



RESULTS

2nd Quarter 2012



Mexico City, Mexico, July 26, 2012, Crédito Real, S.A.P.I. de C.V., SOFOM, E.N.R.,

A leading financial institution in Mexico, focusing on consumer lending which has a diversified business platform through 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 second quarter ending June 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.).

First Quarter Highlights:

- The total credit portfolio grew by Ps. 562.5 million to Ps. 5,717.5 million, representing a 10.9% growth from the year-ago quarter.
- The net income as of June 30, 2012 was Ps. 125.0 million compared to the 128.9 million obtained in 2Q11. The net income for the first semester in 2012 grew by 84.9% or Ps. 119.5 million to reach Ps. 260.3 million compared to the Ps. 140.7 million obtained during last year's same time period.
- The total number of clients as of 2Q12 grew by 49,722 to a total of 461,281, which represents an increase of 12.1% compared to the year-ago quarter.
- The index of past-due loans was 1.9%, compared to 2.0% a year earlier.
- The capitalization index as of 2Q12 was 30.1% compared to 22.6% a year earlier.
- The annualized ROAE reached 30.1% compared to 46.8% in 2Q11. Similarly, this return on the first half reached 32.7% compared to last year's 25.7%.

Comment from Angel Romanos, CEO of Crédito Real

“The figures recorded in the second quarter of the year showed again the strength of our business model and the opportunities that lay ahead of us, which will allow us to continue growing our portfolio despite the uncertainty in the international financial markets.

During the period of April to June 2012, our total loan portfolio increased 10.9%, along with interest income 12.3%; interest's expense rose 25% but we managed to improve our financial margin by 7%, due to our strategy of reducing our funding costs, which has allowed us to have a better outstanding debt in different markets and terms.

It is worth noting that the careful management of our debt, together with a strict control over assigned loans, contributes to our financial strength. During the quarter we succeeded in reducing the past due loan index to 1.9%,

The results reached in the second quarter of the year are encouraging and in line with our growth expectations for 2012. We continue to analyze new business opportunities that will fit our loan portfolio, allowing us to continue expanding and solidifying our business model, while bringing additional value to our shareholders.”

Consolidated operating results 1Q12

Interest Income

The interest income for 2Q12 was Ps 491.9 million, which represents a 12.3% increase when compared to Ps. 438.2 million from 2Q11. Similarly, the cumulative interest income in 2T12 reached Ps. 1,000.5 million, which indicates an increase of 10.8% compared to the Ps. 902.9 million from 2Q11. The growth was driven by an increase in the distribution network of Credito Real and an increase on the loan portfolio of the company partly due to the major origination that was caused by the investments in Kondinero and Credifiel. Moreover, there is a total of 197 Kondinero and Credifiel branches for the origination of payroll credits. The company has presence in 1,127 points of sale for the durable goods loans.

The interest income as of 2Q12 increased by 12.3% due to a growth in the loan portfolio of payroll loans, the loan portfolio of group loans, and the loan portfolio of durable goods, which rose 8.7, 11.1 and 24.6%, respectively.

Interest Expenses

Interest expenses grew by 25.2% as of 2Q12, or Ps. 31.7 million, to Ps. 157.3 million, compared to Ps. 125.7 million reported in 2Q11. On this year's first semester, there was a cumulative interest expense of Ps. 313.0 million, which indicates an increase of 18.5% compared to the Ps. 264.2 million from 2Q11. During the second quarter, the Company issued Ps. 750 million in Local Market and obtained Ps. 885.0 million in new credit lines. Currently, the company has an average term of the debt of 1.9 years, in which 55.9% is classified as long-term debt.

Financial Margin

The financial margin rose by Ps 22.0 million, or 7.0%, reaching Ps. 334.6 million as of June 30, 2012, compared to Ps. 312.6 million from June 2011. Similarly, the cumulative financial margin during the first semester rose from Ps. 638.7 million in 2Q11 to Ps. 687.5 in 2Q12. The growth was driven by lower funding costs, going from 10.3% in 2Q11 to 9.7% in 2Q12, which is mainly due to a better mix of funding among debt issuance in both local and international markets and bank credit lines.

