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## 2Q21 Earnings Conference Call

Date: Friday, July 23<sup>rd</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



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## UNIFIN reports Ps. 347 million in operating income, and Ps. 336 million in net income

Mexico City, July 22<sup>nd</sup>, 2021 – UNIFIN Financiera, S.A.B. de C.V. (“UNIFIN” or “the Company”) (BMV: UNIFINA), announces its results for the second quarter of 2021 (“2Q21”). 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”).

### 2Q21 Highlights

- **Interest income** rose by 4.0% vs. 2Q20 to Ps. 2, 915 million, mainly driven by income from the Uniclick and structured finance businesses.
- **Adjusted financial margin** increased 85.3% reaching Ps. 815 million, due to lower loan provisions as the economy recovers and payment behavior improves.
- **Operating income** increased 42.1x to Ps. 347 million in 2Q21. **Net income** increased 28.9% reaching Ps. 336 million in 2Q21.
- **The NPL ratio** stood at 4.6%, a 30 bps decrease from 4.9% in 1Q21, due to an improvement in clients’ payment behavior in addition to Ps. 460 million of write-offs in accounts receivables.
- **Originations** for the period ended at Ps. 6,578 million, a 41.4% increase vs 2Q20, the highest volume since the Covid-19 pandemic began.
- The Company successfully signed four credit loans for a total amount of US\$112 million. Additionally, closed a private securitization for Ps. 3,000 million, allowing UNIFIN to complete its annual funding target by ~75% at the end of 1H21.
- The Company’s credit ratings were reaffirmed by S&P and Fitch in BB- and BB, respectively.
- During the quarter, 15 million shares from the buyback program were paid as dividends to equity shareholders.

## Message from the CEO

During the second quarter of the year, Mexico's economy continued to recover from the pandemic, benefiting from the substantial expansion of the US economy. The boost in demand for goods and services from the United States resulted in higher exports of agricultural products, manufactured goods (mainly construction materials, vehicles, and auto parts), and transportation and tourism services. In addition, fiscal support packages in the U.S. continue to boost Mexico's domestic consumption through higher remittances.

Progress in vaccination efforts, the lifting of public health restrictions within Mexico, and the improvement in entrepreneur confidence due to the broad positive perception of the mid-term election results, have also helped decrease unemployment and further boost consumer confidence, and improve industrial and overall economic activity in most of the country.

We believe the outlook is encouraging. The consensus among analysts reflects confidence in Mexico's GDP growth, which is expected to be around 6% in 2021. This would be the highest rate seen in more than two decades, despite the uncertainty around a resurgence of COVID 19 due to new virus strains, and the unexpected recent increase in the interest rate by the Central Bank due to inflationary pressures.

UNIFIN's commercial strategy will continue to focus on achieving two main objectives:

I. Focusing our prospecting efforts on strategic economic sectors that have high growth potential. As a result, in 2Q21, 74.0% of new credit was allocated to such industries, compared to 71.9% in 1Q21 and 57.3% in 2020.

II. Developing new prospecting channels through strategic alliances to become more agile in the acquisition of new clients.

The Company has a sound financial position to support our commercial strategy and continue developing our ventures. We continue to manage our balance sheet with the utmost prudence to ensure the sustainability of the business, improving the liquidity gap between asset and liability maturities (26 vs. 49 months), negotiating new financing facilities and credit lines (~US\$260 in the quarter), and maintaining a healthy financial leverage ratio of 4.6x.

Our portfolio increased by 4.6% y-o-y, reaching Ps. 66,742 million while our NPL ratio decreased to 4.6%. During the quarter, the Company decided to write-off Ps. 460 million in accounts receivables mainly related to leasing and factoring clients after having exhausted collection efforts, in line with internal guidelines for managing recoveries.

Interest income for the quarter increased by 4.0% y-o-y, mainly attributed to income from Uniclick and structured finance business lines. Net income grew by 28.9% due to lower loan loss provisions, as asset quality and expense control continue to improve.

We are prepared for the future and in a solid position to continue growing, with clear priorities and strategic initiatives that will support small and medium-sized businesses in Mexico.

**Sergio Camacho**

## Financial Summary

Key Financial Indicators	2Q21	1Q21	4Q20	3Q20	2Q20
Portfolio Yield	17.6%	17.6%	17.8%	18.4%	19.5%
Net Interest Margin	5.8%	6.0%	6.4%	6.9%	7.2%
OpEx	12.8%	13.1%	13.3%	14.2%	13.3%
Efficiency Ratio	47.4%	46.9%	47.3%	48.2%	40.4%
ROAA	1.5%	1.5%	1.5%	1.9%	2.0%
ROAE	10.1%	9.9%	11.0%	13.7%	15.4%
ROAE (excl. Perpetual Bond)	15.5%	15.5%	17.5%	22.4%	26.1%

The **portfolio yield** stood at 17.6%, stable vs. the previous quarter. This was mainly driven by lower interest income from the reduced leasing, factoring and auto loans portfolios, due to softer business dynamics in these business lines, and was positively offset by higher interest income of Uniclick and structured finance portfolios. We continue to forecast that, as positive business dynamics continue, the yields of all business lines will improve, thus increasing the total portfolio yield.

At the close of 2Q21, the **NIM** stood at 5.8%, a 20 bps contraction vs the previous quarter, explained by a 10.0% increase in interest cost mainly driven by a higher cash balance that the Company has decided to maintain as a precautionary measure to preserve solid liquidity. Additionally, the interest cost increased, due to changes in the debt position, related to maturity extensions and the hedging cost of all US denominated debt. Over the past year, the average cash balance of the treasury has remained at approximately Ps. 4,000 million.

The **OpEx** as a percentage of sales improved by 30 bps to 12.8% vs 13.1% in 1Q21 due to our strict expense control measures which reflect the operating efficiency the Company achieved during the quarter.

