



First Quarter 2021

Conference Call Presentation

APRIL | 2021

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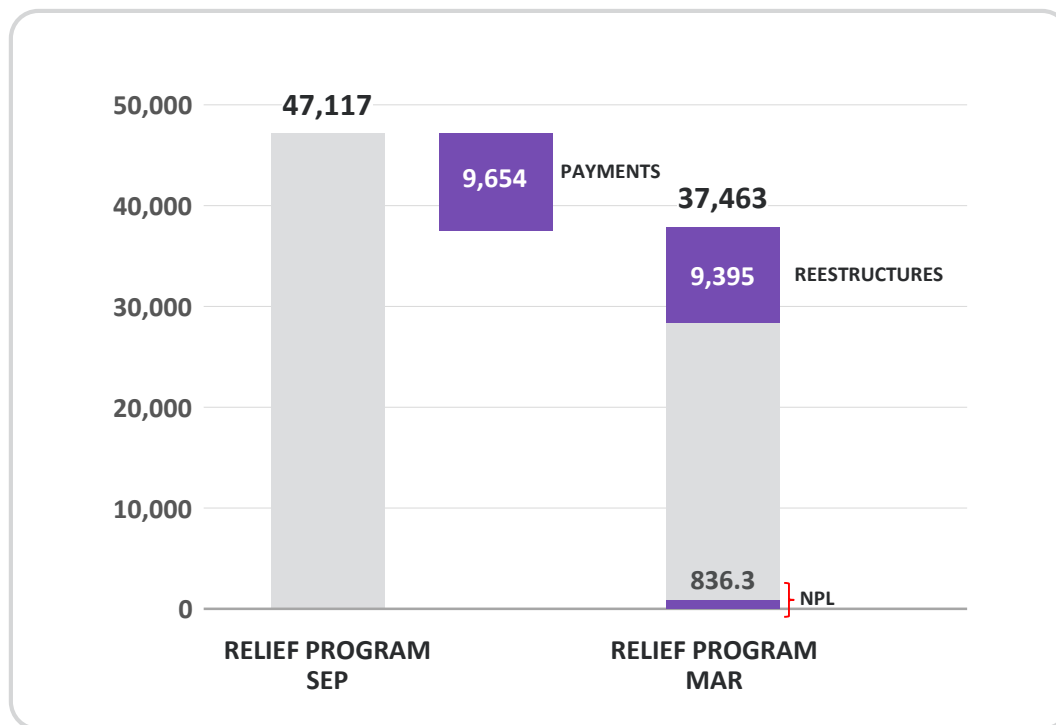
▶ Main Drivers under COVID

		1Q21	
		BANBAJIO	SYSTEM *
▶ Asset Quality			
	NPL Ratio	1.06 %	2.68 %
	NPL Adjusted Ratio	1.75 %	4.90 %
	Coverage Ratio	207.35 %	152.77 %
	Cost of Risk	0.65 %	2.84 %
▶ Liquidity			
	CCL – Liquidity Coverage Coefficient as of March 31 th (Minimum Regulatory 100%)	152.83 %	
▶ Capitalization			
	ICAP March 2021 (Preliminary)	17.26 %	18.09 %
	TIER I	17.24 %	16.43 %
▶ Loan Loss Provisions (Million Pesos)			
	Total	\$ 4,427	
	Additional	\$ 1,640	

* Last available information for the system **February 2021**.

▶ Status of Relief Program as of March 31, 2021

- At the conclusion of the Relief Program there were **MXN 47,116 million** adhered. As of March 31, 2021, the outstanding amount is **MXN 37,463 million**, which represent **18.6% of the total portfolio**.
- The **non performing loans** from the Relief Program accounted for **MXN 836 million** and represent **0.41% of the total portfolio**, 2.23% of the outstanding Relief Program or 51% of additional loan loss provisions.



▶ Dividend Payment 2021

- Today, our **Annual Shareholders' Meeting** approved a cash dividend payment equivalent to **25.00% of 2019 and 2020 Net Income**.
- **The amount** to distribute is **\$2,261,010,537.30**, **payment** will take place during **May of 2021**.

