



Fourth Quarter 2020

Conference Call Presentation

January | 2021

Main Drivers under COVID	
▶ Asset Quality, Liquidity, ICAP, Loan Loss Provisions	3
Results vs. Guidance	4
Status of Relief Program	5
Loan growth Portfolio and Deposits	6
High Asset Quality and outstanding Risk Profile	7
Cost of Funding and Liquidity	8
Capital Adequacy Ratio	9
Efficiency Ratio	10
Guidance 2021	11

▶ Main Drivers under COVID

		4Q20	
		BANBAJIO	SYSTEM *
▶ Asset Quality			
	NPL Ratio	1.05 %	2.46 %
	NPL Adjusted Ratio	1.70 %	4.67 %
	Coverage Ratio	205.46 %	163.19 %
	Cost of Risk	1.21 %	3.33 %
▶ Liquidity			
	CCL – Liquidity Coverage Coefficient as of December 31 th (Minimum Regulatory 100%)	150.12 %	
▶ Capitalization			
	ICAP December 2020 (Preliminary)	16.88 %	17.42 %
	TIER I	16.81 %	15.84 %
▶ Loan Loss Provisions (Million Pesos)			
	Total	\$ 4,290	
	Additional	\$ 1,305	

* Last available information for the system **November 2020**.

▶ Results vs. Guidance

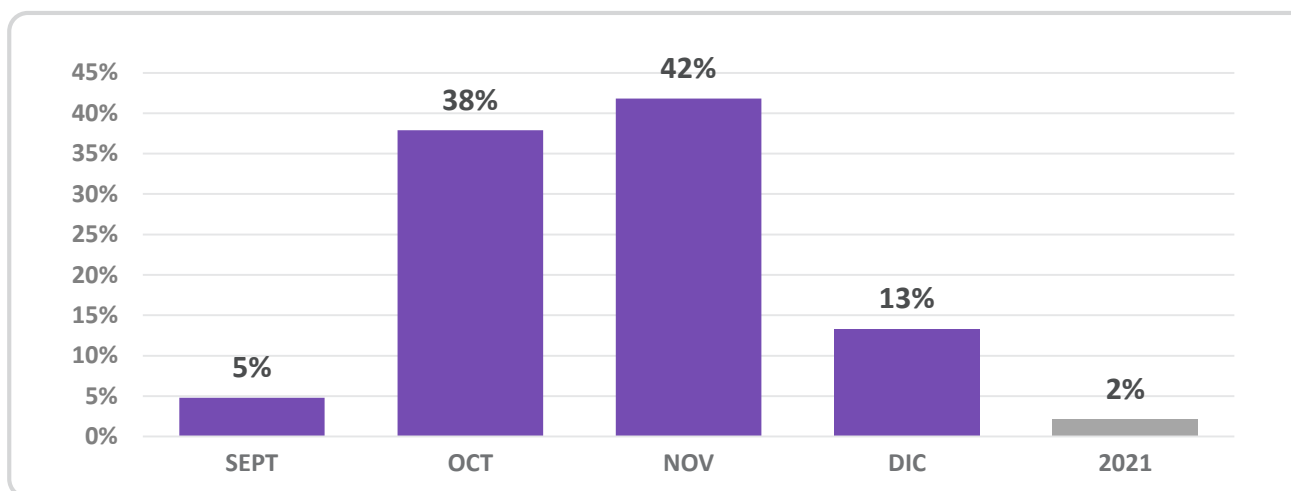
	GUIDANCE 2020	AS OF DECEMBER 2020	
▪ Loan Growth	4% - 7%	10.7%	✓
▪ Deposits Growth	10% - 12%	21.0%	✓
▪ NIM	4.4% - 4.5%	4.6%	✓
▪ Net Interest Income Change	(10.5%) – (11.7%)	(9.9%)	✓
▪ Non Interest Income Growth	2.5% – 3.0%	1.0%	✗
▪ Expenses Growth	0% - 2%	0.1%	✓
▪ Efficiency Ratio	Below 50%	47.8%	✓
▪ Cost of Risk	Below 1.6%	1.4%	✓
▪ Net Income (Million Pesos)	\$2,800 - \$3,200	\$3,436	✓
▪ ROAE	8.0% - 10.0%	10.3%	✓
▪ NPL Ratio	Below 1.6%	1.05%	✓
▪ Coverage Ratio	180% - 200%	205.5%	✓
▪ Capitalization Ratio*	Above 15.0%	16.9%	✓

