



First Quarter 2022

Conference Call Presentation

April | 2022

Executive Summary

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▶ Executive Summary

RELEVANT RESULTS |

1Q22 vs.1Q21

▪ Net Income	<i>growth</i>	61.5 %
▪ Revenues ⁽¹⁾	<i>growth</i>	26.6 %
▪ NII	<i>growth</i>	26.7 %
▪ ROAE	▲	15.8 %
▪ ROAA	▲	2.2 %
▪ NIM	▲	4.8 %
▪ Efficiency Ratio	▼	43.8 %
▪ Total Loan Portfolio	<i>decrease</i>	- 0.4 %
▪ Company Loans Portfolio	<i>growth</i>	2.7 %
▪ Total Deposits	<i>growth</i>	6.0 %
▪ NPL Ratio	▲	1.1 %
▪ Coverage Ratio	▼	202.4 %
▪ ICAP*	▲	19.2 %

(1) To facilitate the comparison, we have adjusted 1Q21 figures with IPAB's fee reclassification.

* ICAP March 2022 preliminary

▶ IFRS & Regulatory changes

	1Q22	1Q21	Var.		IFRS Effects 1Q22
			\$	%	
▶ Net Interest Income	3,250	2,565	685	26.7 %	(15)
▶ Non Interest Income	475	377 *	98	26.0 %	(90)
▶ Total Revenues	3,725	2,942	783	26.6 %	(104)
▶ Operating Expenses	(1,631)	(1,424) *	(207)	14.5 %	21
▶ Income Before Taxes	1,996	1,193	803	67.3 %	(84)
▶ Taxes	(470)	(248)	(222)	89.5 %	25
▶ Net Income	1,526	945	581	61.5 %	(59)

The changes in regulation and accounting standards that are taking place in **2022** had an impact to quarterly net income of **MXN -59 million**, net of taxes:

- **Net Interest Income** was affected by the deferral of origination fees and the recognition of leases on interest expenses (D5).
- **Non interest income** was affected by the deferral of origination fees and the recognition of CVA and DVA on derivatives.

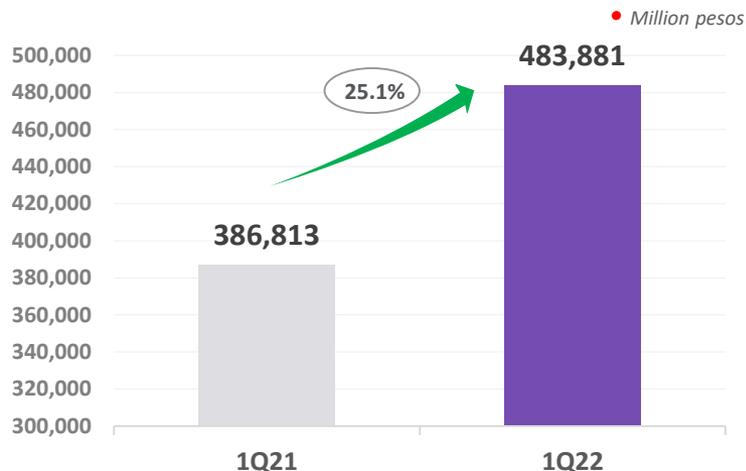
Impact to **Shareholder's Equity** accounted for **MXN -49 million**, net of taxes, due to the change in the reserve requirements.

* **IPAB fee expense** (deposit insurance) was reclassified from Operating expenses to Non-interest income, which accounted for **MXN 219 million** in **1Q21**.

