



## Earnings Report 4Q19

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### EARNINGS CONFERENCE CALL

**Date:** February 28<sup>th</sup>, 2019

**Time:** 8:00 a.m. CDMX time (9:00 a.m. EST)

**Telephone:**

*Toll Free:* 1-877-407-0789

*Toll/International:* 1-201-689-8562

**Conference ID:** 13698655

**WebCast:**

<http://public.viavid.com/index.php?id=137915>

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## FHipo Announces an Earnings per CBFi of Ps. 0.113<sup>(2)</sup>, and an estimated distribution of Ps. 0.107<sup>(3)</sup>

Mexico City, Mexico, February 27<sup>th</sup>, 2019 - Banco Invex, S.A., Institución de Banca Múltiple, Grupo Financiero Invex or Fideicomiso Hipotecario ("FHipo") (BMV: FHIPO14), announces the fourth quarter and full year results concluding December 31<sup>st</sup>, 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and published on the Mexican Stock Exchange ("BMV").

### Highlights of the 4<sup>th</sup> Quarter of 2019

- The **Financial Margin** as of the fourth quarter of 2019 ("4Q19"), reached Ps. 278.6 million, a 15.9% increase compared to the Ps. 240.3 million in 4Q18 and Ps. 36.0 million above the third quarter of 2019 ("3Q19").
- **Normalized net income<sup>1</sup> per CBFi<sup>2</sup>**, considering the 367.2 million **outstanding CBFis**, reached Ps. 0.113 in 4Q19, resulting in an estimated **distribution<sup>3</sup>**, subject to our current Distribution Policy, of Ps. 0.107, a decrease of Ps. 0.020 as compared to the Ps. 0.127 distributed in 3Q19.
- **Normalized net income<sup>1</sup>**, excluding the non-recurring expenses (other expenses) related to the internalization process, mainly due to the cancellation of the Advisor and Manager Agreement (which, by the end of the internalization process, will not have an effect on cashflow nor impact on FHipo's equity), reached Ps. 41.4 million during the 4Q19, and Ps. 587.7<sup>4</sup> million for the full year. Net income during 4Q19 was mainly hit by, i) a non-recurring expense of Ps. 295.8 million related to the internalization process; ii) an increase in non-performing loans, mainly driven by administrative and operating adjustments in several programs of Infonavit; and to a lesser extent, iii) due to the lower economic growth environment in the country and to the natural seasoning of our portfolio.
- As of December 31<sup>st</sup>, 2019, our **consolidated non-performing loan<sup>5</sup>** ("NPL") ratio represented 3.92% of FHipo's Consolidated Portfolio<sup>5</sup>, below our long-term expectations given the maturity of our portfolio. As of the end of 4Q19, we maintain a **coverage on expected losses** of ~1.52x.
- During the quarter, the internalization's effects started to materialize through **savings in operational expenses** of ~Ps. 24.1 million as compared to 4Q18, driven mainly by the decrease in Advisory and Administrative expenses.
- During 4Q19, FHipo successfully executed a **Sale (Assignment) of Rights on a Mortgage Portfolio** with a total of 1,567 loans of the "Infonavit Más Crédito" program, to a financial institution, for an amount of Ps. 704.9

<sup>1</sup> Normalized net income during the quarter was adjusted by adding non-recurring expenses related to the internalization process, mainly from the cancellation of the Advisor and Manager agreement, which by the end of the internalization process will not have an effect on cashflow nor impact on FHipo's equity.

<sup>2</sup> Considers CBFi buybacks during 4Q19, reaching a free float of 367,210,259 CBFis.

<sup>3</sup> The distribution to be paid, which will be announced in the press release regarding FHipo's 4Q19 distribution, may be adjusted according to the Current Distribution Policy. FHipo's Distribution Policy was updated on February 26<sup>th</sup>, 2020 by FHipo's Technical Committee.

<sup>4</sup> Considers normalized net income for the full year 2019.

<sup>5</sup> Considers principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).

million, a higher amount than the actual book value of the transferred portfolio, which proves FHipo's capacity to generate value.

- During 4Q19, FHipo issued a **Public Offering of Short-Term Certificados Bursátiles Fiduciarios** (CBFs) for a total amount of Ps. 200.0 million, with a ticker symbol of "FHIPO 00519", placed at TIE<sub>28</sub> plus a 70 basis points (bps) spread.
- As of 4Q19, FHipo maintained an on balance **debt-to-equity ratio**<sup>6</sup> of 1.73x, with no major changes as compared to the 1.67x reported in 3Q19.
- As of 4Q19, FHipo maintained an **outstanding loan portfolio balance**<sup>7</sup> of Ps. 29,606.3 million, considering the securitized portfolio and collection rights ("Consolidated Portfolio"), a 2.9% decrease from the Ps. 30,478.0 million reported in 3Q19.
- FHipo's accumulated **Normalized Return on Equity**<sup>7</sup> (ROE)<sup>8</sup> as of 4Q19, reached 5.8%.

<sup>6</sup> Considers on and off balance debt ("Consolidated Debt"), including our equity residuals from our securitization transactions (CDVITOT 13U, CDVITOT 14U, CDVITOT 15U and FHIPOCB 17U).

<sup>7</sup> Considers principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).

<sup>8</sup> Considers normalized net income by adding non-recurring expenses related to the Advisor and Manager internalization.

## Financial Summary

Financial Summary				
Figures are presented according to each metric (% , \$, pp)				
	4Q19	4Q18	Var.	
<b>Financial Metrics</b>				
Net Interest income (M)	\$ 689,132	\$ 649,650	6.08%	
Valuation of Receivable Benefits in Securitizations (M)	\$ 10,137	\$ 180,917	(94.40%)	
Normalized Net Income (M)	\$ 41,360 *	\$ 265,123	(84.40%)	
Net Income Margin (% , pp)	6.00% *	40.81%	(34.81)	
Financial Margin (as a % of Interest Income) (% , pp)	40.40%	37.00%	3.40	
Adjusted Financial Margin <sup>(1)</sup> (as a % of Interest Income) (% , pp)	17.74%	33.20%	(15.46)	
Net Interest Margin <sup>(2)</sup> (NIM, %, pp)	2.11%	5.91%	(3.79)	
Earnings per CBFI <sup>(3)</sup> (EPS)	0.113 *	0.676	(83.33%)	
<b>Portfolio Ratios</b>				
Total Number of Loans	105,265	111,508	(5.60%)	
Total Balance <sup>(4)</sup> (M)	\$ 29,606	\$ 31,533	(6.11%)	
Non-performing Loans <sup>(4)</sup> / Net Portfolio <sup>(5)</sup> (% , pp)	3.92%	1.43%	2.49	
<b>Financial Ratios</b>				
Total Expenses / Gross Income (% , pp)	14.43%	15.83%	(1.40)	
NPLs Portfolio Coverage (consolidated, times)	0.77x	1.12x	(0.35)	
Expected Loss Coverage (consolidated, times)	1.52x	2.20x	(0.68)	
Leverage Ratio (Total Assets / Capital Shares, times)	2.79x	2.85x	(0.06)	
Debt / Equity (on balance, times)	1.73x	1.65x	(0.08)	
DSCR <sup>(6)</sup> (times)	2.67x	3.31x	(0.64)	
Return on Assets (% , pp)	0.61% *	3.92%	(3.31)	
Return on Equity (% , pp)	1.68% *	10.19%	(8.51)	

(1) Adjusted Financial Margin by Allowance for Loan Losses.

(2) Annualized considering effective days of operation in the period and average net mortgage loans during the period.

(3) Considers the outstanding CBFI as of the date of corresponding report.

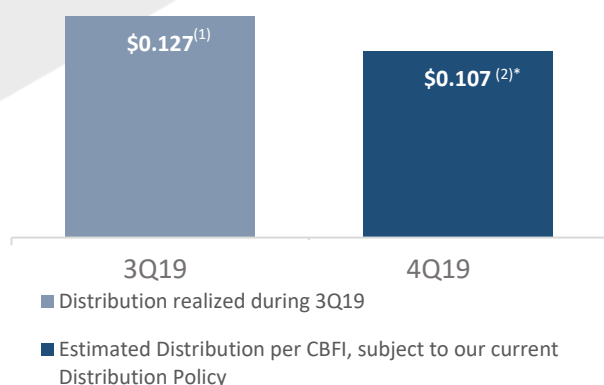
(4) Principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).

(5) Consolidated portfolio.

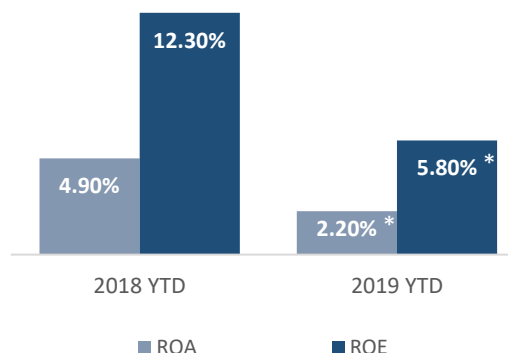
(6) Debt Service Coverage Ratio as of the end of the quarter.

\* Normalized data by excluding other expenses related to the internalization of Fhipo's Advisor and Manager.

### Distribution per CBFI



### Main Financial Ratios



\* Normalized data by excluding other expenses related to the internalization.

(1) Income distributed during 3Q19.

(2) Considering outstanding CBFI as of the date of this release for 4Q19 distribution.

## Message from the Chief Executive Officer

Dear Investors,

2019 was a challenging year for FHipo given the economic deceleration in the country, which is why I am pleased to mention the strong presence and stability of FHipo in the Mexican mortgage market. We registered a growth of 15.9% in financial margin during 4Q19 compared to 4Q18, driven by the conservative approach we took during the year, focusing on preserving our mortgage portfolio quality and the efficient use of our resources through different mechanisms such as the Share Buyback Program and an optimal and conservative leverage. This strategy will help us navigate the economical and political volatility that may present in the future.

