

# Monex, S.A.B. de C.V. MONEXB

Closing Price

12.70

Sector/Industry

Forex &amp; Payment Services

Market Cap. Million  
MXN  
6,766

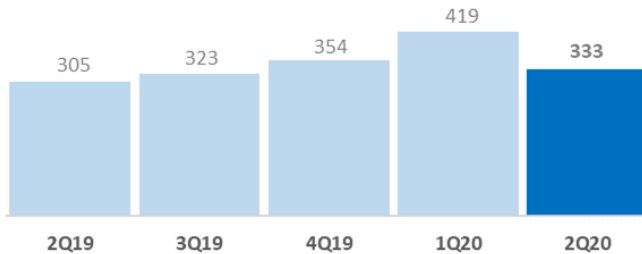
52-week Range  
11.60 - 13.25

Avg. Daily Trading Vol.  
156

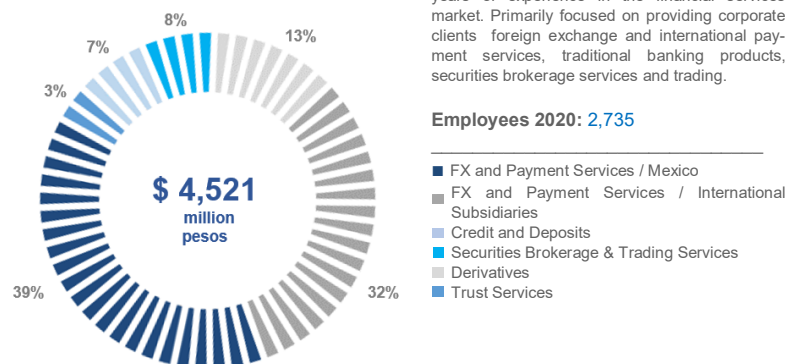
Shares Outstanding  
532.8 M

Dividend Yield TTM/ Price  
1.02%

## Quarterly Net Profit



## Revenue per Product as of June 2020



Monex, S.A.B. is a holding company, whose main subsidiaries are Monex Grupo Financiero, MNI Holding and Arrendadora Monex. Monex, S.A.B. is headquartered in Mexico City and has over 34 years of experience in the financial services market. Primarily focused on providing corporate clients foreign exchange and international payment services, traditional banking products, securities brokerage services and trading.

Employees 2020: 2,735

## MONEX, S.A.B.

### Second Quarter 2020 Results

MEXICO CITY, July 28<sup>th</sup>, 2020 - Monex, S.A.B. de C.V. (BMV: MONEX) reports accrued net revenues of \$4,521 million pesos in the first semester of 2020, which represents a growth of 16% compared to the same period in 2019.

Operating revenues in the first semester of 2020 are composed of 39% in domestic foreign exchange operations, 32% in foreign exchange operations from our international subsidiaries, Monex Europe and Tempus, Inc., and 13% in derivatives products.

Total operating revenues of domestic foreign exchange operations reached \$1,758 million pesos during the first semester of 2020, which represents a growth of 20% compared to the same period in 2019.

Total operating revenues of our international subsidiaries registered a growth of 26% compared to the first semester of 2019.

Our derivatives products business reached \$585 million pesos in the first semester of 2020, which represents a growth of 125% compared to the same period in 2019.

Likewise, total operating revenues of securities brokerage and trading services reached \$356 million pesos as of June 2020, which represents a growth of 30% in comparison to the same period in 2019.

Our net income in the first semester of 2020 reached \$752 million pesos, which represents a growth of 7% compared to the same period in the previous year.