• Consider Banxico Interest Rate of 4.5%

* Preliminary for December 2020, in revision by CNBV and BANXICO.

▶ Status of Relief Program as of December 31, 2020

As of September 30, 2020, the amount adhered to the relief program reached **MXN 47,116 million, or 26.4% of the total portfolio**, which will resume their **normal payment schedules** according to the following timeline:



RELIEF PROGRAM UPDATE

- Adhered portfolio as of Sep2020, million pesos **\$ 47,116**
- % of Portfolio that resumed pmt as of Dec 30th **97.6 %**

BEHAVIOR OF PAYMENTS AS OF DEC 2020	TOTAL	COMPANY LOANS*	CONSUMER	MORTGAGES
Payment	98.0 %	98.3 %	90.8 %	95.5 %
No Payment	2.0%	1.7 %	9.2 %	4.5 %
Loan Portfolio without Payment (mp)	928.5	705.2	49.8	173.5

* Includes Companies, SMEs and Financial Entities

▶ Loan Growth Portfolio and Deposits

- **Total Loan Portfolio** stood at \$199.4 bn, a growth of 10.7% YoY in 4Q20, while the system decreased -0.8% in Nov20 Y o Y.
- **Company Loans**, which represents our core business, increased 5.8 %.

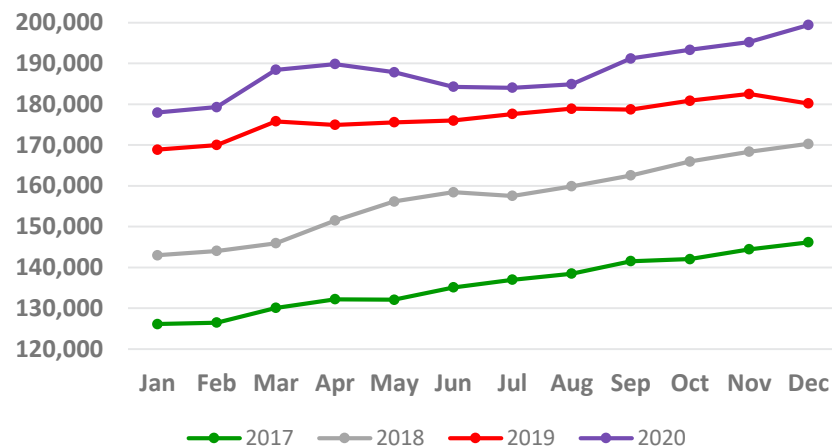
	Y o Y	Yield	
		4Q19	4Q20
Company Loans*	5.8 %	11.05 %	7.90 %
Government	77.4 %		
Consumer	10.4 %		-3.15 %
Mortgage	-4.0 %		

- **Total Deposits (TD)** grew 21.0% in 4Q20 Y o Y, above the 11.3% of the system as of November 2020.

	Y o Y	Cost	
		4Q19	4Q20
TD	Demand Deposits	27.4 %	5.05 %
	Time Deposits	16.7 %	3.28 %
	Notes	-0.1 %	-1.77 %
	Repos	14.7 %	
	Interbank Loans**	6.0 %	
TIIE average:		4Q19 7.86 %	4Q20 4.51 %
			-3.36 %

