



Third Quarter 2021

Conference Call Presentation

October | 2021

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▶ Main Drivers looking ahead

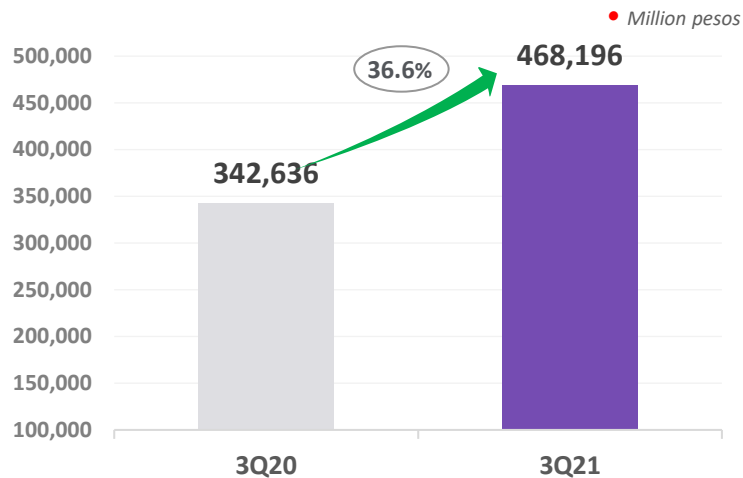
	3Q21	
	BANBAJIO	SYSTEM *
▶ Asset Quality		
NPL Ratio	1.16 %	2.32 %
NPL Adjusted Ratio	1.75 %	5.09 %
Coverage Ratio	200.04 %	155.44 %
Cost of Risk	0.73 %	1.71 %
▶ Growth		
Loan Portfolio	2.50 %	-3.08 %
Deposits	4.88 %	0.87 %
▶ Capitalization		
ICAP September 2021 (preliminary)	18.24 %	18.44 %
TIER I	18.24 %	16.84 %

Net Income for the **3rd quarter of 2021** stood at **1,250 million pesos**, an increase of **64.7% Y/Y** and **16.8%** when compared to 2Q21.

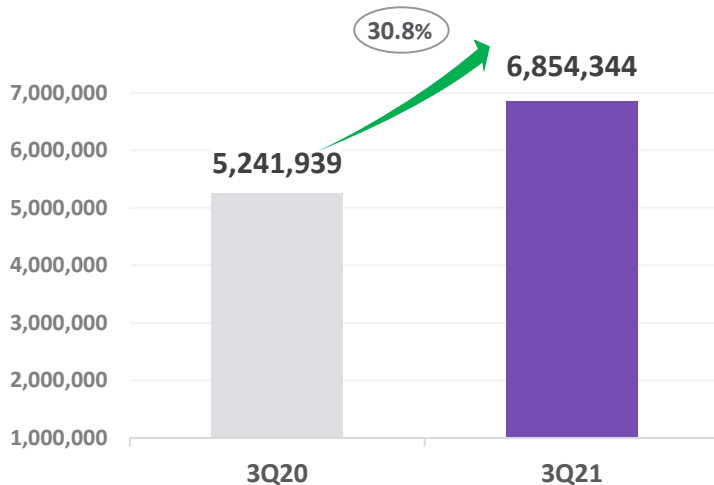
ROAE for the **3Q21** was **14.0%**

▶ Digital Transformation- KPI's

▾ Transactions Amount



▾ Total Digital Channel Transactions



▾ Digital Transactions at BanBajío 3Q21 YoY

This quarter **69.2%** of the **money volume** and **67.6%** of the **number of transactions** are done through **self-service channels (Digital and ATM's)**.

Clients

Clients with **digital transactions** grew **55.1%**. We highlight the **growth of individual** of **87.5%***

Mobile

Transactions in the **mobile channel** got an astonishing **growth** of **71.5%**. **Transactions from individual** through this channel **grew by 86.8%**. In terms of **money volume**, the **growth** was **69.1%**.

Total

In the **total transactions amount** we registered an **increase** of **36.6%** and a **30.8%** in the **number of transactions**.

* Nine months period 2021 vs. 2020.

▶ Loan Portfolio and Deposits Growth

- **Total Loan Portfolio** stood at \$196.0 bn, a growth of 2.5% YoY in 3Q21, while the system decreased -3.1% in August 2021 YoY.
- **Company Loans**, which represents our core business, increased 2.9 %.

