



Second Quarter 2022

Conference Call Presentation

July | 2022

Executive Summary	
▶ Relevant Results 2Q22 vs. 2Q21	3
Clients' Engagement	4
Digital Transformation- KPI's	5
Loan Portfolio and Deposits Growth	6
Sound Asset Quality and Outstanding Risk Profile	7
Cost of Funding and Liquidity	8
Net Interest Margin	9
Revenues' Performance	10
Efficiency Ratio	11
Extraordinary Dividend Payment 2022	12
Capital Adequacy Ratio	13
Guidance	14

▶ Executive Summary

RELEVANT RESULTS	2Q22 vs. 2Q21	
▪ Net Income	<i>growth</i>	69.3 %
▪ Revenues ⁽¹⁾	<i>growth</i>	32.0 %
▪ NII	<i>growth</i>	39.6 %
▪ ROAE	▲	19.0 %
▪ ROAA	▲	2.5 %
▪ NIM	▲	5.3 %
▪ Efficiency Ratio	▼	39.8 %
▪ Total Loan Portfolio	<i>growth</i>	3.5 %
▪ Company Loans Portfolio	<i>growth</i>	5.5 %
▪ Total Deposits	<i>growth</i>	7.6 %
▪ NPL Ratio	▲	1.2 %
▪ Coverage Ratio	▼	187.5 %
▪ ICAP [*]	▼	16.7 %

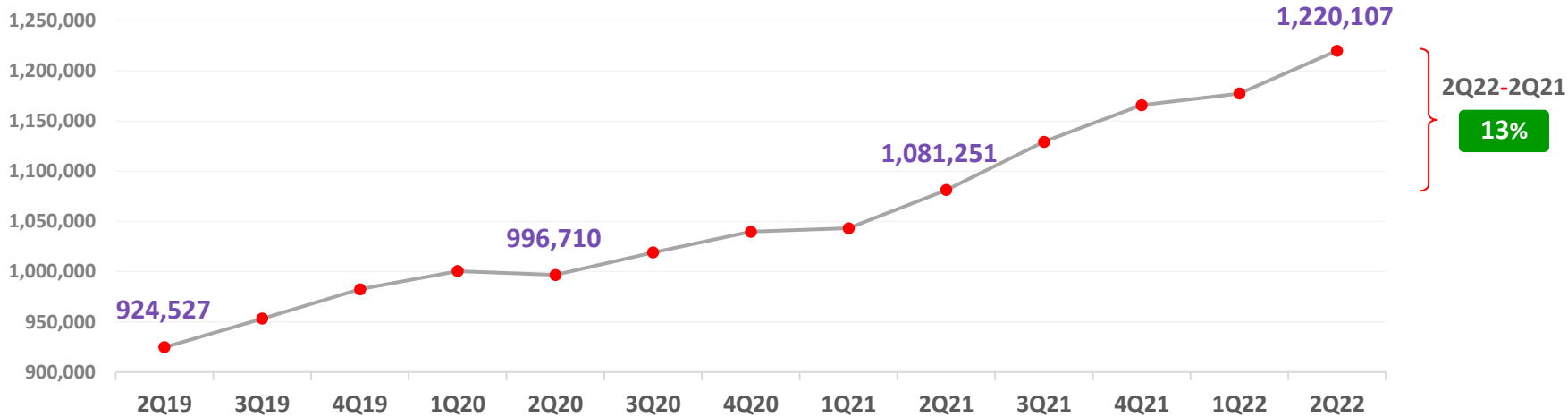
⁽¹⁾ To facilitate the comparison, we have adjusted 2Q21 figures with IPAB's fee reclassification.

