



UNIFIN FINANCIERA S.A.B. DE C.V. | [unifin.com.mx](http://unifin.com.mx)

## Investor Relations

+52 (55) 4162-8270

[unifin\\_ri@unifin.com.mx](mailto:unifin_ri@unifin.com.mx)

Webcast invitation click here:

[UNIFIN WEBCAST 4Q20](#)

+1-877-423-9813 (U.S. participants)

+1-201-689-8573 (International participants)

## 4Q20 Earnings Conference Call

Date: Friday, February 19<sup>th</sup>, 2021

Time: 11:00 a.m. E.T. / 10:00 a.m. Mexico City Time

Presenting for UNIFIN:

Mr. Sergio Camacho – Chief Executive Officer

Mr. Sergio Cancino – Chief Financial Officer

Mr. David Pernas – Director, Corporate Finance & IR



Miembro de



Index	
Message from the Chairman of the Board .....	3
Message from the CEO .....	4
Full Year 2020 and 4Q20 Highlights .....	5
Financial Summary .....	6
Income Statement .....	7
Balance Sheet .....	10
Financial Assets .....	10
Financial Liabilities .....	11
Financial Ratios .....	13
Operational Summary .....	13
Other Relevant Events .....	16
Analyst Coverage .....	16
Income Statement .....	17
Balance Sheet .....	18
Appendix .....	19
About UNIFIN .....	21

## Message from the Chairman of the Board

If we look back at the world in 2020, we all can agree that it was marked by the wide-ranging effects of the unexpected COVID-19 pandemic. We faced an economic crisis, production disruption and lockdowns all together. The sanitary emergency had serious repercussions at a global level, significantly affecting the economic activity and financial markets. Most countries are facing a crisis that transcends their health systems and includes internal economic upheavals, falling external demand and reversals of capital flows.

Mexico has not been the exception. COVID-19 deepened the contraction of the Mexican economy. Even with a stable peso and falling interest rates, GDP registered its worst contraction since the Great Depression, causing a feeling of uncertainty in the business sector. The economy contracted 8.5% in 2020, both consumption (-8.4% in the 3rd quarter) and investment (-16.1% in the 3rd quarter) registered significant reductions.

Business confidence is required to resume the growth of asset-backed financing. Widely and ambitious vaccine plan against COVID-19 and a healthier investment appetite from Mexico's SMEs are also needed.

Global economy is just beginning to show signs of recovery. After a 3.5% decline in global GDP in 2020, the IMF expects a 5.5% increase for 2021, the highest since 2007. The application of COVID-19 vaccines will pave the way for economic recovery, with heterogeneous results across countries as a result of varying policies towards the re-opening of activities as well as fiscal and monetary stimulus packages.

For Mexico, economic recovery will be around 4.0% GDP growth for 2021, with some sectors and regions performing well. The agro-industrial sector has registered a significant increase, furthermore, the import/export sector is showing more dynamism, boosted by the resilience of US manufacturing (especially the automotive **sector**) thus helping Mexico's export-oriented industries.

UNIFIN will focus its efforts in these sectors, where it is very well positioned and will contribute to boost the growth of the SME.

Long-term investors are increasing their exposure to disruptive businesses, responsible for making our world increasingly digital. At UNIFIN we are targeting financial technology through our digital platform Uniclick, in strategic partnership with Google, which offers credit to the Mexican SME market. The combination of UNIFIN and Uniclick will allow our Company to significantly increase our client portfolio, targeting a market underserved by banks, but well-known by UNIFIN.

2020 proved UNIFIN's leadership and ability to adapt and be resilient in the midst of a very challenging environment. Decisive actions were taken to first ensure the health of our team, strategies to support our clients get through a difficult economic scenario and guarantee business continuity.

I would like to highlight the successful capital increase of Ps. 2,520 million (US\$126.4 million), which shows the confidence that investors place in the Company. Likewise, we just issued bonds in international markets for US\$400 million and made an exchange offer of notes due in 2023 and 2025, for US\$128 million, strengthening our financial position, the balance sheet and reinforcing our commitment to continue developing the Mexican's SME market.

I am confident that we are on the right path for a successful recovery, focusing above all on helping our clients achieve their best potential, increasing our market and offering new and improved services for a new reality that demands a flexible and disruptive vision.

Rodrigo Lebois

## Message from the CEO

2020 was a highly unpredictable and volatile year, but UNIFIN's **strategy and ability to adapt enabled us to** overcome the challenges we faced and emerge as a stronger and more competitive company. While for much of the year we focused on managing the fallout from the pandemic, we also took important steps to prepare us for the rapidly emerging digital economy and continued growth.

We started the year with the launch of Uniclick and the strategic alliance with Google, key factors in exploring new growth opportunities, improving efficiency, and maintaining our position as the main ally of Mexican SMEs. In addition to being a great tool for our clients, Uniclick has the added benefit of diversifying UNIFIN client base and enabling the cross selling of our other products to this new client base, providing the client with different solutions to help them to grow their business and at the same time helping UNIFIN to grow its market.

From the financial side, we increased our loan loss reserves to historic levels to ensure that we have the appropriate loan coverage, given the difficult macroeconomic situation. We also carried out a profitable bond buyback at a discount for US\$40 million in face value as well as executing a highly successful capital increase of Ps. 2.5 billion. In addition, we diversified our lines of financing, raising new credit lines for Ps. 9.8 billion, as well as rolling over more than Ps. 28.0 billion of revolving lines.

Our portfolio increased by 11.1% year over year, a significantly reduced growth rate compared to previous years. However, we believe that the maintenance of a high-quality asset portfolio is fundamental, and we ended 2020 with a sequentially improved NPL ratio of just 4.8%. Our plan to support our most affected clients became a Support Program for 1,225 clients from different sectors across the country, which eased their cash flow in such difficult months. These adverse economic conditions and their outlook for the next few months led us to create reserves of Ps. 1,433 million, an increase of 3.4x compared to 2019. The capitalization ratio at the end of 2020 was a strong 21.3%, 230 basis points higher than that of December 2019, mainly due to the capital increase that we successfully carried out in August 2020 thanks to the trust that our shareholders placed in the Company and its leadership team.

Our deep knowledge of the financial requirements of Mexican SMEs, our client-centric business model, our digital initiatives, and the implementation of new artificial intelligence platforms will be the foundation for improving our processes, developing more products, and increasing our profitability in 2021 and beyond. The year 2020 has already shown us that when we work together, extraordinary changes can be made in record time and that our sustainable business model, with solid pillars and our 28-years of experience, makes our commitment to Mexican entrepreneurs and to the country, strong and invulnerable.

Sergio Camacho

## UNIFIN reports a 3.1% increase in Interest Income, reaching Ps. 11,094 million in 2020. Financial Margin grew 5.0% during the year.

