



First Quarter 2020

Conference Call Presentation

April | 2020

RELEVANT RESULTS |

1Q20 vs.1Q19

■ Net Income	▼	-12.2 %
■ Revenues	▲	1.0 %
■ Financial Margin	▲	0.3 %
■ ROAE	▼	15.4 %
■ ROAA	▼	2.0 %
■ NIM	▼	5.3 %
■ Efficiency Ratio	▲	45.8 %
■ Total Loan Portfolio	▲	7.2 %
■ Company Loans Portfolio	▲	5.9 %
■ Total Deposits	▲	15.5 %
■ NPL Ratio	▲	1.15 %
■ Coverage Ratio	▼	134.7 %

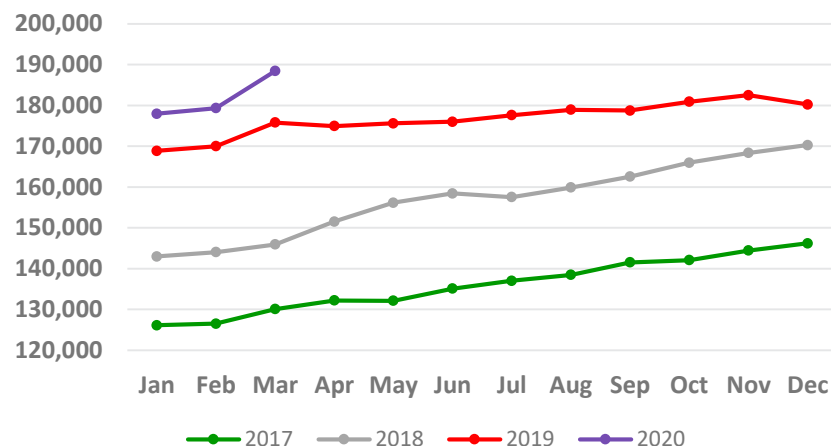
► Loan Portfolio and Deposits

- **Total Loan Portfolio grew 7.2%** in **1Q20**, above the 4.4% of the system as of Feb 2020.
- **Company Loans, which represents our core business, increased 5.9 %.**

	Y o Y	Yield	
		1Q19	1Q20
Company Loans	5.9 %	11.07 %	10.17 %
Financial Institutions	4.4 %		
Government	28.4 %	-0.90%	
Consumer	41.4 %		
Mortgage	-3.0 %		

▼ Total Loan Portfolio | Million Pesos

CAGR '17 -'1Q20: 12.8% System⁽¹⁾ 7.6%

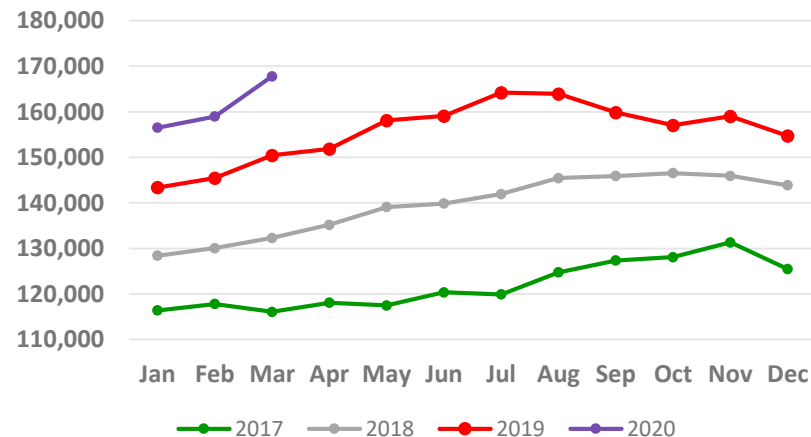


- **Total Deposits grew 15.5%** in **1Q20**, the system as of Feb 2020 grew 5.4%.

	Y o Y	Cost	
		1Q19	1Q20
Demand Deposits	25.0 %	5.31 %	4.52 %
Time Deposits	4.5 %		
Notes	100.0 %	-0.79%	
Repos	-36.3 %		
Interbank Loans*	7.5 %		