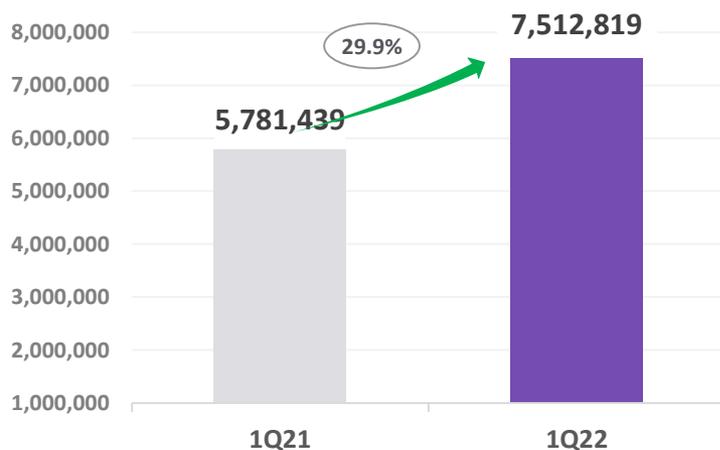
* Figures account for IPAB Fee reclassification.

▶ Digital Transformation- KPI's

▾ Transactions Amount



▾ Total Digital Channel Transactions



▾ Digital Transactions at BanBajío 1Q22

As of **March 2022**, 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 **45.0% Y/Y**. We highlight the **growth of individual** of **75.3%**.

Mobile

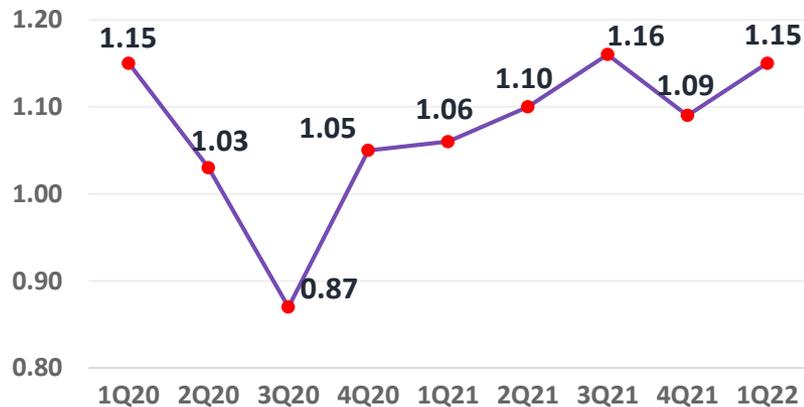
Transactions in the **mobile channel** got an astonishing **growth** of **75.3%**. **Transactions from individual** through this channel **grew by 95.8%**. In terms of **money volume**, the **growth** was **160.6%**.

Total

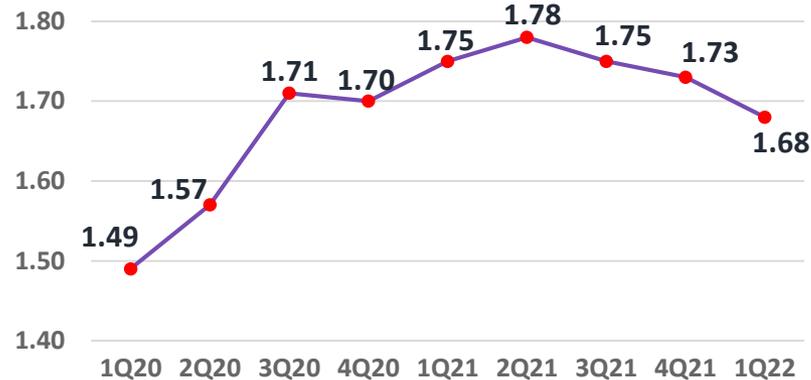
Total transactions amount registered an **increase** of **25.1%** and **number of transactions** a **29.9%**.