Mexico City, February 18<sup>th</sup>, 2021 – UNIFIN **Financiera, S.A.B. de C.V.** (“UNIFIN” or “the Company”) (BMV: UNIFINA), announces its results for the fourth **quarter of 2020 (“4Q20”)**. **The Financial Statements have been prepared based on International Financial Reporting Standards (“IFRS”), in accordance** with the accounting criteria of the Mexican **National Banking and Securities Commission (“CNBV”) and filed with the Mexican Stock Exchange (“BMV”).**

### Full Year 2020 and 4Q20 Highlights

- Interest income in 2020 rose by 3.1% vs. 2019 to Ps. 11,094 million. In 4Q20, interest income decreased by 4.9% vs. 4Q19 to Ps. 2,759 million.
- The financial margin in 2020 ended at Ps. 4,010 million, an increase of 5.0% vs. 2019. The financial margin for 4Q20 ended at Ps. 907 million, a 16.9% decrease vs. 4Q19.
- The creation of loan loss reserves in 2020 ended at Ps. 1,433 million, 3.4x that of 2019. For 4Q20, reserves grew Ps. 283 million, a 3.6% increase vs. 4Q19.
- For 2020, net income decreased by 30% vs. 2019 mainly driven by the creation of higher provisions, reaching Ps. 1,364 million. In 4Q20, net income was Ps. 306 million.
- OPEX as a percentage of interest income remained stable during 2020 at 13.3%.
- The total portfolio at the end of 2020 reached Ps. 65,125 million, an increase of 11.1% vs. 2019.
- The NPL ratio was 4.8% at the end of 2020.
- The NPL coverage ratio increased to 80.7% at the end of 2020, vs. 60.6% at the end of the previous year.
- The capitalization ratio ended the year at 21.3% vs. 19.0% at the end of 2019. The capitalization ratio excluding MTM was 24.7% vs. 21.7% in 4Q19.

### Recent Developments

- On January 28, the Company issued a new offering of Senior Notes for an amount of US\$400 million with a 9.875% coupon and an exchange offer for the senior notes 2023 and 2025. The transaction for US\$400 million was oversubscribed by 3.4 times. The exchange offer finalized on February 17, with a total exchange for US\$129.8 million from the old notes and issuing US\$127.6 million for the 2029 notes totalizing the 2029 notes issuance for US\$527.6 million.

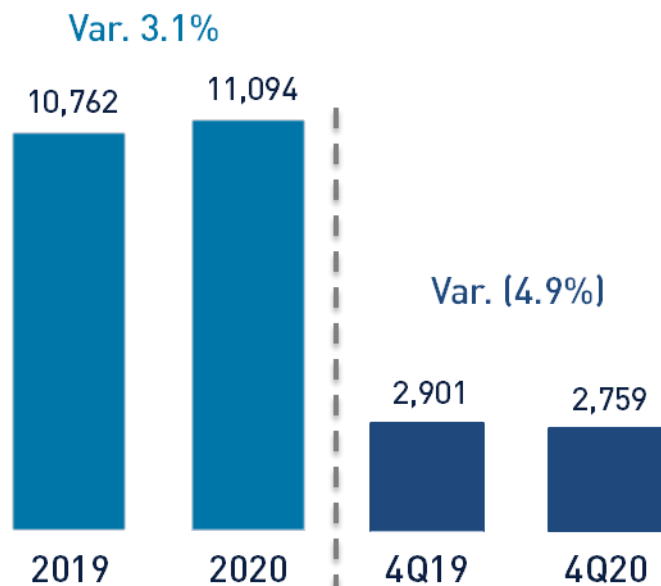
## Financial Summary

Figures in Million Pesos

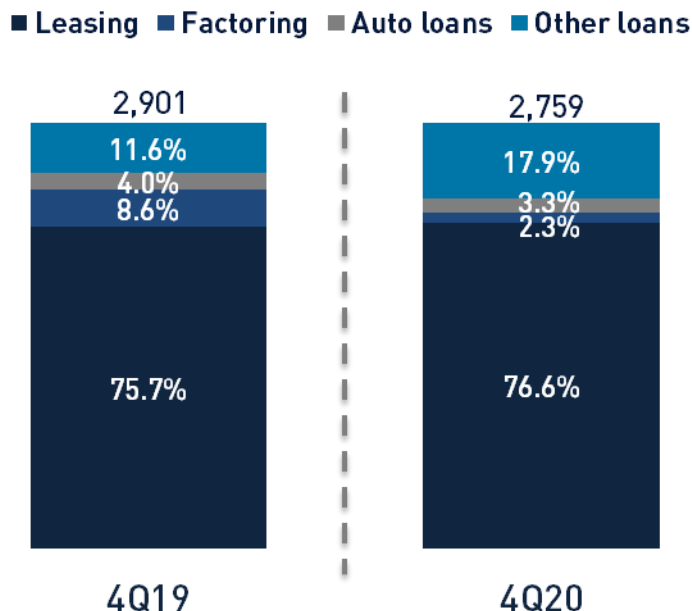
Financial Metrics	4Q20	4Q19	Var. %	2020	2019	Var. %
Interest income	2,759	2,901	(4.9%)	11,094	10,762	3.1%
Depreciation from leased assets	28	0	100.0%	56	0	100.0%
Interest cost	1,824	1,809	0.8%	7,028	6,945	1.2%
Financial margin	907	1,091	(16.9%)	4,010	3,817	5.0%
Financial margin (as % of income)	32.9%	37.6%		36.1%	35.5%	
Loan loss reserves	283	273	3.6%	1,433	428	235.1%
Adjusted financial margin	624	818	(23.7%)	2,577	3,390	(24.0%)
Admin. expenses	366	386	(5.3%)	1,480	1,377	7.5%
Other expenses	64	(7)	(1,019.1%)	248	170	46.0%
Operating income	194	438	(55.8%)	848	1,842	(54.0%)
Operating income margin	7.0%	15.1%		7.6%	17.1%	
Comprehensive financing result	240	225	6.8%	902	527	71.2%
Net income before tax	454	673	(32.5%)	1,788	2,403	(25.6%)
Net income	306	551	(44.6%)	1,364	1,949	(30.0%)
Net income margin	11.1%	19.0%		12.3%	18.1%	
<b>Operating Metrics</b>						
Total portfolio				65,125	58,611	11.1%
Leasing				48,399	42,982	12.6%
Factoring				1,480	3,256	(54.6%)
Auto loans				2,487	2,895	(14.1%)
Structured leasing & other loans				12,759	9,478	34.6%
NPL ratio				4.8%	3.7%	
<b>Key Financial Indicators</b>						
Net Interest Margin (NIM)				6.4%	7.3%	
OpEx				13.3%	13.3%	
Efficiency ratio				43.0%	40.3%	
ROAA				1.5%	2.8%	
ROAE				11.1%	19.6%	
ROAE (excl. Perpetual Bond)				17.5%	36.0%	
Capitalization (equity / net loan portfolio)				21.3%	19.0%	
Capitalization (excl. MTM)				24.7%	21.7%	
Equity / total assets				15.6%	13.8%	
Financial leverage (excl. ABS)				4.1 x	4.4 x	
Financial leverage (excl. ABS and MTM)				3.5 x	3.9 x	
Total leverage (excl. ABS)				4.6 x	4.9 x	
Total leverage (excl. ABS and MTM)				4.0 x	4.3 x	

# Income Statement

## Interest Income



## Income Distribution



In 4Q20 interest income decreased by 4.9% compared to 4Q19, reaching Ps. 2,759 million.