	Y o Y	Yield	
		3Q20	3Q21
Company Loans*	2.9 %	8.39 %	7.85 %
Government	23.5 %		
Financial Institutions	-31.0 %		-0.54 %
Consumer	13.8 %		
Mortgage	-11.0 %		

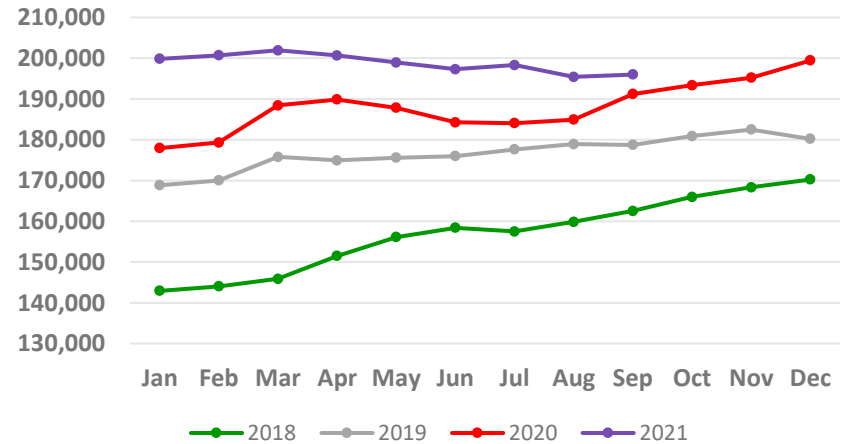
- **Total Deposits (TD)** grew 4.9%, reaching \$182.4 billion in 3Q21 YoY, above the 0.9% of the system as of August 2021 YoY.

	Y o Y	Cost	
		3Q20	3Q21
TD	Demand Deposits	9.2 %	3.72 %
	Time Deposits	4.6 %	2.89 %
	Notes	-100.0 %	
	Repos	-13.1 %	
	Interbank Loans**	-16.2 %	
			-0.83 %
TIIE average:		3Q20 4.98 %	} -0.34 %
		3Q21 4.64 %	

* Includes Corporates and SMEs
 ** Mostly development banks.