▼ Total Deposits⁽²⁾ | Million Pesos

CAGR '17 -'1Q20: 11.7% System⁽¹⁾ 5.3%



TIIE average: 1Q19 8.56 %
1Q20 7.34 % } -1.22 %

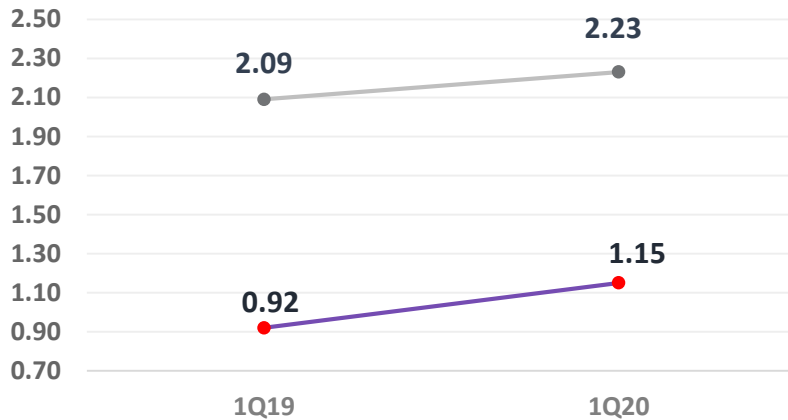
1. Total Banca Multiple consolidated figures Feb20.

* Mostly development banks funding.

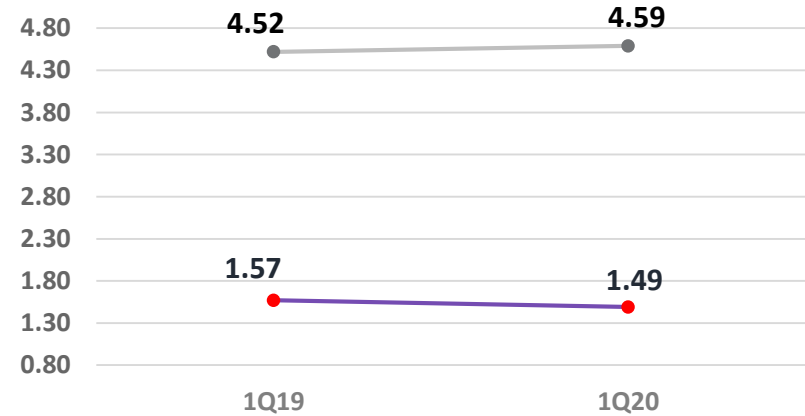
2. Includes Repos.

► Asset Quality

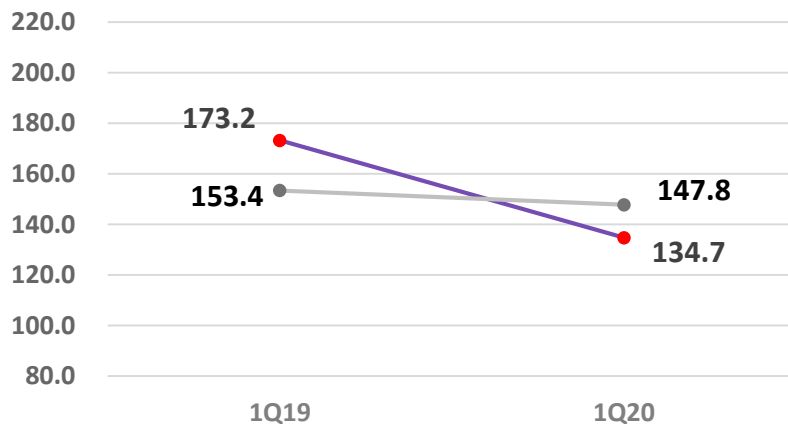
▼ NPL Ratio | %



▼ NPL Ratio adjusted | %



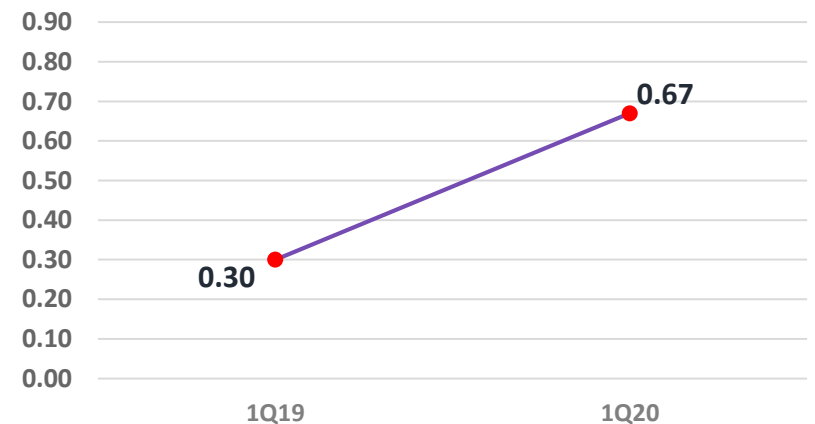
▼ Coverage Ratio | %



BanBajio

System

▼ Cost of Risk¹ | %



* System Last Available Information Feb 2020 CNBV.

