



# Third Quarter 2022

## Conference Call Presentation

October | 2022

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## RELEVANT RESULTS

3Q22 vs. 3Q21

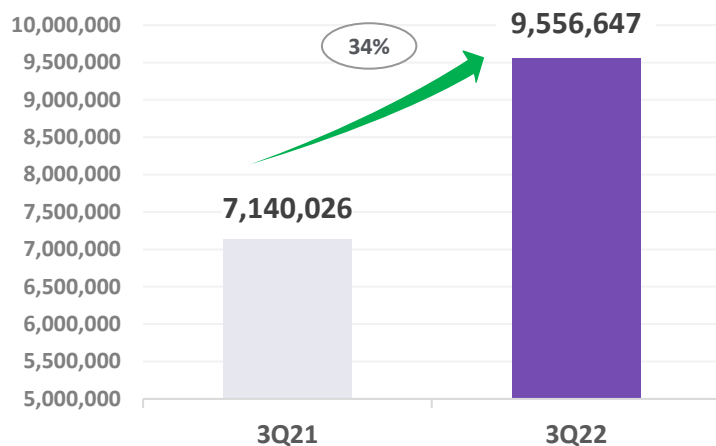
▪ Net Income	<i>growth</i>	<b>68.7 %</b>
▪ Revenues <sup>(1)</sup>	<i>growth</i>	<b>42.4 %</b>
▪ NII	<i>growth</i>	<b>50.6 %</b>
▪ ROAE	▲	<b>23.8 %</b>
▪ ROAA	▲	<b>2.8 %</b>
▪ NIM	▲	<b>6.1 %</b>
▪ Efficiency Ratio	▼	<b>37.2 %</b>
▪ Total Loan Portfolio	<i>growth</i>	<b>8.0 %</b>
▪ Company Loans Portfolio	<i>growth</i>	<b>8.7 %</b>
▪ Total Deposits	<i>growth</i>	<b>10.2 %</b>
▪ NPL Ratio	=	<b>1.2 %</b>
▪ Coverage Ratio	▼	<b>183.5 %</b>
▪ ICAP *		<b>14.8 %</b>

<sup>(1)</sup> To facilitate the comparison, we have adjusted 3Q21 figures with IPAB's fee reclassification.

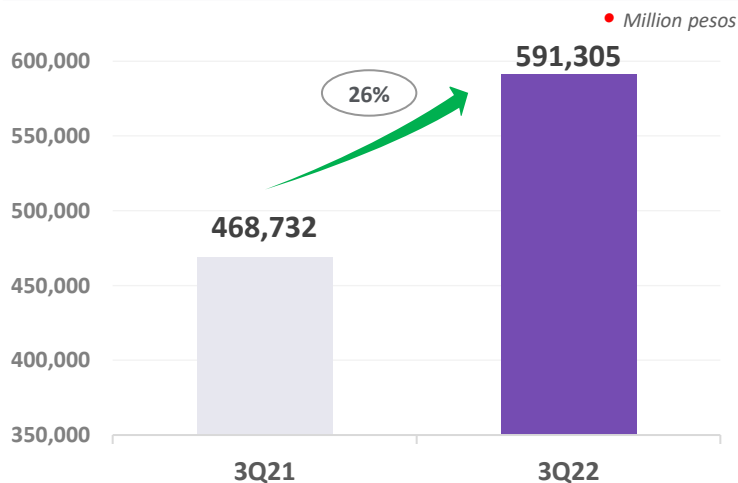
\* ICAP September 2022 preliminary

# ► Digital Transformation- KPI's

## ▼ Total Digital Channel Transactions



## ▼ Transactions Amount



## ▼ Digital Transactions at BanBajío 3Q22

As of **September 2022**, approximately **73%** 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 **30.3% Y/Y**. We highlight the **growth of individual** of **43.0%**.

### Mobile

Transactions in the **mobile channel** had an important **growth** of **51.8%**:

- Companies are increasing the **number of transactions** by **233.0%** as a result of new functionalities on **Bajionet Empresas app**.
- **Transactions from individual** through this channel **grew by 38.8%**.

### Total

**Total number of transactions** registered an **increase** of **33.8%** and the **amount of transactions** a **26.1%**.

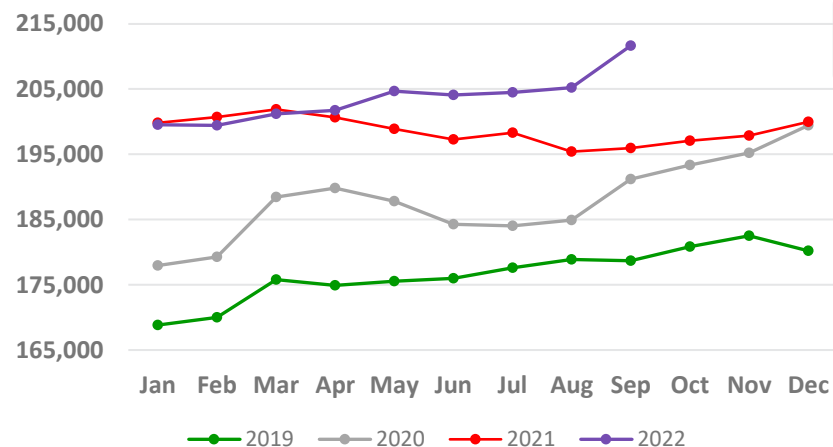
# ▶ Loan Portfolio and Deposits Growth

- **Total Loan Portfolio** stood at \$211.7 bn, a growth of 8.0% YoY in 3Q22.
- **Company Loans**, which represents our **core business**, increased 8.7 %.