Provisions for Loan Losses

The provision for loan losses decreased by Ps. 37.7 million, or 19.9%, to Ps. 151.9 million as of June 30, 2012 compared to Ps. 189.6 million from June 2011. The decrease in reserves is mainly due to some atypical reserves in the second quarter of 2011 arising from an accounting change. The reserves from the average portfolio increased from 100% in 2Q11 to 122% in the second quarter of 2012.

Administrative Costs

As of 2Q12, the administrative costs decreased by 19.8% to Ps. 127.6 million compared to the Ps. 159.1 million from 2Q11. Similarly, the cumulative administrative costs during the first half of 2012 decreased by Ps. 9.6 million or 3.9%, reaching Ps. 236.2 million compared to last year's Ps. 245.8 million.

The reduction in administrative costs caused a decrease in efficiency rate from 53.6% during the second quarter of 2011 to 40.0% in 2Q12, due to an extraordinary payment of a pending fiscal credit

Commissions and Fees Paid

The table below shows the details of the commissions and fees paid as of June 30, 2012, compared to 2011.

	For the Period	
	2Q 2011	2Q 2012
	(millones of Pesos)	
Commissions and fees to specialized retail chains ⁽¹⁾	2.1	0.2
Bank fees ⁽²⁾	4.8	4.1
Total administrative commissions and fees	7.0	4.3
Commissions and fees related to debt issuances ⁽³⁾	8.8	11.1
Other commissions and fees.....	0.2	0.1
Total commissions and fees paid.....	\$ 5.9	\$ 15.6

	For the Period	
	1H 2011	1H 2012
	(millones of Pesos)	
Commissions and fees to specialized retail chains ⁽¹⁾	3.9	0.5
Bank fees ⁽²⁾	9.2	8.4
Total administrative commissions and fees	13.2	8.9
Commissions and fees related to debt issuances ⁽³⁾	17.1	27.3
Other commissions and fees.....	0.2	0.1
Total commissions and fees paid.....	\$ 30.4	\$ 36.3

1) Commissions paid to distributors for the volume of loans originated, primarily for durable goods loans, based on the volume and conditions of such loans, such as interest rates and repayment periods, pursuant to the contracts entered into with our distributors.

(2) Represents commissions paid for administrative and processing bank fees.

(3) Commissions and fees related to debt issuances include commissions and fees to third parties (e.g., underwriters and legal fees) in connection with the issuance of notes, the incurrence of indebtedness under credit facilities, the partial credit guarantees (*por aval*) of our notes obtained from NAFIN and the issuance of our Senior Notes, as well as commissions and fees payable to rating agencies.

Commissions and fee expenses as of 2Q12 decreased by \$0.3 million, which equals to a decrease of 2.1%, moving from Ps. \$15.9 million to Ps. \$15.6 million. Similarly, the total cumulative commissions and fees paid during the second quarter of 2011 increased from Ps. \$30.4 to Ps. 36.4 million in 2Q12. This change is mainly due to the increase in the level of company's debt.

Other Income

Other income increased by 54.2% from Ps. 3.1 million in 2Q11 to Ps. 4.8 million in 2Q12. Similarly, other cumulative expenses increased by Ps. 2.7 million from Ps. 7.4 million in 2Q11 to Ps. 10.2 million in 2Q12. This growth was due to an increase on the number of insurance policies sold to customers of Crediequipos.

Net Income

During 2Q12 Crédito Real registered a net income of Ps. 125.0 million compared to the Ps. 128.9 million of 2Q11. The cumulative net income as of the second quarter of 2012 increased by 84.9%, reaching Ps. 260.4 million compared to Ps. 140.7 million from last year's second quarter.

The investments in Publiseg and Kondinero are reflected by Participation in affiliates' profits method. During the second quarter of 2012 Credifiel and Kondinero had a combined profit of Ps. 22.2 million through 197 branches. Moreover, during the first half of 2012, they had a combined net income of Ps. 40.2 million.