In 4Q20, leasing interest decreased by 3.8% to Ps. 2,113 million, mainly driven by less originations when compared to 4Q19. Particularly, factoring interest dropped by 75% due to our containment risk measures which included the exposure reduction on this business. Auto loans interest decreased 23.2% to Ps. 90 million followed by a downward trend in the auto market demand. Interest and commissions for other loans, which include income from structured finance, working capital loans and Uniclick, reached Ps. 494 million, representing an increase of 46.4%.

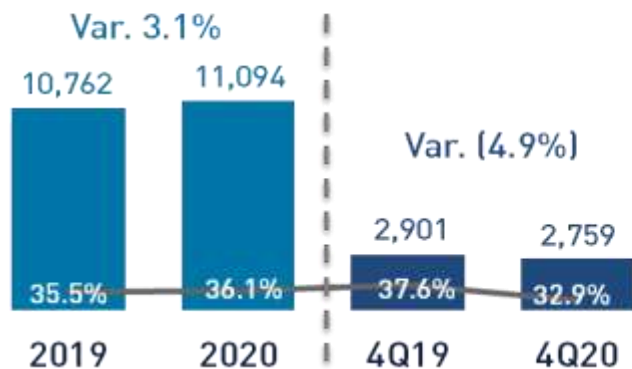
In 2020, total interest income increased 3.1% vs. 2019 to Ps. 11,094 million, broken-down into leasing interest of Ps. 8,548 million, factoring interest of Ps. 373 million, auto loans interest of Ps. 437 million and interest and commissions for other loans of Ps. 1,735 million.

The interest cost in 4Q20 reached Ps. 1,824 million a 0.8% increase vs 4Q19. During the 2020 our interest cost increased only by 1.2%, maintaining a stable trend YoY mainly explained by our strict control of debt incurrence over the year, in addition to the repurchase of our bonds for a notional amount of US\$39.9 million, which represented interest cost savings of Ps. 223 million.

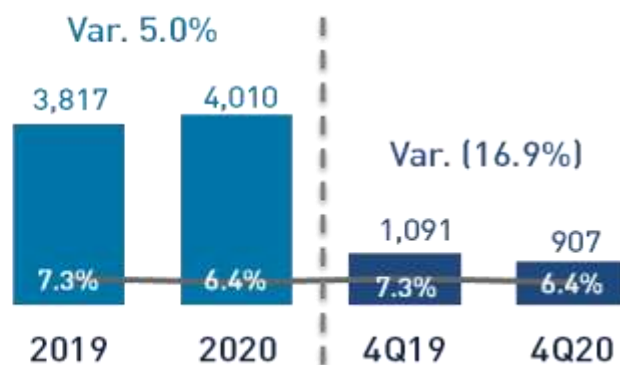
In 2020, the financial margin closed at Ps. 4,010 million an increase of 5.0% vs. 2019. The 4Q20 financial margin decreased 16.9% compared to 4Q19 to Ps. 907 million, mainly related to the decrease in income derived from our strict control in originations from the current economic backdrop.

The annualized NIM contracted 86 basis points to 6.4% in 4Q20 vs. 4Q19, explained by a deceleration in origination volumes on all our business and portfolio deferrals due to the implementation of the COVID-19 support program.

## Financial Margin as % of Interest Income



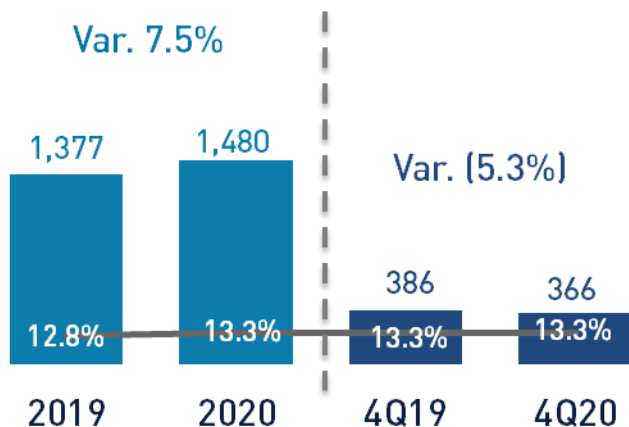
## Financial Margin and NIM



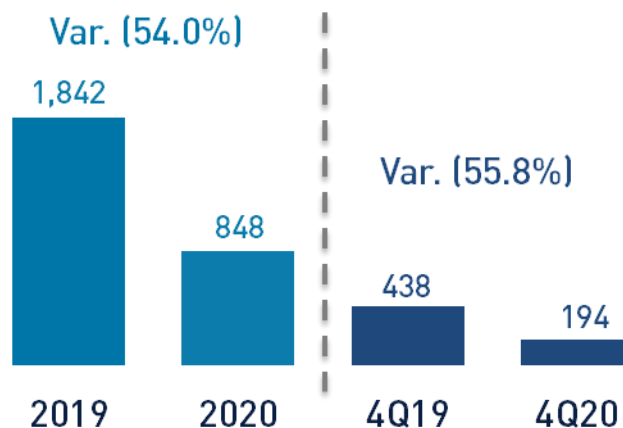
The loan loss reserves for 4Q20 reached Ps. 283 million, increasing 3.6% compared to 4Q19. In 2020, the creation of reserves ended at Ps. 1,433 million, an increase of 3.4x vs. 2019, in accordance with IFRS methodology and consistent with current economic conditions.

The adjusted financial margin during 4Q20 was Ps. 624 million, a decrease of 23.7% vs. 4Q19. In 2020, the adjusted financial margin decreased 24.0% to Ps. 2,577 million as a result of the significant increase in reserves mentioned above in addition to lower volumes on originations.

## Admin. Expenses and OPEX



## Operating Income





Administrative expenses decreased by 5.3% compared to 4Q19, reaching Ps. 366 million. In 2020, these expenses ended at Ps. 1,480 million, a 7.5% increase vs. 2019. The expenses reported during 2020 were mainly driven by the substantial efforts related to technologic developments to ensure the business continuity during lockdown and expenses related to our business intelligence division and Uniclick.

OPEX, as a percentage of revenues, remained stable during 2020 at 13.3%, same level as in 2019 despite the decrease in interest income, which reflects the operating efficiency the Company achieved during the year.