¹ Annualized quarter

▶ How we responded to COVID-19

EMPLOYEES

- ▶ Vulnerable personnel were identified to perform their duties from their homes
- ▶ Mandatory use of face-mask.
- ▶ Daily monitoring body temperature.
- ▶ Work-stations with recommended distance from each other.
- ▶ Sanitizing stations at main entry-points.
- ▶ Continuous use of anti-bacterial gel.
- ▶ Continuously sanitizing facilities: branches and corporate offices
- ▶ Close to 2,300 employees working from home representing 43%
- ▶ Headcount and salaries unchanged

CONSUMER

- ▶ Of the 308 branches, 200 of them remain open, representing 65%
 - Limiting the congregation of customer groups to 10, 5 and 2 people
- ▶ Own ATMs together with the ones included in our commercial alliance with other banks, remain accessible
 - More than 6,700
- ▶ Relief program for payment deferral of up to 6 months
 - No interest charges, collection fees
 - Not affecting credit history with the Credit Bureau
 - All Products included.

BUSINESSES

- ▶ Prudently providing financing to existing customers for working capital purposes and general corporate purposes
- ▶ Enough liquidity to attend customer's needs

AS OF TODAY, ZERO POSITIVE CASES REGISTERED

► Loan portfolio and relief program

■ Status of Relief Program as of April 24th

	Balance as of March 31 st *	Estimate of participating loans	Adhered Loans *	% of adhered loans
Company Loans ⁽¹⁾	164,958	42 %	19,414	11.8 %
Government	14,318	0 %	-	0.0 %
Consumer	2,398	33 %	507	21.1 %
Mortgages	6,757	50 %	2,692	39.8 %
TOTAL	188,431	39 %	22,613	12.0 %

1. Includes financial entities.

* Million Pesos

► Stress scenarios and capital requirements 2020-2021

The following analysis shall not be considered as a guidance, it is an adverse stress-test with the sole purpose to measure capital sufficiency

With the objective of having more sensibility about the potential impact in our capitalization level, we have performed stress-tests linking the expected GDP with the non-performing loan by economic sector.

- GDP decline of 9%.
- A steady increase in NPL's beginning at the end of the relief program.
- An aggressive creation of reserves to maintain a healthy coverage ratio.
- TIIE declining to 4.5%.
- Loan growth of 8 and 6 percent for 2020 and 2021, respectively.
- Loan portfolio broken-down by level of risk or exposure.

► Effect in capital by credit risk

■ Total loans breakdown by risk classification

	Total Balance*	% of total	NPL Ratio	Coverage Ratio	Collaterals
High-risk	29,714	15.77 %	0.90 %	144.7 %	98.3 %
Medium-risk	101,773	54.01 %	1.23 %	111.6 %	66.4 %
Moderate-risk	21,155	11.23 %	0.51 %	215.2 %	89.3 %
Low-risk	35,789	18.99 %	0.15 %	769.3 %	70.7 %
TOTAL	188,431	100.00 %	1.15 %	134.7 %	74.8%

* Million Pesos

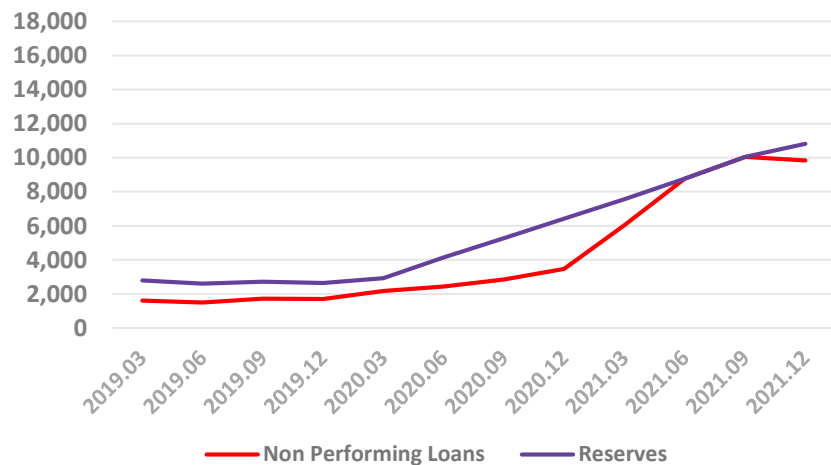
The exercise implies prudent policies such as:

- Higher generation of reserves during the months of the relief program.
- No dividend payment.
- Strategic focus of the sales force to:
 - Maintain asset quality, 1-1 contact with our customers
 - Incentivize deposits from customers

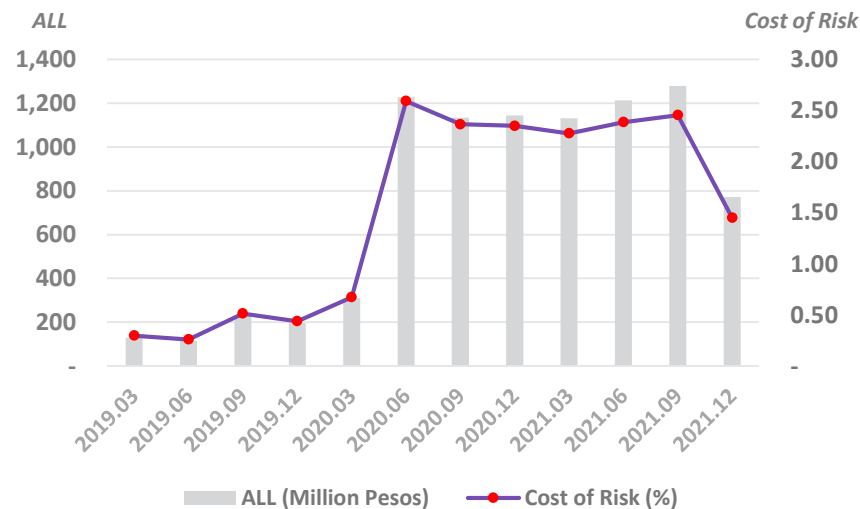
Based on the results of this worst-case scenario, we can determine the hypothetical impact in our non-performing loan, reserves, cost of risk and capitalization ratio, as follows:

Stress scenarios and capital requirements | Worst-case scenario impact

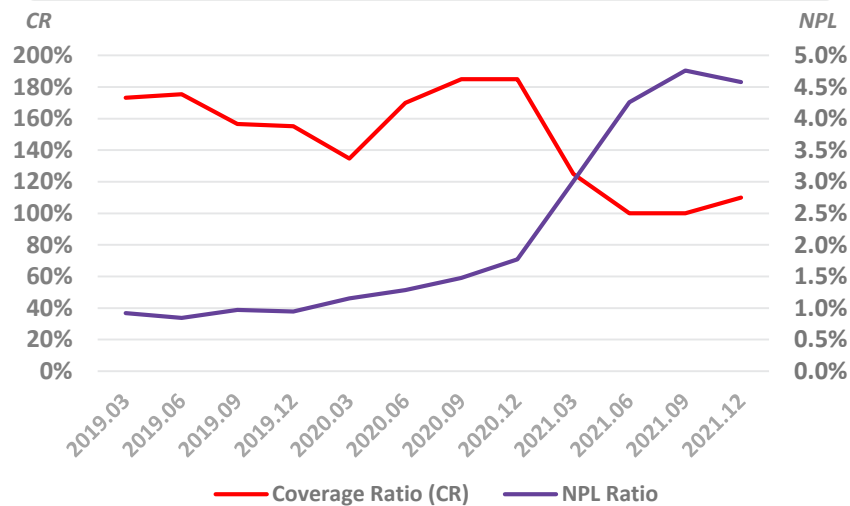
Non Performing Loans / Reserves | MILLION PESOS



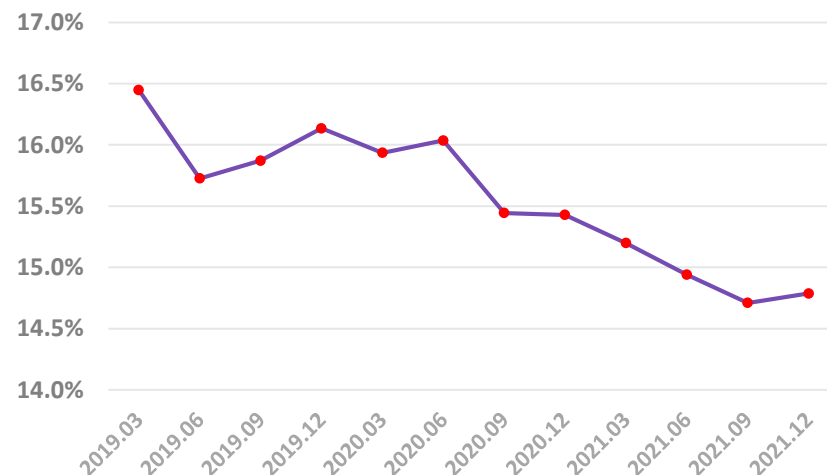
Allowance for Loan Losses (ALL) and Cost of Risk