▶ Sound Asset Quality and outstanding Risk Profile

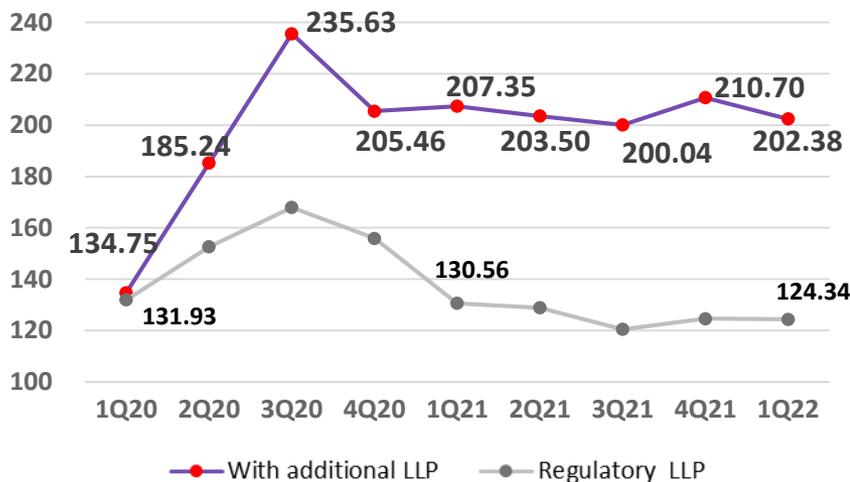
▼ NPL Ratio | %



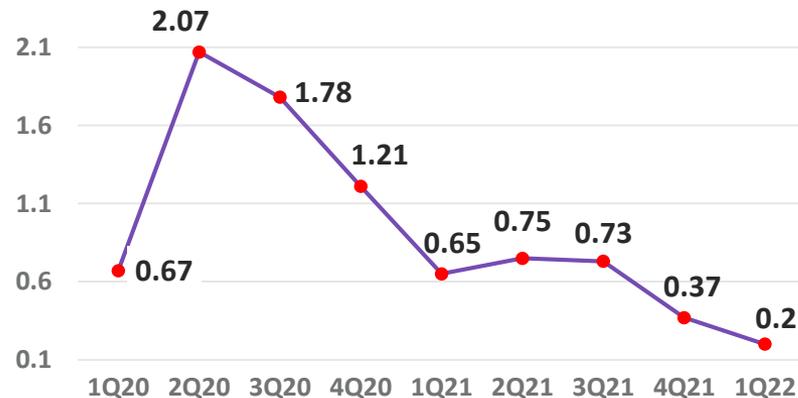
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