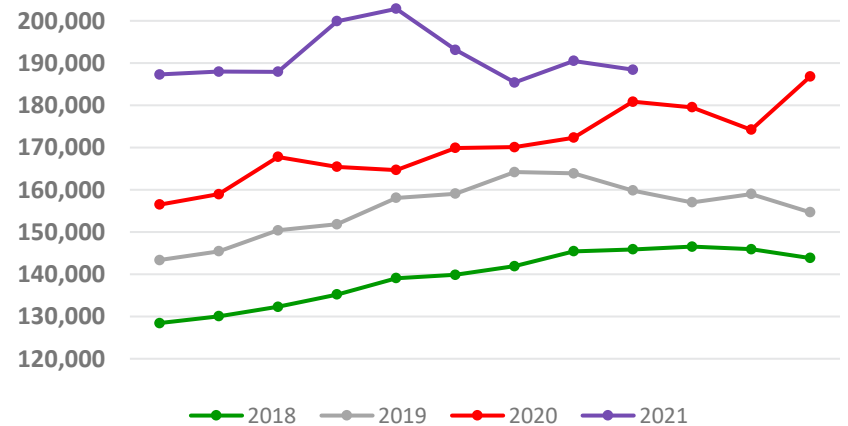
▶ Total Loan Portfolio | Million Pesos

CAGR '18 -'3Q21: 8.1% System ⁽¹⁾ 3.3%



▶ Total Deposits ⁽²⁾ | Million Pesos

CAGR '18 -'3Q21: 11.5% System ⁽¹⁾ 5.2%

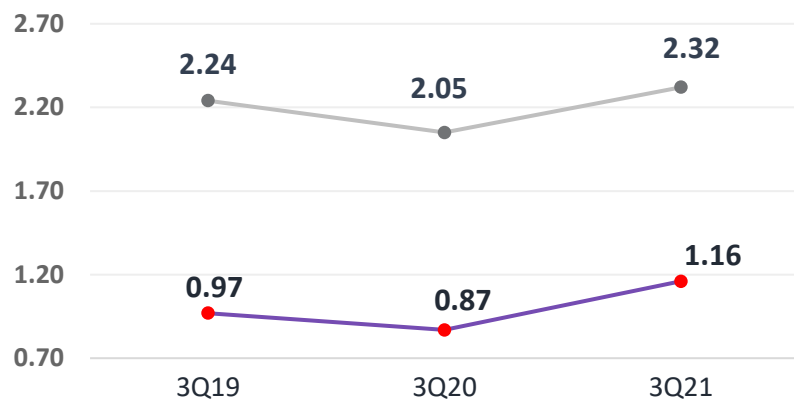


1. Total Banca Multiple consolidated figures August 21.

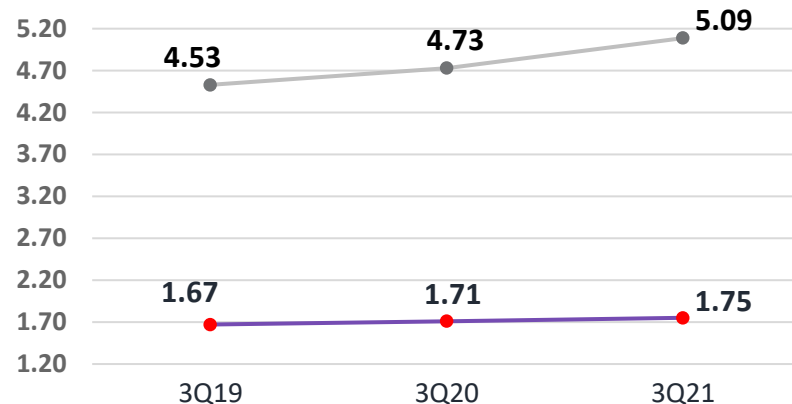
2. Includes Repos.

▶ High Asset Quality and outstanding Risk Profile

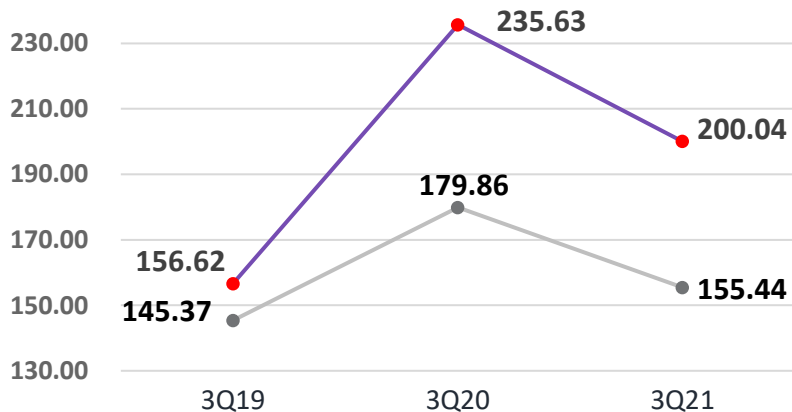
▼ NPL Ratio | %



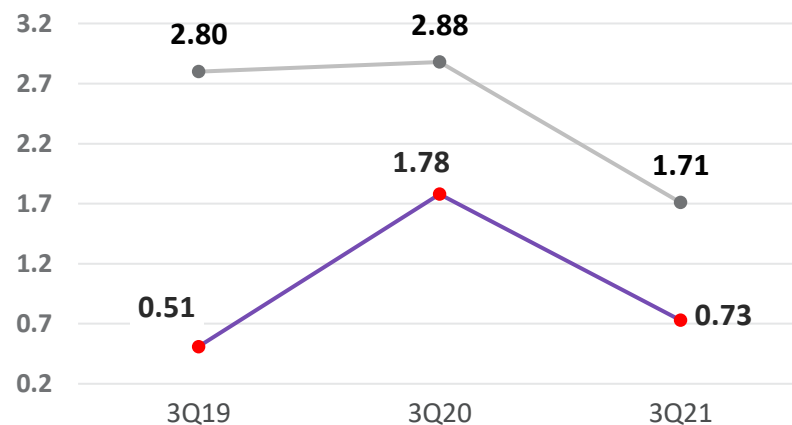
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



