

CRÉDITO REAL

Corporate Presentation

4Q Financial Update

CONTACT INFORMATION

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CREAL*

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 25 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

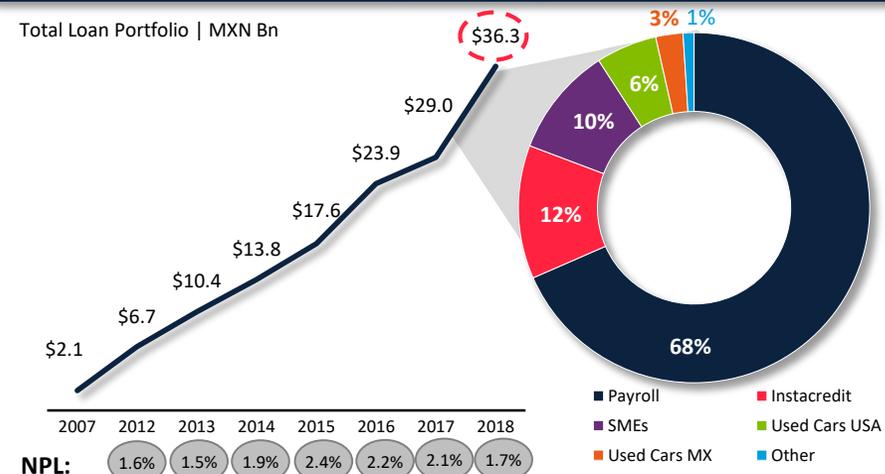


Notes:

(1) Percentage of Loan Portfolio as of 4Q18.

(2) Items converted using US\$ 1 / Ps\$ 19.65 as of December 31, 2018.

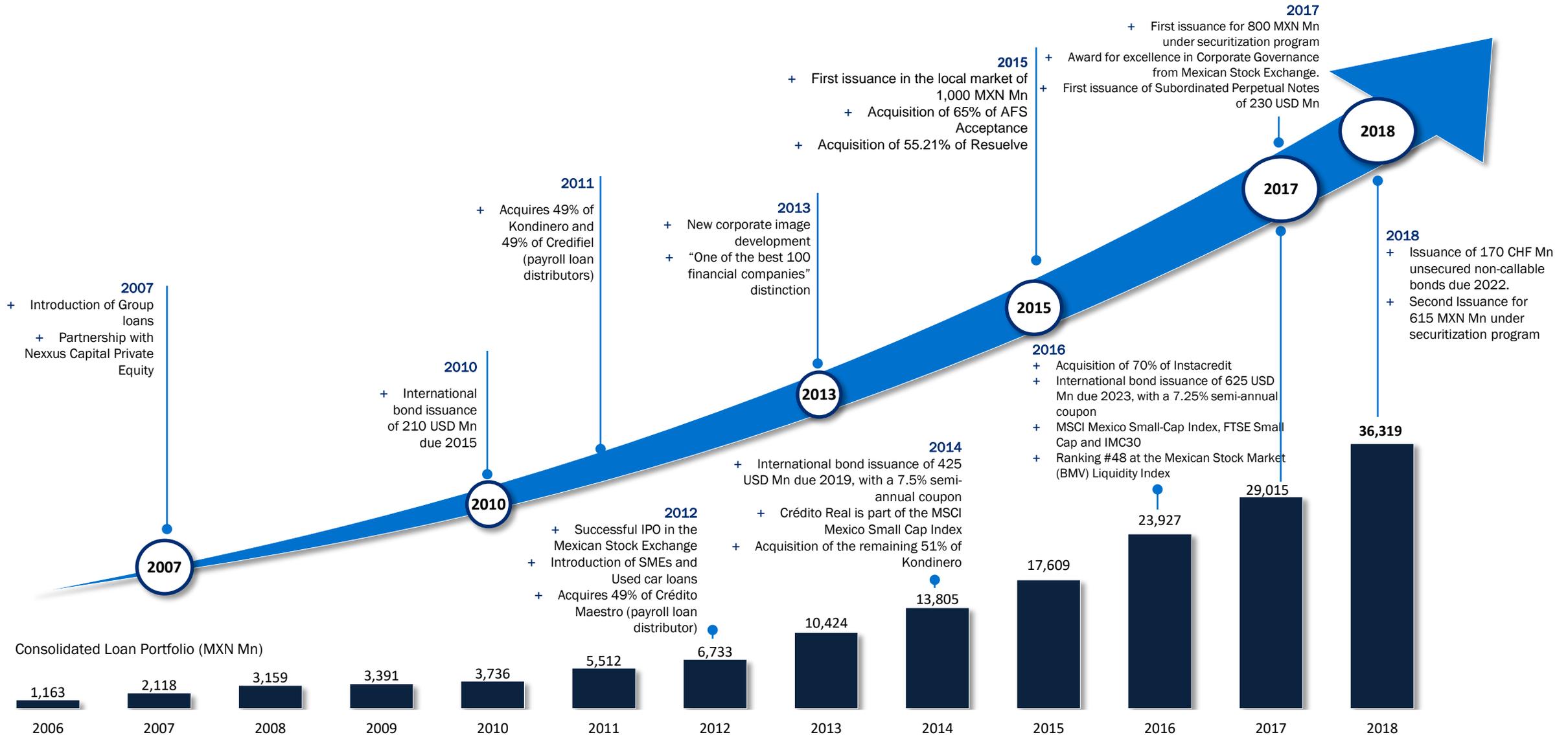
Consistently Growing Loan Portfolio

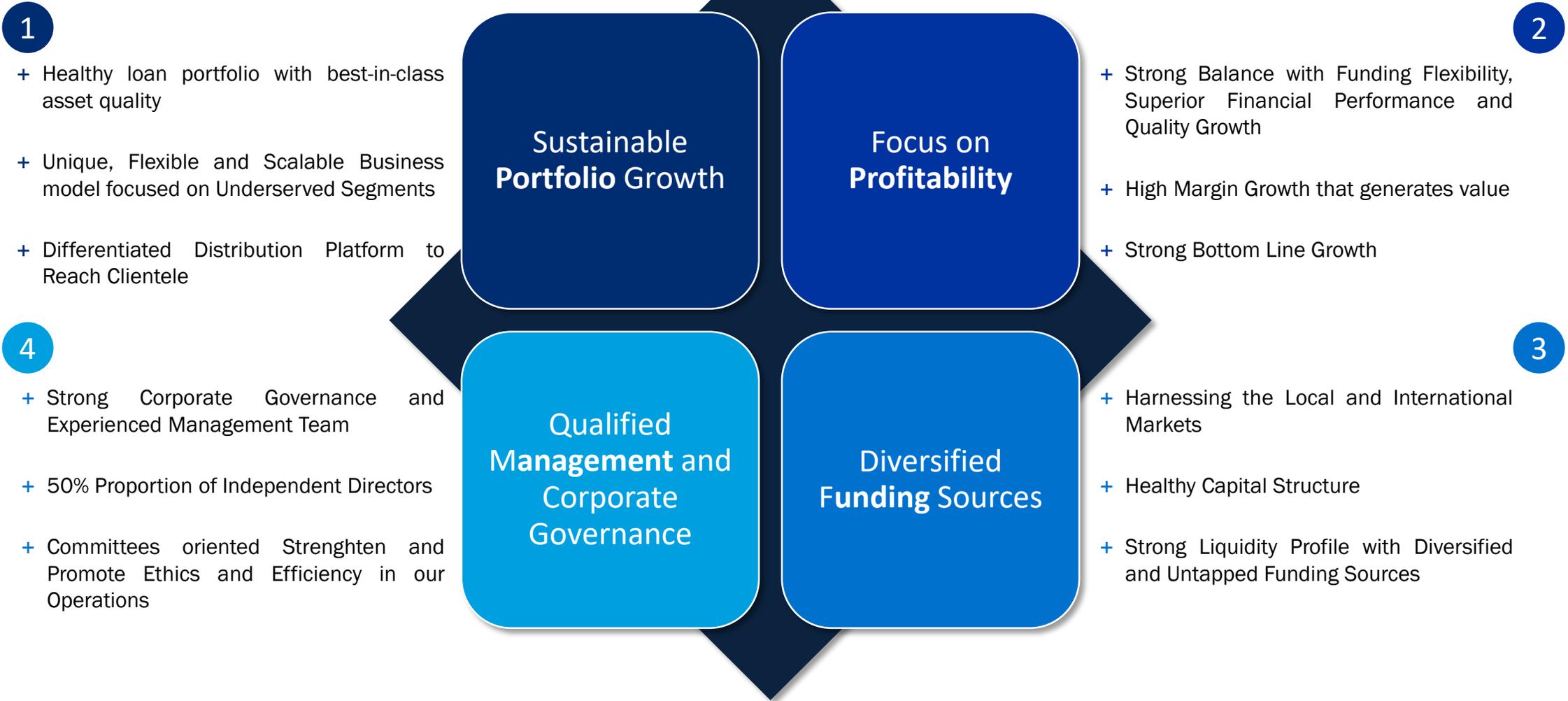


Selected Financials

| MXN Mn | 2015 | 2016 | 2017 | 2018 | 2018 (USD) ⁽²⁾ | CAGR / Avg. 2015-2018 |
|-------------------------|----------|----------|----------|----------|---------------------------|-----------------------|
| Income Statement | | | | | | |
| Financial Margin | \$3,312 | \$5,042 | \$5,773 | \$7,080 | \$360 | 28.8% |
| Net income | \$1,371 | \$1,714 | \$1,661 | \$1,955 | \$100 | 12.6% |
| Balance Sheet | | | | | | |
| Assets | \$25,996 | \$35,915 | \$42,238 | \$49,562 | \$2,522 | 24.0% |
| Debt | \$17,444 | \$24,589 | \$23,585 | \$30,647 | \$1,560 | 20.7% |
| Equity | \$6,713 | \$9,277 | \$14,768 | \$15,809 | \$804 | 33.0% |
| Key Ratios | | | | | | |
| ROAA | 6.0% | 5.0% | 4.5% | 4.2% | 4.2% | 4.9% |
| ROAE | 22.2% | 20.2% | 15.9% | 12.9% | 12.9% | 17.8% |
| Capitalization | 38.1% | 38.8% | 50.9% | 43.5% | 43.5% | 42.8% |
| Efficiency | 35.9% | 55.2% | 50.2% | 42.4% | 42.4% | 45.9% |