^{*} ICAP June 2022 preliminary

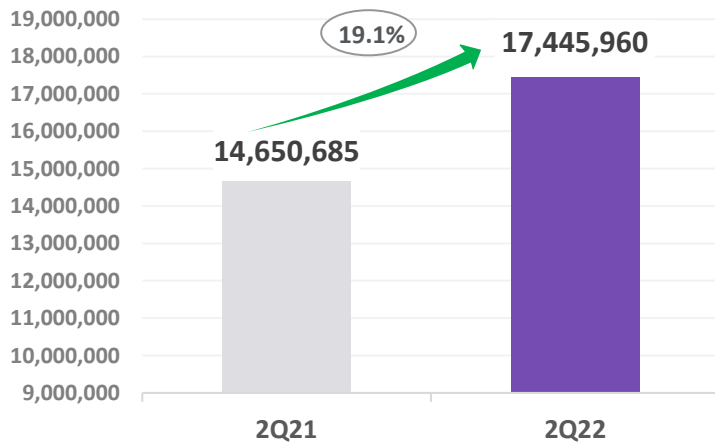
▶ Clients' Engagement

▼ Total Clients

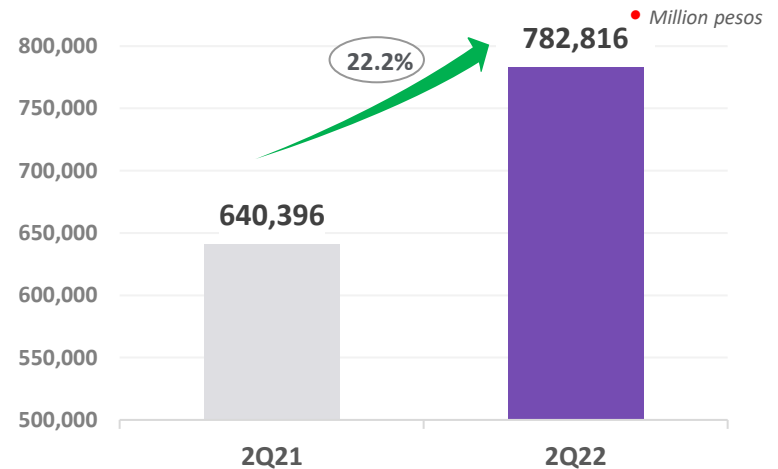
*CAGR 2019 - Sep 2022: **10%**



▼ Total Transactions



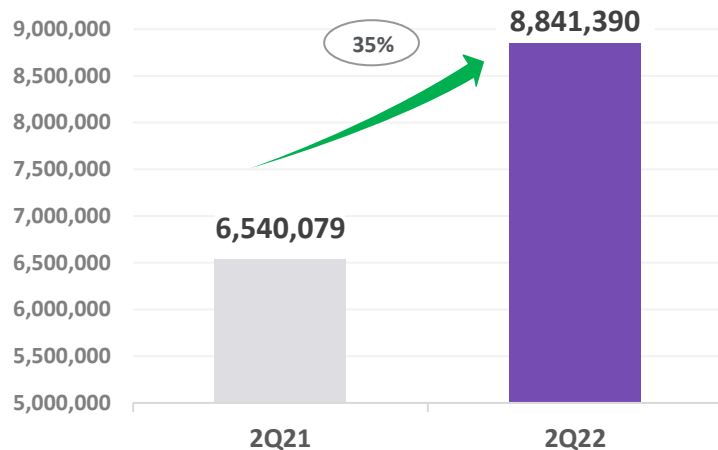
▼ Transactions Amount



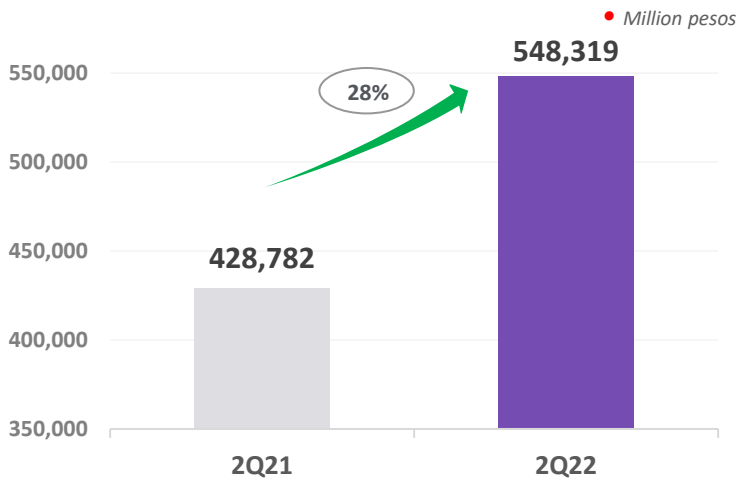
* CAGR = Compound Annual Growth Rate

▶ Digital Transformation- KPI's

▼ Total Digital Channel Transactions



▼ Transactions Amount



▼ Digital Transactions at BanBajío 2Q22

As of **June 2022**, approximately **72%** 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 **36.2% Y/Y**. We highlight the **growth of individual of 53.7%**.

Mobile

Transactions in the **mobile channel** got an astonishing **growth of 59.5%**. **Transactions from individual** through this channel **grew by 47.6%**. In terms of **money volume**, the **growth was 47.2%**.

Total

Total number of transactions registered an **increase of 35.2%** and **the amount of transactions a 27.9%**.

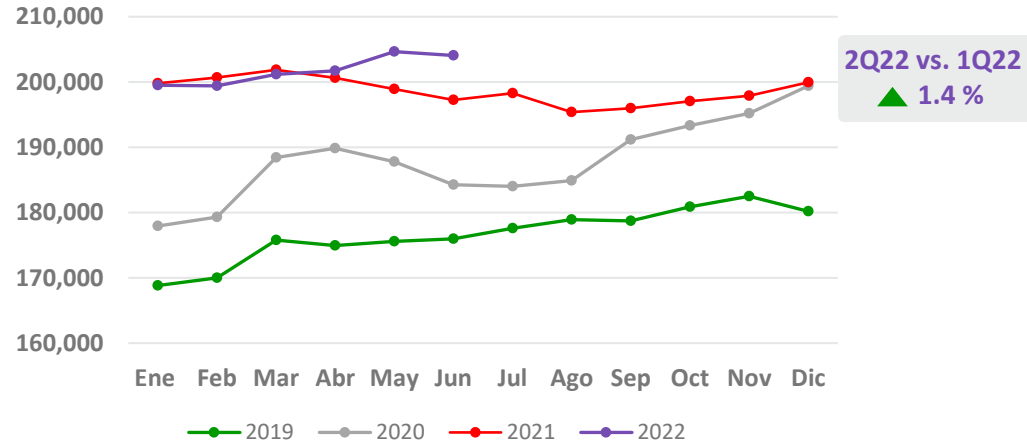
▶ Loan Portfolio and Deposits Growth

- Total Loan Portfolio stood at \$204.1 bn, a growth of 3.5% YoY in 2Q22.
- Company Loans, which represents our core business, increased 5.5 %.