The **ROAE** improved by 20 bps to reach 10.1% vs 9.9% in 1Q21 driven by a sequential increase in net income and retained earnings q-o-q. Additionally, the **ROAA** remained stable vs 1Q21, explained by a stable portfolio yield. However, we continue to forecast progressive improvement of profitability as our business dynamics and the overall economy continue to recover.

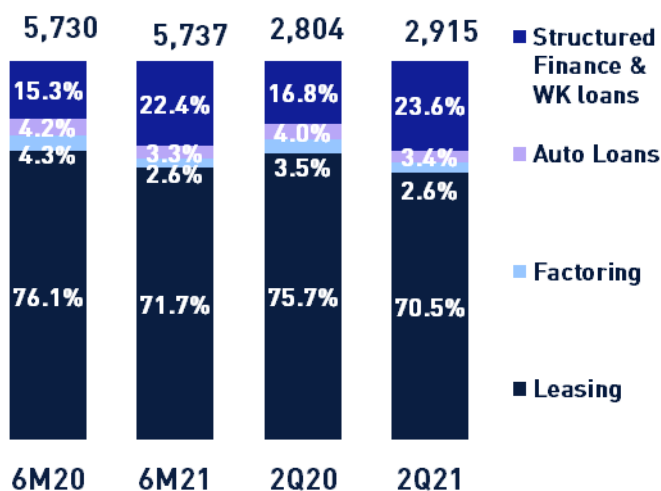
## Income Statement

In 2Q21 **interest income** increased by 4.0% when compared to 2Q20, amounting to Ps. 2,915 million, mainly explained by higher revenues from the Uniclick and structured finance business lines.

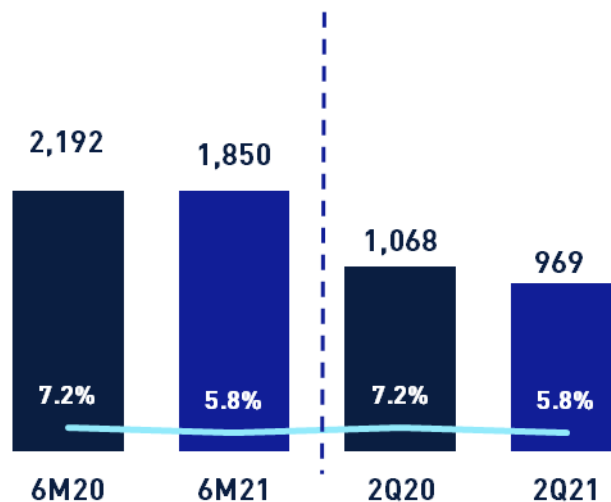
Line of business Figures in Ps. million	2Q21	2Q20	1Q21	Var. 2Q20	Var. 1Q21
Leasing	2,054	2,122	2,059	(3.2%)	(0.2%)
Factoring	75	99	73	(23.6%)	2.6%
Auto Loans	98	113	94	(13.4%)	4.6%
Structured Finance and WK loans	688	470	597	46.1%	15.2%
<b>Total interest income</b>	<b>2,915</b>	<b>2,804</b>	<b>2,822</b>	<b>4.0%</b>	<b>3.3%</b>

Figures in Ps. Million

### Income Distribution

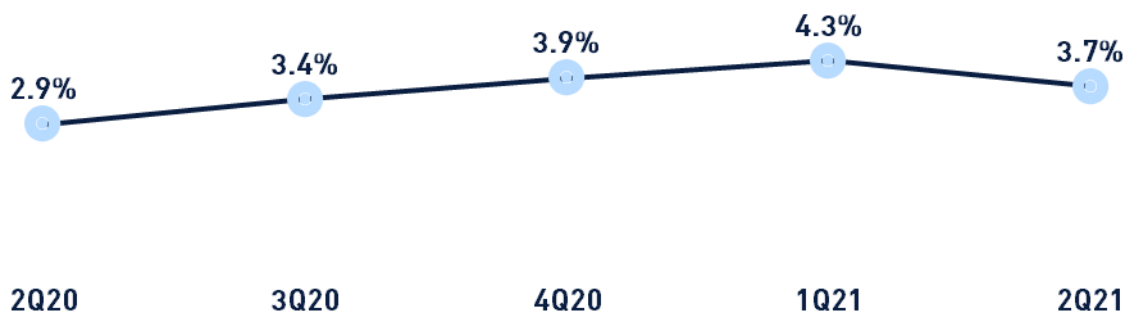


### Financial Margin and NIM



The financial margin for 2Q21 ended at Ps. 969 million, a 9.2% decrease compared to 2Q20 explained by a 10.0% increase in interest cost. Interest cost increased due to a higher cash balance as a result of i) precautionary measures to preserve liquidity ii) the non-deployment of cash due to lower origination volumes and, iii) changes to the Company's debt composition, related to maturity extensions and hedging costs of US denominated debt.

The cost of risk stood at 3.7% vs 2.9% in 2Q20 due to the creation of higher reserves year-over-year in compliance with IFRS methodology. The cost of risk decreased vs 1Q21 due to write-offs of Ps. 460 million mainly related to leasing and factoring clients after having exhausted collection efforts, in line with internal guidelines for managing recoveries, and due to lower loan provisions as the economy recovers, therefore improving payment behavior.



The adjusted financial margin closed at Ps. 815 million, an 85.3% increase vs 2Q20, attributed to the decrease in provisions previously mentioned.