| 2018   | 2019    | TTM     | Jan - Jun 20 | 2Q20    | Financial Highlights       |
|--------|---------|---------|--------------|---------|----------------------------|
| 7,086  | 8,049   | 8,679   | 4,521        | 2,168   | Total Operating Revenues   |
| 1,534  | 1,915   | 2,001   | 1,044        | 456     | Earnings before taxes      |
| 21.65  | 23.79   | 23.06   | 23.09        | 21.03   | Operating Margin %         |
| 1,116  | 1,380   | 1,429   | 752          | 333     | Net Income                 |
| 15.75  | 17.14   | 16.47   | 16.63        | 15.36   | Net Margin %               |
| 98,944 | 112,108 | 145,146 | 145,146      | 145,146 | Total Assets               |
| 90,042 | 102,284 | 134,116 | 134,116      | 134,116 | Total Liabilities          |
| 8,902  | 9,824   | 11,030  | 11,030       | 11,030  | Total Equity               |
| 23,504 | 23,412  | 24,772  | 24,772       | 24,772  | Loan Portfolio (net)       |
| 45,228 | 47,060  | 52,193  | 52,193       | 52,193  | Deposits                   |
| 536.0  | 532.9   | 532.8   | 532.8        | 532.8   | Shares Outstanding *       |
| 0.47   | 0.47    | 0.13    | 0.13         | 0.13    | Dividend Per Share         |
| 2.08   | 2.59    | 2.68    | 1.41         | 0.63    | Earnings Per Share         |
| 16.61  | 18.43   | 20.70   | 20.70        | 20.70   | Book Value Per Share       |
| 2018   | 2019    | TTM     | Jan - Jun 20 | 2Q20    | Profitability Ratios       |
| 1.03   | 1.32    | 1.15    | 1.17         | 1.03    | Return on Assets % **      |
| 13.16  | 14.55   | 10.38   | 14.43        | 12.76   | Return on Equity % **      |
| 15.46  | 15.11   | 14.95   | 14.95        | 14.95   | ICAP Banco Monex ***       |
| 2018   | 2019    | TTM     | Jan - Jun 20 | 2Q20    | Ratios                     |
| 6.78   | 4.63    | 4.73    | 4.73         | 4.73    | Price/Earnings TTM         |
| 0.85   | 0.65    | 0.61    | 0.61         | 0.61    | Price/Book Value Per Share |
| 3.33   | 3.92    | 1.02    | 1.02         | 1.02    | Dividend Yield %           |

## Outstanding Events

As part of the resolutions adopted by the Annual Shareholders' Meeting held on April 29<sup>th</sup>, 2020, a decree of dividend was agreed for an amount of up to \$70 million pesos. The resources used for this dividend come from our foreign subsidiary, Monex Europe, which is not part of the financial group.

FitchRatings



| Long Term  | Short Term | Outlook  | Long Term | Short Term | Outlook | Credit Ratings **** |
|------------|------------|----------|-----------|------------|---------|---------------------|
| 'A+(mex)'  | 'F1(mex)'  | Negative | 'HR A+'   | 'HR 1'     | Stable  | Monex, S.A.B. (NS)  |
| 'AA-(mex)' | 'F1+(mex)' | Negative | 'HR AA-'  | 'HR 1'     | Stable  | Banco Monex (NS)    |
| 'AA-(mex)' | 'F1+(mex)' | Negative | 'HR AA-'  | 'HR 1'     | Stable  | Monex CB (NS)       |
| 'A+(mex)'  | -          | -        | 'HR A+'   | -          | Stable  | MONEX19 (NS) *****  |

Figures in million pesos \* Figures in millions of shares

\*\* Annualized return formula: Annualized Net Income of the Period / Average Assets or Equity in 2Q20 and 4Q19

Except for TTM whose average assets or equity are the balances in the last four quarters

\*\*\* Last figure (Capitalization ratio) published by BANXICO (May 2020) \*\*\*\* NS: National Scale

\*\*\*\*\* Bonds

## For further information

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**General Outlook:** Monex, S.A.B. is a holding company, whose main subsidiaries are Monex Grupo Financiero, MNI Holding and Arrendadora Monex. Monex has over 34 years experience in the financial market, period during which it has shown a constant and solid growth in traded volume and number of clients. Monex offers financial products that satisfy foreign exchange, payment, investment and financial coverage and consultancy needs of its clients through a successful promotional force distributed in 34 cities in Mexico and its international subsidiaries located in United States, Canada, Europe (UK, Spain and Netherlands), and Asia (Singapore). The Subsidiary companies of Monex Grupo Financiero are Banco Monex, Monex Casa de Bolsa and Monex Fondos, through which we provide our clients with the following products: foreign exchange, capital market trading (debt, stock market and investment banking), investment funds, risk management products, international investment, trust services, loans and letters of credit, among others. MNI Holding subsidiaries are Tempus and Monex Europe which offer services to their clients such as foreign exchange transactions and payments.