	Y o Y	Yield	
		2Q21	2Q22
Company Loans*	5.5 %	7.53 %	9.61 %
Government	-1.0 %		
Financial Institutions	-17.2 %		208 b.p.
Consumer	16.3 %		
Mortgage	-10.5 %		

▼ Total Loan Portfolio | Million Pesos

CAGR '19 -'2Q22: 5.3% System⁽¹⁾ 3.4%

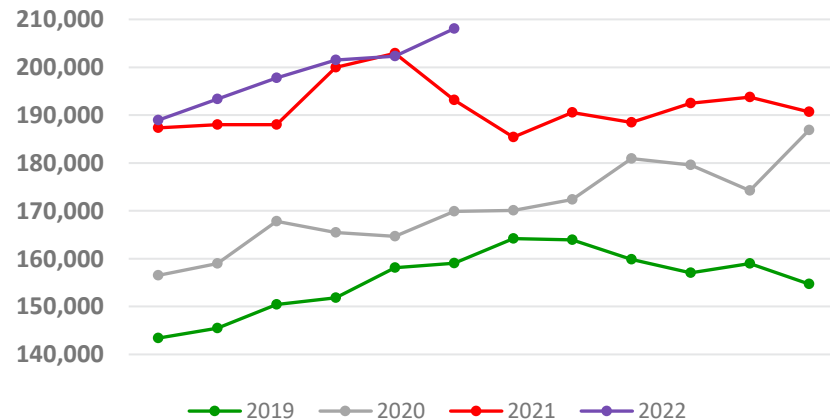


- Total Deposits (TD) grew 7.6%, reaching \$201.0 billion in 2Q22 YoY.

	Y o Y	Cost		
		2Q21	2Q22	
TD {	Demand Deposits	12.6 %	3.08%	3.91 %
	Time Deposits	2.7 %		
	Repos	11.4 %		83 b.p.
	Interbank Loans**	-6.6 %		
TIIE average:		2Q21 4.30 %	} 278 b.p.	
		2Q22 7.07 %		

▼ Total Deposits⁽²⁾ | Million Pesos

CAGR '19 -'2Q22: 11.1% System⁽¹⁾ 4.1%



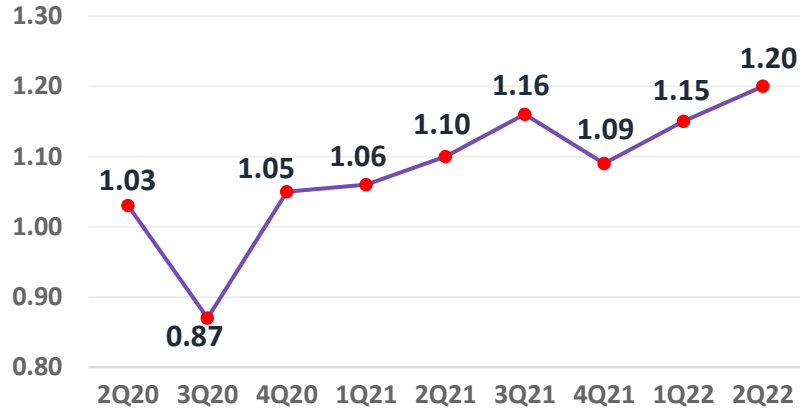
* Includes Corporates and SMEs

** Mostly development banks.

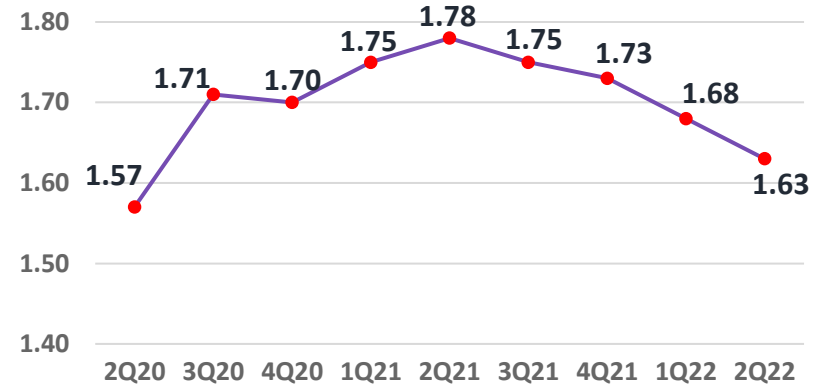
▶ Sound Asset Quality and Outstanding Risk Profile