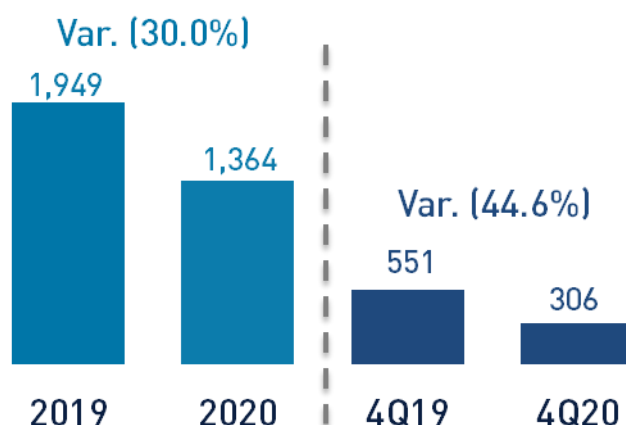
Expenses	4Q20	4Q19	Var. %	2020	2019	Var. %
Administrative services	181	213	(15.0%)	765	795	(3.8%)
Legal and professional fees	96	54	77.6%	284	219	29.9%
Other administrative expenses	89	120	(25.4%)	431	363	18.7%
<b>Administrative Expenses</b>	<b>366</b>	<b>386</b>	<b>(5.3%)</b>	<b>1,480</b>	<b>1,377</b>	<b>7.5%</b>
Depreciation of own equipment	44	71	(37.3%)	198	163	21.7%
Loss (profit) on sale of fixed assets	20	(78)	(125.3%)	50	7	585.1%
Other Expenses	64	(7)	N/A	248	170	46.0%

The financing result for the quarter resulted in a net gain of Ps. 240 million. For 2020, the financing result amounted to Ps. 902 million, an increase of 71.2% compared to 2019, mainly explained by two factors: 1) the cancellation of hedges related to the repurchase of our international bonds during the second and third quarter and 2) adjustments made to our hedging portfolio to optimize the market valuation of our portfolio.

Financing Result	4Q20	4Q19	Var. %	2020	2019	Var. %
Foreign exchange loss (profit) – net	107	138	(22.5%)	568	157	261.9%
Bank commissions and fees	(3)	(1)	137.9%	(6)	(18)	(65.7%)
Investment interest	43	85	(49.6%)	258	282	(8.3%)
Other income (expenses) products	92	2	3,957.3%	82	107	(23.0%)
<b>Financing Result</b>	<b>240</b>	<b>225</b>	<b>6.8%</b>	<b>902</b>	<b>527</b>	<b>71.2%</b>

As a result of the above, net income in 4Q20 closed at Ps. 306 million vs. Ps. 551 million in 4Q19, representing a decrease of 44.6% quarter over quarter. For full year 2020, net income was Ps. 1,364 million, a 30.0% decrease compared to Ps.1,949 million in 2019.

## Net Income



## Balance Sheet

### Financial Assets

The total loan portfolio reached Ps. 65,125 million in 2020, a 7.9% increase (excluding deferred payments of Ps. 1,894 million due to Covid-19 Support Program) compared to the portfolio of Ps. 58,611 million reported in 2019.

Leasing	2020	2019	Var. %
Current Portfolio	45,753	41,036	11.5%
Non-performing loans	2,646	1,946	36.0%
Total loan portfolio	48,399	42,982	12.6%
Loan loss reserve	(1,699)	(1,178)	44.3%
Net loan portfolio	46,699	41,805	11.7%
Factoring	2020	2019	Var. %
Current Portfolio	1,263	3,160	(60.0%)
Non-performing loans	217	96	127.5%
Total loan portfolio	1,480	3,256	(54.5%)
Loan loss reserve	(402)	(89)	349.3%
Net loan portfolio	1,078	3,166	(66.0%)
Auto Loans	2020	2019	Var. %
Current Portfolio	2,319	2,791	(16.9%)
Non-performing loans	169	104	62.7%
Total loan portfolio	2,487	2,895	(14.1%)
Loan loss reserve	(203)	(33)	517.0%
Net loan portfolio	2,284	2,862	(20.2%)
Structured Finance & Others	2020	2019	Var. %
Current Portfolio	12,646	9,478	33.4%
Non-performing loans	114	0	100.0%
Total loan portfolio	12,759	9,478	34.6%
Loan loss reserve	(233)	0	100.0%
Net loan portfolio	12,526	9,478	32.2%
Total Loan Portfolio	2020	2019	Var. %
Current Portfolio	61,980	56,466	9.8%
Non-performing loans	3,145	2,145	46.6%
Total loan portfolio	65,125	58,611	11.1%
Loan loss reserve	(2,537)	(1,300)	95.2%
Net loan portfolio	62,588	57,311	9.2%

Non-performing loans, as a percentage of the total loan portfolio represented 4.8% in 4Q20, reaching Ps. 3,145 million. The NPL coverage ratio for 4Q20 closed at 80.7% as a result of the increase in our provisions.

Aging balances (days)	Leasing	Factoring	Auto loans	Structured Finance & Others	Total
0 - 30	38,119	1,206	2,206	11,689	53,222
31 - 60	4,404	35	74	334	4,846
61 - 90	3,230	22	60	601	3,912
>90	2,646	217	169	114	3,145
Total Portfolio	48,399	1,480	2,509	12,738	65,125
Loan loss reserve	(1,699)	(402)	(203)	(233)	(2,537)

The loan loss reserve for 4Q20 ended at Ps. 2,537 million, an increase of 95.1% compared to Ps. 1,300 million in 4Q19. These provisions are determined in accordance with our loan loss reserves policy attached to IFRS guidelines on an expected loss basis. Regarding the leasing portfolio, the expected loss provision is determined based on historical payment behavior, current environment, a reasonable provision for future payments and the recovery value of said assets.

The following table shows the estimated recovery value of leased assets in different scenarios versus the balance of leasing clients with greater claims than 90 days. Historically, the Company has sold its repossessed assets at approximately 80% of their recovery value, highlighting that UNIFIN's current reserve is sufficient to cover possible short- and long-term credit losses.

