma	3Q20 (million US dollars)	YTD'20	YTD'19	(%) Var.	YTD'19 Proforma	YTD'20 (million US dollars)
Interest income	2,523.3	2,950.0	(14.5)	2,934.3	114.0	7,615.5	8,640.0	(11.9)	8,507.6	343.9
Interest expense	(1,107.9)	(1,195.0)	(7.3)	(1,277.1)	(50.0)	(3,369.0)	(3,360.2)	0.3	(3,435.9)	(152.1)
<b>Financial margin</b>	<b>1,415.4</b>	<b>1,755.0</b>	<b>(19.3)</b>	<b>1,657.3</b>	<b>63.9</b>	<b>4,246.5</b>	<b>5,279.8</b>	<b>(19.6)</b>	<b>5,071.7</b>	<b>191.8</b>
Net provision for loan losses	(504.4)	(364.0)	38.6	(364.6)	(22.8)	(1,368.8)	(955.4)	43.3	(950.9)	(61.8)
<b>Risk-adjusted margin</b>	<b>911.0</b>	<b>1,390.9</b>	<b>(34.5)</b>	<b>1,292.6</b>	<b>41.1</b>	<b>2,877.7</b>	<b>4,324.5</b>	<b>(33.5)</b>	<b>4,120.8</b>	<b>130.0</b>
Commissions and fees collected	37.2	137.1	(72.9)	179.4	1.7	115.6	411.6	(71.9)	499.0	5.2
Commissions and fees paid	(62.7)	(82.6)	(24.0)	(82.6)	(2.8)	(181.9)	(263.1)	(30.9)	(263.1)	(8.2)
Intermediation income	(31.5)	(52.6)	(40.1)	(52.6)	(1.4)	31.7	198.4	(84.0)	198.4	1.4
Other income from operations	308.9	49.0	-	285.7	14.0	702.4	89.6	-	675.3	31.7
Administrative and promotion expenses	(794.8)	(929.7)	(14.5)	(955.3)	(35.9)	(2,352.3)	(2,635.5)	(10.7)	(2,709.8)	(106.2)
Depreciation expense	(179.9)	-	-	(69.1)	(8.1)	(334.6)	-	-	(291.6)	(15.1)
<b>Operating result</b>	<b>188.2</b>	<b>512.2</b>	<b>(63.3)</b>	<b>598.1</b>	<b>8.5</b>	<b>858.6</b>	<b>2,125.5</b>	<b>(59.6)</b>	<b>2,228.9</b>	<b>38.8</b>
Income taxes	(21.6)	(117.7)	(81.6)	(141.4)	(1.0)	(174.6)	(549.9)	(68.3)	(585.7)	(7.9)
Income before participation in the results of subsidiaries	166.6	394.4	(57.8)	456.7	7.5	684.0	1,575.6	(56.6)	1,643.3	30.9
Participation in the results of subsidiaries, associates and non-controlling participation	32.3	41.5	(22.2)	8.9	1.5	(48.4)	(22.7)	-	(41.5)	(2.2)
<b>Net income</b>	<b>198.9</b>	<b>436.0</b>	<b>(54.4)</b>	<b>465.7</b>	<b>9.0</b>	<b>635.7</b>	<b>1,552.9</b>	<b>(59.1)</b>	<b>1,601.8</b>	<b>28.7</b>