Asset Quality



ICAP



Cost of Risk (Annual)	2020	2.03
	2021	2.14

The bank's sound financial position will allow us:

- Not to post losses in a single quarter
- Not to have liquidity problems
- To maintain adequate levels of capitalization
- To potentially recover meaningful amounts given the guarantees
- To gain track in profitability and growth once the crisis is over
- To maintain a coverage ratio above 100%
- To compensate the impact in the margin as a result of a lower level in rates given asset quality – lower cost of risk

► Income Statement

Ps\$ MM	Var.				
	1Q19	4Q19	1Q20	Y o Y	Q o Q
▪ Interest Income	\$5,576	\$5,681	\$5,432	-2.6 %	-4.4 %
▪ Interest Expense	(2,494)	(2,513)	(2,341)	-6.1 %	-6.8 %
Financial Margin	\$3,082	\$3,168	\$3,091	0.3 %	-2.4 %
▪ Net Fees & Commissions	407	517	457	12.3 %	-11.6 %
▪ Trading Income	87	128	62	-28.7 %	-51.6 %
▪ Other Operating Income / (Expense) *	15	46	16	6.7 %	-65.2 %
Non Interest Income	509	691	535	5.1 %	-22.6 %
Total Revenues	\$3,591	\$3,859	\$3,626	1.0 %	-6.0 %
▪ Allowance for Loan Losses*	(128)	(196)	(310)	142.2 %	58.2 %
▪ Administrative and Advertising Expenses	(1,557)	(1,697)	(1,660)	6.6 %	-2.2 %
▪ Equity in income of unconsolidated subsidiaries	(2)	8	1	-150.0 %	-87.5 %
Income Before Taxes	\$1,904	\$1,974	\$1,657	-13.0 %	-16.1 %
▪ Taxes	(494)	(578)	(419)	-15.2 %	-27.5 %
Net Income	\$1,410	\$1,396	\$1,238	-12.2 %	-11.3 %
▪ Effective Tax Rate	25.9 %	29.3 %	25.3 %		

* Adjustment in 1Q19 and 4Q19 in accordance with an accounting principle effective January 2020, where recoveries are net of allowance for loans losses

► Balance Sheet

Ps\$ MM				Var.	
	1Q19	4Q19	1Q20	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$24,063	\$33,417	\$35,379	47.0 %	5.9 %
▪ Investment in Securities	17,006	9,219	9,742	-42.7 %	5.7 %
▪ Cash & Investments	\$41,069	\$42,636	\$45,121	9.9 %	5.8 %
▪ Performing Loan Portfolio	174,174	178,506	186,264	6.9 %	4.3 %
▪ Non-performing Loan Portfolio	1,614	1,702	2,167	34.3 %	27.3 %
▪ Gross Loan Portfolio	\$175,788	\$180,208	\$188,431	7.2 %	4.6 %
▪ Loan Loss Provisions	(2,795)	(2,640)	(2,920)	4.5 %	10.6 %
Net Loan Portfolio	\$172,993	\$177,568	\$185,511	7.2 %	4.5 %
▪ Repos	3,203	7,001	9,292	190.1 %	32.7 %
▪ Other Assets	12,333	10,625	11,805	-4.3 %	11.1 %
Total Assets	\$229,598	\$237,830	\$251,729	9.6 %	5.8 %
▪ Demand Deposits	59,686	65,109	74,616	25.0 %	14.6 %
▪ Time Deposits	79,323	80,614	82,898	4.5 %	2.8 %
▪ Notes	0	3,003	3,007		0.1 %
Total Deposits	\$139,009	\$148,726	\$160,521	15.5 %	7.9 %
▪ Repos	11,423	5,983	7,274	-36.3 %	21.6 %
Funding Including Repos	\$150,432	\$154,709	\$167,795	11.5 %	8.5 %
▪ Interbank Loans *	40,073	42,850	43,065	7.5 %	0.5 %
▪ Other Liabilities	9,240	8,609	8,147	-11.8 %	-5.4 %
Total Liabilities	\$199,745	\$206,168	\$219,007	9.6 %	6.2 %
Shareholder's Equity	\$29,853	\$31,662	\$32,722	9.6 %	3.3 %

* Mostly development banks funding.