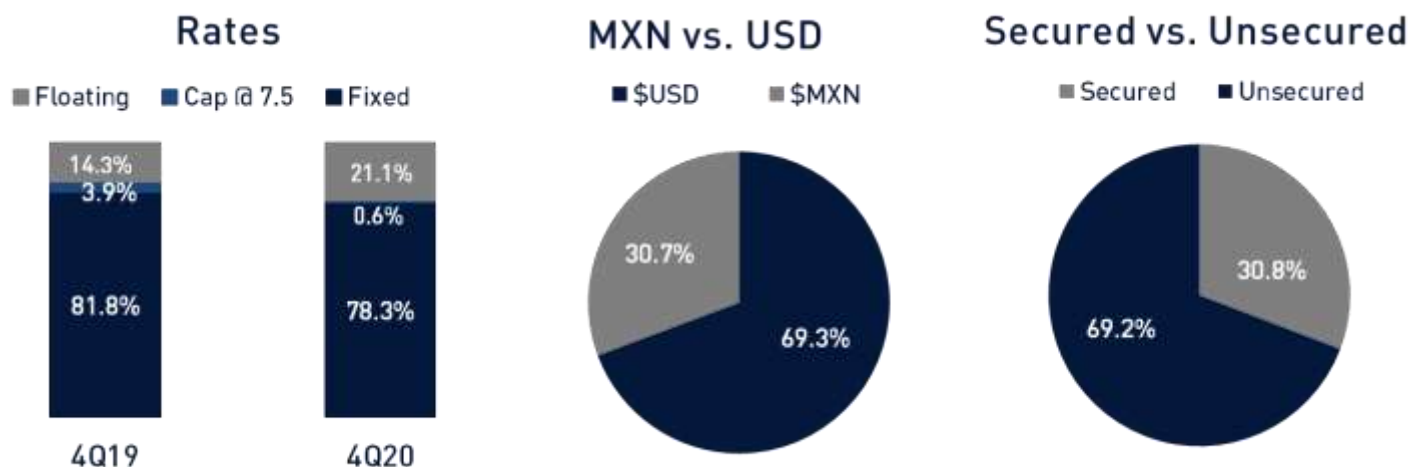
% Recovery	Est. Recovery value	NPL (+90 days)	Gain (loss)	Reserve	Reserve Sufficiency
100.0%	2,061	2,646	(585)	1,699	1,115
75.0%	1,546	2,646	(1,100)	1,699	599
50.0%	1,031	2,646	(1,615)	1,699	84
46.0%	948	2,646	(1,698)	1,699	2
Reserves	(1,699)				

## Financial Liabilities

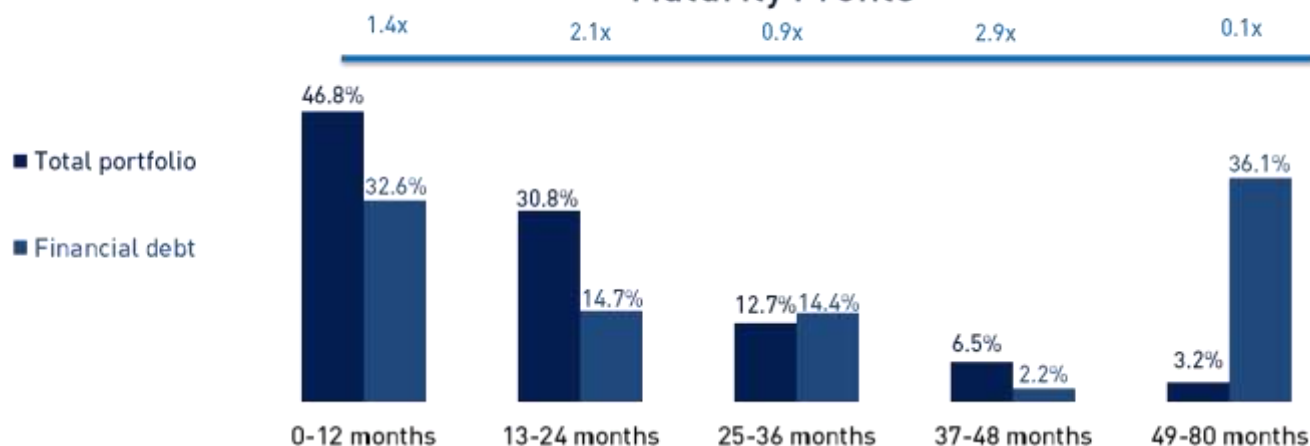
Financial liabilities at the end of December 2020 were Ps. 65,497 million, an increase of 4.1% during the year compared to Ps. 62,935 million at the end of December 2019.

During 2020, we repurchased and canceled international bonds for a notional amount of US\$39.9 million and maintained a healthy maturity profile, with a weighted average term of 39 months vs. 30 months for the total portfolio.

Financial Liabilities	2020	% Total	2019	% Total	Var. %
International Notes	35,049	53.5%	33,632	53.4%	4.2%
Revolving lines	10,420	15.9%	8,417	13.4%	23.8%
Term Loans	9,317	14.2%	6,250	9.9%	49.1%
Securitizations	10,711	16.4%	14,636	23.3%	(26.8%)
Total Financial Liabilities	65,498	100.0%	62,935	100.0%	4.1%



## Maturity Profile

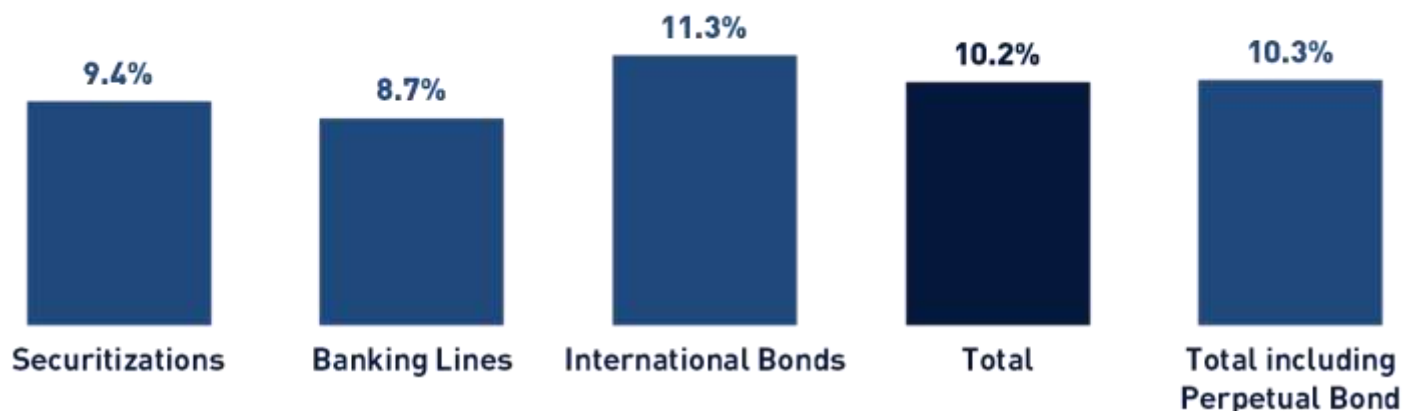


The Ps. 21,328 million of short-term financial debt maturing in the next 12 months are composed as follows: 1) bank facilities represent Ps. 15,839 million (Ps. 8,821 million in revolving lines), 2) securitizations represent Ps. 4,737 million; and 3) international notes represent Ps. 752 million corresponding to the payment of interest coupons for the next 12 months.

During the quarter, the funding cost was 10.2%, as a result of strategic financing activities conducted in the last 12 months, as well as a quantitative easing policy from the Central Bank.