	Y o Y	Yield	
		3Q21	3Q22
Company Loans*	8.7 %	7.85 %	10.77%
Government	6.4 %		
Financial Institutions	5.9 %	292 b.p.	
Consumer	29.4 %		
Mortgage	-10.4 %		

## ▼ Total Loan Portfolio | Million Pesos

CAGR '19 -'3Q22: 6.0% System<sup>(1)</sup> 3.8%

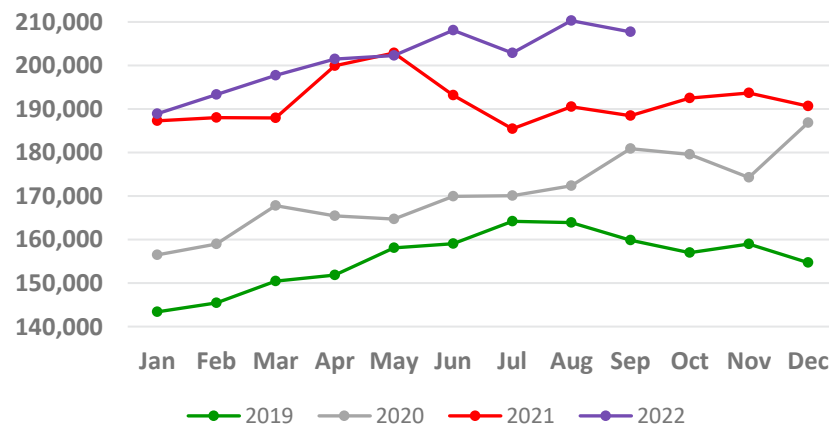


- **Total Deposits (TD)** grew 10.2%, reaching \$201.0 billion in 3Q22 YoY.

	Y o Y	Cost	
TD {	Demand Deposits	15.5 %	3Q21 3Q22
	Time Deposits	5.4 %	2.89% 4.51%
	Repos	10.6 %	162 b.p.
	Interbank Loans**	10.5 %	
TD average:		3Q21 4.64 %	384 b.p.
		3Q22 8.48 %	

## ▼ Total Deposits<sup>(2)</sup> | Million Pesos

CAGR '19 -'3Q22: 10.3% System<sup>(1)</sup> 4.2%



\* Includes Corporates and SMEs

\*\* Mostly development banks.

1. Total Banca Multiple consolidated figures Aug 22.

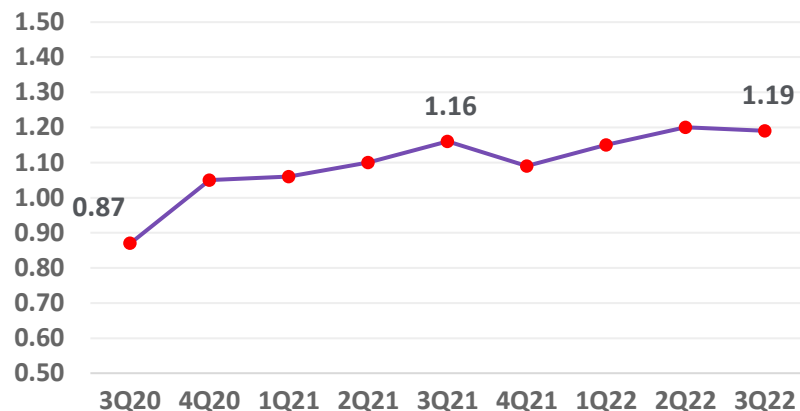
2. Includes Repos.