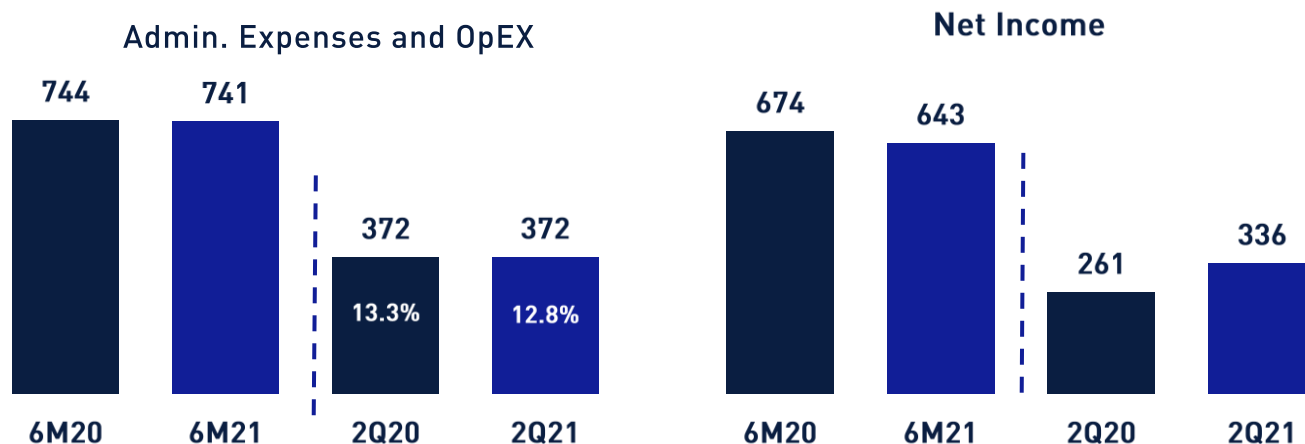
## Expenses

Figures in Ps. Millions	2Q21	2Q20	Var. %
Administrative services	243	190	28.3%
Legal and professional fees	80	56	41.8%
Other administrative expenses	49	126	(61.2%)
<b>Administrative Expenses</b>	<b>372</b>	<b>372</b>	<b>0.0%</b>
Depreciation of own equipment	63	53	18.5%
Loss (profit) on sale of fixed assets	33	6	413.3%
<b>Other Expenses</b>	<b>96</b>	<b>59</b>	<b>60.6%</b>
<b>Total Expenses</b>	<b>468</b>	<b>431</b>	<b>8.4%</b>

## Financing Results

Figures in Ps. Millions	2Q21	2Q20	Var. %
Foreign exchange profit (loss) - net	3	267	(98.8%)
Bank commissions and fees	(18)	(1)	100%
Investment interest	20	67	(69.8%)
Other income (expenses) products	19	(26)	(173.5%)
<b>Financing Result</b>	<b>24</b>	<b>307</b>	<b>(92.2%)</b>

Figures in Ps. Million



**Operating income** in 2Q21 increased 42.1x to Ps. 347 million vs. Ps. 8 million in 2Q20, explained by the increase in the adjusted financial margin, and stable operating expenses, when compared to previous quarters.

The **financing result** for 2Q20, reported income of Ps. 307 million of non-recurrent gains, explained by two factors i) unwinds of the derivatives related to the repurchase and subsequent cancellation of notes at face value for US\$26.1 million and ii) adjustments made to our hedging derivatives, to maximize the positive MTM due to FX and rate variations over the period. Notwithstanding the previous non-recurrent gain reported in 2Q20, **net income** increased 28.9% in 2Q21 reaching Ps. 336 million, vs. Ps. 261 million in 2Q20.

UNIFIN is always looking for ways to generate value. For this reason, back in 2Q20, the Company with its excess liquidity, and preserving the strength of its financial position, opportunistically repurchased international notes, generating non recurrent income of Ps. 307 million. Today, having the possibility of focusing back on its core business, the Company delivered Ps. 347 million of operating profit, reflecting managements long term view.

The Company's **earnings per share (EPS)** for the quarter was Ps. 0.69.

## Balance Sheet

### Financial Assets

Cash and cash equivalents for the period were Ps. 5,236 million, maintaining a strong liquidity position for the rest of the year.

The **total loan portfolio** reached Ps. 66,742 million in 2Q21; a 4.6% increase compared to the portfolio of Ps. 63,826 million reported in 2Q20.

#### Leasing

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	43,283	44,475	(2.7%)
Non-performing loans	2,525	3,243	(22.1%)
<b>Total loan portfolio</b>	<b>45,808</b>	<b>47,717</b>	<b>(4.0%)</b>
Loan loss reserve	(1,921)	(1,412)	36.1%
<b>Net loan portfolio</b>	<b>43,886</b>	<b>46,305</b>	<b>(5.2%)</b>

#### Factoring

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	1,039	2,034	(48.9%)
Non-performing loans	15	248	(93.8%)
<b>Total loan portfolio</b>	<b>1,054</b>	<b>2,282</b>	<b>(53.8%)</b>
Loan loss reserve	(15)	(248)	(93.8%)
<b>Net loan portfolio</b>	<b>1,039</b>	<b>2,034</b>	<b>(48.9%)</b>

#### Auto Loans

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	2,088	2,827	(26.1%)
Non-performing loans	247	100	146.4%
<b>Total loan portfolio</b>	<b>2,335</b>	<b>2,927</b>	<b>(20.2%)</b>
Loan loss reserve	(247)	(166)	48.6%
<b>Net loan portfolio</b>	<b>2,088</b>	<b>2,761</b>	<b>(24.4%)</b>

#### Structured Finance

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	8,704	2,637	230.0%
Non-performing loans	123	66	86.9%
<b>Total loan portfolio</b>	<b>8,828</b>	<b>2,703</b>	<b>226.5%</b>
Loan loss reserve	(123)	(33)	277.2%
<b>Net loan portfolio</b>	<b>8,704</b>	<b>2,671</b>	<b>225.9%</b>

#### Working Capital

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	8,545	8,196	4.3%
Non-performing loans	172	0	100%
<b>Total loan portfolio</b>	<b>8,717</b>	<b>8,196</b>	<b>6.4%</b>
Loan loss reserve	(172)	0	100%
<b>Net loan portfolio</b>	<b>8,545</b>	<b>8,197</b>	<b>4.3%</b>



## Total Loan Portfolio

Figures in Ps. Million	2Q21	2Q20	Var. %
Current portfolio	63,659	60,170	5.8%
Non-performing loans	3,083	3,657	(15.7%)
<b>Total loan portfolio</b>	<b>66,742</b>	<b>63,827</b>	<b>4.6%</b>
Loan loss reserve	(2,479)	(1,858)	33.4%
<b>Net loan portfolio</b>	<b>64,263</b>	<b>61,968</b>	<b>3.7%</b>

**Non-performing loans ratio** represented 4.6% of the total loan portfolio in 2Q21, reaching Ps. 3,083 million. The **NPL coverage ratio** for the quarter was 80.4%, in line with previous quarters.