	(MXN)
▪ Net Income 2019 and 2020	\$9,044,042,149.18
▪ % to distribute	25.00 %
▪ Amount to distribute	\$2,261,010,537.30
▪ Outstanding shares	1,189,931,687
▪ Dividend per share	\$1.9001179328
▪ Dividend yield *	6.0%

* Computed with the price of April 27, 21.

Digital Transformation

- Up to date around **45% of BanBajío's transactions** are done on our **digital channels**; that represent 70% of the volume year-to-date.
- On a year-over-year basis the **number of transactions through the mobile app** have increased **more than 80%**. Businesses increased by 30% and individuals more than 100%.
- In 2020 the new digital app for individuals were launched (**BajíoNet and BajíoNet Movil**). Now, on the first half of 2021 we will launch the platforms for **businesses** with an offering of **end-to-end digital services**.

Data Science and Analytics

- We continue to strengthen our **analytical capabilities**, enhancing our **data inflows** and generating data bases of new prospects with good asset quality.
- The **Engagement Index** to be released this second quarter will include information about internal client behavior, transactions, geostadistics, profitability, and cross sell opportunities.

Achievements in Consumer Banking and SME's strategy

- We are now working with **parametric decision algorithms** for Credit Cards. Later this year we are going to include Payroll and Personal Loans (2Q), SME Credit (3Q), Auto Loans and Mortgages (4Q).
- **59%** of Consumer Loans originated at **BanBajio** are through **cross-sell strategies**. For this quarter the origination of **Payroll Loans and Credit Card** accounted for 39% and 32% of the amount originated in 2020.
- The **asset quality performance** of the consumer credit originated in **BanBajio** has been outstanding when compared to the system's figures and has improved on an absolute basis even when compared to the same ratios before the pandemic.

▶ Loan Growth Portfolio and Deposits

- **Total Loan Portfolio** stood at **\$201.9 bn**, a growth of **7.1% YoY in 1Q21**, while the system decreased **-1.7%** in February 2021 YoY.
- **Company Loans**, which represents our core business, increased **3.0 %**.

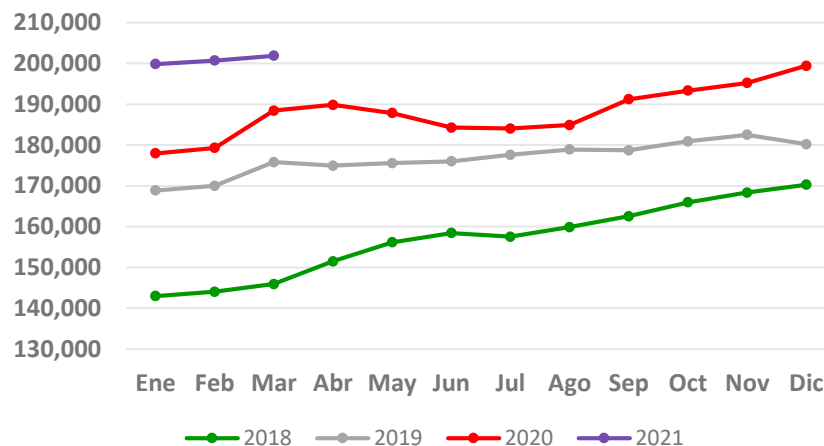
	Yo Y	Yield	
		1Q20	1Q21
Company Loans*	3.0 %		
Government	61.2 %	10.17 %	7.50 %
Consumer	8.0 %		-2.67 %
Mortgage	-6.1 %		

- **Total Deposits (TD)** grew **12.6%**, reaching **\$180.7 billion in 1Q21 YoY**, above the 10.7% of the system as of February 2021 YoY.