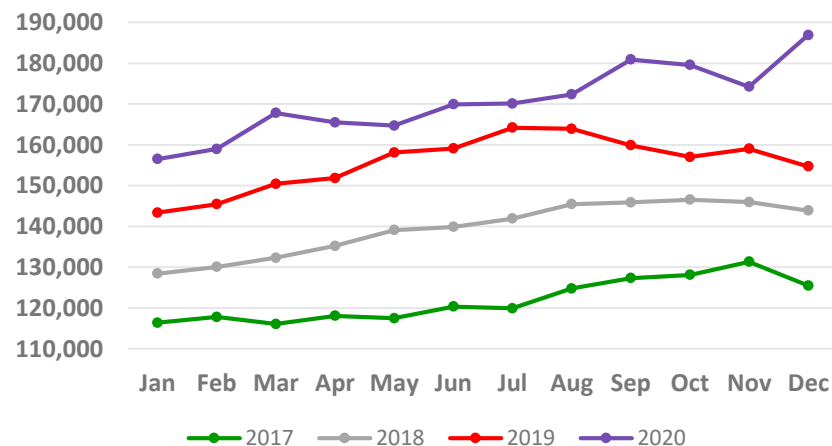
▼ Total Loan Portfolio | Million Pesos

CAGR '17 -'4Q20: 11.9% System⁽¹⁾ 5.5%



▼ Total Deposits⁽²⁾ | Million Pesos

CAGR '17 -'4Q20: 12.4% System⁽¹⁾ 7.6%