# Balance Sheet

CRÉDITO REAL<sup>®</sup>

Beyond your limits

Ps. million	3Q20	3Q19	(%) Var.	3Q19 Proforma	3Q20 (million US dollars)	4Q19	(%) Var.
Cash and cash equivalents	399.6	658.2	(39.3)	680.9	18.0	1,180.9	(66.2)
Investments in securities	2,144.3	258.6	-	290.6	96.8	1,294.4	65.7
Securities and derivatives transactions	5,246.8	860.1	-	860.1	236.9	-	-
Total performing loan portfolio	47,664.9	42,739.8	11.5	40,327.6	2,152.5	46,325.7	2.9
Total non-performing loan portfolio	850.4	732.5	16.1	732.5	38.4	632.7	34.4
<b>Loan portfolio</b>	<b>48,515.3</b>	<b>43,472.4</b>	<b>11.6</b>	<b>41,060.1</b>	<b>2,190.9</b>	<b>46,958.4</b>	<b>3.3</b>
Less: allowance for loan losses	1,847.8	1,310.0	41.1	1,327.2	83.4	1,390.0	32.9
Loan portfolio (net)	46,667.5	42,162.3	10.7	39,732.9	2,107.5	45,568.4	2.4
Factoring Loan Portfolio	1,525.4	264.5	-	876.7	68.9	162.8	-
Other accounts receivable (net)	7,965.3	6,598.3	20.7	6,203.6	359.7	6,634.1	20.1
Foreclosed assets (net)	32.2	9.5	-	9.5	1.5	10.8	-
Property, furniture and fixtures (net)	3,307.8	733.1	-	3,167.0	149.4	625.3	-
Long-term investments in shares	1,252.5	1,263.3	(0.9)	1,177.7	56.6	1,273.6	(1.6)
Debt insurance costs, intangibles and others	5,404.8	4,584.4	17.9	4,585.1	244.1	4,841.5	11.6
<b>Total assets</b>	<b>73,946.3</b>	<b>57,392.4</b>	<b>28.8</b>	<b>57,584.3</b>	<b>3,339.4</b>	<b>61,591.7</b>	<b>20.1</b>
Notes payable	859.9	581.9	47.8	581.9	38.8	1,261.0	(31.8)
Senior Notes payable	30,095.8	22,179.7	35.7	22,179.7	1,359.1	24,636.7	22.2
Bank loans short-term	12,204.3	8,069.9	51.2	8,069.9	551.1	7,597.6	60.6
Bank loans long-term	9,273.7	6,635.3	39.8	6,635.3	418.8	8,015.9	15.7
Total Bank loans	21,478.0	14,705.1	46.1	14,705.1	969.9	15,613.5	37.6
<b>Total debt</b>	<b>52,433.7</b>	<b>37,466.8</b>	<b>39.9</b>	<b>37,466.8</b>	<b>2,367.9</b>	<b>41,511.2</b>	<b>26.3</b>
Income taxes payable	333.3	318.6	4.6	385.8	15.1	330.5	0.9
Securities and derivatives transactions	96.0	-	-	-	4.3	765.3	(87.5)
Other accounts payable	941.1	683.6	37.7	1,197.3	42.5	810.2	16.2
Deferred taxes	2,362.8	2,439.5	(3.1)	1,970.8	106.7	2,110.6	11.9
<b>Total liabilities</b>	<b>56,166.9</b>	<b>40,908.5</b>	<b>37.3</b>	<b>41,020.8</b>	<b>2,536.5</b>	<b>45,527.8</b>	<b>23.4</b>
Capital stock	1,731.2	1,845.7	(6.2)	1,845.7	78.2	1,852.4	(6.5)
Perpetual notes	4,206.7	4,206.7	-	4,206.7	190.0	4,206.7	-
Accumulated results from prior years	9,670.3	8,201.9	17.9	8,201.9	436.7	7,778.3	24.3
Result from valuation of cash flow hedges, net	(150.8)	(403.7)	(62.7)	(403.7)	(6.8)	(708.2)	(78.7)
Cumulative translation adjustment	523.4	20.2	-	20.2	23.6	5.5	-
Controlling position in subsidiaries	1,163.0	1,060.3	9.7	1,091.1	52.5	949.1	22.5
Net income	635.7	1,552.9	(59.1)	1,601.8	28.7	1,980.1	(67.9)
<b>Total stockholders' equity</b>	<b>17,779.4</b>	<b>16,483.9</b>	<b>7.9</b>	<b>16,563.5</b>	<b>802.9</b>	<b>16,063.9</b>	<b>10.7</b>
<b>Total liabilities and stockholders' equity</b>	<b>73,946.3</b>	<b>57,392.4</b>	<b>28.8</b>	<b>57,584.3</b>	<b>3,339.4</b>	<b>61,591.7</b>	<b>20.1</b>

# Financial Ratios

	3Q20	3Q19	(%) Var.	3Q19 Proforma	YTD'20	YTD'19	(%) Var.	YTD'19 Proforma
Yield	21.1%	28.0%	(6.9)	29.4%	21.1%	29.0%	(7.9)	30.0%
Net interest margin	11.8%	16.7%	(4.8)	16.6%	11.8%	17.7%	(5.9)	17.9%
Return on average loan portfolio	1.7%	4.1%	(2.5)	4.7%	1.8%	5.2%	(3.4)	5.7%
ROAA: return on average assets	1.1%	3.1%	(2.1)	3.3%	1.2%	3.9%	(2.7)	4.0%
ROAE: return on average stockholders' equity	4.5%	10.8%	(6.3)	11.5%	4.8%	12.9%	(8.1)	13.2%
ROAE: return on average stockholders' equity (excluding Perpetual Notes)	5.8%	14.5%	(8.7)	15.4%	6.3%	17.5%	(11.2)	17.9%
Debt to equity ratio	2.9	2.3	0.7	2.3	2.9	2.3	0.7	2.3
Debt to equity ratio (excluding Perpetual Notes)	3.9	3.1	0.8	3.0	3.9	3.1	0.8	3.0
Average cost of funds	8.4%	13.2%	(4.8)	14.1%	9.1%	13.3%	(4.7)	13.6%
Efficiency ratio <sup>1</sup>	54.2%	46.1%	8.2	54.5%	53.6%	43.3%	10.3	51.1%
Capitalization ratio <sup>2</sup>	33.8%	37.7%	(3.9)	38.1%	33.8%	37.7%	(3.9)	38.1%
Capitalization ratio (excluding Perpetual Notes)	28.0%	28.2%	(0.3)	30.1%	28.0%	28.2%	(0.3)	30.1%
Provisions for loan losses as a percentage of loan portfolio	4.2%	3.3%	0.8	3.5%	3.8%	2.9%	0.8	3.0%
Allowance for loan losses as a percentage of past-due loan portfolio	217.3%	178.8%	38.4	181.2%	217.3%	178.8%	38.4	181.2%
Total past-due loan portfolio as a percentage of loan portfolio	1.8%	1.7%	0.1	1.8%	1.8%	1.7%	0.1	1.8%

# Disclaimer

CRÉDITO REAL<sup>®</sup>

Beyond your limits

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.

The trademarks images of other companies showed in this corporate presentation are used only for the purposes of this filing, either as a reference and / or for informational purposes, and not for a profit matter. Therefore, those trademarks belong to their respective owners according to the Mexican Institute of Industrial Property Index. The use of the aforementioned trademarks as graphic representations do not constitute a relationship and / or association of products and / or services between their respective owners and Crédito Real

## About Crédito Real

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



# CRÉDITO REAL<sup>®</sup>

Beyond your limits