**Accounting Series:** According to the "General arrangements applicable to securities issuers and other participants in the stock market is the eighth title" Article 78 Title VIII, states: Financial statements of financial institutions should be prepared and audited in accordance with the accounting and auditing standards issued by Mexican authorities. Preceding paragraph arrangements also apply to the financial statements of companies through its subsidiaries performs predominantly financial activities which are subject to Mexican authorities supervision. Through its subsidiaries Monex performs predominantly financial activities which are subject to Mexican authorities supervision that's why Monex develops and audits its financial statements on the same basis that those refer subsidiaries, in order to have comparable financial information consistent with financial entities regulated by the CNBV ("Banking and Securities National Commission").

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# Monex, S.A.B. de C.V. MONEXB

The accounting policies applied by Monex, S.A.B. comply with the accounting criteria established by the Comisión Nacional Bancaria y de Valores (CNBV) in the "General Provisions Applicable to Financial Groups, Credit Institutions and Brokerage Houses, Mutual Funds and Companies that Provide Services Thereto", in its rulings and mandates issued generally and directed to specific issuers, which require management to make certain estimates and judgments to determine the amounts included in the consolidated financial statements and related disclosures. Although the actual results may differ from such estimates, management believes that the estimates and judgments used in the preparation of these consolidated financial statements were appropriate under the circumstances.

| Operating Revenue Per Line of Business  | 2Q20         |                  | 2Q19         |                  | Jan - Jun 20 |                  | Jan - Jun 19 |                  | 2020 vs 2019 |
|---|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
|   | Amount       | (%) <sup>1</sup> | Amount       | (%) <sup>1</sup> | Amount       | (%) <sup>1</sup> | Amount       | (%) <sup>1</sup> | %            |
| Forex and Payment Services              | 1,529        | 70.5             | 1,348        | 67.7             | 3,189        | 70.5             | 2,606        | 67.0             | 22.4         |
| • Mexico                                | 841          | 38.8             | 739          | 37.1             | 1,758        | 38.9             | 1,470        | 37.8             | 19.6         |
| • Foreign Subsidiaries                  | 688          | 31.7             | 609          | 30.6             | 1,431        | 31.6             | 1,136        | 29.2             | 26.0         |
| Credit and Deposits                     | 176          | 8.1              | 237          | 11.9             | 323          | 7.2              | 518          | 13.3             | (37.6)       |
| Securities Brokerage & Trading Services | 198          | 9.2              | 143          | 7.2              | 356          | 7.9              | 275          | 7.1              | 29.5         |
| Derivatives products                    | 273          | 12.6             | 134          | 6.7              | 585          | 12.9             | 260          | 6.7              | 125.0        |
| Trust Services                          | 78           | 3.6              | 76           | 3.8              | 156          | 3.5              | 146          | 3.7              | 6.8          |
| Leasing                                 | -4           | -0.2             | 9            | 0.5              | 5            | 0.1              | 24           | 0.6              | (79.2)       |
| Others                                  | -82          | -3.8             | 43           | 2.2              | -93          | -2.1             | 63           | 1.6              | (247.6)      |
| <b>Total Operating Revenues</b>         | <b>2,168</b> | <b>100.0</b>     | <b>1,991</b> | <b>100.0</b>     | <b>4,521</b> | <b>100.0</b>     | <b>3,892</b> | <b>100.0</b>     | <b>16.2</b>  |
| Condensed Financial Information         | Amount       |                  | Amount       |                  | Amount       |                  | Amount       |                  | vs. 2019     |
|   | Amount       | (%) <sup>2</sup> | Amount       | (%) <sup>2</sup> | Amount       | (%) <sup>2</sup> | Amount       | (%) <sup>2</sup> |              |
| Total Operating Revenues <sup>3</sup>   | 2,168        | 100.0            | 1,991        | 100.0            | 4,521        | 100.0            | 3,892        | 100.0            | 16.2         |
| Administrative and Promotional Expenses | 1,712        | 79.0             | 1,552        | 78.0             | 3,477        | 76.9             | 2,933        | 75.4             | 18.5         |
| Operating Income                        | 456          | 21.0             | 439          | 22.0             | 1,044        | 23.1             | 959          | 24.6             | 8.9          |
| Taxes                                   | 124          | 5.7              | 132          | 6.6              | 290          | 6.4              | 253          | 6.5              | 14.6         |
| Equity in income of affiliates          | 1            | 0.0              | 1            | 0.0              | 2            | 0.0              | 2            | 0.0              | 0.0          |
| <b>Net Income</b>                       | <b>333</b>   | <b>15.4</b>      | <b>306</b>   | <b>15.4</b>      | <b>752</b>   | <b>16.6</b>      | <b>704</b>   | <b>18.1</b>      | <b>6.8</b>   |