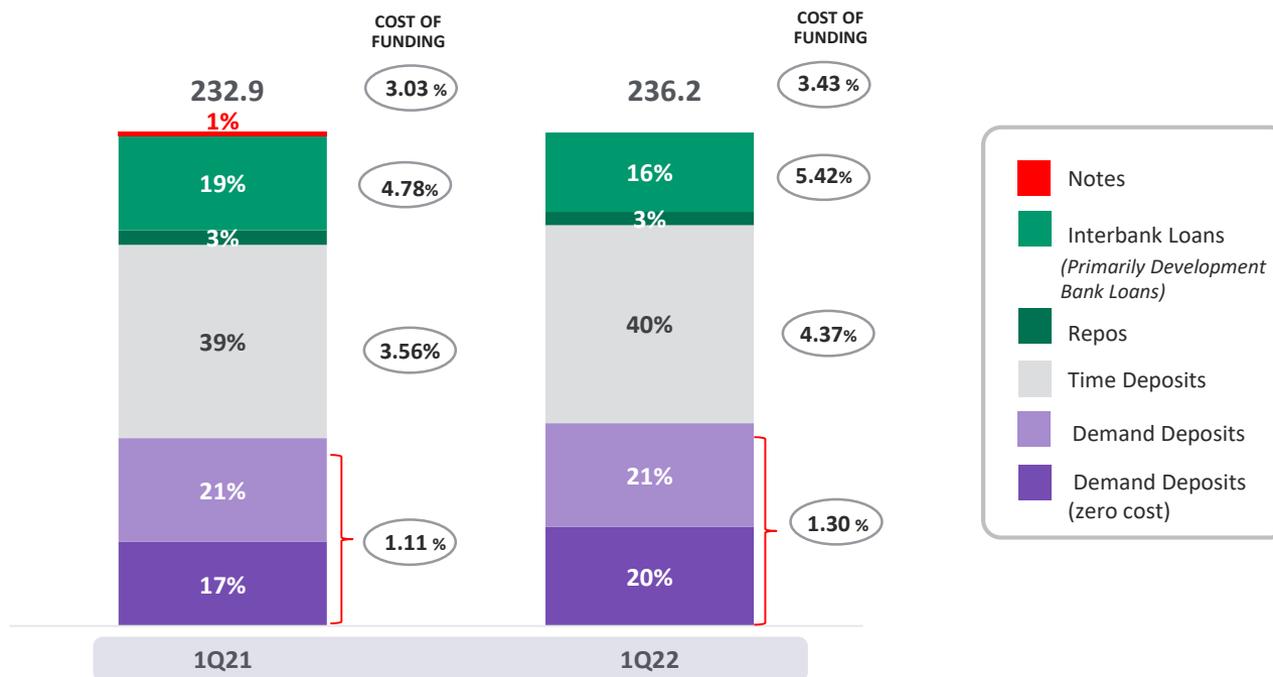
▼ Cost of Risk | %



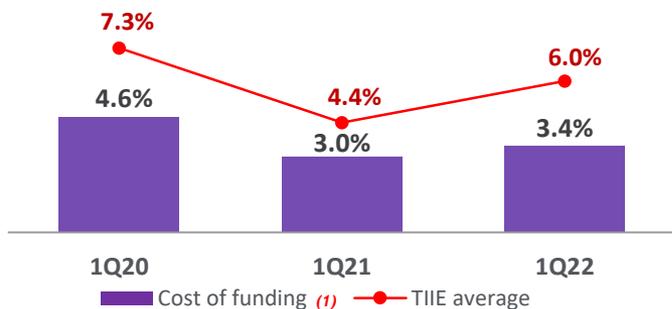
► Cost of Funding and Liquidity

▪ Funding Breakdown | Ps\$ Bn

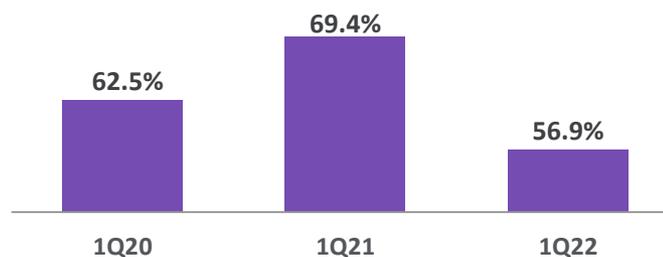
ZERO-COST DEMAND DEPOSITS grew 19.3%, bolstered by the growth in **CUENTA CONECTA** of 21.3% YoY.