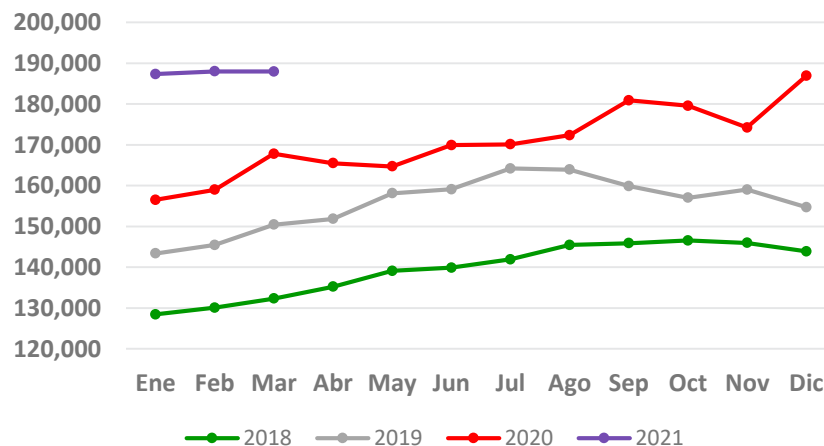
	Yo Y	Cost	
		1Q20	1Q21
TD	Demand Deposits	17.4 %	
	Time Deposits	8.8 %	4.59 %
	Notes	-0.1 %	-1.56 %
	Repos	-0.6 %	
	Interbank Loans**	4.4 %	
TIIE average:		1Q20 7.34 %	1Q21 4.37 %
			-2.97 %

* Includes financial entities.
** Mostly development banks.

▼ **Total Loan Portfolio** | Million Pesos
CAGR '18 -'1Q21: 10.4% System⁽¹⁾ 3.8%



▼ **Total Deposits⁽²⁾** | Million Pesos
CAGR '18 -'1Q21: 13.2% System⁽¹⁾ 6.9%

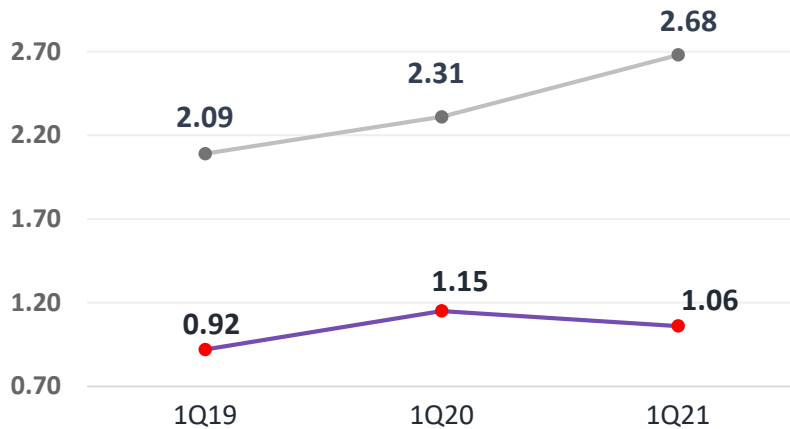


1. Total Banca Multiple consolidated figures February 21.

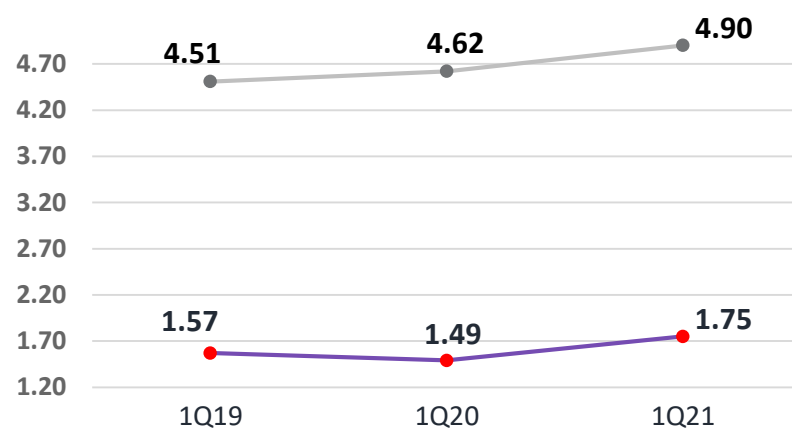
2. Includes Repos.