Efficiency and Profitability Ratios

The company registered an efficiency ratio of 36.3% compared to last year's 40.4%.

Similarly, during the first semester, Crédito Real had an ROAA of 6.2%, compared to last year's 4.6%, and an ROAE of 32.7% compared to 25.7% from 2Q11.

Balance Sheet

At the end of 2Q12, Credito Real reported total assets of Ps 8,574.0 million, an increase of 19.6% relative to Ps. 7,166.8 million in 2Q11. This increase was primarily driven by a 10.9% growth in the total loan portfolio.

Total Loan Portfolio

At the end of 2Q12, the total portfolio of loans reached Ps. 5,717.5 million, representing an increase of 10.9% from the previous year. This increase is due to an additional 49,722 customers, which represents an increase of 12.1% relative to the year earlier. At the end of 2Q12, the total number of clients was 461,281. Also, this change in loan portfolio reflects an increase in the average customer loan.

	1Q 2012	1Q 2011	Var
Credit Portfolio			
Payroll	4,648.8	4,277.5	8.7
Group	202.5	182.3	11.1
Durable Goods	866.2	695.2	24.6
Total Portfolio	5,717.5	5,155.0	10.9

Past-due Loans

By the end of 2Q12, the past-due loans index was 1.9%, compared to 2.0% in 2Q11. The payroll loan portfolio had an index of past-due loans of 1.9% as of 2Q12, which does not reflect a change relative to the previous year. The group loans portfolio (Crediequipos) had a past-due loans index of 2.4%, compared to 1.7% in 2Q11. Lastly, the consumer goods credit portfolio had a past-due loans index of 2.0% in 2Q12, compared to 2.3% in 2Q11, which, in turn, reflects a better credit quality.

The internal policy of Credito Real is to charge off all loans that are more than 180 days past due. As of June 30, 2012 the total value of closed loans reached Ps. 140.0 million compared to Ps. 241.1 million from the same quarter last year. The cumulative closed loans for the first half of 2012 reaches Ps. 147.1 million, Ps.66.9 million less than the same period of 2011 which reached Ps. 214.1 million.

At the end of 2Q12, the balance of provisions for loan losses rose to Ps. 135.3 million, which is equal to 122.4% of the Ps. 110.5 million reported as the balance of past due loans in the financial statements of 2Q11.

The provision for loan losses was calculated according to the methodology set out by the CNBV, which requires different reserve coverage for every loan originated, depending on the number of delinquent payments.

Liabilities

At the end of 2Q12 Crédito Real reports total liability of Ps. 6,853.4.1 million, an increase of 14.2% compared to Ps 6,000.9 million from 2Q11.

At the end of 2Q12, the total debt in local markets reached Ps. 4,616 million. Crédito Real's Senior Notes amounted to Ps. 2,927.4 (equivalent to US\$ 210 million), which matures in April 2015. These notes were issued in the international markets.

The company also had Ps. 1,689.0 million debt in short-term, peso-denominated bonds, with various maturities, up to 2014. The company also has Ps. 1,893.7 million in loans from Banks and other entities. The total of contracted credit lines rose to Ps. 2,838.0 million at the end of 2Q12.

Debt profile (MDP)	
2012	1,810.6
2013	1,436.8
2014	356.0
2015	2,906.7

Shareholders' Equity

By the end of 2Q12, Crédito Real reported a shareholders' equity of Ps. 1,720.7 million, representing an increase of 47.6% from the Ps 1,165.9 million reported in 2Q11. The capitalization index of the company was 30.1% in 2Q12 compared to last year's 22.6%. This is mainly due to the income reinvestment commitment from Crédito Real's investors.

Securities Transactions

As of June 30, 2012 the Swap represents a Ps. 313.2 million market value.