▼ Cost of Funding | %



▼ Cost of Funding as of % of TIIE | %

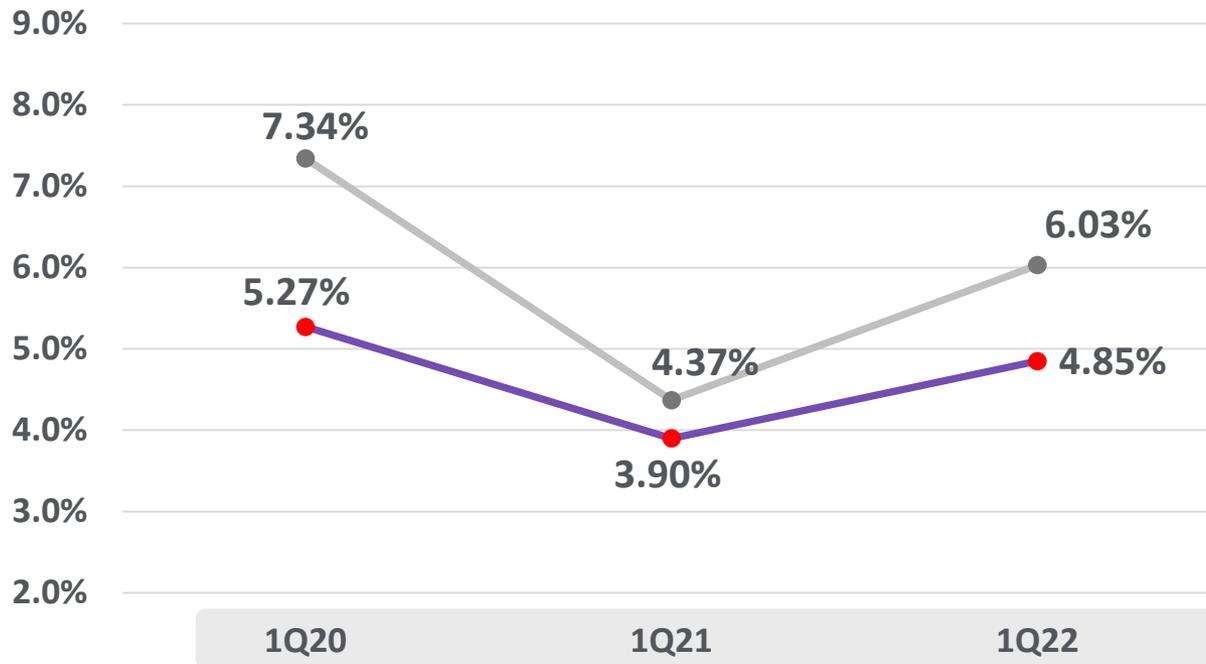


Notes:

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

▶ Net Interest Margin

- **NIM expanded 95bps in 1Q22 YoY**, as a result of better funding mix and higher interest rates.



1Q22 vs. 1Q21

+51 bps due to **MIX** Improvement.

+46 bps due to **TIIE** Sensibility.

-2 bps due to accounting standards 'changes.

BanBajio



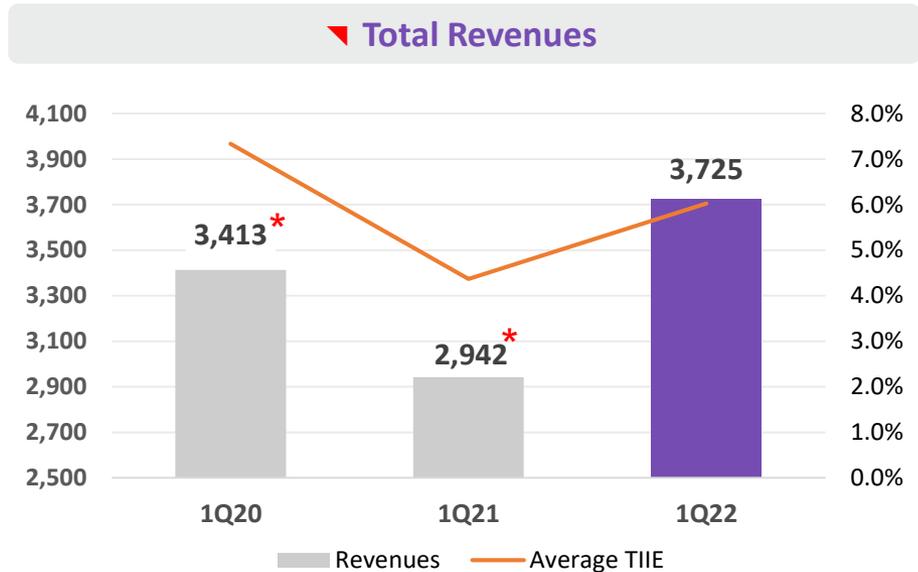
Avg. TIIE



▶ Revenues' Performance

• Million Pesos

- **Revenues** increased **26.6% YoY** in **1Q22**, adjusted by IPAB Fee reclassification.
- For **Net Fees & Commissions**, which are affected by the accounting deferral, we would like to highlight the performance of:
Transfer Fees, growing by **38.0%**,
POS Fees growing by **30.7%** and
Trust growing by **13.2%**.
- In **Trading Income** the largest component, which is **FX Trading Income**, is growing by **21.7%**



	1Q22	1Q21	Var. YoY	IFRS Effects 1Q22
▪ Net Interest Income	3,250	2,565	26.7 %	(15)
▪ Non Interest Income	475	377	26.0 %	(90)
▪ Net Fees & Commissions	442	500	-11.6 %	(92)
▪ Trading Income	197	180	9.4 %	2
▪ Other Operating Income *	(164)	(303)	-45.9 %	
TOTAL REVENUES	3,725	2,942	26.6 %	(104)