# ▶ Sound Asset Quality and Outstanding Risk Profile

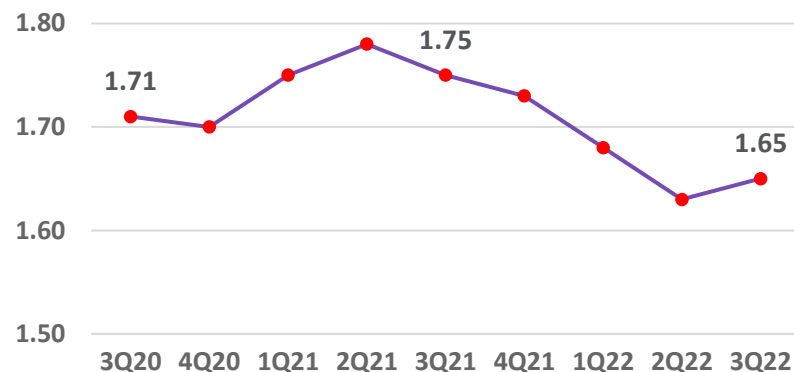
## ▼ NPL Ratio | %

Aug 22: System 2.22%



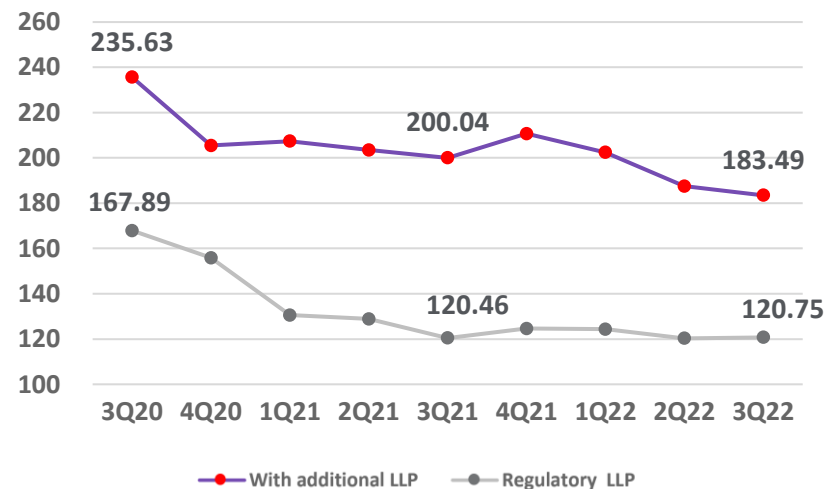
## ▼ NPL Ratio adjusted | %

Aug 22: System 3.88% \*



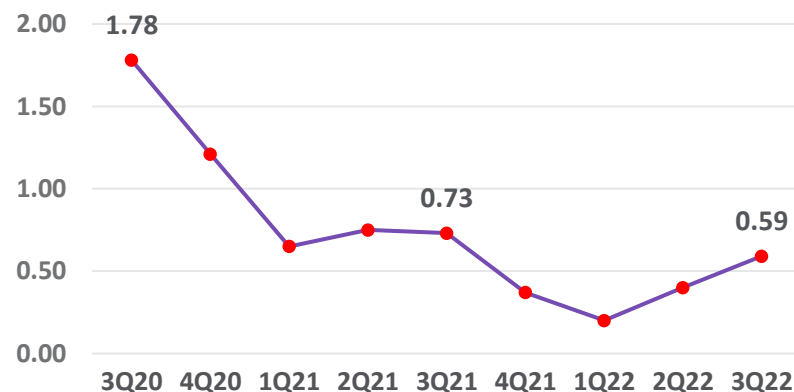
## ▼ Coverage Ratio | %

Aug 22: System 148.50%



## ▼ Cost of Risk | %

Jul-Aug 22: System 1.83%

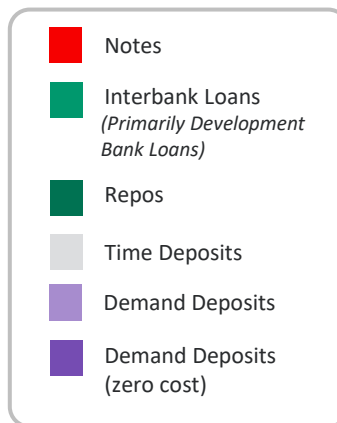
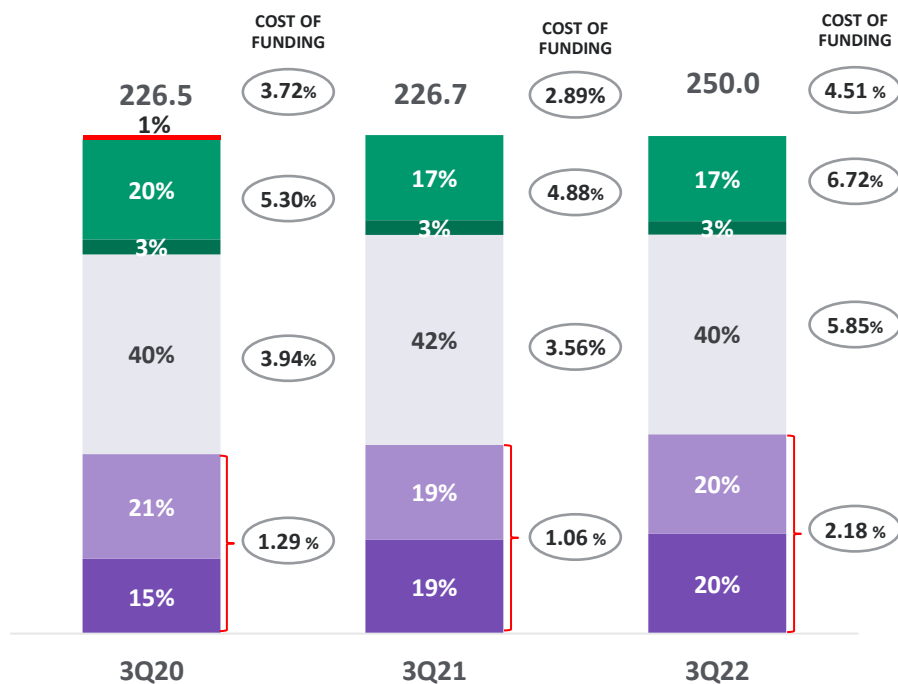


\* CNBV, Total Banca Multiple not consolidated figures.

