



Fourth Quarter 2021

Conference Call Presentation

January | 2022

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▶ Results vs. Guidance

	GUIDANCE 2021	AS OF DECEMBER 2021	
▪ NIM	4.0% - 4.1%	4.2%	✓
▪ Net Interest Income Change	(3.7%) - (4.2%)	(0.9%)	✓
▪ Non Interest Income Growth	16% - 19%	19.5%	✓
▪ Expenses Growth	6.2% - 7.6%	7.2%	✓
▪ Efficiency	Below 52%	49.9%	✓
▪ Cost of Risk	0.5% - 0.7%	0.6%	✓
▪ Net Income (Million Pesos)	\$4,200 - \$4,400	\$4,806	✓
▪ ROAE	11.5% - 12.2%	13.2%	✓
▪ Loan Growth	3% - 5%	0.3%	✗
▪ Deposits Growth	7% - 10%	2.7%	✗
▪ NPL Ratio	Below 1.6%	1.1%	✓
▪ Coverage Ratio	Above 140%	210.7%	✓
▪ Capitalization Ratio	Above 17.0%	18.5%*	✓

* ICAP December 2021 preliminary

▶ Main Drivers looking ahead

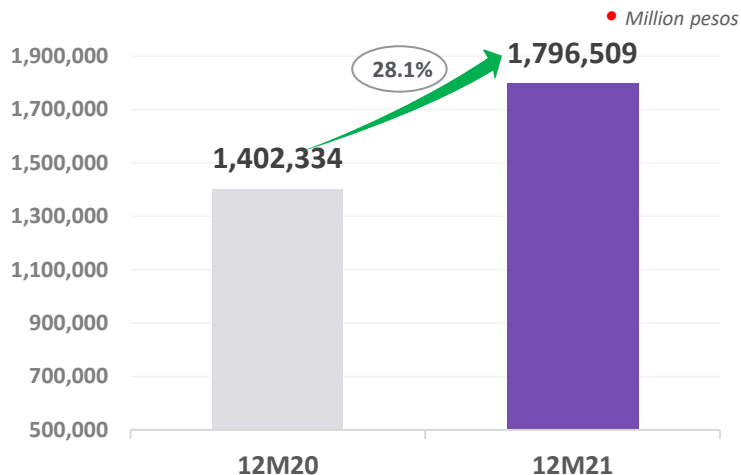
	4Q21	
	BANBAJIO	SYSTEM *
▶ Asset Quality		
NPL Ratio	1.09 %	2.15 %
NPL Adjusted Ratio	1.73 %	5.07 %
Coverage Ratio	210.70 %	160.07 %
Cost of Risk	0.37 %	1.87 %
▶ Growth		
Loan Portfolio	0.27 %	3.11%
Company Loans	3.54 %	-0.06%
Deposits	2.68 %	4.39 %
▶ Capitalization		
ICAP December 2021 (preliminary)	18.46 %	19.37 %
TIER I	18.46 %	17.82%

Net Income for the 4th quarter of 2021 stood at 1,541 million pesos, an increase of **109.7% Y/Y** and **23.3%** when compared to 3Q21.

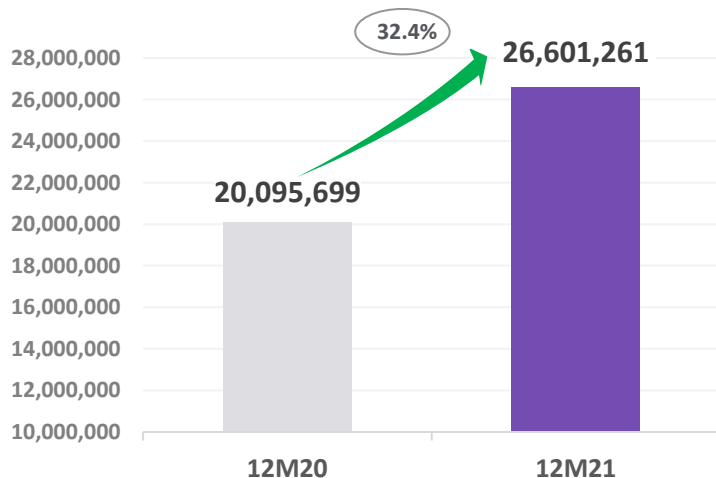
ROAE for the 4Q21 was **16.6%**

▶ Digital Transformation- KPI's

▾ Transactions Amount



▾ Total Digital Channel Transactions



▾ Digital Transactions at BanBajío

By year end 2021 approximately **70%** of the money volume and the **number of transactions** are done through self-service channels (Digital and ATM's).

Clients

Clients with digital transactions grew **61.9% Y/Y**. We highlight the growth of individual of **123.9%**.