During 2019, we took important decisions for the benefit of FHipo's long-term outlook, and we are convinced that we will continue building a strong and stable company which remains one of the main players in the Mexican mortgage market. Therefore, I would like to emphasize our team's efforts in successfully executing the first phases of the internalization of FHipo's Advisor and Manager, an important achievement to maximize long-term returns for our investors, complemented by a corporate governance based on the best global standards and practices. As of the fourth quarter of 2019, changes driven by the internalization started to materialize through savings in operational expenses of ~Ps. 24.1 million, which we estimate will continue increasing. These savings were offset by non-recurring internalization expenses incurred during the quarter, mainly by the cancellation of the Advisor and Manager Agreement, among others. These one-off internalization expenses will not have an effect on cashflow nor impact on FHipo's equity. We are pleased to see our efforts, to maximize returns and align interests with shareholders, paying off.

Also, during 4Q19, mainly as a result of operating and administrative adjustments made by Infonavit on the mortgage portfolio, coupled with the recent changes in the collection strategy, of the collection and servicing companies, our allowance for loan losses increased significantly, impacting our net results for the quarter; nevertheless, we believe that these events should be non-recurring, and we expect that our allowance for loan losses will stabilize in the following quarters.

The distributions to FHipo's shareholders have been stable during the last three quarters, demonstrating the Company's stability and strength even in the current volatile environment. For the 4Q19, we estimate a distribution subject to the Current Distribution Policy of Ps. 0.107 (95% of normalized net income) per CBF, Ps. 0.020 below the distribution of the third quarter of 2019.

I would also like to announce that FHipo successfully executed a sale of rights on a mortgage portfolio of the "Infonavit Más Crédito" program, to a financial institution, at a price higher than the actual book value of the transferred portfolio, demonstrating the existence of a secondary market for these type of assets and our capacity to generate value.

At the end of the year our outstanding mortgage portfolio reached a principal balance of Ps. 29,606.3 million, in line with the Ps. 30,478.0 million portfolio reported as of the 3Q19. The non-performing loan ratio, considering the effects incurred during the 4Q19, that are expected to be non-recurring, reached 3.92%, a ratio below our long-term expectations given the maturity of our portfolio. We will continue to focus our strategies and efforts on maintaining the asset quality of our portfolio.

During the second half of the year, we started the mortgage loan origination program through the "Infonavit Más Crédito" program, at an interest rate of 11.9%, 100 bps above the previous auction, which drove growth of interest income during

the quarter. We also continued with the origination through the Smart Lending program during 4Q19, which had an important growth of 161.8% when compared to 4Q18.

During the fourth quarter of 2019, we resumed our share buyback program to maximize profitability per CBFi, acquiring a total of 13.6 million of FHipo14 CBFIs, which, as of the date of this report, have been cancelled, ending the year with a total 367,210,259 outstanding CBFIs, which led to an increase in the book value of our shares. This demonstrates the confidence in FHipo's long-term business model.

I would like to finish highlighting the resilience of our business model during challenging and volatile macroeconomic times, and to thank our investors for their support. During 2020, FHipo will continue looking for the best opportunities and strategies, acquiring quality assets and executing the collection of our current portfolio with diligence in order to grow in a prudent way in the medium and long-term, maintaining our focus on profitability. Also, during 2020, we will be focusing on more attractive distributions to our shareholders.

Daniel Braatz

CEO

## Operating Results

(In Thousands of Mexican Pesos, except Normalized Net Income per CBFi)	Quarter to Quarter				Year to date	
	4Q19	4Q18	Variation	% Var	4Q19	4Q18
<b>REVENUES</b>						
Total net interest income	\$689,132	\$649,650	\$39,482	6.1%	\$2,633,058	\$2,471,903
Financing interest expenses	(410,501)	(409,342)	(1,159)	0.3%	(1,622,044)	(1,444,297)
(-) Allowance for loan losses	(156,353)	(24,619)	(131,734)	535.1%	(259,249)	(46,925)
Financial margin adjusted by credit risks	122,278	215,689	(93,411)	(43.3%)	751,765	980,681
Valuation of receivable benefits in secur. transactions	10,137	180,917	(170,780)	(94.4%)	296,248	493,797
Other income	9,850	0	9,850	N/A	16,801	0
<b>TOTAL REVENUES, NET</b>	<b>142,265</b>	<b>396,606</b>	<b>(254,341)</b>	<b>(64.1%)</b>	<b>1,064,814</b>	<b>1,474,478</b>
<b>EXPENSES</b>						
Administrative expenses	(100,905)	(131,483)	30,578	(23.3%)	(477,073)	(500,553)
Other expenses	(295,782)	0	(295,782)	N/A	(307,016)	0
<b>TOTAL EXPENSES</b>	<b>(396,687)</b>	<b>(131,483)</b>	<b>(265,204)</b>	<b>201.7%</b>	<b>(784,089)</b>	<b>(500,553)</b>
<b>NET INCOME</b>	<b>(\$254,422)</b>	<b>\$265,123</b>	<b>(\$519,545)</b>	<b>(196.0%)</b>	<b>\$280,725</b>	<b>\$973,925</b>
<b>NET INCOME NORMALIZED<sup>(2)</sup></b>	<b>\$41,360<sup>(2)</sup></b>	<b>\$265,123</b>	<b>(\$223,763)</b>	<b>(84.4%)</b>	<b>\$587,741</b>	<b>\$973,925</b>
<b>NET INCOME NORMALIZED PER CBFi<sup>(2)</sup></b>	<b>\$0.113<sup>(2)(3)</sup></b>	<b>\$0.676</b>	<b>(\$0.563)</b>	<b>(83.3%)</b>	<b>\$1.601</b>	<b>\$2.482</b>

<sup>1</sup> The revenues consider the accrued interest of our on-balance portfolio, the indexation on the outstanding balance of our mortgage portfolio denominated in VSM, the interests of the collection rights on Fovissste's portfolio and the returns obtained from our liquid investments.

<sup>2</sup> Excluding the expenses related to the internalization of FHipo's Advisor and Manager process.

<sup>3</sup> Considers the number of CBFIs in float as of to date.

**Interest Income** increased by 6.1% in 4Q19, amounting to Ps. 689.1 million, compared to Ps. 649.7 million reported in 4Q18; this variation was primarily due to an increase in the origination of mortgage loans through the Infonavit Más Crédito 11.9% program.

**Interest Expense** in 4Q19 was Ps. 410.5 million, a 0.3% increase in comparison to 4Q18, mainly due to the maturity of a derivative financial instrument, which had a fixed rate below market rates.

**Financial Margin** reached Ps. 278.6 million in 4Q19, a 15.9% increase compared to the Ps. 240.3 million as of the 4Q18 and Ps. 36.0 million above the 3Q19; this increase was mainly driven by the growth on our interest income from the resumption of the mortgage origination through the Infonavit Más Crédito program during the second half of the year.

**Allowance for Loan Losses** reported in the income statement reached Ps. 156.4 million in 4Q19, a Ps. 111.3 million increase compared to the Ps. 45.1 million reported in 3Q19. This increase is mainly due to the growth in NPL, driven by operating and administrative adjustments made by Infonavit in some of its programs, coupled with the recent changes in the collection strategy, and to a lesser extent, by the natural seasoning of our portfolio and a lower economic growth environment in the country, which affects the dynamics of formal employment. We understand that public agencies of the housing sector are currently implementing new operating models that aim to contain the increase in NPLs. It is estimated that positive results on these strategies will be reflected during the coming quarters. FHipo estimates its allowance for loan losses based on expected loss methodology. The allowance for loan losses registered in the Balance Sheet as of December 31<sup>st</sup>, 2019, is Ps. 586.8 million, which represents 2.6% of our on-balance portfolio.

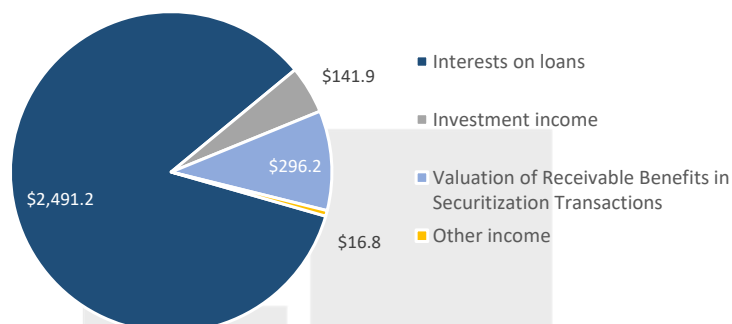
**Valuation of Receivable Benefits in Securitization Transactions** is determined based on the fair value of the equity residuals of our securitizations, which are calculated based on an income approach; generating a profit of Ps. 10.1 million during 4Q19, this decrease in profit as compared to 4Q18, was mainly due to the natural seasoning of our portfolio and the effect of increased NPLs in the valuation of receivable benefits. As of today, we maintain four fiduciary equity residuals: CDVITOT 13U, CDVITOT 14U, CDVITOT 15U and FHIPOCB 17U.



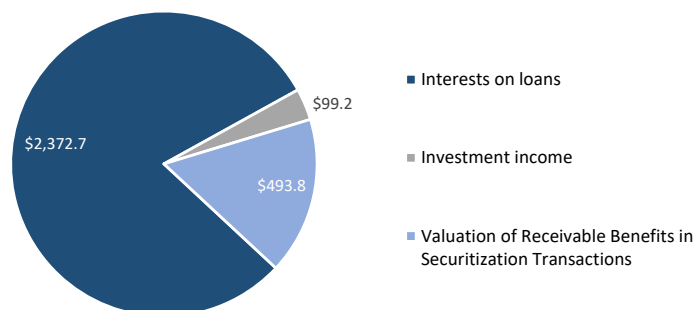
**Total revenues** reached Ps. 709.1 million during 4Q19, and Ps. 2,946.1 million for the full year 2019, in line with the same periods of the previous year.