# ► Cost of Funding and Liquidity

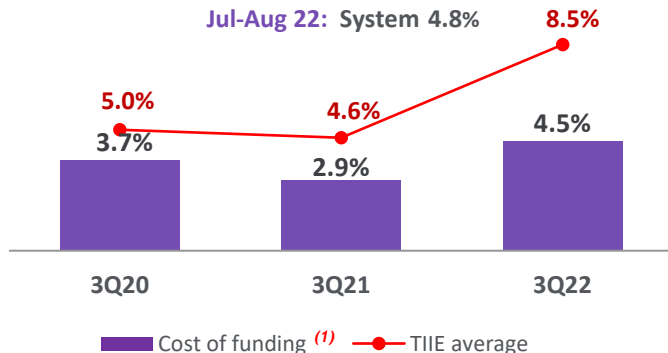
## ■ Funding Breakdown | Ps\$ Bn

**ZERO-COST  
DEMAND DEPOSITS**  
grew **14.1%**,  
bolstered by the  
growth in  
**CUENTA CONECTA**  
of **14.6% YoY**

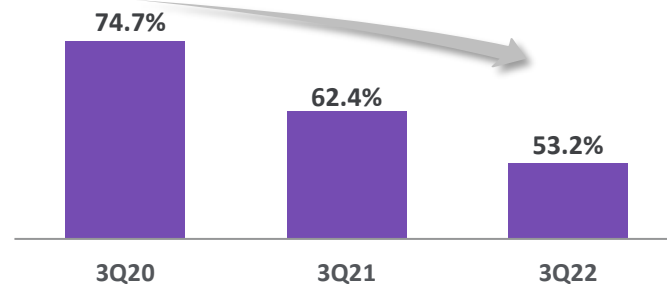


### ▼ Cost of Funding

Jul-Aug 22: System 4.8%



### ▼ Cost of Funding as of % of TIIE



#### Notes:

**1.** Quarterly interest expense annualized, divided by average total funding (deposits, interbank loans, and repos; we have only included these funding sources for the system for comparison purposes)

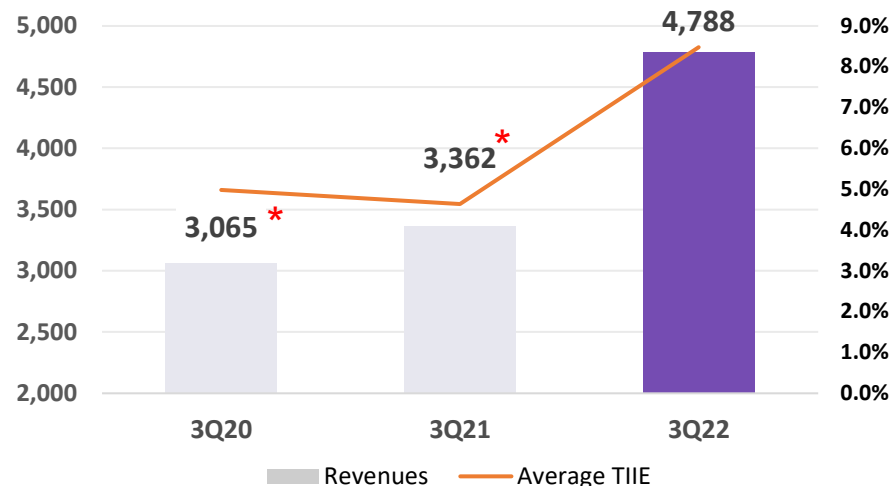
\* System last available information for the July and August 2022 period.

# ► Revenues' Performance

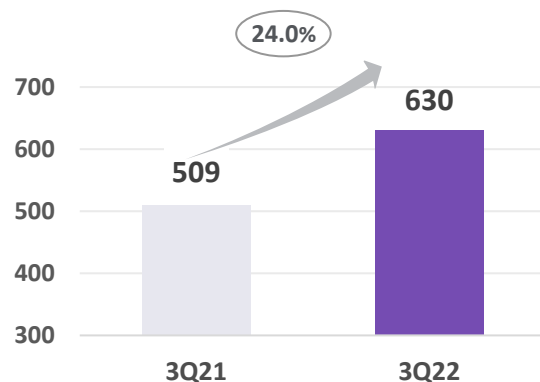
• Million Pesos

- **Revenues** increased **42.4% YoY** in **3Q22**, adjusted by IPAB Fee reclassification
- For **Net Fees & Commissions**, which are affected by the accounting deferral, we would like to highlight the performance of:  
**POS and Interchanges Fees** growing by **29.9%**, and **Trust** growing by **14.8%**
- In **Trading Income** the largest component, which is **FX Trading Income**, is growing by **31.4%**