▼ Cost of Risk | %



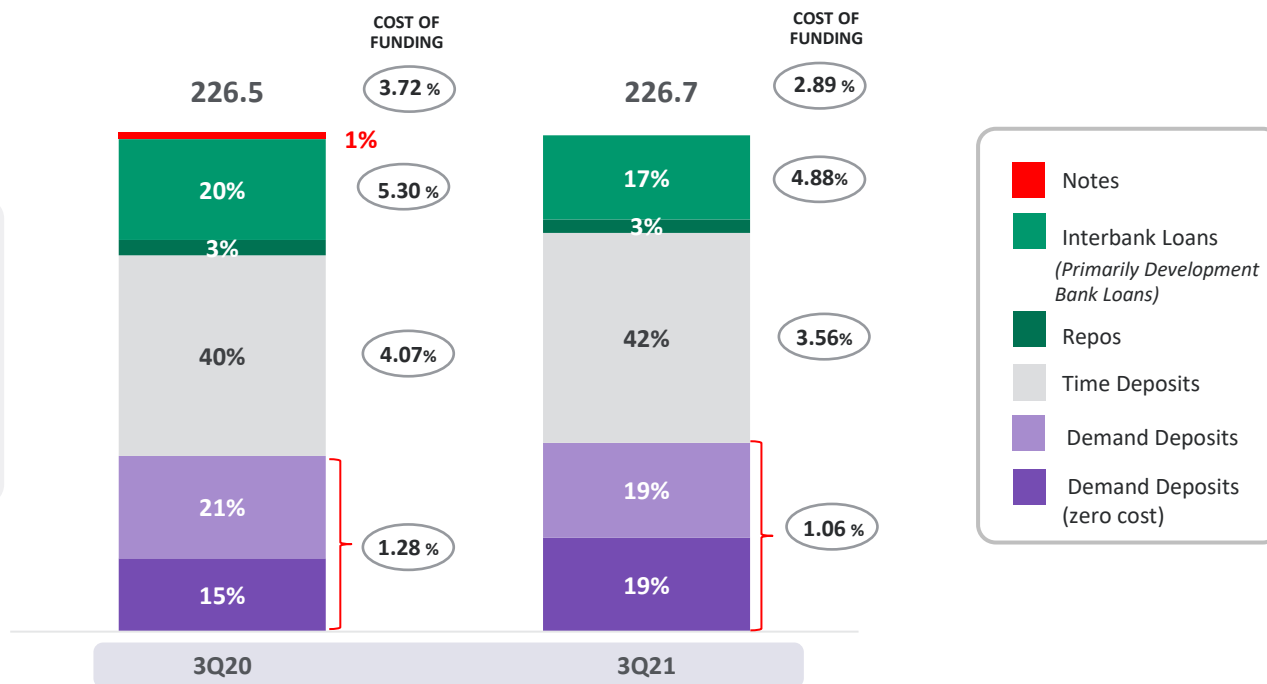
BanBajjo ● System ●

* System Last Available Information August 2021, CNBV.

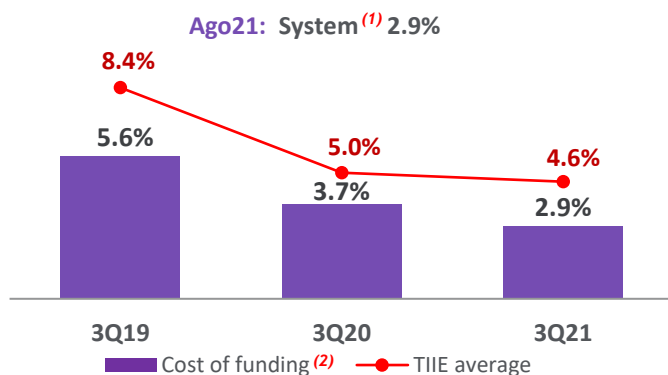
▶ Cost of Funding and Liquidity

▪ Funding Breakdown | Ps\$ Bn

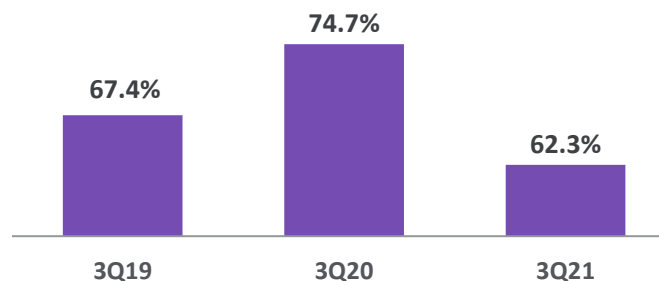
ZERO-COST DEMAND DEPOSITS grew **28.6%**, bolstered by the growth in **CUENTA CONECTA** of **36.4% YoY**.