Figures in Ps. million

Aging balances (days)	Leasing	Factoring	Auto Loans	Structured Finance	Working Capital Loans	Total
0 – 30	34,229	1,017	1,925	8,626	8,027	53,824
31 – 60	5,552	21	111	53	380	6,117
61 – 90	3,502	1	52	26	138	3,718
>90	2,525	15	247	123	172	3,083
<b>Total Portfolio</b>	<b>45,808</b>	<b>1,054</b>	<b>2,335</b>	<b>8,828</b>	<b>8,717</b>	<b>66,742</b>
Loan loss reserve	(1,921)	(15)	(247)	(123)	(172)	(2,479)
<b>Net Portfolio</b>	<b>43,886</b>	<b>1,039</b>	<b>2,088</b>	<b>8,704</b>	<b>8,545</b>	<b>64,263</b>

Our **loan loss reserve** for 2Q21 ended at Ps. 2,479 million, a 33.4% increase vs. 2Q20. These provisions are determined in accordance with our loan loss reserve policy, attached to IFRS guidelines and based on expected losses. The expected loss provision is determined by historical payment behavior, the current economic environment, and a reasonable provision for future payments. When analyzed for the leasing portfolio, the methodology also considers the recovery value of leased assets.

The following table shows the estimated recovery value of leased assets in different scenarios vs. the balance of lease clients with claims greater than 90 days past due. 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.

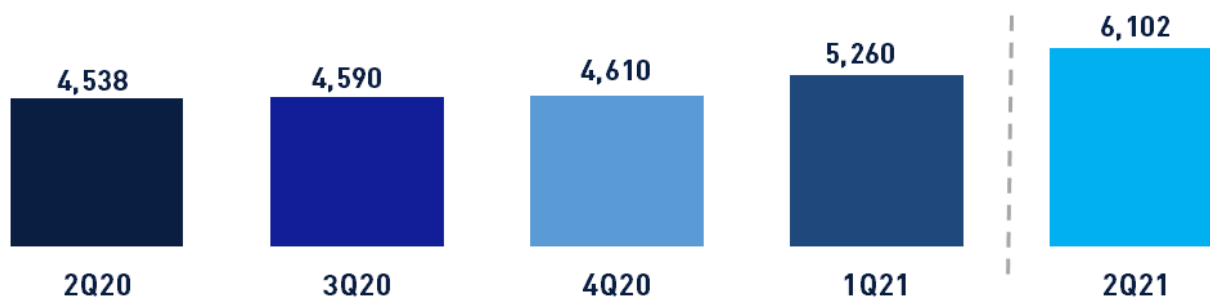
Figures in Ps. Million

% Recovery	Est. Recovery value	NPL +90	Gain (loss)	Reserve	Reserve Sufficiency
100.0%	1,990	2,525	(535)	1,921	1,386
75.0%	1,492	2,525	(1,033)	1,921	889
50.0%	995	2,525	(1,530)	1,921	391
45.0%	895	2,525	(1,630)	1,921	292
<b>30.4%</b>	<b>605</b>	<b>2,525</b>	<b>(1,920)</b>	<b>1,921</b>	<b>1</b>

## Collections

**Collections** for the period ended at Ps. 6,102 million, the highest nominal collection amount since the beginning of the Covid-19 pandemic, mainly driven by improved client performance due to progressive economic recovery.

Figures in Ps. millions



## COVID-19 Support Program Update

<b>Clients</b>	<b>409</b>
<b>Current Outstanding Balance</b>	<b>Ps. 2,980 million</b>
<b>NPL</b>	<b>Ps. 65 million (2.2%)</b>

Since the beginning of the pandemic, the Company has redefined its commercial approach to adapt to the challenging economic circumstances. To strengthen its risk management approach, UNIFIN continues implementing strict origination standards and reevaluating its risk scorecard.

## Financial Liabilities

**Financial liabilities** at the end of the quarter were Ps. 69,908 million, a 6.4% decrease compared to Ps. 74,394 million at the end of 2Q20, demonstrating the Company's pursuit of a sound capital position.

During the quarter, the Company raised four credit loans for a total amount of US\$112 million and closed a private securitization of Ps. 3,000 million, reinforcing its continued ability to access diverse funding sources. As part of its corporate strategy, the Company has prioritized maintaining a sound financial position, having completed ~75% of its annual funding target by the end of 1H21.

Figures in Ps. Million	2Q21	% of total	WAVG Maturity (months)	WAVG Rate
International Notes	42,024	60.1%	60	11.8%
Revolving lines	9,245	13.2%	-	7.1%
Term loans	8,496	12.2%	16	11.2%
Securitized	10,142	14.5%	61	9.7%
<b>Total Financial Liabilities</b>	<b>69,908</b>	<b>100.0%</b>	<b>49</b>	<b>10.8%</b>