## ▼ Total Revenues



## ▼ Non Interest Income Proforma



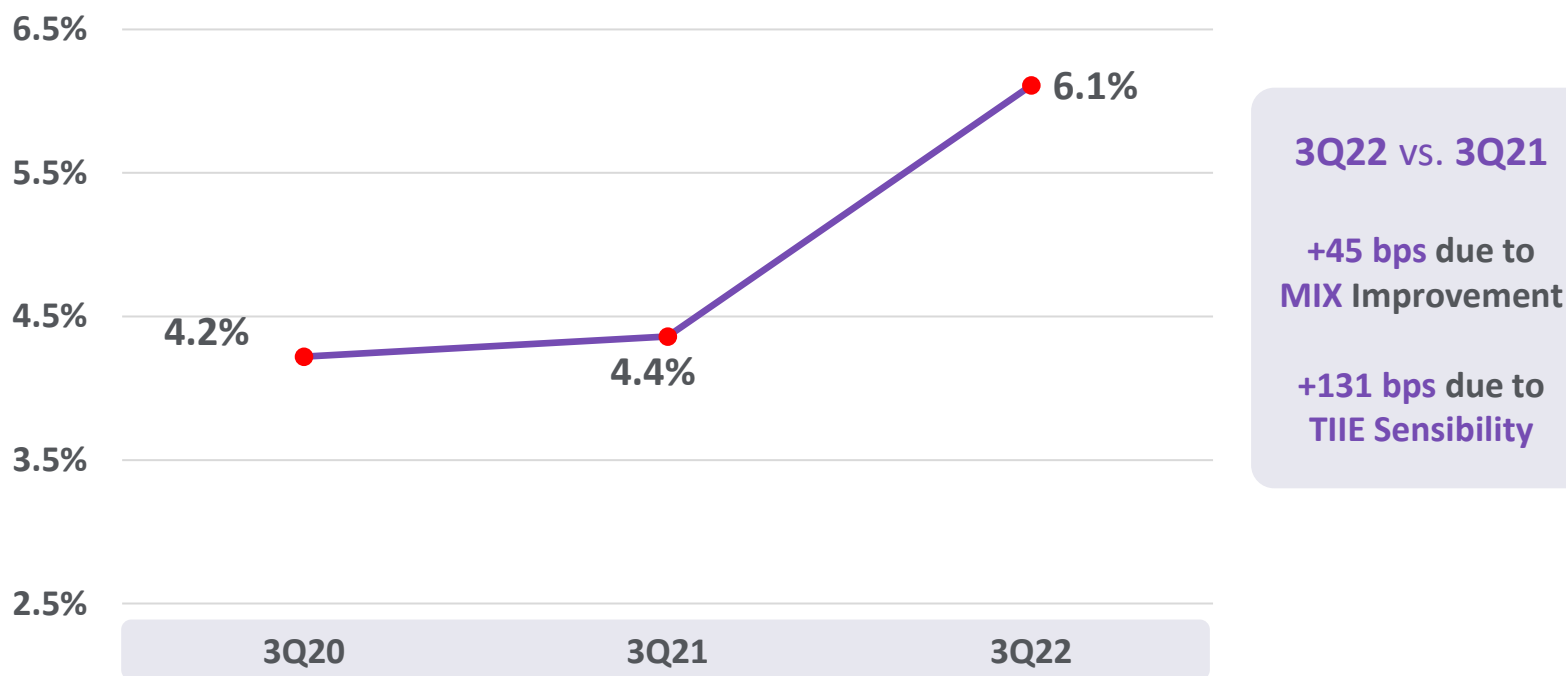
	3Q21	3Q22	Var. YoY	IFRS Effects 3Q22
▪ Net Interest Income	2,853	4,297	50.6 %	29
▪ Non Interest Income*	509	491	-3.6 %	(139)
▪ Net Fees & Commissions	535	507	-5.2 %	(138)
▪ Trading Income	160	201	25.6 %	(1)
▪ Other Operating Income*	(186)	(217)	16.9 %	
<b>TOTAL REVENUES</b>	<b>3,362</b>	<b>4,788</b>	<b>42.4 %</b>	<b>(110)</b>

\* Figures before 3Q22 account for IPAB's fee reclassification.



## ► Net Interest Margin

- **NIM expanded 176bps in 3Q22 YoY**, as a result of better funding mix and higher interest rates.



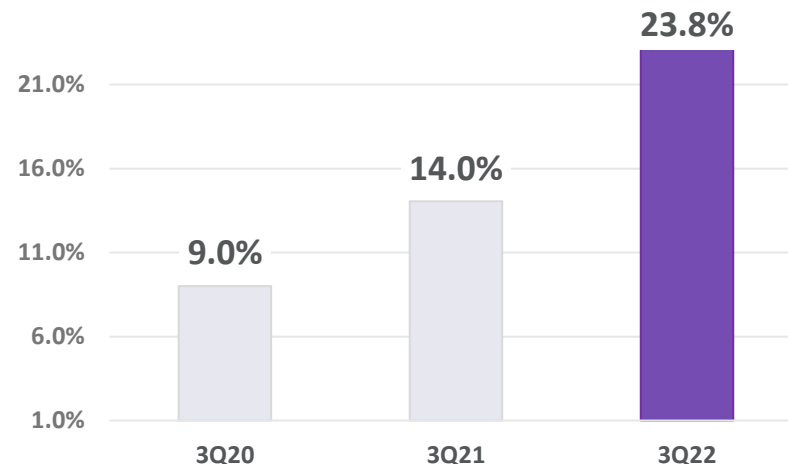
- As of September, **NIM sensitivity** is **32 bps** for each 100 basis points of change in the TIIE rate, equivalent to **880 million pesos of Revenues** and **554 million pesos of Net Income** for a full year.

## ► Strong Results boosted Returns and EPS

- **3Q22** annualized **ROAE** and **ROAA** were **23.8%** and **2.8%** respectively.
- **3Q22 EPS** stood at Ps. 1.77, **68.8%** higher than 3Q21, the **Earnings Yield** was **15.5%**.