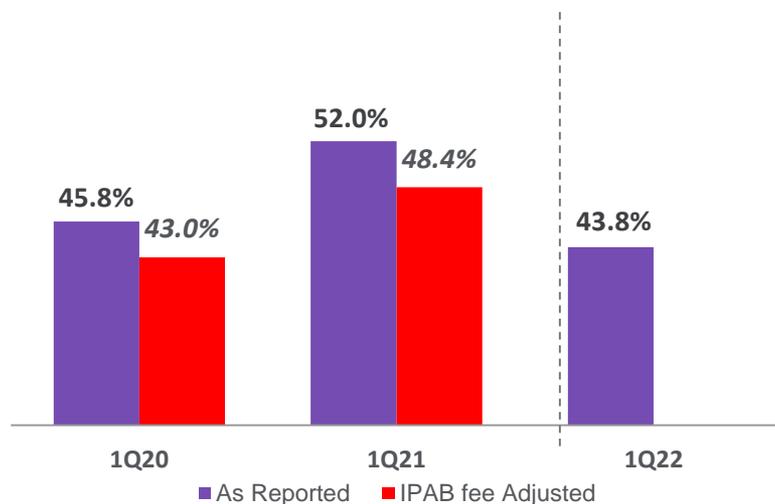
* Figures before 1Q22 account for IPAB Fee reclassification.

▶ Efficiency Ratio

- **Efficiency Ratio** for 1Q22 stood at **43.79%**

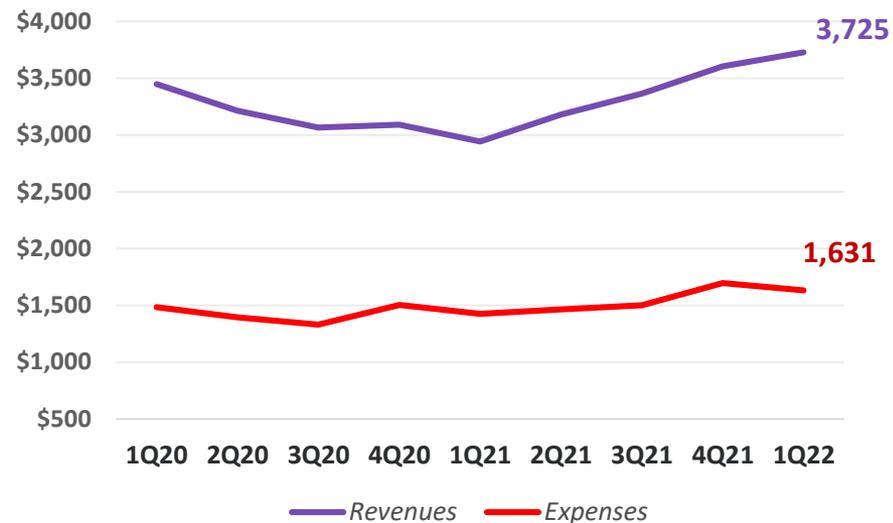
▼ Efficiency Ratio Evolution

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses *

Ps\$ MM | Quarterly



Source: Company information

Notes:

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

* Figures before 1Q22 account for IPAB Fee reclassification.