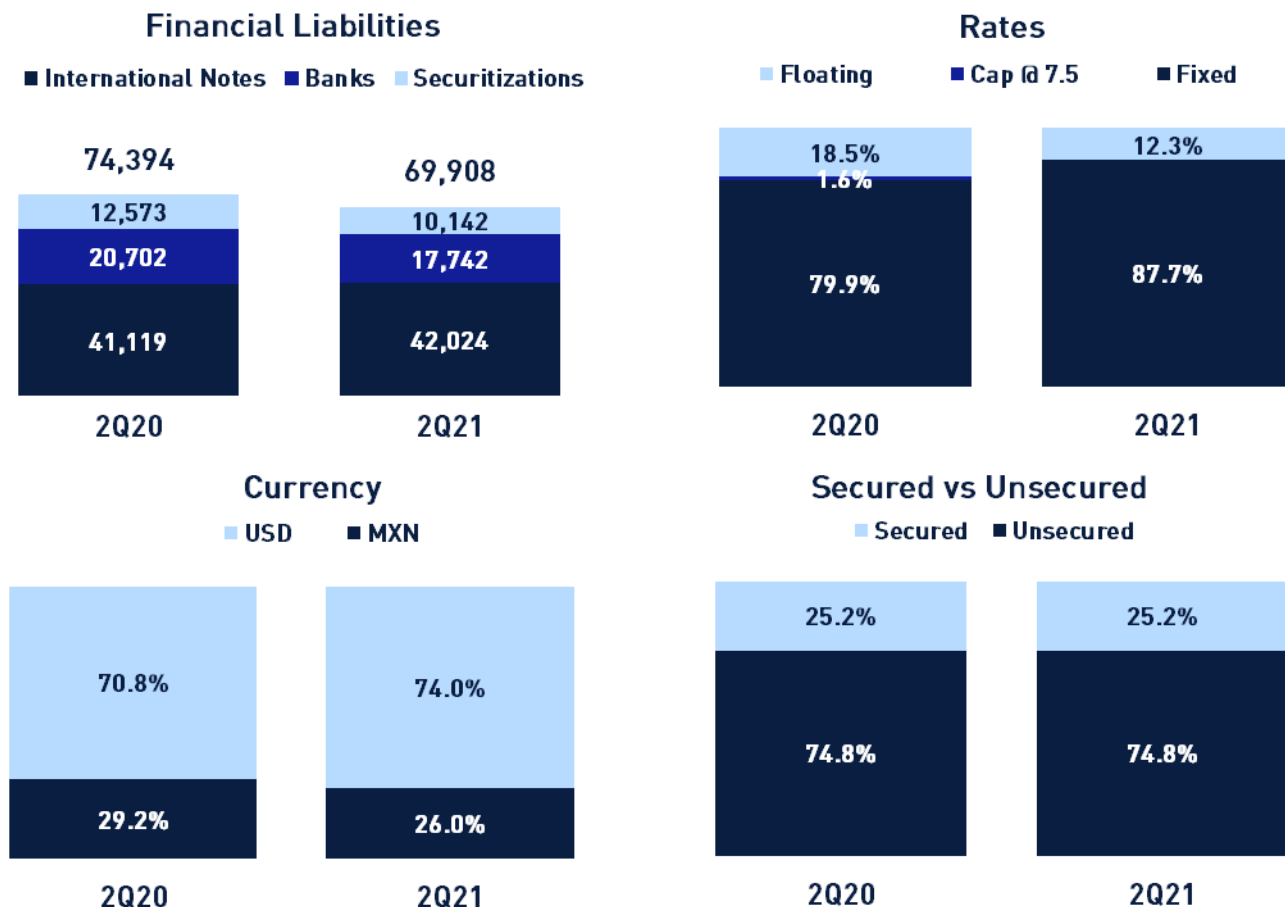
Over recent years, our asset and liability maturities have improved, resulting in a positive cashflow for the business even with extended periods without access to funding sources. The weighted average duration of the portfolio is 26 months vs. 49 months for financial liabilities. Liquidity coverage for the next 12 months is 1.9x.

Additionally, the Company has carried out a thorough analysis of its hedging derivatives portfolio, testing sensitivities and effectiveness in accordance with its risk control procedures. The hedge accounting is strictly linked to IFRS 9 guidelines and evaluated both internally and externally by several parties to ensure its appropriate reporting. Please refer to appendix 4 for further information.

### Maturity Profile



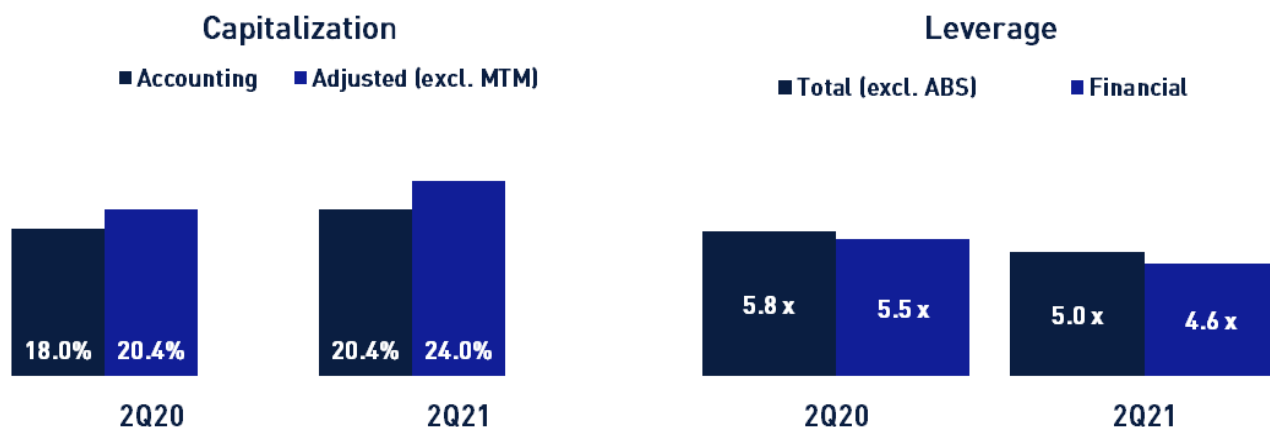
Figures in Ps. million



## Stockholders' Equity

Total stockholders' equity reached Ps. 13,106 million, an increase of 17.4% compared to 2Q20, mainly driven by the capital increase carried out in August of 2020 and increased retained earnings.

