



## **Nexus Capital Announces the Initial Public Offering of Crédito Real**

On November 2007, Nexus Capital acquired a strategic position in Crédito Real, S.A.B. de C.V., S.O.F.O.M., E.N.R. ("Crédito Real" or the "Company"). The investment was made through Nexus Capital Private Equity Fund III, L.P. ("Nexus III"). Crédito Real is a leading financial company in Mexico, with a focus on consumer lending and a diversified business platform focused on attending the large and underserved sector of the population by traditional banks.

Nexus Capital is proud to announce that on October 17, 2012, the Company placed its shares on the Mexican Stock Exchange (ticker symbol "CREAL\*"), and were distributed to institutional investors in the U.S. under Rule 144A and investors elsewhere under Reg S.

The shares were placed at a price of Ps. 22.00 per share, equivalent to US\$1.72. At such price, the aggregate value of the offering was Ps. 2,222 million pesos or approximately US\$ 173.6 million, not including the over allotment options granted to the underwriters by the Company. Of the total offer, 27.21% was secondary and 72.79% was primary.

As part of the secondary portion of the offering, Nexus III sold 18,500,000 shares, equivalent to 33.7% of the shares that it owned prior to the offering. After the offering, Nexus III has a 9.72% interest ownership in Crédito Real, subject to the exercise of the over allotment options. At the offering price of Ps. 22.00 per share, considering realized and unrealized portions, Nexus III gross multiple of cost is 3.8x.

Deutsche Bank was sole Global Coordinator of the international offering, while Barclays acted as Joint Bookrunner and Banorte Ixe Securities as Co-Manager. The lead underwriters of the Mexican offering were Casa de Bolsa Banorte Ixe, S.A. de C.V., Deutsche Securities, S.A. de C.V., and Casa de Bolsa and Barclays Capital Casa de Bolsa, S.A. de C.V.

For more information on the offer and relevant financial information, please see the attached 3Q report of the Company, or go to [www.creditoreal.com.mx](http://www.creditoreal.com.mx).

Nexus Capital was founded in 1995 and is based in Mexico City. Nexus Capital is the largest Mexican private equity fund manager. Nexus Capital has delivered above the region average, unleveraged investment returns to investors, achieving an outstanding performance throughout its history and track record. Nexus Capital has made 18 investments in Mexican companies through the five funds that it has managed. Among its key investments are Desarrolladora Homex [BMV: HOMEX, NYSE:HXM], Genomma Lab Internacional [BMV: LABB], Grupo Sports World [BMV: SPORTS] and Crédito Real [BMV: CREAL\*].

For further information on Nexus Capital visit [www.nexuscapital.com](http://www.nexuscapital.com) or contact:

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# RESULTS

3rd Quarter 2012

Crédito Real S.A.B. de C.V.,  
SOFOM, E.N.R.





## **CRÉDITO REAL ANNOUNCES NET INCOME GROWTH OF 21.9% FOR THE THIRD QUARTER AND 52.9% FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30 2012 COMPARED TO THE SAME PERIOD 2011**

Mexico City, October 22, 2012

### **Third Quarter Highlights:**

- Net income for the third quarter of 2012 was Ps. 176.8 million, a 21.9% increase compared to the 145.1 million obtained in 3Q11. Accumulated net income for the first nine months of the year grew by 52.9% to Ps. 437.1 million.
- Total loan portfolio grew Ps. 1,143.7 million to Ps. 6,446.2 million, a 21.6% growth from 3Q11.
- Total number of customers as of 3Q12 grew by 59,469 to 485,592, an increase of 14.0% when compared to September 30, 2011.
- Past-due loans as a percentage of total loan portfolio for 3Q12 was 1.4%, compared to 1.7% a year earlier.
- Annualized ROAA reached 7.6% compared to 7.7% in 3Q11.
- During the quarter, Crédito Real reached an agreement to acquire an interest of up to 49% in Crédito Maestro (Grupo Empresarial Maestro, S.A. de C.V., "GEMA"). As a subsequent event, the transaction was closed on October 4.
- As a subsequent event, on October 17, Crédito Real performed an initial public offering ("IPO") in the Mexican Stock Exchange ("MSE"), raising Ps. 1,617.9 million among Mexican and international investors.

### **Comment from Angel Romanos, CEO of Crédito Real**

"We are pleased to report our first quarterly results as a public company. On October 17, we successfully launched our initial public offering, in which Crédito Real received Ps. 1,617.9 million from over 1,058 domestic and international investors. We thank our investors for their trust and we'll work hard to prove an excellent investment alternative. The proceeds from the offering will allow us to continue growing and consolidate our position as leaders in the markets we serve.