Other Accounts

The Other Accounts receivable represent amounts that are owed to the Company and not included in their loan portfolio; it includes tax receivables, the amounts paid to Distributors, other receivables and irrecoverable estimates of these accounts. The Other Receivables increased by Ps. \$ 833.1 million M.N. or 75.7% from Ps. \$ 1,074.1 million in the second quarter of 2011 to Ps. \$ 1,907.2 million in the second quarter of 2012. This behavior is due to an increase in origination, which, in turn, causes an increase in the pre-payments to distributors.

Distribution Network

By the end of 2Q12, Crédito Real had a network of 33 distributors for payroll loans, two of which Crédito Real has a 49 interest investments, and operated in every state of Mexico besides Kondinero y Credifiel, two of which have 197 branches.

For group loan products the company has 95 proprietary branches and more than 485 salespeople in 22 Mexican states.

Finally, the durable goods loans the company works with has 39 retailers with a total of 1,127 sales points throughout Mexico.

2Q12 CONFERENCE CALL

Date: **Thursday July 26, 2012**

Time: **11:00 AM US ET**
10:00 AM Mexico City time

Dial-in numbers: + 1 (877) 407 8031 (United States)
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Appendix

Figures in MXN million	Quarterly		
	2Q'12	2Q'11	% Growth
Income Statement			
Interest Income	491.9	438.2	12.3%
Interest Expense	(157.3)	(125.7)	25.2%
Financial Margin	334.6	312.6	7.0%
Provisions for loan losses	(74.8)	42.5	-275.9%
Financial margin adjusted for credit risk	259.8	355.1	-26.8%
Commissions and Fees Paid	(15.6)	(15.9)	-2.1%
Other Income from operations	4.8	3.1	54.2%
Administrative and promotion expenses	(127.6)	(159.1)	-19.8%
Net operating income	121.4	183.2	-33.7%
Other income	0.0	0.0	
Other expense	(0.0)	(0.0)	
	0.0	0.0	
Income before income taxes	121.4	183.2	-33.7%
Income tax	(18.7)	(54.3)	-65.6%
Results before participation in affiliates	102.8	128.9	-20.3%
Participation in affiliates' profits	22.2	0.0	
Net Income	125.0	128.9	-3.1%

Figures in MXN million	Quarterly		
	2Q'12	2Q'11	% Growth
Balance Sheet			
Funds available	66.4	402.9	-83.5%
Investments in securities	153.8	456.5	-66.3%
Securities and derivatives transactions	313.2	-	
Performing loan portfolio			

Commercial loans	5,607.0	5,053.5	11.0%
Total performing loan portfolio	5,607.0	5,053.5	11.0%
Non-performing loan portfolio			
Commercial loans	110.5	101.5	8.9%
Total Non-performing loan portfolio	110.5	101.5	8.9%
Total loan portfolio	5,717.5	5,155.0	10.9%
Less: allowance for loan losses	135.3	101.5	33.3%
Total net portfolio	5,582.2	5,053.5	10.5%
Other receivables, net	1,907.2	1,074.1	77.6%
Foreclosed assets, net	-	-	
Property, furniture and fixtures, net	13.5	15.0	-10.0%
Permanent investments in shares	372.6	-	
Deferred taxes, net	-	-	
Other assets			
Deferred charges, anticipated payments and others	165.3	153.5	7.7%
Total assets	<u>8,574.0</u>	<u>7,155.4</u>	<u>19.8%</u>
Liabilities			
Notes			
Senior notes payable	1,689.0	1,410.9	19.7%
Senior notes payable (unsubordinated)	2,927.4	2,407.9	21.6%
Bank and other indebtedness:			
Short-term	1,435.5	402.4	256.7%
Long-term	458.2	1,430.5	-68.0%
	1,893.7	1,832.9	3.3%
Securities and derivatives transactions	-	142.9	-100.0%
Taxes	9.9	4.5	121.6%
Other accounts payable	333.3	190.4	75.1%
Total liabilities	6,853.4	5,989.5	14.4%
Stockholders' equity:			
Capital Stock	507.4	492.7	3.0%
Earned Capital			
Paid-in capital	952.9	532.5	79.0%
Net income	260.3	140.7	84.9%
Total stockholders' equity	<u>1,720.7</u>	<u>1,165.9</u>	<u>47.6%</u>
Total liabilities and stockholders' equity	<u>8,574.0</u>	<u>7,155.4</u>	<u>19.8%</u>