Funding Cost	2020	2019	Var. %
Funding Cost	10.2%	10.5%	(0.3%)

## Weighted Average Cost of Funding

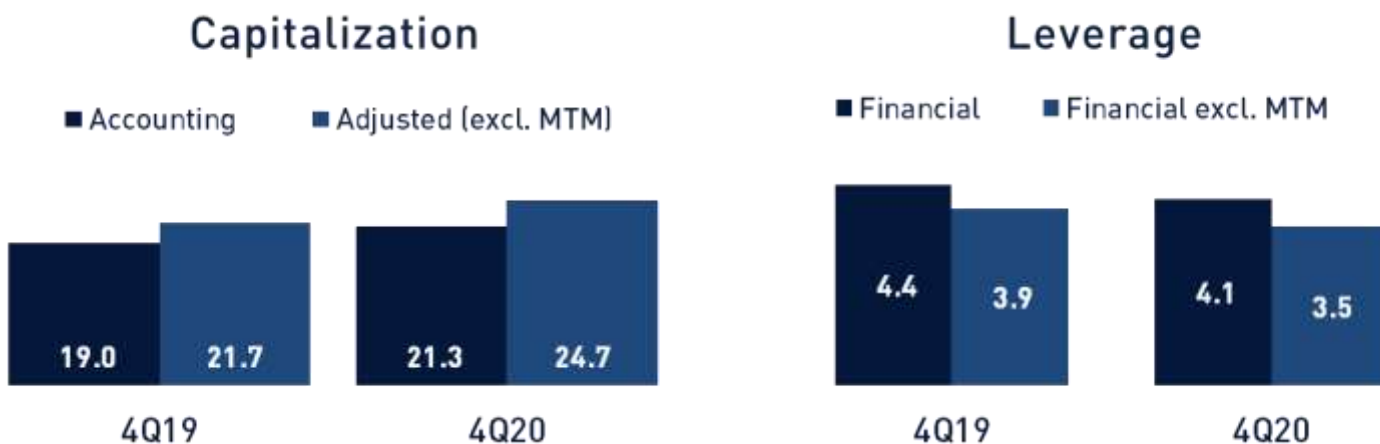
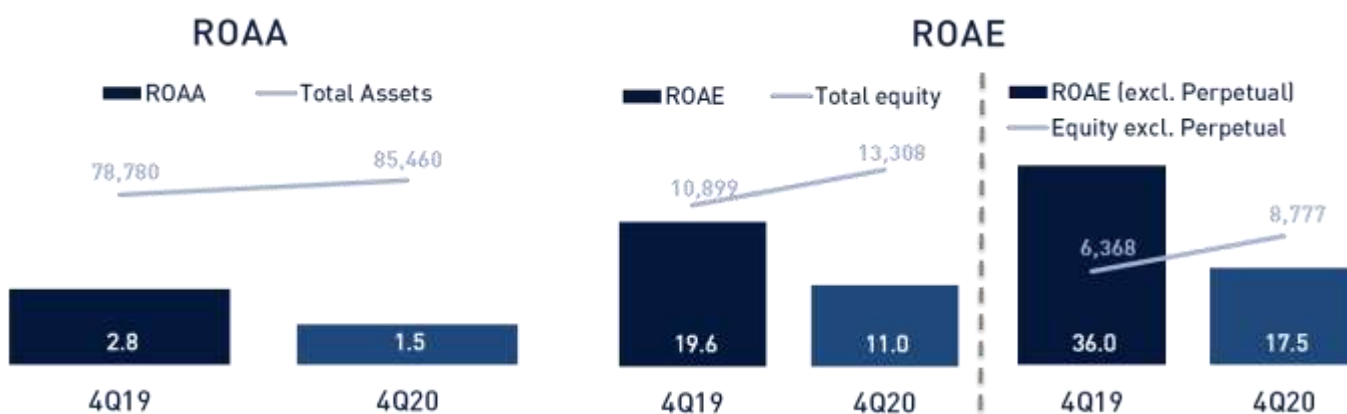


Total **Stockholders' equity** reached Ps. 13,308 million, an increase of 22.7% compared to Ps. 10,899 million in 4Q19, mainly driven by the capital increase for Ps. 2,520 million as a result of the subscription of 140 million shares.

## Financial Ratios

At the end of 4Q20, ROAA stood at 1.5% vs. 2.8% in 4Q19. ROAE ended at 11.0% vs. 19.6% in 4Q19 and excluding the perpetual bond closed at 17.5% vs. 36.0% in 4Q19.

The capitalization ratio for the period was 21.4%, while the financial leverage ratio was 4.1x. Excluding the MTM valuations of our capital and financial leverage, the capitalization ratio for the quarter was 24.8%, while the leverage ratio stood at 3.5x.



## Operational Summary

In 4Q20, the **Company's** total origination volume was Ps. 3,970 million, a decrease of 64.2% compared to 4Q19. As a consequence of the current situation, the implementation of selective origination standards and a redefinition of our risk scorecard to face the current situation, during 2020 the total origination volume closed at Ps. 21,882 million a decrease of 38.9% compared to 2019.

#### By Business Line

Leasing	4Q20	4Q19	Var. %	2020	2019	Var. %
Origination volume (in Ps. million)	2,350	6,347	(63.0%)	10,322	19,580	(47.3%)
Total Portfolio balance (in Ps. million)	48,399	42,982	12.6%			
WAVG (months)	30	33	(9.1%)			
Number of clients	5,775	4,565	26.5%			
Average ticket (in Ps. million)	8.4	9.4	(11.0%)			
Factoring	4Q20	4Q19	Var. %	2020	2019	Var. %
Origination volume (in Ps. million)	1,133	3,440	(67.1%)	7,145	12,298	(41.9%)
Total Portfolio balance (in Ps. million)	1,480	3,256	(54.5%)			
WAVG (days)	98	96	2.1%			
Number of clients	897	1,126	(20.3%)			
Average ticket (in Ps. million)	1.6	2.9	(42.9%)			
Auto loans	4Q20	4Q19	Var. %	2020	2019	Var. %
Origination volume (in Ps. million)	99	291	(66.0%)	810	2,514	(67.8%)
Total Portfolio balance (in Ps. million)	2,487	2,895	(14.1%)			
WAVG (months)	30	33	(9.1%)			
Number of clients	1,357	1,305	4.0%			
Average ticket (in Ps. million)	1.8	2.6	(28.8%)			
Structured Finance & Others	4Q20	4Q19	Var. %	2020	2019	Var. %
Origination volume (in Ps. million)	388	1,024	(62.1%)	3,605	1,432	151.7%
Total Portfolio balance (in Ps. million)	12,759	9,478	34.6%			
WAVG (months)	32	30	6.7%			
Number of clients	457	340	34.4%			
Average ticket (in Ps. million)	27.9	27.9	(0.0%)			