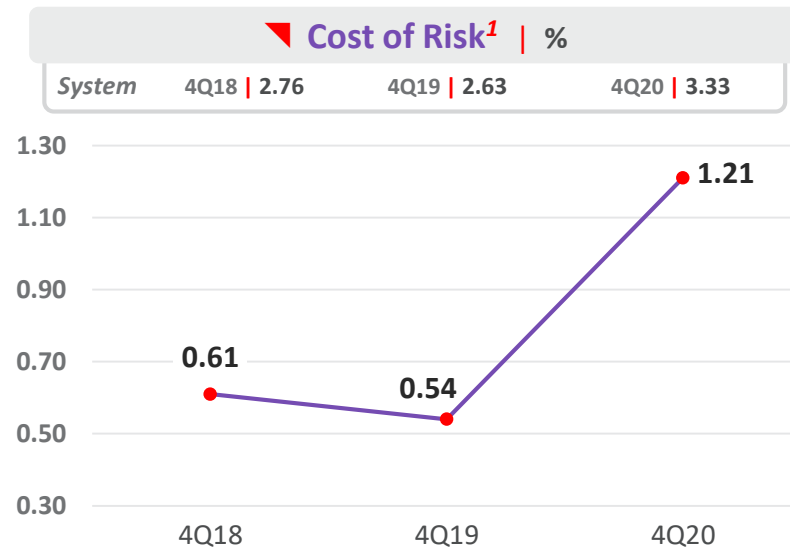
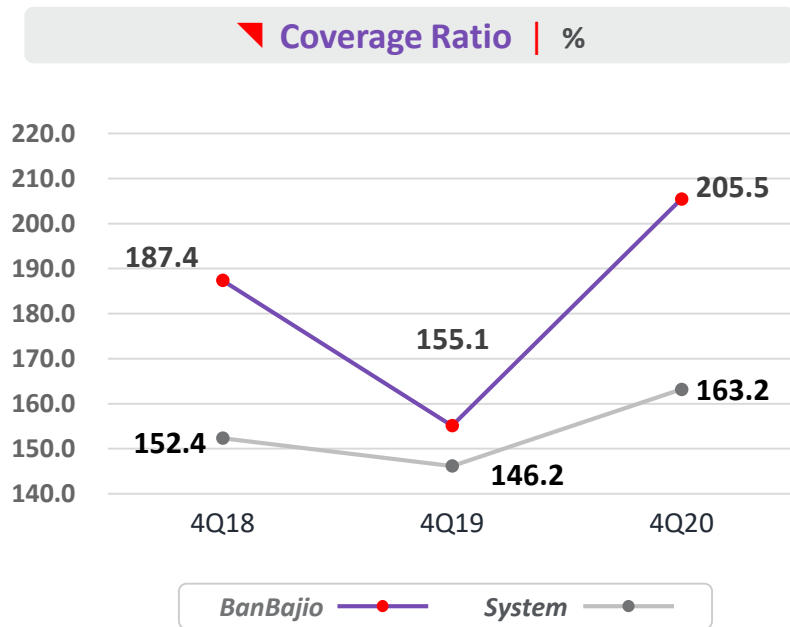
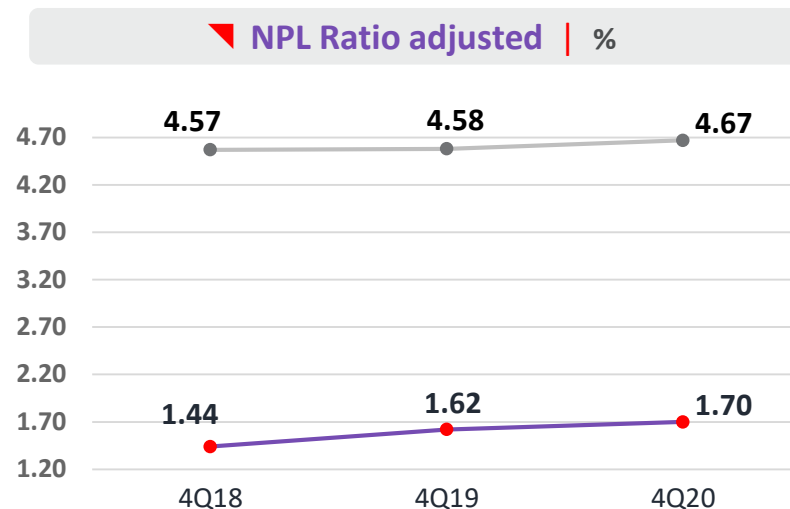
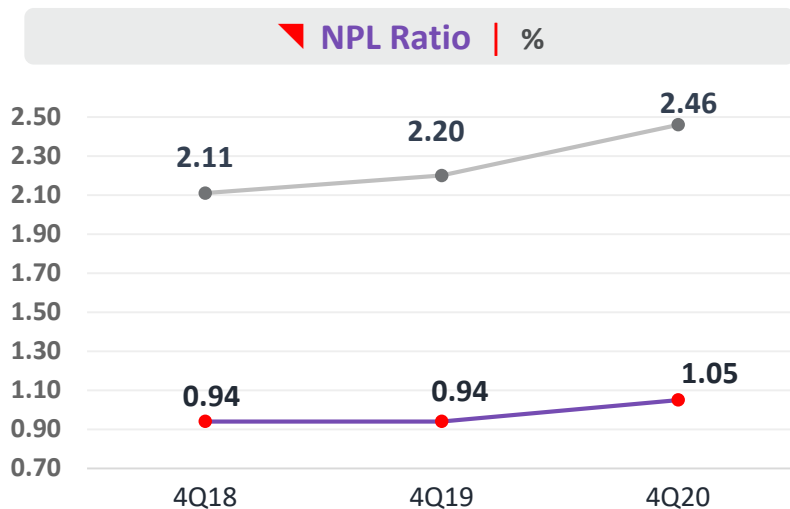
* Includes financial entities.