	Quarterly	
	2Q'12	2Q'11
Key Ratios		
Return on Average Loan Portfolio ⁽¹⁾	9.1%	11.9%
ROAE: Return on average stockholders' equity ⁽²⁾	30.1%	46.8%
Debt to Equity Ratio ⁽³⁾	3.8	4.8
Average interest income rate (net portfolio) ⁽⁴⁾	35.7%	40.4%
Average cost of funds ⁽⁵⁾	9.7%	10.3%
Efficiency ratio ⁽⁶⁾	40.0%	53.6%
Capitalization Ratio ⁽⁷⁾	30.1%	22.6%
Provisions for loan losses as a percentage of total loan portfolio	2.4%	2.0%
Allowance for loan losses as a percentage of total past-due loan portfolio	122.4%	100.0%
Total past-due loan portfolio as a percentage of total loan portfolio	1.9%	2.0%

Figures in MXN million	Annual			Cumulative	
	2010	2011	1H'12	1H'11	% Growth
Income Statement					
Interest Income	1,211.4	1,912.3	1,000.5	902.9	10.8%
Interest Expense	(384.1)	(612.8)	(313.0)	(264.2)	18.5%
Financial Margin	827.3	1,299.5	687.5	638.7	7.6%
Provisions for loan losses	(226.8)	(309.0)	(151.9)	(189.6)	-19.9%
Financial margin adjusted for credit risk	600.5	990.5	535.7	449.1	19.3%
Commissions and Fees Paid	(91.4)	(61.3)	(36.4)	(30.4)	19.7%
Other Income from operations	19.9	18.1	10.2	7.4	36.9%
Administrative and promotion expenses	(313.5)	(465.6)	(236.2)	(245.8)	-3.9%
Net operating income	215.5	481.7	273.3	180.4	51.5%
Other income	0.0	0.0	0.0	0.0	

Other expense	(0.0)	(0.0)	(0.0)	(0.0)	
	0.0	0.0	0.0	0.0	
Income before income taxes	215.5	481.7	273.3	180.4	51.5%
Income tax	(3.7)	(102.5)	(53.2)	(39.7)	34.0%
Results before participation in affiliates	211.9	379.2	220.1	140.7	56.4%
Participation in affiliates' profits	0.0	36.3	40.2	0.0	
Net Income	211.9	415.5	260.3	140.7	84.9%

Figures in MXN million	Annual			Cumulative	
	2010	2011	1H'12	1H'11	% Growth
Balance Sheet					
Funds available	30.8	64.3	66.4	402.9	-83.5%
Investments in securities	445.0	253.6	153.8	456.5	-66.3%
Securities and derivatives transactions	25.7	521.4	313.2	-	
Performing loan portfolio					
Commercial loans	3,609.8	5,403.1	5,607.0	5,053.5	11.0%
Total performing loan portfolio	3,609.8	5,403.1	5,607.0	5,053.5	11.0%
Non-performing loan portfolio					
Commercial loans	126.0	109.0	110.5	101.5	8.9%
Total Non-performing loan portfolio	126.0	109.0	110.5	101.5	8.9%
Total loan portfolio	3,735.8	5,512.2	5,717.5	5,155.0	10.9%
Less: allowance for loan losses	126.0	130.5	135.3	101.5	33.3%
Total net portfolio	3,609.8	5,381.6	5,582.2	5,053.5	10.5%
Other receivables, net	895.8	1,574.0	1,907.2	1,074.1	77.6%
Foreclosed assets, net	-	-	-	-	
Property, furniture and fixtures, net	16.1	14.3	13.5	15.0	-10.0%
Permanent investments in shares	-	364.0	372.6	-	