I am also glad to announce the closing of the acquisition of a minority interest in Crédito Maestro, one of the key payroll loan originators. This new acquisition brings additional opportunities to position ourselves as leaders in the payroll segment and continue growing profitably.

Finally, third quarter results were strong, led by solid loan portfolio growth. Crédito Maestro joined Kondinero and Credifiel as our exclusive payroll loan originators. We improved in our cost of funding, particularly in the local debt capital markets where we were able to issue long-term debt, something we had not done in Mexico before. We managed to maintain high efficiency and continue to see the benefits of our investments in our top three distributors.

We are very excited to start this new phase as a public company with ample opportunities to grow profitably in a market with attractive fundamentals. "



## Credito Real results as of Third Quarter 2012

### Interest Income

The interest income for 3Q12 was Ps 530.4 million, which represents a 3.7% increase when compared to Ps. 511.3 million from 3Q11. The growth was driven by an increase of 21.6% due to an increase in origination of payroll loans. Interest income growth is delayed when compared to loan portfolio growth and should catch up on the following quarters.

### Interest Expenses

Interest expenses in 3Q12 declined 10.2%, or Ps. 18.8 million, from Ps. 185.1 million in 3Q11 to Ps. 166.3 in 3Q12. During the quarter Ps. 1,575.0 million were issued in local notes, with an average cost of TIIE+1.46%. The improvement in interest expense was driven by the substitution of expensive debt by lower cost debt.

### Financial Margin

The financial margin in 3Q12 rose by Ps. 38.0 million, or 11.6%, to Ps. 364.1 million, from Ps. 326.2 million in 3Q11. The increase was fueled by loan portfolio growth and lower cost of funds, as it declined from 12.3% in the third quarter of 2011 to 9.4% in 3Q12.

The annualized return on interest bearing assets as of the 3Q12 was 31.9%, compared to 34.2% of the same quarter 2011.

### Provisions for Loan Losses

During 3Q12 31.7 million were reserved for bad loan losses, compared to 36.3 million reserved on 3Q11. The decrease of 12.6% reflects a healthier loan portfolio driven by greater collection and a decline in write offs of past due accounts of 180 days or more.

### Administrative Expense

As of 3Q12, the administrative expense rose by 14.2% to Ps. 115.3 million, as compared to the Ps. 100.9 million in 3Q11. This increase is mainly driven by the operative expansion required to support the business growth.

### Commissions and Fees Paid

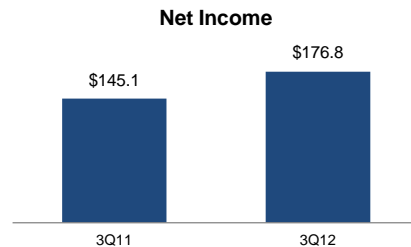
Commission and fee expenses as of 3Q12 rose by Ps. 1.4 million, increasing 9.2%, to Ps. 16.5 million from Ps. 15.1 million. This change is mainly due to the increase in the level of the company's debt. During the quarter, Credito Real made 7 short and medium term debt issuances in the local markets.

### Participation in Affiliates' Profits

During the third quarter of 2012, Credifiel and Kondinero had a combined net income contribution of Ps. 19.8 million, an increase of 71.5% compared to the same period of 2011. It's worth noting that in 3Q11 Credifiel did not participate in Crédito Real's results.

### Net Income

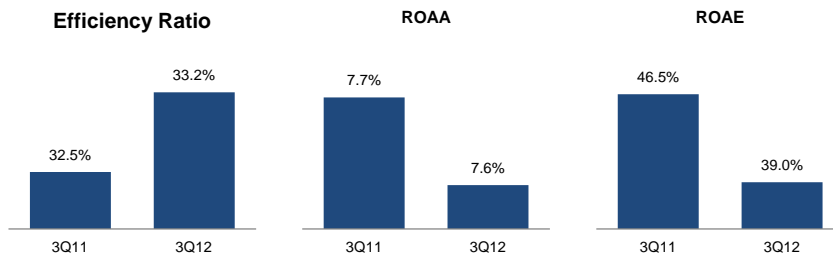
During 3Q12 Crédito Real recorded a net income of Ps. 176.8 million compared to the Ps. 145.1 million of 3Q11, representing an increase of 21.9%. This increase was driven by the improvement in funding costs, operative efficiencies and profitability of the minority investments in Kondinero and Credifiel.



### Efficiency and Profitability Ratios

Despite an increase in administrative expense, our efficiency ratio remained fairly stable as of 3Q12 at 33.2% compared to 32.5 as of the same quarter in 2011.