** Mostly development banks.

1. Total Banca Multiple consolidated figures November 20.

2. Includes Repos.

▶ High Asset Quality and outstanding Risk Profile

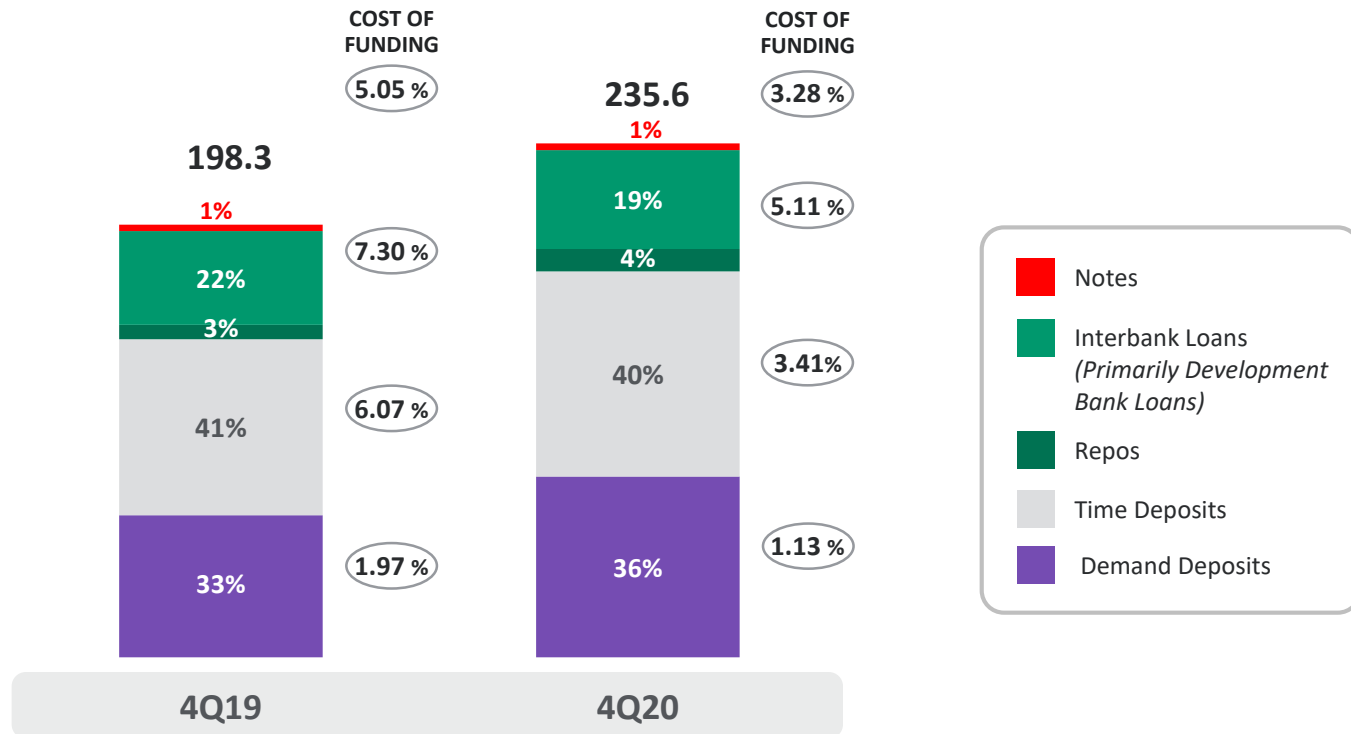


* System Last Available Information Nov 2020, CNBV.

¹ Annualized quarter; not adjusted in 2018 y 2019 in accordance with an accounting principle effective January 2020, where recoveries are net of allowance for loans losses.