▶ Dividend Payment 2022

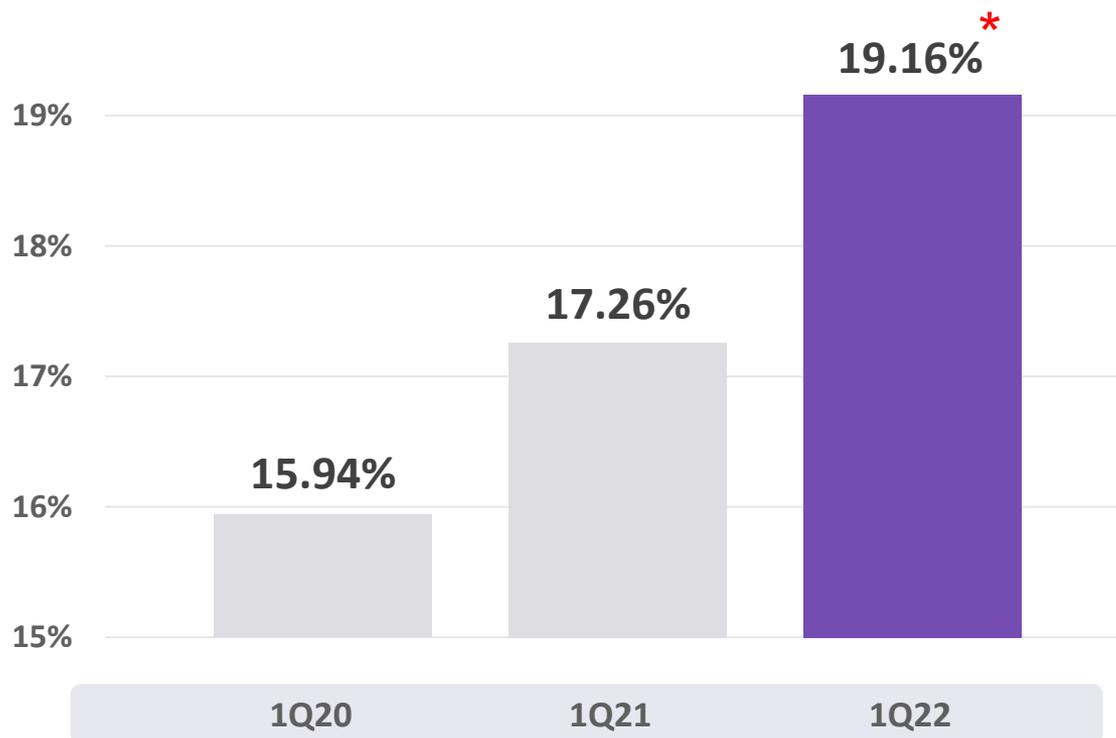
- Today, our **Annual Shareholders' Meeting** approved a cash dividend payment equivalent to **25.0% of 2019 and 2020; and 50.0% of Net Income 2021.**
- **The amount** to distribute is **\$4,668,109,605.29**, **payment** will take place during **May of 2022.**

	2019-2020	2021
▪ Net Income	\$9,044,042,149.18	\$4,814,198,135.97
▪ % to distribute	25.00 %	50.00%
▪ Amount to distribute	\$2,261,010,537.30	\$2,407,099,067.99
▪ Outstanding shares	1,189,931,687	
▪ Dividend per share	\$1.9001179328	\$2.0228884517
▪ Total Dividend to pay	\$3.9230063846	
▪ Dividend yield[*]	7.6%	

* Computed with the price of April 26, 22.

▶ Capital Adequacy Ratio

- **Solid capitalization** ratio with **99.97% TIER 1**



Right after the **dividend payment**, the **ICAP Ratio** will be **17.0%**. However, we expect to **end the year** above **18.0%**, absent more distributions.

* ICAP March 2022 preliminary.

▶ Guidance

Assumptions: GDP Growth **1.5% -2.0%**, Average Monetary Policy Rate of **7.02%** (before 6.30%), Inflation Rate **6.0%- 7.0%**.

	2022 Original	2022 Revised	
▪ Loan Growth	6% - 8%	4% - 6%	✘
▪ Deposits Growth	8% - 10%	6% - 8%	✘
▪ NIM	5.0%	5.4%	✓
▪ Net Interest Income Growth	24.0% - 25.0%	30.0% - 32.0%	✓
▪ Total Revenues	22.7% - 24.0%	24.0% - 26.0%	✓
▪ Expenses Growth	12% - 13%	10% - 12%	✓
▪ Efficiency	Below 47%	Below 42%	✓
▪ Cost of Risk	0.5% - 0.7%	0.4% - 0.5%	✓
▪ Net Income (Million Pesos)	\$5,950 - \$6,300	\$6,500 - \$6,700	✓
▪ ROAE	15.0% - 16.5%	17.0% - 17.5%	✓
▪ ROAA	2.0% - 2.2%	2.3%	✓
▪ NPL Ratio	Below 1.5%	Below 1.5%	≡
▪ Coverage Ratio	Above 150%	Above 150%	≡
▪ Capitalization Ratio	Above 16.0%	Above 16.0%	≡