1 Percentage indicates the variance per line of business compared to the Total Operating Revenues. 2. Percentage indicates the variance per item compared to the Total Operating Revenues.

3. Total Operating Revenues include "Other operating revenues"

| Selected Balance Information                                     | Jun 20 vs Dec 19 |                |             |               | Jun 20 vs Jun 19 |             |               |
|--|------------------|----------------|-------------|---------------|------------------|-------------|---------------|
|  | Jun 20           | Dec 19         | Variation % | Variation \$  | Jun 19           | Variation % | Variation \$  |
| Liquid assets  | 17,416           | 18,536         | -6.0        | (1,120)       | 16,238           | 7.3         | 1,178         |
| Investment in securities, repos, derivatives and margin accounts | 79,362           | 49,449         | 60.5        | 29,913        | 34,582           | 129.5       | 44,780        |
| Loan Portfolio (net)   | 24,772           | 23,412         | 5.8         | 1,360         | 23,689           | 4.6         | 1,083         |
| Other accounts receivable (net)                                  | 17,762           | 15,701         | 13.1        | 2,061         | 16,752           | 6.0         | 1,010         |
| Properties, furniture and equipment (net)                        | 79               | 88             | -10.2       | (9)           | 85               | -7.1        | (6)           |
| Properties, furniture and equipment Leasing                      | 758              | 695            | 9.1         | 63            | 600              | 26.3        | 158           |
| Investments  | 135              | 135            | 0.0         | -             | 131              | 3.1         | 4             |
| Other assets   | 4,862            | 4,092          | 18.8        | 770           | 3,845            | 26.4        | 1,017         |
| <b>Total Assets</b>  | <b>145,146</b>   | <b>112,108</b> | <b>29.5</b> | <b>33,038</b> | <b>95,922</b>    | <b>51.3</b> | <b>49,224</b> |
| Deposits   | 52,193           | 47,060         | 10.9        | 5,133         | 40,881           | 28.3        | 11,512        |
| Bonds  | 1,504            | 1,518          | -0.9        | (14)          | 2,016            | -25.4       | (512)         |
| Loans from Banks and other institutions                          | 708              | 1,426          | -50.4       | (718)         | 1,317            | -46.2       | (609)         |
| Transactions with securities, repos and derivatives              | 48,687           | 25,290         | 92.5        | 23,397        | 17,178           | 183.4       | 31,509        |
| Other liabilities (net)  | 31,024           | 26,990         | 14.9        | 4,034         | 25,480           | 21.8        | 5,544         |
| <b>Total Liabilities</b>   | <b>134,116</b>   | <b>102,284</b> | <b>31.1</b> | <b>31,832</b> | <b>86,672</b>    | <b>54.7</b> | <b>47,444</b> |
| Initial Equity   | 2,818            | 2,818          | 0.0         | -             | 2,818            | 0.0         | -             |
| Earned Equity  | 8,176            | 6,973          | 17.3        | 1,203         | 6,400            | 27.8        | 1,776         |
| Non-controlling interest   | 36               | 33             | 9.1         | 3             | 32               | 12.5        | 4             |
| <b>Total Equity</b>  | <b>11,030</b>    | <b>9,824</b>   | <b>12.3</b> | <b>1,206</b>  | <b>9,250</b>     | <b>19.2</b> | <b>1,780</b>  |
| <b>Total Liabilities and Equity</b>                              | <b>145,146</b>   | <b>112,108</b> | <b>29.5</b> | <b>33,038</b> | <b>95,922</b>    | <b>51.3</b> | <b>49,224</b> |