▼ Cost of Funding | %



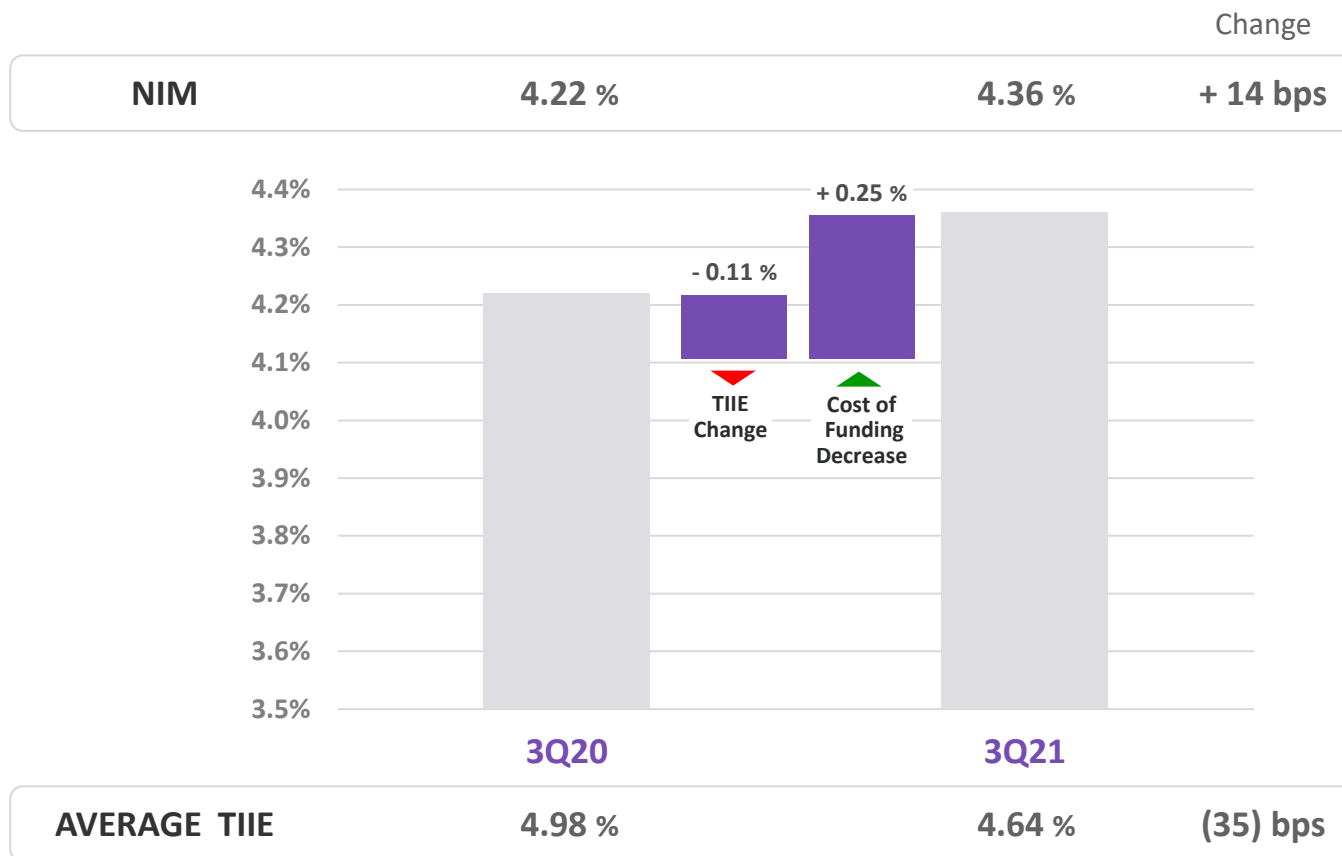
▼ Cost of Funding as of % of TIEE | %



Notes:

1. Total Banca Multiple consolidated figures Julio-Agosto 21, annualized
2. Interest Expense for the annualized quarter, divided by total average funding (deposits, interbank loans, repos).