The capitalization ratio for the period was 20.4% vs 18.0% in 2Q20. The capitalization improved year-over-year, due to i) the Ps. 2,520 million capital increase closed in August 2020, ii) the nominal decrease in financial debt due to the liability management exercise carried out over recent months, in addition to iii) the FX revaluation of US dollar denominated debt. This explains the improvement in the financial leverage ratio to 4.6x, from 5.5x in 2Q20. The improvement of both metrics reflects the Company's continuous optimization of risk control procedures, which seek to enhance the capital position.



## Operational Summary

In 2Q21, the Company's total origination volume was Ps. 6,578 million, an increase of 41.4% compared to 2Q20, mainly driven by the positive signs of economic recovery and the strong performance of Uniclick. The total origination amount represents the highest volume since the Covid-19 pandemic began, which reinforces our commitment to reach pre-pandemic levels progressively over the coming quarters.

## By Business Line

Figures in Ps. million

Leasing	2Q21	2Q20	Var. %
Origination volume (in Ps. million)	2,655	1,973	34.6%
Total Portfolio balance (in Ps. million)	45,808	47,717	(4.0%)
WAVG (months)	28	31	9.7%
Number of clients	5,916	5,193	13.9%
Average ticket (in Ps. million)	7.7	9.2	(15.7%)

Factoring	2Q21	2Q20	Var. %
Origination volume (in Ps. million)	1,249	1,640	(23.8%)
Total Portfolio balance (in Ps. million)	1,054	2,282	(53.8%)
WAVG (days)	88	97	(9.3%)
Number of clients	912	899	1.4%
Average ticket (in Ps. million)	1.2	2.5	(54.5%)

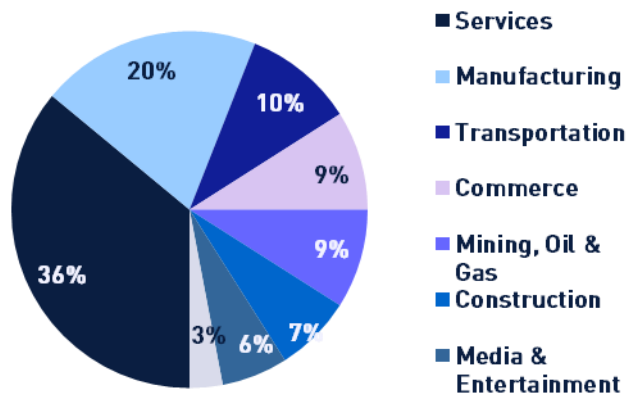
Auto Loans	2Q21	2Q20	Var. %
Origination volume (in Ps. million)	178	100	78.0%
Total Portfolio balance (in Ps. million)	2,335	2,927	(20.2%)
WAVG (months)	30	33	9.1%
Number of clients	1,330	1,243	7.0%
Average ticket (in Ps. million)	1.8	2.4	(25.4%)

Structured Finance	2Q21	2Q20	Var. %
Origination volume (in Ps. million)	771	357	115.9%
Total Portfolio balance (in Ps. million)	8,828	2,703	226.5%
WAVG (months)	18	20	(10.0%)
Number of clients	24	8	200.0%
Average ticket (in Ps. million)	107.1	103.6	8.8%

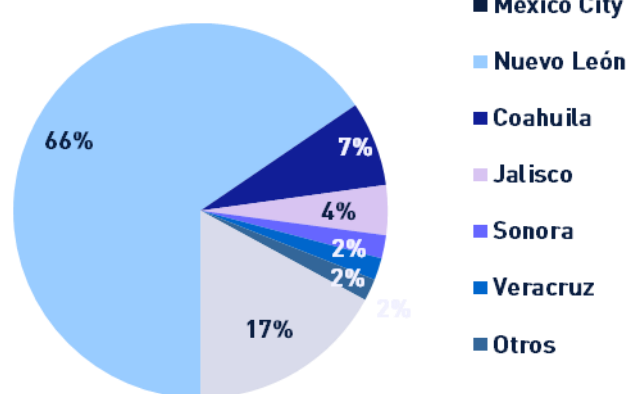
<b>Working Capital Loans</b>	<b>2Q21</b>	<b>2Q20</b>	<b>Var.%</b>
Origination volume (in Ps. million)	1,725	583	195.9%
Total Portfolio balance (in Ps. million)	8,717	8,196	6.4%
WAVG (months)	12	15	(20.0%)
Number of clients	833	136	512.5%
Average ticket (in Ps. million)	10.5	60.3	(82.6%)
<b>Total</b>	<b>2Q21</b>	<b>2Q20</b>	<b>Var.%</b>
Origination volume (in Ps. million)	6,578	4,653	41.4%
Total Portfolio balance (in Ps. million)	66,742	63,827	4.6%
WAVG (months)	26	30	(13.3%)
<sup>(1)</sup> Number of clients	9,015	7,479	20.5%
Average ticket (in Ps. million)	7.4	8.5	(13.2%)

<sup>(1)</sup> Excludes clients from cross-selling business

**By Economic Sector**



**By Geographic Area**



## Relevant Events

May 3<sup>rd</sup>, 2021 - UNIFIN announces new financings for a total amount of Ps. 4.8 billion.

June 7<sup>th</sup>, 2021- UNIFIN announces credit rating by Fitch Ratings and Standard and Poor's.

June 11<sup>th</sup>, 2021- UNIFIN announces the signing of an unsecured syndicated loan.