Mobile

Transactions in the **mobile channel** got an astonishing growth of **80%**. Transactions from individual through this channel grew by **101.4%**. In terms of money volume, the growth was **91.8%**.

Total

Total transactions amount registered an increase of **28.1%** and number of transactions a **32.4%**.

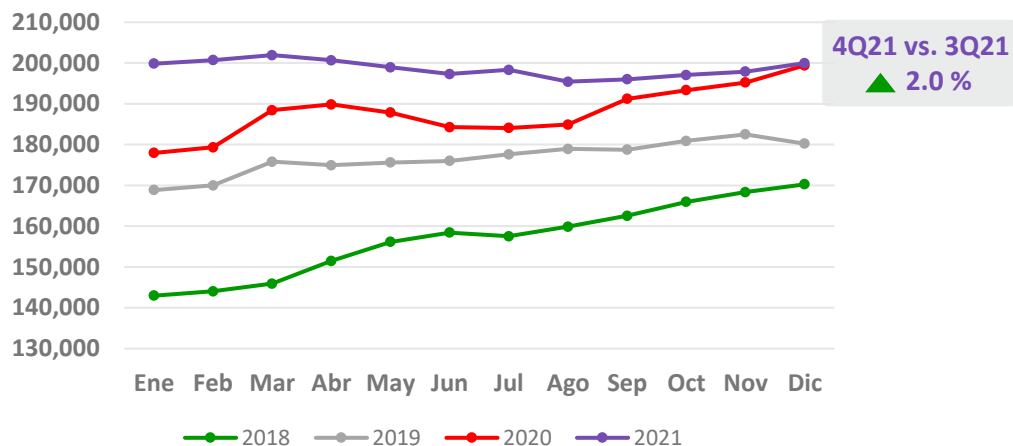
▶ Loan Portfolio and Deposits Growth

- Total Loan Portfolio stood at \$200.0 bn, a growth of 0.3% YoY in 4Q21.
- Company Loans, which represents our core business, increased 3.5 %, while the system decreased -0.1% in November 2021 YoY.

	Y o Y	Yield	
		4Q20	4Q21
Company Loans*	3.5 %	7.90 %	8.23 %
Government	0.1 %		
Financial Institutions	-39.3 %	0.33 %	
Consumer	15.9 %		
Mortgage	-11.4 %		

▼ Total Loan Portfolio | Million Pesos

CAGR '18 -'4Q21: 8.1% System ⁽¹⁾ 3.9%

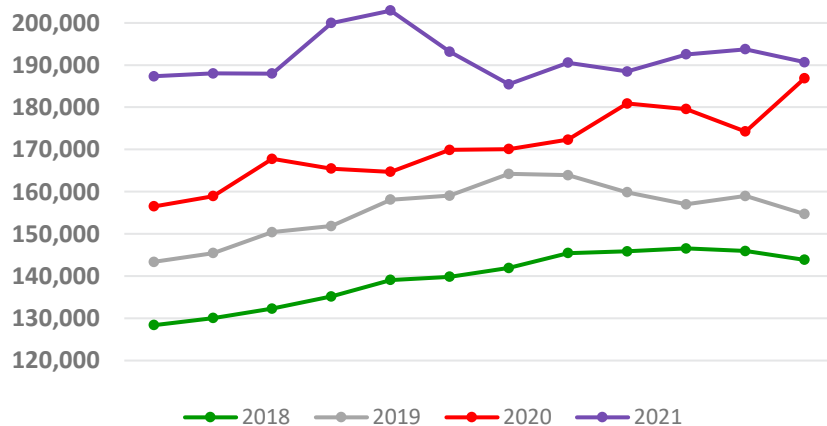


- Total Deposits (TD) grew 2.7%, reaching \$184.8 billion in 4Q21 YoY.

	Y o Y	Cost	
		4Q20	4Q21
Demand Deposits	5.7 %	3.32%	3.17 %
Time Deposits	3.3 %		
Notes	-100.0 %	-0.15 %	
Repos	-14.9 %		
Interbank Loans**	-11.6 %		
TD			
TIIE average:		4Q20 4.51 %	} 0.68 %
		4Q21 5.19 %	