■ Financial Margin Analysis

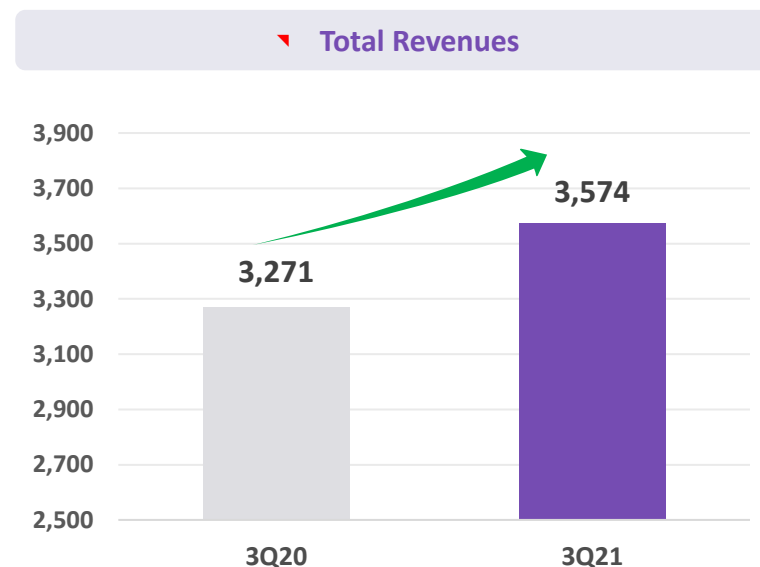


- NIM sensitivity as of September 30th 2021 is 29 bps for each 100 basis points of change in the TIIIE rate.

▶ Revenue's performance

• Million Pesos

- **Total revenues** grew **9.3%** bolstered by the growth in **Net Interest Income** of **8.4%** and **Non interest income** of **12.7% Y/Y**.
- The sound performance of **Non interest income** was a consequence of:
 - **Net fees and commissions** growing at **11.5% Y/Y**, given the good performance of the **acquiring business “POSs”**, which increased **37%** and **transfer fees** that increased **75%**.
 - In **trading income** the **FX business**, is the main contributor growing at **13% Y/Y**.



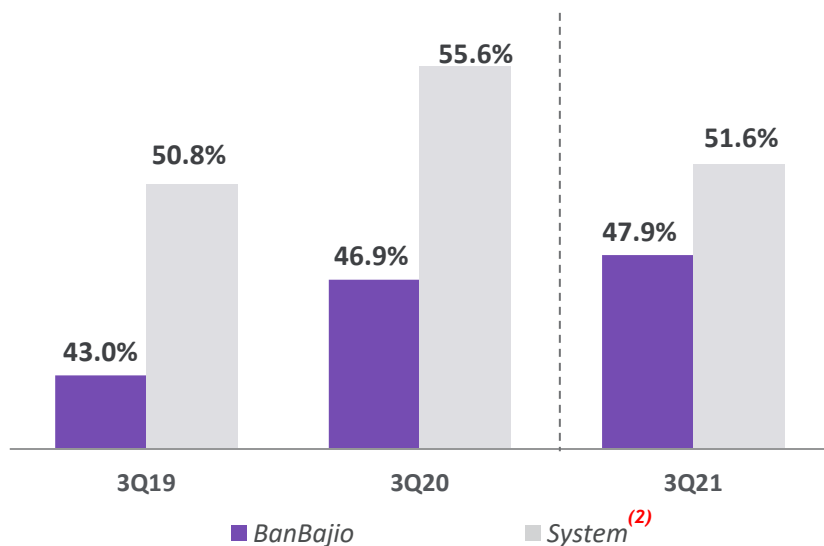
	3Q21	Y/Y
▪ Net Interest Income	2,853	8.4 %
▪ Non Interest Income	721	12.7 %
▪ Net Fees and commissions	535	11.5 %
▪ Trading income	160	8.1 %
▪ Other operating income	26	116.7 %
▪ Total Revenues	3,574	9.3 %

▶ Efficiency Ratio

- **Efficiency Ratio** for 3Q21 stood at **47.9%**, System **51.6%**.