Total Revenue 2019	Total Revenue 2018
Ps. 2,946.1 million	Ps. 2,965.7 million

Revenue Breakdown 2019



Revenue Breakdown 2018

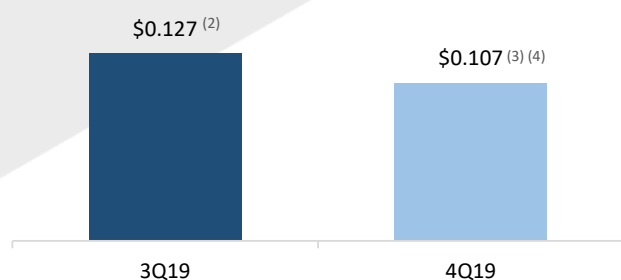


**Advisory, Administration, and Servicing Expenses**, which include the advisory, administration and collection services received from Infonavit and our Advisor and Manager during the quarter, reached Ps. 76.8 million, a decrease of 25.1% (~Ps. 25.6 million) as compared to the 4Q18. This decrease is mainly driven by savings related to the internalization process.

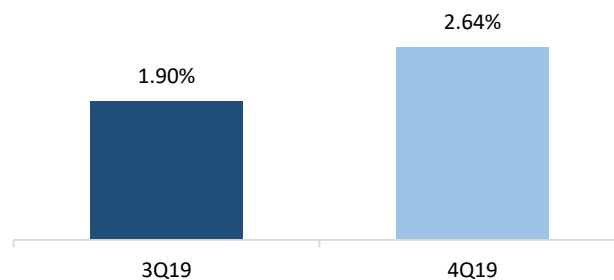
**Normalized Net Income<sup>1</sup>** reached Ps. 41.4 million in 4Q19, excluding the non-recurring expenses (other expenses) related to the internalization process of the Advisor and Manager; this was mainly due to the cancellation of the Advisor and Manager Agreement which, by the end of the internalization process, will not have an effect on cashflow nor impact on FHipo's equity. In addition, the results for this quarter were affected by the increase in non-performing loans, mainly by operating and administrative adjustments made by Infonavit on some programs, coupled with the recent changes in the collection strategy, among others. Nevertheless, the non-performing loans level for the total portfolio, remains at levels below our estimates, given the maturity of our portfolio (seasonality). Normalized net income per CBFi reached Ps. 0.113, resulting in an estimated distribution, subject to our Current Distribution Policy of Ps. 0.107, Ps. 0.020 below the distribution paid for 3Q19.

The following charts show the variation of our distribution per CBFi quarter over quarter, as well as the development of the allowance for loan losses compared to our on-balance mortgage portfolio.

Distribution per CBFi



Allowance for Loan Losses / Total Mortgage Portfolio (on balance)



- (1) Normalized net income was adjusted by expenses related to the internalization of the Advisor and Manager process.
- (2) Paid distribution corresponding to the 3Q19.
- (3) Considers the outstanding CBFIs as of the date of this report and 95% of normalized net income from internalization process.
- (4) Estimated distribution, subject to the Current Distribution Policy.



## Balance Sheet

(In Thousands of Mexican Pesos)	4Q19	4Q18	Variation	% Var
<b>ASSETS</b>				
Cash equivalents and debt securities	\$2,347,875	\$1,574,228	\$773,647	49.1%
Loans, net	21,636,468	22,945,284	(1,308,816)	(5.7%)
Collection Rights, net	100,707	107,314	(6,607)	(6.2%)
Receivable benefits in securitization transactions	2,640,256	3,128,935	(488,679)	(15.6%)
Financial derivative instruments	0	78,993	(78,993)	(100.0%)
Accounts receivables and other assets	200,114	144,429	55,685	38.6%
<b>TOTAL ASSETS</b>	<b>\$26,925,420</b>	<b>\$27,979,183</b>	<b>(\$1,053,763)</b>	<b>(3.8%)</b>
<b>LIABILITIES AND EQUITY</b>				
TOTAL LIABILITIES	\$17,289,019	\$17,413,058	(\$124,039)	(0.7%)
TOTAL EQUITY	9,636,401	10,566,125	(929,724)	(8.8%)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$26,925,420</b>	<b>\$27,979,183</b>	<b>(\$1,053,763)</b>	<b>(3.8%)</b>

**Total Assets** as of December 31<sup>st</sup>, 2019 reached Ps. 26,925.4 million, a decrease of 3.8% compared to 4Q18, this decline is mainly related to the sale of rights on a mortgage portfolio during the quarter and to a decrease in mortgage portfolio volume driven by a lesser origination during the first half of the year; as well as to the reduction in the active valuation of financial derivatives and the decrease of receivable benefits in securitization transactions.

**On-balance Loan Portfolio** as of 4Q19 is composed by 60,171 loans, with an outstanding principal balance of Ps. 21,636.5 million, a decrease of 5.7%, as compared to the Ps. 22,945.3 million reported in 4Q18.

During 4Q19, FHipo executed a sale of rights on a mortgage portfolio to a financial institution, for a total amount of Ps. 704.9 million, a price higher than the actual book value of the transferred portfolio. As of 4Q19, the total mortgage portfolio including the accrued interest receivable and the indexation of Times Minimum Wage ("VSM"), reached Ps. 22,223.3 million, which, considering the allowance for loan losses of Ps. 586.8 million, results in a net mortgage portfolio for 4Q19 of Ps. 21,636.5 million.

**Receivable Benefits in Securitization Transactions** of the equity residuals, as of 4Q19 amounted to Ps. 2,640.3 million, a decrease of 15.6% as compared to the Ps. 3,128.9 million registered in 4Q18. This decline is mainly due to the natural amortization process of these structures, the collection of the residuals during the year for an amount of Ps. 784.9 million, and to the effect of the increase in non-performing loans. In accordance with the IFRS, the fiduciary rights are valued at fair value.

The Active Position of **Derivative Financial Instruments** as of 4Q19, decreased by 100% as compared to 4Q18, this contraction is primarily driven by the term of our derivatives and the movement in the local interest rate curve during the quarter. The derivatives are valued at fair value as of the end of each quarter.

**FHipo's Consolidated Portfolio** as of 4Q19, considering both the portfolio and the collection rights of securitization transactions, consists of 105,265 loans for a total value of Ps. 29,606.3 million, considering its outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage ("VSM"), showing a 2.9% decrease compared to the Ps. 30,478.0 million registered as of 3Q19.

## Summary – Consolidated Mortgage Portfolio<sup>9</sup>

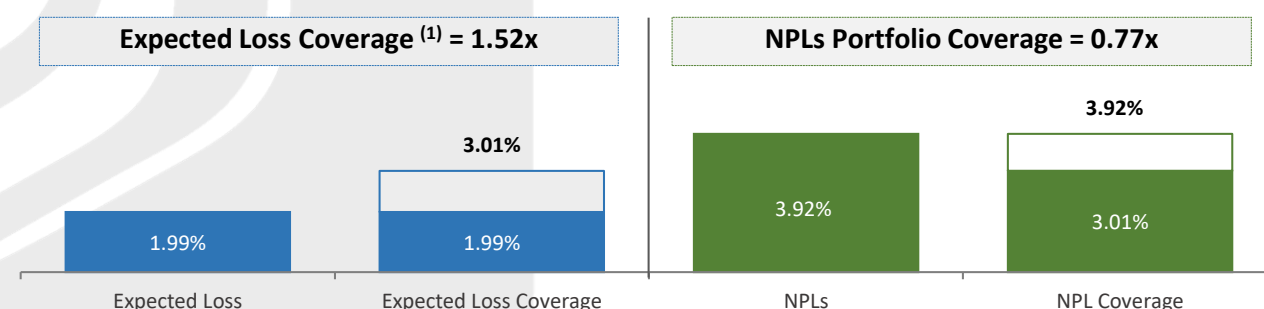
Portfolio Value (millions)	No. of Loans	Infonavit Total Pesos	Infonavit Total VSM	Infonavit Más Crédito <sup>10</sup>	Fovissste VSM	Smart Lending <sup>11</sup>	Non-Current Portfolio
Ps. 29,606	105,265	12.00%	9.50% (real)	10.91%	5.36% (real)	13.11%	3.92%

**Non-Current Portfolio** in consolidated terms represents 3.92% of the Consolidated Portfolio, still below our long-term estimates; this increase as compared to the previous quarter, is mainly a result of operating and administrative adjustments made by Infonavit on the mortgage portfolio, coupled with the recent changes to the collection strategy of the collection and servicing companies, as well as to the natural seasoning of our portfolio and economic growth environment in the country, which affects the dynamics of formal employment.

At a balance sheet level, FHipo's non-performing loans, including overdue interest, represents Ps. 847.5 million. This indicator remains below our estimated levels.

**Allowance for Loan Losses<sup>12</sup>** reached Ps. 586.5 million, an increase of Ps. 156.4 million as compared to 4Q18, mainly due to portfolio that has fallen into non-performing status, for which the allowance created corresponds to the expected loss during the remaining life of each loan. The accumulated expected loss coverage was 1.52x.

### Stable Levels of NPLs with Conservative Allowance for Loan Losses\*



(1) Considers weighted average loss given default (LGD) of FHipo's consolidated portfolio of 50.71%, consolidated NPL's of Ps. 1,160.3 million.  
\* Based on outstanding principal balance for NPL's and consolidated portfolio.

**Other Receivables** as of 4Q19 reached Ps. 200.1 million, an increase of Ps. 55.7 million compared to 4Q18. Other receivables registered up to December 31<sup>st</sup>, 2019 mainly consist of the effective collections made by Infonavit which have not yet been transferred to FHipo.

**Total Liabilities** as of 4Q19 amounted to Ps. 17,289.0 million, in line with the Ps. 17,413.1 million as of 4Q18, mainly due to the execution of our leverage strategy, as well as to the increase in the passive position of financial derivatives.

<sup>9</sup> Consolidated figure considers Infonavit's portfolio, the collection rights on Fovissste and Smart Lending's portfolio (on and off balance). Refers to FHipo's outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM). The consolidated figures are shown for informative purposes only.