During 3Q12, Crédito Real had an annualized Return on Average Assets ("ROAA") of 7.6%, compared to 7.7% as of the same period 2011. Return on Average Equity ("ROAE") was 39.0% compared to 46.5% as of 3Q11.



### Total Assets

As of the end of 3Q12, Crédito Real reported total assets of Ps 10,046.1 million, an increase of 26.2% relative to the Ps. 7,962.1 million in 3Q11. This growth was primarily driven by an increase in credit origination and a 21.6% growth in the total loan portfolio.

### Total Loan Portfolio

As of the end of 3Q12, total loan portfolio reached Ps. 6,446.2 million, representing an increase of 21.6% from the previous year. This increase is due to an additional 59,469 customers, an increase of 14.0% relative to the previous year. As of the end of 3Q12, the total number of customers was 485,592. Also, this change in loan portfolio reflects an increase of Ps. 830.6 in the average customer loan reaching Ps. 13,275.1, the average loan growth is mainly driven by a higher renovation rate.

|                         | 3 Q 2012       | 3 Q 2011       | Var          |
|-------------------------|----------------|----------------|--------------|
| <b>Credit Portfolio</b> |                |                |              |
| Payroll                 | 5,337.5        | 4,346.0        | 22.8%        |
| Group                   | 197.0          | 209.5          | -6.0%        |
| Durable Goods           | 911.8          | 747.0          | 22.1%        |
| <b>Total Portfolio</b>  | <b>6,446.2</b> | <b>5,302.5</b> | <b>21.6%</b> |



### Past-due Loans

By the end of 3Q12, past-due loans as a percentage of total loan portfolio was 1.4%, compared to 1.7% in 3Q11. The main reason for this decrease was the high collection achieved during the quarter.

### Provisions for Loan Losses

The provision for loan losses as of September 30, 2012, including risks and write offs, amounted to Ps. 116.1 million, representing 130% coverage of the Ps. 89.4 reported as past-due loan portfolio. The increase in provision for loan losses is driven by the growth in loan portfolio given that the estimate considers current certain provisions on healthy loan portfolio.

The allowance for loan losses is calculated under the methodology established by the CNBV's "Circular Única", which requires different coverage of reserves for each loan originated depending on the number of payments overdue.

### Other Accounts Receivable

Other accounts receivable include tax receivables, the amounts paid to Distributors, and other receivables and irrecoverable estimates of these accounts. Other accounts receivables increased by Ps. 577.1 million, or 42.7%, from Ps. 1,351.4 million in the third quarter of 2011 to Ps. 1,928.5 million in the third quarter of 2012.

### Liabilities

As of the end of 3Q12 Crédito Real reported total liabilities amounting to Ps. 8,141.0 million, an increase of 22.8% compared to Ps 6,631.4 million from 3Q11.

As of September 30, 2012, the total debt amounted to Ps. 5,203.2 million, an increase of 10% when compared to the Ps. 4,729.5 million recorded as of September 30, 2011.

As of September 30, 2012, debt from local markets amounted to Ps. 2,465.5 million, a 10.0% increase when compared to Ps. 4,729.5 million as of 3Q11. Total debt from banks increased 45.6% from Ps. 1,693.5 million as of September 30, 2011 to Ps. 4,775.9 million as of September 30, 2012

The following table shows the short and medium term local debt issuances made by the Company during the quarter

| Issuance    | Amount (Ps. Millions) | Term (days) | Interest Rate |
|-------------|-----------------------|-------------|---------------|
| CREAL 00612 | 210                   | 28          | 5.13%         |
| CREAL 00712 | 260                   | 84          | TIIE + 0.90   |
| CREAL 00812 | 210                   | 336         | TIIE + 1.40   |
| CREAL 00912 | 150                   | 56          | TIIE + 0.55   |
| CREAL 01012 | 95                    | 336         | TIIE + 1.40   |
| CREAL 01112 | 150                   | 49          | TIIE + 0.55   |
| CREAL 12    | 500                   | 1,176       | TIIE + 2.80   |

| Year | Debt Profile (Ps. Millions) | %     |
|------|-----------------------------|-------|
| 2012 | 1,470.5                     | 19.2% |
| 2013 | 2,135.8                     | 27.9% |
| 2014 | 547.7                       | 7.1%  |
| 2015 | 3,514.7                     | 45.8% |



### Shareholders' Equity

As of the end of 3Q12, Crédito Real reported shareholders' equity of Ps. 1,905.2 million, representing an increase of 43.2% from Ps 1,330.7 million reported as of September 30, 2011. The capitalization index of the company was 29.6% as of 3Q12 compared to 25.1% as of 3Q11. This is mainly due to the Company's commitment to reinvest earnings. It is worth noting that after the end of the quarter, on October 17 the capital was increased by Ps. 1,617.9 million due to the resources obtained through the primary portion of the IPO.