▼ Total Deposits ⁽²⁾ | Million Pesos

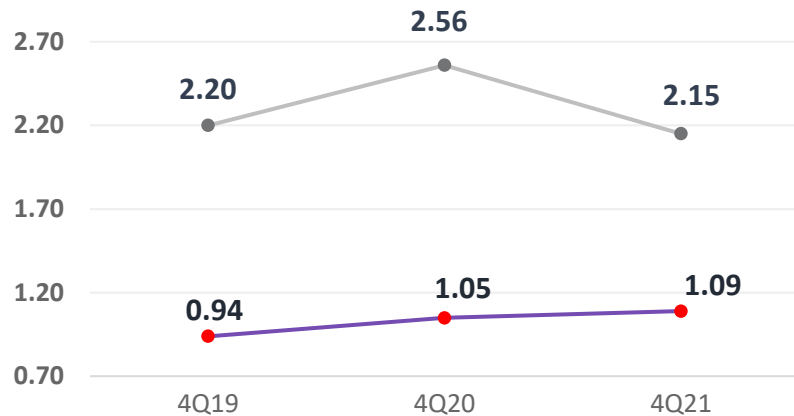
CAGR '18 -'4Q21: 11.0% System ⁽¹⁾ 6.2%



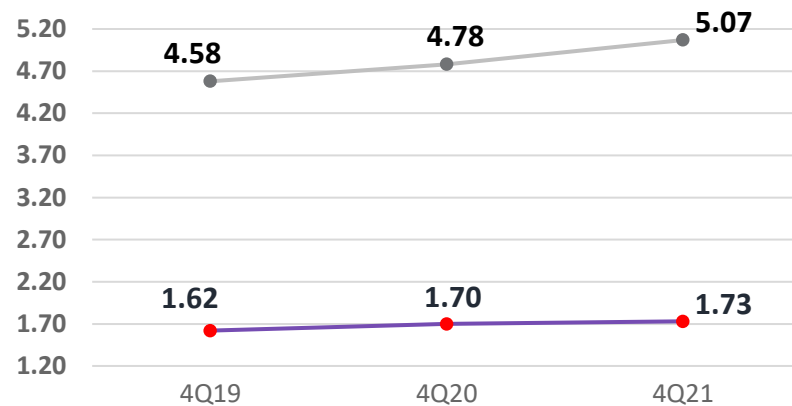
* Includes Corporates and SMEs
 ** Mostly development banks.

▶ Sound Asset Quality and outstanding Risk Profile

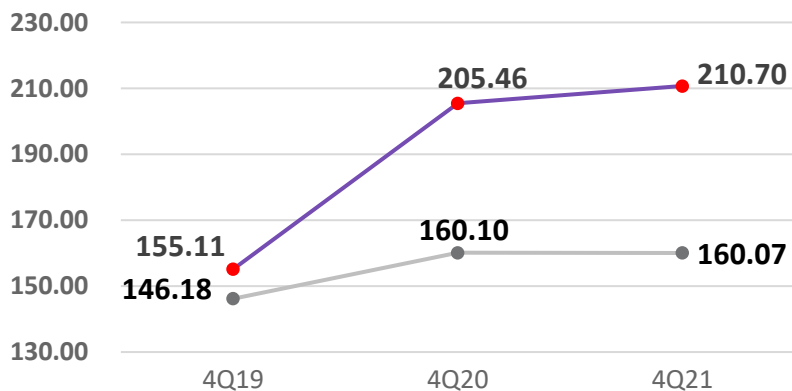
▼ NPL Ratio | %



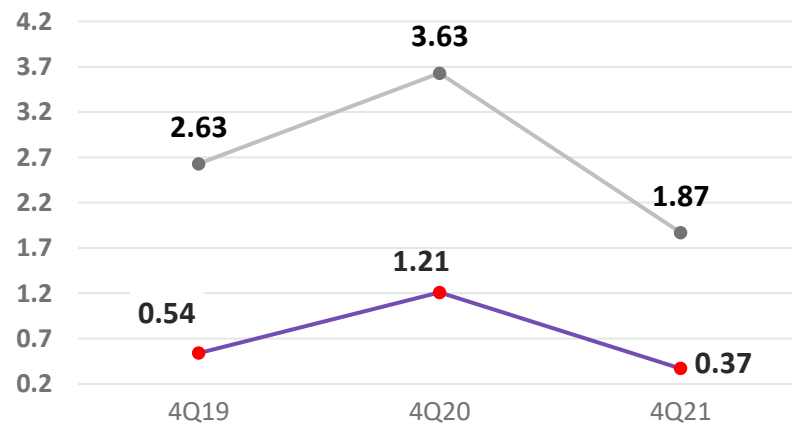
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