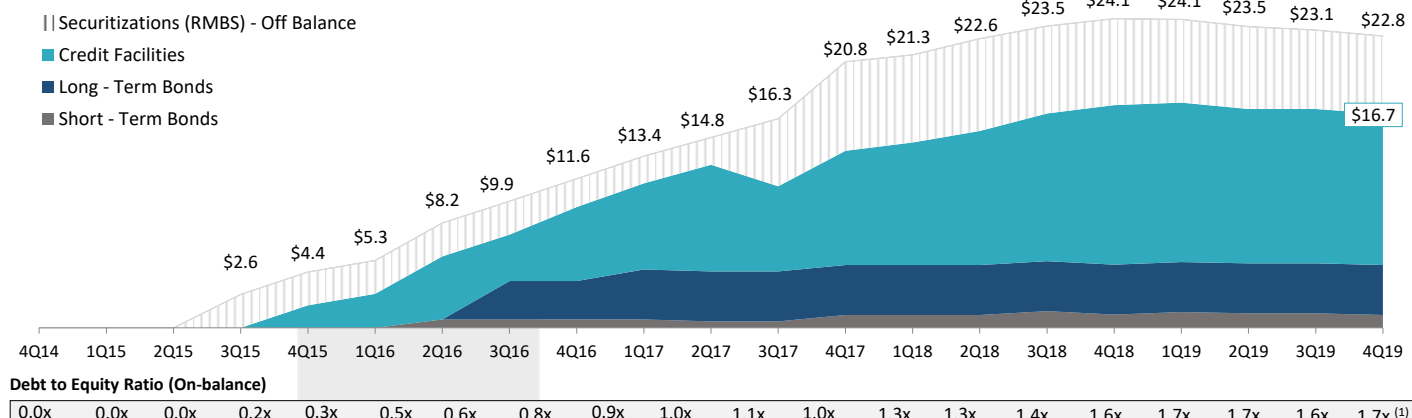
<sup>10</sup> Average interest rates of the three IMC programs (10.8%, 10.9% and 11.9%)

<sup>11</sup> APR before incurring in expenses such as insurance/accessories, origination fee and administration fee, which are covered by SL.

<sup>12</sup> Determined by the estimated loss methodology in accordance with IFRS.

### Development of our Leverage Strategy (on and off balance)

(consolidated debt, figures in billions of pesos)

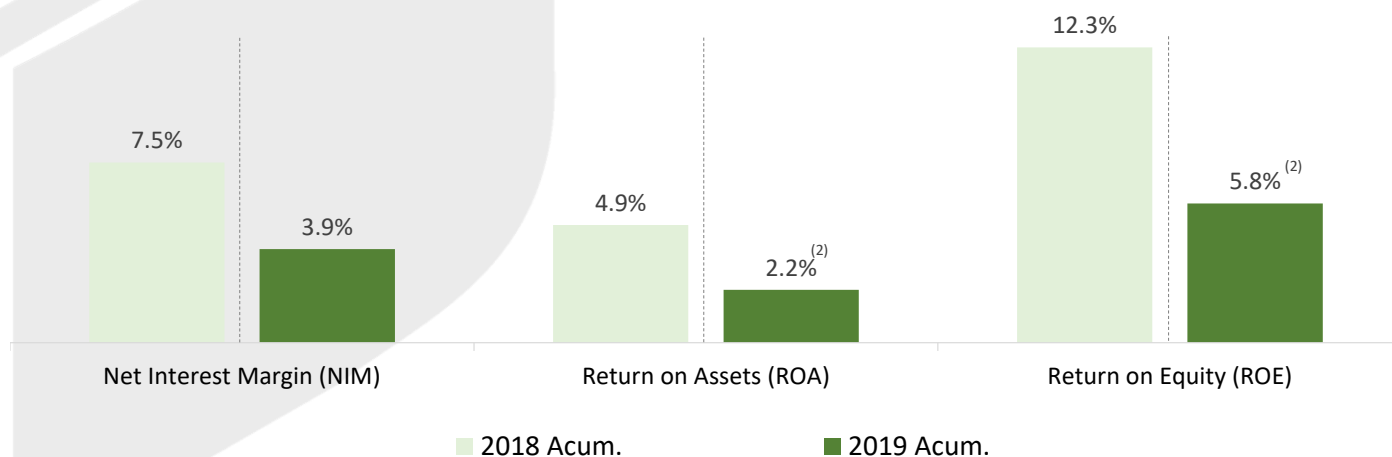


Note: Debt considers outstanding principal balance funding.

(1) 2.36x Debt-to-equity, considering on and off balance leverage.

**Total Equity** reached Ps. 9,636.4 million, a 5.1% decrease in comparison with the same period of the previous year, mainly due to the net loss for the quarter, driven by non-recurring expenses related to the internalization of the Advisor and Manager process, as well as to the loss from the financial derivatives valuation. Total Equity consists of the amount obtained from our Global Equity Offerings, net of issuance costs and accumulated earnings and other comprehensive income, minus acquisitions of CBFIs and distributions paid to investors.

### Performance of our Key Financial Ratios



(2) 2019 ROE and ROA, consider normalized net income by excluding non-recurring expenses related to the internalization of the Advisor and Manager.

## Consolidated Portfolio Composition

The following table details FHipo's Consolidated Portfolio as of December 31<sup>st</sup>, 2019.

FHipo - Consolidated Portfolio	4Q19	4Q18	Var. %
<b>Total Balance (FHipo's Participation)</b>	<b>\$29,606 million <sup>(1)</sup></b>	<b>\$31,533 million <sup>(1)</sup></b>	<b>(6.11%)</b>
<b>Total Number of Loans</b>	<b>105,265</b>	<b>111,508</b>	<b>(5.60%)</b>
Average co-participated loan balance by Mortgage Loan	\$281,255	\$282,787	(0.54%)
Loan-to-Value at Origination (LTV) <sup>(2)</sup>	77.60%	77.20%	0.40%
Payment-to-Income (PTI) <sup>(2)</sup>	24.27%	24.13%	0.14%
<b>Current Portfolio <sup>(1)</sup></b>	<b>96.08% (NPL = 3.92%)</b>	<b>98.57% (NPL = 1.43%)</b>	<b>(2.52%)</b>
<b>By Origination Program</b>			
<b><u>Infonavit Total (IT)</u></b>			
<b>Portfolio Balance IT (VSM <sup>(3)</sup> and Pesos)</b>	<b>\$12,711 million</b>	<b>\$13,847 million</b>	<b>(8.20%)</b>
Portfolio Balance - IT VSM <sup>(3)</sup>	\$6,335 million	\$7,124 million	(11.07%)
Average Interest Rate - IT VSM <sup>(2) (3)</sup>	9.50% (Real)	9.51% (Real)	(0.14%)
Portfolio Balance - IT Pesos	\$6,376 million	\$6,723 million	(5.17%)
Average Interest Rate - IT Pesos	12.00% (Nominal)	12.00% (Nominal)	NA
<b><u>Infonavit Más Crédito (IMC)</u></b>			
<b>Portfolio Balance IMC</b>	<b>\$13,913 million</b>	<b>\$14,811 million</b>	<b>(6.06%)</b>
Average Interest Rate IMC <sup>(2)</sup>	10.91% (Nominal)	10.84% (Nominal)	0.61%
<b><u>Fovissste</u></b>			
<b>Portfolio Balance Fovissste <sup>(3)</sup></b>	<b>\$2,697 million</b>	<b>\$2,767 million</b>	<b>(2.53%)</b>
Average Interest Rate <sup>(2)(3)</sup>	5.36% (Real)	5.37% (Real)	(0.13%)
<b><u>Smart Lending</u></b>			
<b>Portfolio Balance Smart Lending</b>	<b>\$285 million</b>	<b>\$109 million</b>	<b>161.84%</b>
Average Interest Rate <sup>(2)(4)</sup>	13.11%	13.07%	0.31%

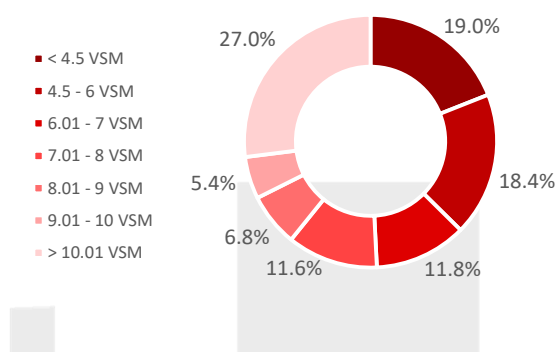
Note: Consolidated figures consider Infonavit's portfolio, collection rights on Fovissste's and Smart Lending's portfolio (on and off balance).

- (1) FHipo's principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).
- (2) Weighted average by "Total Balance".
- (3) VSM denominated loans are indexed to the lower between the increase in the minimum wage and the increase in the UMA.
- (4) Net revenue paid to FHipo derived from Smart Lending's portfolio, excludes insurance/accessories, origination fee, and administration fee, expenses that are covered by Smart Lending through the revenue generated from the mortgages ("APR").