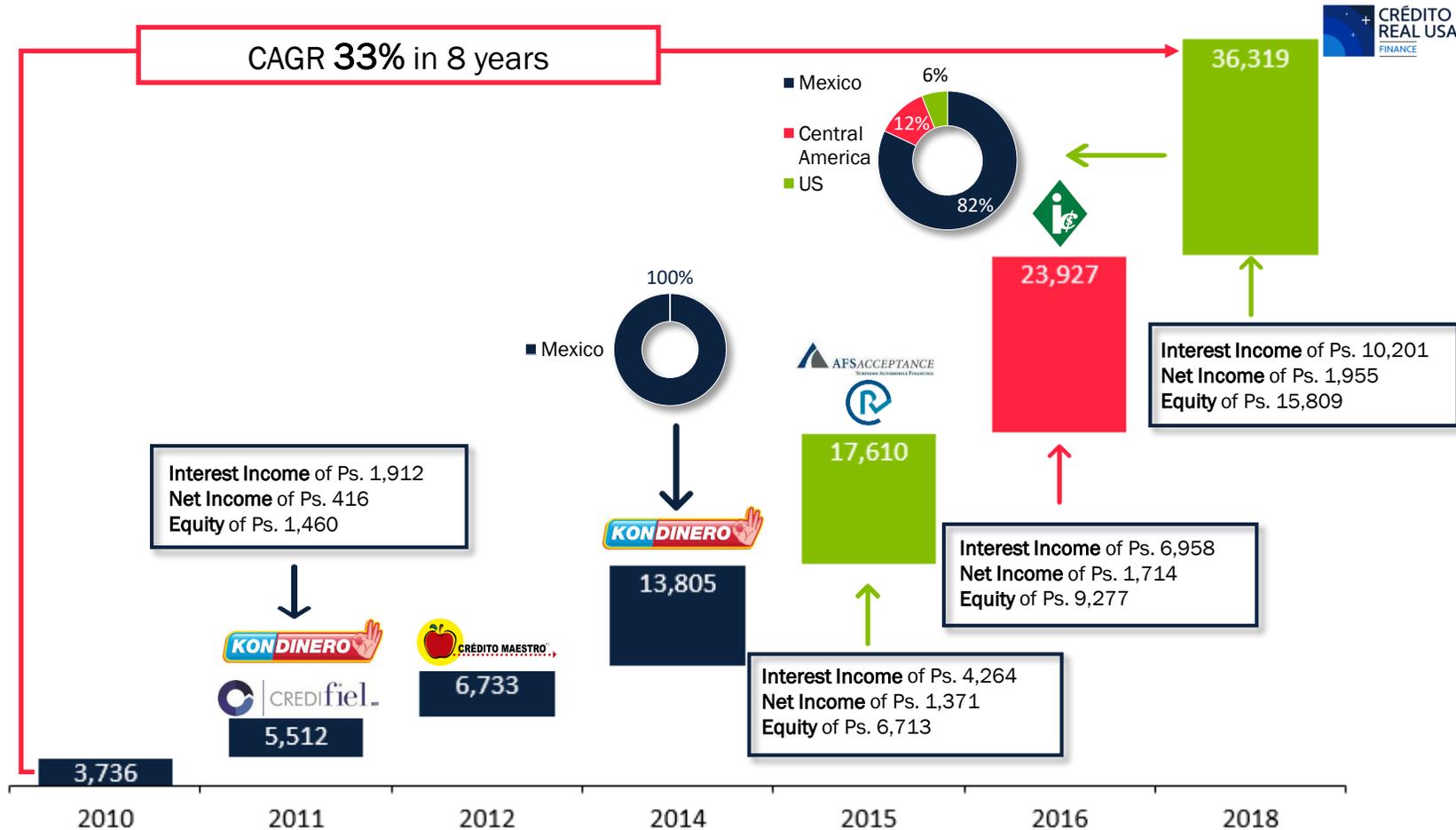
Corporate History





1 Products

Company's Evolution



Products

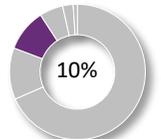
Payroll

Payroll-deducted loans to public employees and pensioners



SMEs

Non-revolving lines to fund working capital and investment activities



Used Cars MX

Financing to individuals and legal entities through cars and commercial vehicle warranty



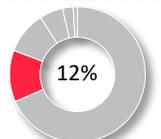
Used Cars US

Loans for used cars through strategic partners



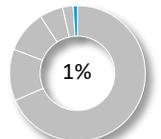
Instacredit

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



Others

Integrated by Durable Goods and Group Loans



+ Profitable growth through our product diversification.

+ Sustained Double-digit growth rates.

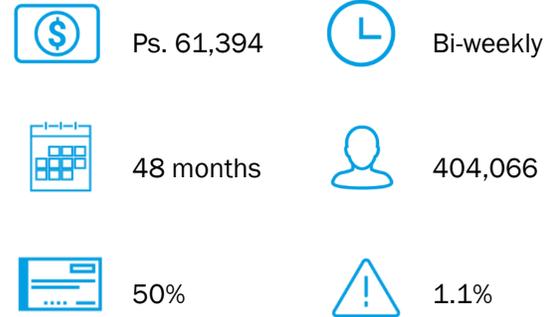
Payroll



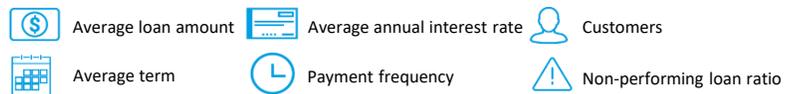
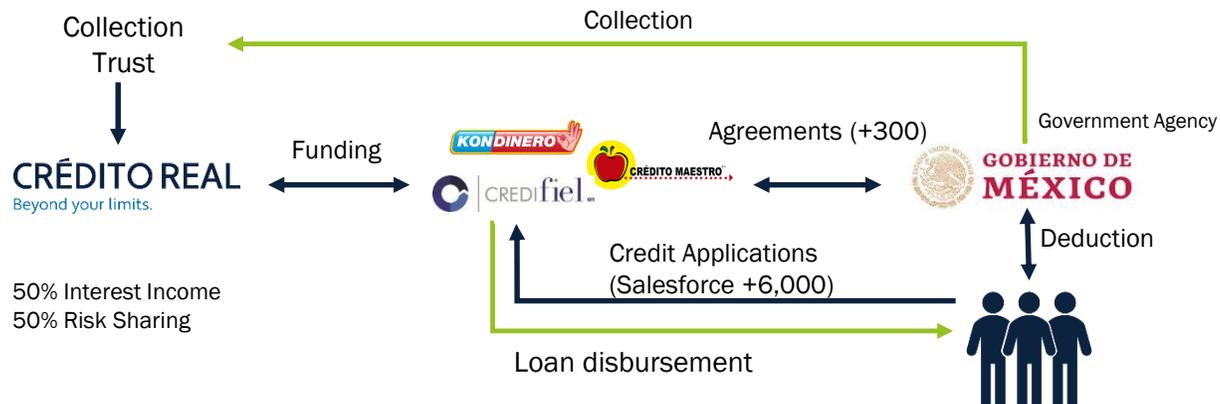
Presence all over Mexico

Product overview

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

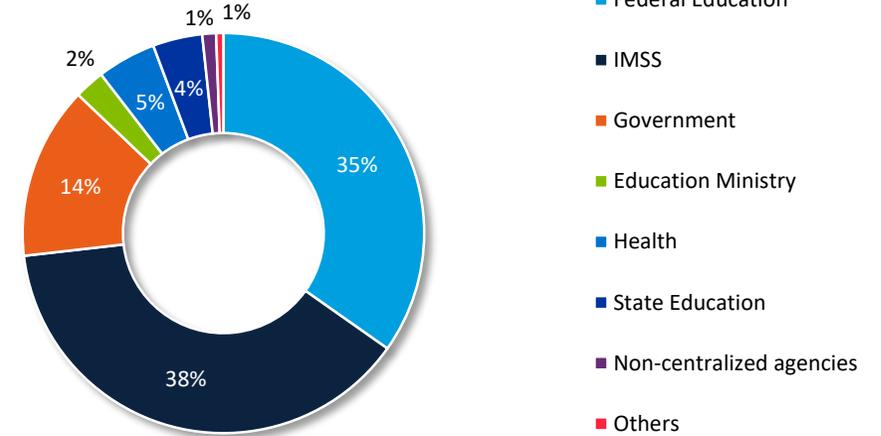


Origination and Collection Process



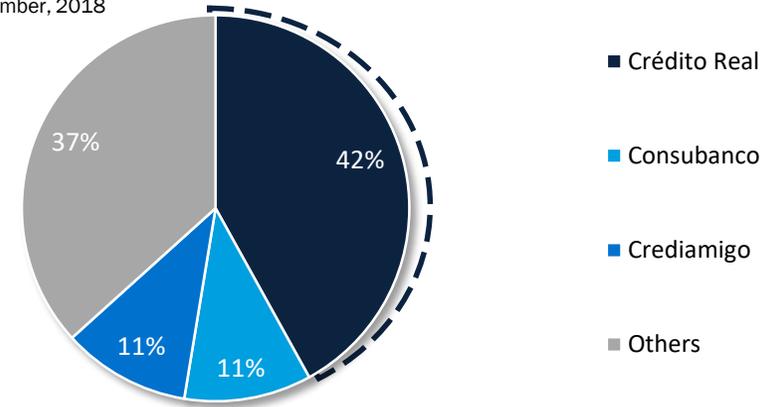
Payroll portfolio by sector

Payroll portfolio | 24,807.4 MXN Mn



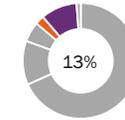
Market Share

As of December, 2018



Source: Company Estimates. Filled with Company fillings and with Information of AMDEN.