## Analyst Coverage

### Equity

Institution	Analyst	e-mail
Barclays	Gilberto García	gilberto.garcia@barclays.com
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### Fixed income

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Scotiabank	Joe Kogan	joe.kogan@scotiabank.com

## Income Statement

Figures in Ps. million	2Q21	2Q20	1Q21	Var. %	Var. %
				2Q20	1Q21
Interest income from leasing	2,054	2,122	2,059	(3.2%)	(0.2%)
Interest income from factoring	75	99	73	(23.6%)	2.6%
Interest income from auto loans	98	113	94	(13.4%)	4.6%
Interest income and commissions from other loans	688	470	597	46.1%	15.2%
<b>Interest income</b>	<b>2,915</b>	<b>2,804</b>	<b>2,822</b>	<b>4.0%</b>	<b>3.3%</b>
Depreciation from leased assets	35	0	21	100.0%	65.0%
Interest costs	1,910	1,736	1,921	10.0%	(0.5%)
<b>Financial margin</b>	<b>969</b>	<b>1,068</b>	<b>881</b>	<b>(9.2%)</b>	<b>10.1%</b>
Loan loss provision portfolio	155	628	221	(75.4%)	(30.0%)
<b>Adjusted financial margin</b>	<b>815</b>	<b>440</b>	<b>660</b>	<b>85.3%</b>	<b>23.5%</b>
Administrative services	243	190	210	28.3%	15.9%
Legal and professional fees	80	56	41	41.8%	92.8%
Other administrative expenses	49	126	118	(61.2%)	(58.5%)
Depreciation of own equipment	63	53	55	18.5%	14.8%
Loss (profit) on sale of fixed assets	33	6	6	413.3%	482.8%
<b>Operating income</b>	<b>347</b>	<b>8</b>	<b>230</b>	<b>4,105.5%</b>	<b>50.7%</b>
Foreign exchange loss, net	3	267	88	(98.8%)	(96.3%)
Bank commissions and fees	(18)	(1)	(35)	2,266.6%	(48.1%)
Investment interest	20	67	36	(69.8%)	(44.6%)
Other income (expenses) products	19	(26)	73	(173.5%)	(74.0%)
<b>Profit (loss) before result of associated companies</b>	<b>371</b>	<b>315</b>	<b>392</b>	<b>17.6%</b>	<b>(5.5%)</b>
Results of associated companies	23	8	12	184.8%	94.9%
Income tax	58	62	97	(7.7%)	(40.7%)
<b>Net income</b>	<b>336</b>	<b>261</b>	<b>307</b>	<b>28.9%</b>	<b>9.5%</b>



## Balance Sheet

Figures in Ps. million	2021	2020	1Q21	Var.% 2Q20	Var.% 1Q21
<b>Assets</b>					
Cash and cash equivalents	5,236	3,511	4,785	49.1%	9.4%
Loan portfolio	28,251	27,621	27,536	2.3%	2.6%
Derivative financial instruments	369	739	493	(50.1%)	(25.3%)
Other current assets	1,457	1,325	716	10.0%	103.6%
<b>Total current assets</b>	<b>35,312</b>	<b>33,196</b>	<b>33,530</b>	<b>6.4%</b>	<b>5.3%</b>
Non-current assets held for sale	1,697	1,571	1,770	8.0%	(4.2%)
Loan portfolio LT	36,012	34,345	35,123	4.9%	2.5%
Property, furniture and equipment, net	6,213	6,135	6,296	1.3%	(1.3%)
Investment properties	745	250	745	197.9%	0.0%
Intangible assets	204	121	193	68.5%	5.8%
Derivative financial instruments	5,610	9,682	6,848	(42.1%)	(18.1%)
Deferred taxes	2,646	3,658	2,622	(27.7%)	0.9%
Other non-current assets	461	58	476	693.6%	(3.3%)
<b>Total non-current assets</b>	<b>53,588</b>	<b>55,821</b>	<b>54,074</b>	<b>(4.0%)</b>	<b>(0.9%)</b>
<b>Total assets</b>	<b>88,900</b>	<b>89,017</b>	<b>87,605</b>	<b>(0.1%)</b>	<b>1.5%</b>
<b>Liabilities:</b>					
Bank loans	13,250	13,948	13,017	(5.0%)	1.8%
Debt securities	2,954	4,643	4,521	(36.4%)	(34.7%)
Senior Notes	281	1,076	895	(73.9%)	(68.6%)
Sundry creditors	764	446	637	71.3%	20.0%
Tax payable	100	164	21	(39.2%)	366.6%
Derivative financial instruments	1,633	1,068	1,432	52.9%	14.0%
Other account payable	1,194	1,029	800	16.1%	49.2%
<b>Current liabilities</b>	<b>20,176</b>	<b>22,375</b>	<b>21,323</b>	<b>(9.8%)</b>	<b>(5.4%)</b>
Bank loans	4,492	6,755	4,476	(33.5%)	0.4%
Debt securities	7,188	7,929	3,087	(9.4%)	132.9%
Senior Notes	41,743	40,043	43,427	4.2%	(3.9%)
Derivative financial instruments	2,195	754	1,792	191.1%	22.5%
<b>Non-current liabilities</b>	<b>55,618</b>	<b>55,481</b>	<b>52,781</b>	<b>0.2%</b>	<b>5.4%</b>
<b>Total liabilities</b>	<b>75,794</b>	<b>77,855</b>	<b>74,104</b>	<b>(2.6%)</b>	<b>2.3%</b>
<b>Equity:</b>					
Stockholders' equity	5,033	2,582	5,033	94.9%	0.0%
Equity reserve	303	274	274	10.7%	10.7%
Retained earnings	3,324	3,224	3,942	3.1%	(15.7%)
Net income	643	674	307	(4.5%)	109.6%
Subordinated perpetual notes	4,531	4,531	4,531	0.0%	0.0%
Accumulated other comprehensive income	(2,295)	(1,490)	(1,802)	54.0%	27.4%
Other capital accounts	1,565	1,366	1,215	14.6%	28.9%
<b>Total stockholders' equity</b>	<b>13,106</b>	<b>11,161</b>	<b>13,500</b>	<b>17.4%</b>	<b>(2.9%)</b>
<b>Total liabilities and stockholders' equity</b>	<b>88,900</b>	<b>89,017</b>	<b>87,605</b>	<b>(0.1%)</b>	<b>1.5%</b>