▶ High Asset Quality and outstanding Risk Profile

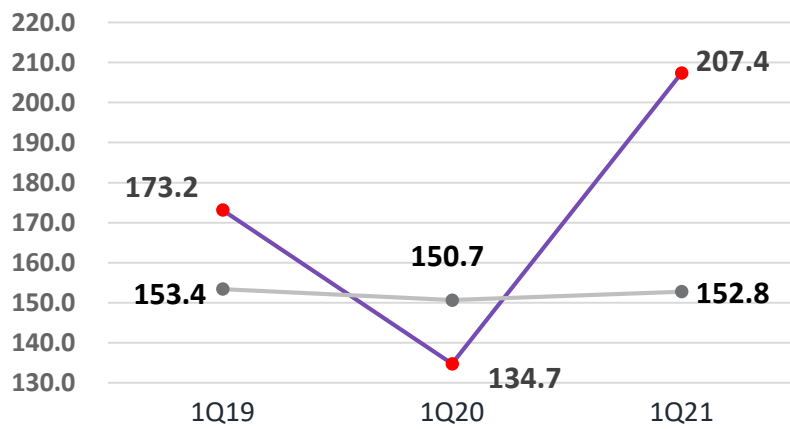
▼ NPL Ratio | %



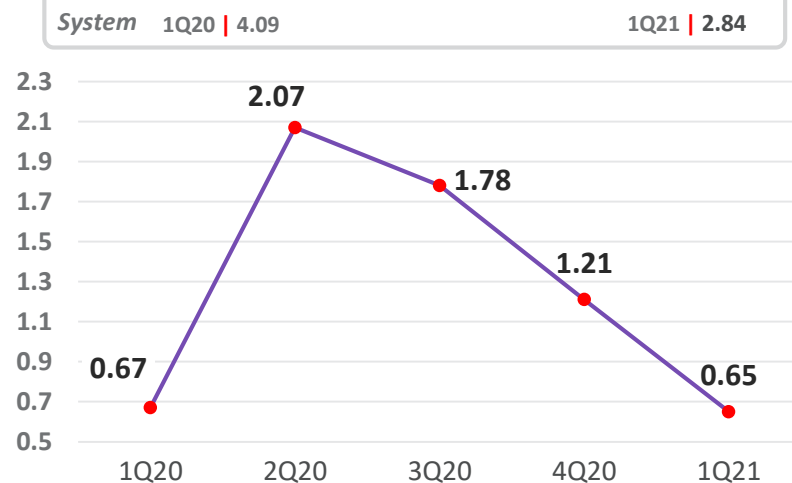
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