SMEs and Used Cars MX



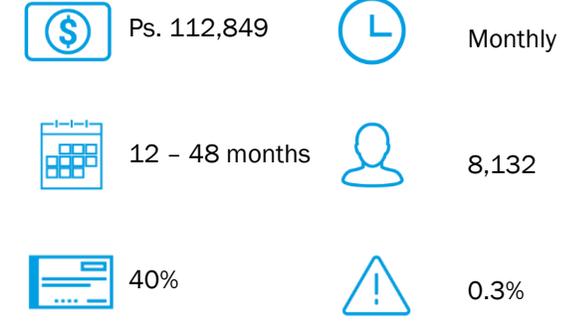
SMEs – Product overview

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

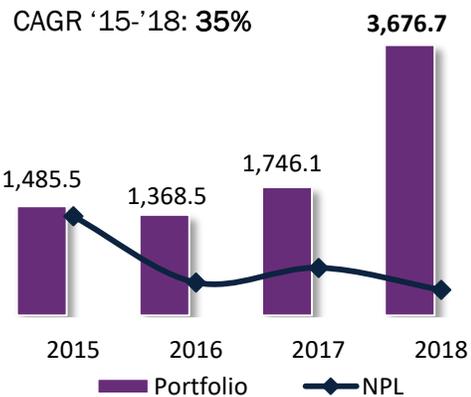


Used Cars MX – Product overview

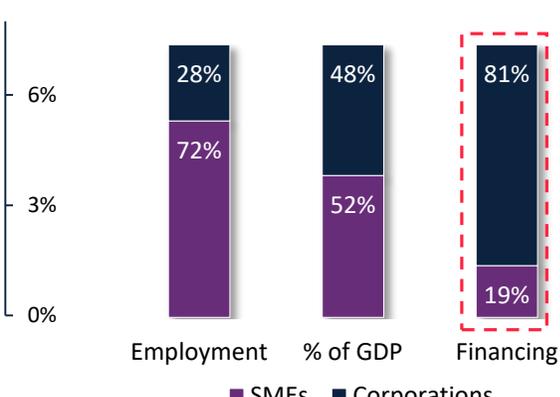
+ Focused on financing **semi-new and used cars** through strategic alliances with a network of distributors that use their own sales force to promote our loans



Solid Growth in the portfolio



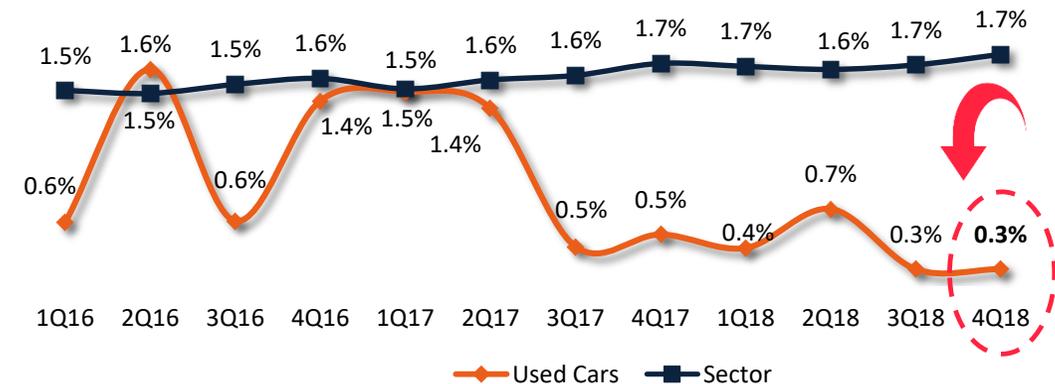
Market Underserved in Mexico



Source: INEGI

Attractive Low-Risk Business

As of December, 2018



Source: CNBV

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

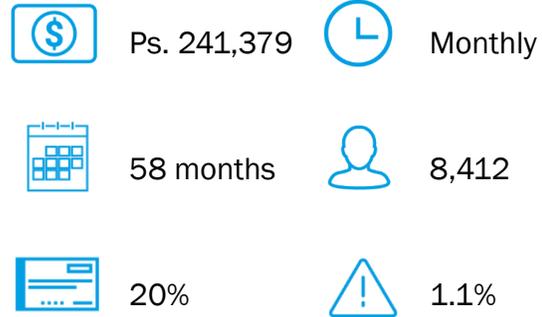
Used Cars US

Product overview



 Headquarters

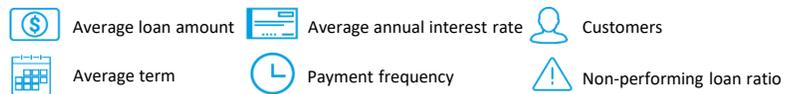
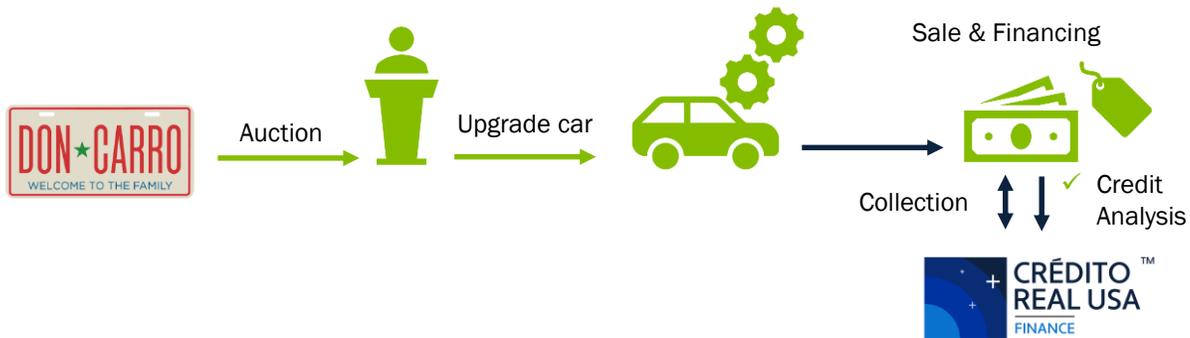
+ Commercial and financing business for used cars through our strategic alliances



Portfolio Evolution

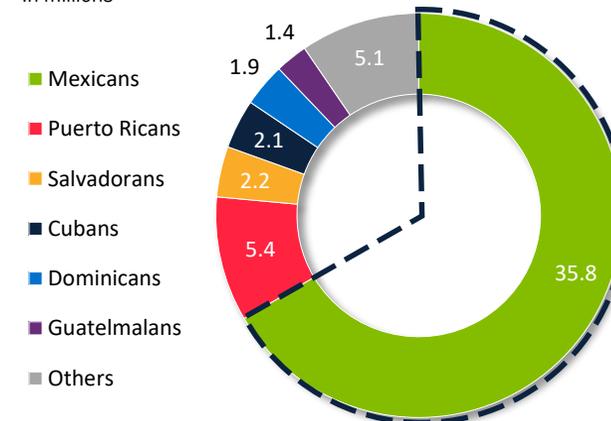


Origination and Collection Process



Hispanics in the US

In millions

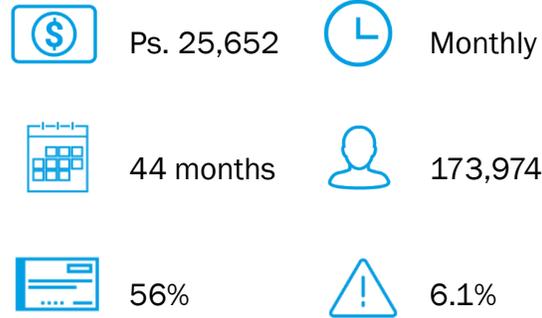


+ Biggest hispanic market outside Mexico with more than 53 million people, which represents a big **opportunity** to offer our financial services in the US.

Source: Pew Research Center.

Product overview

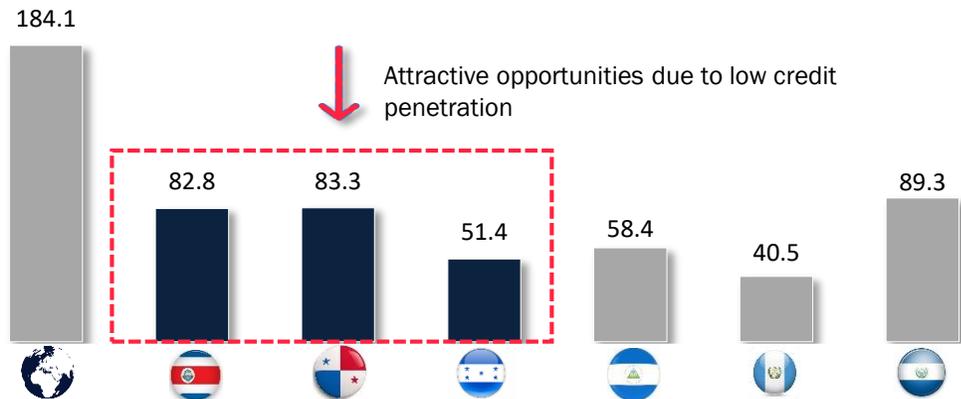
+ Consumer loans, SMEs loans, auto loans and mortgage loans granted in Costa Rica, Nicaragua and Panama



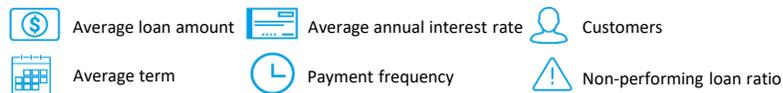
Portfolio by product

| Products | Personal | Used Cars | Small Business | Home Equity |
|--------------------|-----------|-----------|----------------|-------------|
| % Mix Portfolio | 48.0% | 41.9% | 6.9% | 3.2% |
| Customers | 123,489 | 24,528 | 25,060 | 897 |
| Avg. Loan Amount | \$793 | \$3,488 | \$563 | \$7,302 |
| Avg. Term | 38 months | 49 months | 34 months | 57 months |
| Avg. Interest Rate | 61% | 49% | 59% | 51% |

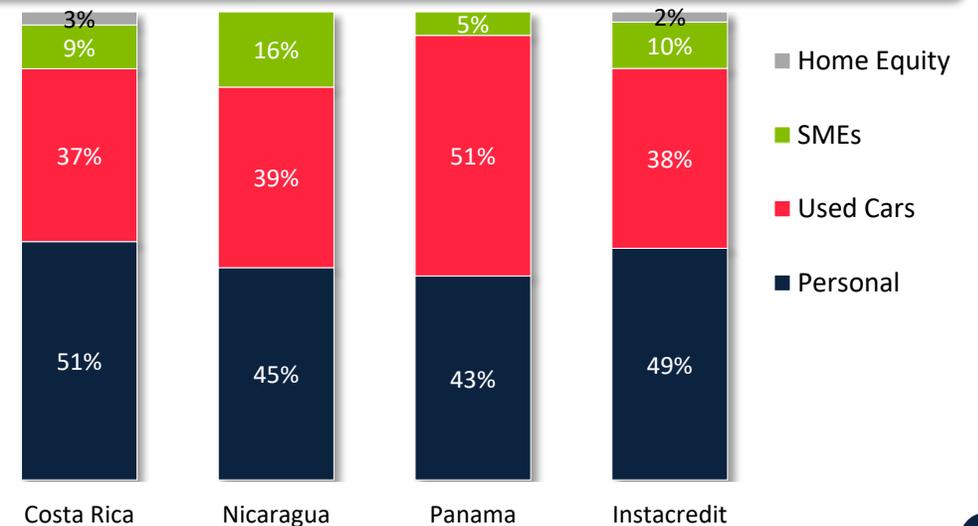
Domestic credit provided by Financial Sector (% of GDP)