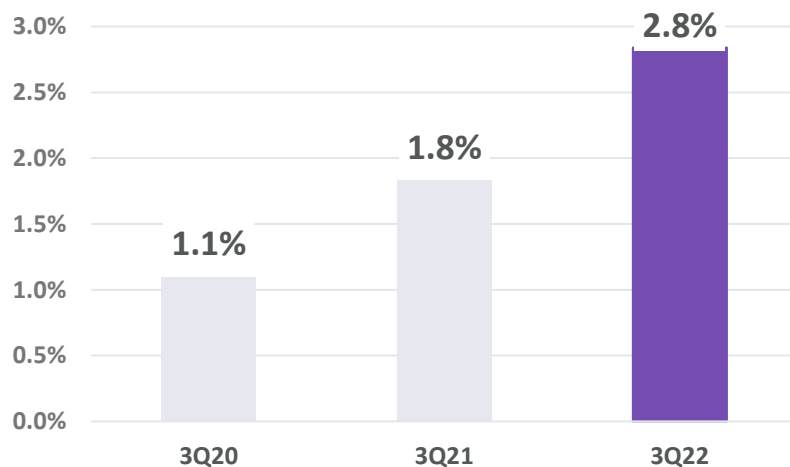
### ▼ ROAE

• Annualized quarter



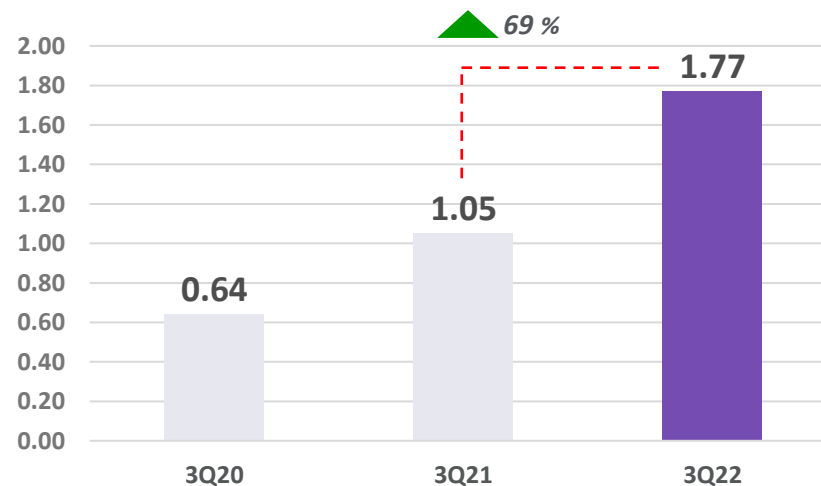
### ▼ ROAA

• Annualized quarter



### ▼ EPS

• Pesos

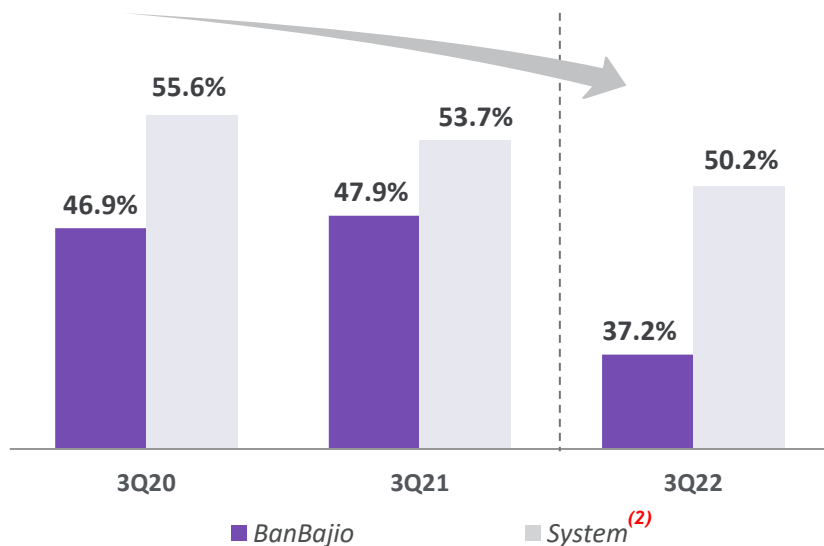


# ► Efficiency Ratio

- **Efficiency Ratio** for 3Q22 stood at **37.2%**, System **50.2%**

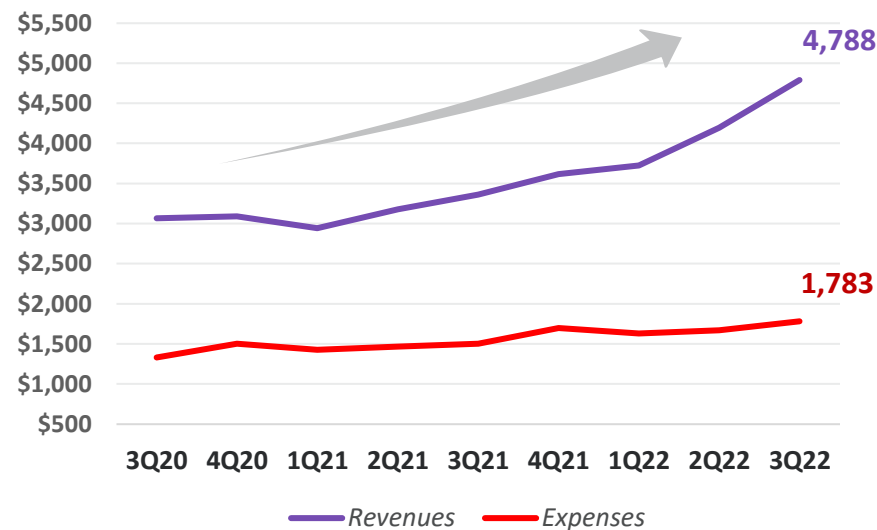
## ▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues <sup>(1)</sup> | %