### Subsequent Events

On October 17, 2012 the Company successfully performed its initial public offering in which it raised equity from Mexican investors through the MSE and from international investors through 144 A/Reg S. We offered 101 million shares (not including over-allotment option) of which 72.8% was primary and 27.2% was secondary. The Company received total proceeds of Ps. 1,547.3 million to fund future growth.

On October 4, 2012 the company closed the acquisition of 40.9% of GEMA. We expect such stake to increase to 49% by the end of 2012. During the third quarter of 2012 Crédito Real partially began funding GEMA's loan origination. We expect to fund 100% of GEMA's loan origination in the fourth quarter of 2012.

\* \* \*

### Crédito Real, S.A.P.I. de C.V., SOFOM, E.N.R.

A leading financial institution in Mexico, focusing on consumer lending with a diversified business platform in three main lines of business: (i) payroll credits (ii) group loans, through Crediequipos' brand, and (iii) credit to individuals to finance the purchase of durable consumer goods, announced today its results of the third quarter ending September 30, 2012. All numbers have been prepared in accordance with the rules of the National Banking and Securities Commission (CNBV) and are expressed in nominal Mexican pesos (Ps.).

### Investor Relations Office

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Con formato: Español (México)

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## Appendix



| Figures in MXN million                     | Quarterly |         |         | Accum.  |         |        |
|--|-----------|---------|---------|---------|---------|--------|
|  | 3Q'12     | 3Q'11   | Var     | YTD'12  | YTD'11  | Var    |
| <b>Income Statement</b>                    |           |         |         |         |         |        |
| Interest Income                            | 530.4     | 511.3   | 3.7%    | 1,530.9 | 1,414.2 | 8.3%   |
| Interest Expense                           | (166.3)   | (185.1) | -10.2%  | (479.2) | (449.3) | 6.7%   |
| Financial Margin                           | 364.1     | 326.2   | 11.6%   | 1,051.7 | 964.9   | 9.0%   |
| Provisions for loan losses                 | (31.7)    | (36.3)  | -187.4% | (183.6) | (225.8) | -18.7% |
| Financial margin adjusted for credit risk  | 332.4     | 289.9   | 14.7%   | 868.1   | 739.0   | 17.5%  |
| Commissions and Fees Paid                  | (16.5)    | (15.1)  | 9.2%    | (52.9)  | (45.5)  | 16.2%  |
| Other Income from operations               | 5.2       | 3.4     | 54.8%   | 15.4    | 10.8    | 42.5%  |
| Administrative and promotion expenses      | (115.3)   | (100.9) | 14.2%   | (351.5) | (346.7) | 1.4%   |
| Net operating income                       | 205.8     | 177.2   | 16.2%   | 479.1   | 357.6   | 34.0%  |
| Income before income taxes                 | 205.8     | 177.2   | 16.2%   | 479.1   | 357.6   | 34.0%  |
| Income tax                                 | (48.7)    | (43.6)  | 11.7%   | (101.9) | (83.3)  | 22.3%  |
| Results before participation in affiliates | 157.1     | 133.5   | 17.6%   | 377.2   | 274.3   | 37.5%  |
| Participation in affiliates' profits       | 19.8      | 11.5    | 71.5%   | 59.9    | 11.5    | 420.2% |
| Net Income                                 | 176.8     | 145.1   | 21.9%   | 437.1   | 285.8   | 52.9%  |