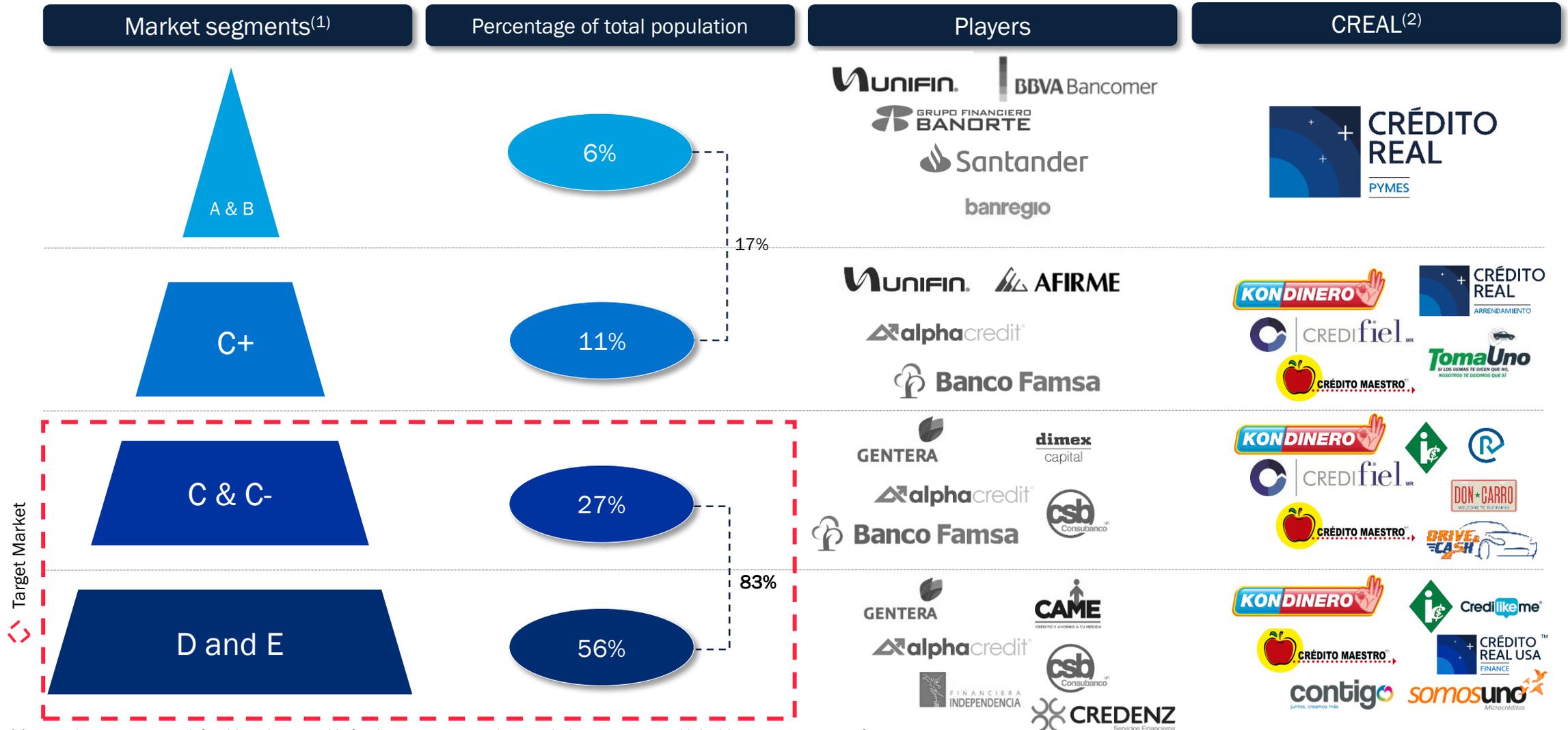
Source: World Bank as of 2017.



Geographic concentration by product



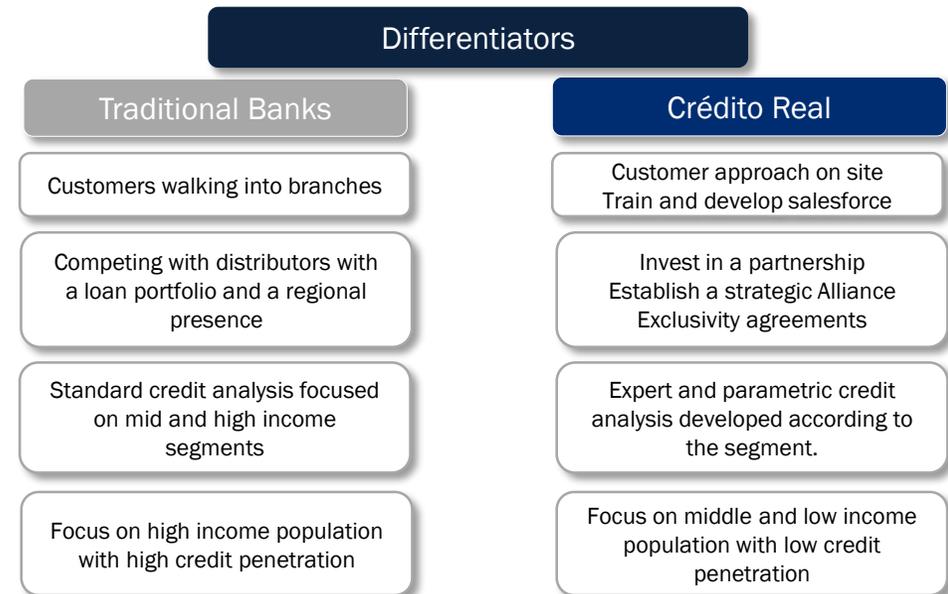
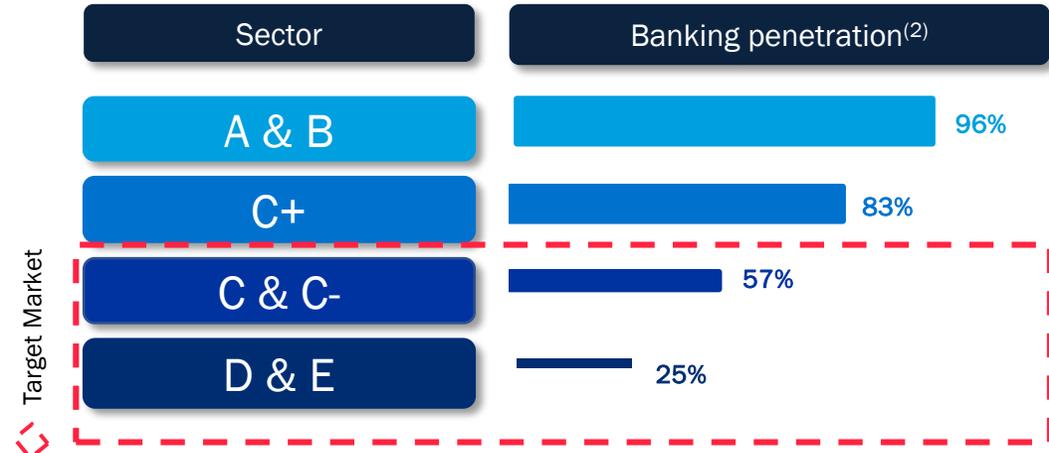
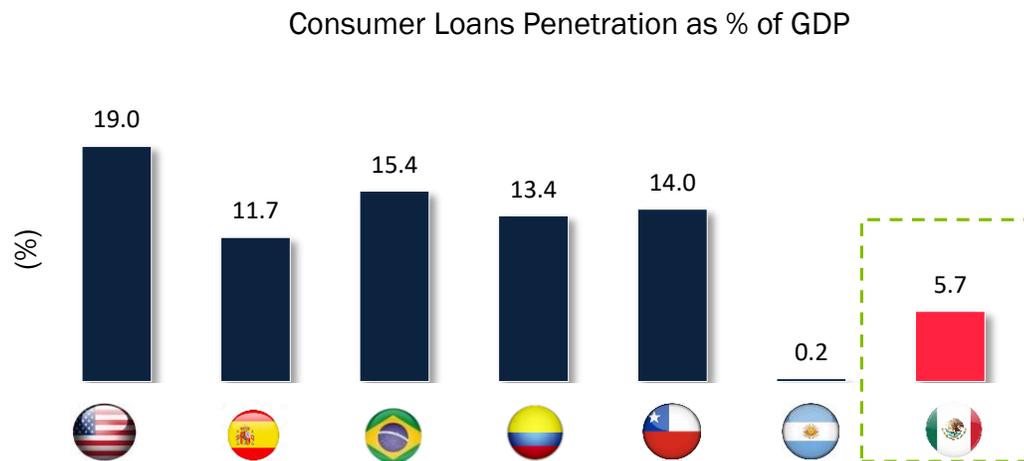
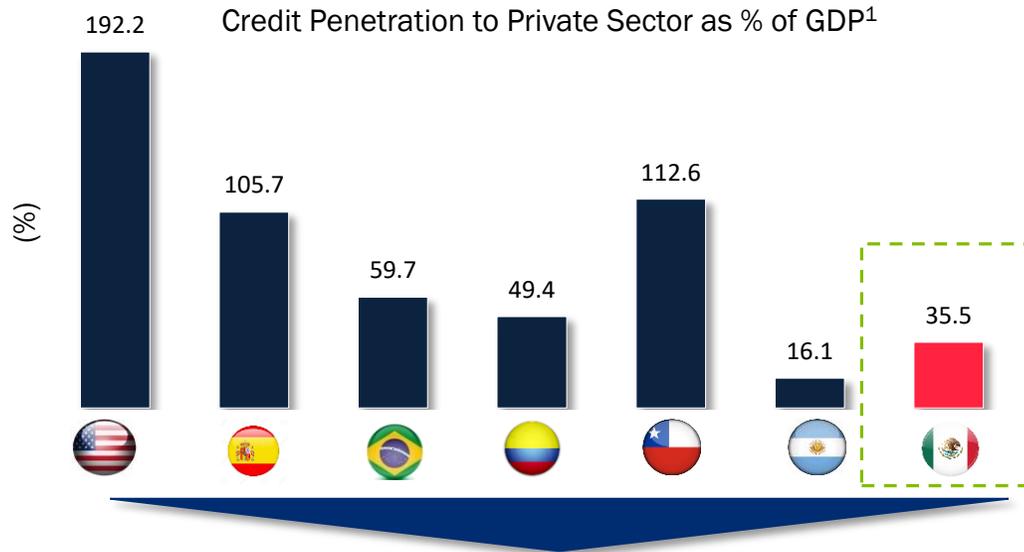
Market opportunity – Focused on Underserved Segments(1/2)



(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, Don Carro and Crédito Real USA are defined based on their average loan amount as of 3Q18.