► Cost of Funding and Liquidity

■ Funding Breakdown | Ps\$ Bn

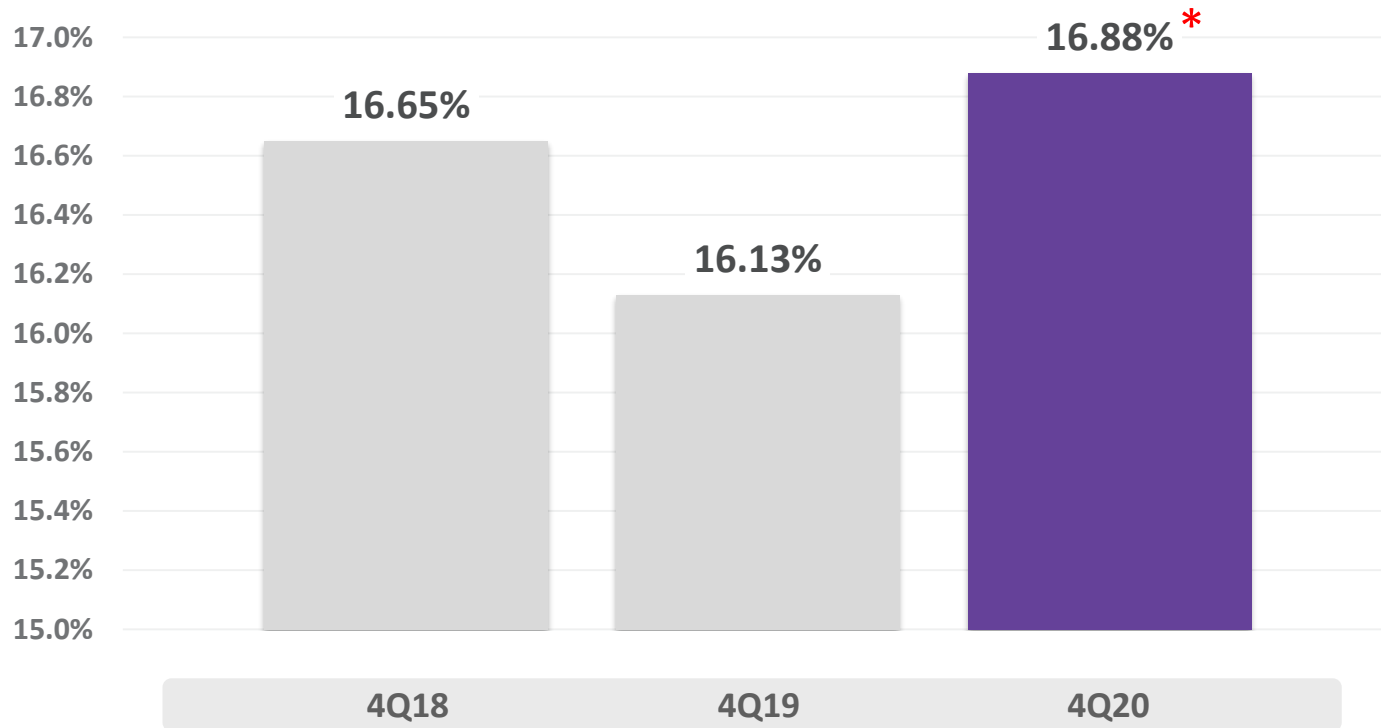


■ Cash and Investments Growth | Includes Repos

Strong deposits growth, allowed us to increase total amount of liquid assets by Ps. **16,893 million, 33.7%**.

▶ Capital Adequacy Ratio

- **Solid capitalization** ratio with **99.6% TIER 1**



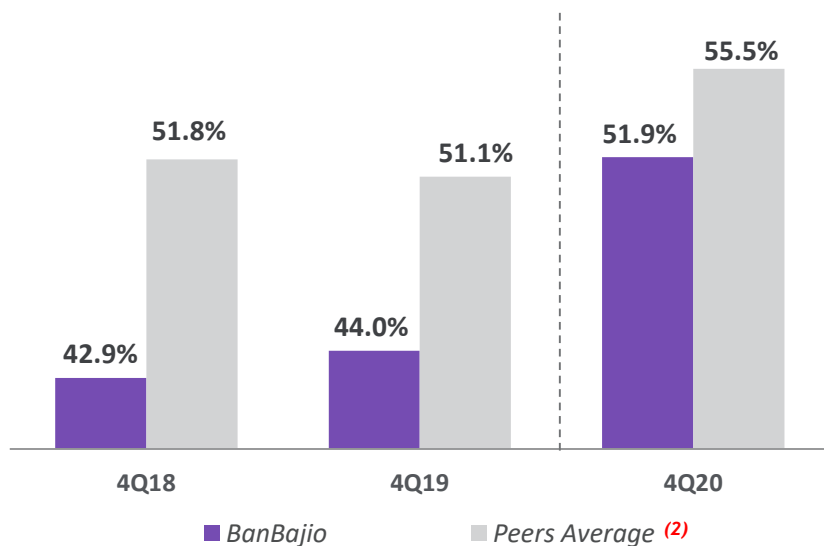
* ICAP December 2020 preliminary

▶ Efficiency Ratio

- **Efficiency Ratio** for 4Q20 stood at **51.9%** and **47.8%** for 12M20, System **54.2%**.