### Infonavit's Portfolio Characteristics (Infonavit Total and Infonavit Más Crédito)

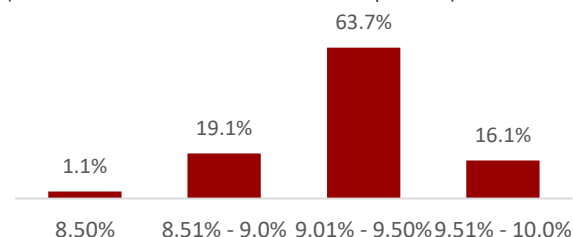
#### Distribution by borrower's salary in VSM at loan origination date

(as % of total loans within Infonavit's portfolio)



#### Distribution by interest rate in VSM <sup>(1)</sup>

(as % of total loans within Infonavit's VSM portfolio)



**Infonavit Total Pesos** = 12.00% nominal

**Infonavit Más Crédito:**

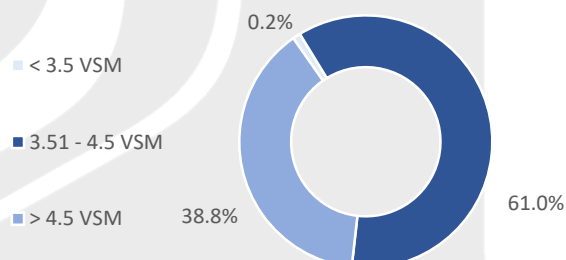
Average Rate = 10.91% nominal

Current Origination Rate = 11.90% nominal <sup>(2)</sup>

### Fovissste's Portfolio characteristics

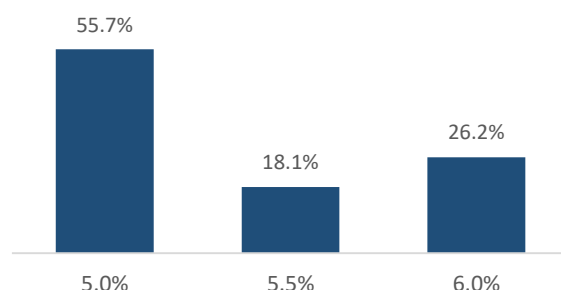
#### Distribution by borrower's salary in VSM at loan origination date

(as % of total loans within Fovissste's portfolio)



#### Distribution by interest rate in VSM <sup>(1)</sup>

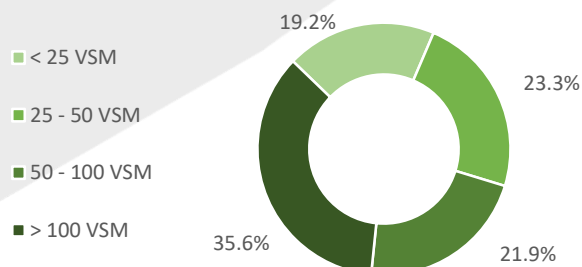
(as % of total loans within Fovissste's portfolio)



### Smart Lending's Portfolio characteristics

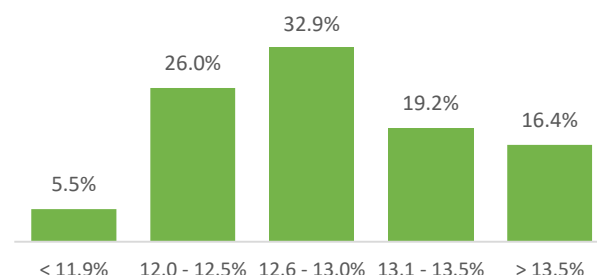
#### Distribution by borrower's salary at loan origination date on mortgage guarantee

(as % of total loans within Smart Lending's portfolio)



#### Distribution by APR of the mortgage guarantee

(as % of total loans within Smart Lending's portfolio)



(1) VSM denominated loans are indexed to the lower between the increase in the minimum wage and the increase in the UMA.

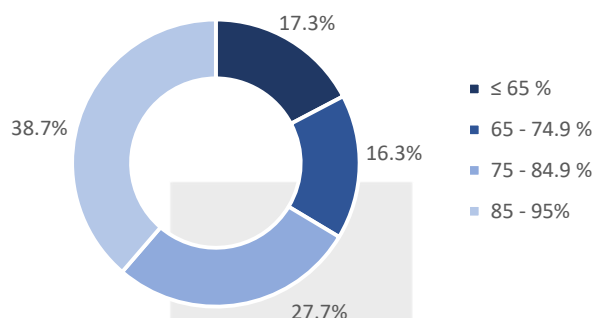
(2) Current origination rate, referring to the auction of the "Infonavit Más Crédito" program held on June 11<sup>th</sup>, 2019.

(3) APR before incurring in expenses such as insurance/accessories, origination fee and administration fee, which are covered by SL.

## Consolidated Portfolio Characteristics

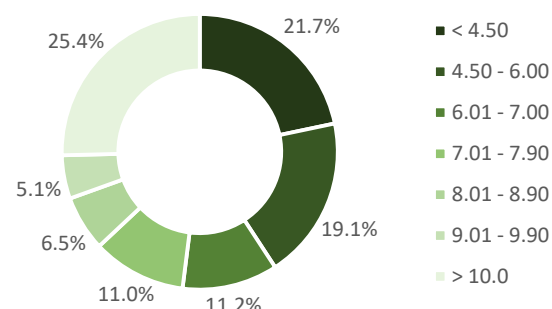
### Distribution by Loan-to-Value (LTV) at loan origination date

(as % of total loans within consolidated portfolio)



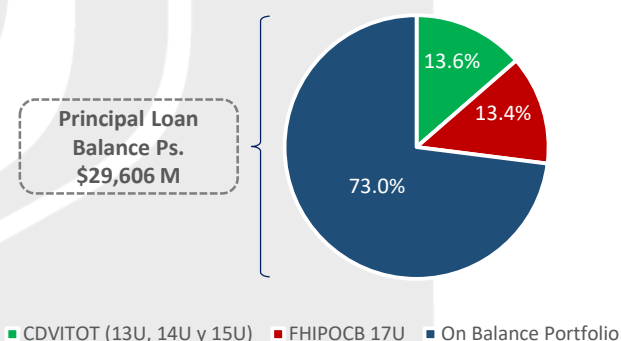
### Distribution by borrower's salary in VSM at loan origination date

(as % of total loans within consolidated portfolio)



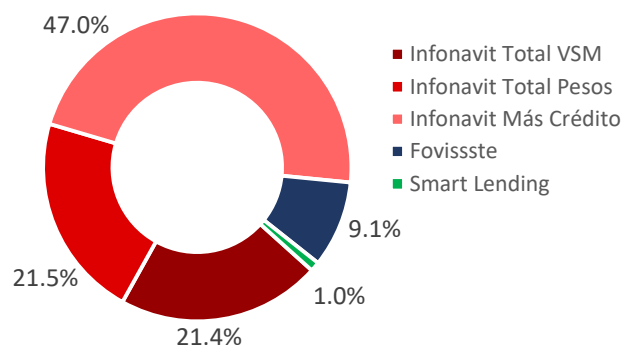
### Distribution by Loan Balance (on and off balance)

(as % of total consolidated portfolio loan balance)



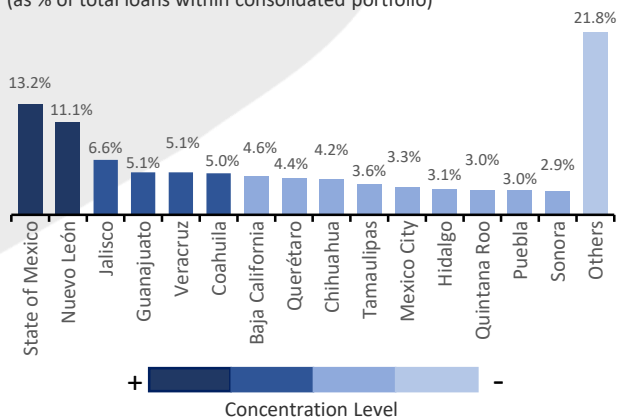
### Distribution by origination program

(as % of total consolidated portfolio loan balance)



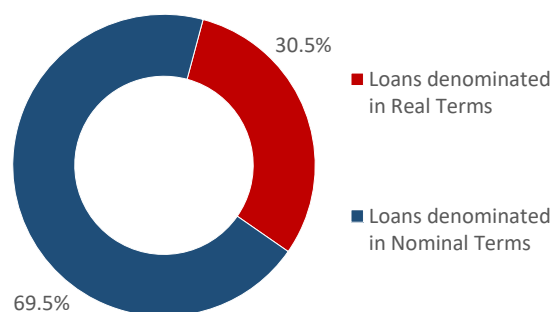
### Geographic distribution of the portfolio

(as % of total loans within consolidated portfolio)



### Distribution by Interest Rate (Real vs. Nominal)

(as % of total consolidated portfolio loan balance)

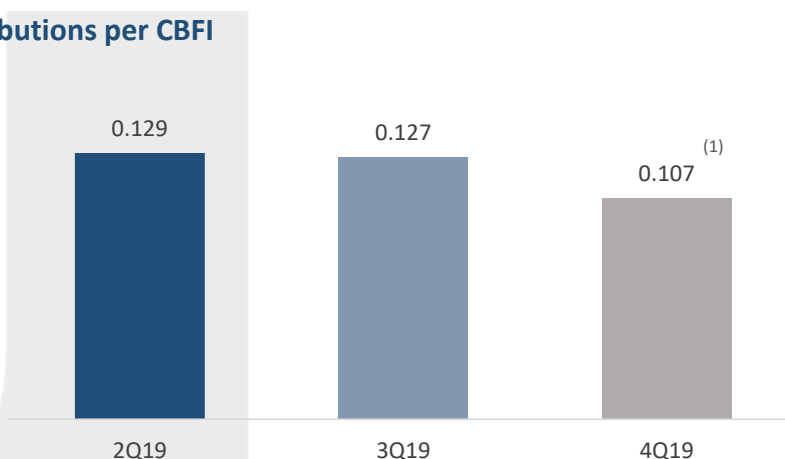


## Estimated Distribution to Holders

On November 21<sup>st</sup>, 2019, as a result of the Current Distribution Policy at that date, FHipo distributed 30.0% of the net income obtained during 3Q19, amounting to Ps. 0.127 per CBFI.

Normalized net income per CBFI, considering the 367.2 million outstanding CBFI, reached Ps. 0.113 as of 4Q19, resulting in an estimated distribution, subject to the Current Distribution Policy, of Ps. 0.107, a decrease of Ps. 0.020 as compared to the Ps. 0.127 distributed on 3Q19.

## Summary of our Distributions per CBFI



(1) Estimated distribution (95% of normalized net income per CBFI) subject to Current Distribution Policy. Normalized net income by excluding non-recurring expenses related to the internalization.