This table does not show the structure of the new accounting catalog for holding companies of financial groups, the previous structure of the catalog is maintained with the objective of a better revelation.

| Loan Portfolio                   | Jun 20 vs Dec 19 |        |             |              | Jun 20 vs Jun 19 |             |              |
|----------------------------------|------------------|--------|-------------|--------------|------------------|-------------|--------------|
|                                  | Jun 20           | Dec 19 | Variation % | Variation \$ | Jun 19           | Variation % | Variation \$ |
| Loan Portfolio (net)             | 24,772           | 23,412 | 5.8         | 1,360        | 23,689           | 4.6         | 1,083        |
| Performing Loan Portfolio        | 24,741           | 23,315 | 6.1         | 1,426        | 23,589           | 4.9         | 1,152        |
| Non-Performing Loan Portfolio    | 652              | 530    | 23.0        | 122          | 573              | 13.8        | 79           |
| Allowance for Loan Losses        | (621)            | (433)  | 43.4        | (188)        | (473)            | 31.3        | (148)        |
| NPL Ratio % *                    | 2.57             | 2.22   | 15.8        | 0.35         | 2.37             | 8.4         | 0.20         |
| Coverage Ratio % **              | 95               | 82     | 15.9        | 13           | 83               | 14.5        | 12           |
| AFL / Total Loan Portfolio % *** | 2.45             | 1.82   | 34.6        | 0.63         | 1.96             | 25.0        | 0.49         |

| Profitability Ratios    | Jun 20 vs Dec 19 |        |       |        | Jun 20 vs Jun 19 |       |        |
|-------------------------|------------------|--------|-------|--------|------------------|-------|--------|
|                         | Jun 20           | Dec 19 | Var % | Var \$ | Jun 19           | Var % | Var \$ |
| Return on Assets % **** | 1.03             | 1.32   | -22.0 | (0.29) | 1.25             | -17.6 | (0.22) |
| Return on Equity % **** | 12.76            | 14.55  | -12.3 | (1.79) | 13.45            | -5.1  | (0.69) |

Figures in millions pesos \* Non-performing Loan Portfolio / Total Loan Portfolio \*\* Allowance for Loan Losses / Non-Performing Loan Portfolio \*\*\* Allowance for Loan Losses / Total Loan Portfolio \*\*\*\* Annualized return formula for June 2020 and June 2019: Annualized Net Income of the Quarter / Average Assets or Equity. Average assets or equity (assets or equity of the quarter and the last quarter of the previous year) Annualized return formula for December 2019: Net Income of 2019 / Average Assets or Equity in the four quarters of 2019

# Monex, S.A.B. de C.V. MONEXB

## SECOND QUARTER 2020 BUSINESS OVERVIEW

**MONEX, S.A.B. REPORTS NET INCOME OF \$752 MILLION PESOS IN THE FIRST SEMESTER OF 2020, WHICH REPRESENTS A GROWTH OF 7% COMPARED TO THE SAME PERIOD IN 2019.**