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.

⁽¹⁾ US show figures as of 2016,

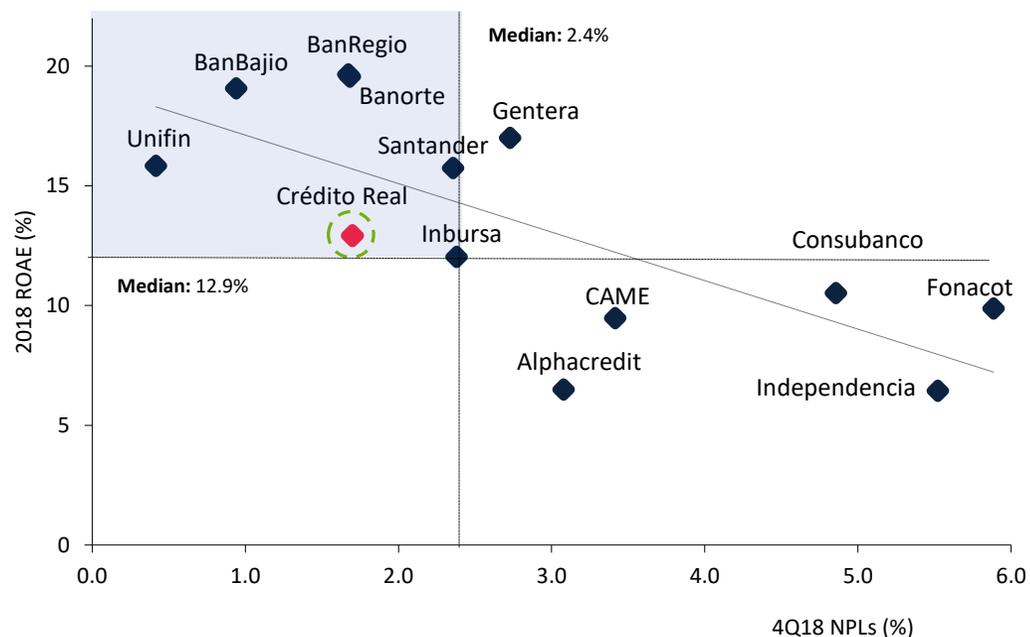
⁽²⁾ Population utilizing banking services. Income level by bracket (approximate annual amount in US\$): "A/B" +108,400; "C+" 76,500; "Cm/C" 29,700; "D" 8,900; "E" 3,400.

Current businesses growth strategy

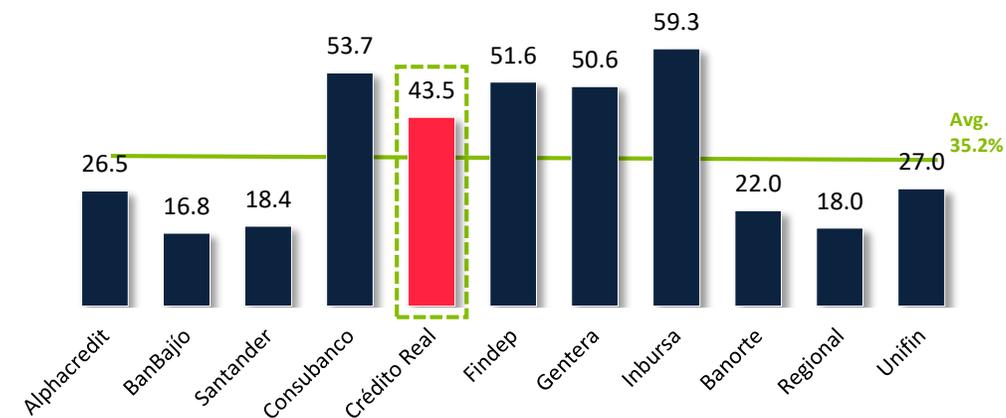
| Product | Key Subsidiaries Ownership | Distribution Network | Annual Interest Rate | Customers | Avg. Loan Amount (Ps\$) | Strategy | Yield 2022 |
|---------------|--|---|----------------------|-----------|-------------------------|---|------------|
| PAYROLL | 100%  | 13 distributors +6,000 reps | 50% | 404,066 | 61,394 | Pensioners market development Focus on federal-level employees | 35% |
| | 49%  | | | | | | |
| | 49%  | | | | | | |
| INSTACREDIT | 70%  | 46 branches in Costa Rica 18 branches in Nicaragua and Panama | 56% | 173,974 | 25,652 | Efficiency in funding cost and general expenses Improvement in asset quality Expansion in Central America | 60% |
| USED CARS MX | 51%  | Agreements with 89 agencies and 20 branches in 21 States of Mexico | 40% | 8,132 | 112,849 | Drive & Cash expansion Enlarge dealers network Increase competitive positioning | 30% |
| USED CARS US | 80%  | Two strategic alliances with one Branch and +580 distributors in the US | 20% | 8,412 | 241,379 | Grow dealers network New Credito Real USA brand, merger of Don Carro and CR USA Finance, Coupled with the enhancement in servicing and collection | 30% |
| | 99%  | | | | | | |
| SMEs |  | Alliance with Fondo H | 21% | 575 | 6.3 million | Increase origination through brokers Diversification of Fondo H portfolio Define new products sized for our clients Leasing and factoring | 20% |
| Average yield | | | | | | | >35% |
| Performance | | | | | | Expected ROA: > 4.5% Expected ROE: > 20% | >5% |

2 Profitability – Defensive Competitive Positioning

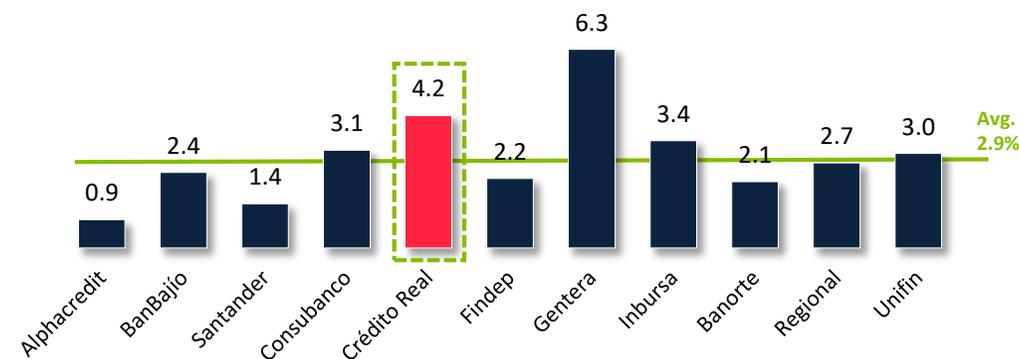
Risk-return view⁽¹⁾



Solid capital base⁽²⁾



Delivering bottom-line results (ROAA)⁽³⁾



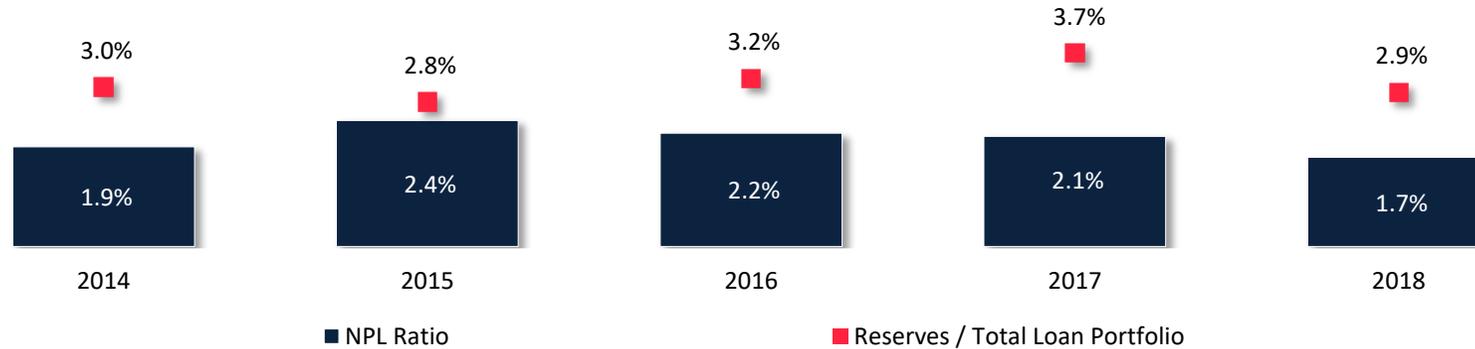
Source: Credito Real Research and last updated information filed with BMV – Bolsa Mexicana de Valores.

Notes:

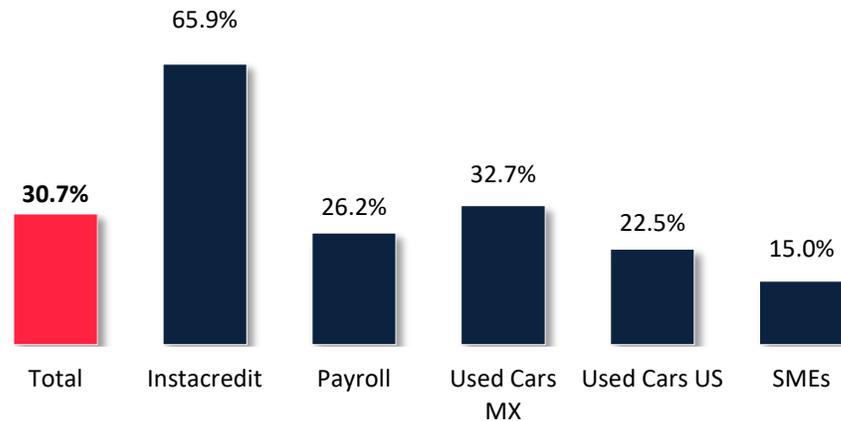
- (1) ROAE = 2018 Net Income / Average Stockholders' Equity between 1Q18 and 4Q18
- (2) Capitalization Ratio = 4Q18 Stockholders' Equity / 4Q18 Total Loan Portfolio
- (3) ROAA = 2018 Net Income / Average Assets between 1Q18 and 4Q18.