▼ Cost of Risk | %



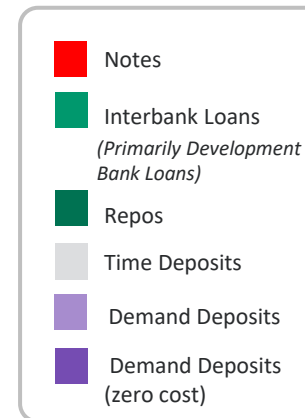
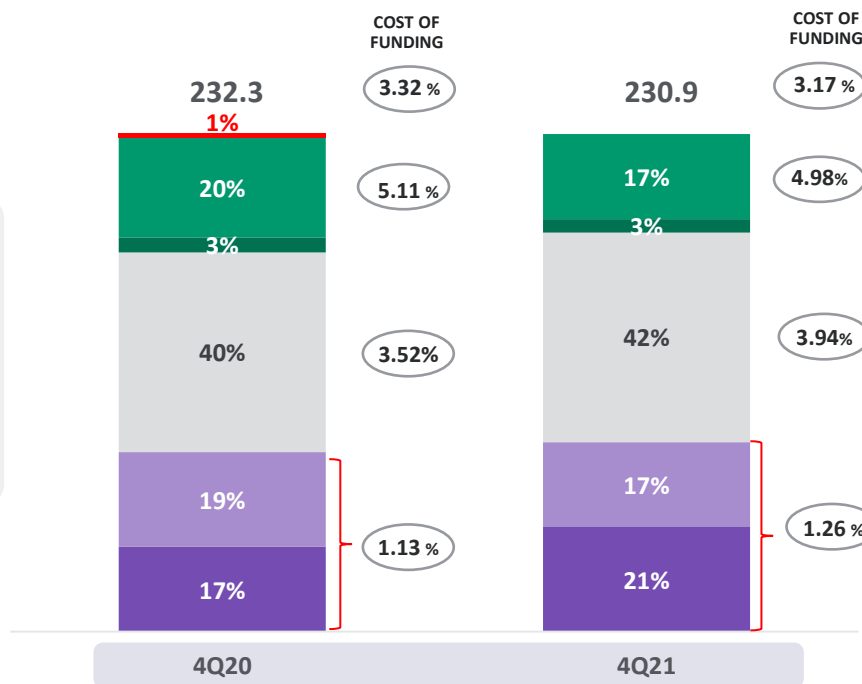
BanBajjo —●— System —●—

* System Last Available Information November 2021, CNBV.

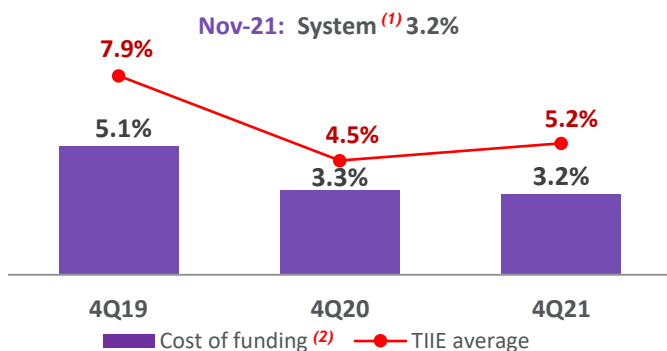
► Cost of Funding and Liquidity

▪ Funding Breakdown | Ps\$ Bn

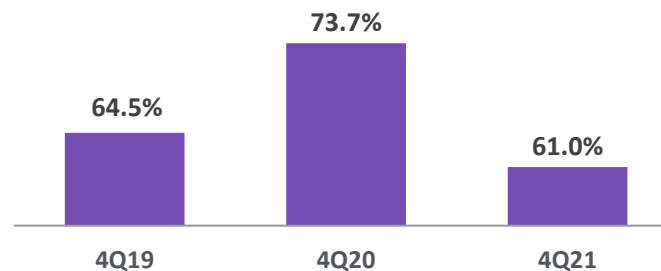
ZERO-COST DEMAND DEPOSITS grew **21.5%**, bolstered by the growth in **CUENTA CONECTA** of **23.7% YoY**.