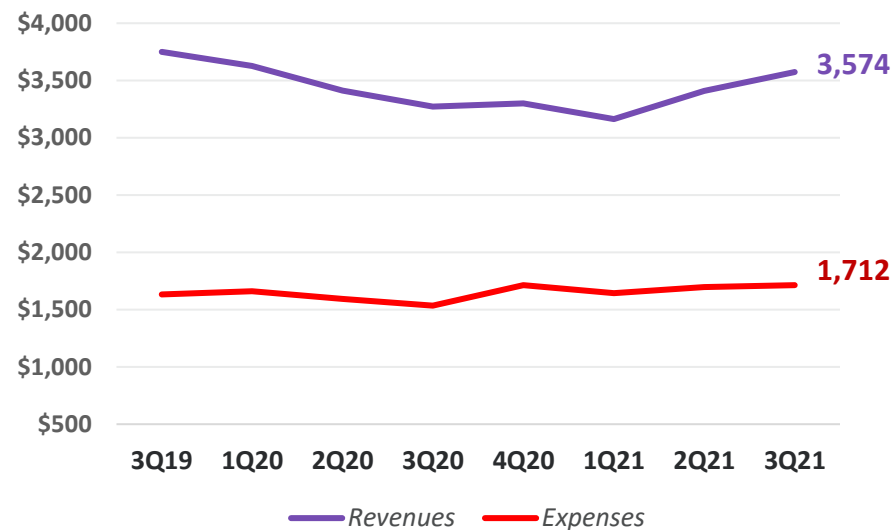
▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Quarterly



Source: Company information

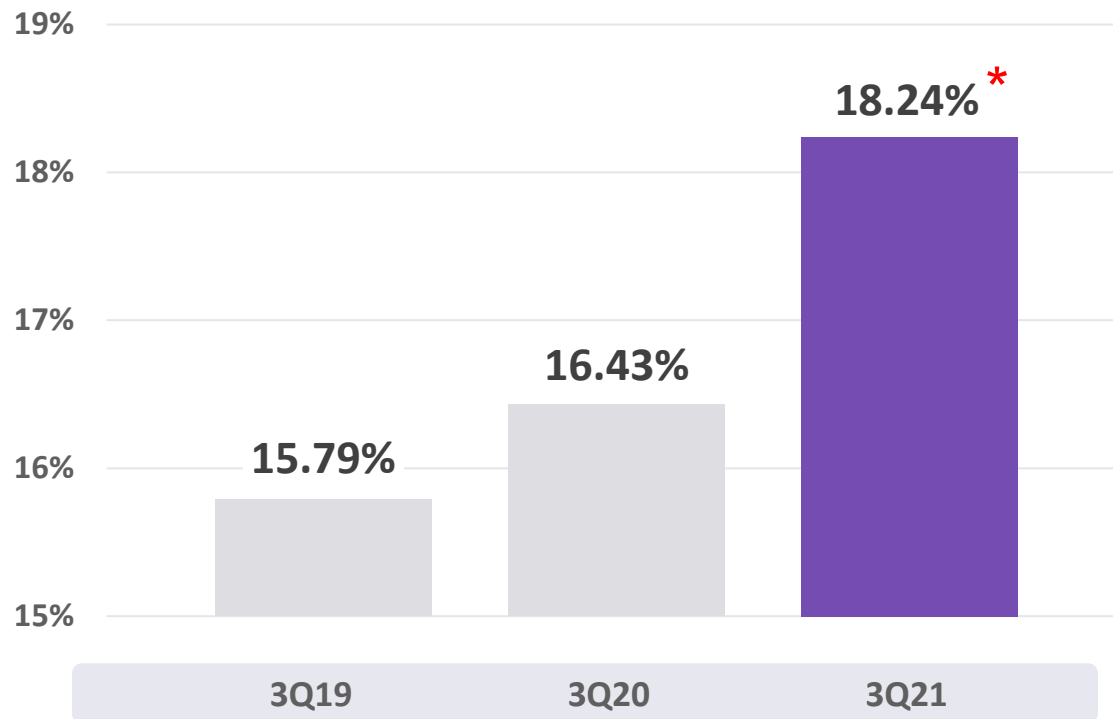
Notes:

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

⁽²⁾ System last available information for the July and August 2021 period.