## Appendix

### Appendix 1 – Glossary of Metrics

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

### 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	318	Sep-23	Fixed	USD	BB- / BB / BB+
UNIFIN 2025	393	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+
UNIFIN 2029	528	Jan-29	Fixed	USD	BB- / BB / BB+
<b>Total</b>	<b>2,158</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 / HRAAA
Private securitization	2,500	Jun-27	Floating	MXN	Fitch AAA
Private securitization	3,000	Abr-29	Floating	MXN	Fitch AAA
UNFINCB17-3	1,522	Sep-22	Fixed	MXN	mxAA+S&P / HRAAA
UNFINCB17-4	609	Sep-22	Floating	MXN	mxAA+S&P / HRAAA
<b>Total</b>	<b>10,131</b>				

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

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

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

Bank Credit Lines	Outstanding <sup>1</sup>	Maturity	Rate
<b>Facility in USD (outstanding in MXN)</b>			
Bladex / Nomura	2,732	jun-22	Libor / 4.75
Barclays	1,348	aug-21	Libor / 3.75
Barclays	1,338	sep-22	Libor / 6.5
Nomura	879	apr-24	Libor / 7
Deutsche Bank	832	sep-22	Libor / 6.5
ResponsAbility	421	oct-22	Libor / 4.50
Blue Orchard	660	mar-25	Libor / 4.30
Banamex	396	Revolving	Libor / 4.25
Bancomext	74	Revolving	4.0%
Nafin	804	Revolving	4.3%
<b>Líneas bancarias en MXN</b>			
Nafin	2,655	Revolving	TIIE / 2.60
Azteca	585	Revolving	TIIE / 3.25
Banamex	2,000	Revolving	TIIE / 3.00
CI Banco	250	Revolving	TIIE / 3.00
Santander	1,000	Revolving	TIIE / 3.50
Bancomext	714	Revolving	TIIE / 2.70
Keb Hana	60	may-22	TIIE / 3.00
Bank of China	200	may-24	TIIE / 3.50
Scotiabank Bilateral	247	Revolving	TIIE / 3.00
Scotiabank Warehouse	500	Revolving	TIIE / 3.25
<b>Total</b>	<b>17,965</b>		

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

### Appendix 3 – Company Capital Structure

Shares Structure	Shares As of June 30, 2021
Control trust	256,470,438
Employee trust	14,981,993
Current float	213,847,569
<b>Total outstanding shares</b>	<b>485,300,000</b>

## Appendix 4 – Derivative financial instruments

Issuance	Notional Amount (USD MM)	Currency	Rate	Derivative Type	Derivative Rate
2022	200	USD	7.00%	CoS, CS (Participating SWAP)	11.46%
2023	318	USD	7.25%	CoS, CS (Participating SWAP)	10.20%
2025	393	USD	7.00%	CoS, CS (Participating SWAP)	10.27%
2026	291	USD	7.38%	CoS, CS (Participating SWAP)	12.10%
2028	428	USD	8.38%	CoS, CS (Participating SWAP)	13.39%
2029	526	USD	9.88%	CoS, CSPAYG (Participating SWAP)	12.71%
Perpetual	250	USD	8.88%	CoS	10.54%
Barclays 1 Loan	68	USD	Libor3M + 3.75%	CoS, CS (Participating SWAP)	10.38%
Barclays 2 Loan	68	USD	Libor3M + 6.50%	Full CSS Capped	9.96%
Bladex Loan	110	USD	Libor3M + 4.75%	CoS, CS (Participating SWAP)	12.27%
ResponsAbility 1	10	USD	Libor6M + 4.50%	Principal Only, CS	9.24%
ResponsAbility 2	11	USD	Libor6M + 4.50%	Principal Only, CS	7.20%
Blue Orchard 1	28	USD	Libor6M + 4.30%	Principal Only, CS	6.54%
Blue Orchard 2	5	USD	Libor6M + 4.60%	CoS, CS (Participating SWAP)	8.70%
Deutsche Loan	42	USD	Libor3M + 6.50%	Full CSS	10.98%
Nomura 1 Loan	24	USD	Libor3M+7.00%	CoS, CS (Participating SWAP)	11.29%
Nomura 2 Loan	20	USD	Libor3M+6.75%	CoS, CS (Participating SWAP)	11.54%
Private ABS	2,131	MXN	TIIIE28 + 2.10%	IRS	8.99%
Private ABS	2,500	MXN	TIIIE28 + 2.80%	IRS	7.75%+Spread
Private ABS	2,500	MXN	TIIIE28 + 2.00%	IRS	7.17%+Spread
Private ABS	3,000	MXN	TIIIE28 + 3.50%	IRS	6.34%+Spread

Derivative financial instruments are initially recognized at fair value on the contract date and are subsequently revalued monthly at the end of the reported period at said market value. Changes in value will depend on the nature of the hedged item.

When considering hedging derivatives, for accounting purposes, the effective portion of the changes in the market value of the derivatives is recognized in stockholders' equity.

For the fair value measurement, the following methodology is used:

- Swaps: fair value is determined with the standard market methodology through flows discount, considering the rates applicable to each exchange period.
- Options: fair value is determined based on standard methodology through the Black & Scholes model.

The input data used to determine fair value includes risk-free nominal curves, Interbank Interest Rate curve, Basis Swaps curves, LIBOR curves and observed volatilities.

The efficiency of the hedge is determined at the beginning of the hedging relationship and through periodic evaluations to ensure that there is an economic relationship between the hedged item and the hedging instrument. The Company uses the qualitative approach, expecting that the hedge relationship would be highly effective if the terms of the derivative are identical to the terms of the primary position, at least in the following terms: notional amount, expiration date, payment date, interest rate reset date and underlying.

## About UNIFIN

UNIFIN is the leading independent Mexican leasing company, operating as a non-banking financial services company. UNIFIN's main business lines are operating leasing, factoring, auto loans, structured finance, 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.

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