### By Geographic Area

Leasing	
CDMX & Metro	59.8%
Nuevo León	9.1%
Coahuila	5.4%
Veracruz	2.9%
Puebla	2.7%
Jalisco	2.4%
Others	17.7%
	100.0%

Factoring	
CDMX & Metro	86.1%
Nuevo León	5.6%
Veracruz	4.2%
Durango	0.9%
Puebla	0.7%
Michoacán	0.6%
Others	1.9%
	100.0%

Auto loans	
CDMX & Metro	95.1%
Guanajuato	2.5%
Querétaro	0.5%
Nuevo León	0.3%
San Luis Potosí	0.2%
Jalisco	0.2%
Others	1.2%
	100.0%

Structured Finance & Others	
CDMX y metro	76.9%
Coahuila	5.4%
Aguascalientes	2.9%
Sonora	2.4%
Nuevo León	2.3%
Jalisco	1.4%
Others	8.7%
	100.0%

### By Economic Sector

Leasing	
Services	46.3%
Industry & mfg.	30.6%
Commerce	8.6%
Construction	8.5%
Transportation	6.0%
	100.0%

Factoring	
Services	56.7%
Commerce	30.5%
Industry & mfg.	8.8%
Transportation	2.6%
Construction	1.4%
	100.0%

Auto loans	
Services	58.8%
Transportation	32.4%
Commerce	5.6%
Industry & mfg.	2.5%
Construction	0.7%
	100.0%

Structured Finance & Others	
Services	71.6%
Commerce	9.2%
Industry & mfg.	7.2%
Construction	6.9%
Transportation	5.1%
	100.0%

### By Type of Asset

Leasing	
Machinery	31.4%
Transport	30.4%
Others	38.2%
	100.0%

## Other Relevant Events

October 10<sup>th</sup>, 2020 – UNIFIN appoints new legal counsel and pro-secretary of the Board of Directors.

## Analyst Coverage

### Equity

Institution	Analyst	e-mail
Barclays	Gilberto Garcia	gilberto.garcia@barclays.com
Scotiabank	Jason Mollin	jason.mollin@scotiabank.com
Punto Casa de Bolsa	Manuel Zegbe	manuel.zegbe@signumresearch.com

### Fixed Income

Institution	Analyst	e-mail
Bank of America	Nicolás Riva	nicolas.riva@bamf.com
Credit Suisse	Jamie Nicholson	jamie.nicholson@credit-suisse.com
JP. Morgan	Natalia Corfield	natalia.corfield@jpmorgan.com
Mizuho Securities	John Haugh	john.haugh@mizuhogroup.com
Scotiabank	Joe Kogan	joe.kogan@scotiabank.com



## Income Statement

Figures in Ps. million	4Q20	4Q19	Var. %	2020	2019	Var. %
Interest income from leasing	2,113	2,197	(3.8%)	8,548	8,110	5.4%
Interest income from factoring	62	249	(75.0%)	373	656	(43.1%)
Interest income from auto loans	90	117	(23.2%)	437	460	(4.9%)
Interest income and fees from other loans	494	337	46.4%	1,735	1,537	12.9%
<b>Interest income</b>	<b>2,759</b>	<b>2,901</b>	<b>(4.9%)</b>	<b>11,094</b>	<b>10,762</b>	<b>3.1%</b>
Depreciation from leased assets	28	0	100.0%	56	0	100.0%
Interest cost	1,824	1,809	0.8%	7,028	6,945	1.2%
<b>Financial margin</b>	<b>907</b>	<b>1,091</b>	<b>(16.9%)</b>	<b>4,010</b>	<b>3,817</b>	<b>5.0%</b>
Allowance for loan loss portfolio	283	273	3.6%	1,433	428	235.1%
<b>Adjusted financial margin</b>	<b>624</b>	<b>818</b>	<b>(23.7%)</b>	<b>2,577</b>	<b>3,390</b>	<b>(24.0%)</b>
Administrative services	181	213	(15.0%)	765	795	(3.8%)
Legal and professional fees	96	54	77.6%	284	219	0.0%
Other administrative expenses	89	120	(25.4%)	431	363	0.0%
Depreciation of own equipment	44	71	(37.3%)	198	163	21.7%
Loss (profit) on sale of fixed assets	20	(78)	(125.3%)	50	7	585.1%
<b>Operating income</b>	<b>194</b>	<b>438</b>	<b>(55.8%)</b>	<b>848</b>	<b>1,842</b>	<b>(54.0%)</b>
Foreign exchange loss, net	107	138	(22.5%)	568	157	261.9%
Bank commissions and fees	(3)	(1)	100.0%	(6)	(18)	(65.7%)
Interest on investments	43	85	(49.6%)	258	282	(8.3%)
Other income (expenses) products	92	2	3957.3%	82	107	(23.0%)
<b>Profit before results of associated companies</b>	<b>434</b>	<b>663</b>	<b>(34.6%)</b>	<b>1,751</b>	<b>2,369</b>	<b>(26.1%)</b>
Results of associated companies	20	9	111.6%	38	34	12.6%
Income tax	148	121	22.0%	424	454	(6.5%)
<b>Net income</b>	<b>306</b>	<b>551</b>	<b>(44.6%)</b>	<b>1,364</b>	<b>1,949</b>	<b>(30.0%)</b>

## Balance Sheet

Figures in Ps. million	2020	2019	Var. %
<b>Assets</b>			
Cash & cash equivalents	3,670	3,831	(4.2%)
Net loan portfolio	29,567	26,815	10.3%
Financial derivative instruments	495	66	647.8%
Other current assets	999	732	36.4%
<b>Current assets</b>	<b>34,730</b>	<b>31,444</b>	<b>10.5%</b>
Non-current assets held for sale	1,736	1,384	25.4%
Net loan portfolio	33,021	30,496	8.3%
Property, furniture and equipment - net	6,578	6,436	2.2%
Investment properties	745	250	197.9%
Intangible assets	160	110	45.1%
Financial derivative instruments	5,026	4,910	2.4%
Deferred taxes	2,998	3,657	(18.0%)
Other non-current assets	465	93	398.1%
<b>Non-current assets</b>	<b>50,729</b>	<b>47,336</b>	<b>7.2%</b>
<b>Total assets</b>	<b>85,460</b>	<b>78,780</b>	<b>8.5%</b>
<b>Liabilities and stockholders' equity</b>			
Bank loans	15,839	8,432	87.8%
Debt securities	4,737	4,438	6.7%
Senior notes	752	1,021	(26.3%)
Sundry creditors	418	330	26.5%
Tax payable	0	0	
Financial derivative instruments	1,826	1,487	22.8%
Other accounts payable	1,541	1,484	3.9%
<b>Current liabilities</b>	<b>25,112</b>	<b>17,191</b>	<b>46.1%</b>
Bank loans	3,898	6,235	(37.5%)
Debt securities	5,974	10,198	(41.4%)
Senior notes	34,297	32,611	5.2%
Financial derivative instruments	2,870	1,646	74.3%
<b>Non-current liabilities</b>	<b>47,040</b>	<b>50,690</b>	<b>(7.2%)</b>
<b>Total liabilities</b>	<b>72,151</b>	<b>67,881</b>	<b>6.3%</b>
<b>Stockholders' equity</b>	<b>5,033</b>	<b>2,894</b>	<b>73.9%</b>
Equity reserve	274	274	0.0%
Retained earnings	3,092	1,721	79.6%
Net income	1,364	1,949	(30.0%)
Subordinated perpetual notes	4,531	4,531	0.0%
Accumulated other comprehensive income	(2,133)	(1,525)	39.9%
Other capital accounts	1,147	1,054	8.8%
<b>Total stockholders' equity</b>	<b>13,308</b>	<b>10,899</b>	<b>22.1%</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>85,460</b>	<b>78,780</b>	<b>8.5%</b>