Peer-superior asset quality

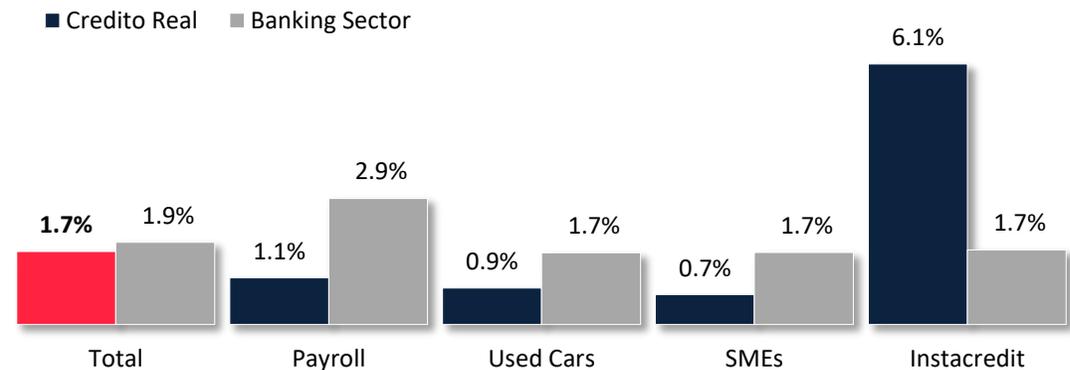
Improving levels of NPL while maintaining healthy reserves⁽¹⁾



Average Yield Breakdown by Product



NPL Breakdown by Product⁽²⁾



+ Below the banking sector in most of our products

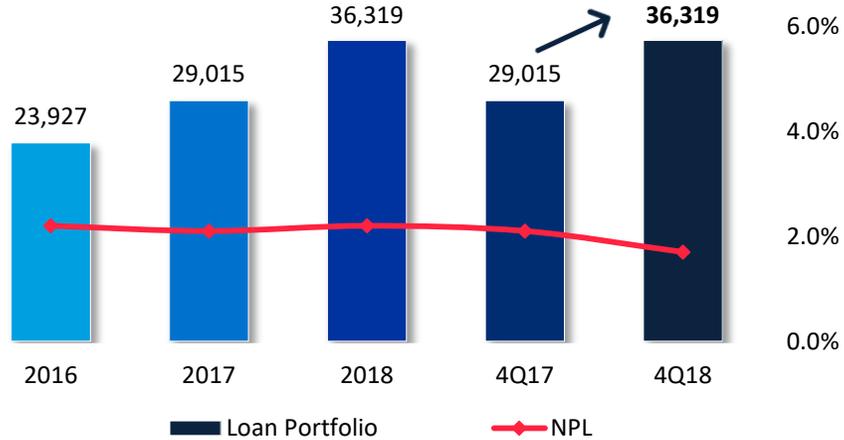
Source: Company filings, CNBV, SUGEF
 (1) Reserves calculated as end of period allowance for loan losses divided by total loan portfolio.
 (2) Average LTM as of December 2018.