▼ **NPL Ratio** | %

May 22: System 2.41%

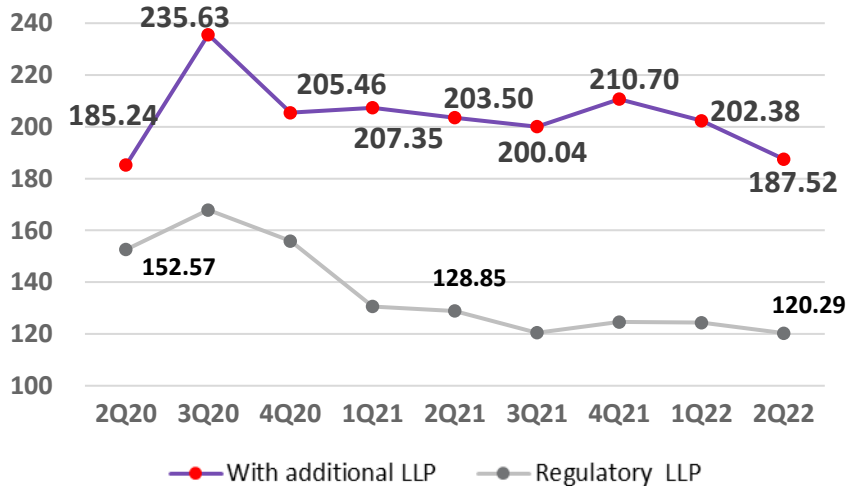


▼ **NPL Ratio adjusted** | %



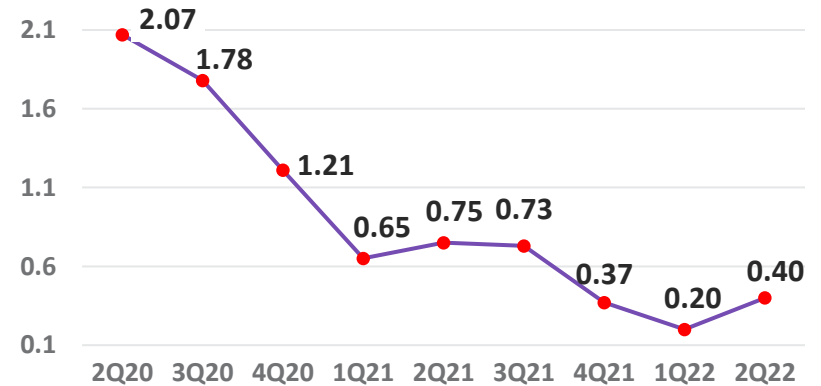
▼ **Coverage Ratio** | %

May 22: System 140.23%



▼ **Cost of Risk** | %

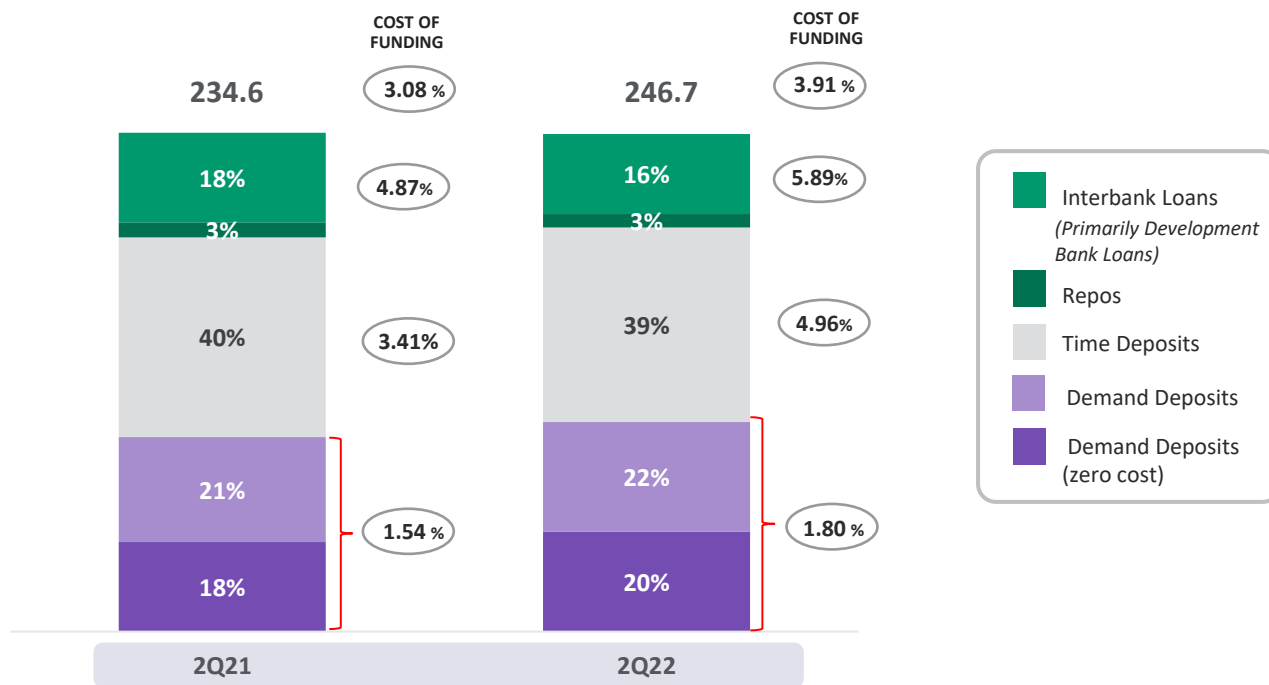
Apr-May 22: System 1.78%



▶ Cost of Funding and Liquidity

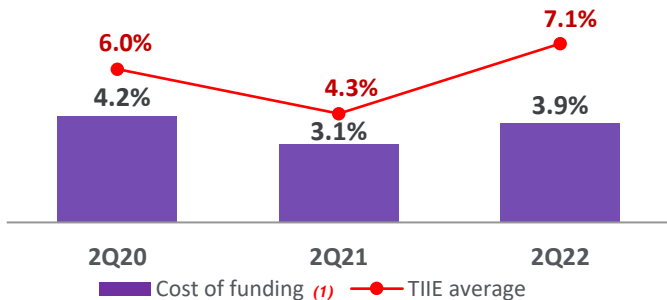
▪ Funding Breakdown | Ps\$ Bn

ZERO-COST DEMAND DEPOSITS grew 19.6%, bolstered by the growth in **CUENTA CONECTA** of 20.7% YoY.