▼ Cost of Risk | %

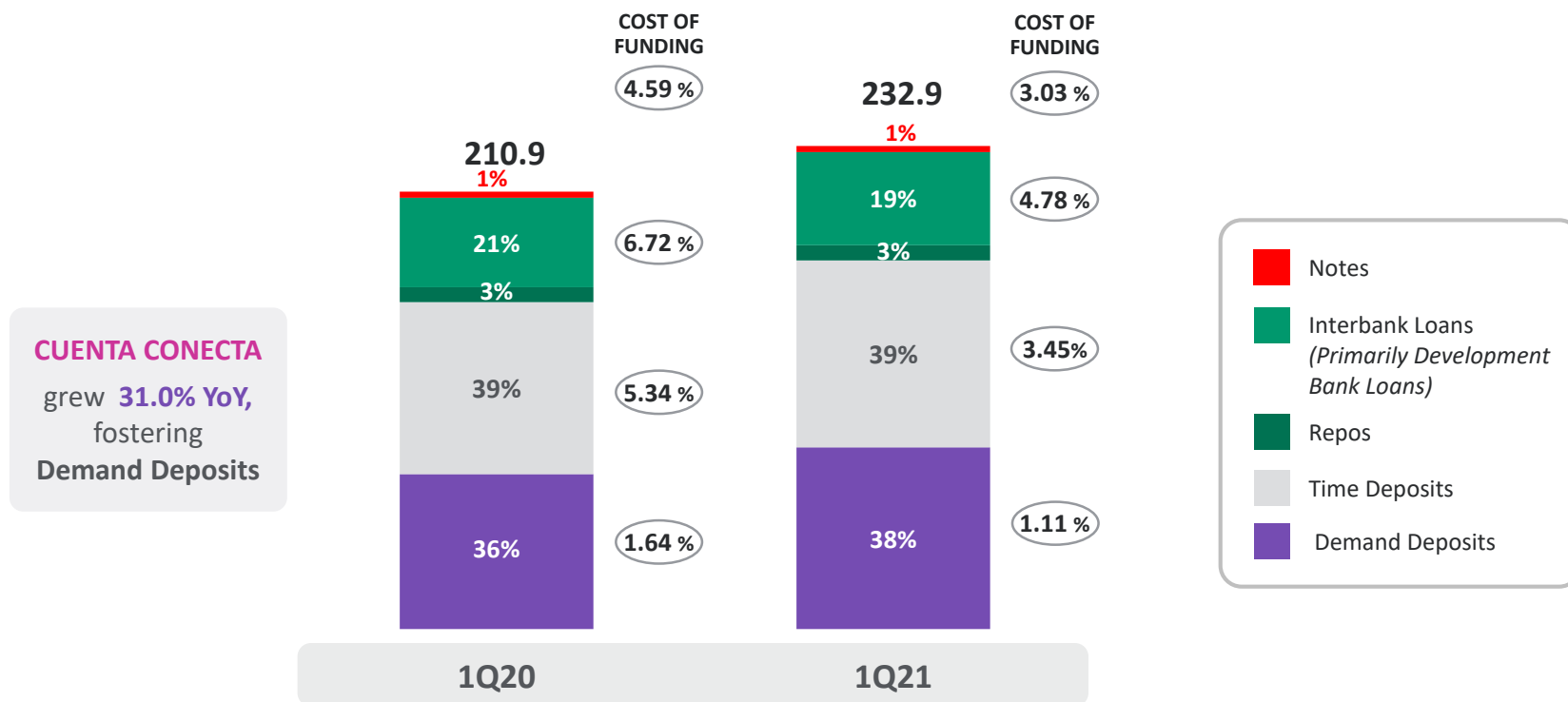


BanBajio System

* System Last Available Information Feb 2021, CNBV.

► 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. 11,020 million, **19.9%**.

▶ Non Interest Income

• Million Pesos

	1Q21	Y o Y
▪ Non Interest Income	596	11.4 %
▪ <i>Net Fees & Commissions</i>	500	9.4 %
▪ <i>Trading Income</i>	180	190.3 %
▪ <i>Other Operating Income</i>	(84)	-625.0 %

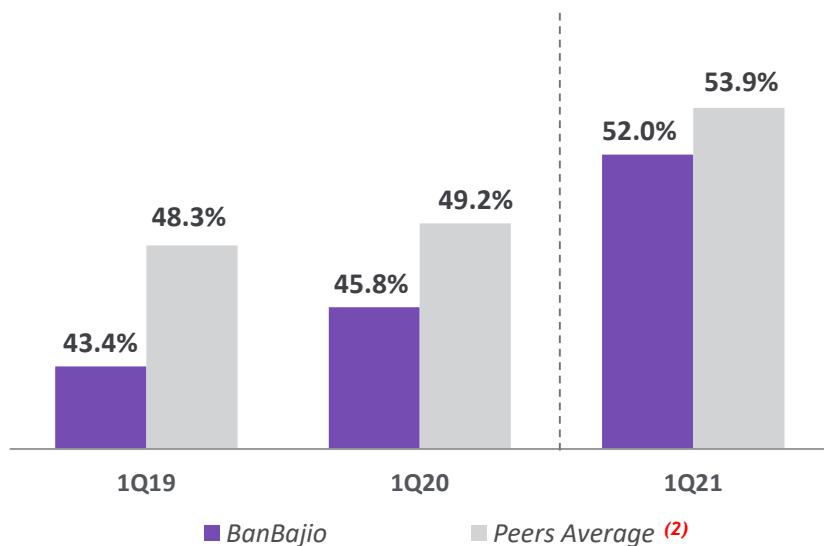
- **Other Operating Income**, we have booked reserves for foreclosed assets of 125 millions in 2021 and 33 million in 2020.
- Taking in account this effect, the proforma growth of **Non Interest Income** is **26.9%** above the upper part of our guidance.

▶ Efficiency Ratio

- **Efficiency Ratio** for **1Q21** stood at **52.0%**, System **56.1%**.