## ▼ Total Revenues and Expenses\*

Ps\$ MM | Quarterly



Source: Company information

### Notes:

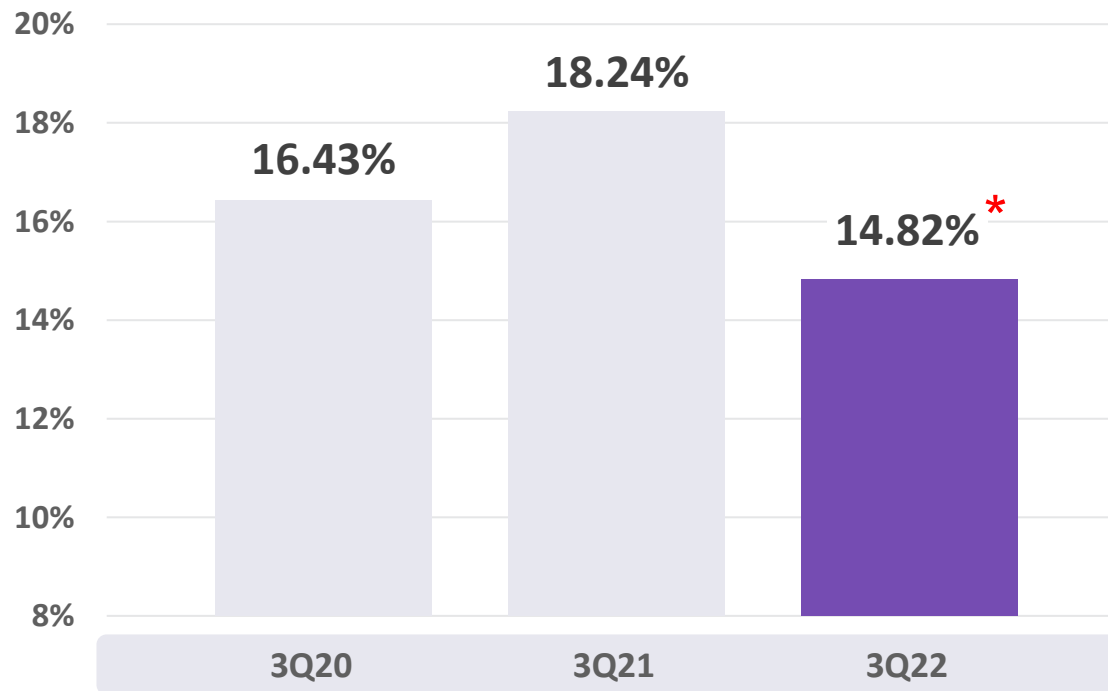
<sup>(1)</sup> **Total Revenues** (excluding Loan Loss Provisions), as reported.

<sup>(2)</sup> System last available information for the July and August 2022 period.

\* Figures before 3Q22 account for IPAB's fee reclassification.

## ► Capital Adequacy Ratio

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



By **September-end** the **Capitalization Ratio** stood at **14.82%**.

A decrease **QoQ** as a result of:

- 1) The **Dividend payment**, and
- 2) **Strong portfolio growth**.

\* ICAP September 2022 preliminary.

## ► Guidance Update

	2022 Revised July	2022 Revised October	
▪ Loan Growth	4% - 6%	<b>6% - 8%</b>	✓
▪ Deposits Growth	6% - 8%	<b>8% - 10%</b>	✓
▪ NIM	5.7%	<b>5.9%</b>	✓
▪ Net Interest Income Growth	35.0% - 42.0%	<b>44.0% - 45.0%</b>	✓
▪ Total Revenues	30.0% - 34.0%	<b>37.0% - 39.0%</b>	✓
▪ Expenses Growth	15.0% - 17.5%	<b>17.0% - 18.0%</b>	✗
▪ Efficiency	Below 41%	<b>Below 40%</b>	✓
▪ Cost of Risk	0.4% - 0.5%	<b>0.4% - 0.5%</b>	=
▪ Net Income (Million Pesos)	\$7,000 - \$7,300	<b>\$7,700 - \$7,850</b>	✓
▪ ROAE	19.0% - 20.0%	<b>20.0% - 21.0%</b>	✓
▪ ROAA	2.5%	<b>2.7%</b>	✓
▪ NPL Ratio	Below 1.5%	<b>Below 1.5%</b>	=
▪ Coverage Ratio	Above 150%	<b>Above 150%</b>	=
▪ Capitalization Ratio	Above 15.0%	<b>Above 15.0%</b>	=

# ► Income Statement

Ps\$ MM				Var.	
	3Q21	2Q22	3Q22	Y o Y	Q o Q
▪ Interest Income	\$4,520	\$6,043	\$7,139	57.9%	18.1%
▪ Interest Expense	(1,667)	(2,358)	(2,842)	70.5%	20.5%
<b>Net Interest Income</b>	<b>\$2,853</b>	<b>\$3,685</b>	<b>\$4,297</b>	<b>50.6%</b>	<b>16.6%</b>
▪ Net Fees & Commissions	535	466	507	-5.2%	8.8%
▪ Trading Income	160	221	201	25.6%	-9.0%
▪ Other Operating Income / (Expense) <sup>(1)</sup>	(186)	(176)	(217)	16.7%	23.3%
<b>Non Interest Income</b>	<b>\$509</b>	<b>\$511</b>	<b>\$491</b>	<b>-3.5%</b>	<b>-3.9%</b>
<b>Total Revenues</b>	<b>\$3,362</b>	<b>\$4,196</b>	<b>\$4,788</b>	<b>42.4%</b>	<b>14.1%</b>
▪ Allowance for Loan Losses	(361)	(204)	(305)	-15.5%	49.5%
▪ Operating Expenses <sup>(1)</sup>	(1,500)	(1,671)	(1,783)	18.9%	6.7%
▪ Equity in income of unconsolidated subsidiaries	2	(1)	-	-100 %	-100 %
<b>Income Before Taxes</b>	<b>\$1,503</b>	<b>\$2,320</b>	<b>\$2,700</b>	<b>79.7%</b>	<b>16.4%</b>
▪ Taxes	(253)	(\$509)	(591)	133.6%	16.1%
<b>Net Income</b>	<b>\$1,250</b>	<b>\$1,811</b>	<b>\$2,109</b>	<b>68.7%</b>	<b>16.5%</b>
▪ Effective Tax Rate	16.8%	21.9%	21.9%		