▼ Cost of Funding | %



▼ Cost of Funding as of % of TIEE | %



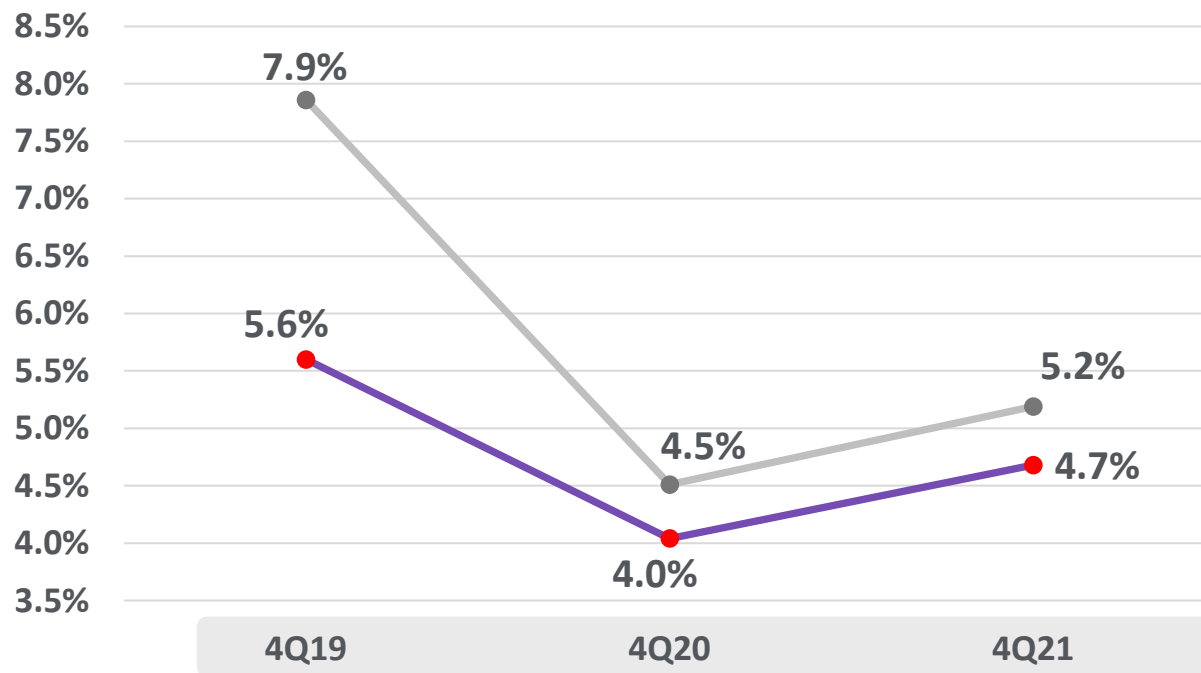
Notes:

1. Total Banca Multiple consolidated figures October-November 21, annualized

2. Interest Expense for the annualized quarter, divided by total average funding (deposits, interbank loans, repos).

▶ Net Interest Margin

- **NIM expanded 64bps in 4Q21 YoY**, as a result of better funding mix and higher interest rates.



4Q21 vs. 4Q20

+0.17% due to
TIE Sensibility

+0.47% due to MIX
Improvement

BanBajio



Avg. TIE

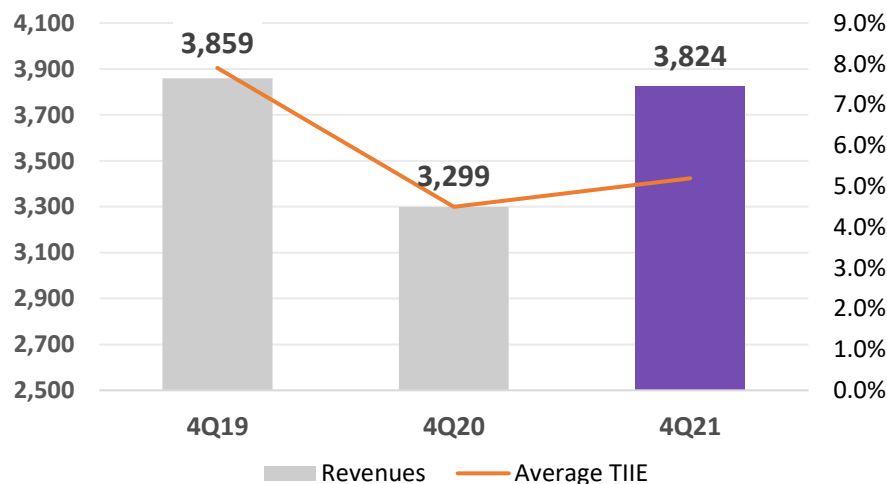


► Revenue's performance

• Million Pesos

- **Revenues** increased **15.9% YoY** in **4Q21** and **2.7%** for **12M21**.
- **Strong performance in Net Interest Income** despite the reduction in the reference rate from 2019's level.
- For **Non Interest Income** we would like to highlight the performance of **Transfer Fees, Acquiring Business** and **FX Trading** growing YoY by **38.1%, 36.6%** and **16.3%** respectively.

▼ Total Revenues



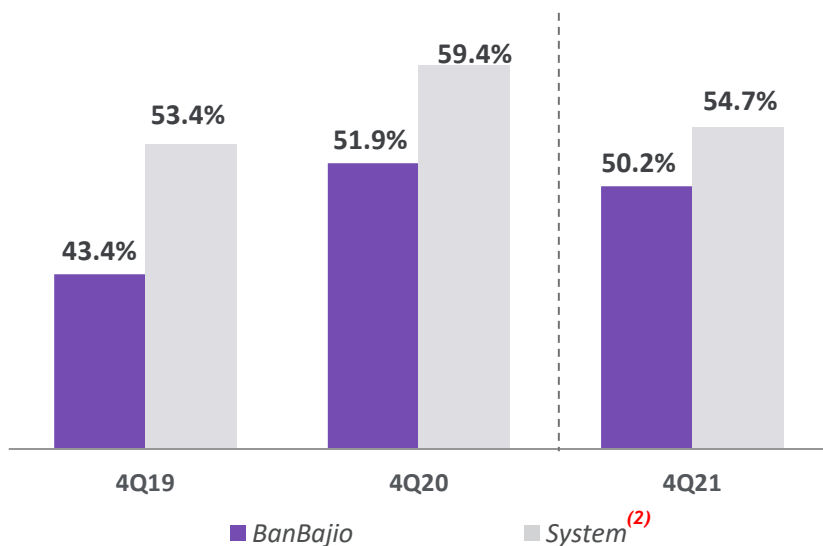
	4Q21	4Q21 VS.	
		4Q20	4Q19
▪ Net Interest Income	3,060	17.1 %	-3.4 %
▪ Non Interest Income	764	11.4 %	10.6 %
▪ Net Fees & Commissions	573	7.3 %	10.8 %
▪ Trading Income	192	12.9 %	50.0 %
▪ Other Operating Income	(1)	-94.4 %	-102 %
TOTAL REVENUES	3,824	15.9 %	-0.9 %