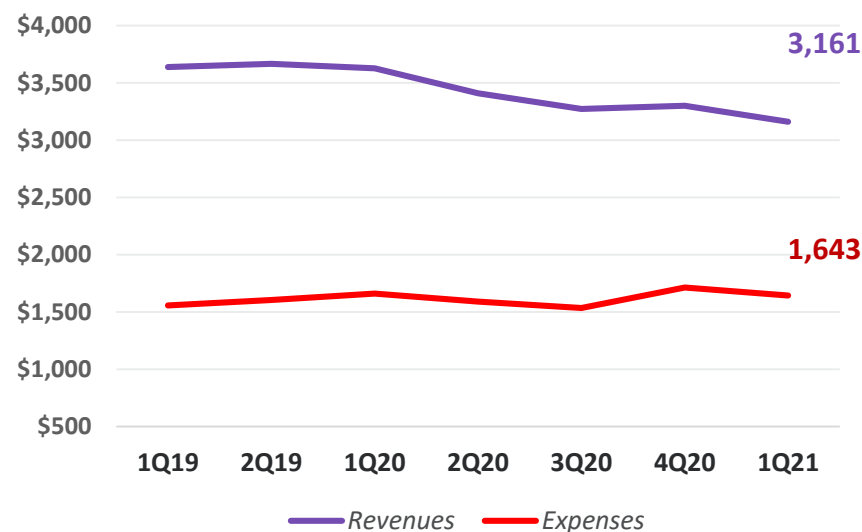
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Quarterly



Source: Company information

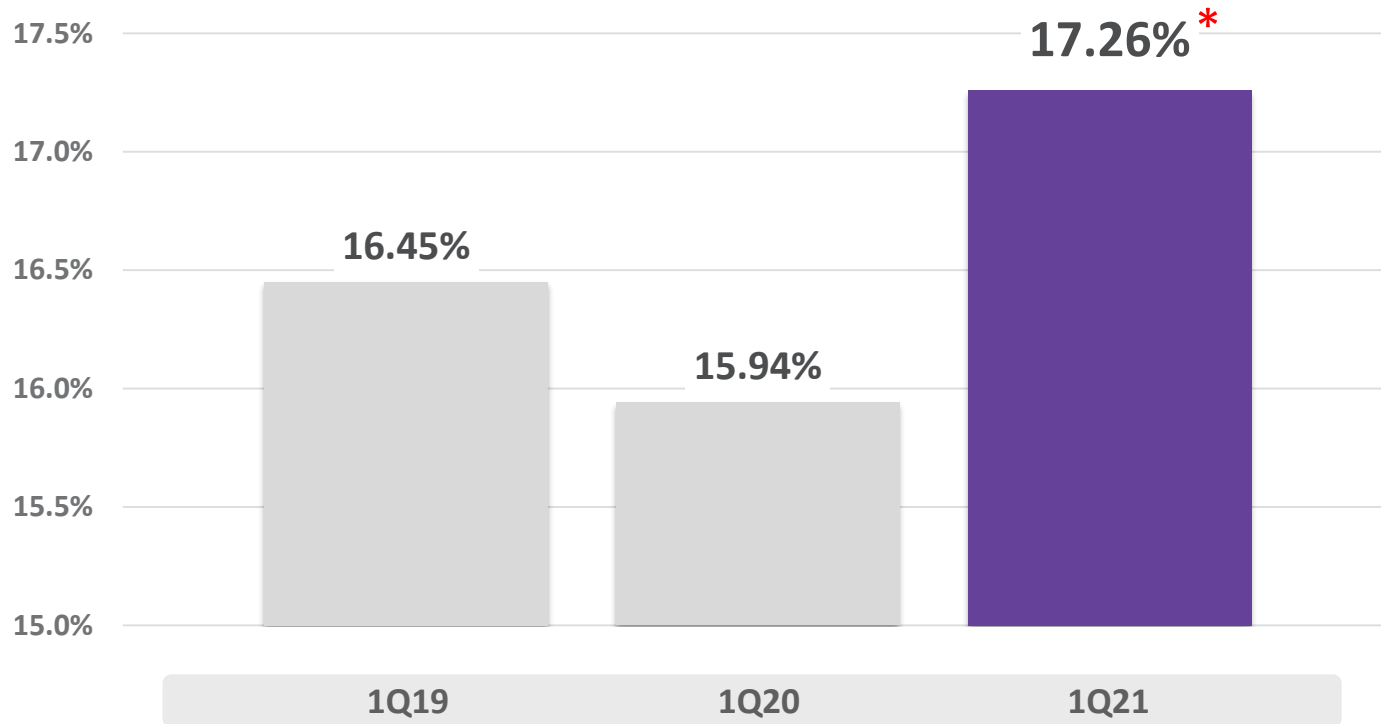
Notes:

⁽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 January and February 2021 period.