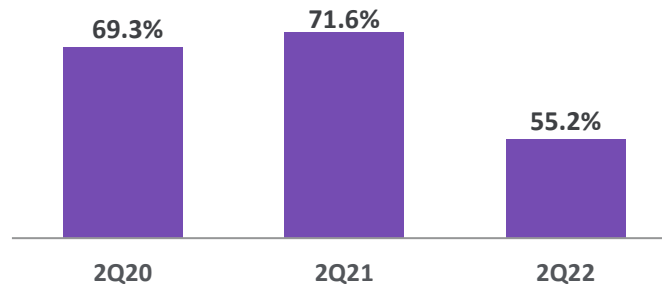


- Interbank Loans (Primarily Development Bank Loans)
- Repos
- Time Deposits
- Demand Deposits
- Demand Deposits (zero cost)

▼ Cost of Funding



▼ Cost of Funding as of % of TIE

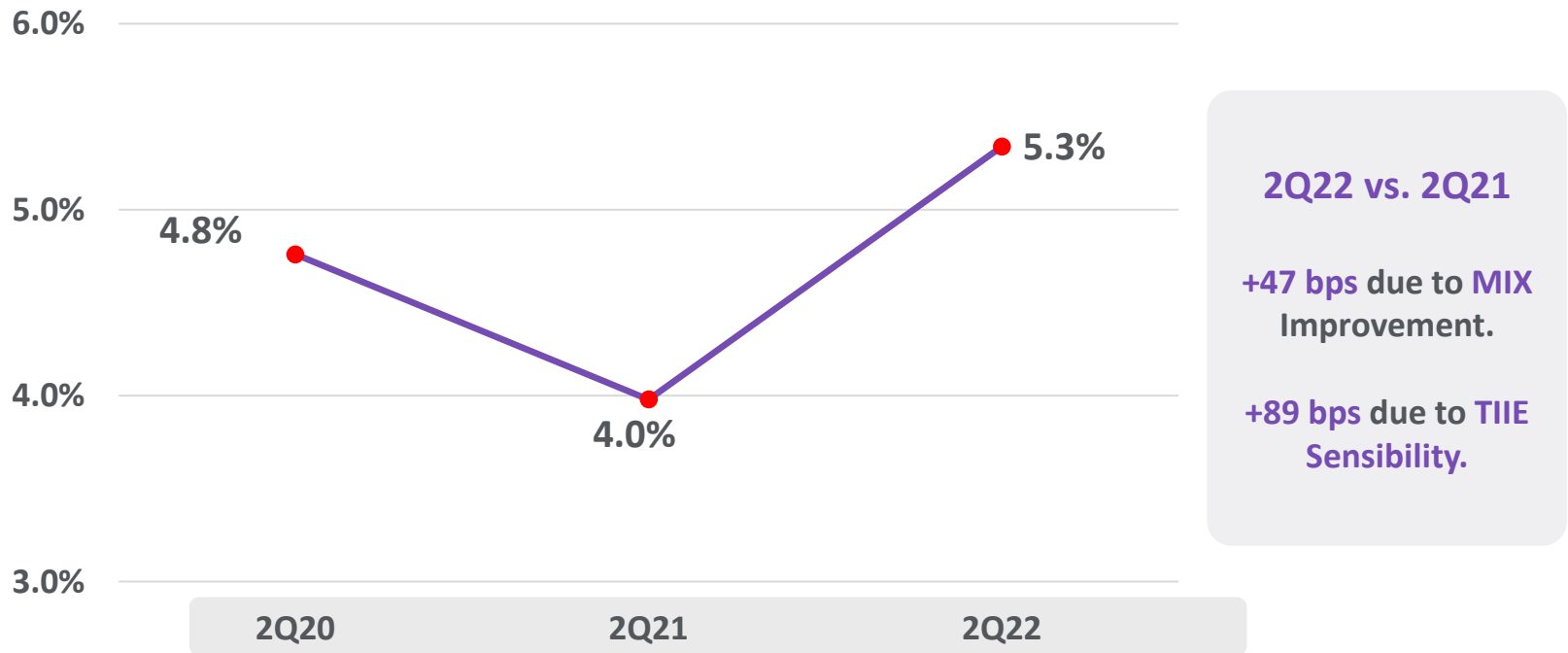


Notes:

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

▶ Net Interest Margin

- **NIM expanded 136bps in 2Q22 YoY**, as a result of better funding mix and higher interest rates.