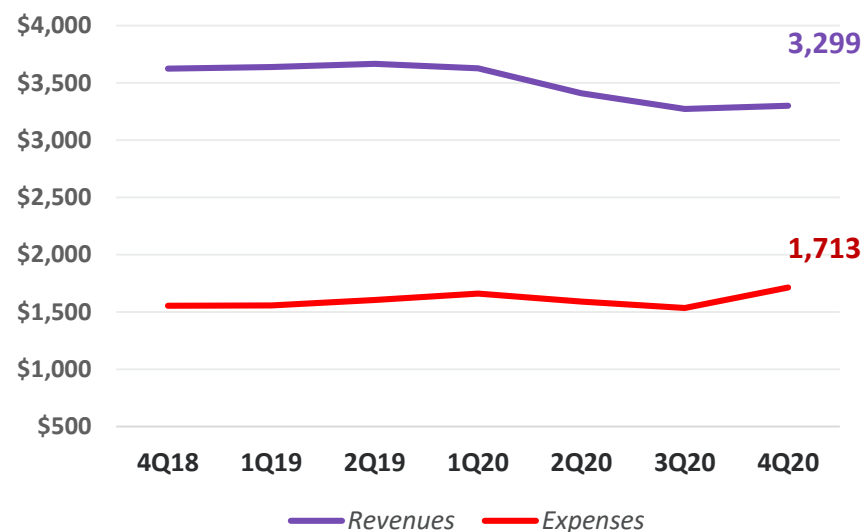
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Pes\$ MM | Quarterly



Source: Company information

Notes:

⁽¹⁾ **Total Revenues** (excluding Loan Loss Provisions).

⁽²⁾ **Peers Include:** Banorte, Banregio, BBVA Bancomer, Citibanamex, HSBC, Santander and Scotiabank consolidated figures; last available information for the October and November 2020 period.

	2021
▪ Loan Growth	6% - 8%
▪ Deposits Growth	7% - 10%
▪ NIM	3.9% - 4.0%
▪ Net Interest Income Change	(4.4%) - (5.4%)
▪ Non Interest Income Growth	12% - 15%
▪ Expenses Growth	6.2% - 7.6%
▪ Efficiency Ratio	Below 52%
▪ Cost of Risk	0.6% - 0.8%
▪ Net Income (Million Pesos)	\$3,650 - \$3,800
▪ ROAE	9.9% - 10.5%
▪ NPL Ratio	Below 1.8%
▪ Coverage Ratio	Above 120%
▪ Capitalization Ratio*	Above 16.0%

* Does not include possible dividend payment

▶ Income Statement

Ps\$ MM				Var.	
	4Q19	3Q20	4Q20	Y o Y	Q o Q
▪ Interest Income	\$5,681	\$4,692	\$4,519	-20.5%	-3.7%
▪ Interest Expense	(\$2,513)	(\$2,061)	(\$1,906)	-24.2%	-7.5%
Financial Margin	\$3,168	\$2,631	\$2,613	-17.5%	-0.7%
▪ Net Fees & Commissions	\$517	\$480	\$534	3.3%	11.3%
▪ Trading Income	\$128	\$148	\$170	32.8%	14.9%
▪ Other Operating Income / (Expense) *	\$46	\$12	(\$18)	-139.1%	-250.0%
Non Interest Income	\$691	\$640	\$686	-0.7%	7.2%
Total Revenues	\$3,859	\$3,271	\$3,299	-14.5%	0.9%
▪ Allowance for Loan Losses*	(\$196)	(\$835)	(\$592)	202.0%	-29.1%
▪ Operating Expenses	(\$1,697)	(\$1,535)	(\$1,713)	0.9%	11.6%
▪ Equity in income of unconsolidated subsidiaries	\$8	-	(\$2)	-125.0%	-
Income Before Taxes	\$1,974	\$901	\$992	-49.7%	10.1%
▪ Taxes	(\$578)	(\$142)	(\$258)	-55.4%	81.7%
Net Income	\$1,396	\$759	\$734	-47.4%	-3.3%
▪ Effective Tax Rate	29.3%	15.8%	26.0%		