▶ Capital Adequacy Ratio

- **Solid capitalization** ratio with **99.9% TIER 1**



* ICAP March 2021 preliminary

▶ Income Statement

Ps\$ MM				Var.	
	1Q20	4Q20	1Q21	YoY	QoQ
▪ Interest Income	\$5,432	\$4,519	\$4,327	-20.3%	-4.2%
▪ Interest Expense	(\$2,341)	(\$1,906)	(\$1,762)	-24.7%	-7.6%
Financial Margin	\$3,091	\$2,613	\$2,565	-17.0%	-1.8%
▪ Net Fees & Commissions	\$457	\$534	\$500	9.4%	-6.4%
▪ Trading Income	\$62	\$170	\$180	190.3%	5.9%
▪ Other Operating Income / (Expense)	\$16	(\$18)	(\$84)	-625.0%	366.7%
Non Interest Income	\$535	\$686	\$596	11.4%	-13.1%
Total Revenues	\$3,626	\$3,299	\$3,161	-12.8%	-4.2%
▪ Allowance for Loan Losses	(\$310)	(\$592)	(\$325)	4.8%	-45.1%
▪ Operating Expenses	(\$1,660)	(\$1,713)	(\$1,643)	-1.0%	-4.1%
▪ Equity in income of unconsolidated subsidiaries	\$1	(\$3)	0	-100.0%	-100.0%
Income Before Taxes	\$1,657	\$991	\$1,193	-28.0%	20.4%
▪ Taxes	(\$419)	(\$256)	(\$248)	-40.8%	-3.1%
Net Income	\$1,238	\$735	\$945	-23.7%	28.6%
▪ Effective Tax Rate	25.3%	25.8%	20.8%		

▶ Balance Sheet

Ps\$ MM				Var.	
	1Q20	4Q20	1Q21	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$35,379	\$31,910	\$32,316	-8.7%	1.3%
▪ Investment in Securities	\$9,742	\$10,395	\$10,100	3.7%	-2.8%
▪ Cash & Investments	\$45,121	\$42,305	\$42,416	-6.0%	0.3%
▪ Performing Loan Portfolio	\$186,264	\$197,336	\$199,761	7.2%	1.2%
▪ Non-performing Loan Portfolio	\$2,167	\$2,088	\$2,135	-1.5%	2.3%
▪ Gross Loan Portfolio	\$188,431	\$199,424	\$201,896	7.1%	1.2%
▪ Loan Loss Provisions	(\$2,920)	(\$4,290)	(\$4,427)	51.6%	3.2%
Net Loan Portfolio	\$185,511	\$195,134	\$197,469	6.4%	1.2%
▪ Repos	\$9,292	\$22,033	\$22,553	142.7%	2.4%
▪ Other Assets	\$11,805	\$16,269	\$14,117	19.6%	-13.2%
Total Assets	\$251,729	\$275,741	\$276,555	9.9%	0.3%
▪ Demand Deposits	\$74,616	\$82,954	\$87,571	17.4%	5.6%
▪ Time Deposits	\$82,898	\$94,062	\$90,169	8.8%	-4.1%
▪ Notes	\$3,007	\$3,001	\$3,005	-0.1%	0.1%
Total Deposits	\$160,521	\$180,017	\$180,745	12.6%	0.4%
▪ Repos	\$7,274	\$6,864	\$7,231	-0.6%	5.3%
Funding Including Repos	\$167,795	\$186,881	\$187,976	12.0%	0.6%
▪ Interbank Loans *	\$43,065	\$45,433	\$44,949	4.4%	-1.1%
▪ Other Liabilities	\$8,147	\$8,558	\$7,518	-7.7%	-12.2%
Total Liabilities	\$219,007	\$240,872	\$240,443	9.8%	-0.2%
Shareholder's Equity	\$32,722	\$34,869	\$36,112	10.4%	3.6%

* Mostly development banks.