## Appendix

### Appendix 1 – Glossary of Metrics

1. Net interest margin (NIM) - LTM of financial margin / average net portfolio
2. OpEx -Administrative expenses and others/ net income
3. Efficiency ratio – Admin / sum of gross margin, bank commissions and fees.
4. NPL ratio -Total past-due loan portfolio / total portfolio.
5. Coverage ratio - Total past-due loan portfolio / total loan loss reserve.
6. ROA – LTM of net income / total assets.
7. ROAA – LTM of net income / average assets for the previous 12 months
8. ROE – LTM of net income / **total stockholders' equity** for the period.
9. ROAE - LTM of net income / **average total stockholders' equity for the previous 12 months.**
10. Capitalization - Equity / total net loan portfolio.
11. Financial leverage - Financial liabilities (excl. securitizations) / equity.
12. Total leverage - Calculated as total liabilities (excl. securitizations) / equity.
13. Earnings per share (EPS) – Consolidated net income / net outstanding shares.

### Appendix 2 – Financial Liabilities

International notes	Outstanding <sup>1</sup>	Maturity	Rate	Currency	Rating <sup>2</sup> S&P/Fitch/HR
UNIFIN 2022	200	Jul-22	Fixed	USD	BB- / BB / BB+
UNIFIN 2023	398*	Sep-23	Fixed	USD	BB- / BB / BB+
UNIFIN 2025	443*	Jan-25	Fixed	USD	BB- / BB / BB+
UNIFIN 2026	291*	Feb-26	Fixed	USD	BB- / BB / BB+
UNIFIN 2028	428*	Jan-28	Fixed	USD	BB- / BB / BB+
<b>Total</b>	<b>1,760</b>				

Securitization	Outstanding <sup>1</sup>	Maturity	Rate	Currency	Rating <sup>3</sup> S&P/Fitch/HR
Private securitization	2,500	Jun-25	Floating	MXN	mxAAAS&P / AAAFitch/ HRAAA
Private securitization	2,500	Mar-25	Floating	MXN	Fitch AAA
UNFINCB16	400	Sep-21	Floating	MXN	mxAAS&P / HRAAA
UNFINCB16-2	400	Sep-21	Floating	MXN	mxAAS&P / HRAAA
UNFINCB17	900	Mar-22	Fixed	MXN	mxAAAS&P / HRAAA
UNFINCB17-2	900	Mar-22	Floating	MXN	mxAAAS&P / HRAAA
UNFINCB17-3	2,278	Sep-22	Fixed	MXN	mxAA+S&P / HRAAA
UNFINCB17-4	911	Sep-22	Floating	MXN	mxAA+S&P / HRAAA
<b>Total</b>	<b>10,789</b>				

<sup>(1)</sup> Excludes accrued interest and deferred charges

<sup>(2)</sup> International rating

<sup>(3)</sup> Local rating

\*Repurchased bond

Bank Facilities	Outstanding <sup>1</sup>	Maturity	Rate
Bank facilities in USD (outstanding amount denominated in MXN)			
Bladex / Nomura	3,848	Jun-22	Libor / 4.75
Barclays	1,356	Ago-21	Libor / 3.75
Barclays	1,296	Jul-21	Libor / 7.50
BTG	399	Dec-21	5.00
Deutsche Bank	498	Sep-21	Libor / 8.00
ResponsAbility	897	Oct-22	Libor / 4.50
Blue Orchard	658	Feb-24	Libor / 4.30
Banamex	399	Revolving	Libor / 4.25
Bancomext	111	Revolving	4.43
Nafin	809	Revolving	4.46
Bank facilities in MXN			
Nafin	2,855	Revolving	TIIE / 2.60
Banamex	2,000	Revolving	TIIE / 3.00
CI Banco	250	Jan-21	TIIE / 3.00
Santander	1,000	Revolving	TIIE / 3.50
Scotiabank	1,000	Revolving	TIIE / 4.25
Bancomext	784	Revolving	TIIE / 2.70
Scotiabank Bilateral	433	Revolving	TIIE / 3.00
Scotiabank Warehouse	500	Revolving	TIIE / 3.25
Banamex	500	Revolving	TIIE / 3.00
<b>Total</b>	<b>19,593</b>		

### Appendix 3 – Company Capital Structure

Shares Structure	Shares As of Dec 31, 2020
Control trust	252,948,468
Employee Trust	12,998,085
Current float	219,353,447
<b>Total outstanding shares</b>	<b>485,300,000</b>

## About UNIFIN

UNIFIN is the leading independent Mexican leasing company, operating as a non-banking financial services company, specializing in three main business lines: operating leasing, factoring, auto loans and other lending. Through UNIFIN's **leasing business line, its core business line, the Company offers operating leases for all types** of equipment and machinery, various types of transportation vehicles (including cars, trucks, helicopters, airplanes, and other vessels) and other assets in a variety of industries. Through its factoring business line, UNIFIN provides liquidity and financing solutions to its customers by purchasing or discounting accounts receivable and by providing vendor financing. UNIFIN's **auto loans business line is focused** on financing the acquisition of new and used vehicles.

This document may contain certain forward-looking statements. These statements are non-historical facts, and they are based on the current vision of the Management of UNIFIN Financiera, S.A.B. de C.V., for future economic circumstances, the conditions of the industry, the performance of the Company and its financial results. The terms "anticipated", "believe", "estimate", "expect", "plan" and other similar terms related to the Company, are solely intended to identify estimates or predictions. The statements relating to the declaration or the payment of dividends, the implementation of the main operational and financial strategies and plans of investment of equity, the direction of future operations and the factors or trends that affect the financial condition, the liquidity or the operating results of the Company are examples of such statements. Such statements reflect the current expectations of the management and are subject to various risks and uncertainties. There is no guarantee that the expected events, trends, or results will occur. The statements are based on several suppositions and factors, including economic general conditions and market conditions, industry conditions and various factors of operation. Any change in such suppositions or factors may cause the actual results to differ from expectations.