Key financial performance

Loan Portfolio

CAGR '16-'18: 23%

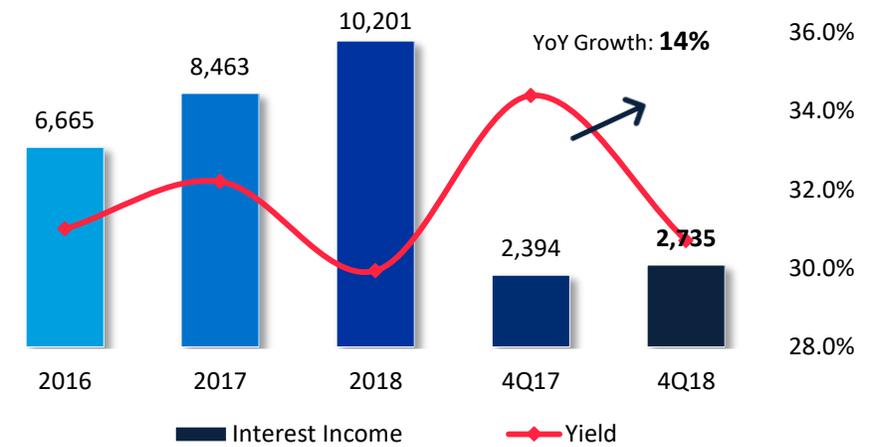
YoY Growth: **25%**



Interest Income

CAGR '16-'18: 24%

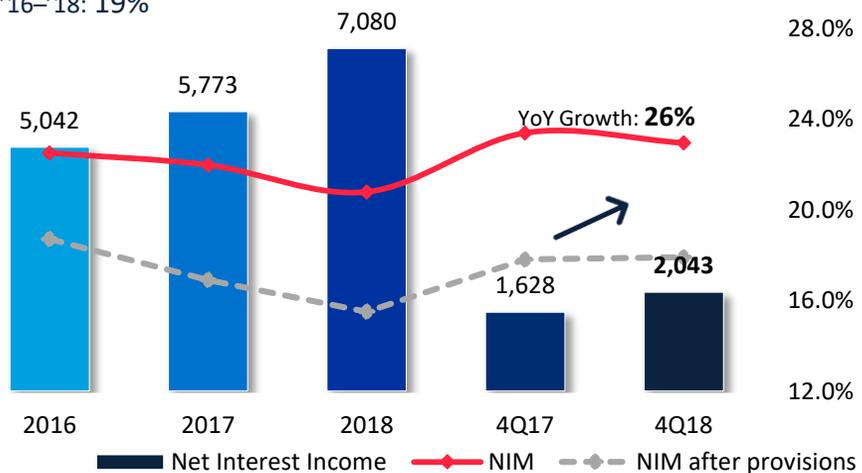
YoY Growth: **14%**



Financial Margin

CAGR '16-'18: 19%

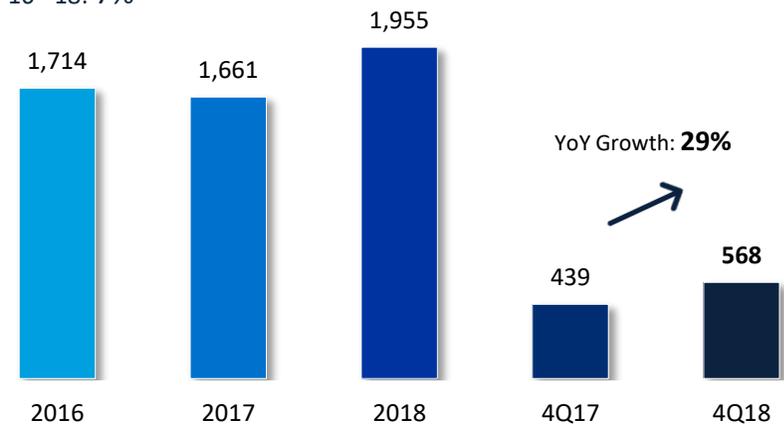
YoY Growth: **26%**



Net Income

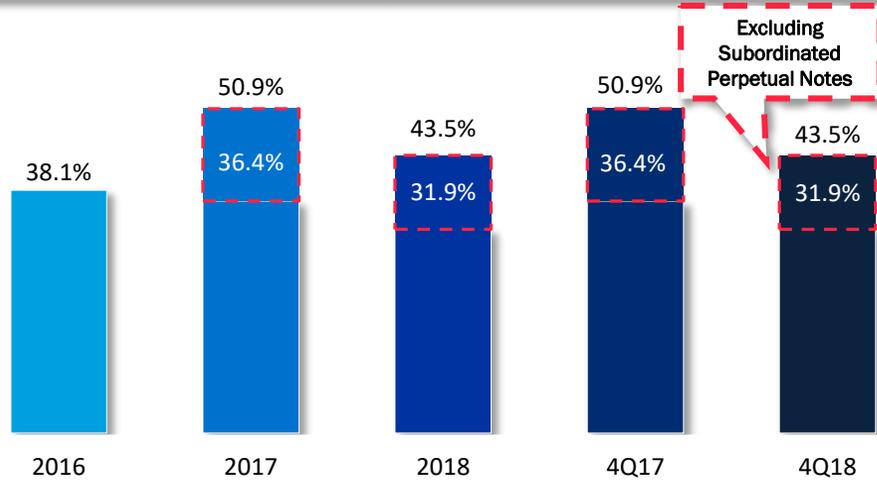
CAGR '16-'18: 7%

YoY Growth: **29%**

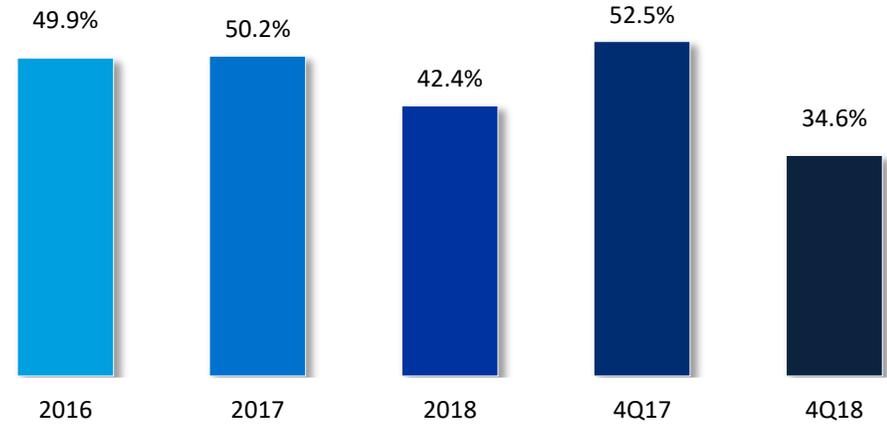


Key financial measures

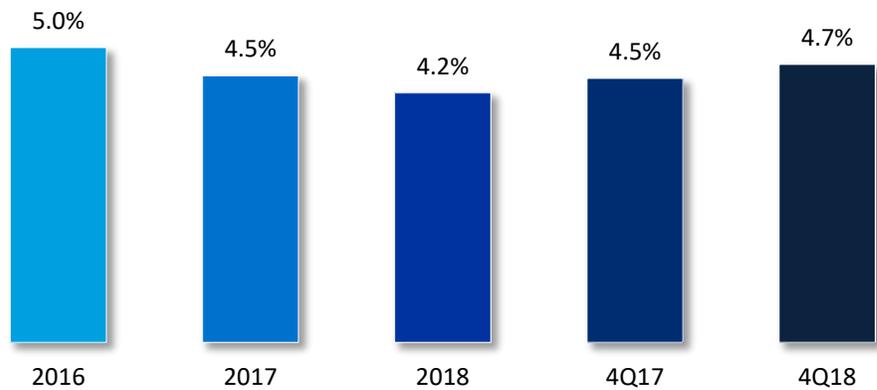
Capitalization



Efficiency



ROAA



ROAE



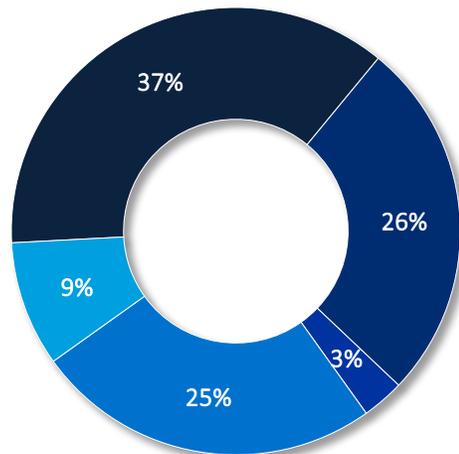
3 Funding sources

Capital Structure

Adjusted Capitalization | 46,455.6 MXN Mn

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

31.9%⁽¹⁾



Cost of funds

- Spread
- Average TIIE



(1) Hybrid plus Equity as percentage of total Assets

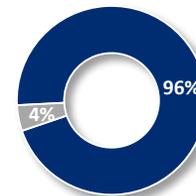
(2) Short term refers to amortization under 1 year. Long term ranges from 1 to 5 years.

Consolidated Debt Status

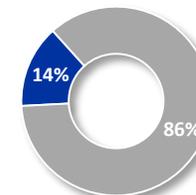
MXN Mn

Drawn vs. Undrawn

- Drawn
- Undrawn



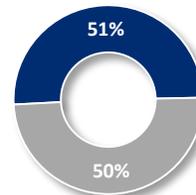
Credit Lines
100% = \$13,874



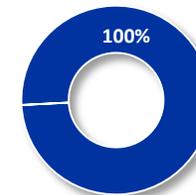
Securitizations
100% = \$10,000

Secured vs. Unsecured

- Secured
- Unsecured



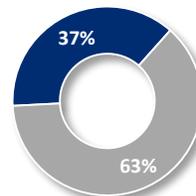
Credit Lines
100% = \$12,411



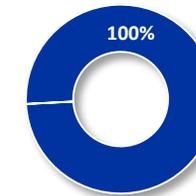
Securitizations
100% = \$1,415

Term

- Short Term
- Long Term



Credit Lines
100% = \$12,411



Securitizations
100% = \$1,415

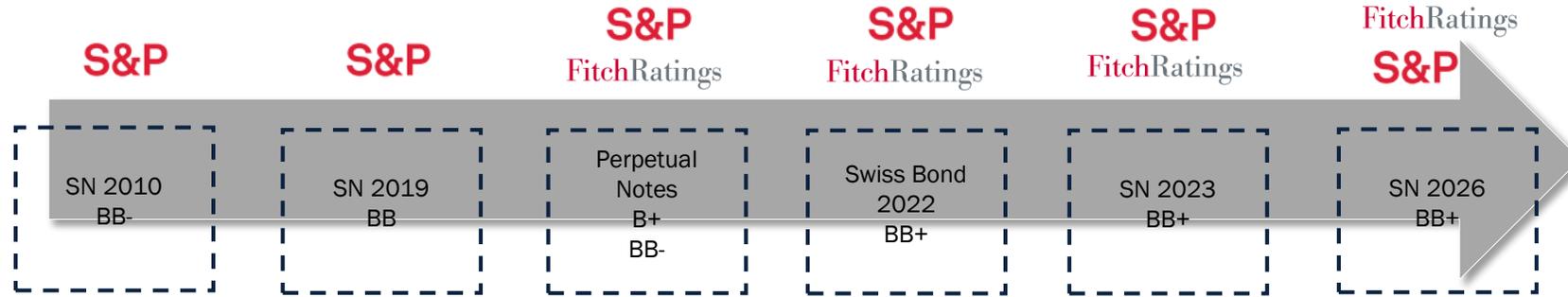
Market risks

Interest Rate Risk 45.0% of Credito Real's consolidated debt is fixed

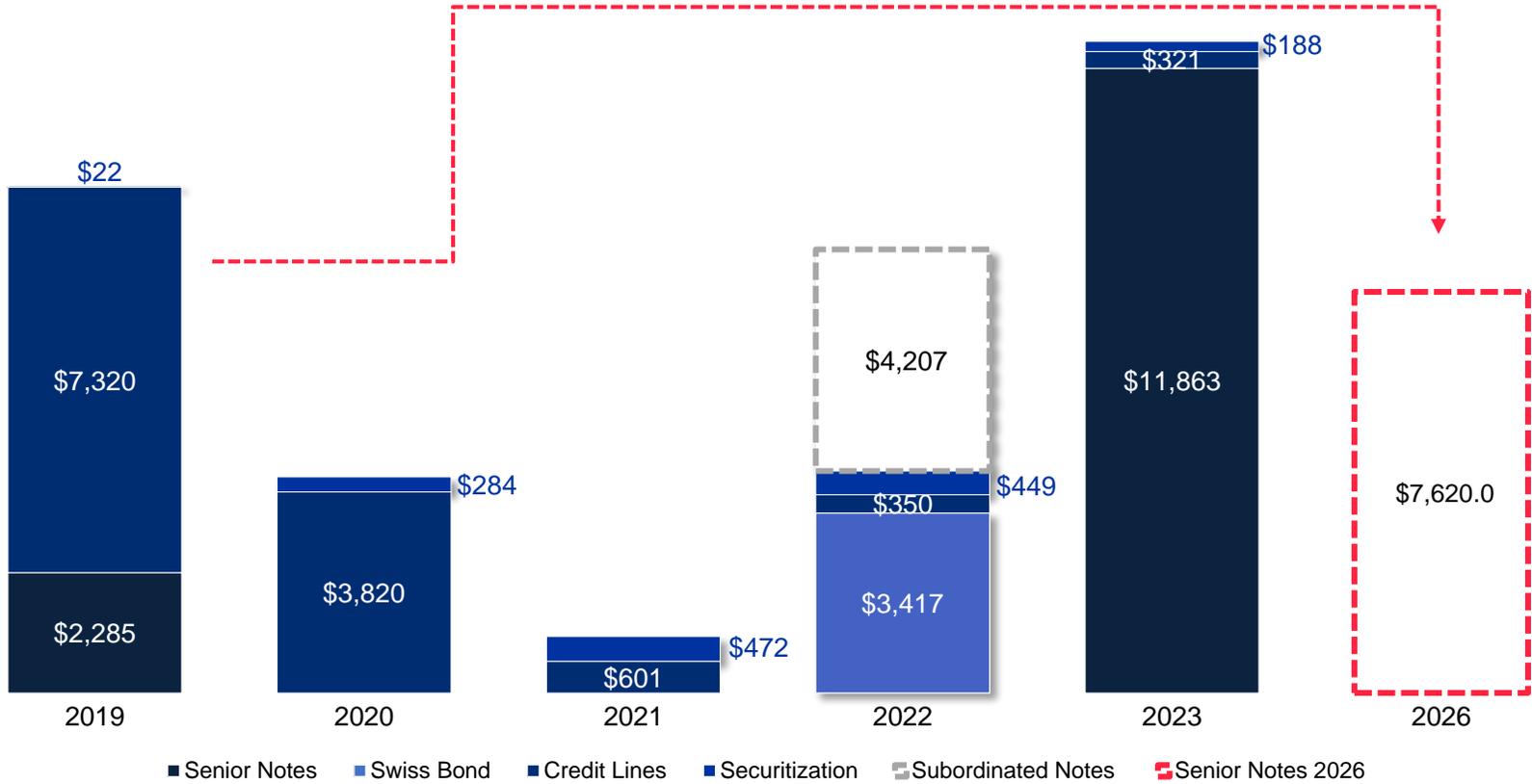
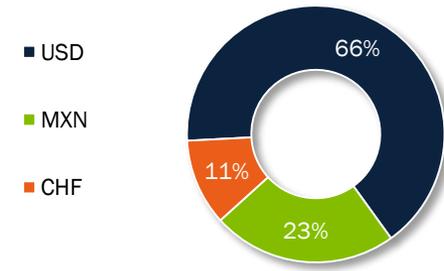
| | | |
|------------------------------|-----------|-------------|
| Asset & Liabilities duration | Assets | Liabilities |
| | 1.8 years | 2.7 years |

Assets in USD: +100 million

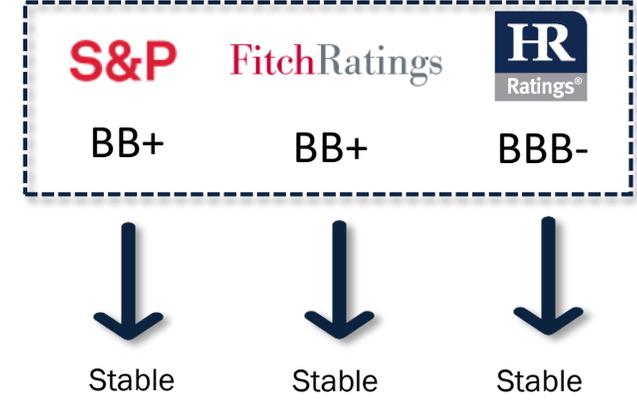
Debt Profile



Debt by currency



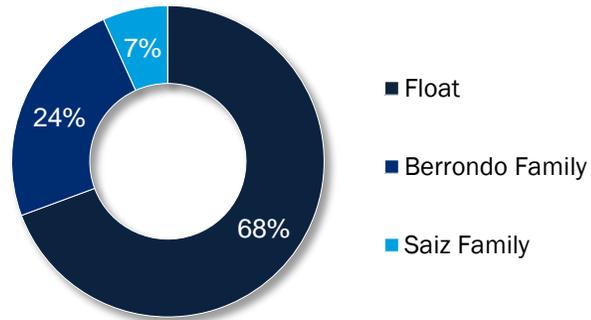
Global Scale



⁽¹⁾ All the figures represent only the notional and exclude accrued interests and mark-to-market of hedges. Debt converted using US\$ 1 / Ps\$ 19.65 as of December 31, 2018.
⁽²⁾ The red dotted line represents the issuance of the Senior Notes due 2026 in January 31st, which use of proceeds are mainly for short-term debt repayment.