▶ Income Statement

Ps\$ MM				Var.	
	1Q21	4Q21	1Q22	Y o Y	Q o Q
▪Interest Income	\$4,327	\$4,872	\$5,255	21.4%	7.9%
▪Interest Expense	(\$1,762)	(\$1,811)	(\$2,005)	13.8%	10.7%
Net Interest Income	\$2,565	\$3,061	\$3,250	26.7%	6.2%
▪Net Fees & Commissions	\$500	\$573	\$442	-11.6%	-22.9%
▪Trading Income	\$180	\$192	\$197	9.4%	2.6%
▪Other Operating Income / (Expense) ⁽¹⁾	(\$303)	(\$210)	(\$164)	-45.9%	-22.1%
Non Interest Income	\$377	\$555	\$475	26.0%	-14.4%
Total Revenues	\$2,942	\$3,616	\$3,725	26.6%	3.0%
▪Allowance for Loan Losses	(\$325)	(\$182)	(\$98)	-69.8%	-46.2%
▪Operating Expenses ⁽¹⁾	(\$1,424)	(\$1,696)	(\$1,631)	14.5%	-3.8%
▪Equity in income of unconsolidated subsidiaries	\$0	(\$1)	\$0		-100.0%
Income Before Taxes	\$1,193	\$1,737	\$1,996	67.3%	14.9%
▪Taxes	(\$248)	(\$188)	(\$470)	89.5%	150.0%
Net Income	\$945	\$1,549	\$1,526	61.5%	-1.5%
▪Effective Tax Rate	20.79%	10.82%	23.55%		

⁽¹⁾ To facilitate the comparison, we have adjusted 1Q21 and 4Q21 figures with IPAB's fee reclassification.

▶ Balance Sheet

Ps\$ MM				Var.	
	1Q21	4Q21	1Q22	Y o Y	Q o Q
▪Cash & Cash Equivalents	32,316	21,461	20,525	-36.5%	-4.4%
▪Investment in Securities	10,100	9,127	9,168	-9.2%	0.4%
▪Cash & Investments	\$42,416	\$30,588	\$29,693	-30.0%	-2.9%
▪Performing Loan Portfolio Stage 1	199,761	197,782	196,298	-1.7%	-0.8%
▪Performing Loan Portfolio Stage 2			2,571	ABS	ABS
▪Non-performing Loan Portfolio	2,135	2,178	2,313	8.3%	6.2%
▪Gross Loan Portfolio	\$201,896	\$199,960	\$201,182	-0.4%	0.6%
▪Loan Loss Provisions	(4,427)	(4,589)	(4,681)	5.7%	2.0%
Net Loan Portfolio	\$197,469	\$195,371	\$195,889	-0.8%	0.3%
▪Repos	22,553	36,281	43,258	91.8%	19.2%
▪Other Assets	14,117	13,287	17,291	22.5%	30.1%
Total Assets	\$276,555	\$275,527	\$286,131	3.5%	3.8%
▪Demand Deposits	87,571	87,699	95,980	9.6%	9.4%
▪Time Deposits	90,169	97,138	95,629	6.1%	-1.6%
▪Notes	3,005	0	0	-100.0%	
Total Deposits	\$180,745	\$184,837	\$191,609	6.0%	3.7%
▪Repos	7,231	5,841	6,163	-14.8%	5.5%
Funding Including Repos	\$187,976	\$190,678	\$197,772	5.2%	3.7%
▪Interbank Loans *	44,949	40,171	38,402	-14.6%	-4.4%
▪Other Liabilities	7,518	6,748	10,436	38.8%	54.7%
Total Liabilities	\$240,443	\$237,597	\$246,610	2.6%	3.8%
Shareholder's Equity	\$36,112	\$37,930	\$39,521	9.4%	4.2%

* Mostly development banks.