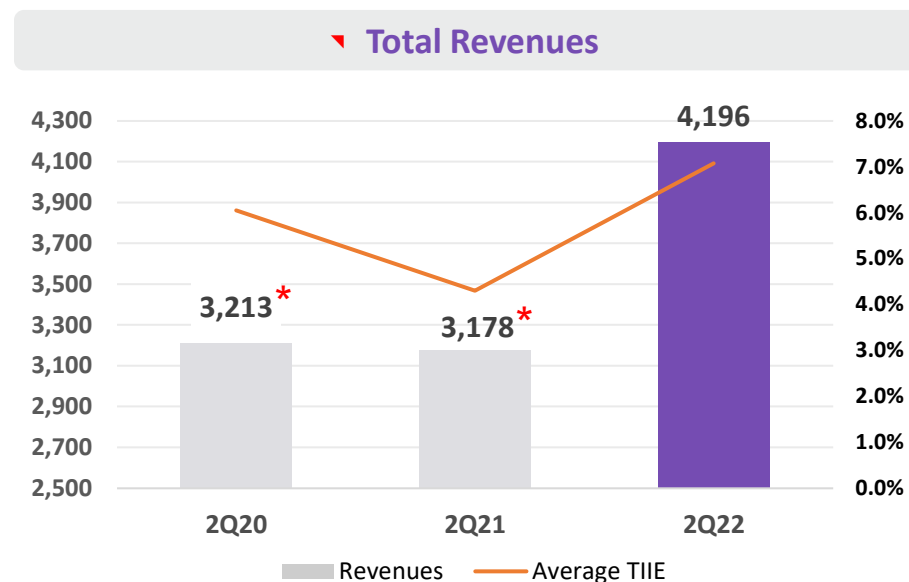


- As of June, NIM sensitivity is 34 bps for each 100 basis points of change in the TIIE rate, equivalent to 940 million pesos of Revenues and 590 million pesos of Net Income for a full year.

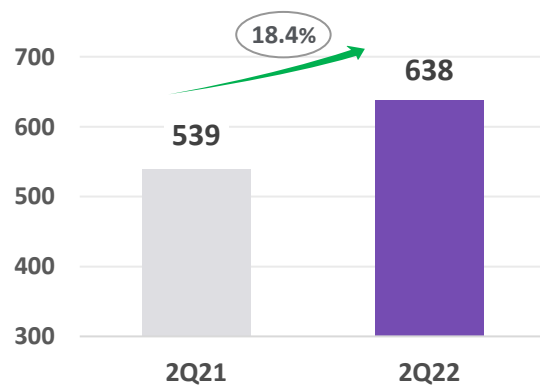
▶ Revenues' Performance

• Million Pesos

- **Revenues** increased **32.0% YoY** in **2Q22**, 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 **17.9%**, **POS and Interchanges Fees** growing by **30.9%** and **Trust** growing by **13.7%**
- In **Trading Income** the largest component, which is **FX Trading Income**, is growing by **25.3%**



▼ **Non Interest Income Proforma**



	2Q21	2Q22	Var. YoY	IFRS Effects 2Q22
▪ Net Interest Income	2,639	3,685	39.6 %	11
▪ Non Interest Income*	539	511	-5.2 %	(127)
▪ <i>Net Fees & Commissions</i>	527	466	-11.6 %	(130)
▪ <i>Trading Income</i>	219	221	0.9 %	3
▪ <i>Other Operating Income*</i>	(207)	(176)	-15.0 %	
TOTAL REVENUES	3,178	4,196	32.0 %	(116)

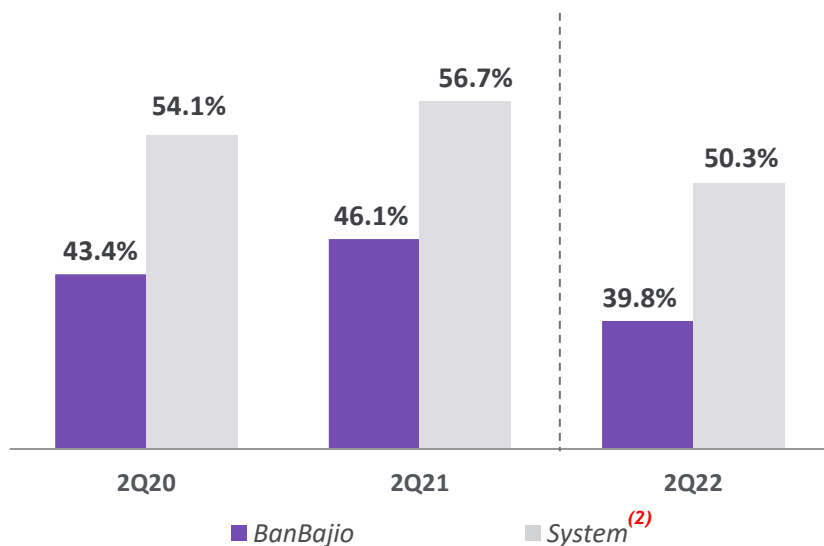
* Figures before 2Q22 account for IPAB Fee reclassification.

▶ Efficiency Ratio

- **Efficiency Ratio** for 2Q22 stood at **39.8%**, System **50.3%**.

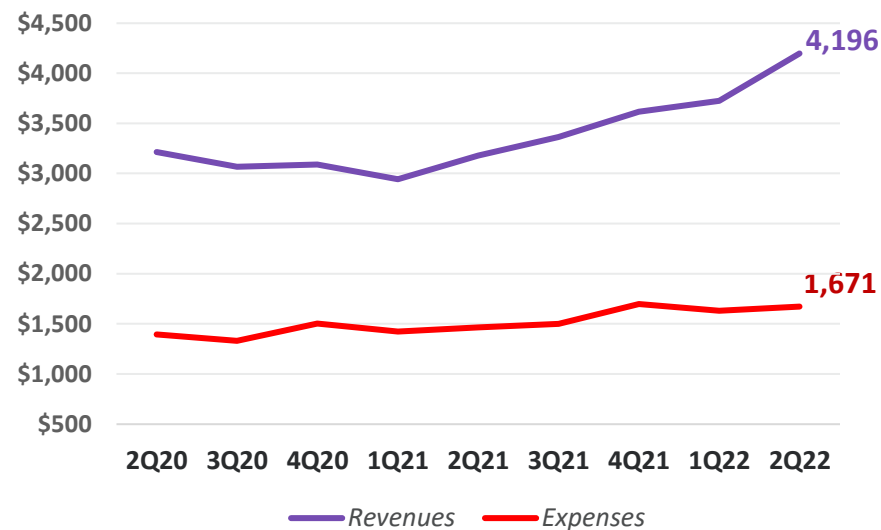
▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses*

Ps\$ MM | Quarterly



Source: Company information

Notes:

⁽¹⁾ Total Revenues (excluding Loan Loss Provisions), as reported.