4 Strong Corporate Governance and Experienced Management Team

Shareholder Structure



Governance Highlights

- + Listed on Mexican stock exchange (BMV:CREAL*) with a market cap of ~392 USD Mn⁽¹⁾
- + 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 Credito Real's Board is integrated by independent members

Well-respected shareholders driving the business

Robust standards of corporate governance

CNBV Supervision

Management team

| | | |
|--|--|--|
| Ángel Romanos CEO 22 years in CR | Carlos Ochoa Co-CEO / CFO 21 years in CR | Luis Carlos Aguilar Commercial Officer for Payroll Loans 22 years in CR |
| Jose Juan Gonzalez COO 9 years in CR | Luis Magallanes CMO 5 years in CR | Claudia Jolly General Treasurer 20 years in CR |
| Luis Calixto López General Counsel 17 years in CR | Adalberto Robles Human Resources Officer 10 years in CR | Luis Berrondo M&A Officer 3 years in CR |
| Pablo Bustamante Controller 2 years in CR | Felipe Guelfi Project Officer 2 years in CR | Hector Huelgas Internal Audit Officer 2 years in CR |

Key Committees



⁽¹⁾ As of February 6, 2019



Appendix

Profit & Loss

| MXN Mn | 4Q18 | 4Q17 | % Var. | 4Q18 (USD) | 2018 | 2017 | % Var. | 2018 (USD) |
|--|----------------|---------|--------|---------------|-----------|-----------|--------|---------------|
| Interest Income | 2,735.4 | 2,394.0 | 14.3 | 139.2 | 10,201.1 | 8,462.9 | 20.5 | 519.1 |
| Interest Expense | (692.0) | (766.2) | (9.7) | (35.2) | (3,120.9) | (2,690.3) | 16.0 | (158.8) |
| Financial Margin | 2,043.4 | 1,627.8 | 25.5 | 104.0 | 7,080.2 | 5,772.6 | 22.7 | 360.3 |
| Provision for Loan Losses | (452.4) | (391.2) | 15.6 | (23.0) | (1,800.7) | (1,343.1) | 34.1 | (91.6) |
| Adjusted Financial Margin | 1,591.0 | 1,236.6 | 28.7 | 81.0 | 5,279.5 | 4,429.4 | 19.2 | 268.7 |
| Commissions and fees collected | 0.2 | 227.2 | (99.9) | 0.0 | 564.1 | 826.4 | (31.7) | 28.7 |
| Commissions and fees paid | (78.2) | (60.3) | 29.7 | (4.0) | (256.0) | (234.6) | 9.1 | (13.0) |
| Intermediation income | (101.9) | (1.6) | 6443.7 | (5.2) | (20.8) | 152.9 | - | (1.1) |
| Other income from operations | 94.4 | 143.8 | (34.3) | 4.8 | 425.1 | 408.8 | 4.0 | 21.6 |
| Administrative and promotion expenses | (778.7) | (997.8) | (22.0) | (39.6) | (3,483.1) | (3,417.5) | 1.9 | (177.2) |
| Operating result | 726.8 | 548.0 | 32.6 | 37.0 | 2,508.8 | 2,165.5 | 15.9 | 127.7 |
| Income Taxes | (213.1) | (130.3) | 63.6 | (10.8) | (650.6) | (528.3) | 23.2 | (33.1) |
| Income before participation in the results of subsidiaries | 513.8 | 417.7 | 23.0 | 26.1 | 1,858.2 | 1,637.2 | 13.5 | 94.6 |
| Participation in the results of subsidiaries, associates and non-controlling participation | 54.3 | 21.3 | - | 2.8 | 97.2 | 23.9 | - | 4.9 |
| Net Income | 568.1 | 439.0 | 29.4 | 28.9 | 1,955.4 | 1,661.1 | 17.7 | 99.5 |

Balance Sheet

| MXN Mn | 2018 | 2017 | Var. % | 2018 (USD) |
|---|-----------------|----------|--------|------------|
| Cash and cash equivalents | 1,106.3 | 810.6 | 36.5 | 56.3 |
| Investments in securities | 410.3 | 356.3 | 15.1 | 20.9 |
| Securities and derivatives transactions | 1,028.0 | 1,920.9 | (46.5) | 52.3 |
| Total performing loan portfolio | 35,701.6 | 28,409.8 | 25.7 | 1,816.8 |
| Total non-performing loan portfolio | 617.6 | 605.2 | 2.0 | 31.4 |
| Loan portfolio | 36,319.1 | 29,015.0 | 25.2 | 1,848.2 |
| Less: Allowance for loan losses | 1,067.9 | 1,067.5 | 0.0 | 54.3 |
| Loan portfolio (net) | 35,251.2 | 27,947.5 | 26.1 | 1,793.8 |
| Other accounts receivable (net) | 5,389.3 | 4,803.1 | 12.2 | 274.2 |
| Foreclosed assets (net) | - | 3.3 | - | - |
| Property, furniture and fixtures (net) | 341.5 | 342.2 | (0.2) | 17.4 |
| Long-term investments in shares | 1,193.4 | 1,265.3 | (5.7) | 60.7 |
| Deferred taxes (net) | - | 329.8 | - | - |
| Debt insurance costs, intangibles and others | 4,842.5 | 4,458.5 | 8.6 | 246.4 |
| Total assets | 49,562.5 | 42,237.5 | 17.3 | 2,522.1 |
| Notes payable (Securizations) | 1,415.0 | 1,006.7 | 40.6 | 72.0 |
| Senior notes payable | 18,577.1 | 13,537.1 | 37.2 | 945.3 |
| Bank loans Short-term | 6,166.5 | 2,927.9 | - | 313.8 |
| Bank loans Long-term | 4,488.2 | 6,112.8 | (26.6) | 228.4 |
| Total Bank Loans | 10,654.7 | 9,040.6 | 17.9 | 542.2 |
| Total Debt | 30,646.7 | 23,584.5 | 29.9 | 1,559.5 |
| Income taxes payable | 390.7 | 407.1 | (4.0) | 19.9 |
| Securities and derivative transactions | - | 137.6 | - | - |
| Other accounts payable | 1,078.6 | 1,626.0 | (33.7) | 54.9 |
| Deferred taxes | 1,637.6 | 1,713.9 | (4.5) | 83.3 |
| Total liabilities | 33,753.6 | 27,469.2 | 22.9 | 1,717.6 |
| Capital stock | 2,067.7 | 2,122.8 | (2.6) | 105.2 |
| Perpetual Notes | 4,206.7 | 4,206.7 | - | 214.1 |
| Accumulated results from prior years | 6,572.1 | 5,575.5 | 17.9 | 334.4 |
| Result from valuation of cash flow hedges, net | 128.6 | 359.7 | - | 6.5 |
| Cumulative translation adjustment | (30.1) | 93.7 | - | (1.5) |
| Controlling position in subsidiaries | 908.5 | 748.9 | 21.3 | 46.2 |
| Net Income | 1,955.4 | 1,661.1 | 17.7 | 99.5 |
| Total stockholders' equity | 15,808.8 | 14,768.4 | 7.0 | 804.5 |
| Total Liabilities and Stockholders' equity | 49,562.5 | 42,237.5 | 17.3 | 2,522.1 |

Financial Ratios

| | 4Q18 | 4Q17 | % Var. | 2018 | 2017 | % Var. |
|--|-------------|-------------|---------------|-------------|-------------|---------------|
| Yield | 30.7% | 34.4% | (3.7) | 29.9% | 32.2% | (2.3) |
| Net Interest Margin | 22.9% | 23.4% | (0.4) | 20.8% | 22.0% | (1.2) |
| Return on Average Loan Portfolio | 6.4% | 6.3% | 0.1 | 5.7% | 6.3% | (0.6) |
| ROAA: Return on average assets | 4.7% | 4.5% | 0.2 | 4.2% | 4.5% | (0.3) |
| ROAE: Return on average stockholders' equity | 14.6% | 14.5% | 0.1 | 12.9% | 15.9% | (2.9) |
| ROAE: Return on average stockholders' equity (excluding Perpetual Notes) | 20.0% | 17.6% | 2.4 | 17.9% | 17.6% | 0.3 |
| Debt to Equity Ratio | 1.9 | 1.6 | 0.3 | 1.9 | 1.6 | 0.3 |
| Debt to Equity Ratio (excluding Perpetual Notes) | 2.6 | 2.2 | 0.4 | 2.6 | 2.2 | 0.4 |
| Average cost of funds | 12.0% | 11.7% | 0.3 | 11.1% | 11.4% | (0.3) |
| Efficiency ratio | 34.6% | 52.5% | (17.8) | 42.4% | 50.2% | (7.8) |
| Capitalization Ratio | 43.5% | 50.9% | (7.4) | 43.5% | 50.9% | (7.4) |
| Capitalization Ratio (excluding Perpetual Notes) | 31.9% | 36.4% | (4.5) | 31.9% | 36.4% | (4.5) |
| Provisions for loan losses as a percentage of total loan portfolio | 5.0% | 5.4% | (0.4) | 5.0% | 4.6% | 0.3 |
| Allowance for loan losses as a percentage of total past-due loan portfolio | 172.9% | 176.4% | (3.5) | 172.9% | 176.4% | (3.5) |
| Total past-due loan portfolio as a percentage of total loan portfolio | 1.7% | 2.1% | (0.4) | 1.7% | 2.1% | (0.4) |

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