<sup>(1)</sup> To facilitate the comparison, we have adjusted 3Q21 figures with IPAB's fee reclassification.



## ► Income Statement

Ps\$ MM	Var.		
	9M21	9M22	Y o Y
▪ Interest Income	\$13,284	\$18,437	38.8%
▪ Interest Expense	(5,227)	(7,205)	37.8%
<b>Net Interest Income</b>	<b>\$8,057</b>	<b>\$11,232</b>	<b>39.4%</b>
▪ Net Fees & Commissions	1,562	1,415	-9.4%
▪ Trading Income	559	619	10.7%
▪ Other Operating Income / (Expense) <sup>(1)</sup>	(34)	(557)	1,538.2%
<b>Non Interest Income</b>	<b>\$2,087</b>	<b>\$1,477</b>	<b>-29.2%</b>
<b>Total Revenues</b>	<b>\$10,144</b>	<b>\$12,709</b>	<b>25.3%</b>
▪ Allowance for Loan Losses	(1,061)	(607)	-42.8%
▪ Operating Expenses <sup>(1)</sup>	(5,050)	(5,085)	0.7%
▪ Equity in income of unconsolidated subsidiaries	2	(1)	-150.0%
<b>Income Before Taxes</b>	<b>\$4,035</b>	<b>\$7,016</b>	<b>73.9%</b>
▪ Taxes	(770)	(1,570)	103.9%
<b>Net Income</b>	<b>\$3,265</b>	<b>\$5,446</b>	<b>66.8%</b>
▪ Effective Tax Rate	19.08 %	22.38 %	

<sup>(1)</sup> To facilitate the comparison, we have adjusted 9M21 figures with IPAB's fee reclassification.

# ► Balance Sheet

Ps\$ MM	Var.				
	3Q21	2Q22	3Q22	Y o Y	Q o Q
▪ Cash & Cash Equivalents	20,346	22,390	20,208	-0.7%	-9.7%
▪ Investment in Securities	7,866	8,745	11,473	45.9%	31.2%
▪ <b>Cash &amp; Investments</b>	<b>\$28,212</b>	<b>\$31,135</b>	<b>\$31,681</b>	<b>12.3%</b>	<b>1.8%</b>
▪ Performing Loan Portfolio Stage 1	193,708	198,980	207,010	6.9%	4.0%
▪ Performing Loan Portfolio Stage 2	-	2,662	2,141		-19.6%
▪ Non-performing Loan Portfolio	2,266	2,451	2,513	10.9%	2.5%
▪ <b>Gross Loan Portfolio</b>	<b>\$195,974</b>	<b>\$204,093</b>	<b>\$211,664</b>	<b>8.0%</b>	<b>3.7%</b>
▪ Loan Loss Provisions	(4,533)	(4,596)	(4,611)	1.7%	0.3%
▪ Deferred Accounts	-	(672)	(782)		16.6%
<b>Net Loan Portfolio</b>	<b>\$191,441</b>	<b>\$198,825</b>	<b>\$206,271</b>	<b>7.7%</b>	<b>3.7%</b>
▪ Repos	36,365	47,460	41,211	13.3%	-13.2%
▪ Other Assets	15,436	20,521	16,622	7.7%	-19.0%
<b>Total Assets</b>	<b>\$271,454</b>	<b>\$297,941</b>	<b>\$295,785</b>	<b>9.0%</b>	<b>-0.7%</b>
▪ Demand Deposits	87,103	104,649	100,606	15.5%	-3.9%
▪ Time Deposits	95,259	96,379	100,413	5.4%	4.2%
<b>Total Deposits</b>	<b>\$182,362</b>	<b>\$201,028</b>	<b>\$201,019</b>	<b>10.2%</b>	<b>0.00%</b>
▪ Repos	6,099	7,045	6,745	10.6%	-4.3%
<b>Funding Including Repos</b>	<b>\$188,461</b>	<b>\$208,073</b>	<b>\$207,764</b>	<b>10.2%</b>	<b>-0.1%</b>
▪ Interbank Loans*	38,264	38,666	42,285	10.5%	9.4%
▪ Other Liabilities	8,464	14,511	11,516	36.1%	-20.6%
<b>Total Liabilities</b>	<b>\$235,189</b>	<b>\$261,250</b>	<b>\$261,565</b>	<b>11.2%</b>	<b>0.1%</b>
<b>Shareholder's Equity</b>	<b>\$36,265</b>	<b>\$36,691</b>	<b>\$34,220</b>	<b>-5.6%</b>	<b>-6.7%</b>

\* Mostly development banks.