⁽²⁾ System last available information for the April and May 2022 period.

* Figures before 2Q22 account for IPAB Fee reclassification.

▶ Extraordinary Dividend Payment 2022

- Today, our **Board of Directors** approved the proposal of an **extraordinary cash dividend** to be submitted to the **Shareholders' Meeting**, to be carried out in **August 22, 2022**.
- **The amount** to distribute is **\$4,600,000,000**, **payment** will take place during **August 30 of 2022**.

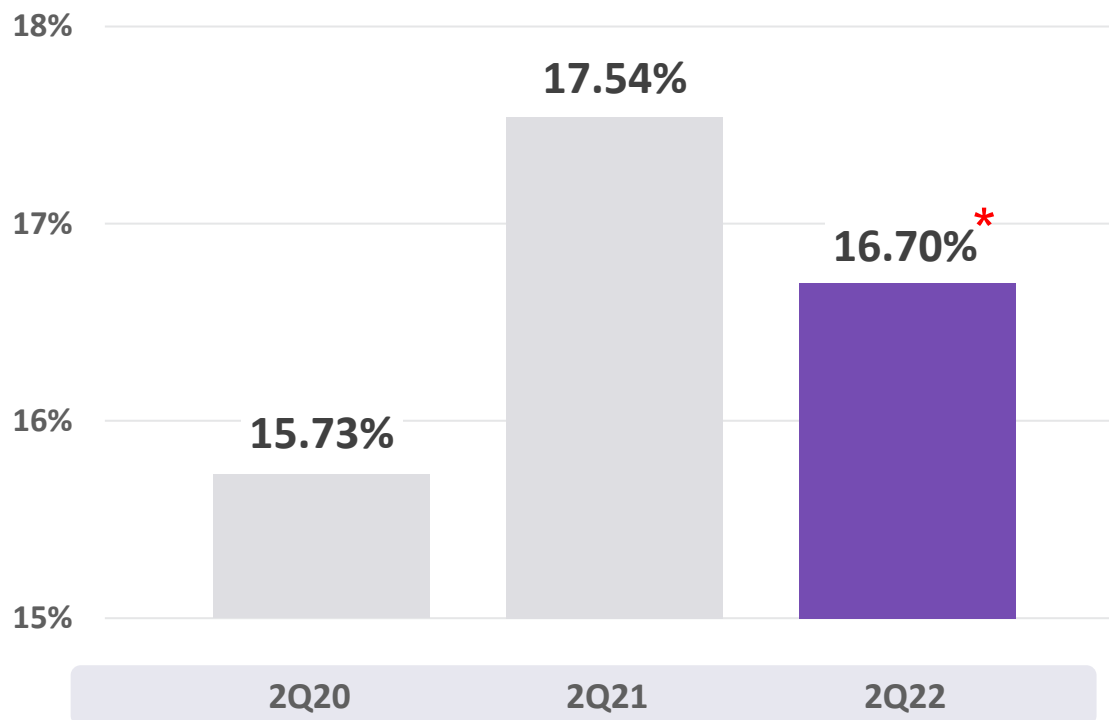
	2022 Extraordinary
▪ Amount to distribute	4,600,000,000
▪ Outstanding shares	1,189,931,687
▪ Dividend per share	3.87
▪ Dividend yield	8.5%

- The **Total Dividend Yield** accounting for the **two payments** of **2022** is **16.6%** computed with the average share price YTD.

* Computed with the price of July 25, 2022.

▶ Capital Adequacy Ratio

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



Right after the **extraordinary dividend payment**, the **ICAP Ratio** will be **14.7%**. However, we expect to **end the year** above **15.3%**.

* ICAP June 2022 preliminary.

▶ Guidance

Assumptions: GDP Growth **1.5% -2.0%**, Average Monetary Policy Rate of **7.67%** (before 7.02%), Inflation Rate **7.5%- 8.5%**.

	2022 Original	2022 Revised April	2022 Revised July	
▪ Loan Growth	6% - 8%	4% - 6%	4% - 6%	≡
▪ Deposits Growth	8% - 10%	6% - 8%	6% - 8%	≡
▪ NIM	5.0%	5.4%	5.7%	✓
▪ Net Interest Income Growth	24.0% - 25.0%	30.0% - 32.0%	35.0% - 42.0%	✓
▪ Total Revenues	22.7% - 24.0%	24.0% - 26.0%	30.0% - 34.0%	✓
▪ Expenses Growth	12% - 13%	10% - 12%	15.0% - 17.5%	✗
▪ Efficiency	Below 47%	Below 42%	Below 41%	✓
▪ Cost of Risk	0.5% - 0.7%	0.4% - 0.5%	0.4% - 0.5%	≡
▪ Net Income (Million Pesos)	\$5,950 - \$6,300	\$6,500 - \$6,700	\$7,000 - \$7,300	✓
▪ ROAE	15.0% - 16.5%	17.0% - 17.5%	19.0% - 20.0%	✓
▪ ROAA	2.0% - 2.2%	2.3%	2.5%	✓
▪ NPL Ratio	Below 1.5%	Below 1.5%	Below 1.5%	≡
▪ Coverage Ratio	Above 150%	Above 150%	Above 150%	≡
▪ Capitalization Ratio	Above 16.0%	Above 16.0%	Above 15.0%	✓