## Leverage

### Funding Structures

Below are the main details of our funding structures that we maintain as of December 31<sup>st</sup>, 2019 (figures in millions of pesos):

Sources of Funding	Type of Funding	Benchmark Rate	Margin	Maximum amount	Amount Withdrawn	Legal Maturity
FHIPOCB 17U	Securitization	UDIBONO 2025 (3.11%)	+102 bps	-	\$2,866 <sup>(1)</sup>	2025
CDVITOT 15U		UDIBONO 2019 (1.80%)	+110 bps	-	\$1,551 <sup>(1)</sup>	2022
CDVITOT 14U		UDIBONO 2018 (1.30%)	+119 bps	-	\$723 <sup>(1)</sup>	2021
CDVITOT 13U		UDIBONO 2017 (1.54%)	+192 bps	-	\$920 <sup>(1)</sup>	2020
Short Term - FHIPO 00519	Unsecured Bond	TIE <sub>28</sub>	+70 bps	-	\$200	November 2020
Short Term - FHIPO 00419			+70 bps	-	\$200	August 2020
Short Term - FHIPO 00319			+75 bps	-	\$200	June 2020
Short Term - FHIPO 00219			+70 bps	-	\$200	May 2020
Short Term - FHIPO 00119			+75 bps	-	\$200	March 2020
IFC	Warehousing Line	TIE <sub>28</sub>	+135 bps	\$2,600	\$2,300	2025
HSBC No. 2			+143 bps	\$2,000	\$375	2050
HSBC No. 1			+150 bps	\$5,000	\$5,000	2050
IDB			+150 bps	\$1,397	\$1,397	2023
NAFIN			+165 bps	\$5,000	\$2,730	2050
Long Term - FHIPO 16	Covered Bond	Fixed Rate = 7.00%	-	-	\$3,000	2051
Long Term - FHIPO 17		Fixed Rate = 8.78%	-	-	\$900	2052

(1) Outstanding Balance in millions of Pesos (MXN).



## Leverage Ratio and Debt Service Coverage Ratio <sup>(1)</sup>

FHipo's leverage and debt to equity ratio as of December 31<sup>st</sup>, 2019 was the following:

<b>Leverage * <math>\leq 5</math></b>	Results as of 4Q19	<b>2.79 x <sup>(2)</sup></b>	✓
<b>Debt / Equity <math>\leq 2.5</math></b>	Results as of 4Q19	<b>1.73 x <sup>(2)</sup></b>	✓
<b>DSC<sub>t</sub> <sup>(3)</sup> <math>\geq 1</math></b>	Results as of 4Q19	<b>2.67 x <sup>(2)</sup></b>	✓

\* Leverage = (Total Assets / Equity Securities). In which Total Assets refers to the sum of all asset accounts within the company's balance sheet statement and Equity book value corresponding to company's outstanding shares, calculated at quarters end.

- (1) Calculation methodology based on the CNBV, Annex AA from the Consolidated Letter of Securities Issuers (CUE). For further detail refer to "Leverage Report".
- (2) Calculated with financial information as of 4Q19.
- (3) Debt Service Coverage Ratio as of the end of the quarter.

Our leverage ratio (Total Assets/Equity Securities) was of 2.79x. Furthermore, as of the end of the 4Q19, our debt service coverage ratio was of 2.67x, within the regulatory limit. Our risk team constantly assesses the limits and guidelines with which we must comply in accordance with the CNBV.

## Relevant Events during the 4Q19

### FHipo announces a share buyback of FHipo14 (October 9<sup>th</sup>, 2019)

- FHipo announces to the investing public that in terms of the share buyback program approved by the Ordinary Holders' Assembly on April 11<sup>th</sup>, 2019; 950,000 FHipo14 Real Estate Trust Certificates ("CBFIs") were acquired at a weighted average price of Ps. 18.45 per CBFI.

### FHipo announces a share buyback of FHipo14 (November 11<sup>th</sup>, 2019)

- FHipo announces to the investing public that in terms of the share buyback program approved by the Ordinary Holders' Assembly on April 11<sup>th</sup>, 2019; 3,700,000 FHipo14 Real Estate Trust Certificates ("CBFIs") were acquired at a weighted average price of Ps. 18.55 per CBFI.

### FHipo announces a share buyback of FHipo14 (November 12<sup>th</sup>, 2019)

- FHipo announces to the investing public that in terms of the share buyback program approved by the Ordinary Holders' Assembly on April 11<sup>th</sup>, 2019; 2,500,000 FHipo14 Real Estate Trust Certificates ("CBFIs") were acquired at a weighted average price of Ps. 18.55 per CBFI.

### FHipo announces the distribution corresponding to 3Q19 (November 12<sup>th</sup>, 2019)

- FHipo informs that on November 21<sup>st</sup>, 2019 the distribution of Ps. 0.1269523886896264 pesos per CBFI corresponding to the third quarter of 2019 took place, that is, 30.0% of the net income per CBFI (Ps. 0.423 pesos per CBFI). The latter, in accordance with Section 12.1 of the Trust Agreement, as well as the Distribution Policy approved at the Eighteenth Session of the Technical Committee and was published on July 26th, 2018.

Distribution – 3Q19	Amount in Pesos	% of Net Income	Pesos per CBFI <sup>1</sup>
Net Income of the Quarter	158,102,382.73	100.0%	0.423
Net income subject to Distribution	150,197,263.59	95.0%	0.402
Share buyback on account of Distribution	216,752,500.00	137.1%	0.580
<b>Net Income to be Distributed</b>	<b>47,430,714.82</b>	<b>30.0%</b>	<b>0.127</b>

### FHipo announces a public offering of short-term Certificados Bursátiles Fiduciarios (November 21<sup>st</sup>, 2019)

- FHipo announces a public offering of Short-Term Certificados Bursátiles Fiduciarios (CBFs) for a total amount of Ps. 200 million (two hundred million pesos 00/100), with ticker symbol "FHipo 00519". The certificates were placed at a 364 day term and at an interest rate equivalent to the Interbank Equilibrium Interest Rate (or TIIE<sub>28</sub>) plus a 70 basis points spread. Casa de Bolsa Banorte Ixe, S.A. de C.V., Grupo Financiero Banorte, HSBC Casa de Bolsa, S.A. de C.V., Grupo Financiero HSBC and Actinver Casa de Bolsa, S.A. de C.V., Grupo Financiero Actinver acted as bookrunners of the offering.

<sup>1</sup> Considers 373,610,259 CBFIs FHipo14 outstanding.

### **FHipo announces sale of rights on mortgage portfolio** *(November 29<sup>th</sup>, 2019)*

- FHipo announces to the investing public that it successfully executed a sale of rights on a mortgage portfolio with a total of 1,567 loans of the “Infonavit Más Crédito” program, to a financial institution, for an amount of Ps. 704.9 million, amount that represents a higher amount than the actual book value of the transferred portfolio.

### **FHipo announces a share buyback of FHIPO14** *(December 20<sup>th</sup>, 2019)*

- FHipo announces to the investing public that in terms of the share buyback program approved by the Ordinary Holders' Assembly on April 11<sup>th</sup>, 2019; 3,600,000 FHIPO14 Real Estate Trust Certificates ("CBFIs") were acquired at a weighted average price of Ps. 19.00 per CBFI.

### **FHipo announces a share buyback of FHIPO14** *(December 23<sup>rd</sup>, 2019)*

- FHipo announces to the investing public that in terms of the share buyback program approved by the Ordinary Holders' Assembly on April 11<sup>th</sup>, 2019; 2,800,000 FHIPO14 Real Estate Trust Certificates ("CBFIs") were acquired at a weighted average price of Ps. 19.00 per CBFI.

## Analysts Coverage

As of the end of the 4Q19, the Coverage Analysis of FHipo is given by the following institutions:

Institution	Equity Research Analyst
Actinver	Enrique Mendoza
Santander	José Ramírez
Nau-Securities	Iñigo Vega

## About FHipo

*FHipo is the first real estate investment trust established to acquire, originate, co-participate, and manage mainly mortgage portfolios, that allows the general public to invest in residential mortgage portfolios, providing capital gains linked to mortgage returns and contributing to the financing and development of the housing sector in Mexico. Our portfolio is composed by residential mortgages in Mexico with an attractive risk-reward ratio. The current portfolio uses Infonavit's origination and servicing platform, allowing access for collection through payroll deduction, serving as a primary servicer of mortgage portfolios, in addition CH Asset Management has developed together with Concord Servicing a proprietary technological platform. Through FHipo, investors can access the residential mortgage market in Mexico and benefit from the liquidity of an instrument listed on the BMV.*

## Disclaimer

*This press release may contain forward-looking statements based on the current expectations of FHipo. Actual future events or results could differ materially from these statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.*

## Appendix – Balance Sheet

### FIDEICOMISO F/2061 FHipo

#### Statements of Financial Position

(In Thousands of Mexican Pesos)



	4Q19	4Q18	\$ Var	% Var
<b>ASSETS</b>				
Cash and cash equivalents	\$2,347,875	\$1,574,228	\$773,647	49.1%
Debt securities	0	0	0	N/A
<i>Current loans</i>	20,720,179	22,327,090	(1,606,911)	(7.2%)
<i>Past due loans</i>	791,609	271,542	520,067	191.5%
<i>Accrued interest</i>	684,982	637,307	47,675	7.5%
<i>Indexation on mortgage loans</i>	26,533	46,190	(19,657)	(42.6%)
<i>Allowance for loan losses</i>	(586,835)	(336,845)	(249,990)	74.2%
Loans, net	21,636,468	22,945,284	(1,308,816)	(5.7%)
Collection rights, net	100,707	107,314	(6,607)	(6.2%)
Receivable benefits in securitization transactions	2,640,256	3,128,935	(488,679)	(15.6%)
Financial derivative instruments	0	78,993	(78,993)	(100.0%)
Accounts receivables and other assets	200,114	144,429	55,685	38.6%
<b>TOTAL ASSETS</b>	<b>\$26,925,420</b>	<b>\$27,979,183</b>	<b>(\$1,053,763)</b>	<b>(3.8%)</b>
<b>LIABILITIES</b>				
Accounts payables and accrued expenses	\$328,951	\$128,082	\$200,869	156.8%
Notes/securities payable	4,864,307	4,874,128	(9,821)	(0.2%)
Borrowings	11,774,169	12,374,939	(600,770)	(4.9%)
Derivative financial instruments	321,592	35,909	285,683	795.6%
<b>TOTAL LIABILITIES</b>	<b>\$17,289,019</b>	<b>\$17,413,058</b>	<b>(\$124,039)</b>	<b>(0.7%)</b>
<b>EQUITY</b>				
Common stock, net	\$9,333,588	\$9,786,934	(\$453,346)	(4.6%)
Other comprehensive income	(\$321,592)	\$43,087	(\$364,679)	(846.4%)
Retained earnings	624,405	736,104	(111,699)	(15.2%)
<b>TOTAL EQUITY</b>	<b>\$9,636,401</b>	<b>\$10,566,125</b>	<b>(\$929,724)</b>	<b>(8.8%)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$26,925,420</b>	<b>\$27,979,183</b>	<b>(\$1,053,763)</b>	<b>(3.8%)</b>