▶ Efficiency Ratio

- **Efficiency Ratio** for 4Q21 stood at **50.2%**, System **54.7%**.

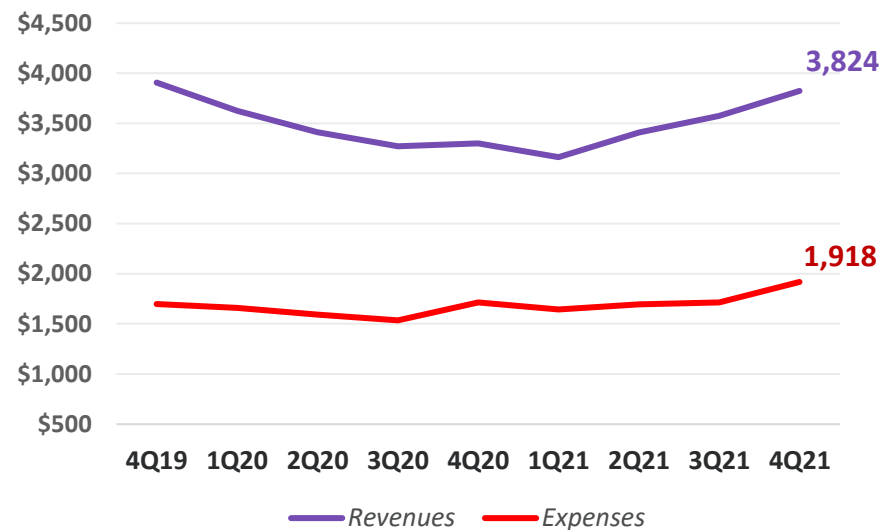
▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Quarterly



Source: Company information

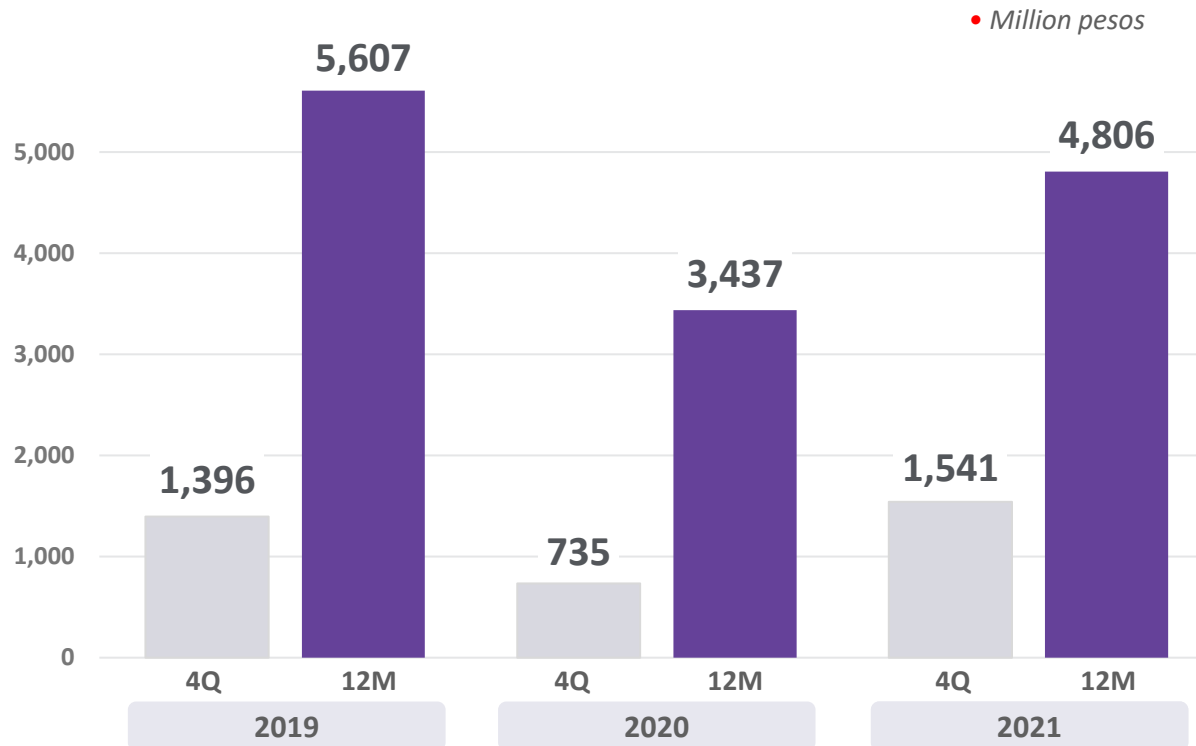
Notes:

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

⁽²⁾ System last available information for the October and November 2021 period.

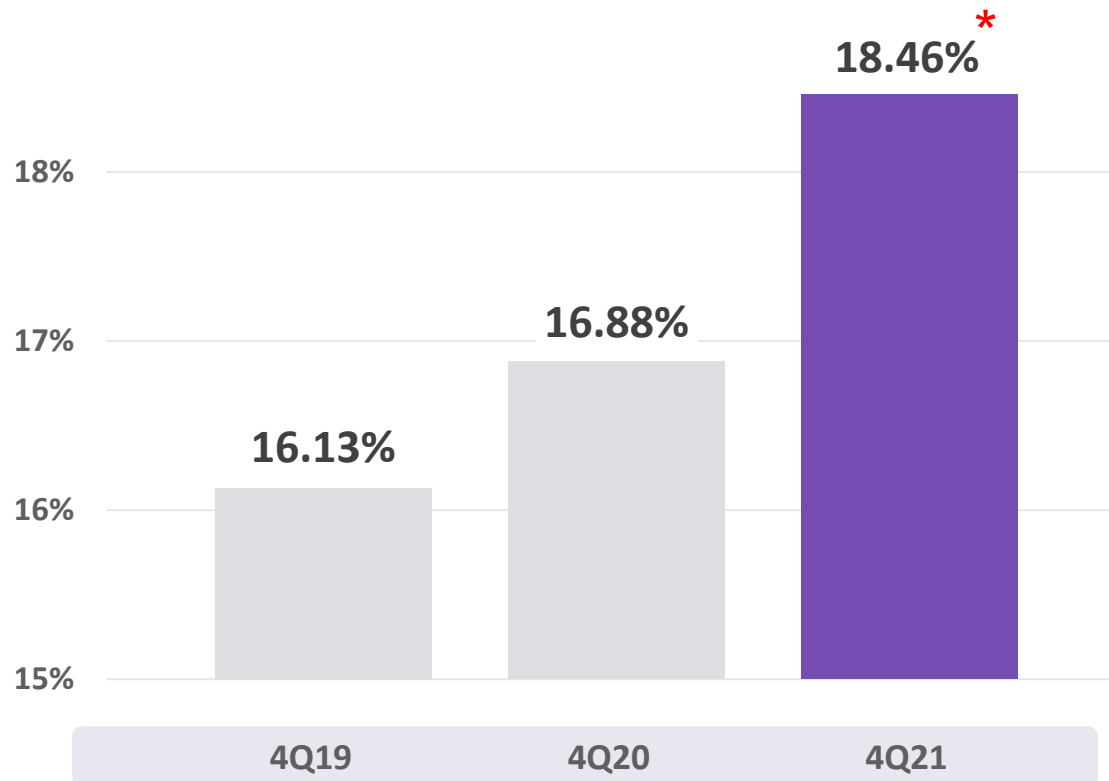
▶ Net Income Performance

- **Net Income was Ps. 1,541 million in 4Q21, a record high figure for BanBajío, 109.7% higher than 4Q20. For the 12M21 period, Net Income totaled Ps. 4,806 million, 39.8% higher than 12M20.**



▶ Capital Adequacy Ratio

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



* ICAP December 2021 preliminary

	2022
▪ Loan Growth	6% - 8%
▪ Deposits Growth	8% - 10%
▪ NIM	5.0%
▪ Net Interest Income Growth	24.0% - 25.0%
▪ Non Interest Income Growth	12% - 13%
▪ Expenses Growth	12% - 13%
▪ Efficiency	Below 47%
▪ Cost of Risk	0.5% - 0.7%
▪ Net Income (Million Pesos)	\$5,950 - \$6,300
▪ ROAE	15.0% - 16.5%
▪ ROAA	2.0% - 2.2%
▪ NPL Ratio	Below 1.5%
▪ Coverage Ratio	Above 150%
▪ Capitalization Ratio	Above 16.0%

- Considered an Average TIE of 6.55% and Dividend Payments from 3.3- 4.7 billion pesos.