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

▶ Income Statement

Ps\$ MM			Var.
	12M 19	12M 20	Y o Y
▪ Interest Income	\$23,027	\$19,767	-14.2%
▪ Interest Expense	(\$10,575)	(\$8,547)	-19.2%
Net Interest Income	\$12,452	\$11,220	-9.9%
▪ Net Fees & Commissions	\$1,803	\$1,914	6.2%
▪ Trading Income	\$502	\$440	-12.4%
▪ Other Operating Income / (Expense)*	\$58	\$32	-44.8%
Non Interest Income	\$2,363	\$2,386	1.0%
Total Revenues	\$14,815	\$13,606	-8.2%
▪ Allowance for Loan Losses*	(\$665)	(\$2,700)	306.0%
▪ Operating Expenses	(\$6,490)	(\$6,499)	0.1%
▪ Equity in income of unconsolidated subsidiaries	\$8	\$8	-
Income Before Tax	\$7,668	\$4,415	-42.4%
▪ Tax	(\$2,061)	(\$979)	-52.5%
Net Income	\$5,607	\$3,436	-38.7%
▪ Effective Tax Rate	26.9%	22.2%	

* Adjustment in 12M19 in accordance with an accounting principle effective January 2020, where recoveries are net of allowance for loans losses

▶ Balance Sheet

Ps\$ MM				Var.	
	4Q19	3Q20	4Q20	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$33,417	\$31,619	\$31,910	-4.5%	0.9%
▪ Investment in Securities	\$9,219	\$11,639	\$10,395	12.8%	-10.7%
▪ Cash & Investments	\$42,636	\$43,258	\$42,305	-0.8%	-2.2%
▪ Performing Loan Portfolio	\$178,506	\$189,528	\$197,336	10.5%	4.1%
▪ Non-performing Loan Portfolio	\$1,702	\$1,667	\$2,088	22.7%	25.3%
▪ Gross Loan Portfolio	\$180,208	\$191,195	\$199,424	10.7%	4.3%
▪ Loan Loss Provisions	(\$2,640)	(\$3,928)	(\$4,290)	62.5%	9.2%
Net Loan Portfolio	\$177,568	\$187,267	\$195,134	9.9%	4.2%
▪ Repos	\$7,001	\$22,553	\$22,033	214.7%	-2.3%
▪ Other Assets	\$10,625	\$16,443	\$16,267	53.1%	-1.1%
Total Assets	\$237,830	\$269,521	\$275,739	15.9%	2.3%
▪ Demand Deposits	\$65,109	\$79,765	\$82,954	27.4%	4.0%
▪ Time Deposits	\$80,614	\$91,098	\$94,062	16.7%	3.3%
▪ Notes	\$3,003	\$3,011	\$3,001	-0.1%	-0.3%
Total Deposits	\$148,726	\$173,874	\$180,017	21.0%	3.5%
▪ Repos	\$5,983	\$7,020	\$6,864	14.7%	-2.2%
Funding Including Repos	\$154,709	\$180,894	\$186,881	20.8%	3.3%
▪ Interbank Loans *	\$42,850	\$45,648	\$45,433	6.0%	-0.5%
▪ Other Liabilities	\$8,609	\$8,912	\$8,557	-0.6%	-4.0%
Total Liabilities	\$206,168	\$235,454	\$240,871	16.8%	2.3%
Shareholder's Equity	\$31,662	\$34,067	\$34,868	10.1%	2.4%

* Mostly development banks.