## Appendix – Income Statement

FIDEICOMISO F/2061 FHipo

### Income Statements

(In Thousands of Mexican Pesos, except Net Income per CBFi)

	Quarter to Quarter				Year to date	
	4Q19	4Q18	\$ Var	% Var	4Q19	4Q18
<b>REVENUES</b>						
Interests on mortgage loans	\$653,594	\$618,525	\$35,069	5.7%	\$2,491,157	\$2,372,717
Investment income	35,538	31,125	4,413	14.2%	141,901	99,186
Total net interest income	689,132	649,650	39,482	6.1%	2,633,058	2,471,903
Financing interest expenses	(410,501)	(409,342)	(1,159)	0.3%	(1,622,044)	(1,444,297)
Financial margin	278,631	240,308	38,323	15.9%	1,011,014	1,027,606
(-) Allowance for loan losses	(156,353)	(24,619)	(131,734)	535.1%	(259,249)	(46,925)
Financial margin adjusted for credit risks	122,278	215,689	(93,411)	(43.3%)	751,765	980,681
Valuation of receivable benefits in securitization transactions	10,137	180,917	(170,780)	(94.4%)	296,248	493,797
Other income	9,850	0	9,850	N/A	16,801	0
<b>TOTAL REVENUES, NET</b>	<b>\$142,265</b>	<b>\$396,606</b>	<b>(\$254,341)</b>	<b>(64.1%)</b>	<b>\$1,064,814</b>	<b>\$1,474,478</b>
<b>EXPENSES</b>						
Management and collection fees	(\$76,771)	(\$102,351)	\$25,580	(25.0%)	(\$384,119)	(\$392,584)
Other administrative expenses	(24,134)	(29,132)	4,998	(17.2%)	(92,954)	(107,969)
Administrative expenses	(100,905)	(131,483)	30,578	(23.3%)	(477,073)	(500,553)
Other expenses	(295,782)	0	(295,782)	N/A	(307,016)	0
<b>TOTAL EXPENSES</b>	<b>(396,687)</b>	<b>(131,483)</b>	<b>(265,204)</b>	<b>201.7%</b>	<b>(784,089)</b>	<b>(500,553)</b>
<b>NET RESULT</b>	<b>(\$254,422)</b>	<b>\$265,123</b>	<b>(\$519,545)</b>	<b>(196.0%)</b>	<b>\$280,725</b>	<b>\$973,925</b>
<b>COMPREHENSIVE RESULT</b>						
Net result	(\$254,422)	\$265,123	(\$519,545)	(196.0%)	\$280,725	\$973,925
Other comprehensive result	34,934	(59,465)	94,399	(158.7%)	(364,679)	(76,962)
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>(\$219,488)</b>	<b>\$205,658</b>	<b>(\$425,146)</b>	<b>(206.7%)</b>	<b>(\$83,954)</b>	<b>\$896,963</b>

## Appendix – Stratification Analysis of Infonavit's Portfolio

Below we present a stratification analysis of Infonavit's on and off balance portfolio as of December 31<sup>st</sup>, 2019.

By Loan Denomination							
Loan Denomination	Average Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Infonavi Total VSM (real rate)	9.50%	41,675	42.36%	\$ 6,334,957,229	23.79%	2,466,403	23.79%
Infonavit Total Pesos	12.00%	29,357	29.84%	\$ 6,375,660,098	23.95%	2,482,250	23.95%
Infonavit Mas Credito Pesos	10.91%	27,340	27.79%	\$ 13,913,624,712	52.26%	5,417,023	52.26%
Total		98,372	100.00%	\$ 26,624,242,039	100.00%	10,365,677	100.00%

By Worker's Salary							
Worker's Salary		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
<=4.50 - 5 VSM		18,661	18.97%	\$ 3,276,205,668	12.31%	1,275,533	12.31%
5.01 - 6 VSM		18,150	18.45%	\$ 3,223,349,760	12.11%	1,254,954	12.11%
6.01 - 7 VSM		11,593	11.78%	\$ 1,736,181,014	6.52%	675,951	6.52%
7.01 - 8 VSM		11,417	11.61%	\$ 1,878,843,919	7.06%	731,495	7.06%
8.01 - 9 VSM		6,738	6.85%	\$ 1,499,934,137	5.63%	583,973	5.63%
9.01 - 10 VSM		5,297	5.38%	\$ 1,352,868,455	5.08%	526,715	5.08%
> 10.01 VSM		26,516	26.95%	\$ 13,656,859,086	51.29%	5,317,056	51.29%
Total		98,372	100.00%	\$ 26,624,242,039	100.00%	10,365,677	100.00%

By Interest Rate in VSM							
Interest Rate		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
8.50%		458	1.10%	\$ 71,042,681	1.12%	27,659	1.12%
8.6% - 9.0%		7,981	19.15%	\$ 1,133,670,184	17.90%	441,374	17.90%
9.1% - 9.50%		26,546	63.70%	\$ 3,576,454,573	56.46%	1,392,429	56.46%
9.6% - 10.0%		6,690	16.05%	\$ 1,553,789,791	24.53%	604,941	24.53%
Total		41,675	100.00%	\$ 6,334,957,229	100.00%	2,466,403	100.00%

By Months Past Due							
		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
0 months		88,431	89.89%	\$ 23,959,003,104	89.99%	9,328,014	89.99%
< 91 days		5,803	5.90%	\$ 1,551,596,848	5.83%	604,087	5.83%
≥ 91 days (W/out CDVITOT 13U y 14U)		2,962	3.01%	\$ 914,436,531	3.43%	356,020	3.43%
≥ 91 days (CDVITOT 13U y 14U)		1,176	1.20%	\$ 199,205,555	0.75%	77,557	0.75%
Total		98,372	100.00%	\$ 26,624,242,039	100.00%	10,365,677	100.00%

By Loan to Value (LTV)							
Loan to Value (LTV)		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
<= 65%		16,390	16.66%	\$ 3,758,457,432	14.12%	1,463,289	14.12%
65% - 74.9%		15,762	16.02%	\$ 3,673,479,582	13.80%	1,430,204	13.80%
75% - 84.9%		26,654	27.10%	\$ 6,867,476,512	25.79%	2,673,730	25.79%
85% - 95.0%		39,566	40.22%	\$ 12,324,828,514	46.29%	4,798,454	46.29%
Total		98,372	100.00%	\$ 26,624,242,039	100.00%	10,365,677	100.00%

By Loan Regime							
Loan Regime		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Ordinary Amortization Regime (ROA)		79,770	81.09%	\$ 21,623,575,231	81.22%	8,418,756	81.22%
Special Amortization Regime (REA)		15,226	15.48%	\$ 4,118,117,272	15.47%	1,603,316	15.47%
Extension		3,376	3.43%	\$ 882,549,536	3.31%	343,605	3.31%
Total		98,372	100.00%	\$ 26,624,242,039	100.00%	10,365,677	100.00%

By Total Current Balance Co-participated - VSM							
Total Current Balance		Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 100 VSM		36,809	88.32%	\$ 4,545,766,348	71.76%	1,769,814	71.76%
100.01 - 200 VSM		4,306	10.33%	\$ 1,413,780,648	22.32%	550,430	22.32%
200.01 - 300 VSM		436	1.05%	\$ 261,938,751	4.13%	101,981	4.13%
300.01 - 400 VSM		109	0.26%	\$ 96,114,968	1.52%	37,421	1.52%
> 400 VSM		15	0.04%	\$ 17,356,514	0.27%	6,757	0.27%
Total		41,675	100.00%	\$ 6,334,957,229	100.00%	2,466,403	100.00%

Note: The balances presented, consider FHipo's principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).



By Total Current Balance Co-participated - Pesos						
Total Current Balance	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
< 200 thousand Ps.	24,499	43.21%	\$ 3,946,630,963	19.45%	1,536,551	19.45%
200.1 thousand Ps. – 400 thousand Ps.	14,953	26.37%	\$ 4,070,808,131	20.06%	1,584,897	20.06%
400.1 thousand Ps. – 600 thousand Ps.	7,612	13.43%	\$ 3,732,847,069	18.40%	1,453,318	18.40%
> 600.1 thousand Ps.	9,633	16.99%	\$ 8,538,998,647	42.09%	3,324,508	42.09%
<b>Total</b>	<b>56,697</b>	<b>100.00%</b>	<b>\$ 20,289,284,810</b>	<b>100.00%</b>	<b>7,899,274</b>	<b>100.00%</b>

By Worker's Age (years)						
Worker's Age	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 25 years	8,305	8.44%	\$ 1,494,915,705	5.61%	582,019	5.61%
25.1 - 30 years	20,734	21.08%	\$ 3,919,273,863	14.72%	1,525,900	14.72%
30.1 - 35 years	18,627	18.94%	\$ 4,061,942,392	15.26%	1,581,445	15.26%
35.1 - 40 years	15,726	15.99%	\$ 4,534,447,695	17.03%	1,765,407	17.03%
40.1 - 45 years	13,644	13.87%	\$ 4,970,892,854	18.67%	1,935,329	18.67%
45.1 - 50 years	11,112	11.30%	\$ 4,206,338,896	15.80%	1,637,664	15.80%
50.1 - 55 years	7,046	7.16%	\$ 2,542,193,347	9.55%	989,758	9.55%
55.1 - 60 years	2,971	3.02%	\$ 856,403,841	3.22%	333,426	3.22%
60.1 - 65 years	207	0.21%	\$ 37,833,446	0.14%	14,730	0.14%
<b>Total</b>	<b>98,372</b>	<b>100.00%</b>	<b>\$ 26,624,242,039</b>	<b>100.00%</b>	<b>10,365,677</b>	<b>100.00%</b>

## Appendix – Stratification Analysis of Fovissste's Portfolio

Below we present a stratification analysis of the collection rights on Fovissste's portfolio as of December 31<sup>st</sup>, 2019.