| Figures in MXN million                            |                 |                |        |
|---|-----------------|----------------|--------|
|   | 3Q'12           | 3Q'11          | Var    |
| <b>Balance Sheet</b>                              |                 |                |        |
| Funds available                                   | 83.2            | 39.0           | 113.1% |
| Investments in securities                         | 819.7           | 587.0          | 39.6%  |
| Securities and derivatives transactions           | 300.4           | 586.6          |        |
| Total net portfolio                               |                 |                |        |
| Commercial loans                                  | 6,356.8         | 5,213.3        | 21.9%  |
| Total net portfolio                               | 6,356.8         | 5,213.3        | 21.9%  |
| Non-performing loan portfolio                     |                 |                |        |
| Commercial loans                                  | 89.4            | 89.2           | 0.2%   |
| Non-performing loan portfolio                     | 89.4            | 89.2           | 0.2%   |
| Total net portfolio                               | 6,446.2         | 5,302.5        | 21.6%  |
| Less: allowance for loan losses                   | 116.1           | 96.6           | 20.2%  |
| Total net portfolio                               | 6,330.1         | 5,205.9        | 21.6%  |
| Other receivables, net                            | 1,928.5         | 1,351.4        | 42.7%  |
| Foreclosed assets, net                            | -               | -              |        |
| Property, furniture and fixtures, net             | 16.5            | 14.9           | 10.2%  |
| Permanent investments in shares                   | 392.0           | 26.2           |        |
| Deferred taxes, net                               | -               | -              |        |
| Other assets                                      |                 |                |        |
| Deferred charges, anticipated payments and others | 175.9           | 150.9          | 16.5%  |
| Total assets                                      | <u>10,046.1</u> | <u>7,962.1</u> | 26.2%  |
| Liabilities                                       |                 |                |        |
| Notes   |                 |                |        |
| Senior notes payable                              | 2,310.4         | 1,555.4        | 48.5%  |
| Senior notes payable (unsubordinated)             | 2,892.9         | 3,174.1        | -8.9%  |
| Bank and other indebtedness:                      |                 |                |        |
| Short-term  | 1,633.5         | 1,021.8        | 59.9%  |
| Long-term   | 832.0           | 671.7          | 23.9%  |
|   | 2,465.5         | 1,693.5        | 45.6%  |
| Securities and derivatives transactions           | -               | -              |        |
| Taxes   | 28.4            | 4.1            | 595.4% |
| Other accounts payable                            | 443.8           | 204.3          | 117.2% |
| Total liabilities                                 | 8,141.0         | 6,631.4        | 22.8%  |
| Stockholders' equity:                             |                 |                |        |
| Capital Stock                                     | 507.4           | 507.4          | 0.0%   |
| Earned Capital                                    |                 |                |        |
| Paid-in capital                                   | 952.9           | 537.4          | 77.3%  |
| Net income  | 7.7             | -              |        |
|   | 437.1           | 285.8          | 52.9%  |
| Total stockholders' equity                        | <u>1,905.2</u>  | <u>1,330.7</u> | 43.2%  |
| Total liabilities and stockholders' equity        | <u>10,046.1</u> | <u>7,962.1</u> | 26.2%  |



| Figures in MXN million   | Quarterly |        | Accum. |        |
|--|-----------|--------|--------|--------|
|  | 3Q'12     | 3Q'11  | YTD'12 | YTD'11 |
| <b>Key Ratios</b>  |           |        |        |        |
| Return on Average Loan Portfolio   | 11.9%     | 11.3%  | 10.3%  | 8.7%   |
| ROAE: Return on average stockholders' equity                               | 39.0%     | 46.5%  | 34.9%  | 33.4%  |
| Debt to Equity Ratio   | 4.0       | 4.8    | 4.0    | 4.8    |
| Average interest income rate (total portfolio)                             | 35.6%     | 39.9%  | 35.9%  | 43.1%  |
| Average cost of funds  | 9.4%      | 12.3%  | 9.4%   | 11.8%  |
| Efficiency ratio   | 33.2%     | 32.5%  | 35.2%  | 37.7%  |
| Capitalization Ratio   | 29.6%     | 25.1%  | 29.6%  | 25.1%  |
| Provisions for loan losses as a percentage of total loan portfolio         | 1.8%      | 1.8%   | 1.8%   | 1.8%   |
| Allowance for loan losses as a percentage of total past-due loan portfolio | 129.8%    | 108.2% | 129.8% | 108.2% |
| Total past-due loan portfolio as a percentage of total loan portfolio      | 1.4%      | 1.7%   | 1.4%   | 1.7%   |

- (1) Return on average loan portfolio on average loan is calculated by dividing the net income for the period divided by the average quarterly loan portfolio amounts.
- (2) Return on average stockholders' equity consists by dividing the net income of the given period by the average quarterly stockholders' equity.
- (3) Debt to equity ratio consists of total liabilities at the end of the period divided by total stockholders' equity at the end of the period.
- (4) Average interest income rate (total portfolio) consists of interest income for the period divided by the average quarterly loan portfolio amounts.
- (5) Average cost of funds consists of interest expense for the period divided by the average quarterly funding amounts.
- (6) Efficiency ratio consists of administrative and promotion expenses for the period divided by the sum of (a) financial margin and (b) the difference between (i) commissions and fees collected and (ii) commissions and fees paid for the period.
- (7) Capitalization ratio consists of total stockholders' equity at the end of the period divided by total loan portfolio at the end of the period.