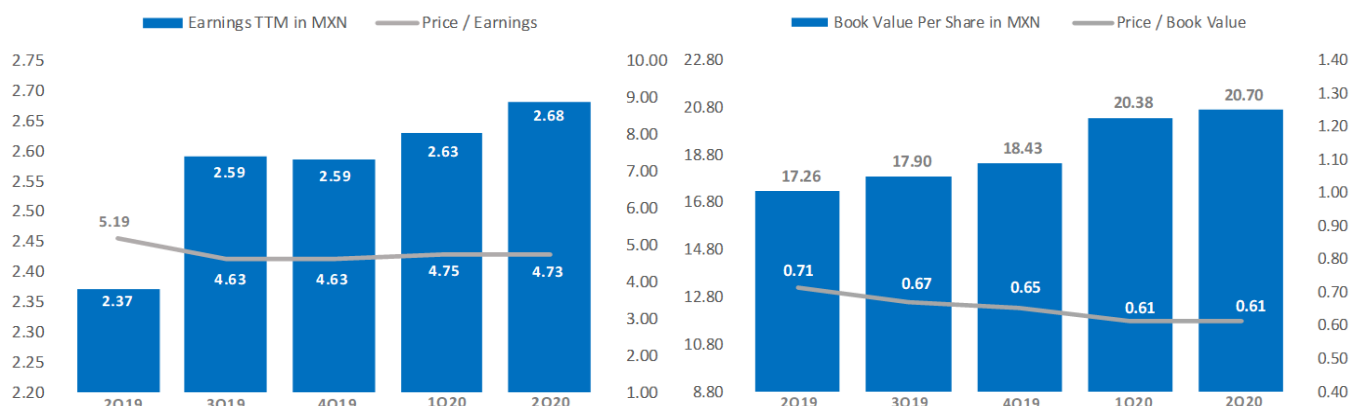
**TOTAL OPERATING REVENUES REACHED \$4,521 MILLION PESOS AS OF JUNE 2020, WHICH REPRESENTS A GROWTH OF 16% COMPARED TO THE SAME PERIOD IN 2019.**

**TOTAL OPERATING REVENUES OF DOMESTIC FOREIGN EXCHANGE OPERATIONS REACHED \$1,758 MILLION PESOS DURING THE FIRST SEMESTER OF 2020, WHICH REPRESENTS A GROWTH OF 20% COMPARED TO THE PREVIOUS YEAR**

**TOTAL OPERATING REVENUES OF OUR FOREIGN SUBSIDIARIES REACHED \$1,431 MILLION PESOS AS OF JUNE 2020, WHICH REPRESENTS A GROWTH OF 26% COMPARED TO THE FIRST SEMESTER OF 2019.**

**THE DERIVATIVES PRODUCTS REVENUES REACHED \$585 MILLION PESOS IN THE FIRST SEMESTER OF 2020, WHICH REPRESENTS A GROWTH OF 125% COMPARED TO THE SAME PERIOD IN 2019.**

### MONEX: Stock Information



### MONEXB: Bolsa Mexicana de Valores

| Per Share Data                  | 2Q19  | 3Q19  | 4Q19   | 1Q20  | 2Q20  |
|---------------------------------|-------|-------|--------|-------|-------|
| Minimum                         | 12.30 | 11.89 | 11.64  | 11.60 | 12.38 |
| Maximum                         | 14.20 | 12.30 | 12.06  | 12.50 | 13.25 |
| Closing Price                   | 12.30 | 12.00 | 12.00  | 12.50 | 12.70 |
| Daily Trading Volume            | 3,739 | 3,842 | 30,335 | 2,143 | 156   |
| Shares Outstanding <sup>1</sup> | 536.0 | 535.6 | 532.9  | 532.8 | 532.8 |
| Market Cap <sup>2</sup>         | 6,593 | 6,427 | 6,395  | 6,659 | 6,766 |
| Dividends TTM                   | 0.47  | 0.47  | 0.47   | 0.47  | 0.13  |
| Earnings TTM                    | 2.37  | 2.59  | 2.59   | 2.63  | 2.68  |
| Book Value Per Share            | 17.26 | 17.90 | 18.43  | 20.38 | 20.70 |
| Price/Earnings                  | 5.19  | 4.63  | 4.63   | 4.75  | 4.73  |
| Price/Book                      | 0.71  | 0.67  | 0.65   | 0.61  | 0.61  |
| Dividend Yield TTM %            | 3.82  | 3.92  | 3.92   | 3.76  | 1.02  |

1. Shares in million. Also they are only listed on the Mexican Stock Exchange (BMV for its initials in Spanish)
2. Figures in million pesos

#### Bolsa Mexicana de Valores: Independent Analyst Program

In accordance with the current financial legislation, Monex, S.A.B. - is under the coverage of Prognosis Economía, Finanzas e Inversiones, S.C. ("PROGNOSIS"), an Independent Analyst assigned by BMV.



Prognosis

Prognosis Economía  
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