By Loan Denomination							
Loan Denomination	Average Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Fovissste VSM (real rate)	5.36%	6,820	100.00%	\$ 2,697,144,931	100.00%	1,050,086	100.00%
Total		6,820	100.00%	\$ 2,697,144,931	100.00%	1,050,086	100.00%

By Worker's Salary						
Worker's Salary	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
< 3.5 VSM	17	0.25%	\$ 2,435,933	0.09%	948	0.09%
3.51 - 4.5 VSM	4,158	60.97%	\$ 1,747,678,612	64.80%	680,428	64.80%
> 4.51 VSM	2,645	38.78%	\$ 947,030,386	35.11%	368,710	35.11%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

By Interest Rate in VSM						
Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
5% VSM	3,801	55.73%	\$ 1,451,810,853	53.83%	565,237	53.83%
5.5% VSM	1,234	18.09%	\$ 537,211,494	19.92%	209,154	19.92%
6% VSM	1,785	26.17%	\$ 708,122,584	26.25%	275,695	26.25%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

By Months Past Due						
Months Past Due	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
0 months	6,662	97.68%	\$ 2,627,281,552	97.41%	1,022,886	97.41%
< 91 days	56	0.82%	\$ 23,250,957	0.86%	9,052	0.86%
≥ 91 days	102	1.50%	\$ 46,612,421	1.73%	18,148	1.73%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

By Loan to Value (LTV)						
Loan to Value (LTV)	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
≤ 65%	1,831	26.85%	\$ 478,413,138	17.74%	186,262	17.74%
65% - 74.9%	1,355	19.87%	\$ 541,382,387	20.07%	210,778	20.07%
75% - 84.9%	2,429	35.62%	\$ 1,099,494,263	40.77%	428,069	40.77%
85% - 95.0%	1,205	17.67%	\$ 577,855,143	21.42%	224,978	21.42%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

Note: The balances presented, consider FHipo's principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).

Employment Status						
Total Current Balance	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Active + Pensioner	6,607	96.88%	\$ 2,598,568,698	96.35%	1,011,707	96.35%
Out of Sector	213	3.12%	\$ 98,576,233	3.65%	38,379	3.65%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

By Total Current Balance - VSM						
Total Current Balance	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 100 VSM	1,337	19.60%	\$ 203,600,861	7.55%	79,268	7.55%
100.01 - 200 VSM	4,524	66.33%	\$ 1,942,092,090	72.01%	756,119	72.01%
200.01 - 300 VSM	873	12.80%	\$ 479,770,631	17.79%	186,790	17.79%
300.01 - 400 VSM	86	1.26%	\$ 71,681,349	2.66%	27,908	2.66%
> 400 VSM	0	0.00%	\$ -	0.00%	0	0.00%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

By Worker's Age (years)						
Worker's Age	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 25 years	171	2.51%	\$ 66,148,283	2.45%	25,754	2.45%
25.1 - 30 years	1,099	16.11%	\$ 437,076,875	16.21%	170,168	16.21%
30.1 - 35 years	1,298	19.03%	\$ 520,280,621	19.29%	202,562	19.29%
35.1 - 40 years	1,274	18.68%	\$ 497,748,328	18.45%	193,789	18.45%
40.1 - 45 years	1,223	17.93%	\$ 466,103,806	17.28%	181,469	17.28%
45.1 - 50 years	1,027	15.06%	\$ 398,326,817	14.77%	155,081	14.77%
50.1 - 55 years	627	9.19%	\$ 262,418,983	9.73%	102,168	9.73%
55.1 - 60 years	101	1.48%	\$ 49,041,217	1.82%	19,093	1.82%
60.1 - 65 years	0	0.00%	\$ -	0.00%	0	0.00%
<b>Total</b>	<b>6,820</b>	<b>100.00%</b>	<b>\$ 2,697,144,931</b>	<b>100.00%</b>	<b>1,050,086</b>	<b>100.00%</b>

## Appendix – Stratification Analysis of Smart Lending's Portfolio

Below we present a stratification analysis of the collection rights on Smart Lending's portfolio as of December 31<sup>st</sup>, 2019.

By Loan Denomination (mortgage guarantee)							
Loan Denomination	Average Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Smart Lending (TAC)	13.11%	73	100.00%	\$ 284,937,125	100.00%	110,935	100.00%
Smart Lending (FHipo Loan)	10.75%	73	100.00%	\$ 284,937,125	100.00%	110,935	100.00%
Total		73	100.00%	\$ 284,937,125	100.00%	110,935	100.00%

By Total Annual Cost (mortgage guarantee)						
Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
5% VSM	4	5.48%	\$ 19,824,921	6.96%	7,718	6.96%
5.5% VSM	19	26.03%	\$ 79,489,807	27.90%	30,948	27.90%
6% VSM	24	32.88%	\$ 98,948,970	34.73%	38,524	34.73%
5.5% VSM	14	19.18%	\$ 33,746,054	11.84%	13,138	11.84%
5% VSM	12	16.44%	\$ 52,927,374	18.58%	20,606	18.58%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Interest Rate - FHipo (net of expenses)						
Interest Rate	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
5% VSM	17	23.29%	\$ 71,192,707	24.99%	27,718	24.99%
5.5% VSM	14	19.18%	\$ 44,265,134	15.54%	17,234	15.54%
6% VSM	24	32.88%	\$ 84,692,958	29.72%	32,974	29.72%
5.5% VSM	8	10.96%	\$ 27,895,498	9.79%	10,861	9.79%
5% VSM	10	13.70%	\$ 56,890,828	19.97%	22,149	19.97%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

Note: The balances presented, consider FHipo's principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).

By Worker's Salary (mortgage guarantee)						
Worker's Salary	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
< 25 VSM	14	19.18%	\$ 12,917,642	4.53%	5,029	4.53%
25 - 50 VSM	17	23.29%	\$ 44,251,308	15.53%	17,228	15.53%
50 - 100 VSM	16	21.92%	\$ 53,291,645	18.70%	20,748	18.70%
> 100 VSM	26	35.62%	\$ 174,476,531	61.23%	67,929	61.23%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Months Past Due (mortgage guarantee)						
Months Past Due	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
0 months	73	100.00%	\$ 284,937,125	100.00%	110,935	100.00%
< 91 days	0	0.00%	\$ -	0.00%	0	0.00%
≥ 91 days	0	0.00%	\$ -	0.00%	0	0.00%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Loan to Value (LTV, mortgage guarantee)						
Loan to Value (LTV)	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
<= 65%	29	39.73%	\$ 132,572,612	46.53%	51,615	46.53%
65% - 74.9%	15	20.55%	\$ 61,496,620	21.58%	23,943	21.58%
75% - 84.9%	22	30.14%	\$ 65,038,813	22.83%	25,322	22.83%
85% - 95.0%	7	9.59%	\$ 25,829,081	9.06%	10,056	9.06%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Total Current Balance (mortgage guarantee)						
Total Current Balance	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 100 VSM	34	46.58%	\$ 48,490,662	17.02%	18,879	17.02%
100.01 - 200 VSM	21	28.77%	\$ 72,846,457	25.57%	28,361	25.57%
200.01 - 300 VSM	8	10.96%	\$ 48,578,198	17.05%	18,913	17.05%
300.01 - 400 VSM	6	8.22%	\$ 53,129,905	18.65%	20,685	18.65%
200.01 - 300 VSM	1	1.37%	\$ 12,104,447	4.25%	4,713	4.25%
> 400 VSM	3	4.11%	\$ 49,787,457	17.47%	19,384	17.47%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Worker's Age (mortgage guarantee)						
Worker's Age	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
Less than or equal to 25 years	1	1.37%	\$ 1,329,611	0.47%	518	0.47%
25.1 - 30 years	11	15.07%	\$ 34,947,325	12.26%	13,606	12.26%
30.1 - 35 years	25	34.25%	\$ 99,662,955	34.98%	38,802	34.98%
35.1 - 40 years	10	13.70%	\$ 53,584,443	18.81%	20,862	18.81%
40.1 - 45 years	9	12.33%	\$ 31,222,953	10.96%	12,156	10.96%
45.1 - 50 years	6	8.22%	\$ 35,449,839	12.44%	13,802	12.44%
50.1 - 55 years	7	9.59%	\$ 17,505,318	6.14%	6,815	6.14%
55.1 - 60 years	4	5.48%	\$ 11,234,680	3.94%	4,374	3.94%
60.1 - 65 years	0	0.00%	\$ -	0.00%	0	0.00%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

By Loan Term						
Term (months)	Number of Loans	% of Total Loans	Balance in Pesos	% of Total Balance in Pesos	Balance in VSM	% of Total Balance in VSM
120 - 179	5	6.85%	\$ 11,351,900	3.98%	4,420	3.98%
180 - 239	13	17.81%	\$ 33,665,312	11.81%	13,107	11.81%
240 - 299	41	56.16%	\$ 187,019,109	65.64%	72,813	65.64%
300 - 360	14	19.18%	\$ 52,900,804	18.57%	20,596	18.57%
<b>Total</b>	<b>73</b>	<b>100.00%</b>	<b>\$ 284,937,125</b>	<b>100.00%</b>	<b>110,935</b>	<b>100.00%</b>

Note: The balances presented, consider FHipo's principal outstanding portfolio balance, excluding accrued interest and indexation on loans denominated in times minimum wage (VSM).