Deferred taxes, net	-	-	-	-	
Other assets					
Deferred charges, anticipated payments and others	153.7	179.4	165.3	153.5	7.7%
Total assets	<u>5,176.9</u>	<u>8,352.7</u>	<u>8,574.0</u>	<u>7,155.4</u>	<u>19.8%</u>
Liabilities					
Notes					
Senior notes payable	592.7	1,944.0	1,689.0	1,410.9	19.7%
Senior notes payable (unsubordinated)	2,563.8	3,122.1	2,927.4	2,407.9	21.6%
Bank and other indebtedness:					
Short-term	365.0	1,053.9	1,435.5	402.4	256.7%
Long-term	502.5	516.0	458.2	1,430.5	-68.0%
	867.5	1,569.9	1,893.7	1,832.9	3.3%
					-
Securities and derivatives transactions	-	-	-	142.9	100.0%
Taxes	8.2	4.2	9.9	4.5	121.6%
Other accounts payable	119.6	252.1	333.3	190.4	75.1%
Total liabilities	4,151.7	6,892.3	6,853.4	5,989.5	14.4%
Stockholders' equity:					
Capital Stock	492.7	507.4	507.4	492.7	3.0%
Earned Capital					
Paid-in capital	320.6	537.4	952.9	532.5	79.0%
Net income	211.9	415.5	260.3	140.7	84.9%
Total stockholders' equity	<u>1,025.2</u>	<u>1,460.4</u>	<u>1,720.7</u>	<u>1,165.9</u>	<u>47.6%</u>
Total liabilities and stockholders' equity	<u>5,176.9</u>	<u>8,352.7</u>	<u>8,574.0</u>	<u>7,155.4</u>	<u>19.8%</u>

	Annual		Cumulative	
	2010	2011	1H'12	1H'11
Key Ratios				
Return on Average Loan Portfolio ⁽¹⁾	6.1%	9.2%	9.5%	6.5%
ROAE: Return on average stockholders' equity	23.1%	33.4%	32.7%	25.7%

(2)

Debt to Equity Ratio ⁽³⁾	3.9	20.3	3.8	4.8
Average interest income rate (net portfolio) ⁽⁴⁾	35.0%	42.5%	36.5%	41.7%
Average cost of funds ⁽⁵⁾	11.0%	2.7%	9.5%	10.9%
Efficiency ratio ⁽⁶⁾	42.6%	37.5%	36.3%	40.4%
Capitalization Ratio ⁽⁷⁾	27.4%	26.5%	30.1%	22.6%
Provisions for loan losses as a percentage of total loan portfolio	3.4%	2.4%	2.4%	2.0%
Allowance for loan losses as a percentage of total past-due loan portfolio	100.0%	119.7%	122.4%	100.0%
Total past-due loan portfolio as a percentage of total loan portfolio	3.4%	2.0%	1.9%	2.0%

(1) The return on loan portfolio on average loan is calculated by dividing the net income over the average loan portfolio. The loan portfolio on average loan is calculated by dividing the total sum of the initial and final loan portfolio at the end of the given time period divided by two.

(2) The average return over equity is calculated by dividing the net Income of the given time period by the return over equity during the same period. The average equity is calculated by dividing the sum of the initial and final total equity by two.

(3) The debt to equity ratio is calculated by dividing the total liabilities by the end of the time period by equity during the same time period.

(4) The average interest income rate is calculated by dividing the interest income of the given time period by the total average credit portfolio by the end of the same time period. The total average loan portfolio of the given period is calculated by dividing the sum of the totals of the total loan portfolio at the beginning and the end of the given period by 2.

(5) Average cost of funds consists of interest expense for the period divided by the average funding balance for the period. The average funding balance for each period was determined by calculating the sum of bonds and other notes payable and bank loans and loans from other institutions at the beginning and end of the period and dividing this sum by two.

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

(7) Capitalization index consists of total stockholders' equity at the end of the period divided by total loan portfolio at the end of the period.