▶ Income Statement

Ps\$ MM				Var.	
	4Q20	3Q21	4Q21	Y o Y	Q o Q
▪ Interest Income	\$4,519	\$4,520	\$4,872	7.8%	7.8%
▪ Interest Expense	(\$1,906)	(\$1,667)	(\$1,812)	-4.9%	8.7%
Net Interest Income	\$2,613	\$2,853	\$3,060	17.1%	7.3%
▪ Net Fees & Commissions	\$534	\$535	\$573	7.3%	7.1%
▪ Trading Income	\$170	\$160	\$192	12.9%	20.0%
▪ Other Operating Income / (Expense)	(\$18)	\$26	(\$1)	-94.4%	-103.8%
Non Interest Income	\$686	\$721	\$764	11.4%	6.0%
Total Revenues	\$3,299	\$3,574	\$3,824	15.9%	7.0%
▪ Allowance for Loan Losses	(\$592)	(\$361)	(\$182)	-69.3%	-49.6%
▪ Operating Expenses	(\$1,713)	(\$1,712)	(\$1,918)	12.0%	12.0%
▪ Equity in income of unconsolidated subsidiaries	(\$3)	\$2	\$0	-100.0%	-100.0%
Income Before Taxes	\$991	\$1,503	\$1,724	74.0%	14.7%
▪ Taxes	(\$256)	(\$253)	(\$183)	-28.5%	-27.7%
Net Income	\$735	\$1,250	\$1,541	109.7%	23.3%
▪ Effective Tax Rate	25.83%	16.83%	10.61%		

▶ Income Statement

Ps\$ MM			Var.
	12M 20	12M 21	Y o Y
▪ Interest Income	\$19,767	\$18,156	-8.1%
▪ Interest Expense	(\$8,547)	(\$7,039)	-17.6%
Net Interest Income	\$11,220	\$11,117	-0.9%
▪ Net Fees & Commissions	\$1,914	\$2,135	11.5%
▪ Trading Income	\$440	\$751	70.7%
▪ Other Operating Income / (Expense)	\$32	(\$35)	-209.4%
Non Interest Income	\$2,386	\$2,851	19.5%
Total Revenues	\$13,606	\$13,968	2.7%
▪ Allowance for Loan Losses	(\$2,700)	(\$1,243)	-54.0%
▪ Operating Expenses	(\$6,499)	(\$6,968)	7.2%
▪ Equity in income of unconsolidated subsidiaries	\$7	\$2	-71.4%
Income Before Taxes	\$4,414	\$5,759	30.5%
▪ Taxes	(\$977)	(\$953)	-2.5%
Net Income	\$3,437	\$4,806	39.8%
▪ Effective Tax Rate	22.13%	16.55%	

▶ Balance Sheet

Ps\$ MM				Var.	
	4Q20	3Q21	4Q21	Y o Y	Q o Q
▪ Cash & Cash Equivalents	31,910	20,346	21,461	-32.7%	5.5%
▪ Investment in Securities	10,395	7,866	9,127	-12.2%	16.0%
▪ Cash & Investments	\$42,305	\$28,212	\$30,588	-27.7%	8.4%
▪ Performing Loan Portfolio	197,336	193,708	197,782	0.2%	2.1%
▪ Non-performing Loan Portfolio	2,088	2,266	2,178	4.3%	-3.9%
▪ Gross Loan Portfolio	\$199,424	\$195,974	\$199,960	0.3%	2.0%
▪ Loan Loss Provisions	(4,290)	(4,533)	(4,589)	7.0%	1.2%
Net Loan Portfolio	\$195,134	\$191,441	\$195,371	0.1%	2.1%
▪ Repos	22,033	36,365	36,281	64.7%	-0.2%
▪ Other Assets	16,269	15,436	13,228	-18.7%	-14.3%
Total Assets	\$275,741	\$271,454	\$275,468	-0.1%	1.5%
▪ Demand Deposits	82,954	87,103	87,700	5.7%	0.7%
▪ Time Deposits	94,062	95,259	97,138	3.3%	2.0%
▪ Notes	3,001	0	0	-100.0%	
Total Deposits	\$180,017	\$182,362	\$184,838	2.7%	1.4%
▪ Repos	6,864	6,099	5,841	-14.9%	-4.2%
Funding Including Repos	\$186,881	\$188,461	\$190,679	2.0%	1.2%
▪ Interbank Loans *	45,433	38,264	40,171	-11.6%	5.0%
▪ Other Liabilities	8,558	8,464	6,788	-20.7%	-19.8%
Total Liabilities	\$240,872	\$235,189	\$237,638	-1.3%	1.0%
Shareholder's Equity	\$34,869	\$36,265	\$37,830	8.5%	4.3%

* Mostly development banks.