▶ Income Statement

Ps\$ MM				Var.	
	2Q21	1Q22	2Q22	Y o Y	Q o Q
▪ Interest Income	\$4,437	\$5,255	\$6,043	36.2%	15.0%
▪ Interest Expense	(\$1,798)	(\$2,005)	(\$2,358)	31.1%	17.6%
Net Interest Income	\$2,639	\$3,250	\$3,685	39.6%	13.4%
▪ Net Fees & Commissions	\$527	\$442	\$466	-11.6%	5.4%
▪ Trading Income	\$219	\$197	\$221	0.9%	12.2%
▪ Other Operating Income / (Expense) ⁽¹⁾	(\$207)	(\$164)	(\$176)	-15.0%	7.3%
Non Interest Income	\$539	\$475	\$511	-5.2%	7.6%
Total Revenues	\$3,178	\$3,725	\$4,196	32.0%	12.6%
▪ Allowance for Loan Losses	(\$375)	(\$98)	(\$204)	-45.6%	108.2%
▪ Operating Expenses ⁽¹⁾	(\$1,464)	(\$1,631)	(\$1,671)	14.1%	2.5%
▪ Equity in income of unconsolidated subsidiaries	\$0	(\$0)	(\$1)		
Income Before Taxes	\$1,339	\$1,996	\$2,320	73.3%	16.2%
▪ Taxes	(\$269)	(\$470)	(\$509)	89.2%	8.3%
Net Income	\$1,070	\$1,526	\$1,811	69.3%	18.7%
▪ Effective Tax Rate	20.09%	23.55%	21.94%		

⁽¹⁾ To facilitate the comparison, we have adjusted 2Q21 figures with IPAB's fee reclassification.

▶ Income Statement

Ps\$ MM	Var.		
	6M 21	6M 22	Y o Y
▪ Interest Income	\$8,764	\$11,298	28.9%
▪ Interest Expense	(3,560)	(4,363)	22.6%
Net Interest Income	\$5,204	\$6,935	33.3%
▪ Net Fees & Commissions	1,027	908	-11.6%
▪ Trading Income	399	418	4.8%
▪ Other Operating Income / (Expense) ⁽¹⁾	(510)	(340)	-33.3%
Non Interest Income	\$916	\$986	7.6%
Total Revenues	\$6,120	\$7,921	29.4%
▪ Allowance for Loan Losses	(700)	(302)	-56.9%
▪ Operating Expenses ⁽¹⁾	(2,888)	(3,302)	14.3%
▪ Equity in income of unconsolidated subsidiaries	0	(1)	
Income Before Tax	\$2,532	\$4,316	70.5%
▪ Tax	(517)	(979)	89.4%
Net Income	\$2,015	\$3,337	65.6%
▪ Effective Tax Rate	20.42 %	22.68 %	

⁽¹⁾ To facilitate the comparison, we have adjusted 6M21 figures with IPAB's fee reclassification.

▶ Balance Sheet

Ps\$ MM				Var.	
	2Q21	1Q22	2Q22	Y o Y	Q o Q
▪ Cash & Cash Equivalents	29,067	20,525	22,390	-23.0%	9.1%
▪ Investment in Securities	9,334	9,168	8,745	-6.3%	-4.6%
▪ Cash & Investments	\$38,401	\$29,693	\$31,135	-18.9%	4.9%
▪ Performing Loan Portfolio Stage 1	195,110	196,298	198,980	2.0%	1.4%
▪ Performing Loan Portfolio Stage 2		2,571	2,662		3.5%
▪ Non-performing Loan Portfolio	2,170	2,313	2,451	12.9%	6.0%
▪ Gross Loan Portfolio	\$197,280	\$201,182	\$204,093	3.5%	1.4%
▪ Loan Loss Provisions	(4,416)	(4,681)	(4,596)	4.1%	-1.8%
▪ Deferred Accounts		(612)	(672)		9.8%
Net Loan Portfolio	\$192,864	\$195,889	\$198,825	3.1%	1.5%
▪ Repos	32,224	43,258	47,460	47.3%	9.7%
▪ Other Assets	11,910	17,291	20,521	72.3%	18.7%
Total Assets	\$275,399	\$286,131	\$297,941	8.2%	4.1%
▪ Demand Deposits	92,949	95,980	104,649	12.6%	9.0%
▪ Time Deposits	93,889	95,629	96,379	2.7%	0.8%
Total Deposits	\$186,838	\$191,609	\$201,028	7.6%	4.9%
▪ Repos	6,324	6,163	7,045	11.4%	14.3%
Funding Including Repos	\$193,162	\$197,772	\$208,073	7.7%	5.2%
▪ Interbank Loans *	41,400	38,402	38,666	-6.6%	0.7%
▪ Other Liabilities	5,874	10,436	14,511	147.0%	39.0%
Total Liabilities	\$240,436	\$246,610	\$261,250	8.7%	5.9%
Shareholder's Equity	\$34,963	\$39,521	\$36,691	4.9%	-7.2%

* Mostly development banks.