▶ Capital Adequacy Ratio

- **Solid capitalization** ratio with **99.98% TIER 1**



* ICAP September 2021 preliminary

▶ Income Statement

Ps\$ MM				Var.	
	3Q20	2Q21	3Q21	Y o Y	Q o Q
▪ Interest Income	\$4,692	\$4,437	\$ 4,520	-3.7 %	1.9 %
▪ Interest Expense	(\$2,061)	(\$1,798)	(\$1,667)	-19.1 %	-7.3 %
Net Interest Income	\$2,631	\$2,639	\$2,853	8.4 %	8.1 %
▪ Net Fees & Commissions	\$480	\$527	\$535	11.5 %	1.5 %
▪ Trading Income	\$148	\$219	\$160	8.1 %	-26.9 %
▪ Other Operating Income / (Expense)	\$12	\$24	\$26	116.7 %	8.3 %
Non Interest Income	\$640	\$770	\$721	12.7 %	-6.4 %
Total Revenues	\$3,271	\$3,409	\$3,574	9.3 %	4.8 %
▪ Allowance for Loan Losses	(\$835)	(\$375)	(\$361)	-56.8 %	-3.7 %
▪ Operating Expenses	(\$1,535)	(\$1,695)	(\$1,712)	11.5 %	1.0 %
▪ Equity in income of unconsolidated subsidiaries	\$0	\$0	\$2	-	-
Income Before Taxes	\$901	\$1,339	\$1,503	66.8 %	12.2 %
▪ Taxes	(\$142)	(\$269)	(\$253)	78.2 %	-5.9 %
Net Income	\$759	\$1,070	\$1,250	64.7 %	16.8 %
▪ Effective Tax Rate	15.8 %	20.1 %	16.8 %		

▶ Income Statement

Ps\$ MM	Var.		
	9M 20	9M 21	Y o Y
▪ Interest Income	\$15,248	\$13,284	-12.9 %
▪ Interest Expense	(6,641)	(5,227)	-21.3 %
Net Interest Income	\$8,607	\$8,057	-6.4 %
▪ Net Fees & Commissions	1,380	1,562	13.2 %
▪ Trading Income	270	559	107.0 %
▪ Other Operating Income / (Expense)	50	(34)	-168.0 %
Non Interest Income	\$1,700	\$2,087	22.8 %
Total Revenues	\$10,307	\$10,144	-1.6 %
▪ Allowance for Loan Losses	(2,108)	(1,061)	-49.7 %
▪ Operating Expenses	(4,786)	(5,050)	5.5 %
▪ Equity in income of unconsolidated subsidiaries	10	2	-80.0 %
Income Before Tax	\$3,423	\$4,035	17.9 %
▪ Tax	(721)	(770)	6.8 %
Net Income	\$2,702	\$3,265	20.8 %
▪ Effective Tax Rate	21.06 %	19.08 %	

▶ Balance Sheet

Ps\$ MM				Var.	
	3Q20	2Q21	3Q21	Y o Y	Q o Q
▪ Cash & Cash Equivalents	31,619	29,067	20,346	-35.7%	-30.0%
▪ Investment in Securities	11,639	9,334	7,866	-32.4%	-15.7%
▪ Cash & Investments	\$43,258	\$38,401	\$28,212	-34.8%	-26.5%
▪ Performing Loan Portfolio	189,528	195,110	193,708	2.2%	-0.7%
▪ Non-performing Loan Portfolio	1,667	2,170	2,266	35.9%	4.4%
▪ Gross Loan Portfolio	\$191,195	\$197,280	\$195,974	2.5%	-0.7%
▪ Loan Loss Provisions	(3,928)	(4,416)	(4,533)	15.4%	2.6%
Net Loan Portfolio	\$187,267	\$192,864	\$191,441	2.2%	-0.7%
▪ Repos	22,553	32,224	36,365	61.2%	12.9%
▪ Other Assets	16,443	11,910	15,436	-6.1%	29.6%
Total Assets	\$269,521	\$275,399	\$271,454	0.7%	-1.4%
▪ Demand Deposits	79,765	92,949	87,103	9.2%	-6.3%
▪ Time Deposits	91,098	93,889	95,259	4.6%	1.5%
▪ Notes	3,011	0	0	-100.0%	
Total Deposits	\$173,874	\$186,838	\$182,362	4.9%	-2.4%
▪ Repos	7,020	6,324	6,099	-13.1%	-3.6%
Funding Including Repos	\$180,894	\$193,162	\$188,461	4.2%	-2.4%
▪ Interbank Loans *	45,648	41,400	38,264	-16.2%	-7.6%
▪ Other Liabilities	8,912	5,874	8,464	-5.0%	44.1%
Total Liabilities	\$235,454	\$240,436	\$235,189	-0.1%	-2.2%
Shareholder's Equity	\$34,067	\$34,963	\$36,265	6.5%	3.7%

* Mostly development banks.